Steel Sharpens Steel: A Conversation About Regional Thinking For Rural America

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Acknowledgments

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In February 2015, NTCA–The Rural Broadband Association gathered three experts to discuss strategies for rural economic development. The conversation addressed technological innovation, demographic trends, and opportunities for regional collaboration among rural communities. The following is an excerpted transcript of their presentation.

**MODERATOR:** A recent article in the New York Times explored perceptions of rural students as they are thinking about college. A director of the Penn State University Center for Rural Education and Communities was quoted as saying that if you take a look at the decrease in good-paying and yet unskilled jobs in rural areas, it is not simply a question of whether to go to college, but of deciding whether you’ll probably ever go back home.

**NORMAN JACKNIS:** Obviously, there’s been a lot of bad news for rural areas over the last couple of decades, but that’s changing. If you think about what happened during the Industrial Age, before the internet came along, people moved into cities because they could share ideas with each other, they created markets for each other, they found the resources they needed to help grow their businesses—because nobody is an expert on every subject.

In a town of 2,000 or 10,000 people, you might not find the world’s greatest expert on marketing of the product that you develop, but among the 52 million people [who live in rural U.S. areas], you surely will find somebody who is really good at that, as long as you are connected with them. And with broadband and the next generation, you really will be able to have that equivalent of what happened in cities in this century.

**MICHAEL BURKE:** We are in a prime position now with the infrastructure we are deploying. The worldwide web creates a virtual environment that really is global. It doesn’t matter anymore where you are located physically.

We have a business headquartered in Palmer, Alaska, called TerraSond. They are a global business, with offices everywhere. They said they have the best connectivity in Palmer of all their locations around the world. They are transferring terabytes of data all over the place, and can do work no matter where they are because of that connectivity.

So, broadband opens all kinds of new possibilities. What matters are the types of services you have available that allow the people, the entrepreneurs, in your area to really take advantage of that.
DUSTY JOHNSON: The looks on the faces in the crowd are very much like the look on my face when I first heard about this idea of a digital salon, where people from all over the globe come and share ideas. There are times when I do not understand the allure of what you guys are talking about. I would much rather come here and look somebody eyeball to eyeball than have some virtual reality engagement.

But the bottom line is, we are not creating the new world for me. I am the guy who still sits down with breakfast with a hard-copy newspaper. I know I am a dinosaur. The question is not, how do we create a world where we feel comfortable? The question is, for the young people who are in our rural communities, and for those we want to move back, how do we create a world in which they will be productive and feel satisfied? The rural salon may seem pretty granola to me, but it is how they are living life, right?

NORMAN JACKNIS: Right. This is partly a reflection of a person's age or experience. My grandmother had long-distance telephone service; my parents did, too. But my grandmother never would use it. It wasn't a question of money, it was just that she grew up with the construct that if you wanted to say something important, you went to her doorstep.

And I think the same thing is true now for what we are talking about.

MICHAEL BURKE: I think one of the things that we are trying to create is the ability for customers to have a virtual office. We have a lot of customers who drive an hour or two to work every day and then back again, and having the ability to stay in their home and have all of those capabilities that they would have in that office environment is important. Video is one of the important elements.

If I can video chat and connect with my office that is a couple of hours away, then I can video chat and connect with just about anybody, anywhere else in the world.

DUSTY JOHNSON: I think a lot of us acknowledge the value proposition of what we are talking about, that you can have great jobs and live in rural areas, and broadband enables that. Eight or 10 years ago, that was sort of a ground-breaking idea. Now, I think we all take it as a given.

“The question is, for the young people who are in our rural communities, and for those we want to move back, how do we create a world in which they will be productive and feel satisfied?”
Part of what I think we struggle with is, how do we get them to move back, right? Even if the kids believe that they can work from anywhere, how do you get them to want to move back in that community?

And, at least for us in Mitchell, I think we have had a lot of success. And the biggest success that we have seen in the last two years has been understanding the importance of marketing Mitchell to Mitchell.

We lost a generation of farmers in this country because in the 1980s, all of the parents were telling their kids, “This is a nightmare. You’ve got to get out.” There are a lot of farmers in their 70s, and quite a few farmers in their 30s and early 40s. You just don’t get a lot of farmers in their 50s.

And one thing we cannot afford to do in rural America is to do that to our kids.

Every single day, we need to sell ourselves to ourselves.

**MODERATOR:** NTCA’s Smart Rural Community provides a vehicle for our members to focus and think about how they tell that story about themselves. It forces them to go out to their customers and find out how important they are to their customers.

