

THE PROSPECTIVE

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How Big Broadband Revived Southwest Virginia

EDA's Core Mission

To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American Regions for growth and success in the worldwide economy

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At the 2008 Democratic National Convention, millions heard former Virginia Gov. Mark Warner talk about how broadband achievements and the location of large technology companies in Southwest Virginia were starting to lure talented young people back to this scenic region to pursue high-paying careers.

In partnership with local leaders and state politicians, Cumberland Plateau Planning District Commission (CPPDC) helped bring one of the most advanced telecommunications networks to the Cumberland Plateau region. Known as CPC OptiNet, the network is an extension of Bristol Virginia Utilities' award-winning fiber-optic telecommunications infrastructure, fashioned through a partnership between BVU and Cumberland

Plateau Company, a non-profit organization created almost 30 years ago to expand the capabilities of CPPDC.

In the late 1980s, the CPPDC shifted its focus to economic development, spurred by a downturn in the coal mining industry and a 14 percent unemployment rate in the region. At the time, Cumberland Plateau leaders often lamented the county's "workforce in exile" – referring to the large number of citizens, especially young people, who were departing the area in search of jobs elsewhere.

But Russell County officials dug in their heels, investing more than \$1 million in Lebanon, the Cumberland Plateau Regional Industrial Park – which eventually attracted Fortune 500 companies through the 1990s.

Still, the CPPDC noticed that fundamental ideologies related to economic development were shifting toward Technology. According to CPPDC CEO Andrew Chafin, it was becoming clear that companies around the globe were looking for sites that had advanced technology capabilities.

It was in response to this demand that Russell County purchased (continued on page 4)

another 115 acres of land in the center of Lebanon, and the CPPDC, in partnership with the County Industrial Development Authority, acquired \$1 million in grants from the **Economic Development Administration** to develop the site.

What Carr, Chafin and other area leaders learned by attending economic development conferences was that, (continued on page 4)

From the Desk of the Regional Director:

EDA Set the Standard for Customer Service in Economic Development

Customer service is something that I would like to think that every stakeholder in our region receives. As federal employees, demonstrating that customer-centric spirit on a daily basis is imperative. Whether we are serving our clients from our office or in the field, it is essential that we lead others by example. Something as “small” as returning phone calls and e-mails in a timely manner and being courteous and patient toward individuals who are not familiar with our agency and programs, can make a difference to those we have come in contact with.

Simply, remember the basic rule, treat others— especially our customers & clients— as you would like to be treated by others, in hope of passing that good spirit along!

What’s New in PRO for 2009?

Since I became the Regional Director in April 2008, I’ve shared my management philosophy with many of you. Constant improvements in customer service leads to organizational success. One manner of addressing this element is to have a dedicated staff person addressing all concerns for your respective geography. This operational function is one that I deem as a Realignment of duties for PRO Staff.

This effort was made to reflect both internal changes in our organization as well as changes in the economic development environment. In the past, EDA was structured around EDA programs (Public Works, Planning and Economic Adjustment). This worked well when our programs were less complex and there was less need for integration of program staff in the delivery of services.

Today's climate is very different. Our customers depend on the flexibility of EDA programs and the service capabilities of our staff in working towards collaborative approaches to solving economic issues in your communities. We find ourselves caught up in this new speed-based reality trying to address incessant demands for increasingly, complex economic development solutions in an organizational context that is no longer viable.

For example, a request for a planning investment, economic adjustment investment and a public works investment required three separate and distinct discussions with EDA staff, which we acknowledge was not very customer-centric and perhaps added to the stigma of federal agencies being too bureaucratic. Under our new operational structure, you will be able to speak with one individual, the Economic Development Representative or Specialist, who is assigned to your state, and who will be able to assist you with your concerns. If this individual is not available, then your next point of contact is the Area Director. The Area Director is responsible for the management of all EDA programs (except for the Revolving Loan Fund) and staff assigned to their region (North Atlantic and South Atlantic respectively). This new structure will allow the PRO to more readily serve the regional business strategies that drive the economic realities of your communities.

