

# Broadband Internet could give rural residents access to jobs

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Four days a week, J.T. Burnett dons headphones and types at her computer for hours.

It would be the perfect stay-at-home job - transcribing medical records via the Internet - if she could do it at home.

At her house, five miles outside the San Augustine city limits, Burnett cannot receive the high-speed connection necessary for her work, so she rents a storefront east of the town square, where a broadband Internet connection reaches.

"It's a profession a lot of people are interested in and want to get started," Burnett said from her workshop, which also houses her candle making and dog grooming businesses. "There is so much you could do with the Internet."

Some small towns see promise in the Internet's ability to help them compete with urban areas for jobs, improve long-distance education and create opportunities for high-tech medical treatments in remote areas. But high-speed connections rarely reach beyond the city limits and into rural residents' homes.

"That's just such a downfall," Burnett, 32, said. "Because that's who could really use the Internet."

Most rural homes cannot receive cable television or Internet services, and DSL - a digital subscriber line that Burnett uses - rarely extends far outside of city limits. Network connections available to those in more remote areas are limited to satellite, which can cost \$60 to \$350 a month, according to a leading supplier's Web site and traditional dial-up service, which is too slow to work many of the Web's newest programs.

"As we move to a society that is far more intent on sharing both video and audio information, dial-up connections are just too slow," said Sharon Strover, department chair of the department of radio, television and film at the University of Texas. Striver also co-authored a study on rural counties who received broadband Internet.

Aside from finding ways to work from home, the rural population has used the Internet for long-distance education and health services, a concept called telemedicine. Farmers in the Midwest have used wireless broadband connections in ways urban dwellers never conceived - monitoring crop irrigation systems.

A study by Connected Nation, a non-profit broadband lobbying group, estimates that 173,000 jobs could be created in Texas alone by extending high-speed connections across the state.

However, economists are more conservative. A study by a Columbia University business professor estimates job creation nationwide could reach 273,000 jobs, as rural workers could take telecommuting jobs. Many of these jobs may be relocated from urban areas, increasing unemployment elsewhere.

The Internet contributes also to outsourcing, and with a high-speed network at their disposal, some rural employers may choose to send work out of the country.

Improving rural economies via the Internet may not happen quickly, said Lamar University Small Business Development Center director Dave Mulcahy. Generating business online can be expensive, and the current pool of entrepreneurs in Southeast Texas has not been as comfortable with the Internet as younger generations of business owners, such as Burnett, he said.

"It's not there yet, but it's getting there," Mulcahy said. "When this next generation becomes business owners, it will. It could be 10 years, five years or less."

Extending service

Only 38 percent of rural homes have broadband connections, according to a study by the Pew Research Center's Internet and the American Life project. In contrast, 57 percent of urban homes do, as well as 60 percent of suburban homes.

The U.S. Department of Agriculture's Rural Utilities Service and President Obama's administration tout broadband Internet - high speed, high capacity connections - as the top infrastructure need of the new century, comparing it to electricity and telephone service in the 1930s, when rural areas lagged far behind cities.

"I think it has that same transformative power that electricity and the telephone did," said Strover.

However, as with electricity and the telephone, many rural residents see no need for the Internet. According to a Pew survey, 8 percent of all adults do not want the Internet.

"A lot of people didn't want electricity and telephone service in the 1920s and 1930s until they experienced it and invested in other things, such as refrigerators, then they realized how much better and easier life could be," Strover said.

"We all get into our ruts and think this is fine and good enough, but when we are shown another way, which is enriching, we can be pretty quick converts."

In San Augustine, and most small East Texas towns in rural counties, users who want to access DSL - which, at \$31 a month is one of the more affordable options - must be within three miles of the company's central office in the town, according to Mike Barger, a spokesman for AT&T, which serves several Southeast Texas communities.

Similar to electric and telephone service in the 1930s, connecting high-speed Internet to rural areas has not been profitable for private companies. DSL service can be extended to rural areas with remote terminals, but profits diminish among sparsely populated areas. Other options include placing wireless towers, which can emit signals without laying down cables or other construction-heavy materials. However, each tower may only serve a handful of customers.

To encourage growth, a federal program administered by the U.S. Department of Agriculture's Rural Utilities Service - which began as the Rural Electrification Service in 1936 - and the Department of Commerce have been charged with connecting the countryside. In February, the program received \$7.2 billion through the stimulus package, with the goal of connecting every home with affordable connections by issuing loans or grants to either small or corporate Internet providers to expand service.

So far, no loans or grants have been awarded to Internet providers planning to extend service, according to the USDA, while the agency creates guidelines for distributing the money.

Salvation

Last year, Samye Johnson and her husband, Tom, created the Pinto Pony Cookie Factory in downtown San Augustine. After retiring from the Dallas area, they began renovating a former newspaper office Samye Johnson's father once owned and set out to start their own business.

"We chose this as our home and as a place to grow old," Samye Johnson, 65, said from her desk within the Western-style, cream-colored stucco building. "When I got here, I saw there was such wonderful potential."

She spends much of her time designing cookie tins and boxes based on East Texas history and attractions - El Camino Real, the historic road that ran through San Augustine, and the Lunker bass for anglers on Toledo Bend Reservoir and Lake Sam Rayburn nearby. Tom Johnson makes cookie after cookie, and they both greet visitors who wander in the front door.

Part owners of the Pinto Pony with Samye Johnson's brother, a former educator, they set out to form an Internet company with the goal of marketing the historic small town and region.

Tom Johnson developed his grandmother's oatmeal cookie recipe, substituting Crisco for lard and Canadian rolled oats for Quaker, and Samye Johnson, a former corporate marketing specialist, designed their Web site.

They sell several varieties out of the storefront, half a block from the town square, and in October, they launched their online marketplace, selling their oatmeal-based crisps and decorative tins as gift ideas and corporate giveaways. Samye Johnson designs packaging for companies who want to use single cookies as promotions. One resort on Toledo Bend Reservoir uses them as pillow cookies in lieu of mints.

Currently, 35 percent of their business is online, but their business model predicts much more when the nationwide economy improves.

"I really think the Internet will be the salvation of these small towns," Samye Johnson said.

She envisions cottage industries springing up to serve rural businesses' Web needs - local experts who can design online interactive marketplaces and consult with entrepreneurs.

However, throwing money at rural communities and Internet companies may not be enough to propel small communities into competition with urban centers. Residents need some education, to learn how to exploit the Web for educational and economic purposes.

"There usually are not great experts located approximate to these regions so they can help these industries and the businesses to figure out what would be best for them," Strover said, citing her recent study. "I think there is a huge potential, and the first step to getting networks out to these people at reasonable prices, that is a good first step, it's not going to be sufficient without some human capital investment as well, some people who can explain what to do."

Despite Samye Johnson's marketing experience, developing the online marketplace proved tougher than she planned.

Until more small businesses have Internet marketing experience, Samye Johnson says most can test the Internet by using eBay, the auction Web site. Some San Augustine antique dealers already use the site.

"If you have an Internet business, it opens you up to the world," she said. "It levels the playing field."

Burnett's candle-making business would not exist without its Web site, TheWaxWagon.com, she said. She wants to eventually concentrate on selling candles and grooming dogs, another side job, but in uncertain economic times, the medical transcription facet of her work life is too stable.

"From my own experience, I think if the capabilities were available to rural areas, (the Internet) could do great things," she said. "It's already done great things for our town."