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Providers Argue Over Best Way to Connect State

By WALT WILLIAMS

wwilliams@statejournal.com

While state leaders deliberate and debate how to connect West Virginia's rural population to the digital age, businessmen such as **Emiel Butcher** have been doing so for years.

Through his company, **3WLogic** of Buckhannon, Butcher connects customers to the Internet using wireless signals. The technology used is sort of like souped-up Wi-Fi, similar to what many people already have in their homes, only covering a far broader area.

Still, the Internet doesn't begin or end with 3WLogic. Butcher's company basically provides the on and off ramps to the information superhighway. But that highway is a toll road, so if the tolls are too high, then Butcher wouldn't be able to provide access to his customers at a reasonable price.

Critical Investment

Cost has been a major hurdle in efforts to expand high-speed broadband Internet to every possible corner of West Virginia. One out of every three homes in the state is not connected to the Internet, according to the **U.S. Census Bureau**. Half of homes don't have broadband Internet.



Martin

In recent years both state and federal leaders have been pushing for renewed investment in high-speed Internet infrastructure, calling broadband as critical to the state and national economy as good roads and a stable electrical grid.

So far the state has been hedging its bets largely on **Frontier Communications**. Frontier inherited the responsibility when it acquired **Verizon's** landline infrastructure and many of its customers in a deal that was closed in 2010.

That same year, Frontier CEO **Maggie Wilderrotter** made a promise: It was going to raise West Virginia from 47th in broadband access to the top five in just two or three years.

"We are very much along our path to provide that expanded broadband availability across the state," said **Dana Waldo**, senior vice president and general manager for the company's West Virginia operations.

But there has been a voice of opposition coming out of Bridgeport, home of the telecommunications company **Citynet**. CEO **Jim Martin** believes the state should instead be investing in an open-access "middle mile" network that local Internet providers could tap into at a fraction of the cost of a network controlled by Frontier or other large corporation.

"So here we are. We are going to continue to be at the bottom of the heap," Martin said. "We could have a chance to leapfrog over the other states."

Connecting Homes

President **Barack Obama**, in his 2011 State of the Union address, set a goal of providing broadband access to 98 percent of American households in coming years.

"This isn't about faster Internet or fewer dropped calls," he said. "It's about connecting every part of America to the digital age. ... It's about a firefighter who can download the design of a burning building onto a handheld device; a student who can take classes with a digital textbook; or a patient who can have face-to-face video chats with her doctor."

West Virginia has a long way to run before it can catch up to other states, let alone provide broadband access to nearly every household. Some 64 percent of American homes were connected to broadband Internet in 2009, according to the Census. In West Virginia, that figure was 52 percent.

The Obama administration set aside billions of dollars for expanding broadband throughout the country in the economic stimulus bill passed by **Congress** in 2009. In the first round of grants awarded that same year, West Virginia received the largest chunk of money with a \$126 million grant for connecting schools, libraries and telemedicine sites.

That money will go to Frontier, which provides Internet access to most of the sites scheduled for upgrades.

Martin, however, believes the plan will do little to expand access. Instead, he said, the money should be invested in creating an open-access middle mile network that allows equal access for all Internet providers.

Think of a middle mile network as a highway system, Martin said. Internet providers such as 3WLogic provide "last-mile" connectivity. In the highway analogy, they would be the county roads and driveways that connect to the middle mile's highway system.

The owners of middle-mile networks charge last-mile connectors the equivalent of tolls to use their highway system. Those fees are passed on to consumers. If the tolls are too high, then it makes no sense for businesses to provide broadband to certain areas because people there won't pay for the service.

Martin likened the situation to the 19th century railroad system, when a handful of companies controlled the nation's main transportation system.

"They set the price, and they say who gets on and who gets off," he said.

Martin's solution is not to pour money into companies such as Frontier — which he believes won't make its middle mile network accessible at reasonable rates — but instead to use the money to build a network that would be equally accessible to all last-mile providers.

One example he pointed to was the **Mid-Atlantic Broadband Cooperative** in Vir-

Broadband Battle



ginia. The cooperative is an independently managed network started by business leaders in the 1990s that provides an Internet infrastructure now tapped into by residents, schools and hospitals.

Funded initially by a mix of nonprofit and tobacco settlement money, the cooperative has brought in more than \$300 million in investment and 2,200 jobs, according to the organization's website.

Fulfilling a Promise

While Martin lays out his vision for a better-connected West Virginia, Frontier says it is actually making the dream a reality.

Waldo said the company plans to make good on its CEO's promise to push West Virginia up to the front of the pack among states in broadband availability.

Some 38,000 households gained access to broadband Internet through company efforts last year, he said. Another 86,000 homes may have access this year if the company meets its goals.

"We're very confident we are going to do that, and we are going to do that in a very short time frame," he said.

Frontier and Citynet officials have spent the past months trading barbs. One of the biggest complaints by Frontier officials is that Citynet, in its push for a middle-mile network, would simply duplicate work it has already done.

He also noted Citynet applied for federal funding and was rejected.

"They could have already built their middle mile if they wanted to," Waldo said.

Martin didn't find a sympathetic ear when he leveled many of his complaints last year to the **National Telecommunications and Information Administration**, which awarded the \$126 million grant.

In a letter responding to a formal complaint by Citynet, **Lawrence Strickling**, assistant secretary for communications and infrastructure in the federal **Department of Commerce**, wrote there was no evidence for Citynet's claim that state officials stretched the truth when they said the funding would be used to provide services to homes and businesses.

"Your suggestion — that NTIA single out (the state's executive office) for the purpose of imposing a greater evidentiary burden than was imposed on any other grant applicant — would be unfair, unwarranted and would service simply to increase (the state's) cost of compliance, to the detriment of the citizens of West Virginia," he wrote.

"Let me be clear: NTIA's goal is to make this project succeed in accordance with the grant terms, not to derail it," he added.

Martin said at the time the NTIA's review was " cursory at best and not conducted in a credible manner."