Some PRO employees have been elevated into leadership positions and others have transitioned into new roles to meet the new challenging demands of EDA and economic development issues that are before us today. To that end, over time, roles will evolve as the organization evolves.

The changes in duties became effective December 8, 2008. Our staff adjusts to new duties and responsibilities on our end. PRO's charge is to make this transition as smooth as possible. Remember, we are still the same group of dedicated federal employees who are striving our best to make economic development happen for you.

‘Yesterday is a cancelled check; tomorrow is a promissory note; today is the only cash you have—so spend it wisely.’ Kay Lyons

December 8, 2008. Please be patient as we strive for better capabilities on our end. PRO's charge is to Remember, we are still the same are striving our best to make eco-

CENTER FOR EMERGING ENTERPRISES IN SCIENCE AND TECHNOLOGY A SUCCESSFUL PARTNERSHIP

The US Economic Development Administration, the Autonomous Municipality of Caguas (AMC), Puerto Rico, the PR Industrial Development Company and the Economic Development Center of the University of Puerto Rico joined forces, for the construction of the Center for Emerging Enterprises in Science and Technology (CEESTECH).

Located at the West Industrial Park in Caguas, PR, the CEESTECH is composed of a two level main building of approximately 29,000 sq. ft., a support building of 2,500 sq. ft. and also a gazebo, solid waste and recycling disposal area, four loading unloading areas and 61 parking spaces. The new

installations were built in a 2 acre land lot at a total cost of \$6M financed by EDA and the AMC local government.

CEESTECH's mission is "to promote national intellectual capital and nurture companies with the potential to create regional high impact jobs and global exports". It envisions a Business Incubation Program to support and accelerate the process of start up, successful development and emerging companies by providing entrepreneurs with an array of resources and services. The main goal is to nurture successful firms that will graduate from the program financially strong with the potential to create quality jobs, revitalize neighborhoods, commercialize discoveries and

technologies and strengthen the regional economy.

The East Central Technology Initiative Corporation (INTECO by its Spanish acronym), a nonprofit entity organized under the Autonomous Municipalities Act of PR, is in charge of the management of the CEESTECH. INTECO secured a \$5 million grant under the U. S. Department of Labor Workforce Initiative for Regional Economic Development (WIRED) for the East Central Region of Puerto Rico and a planning grant from the EDA to develop a Regional Plan for Broadband Communications Infrastructure. CEESTECH will complement and benefit from these ongoing INTECO initiatives.

PRO STAFF HONORED FOR YEARS OF DEDICATED SERVICE

Two PRO team members were honored by EDA Assistant Secretary Sandy Baruah, who awarded each with a Certificate of Meritorious Service.

Tyrone Beach, Sr. Community Planner, was honored for 40 years of federal Service. Tyrone is a re-

tired Lt. Colonel of the U.S. Army and has served both EDA and the Army Corps of Engineers in various capacities.

Sanchia Gomez, Administrative Officer was also honored for her 10 years of federal service. Sanchia joined PRO in 2007 after having

spent nine years with the US Dept. of Navy.

The PRO would like to offer both Tyrone and Sanchia our sincere gratitude for their diligence and dedicated service to EDA.



TEAM PRO SPREADS HOLIDAY CHEER TO UNDERPRIVILEGED CHILDREN

Each year thousands of children across the Delaware Valley go to bed on Christmas Eve not knowing if there will be any toys under the family Christmas tree in the morning. Each year, The Salvation Army receives thousands of requests for gifts for deserving children that

might otherwise go without.

PRO staff answered this call and donated 25 toys through the Salvation Army's Angel Giving Tree program. The program allows donors to select an Angel tag representing an underprivileged child of

a selected age and gender from across Greater Philadelphia. Donors provide a toy appropriate for the age and gender on the Angel tag, to the Philadelphia Division of the Salvation Army. PRO's donations were given to underprivileged children on Christmas day.

“How Big Broadband Revived Southwest Virginia” (continued from Page 1)

Southwest Virginia was on the wrong side of the digital divide. They realized that telecommunications companies probably weren't going to make broadband investments in this rural setting because of the sparse population.

Aware that a digital telecom network costs millions of dollars, CPC approached the Philadelphia Regional Office of the **Economic Development Administration (EDA)**, to discuss the merits of a funding proposal.

The CPC was aware that Bristol Virginia Utilities (BVU) in nearby Bristol Virginia had successfully deployed a high-powered infrastructure called OptiNet in 2002. In fact, the public utility was recognized as the first municipal entity in the nation to launch the “triple play” of voice, video and data services over an all fiber-to-the-user network.

If a partnership could be carved out between BVU and CPC, the Philadelphia Regional Office would consider funding the venture.

With encouragement from U.S. Rep. Rick Boucher's office, the two entities were soon hammering out an agreement that included equal ownership of a fiber-to-the-premises infrastructure in the Cumberland Plateau district. In addition to being an equal partner, BVU would handle all operations and maintenance of the network in Russell, Tazewell, Buchanan and Dickenson counties.

The first of three grant applications to the EDA would extend BVU's fiber-optic backbone 51 miles from Abingdon through Lebanon and on to Richlands. The \$1.6 million cost was matched by \$710,660 from the Virginia Tobacco Indemnification and Community Revitalization Commission.

Phase I construction on this initial OptiNet expansion was begun in August 2004. With advanced connectivity available in Lebanon by 2005, Russell County's technology park – now called the Russell Regional Business Technology Park – was immediately a viable landing site for technology companies around the globe.

It just so happened that two high-tech data companies – CGI Inc. and Northrop Grumman Corporation – were both actively scouting for sites, which didn't go unnoticed by then Virginia Gov. Mark Warner and a host of development agencies. Ultimately, both of the data companies established major high-tech facilities in the park. The presence of advanced broadband opportunities and the site's close proximity to a major interstate and to viable labor markets were key factors in the decision-making process.

Carr credits the high level of cooperation between county and city officials for making all aspects of this high-stakes economic development effort click.

But even as CPC OptiNet's Phase I was reaping rewards, the CPPDC was moving to implement Phase II, which would extend the network another 155 miles through Tazewell, Wise, Dickenson, Lee and Buchanan counties. This time, the grants, amounting to \$7.5 million, were awarded to the Virginia Coalfield Coalition, a consortium consisting of both the CPPDC and the Lenowisco Planning District Commission.

Phase III, with \$3.1 million in funding from these same two sources, expanded the CPC OptiNet loop throughout the seven counties.

Today, CPC OptiNet extends more than 245 miles and provides digital phone and broadband services to government offices, schools and more than 200 commercial and business customers – with the capacity and potential to serve hundreds more.

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PRO WELCOMES NEW ECONOMIC DEVELOPMENT SPECIALIST

EDA is honored to welcome Robert E. Gittler to our team. Robert joined the PRO on December 8, 2008 as an Economic Development Specialist serving the state of Virginia.

A Collingswood, NJ native, Bob is a graduate of Drew University, with a B.A. in Urban Studies. He also holds an M.A. degree in Urban Planning from the University of Illinois.

Bob most recently served as a Sr.

Manager with Ben Franklin Technology Partners (BFTP) of Southeastern Pennsylvania. He managed a regional technology alliance, conducted various economic research projects, developed technology program metrics and provided technical assistance in various Commonwealth of PA initiatives. One of the initiatives in which Bob worked extensively is the Keystone Innovation Zone program.

Prior to BFTP, Bob worked for the City of Philadelphia Commerce Department, as well as in non-profit and commercial real estate advisory capacities. The PRO team extends a warm welcome to Bob Gittler.