How does a community begin to make that assessment, to discover its strengths, its weaknesses, its challenges, its opportunities? How do you take that first step, and then how do you move forward with it?

**DUSTY JOHNSON:** Everybody has some assets, right? If we can haul two people at random up to the stage, they are going to be good at different things. I mean, they both have worth; they’re both valuable.

And so, I think, what you need to succeed is talent and amenities. And if you do not have the amenities, frankly, it’s hard to get the talent. And the communities that give up and quit trying to draw that talent back, and those communities that quit trying to invest in amenities, those are the communities that are going to struggle. So, for me, selling Mitchell to Mitchell has been about continuing to invest in that community, continuing to have great broadband, and continuing to tell our story.

I was talking to somebody in a small town in Wyoming, and he said that they were nervous about bringing robotics and coding classes into their high school because they were nervous that these kids were going to learn these great robotics and coding skills, and then they were going to go get some great job somewhere else.
That may be true. If you train 30 kids in world-class robotics techniques at a rural Wyoming high school, you are going to have a lot of them move away and never come back. But if you get one of those brilliant kids to become an entrepreneur and come back and create 12 or 15 or 50 or 100 jobs, then that’s like winning the lottery.

NORMAN JACKNIS: And then, some of the other kids come back.

MICHAEL BURKE: MTA actually did that. We went out to the Mat-Su School District, and we partnered with them to create something that is called the MTA Coding Academy. In one of the middle schools, they created a program to train kids on computer coding. It was so successful that they have now taken that throughout the school district, and they are teaching all of the middle schoolers how to write computer code. They are investing heavily in technology and technology training.

Most of those kids were going to leave the area. But, if you have a group that does stay, they become the seeds that can help grow a lot of new things in the area.

NORMAN JACKNIS: I want to offer a caveat here, and I come from the tech industry, so you’re going to be surprised with this: it’s not just about programming.

The real benefit that you’re going to see from this is for people who are not in the tech industries: artisans, people who know how to service cars, appliances—people who can offer these services to a much broader area than they could if they were just doing it locally.

One of the great stories I love is from rural Nova Scotia about a woman who was the wife of a lobsterman and who knitted bait bags for him. She went on the internet, because they had broadband in rural Nova Scotia, and ended up not only selling these to other lobstermen who didn’t have wives who could make bait bags, but also selling them, eventually, as handbags in fashion stores in New York City.

So, it’s not just the techies who can benefit from this, but it’s all the other people in your community who are now isolated from the global economy but could participate while they are still living where they want to live.

DUSTY JOHNSON: So, as we talk about this 52-million-person resource, this digital, rural community, it seems to me that all of us in leadership roles in our communities should be thinking about buying rural, engaging rural, fostering rural and selling rural. That 52-million-person community only exists if we work really hard to make it exist.

NORMAN JACKNIS: And that comes from common backgrounds. So, if I live in a small town in South Dakota, and you live in one in Alaska, we start out with having a little bit of common
outlook about life, and if you have skills that I need, I would prefer to work with you than someone who is sitting in the middle of Manhattan.

I have dealt with a lot of small towns, and I have yet to find a place where there wasn’t somebody with some unusual skill, whether it was intellectual property management or marketing or technology or software. They are there because of family or other reasons, and they would love to be able to have a service area with millions more people like them.

And you would be amazed, even the local mayors were surprised at the skills that were in their community when they started to ask.

MODERATOR: We look at Census data and population shifts. Where is the role for partnering with other communities in your region to think about these sorts of efforts on a regional scale, to take that marketing and not just thinking about, “We’re going to market our community,” but, “Let’s market our community on a regional scale,” as well?

DUSTY JOHNSON: This is so important that if you are only trying to go it alone, I just think the chances of failure go way up.

When life and death are really on the line for you, as an individual, you are not going to make decisions about how to treat your illness on your own, right? You’re going to gather a pretty large group of people: some experts, some people with whom you have an emotional connection, family. You are going to bring all these people together so you can get the right plan to move forward.

And for some of the communities that we are talking about, this is going to be life or death. Recruit that talent and create those amenities so that they are sustainable—and the sustainability is going to mean interconnection

“If you train 30 kids in world-class robotics techniques at a rural Wyoming high school, you are going to have a lot of them move away and never come back. But if you get one of those brilliant kids to become an entrepreneur and come back and create 12 or 15 or 50 or 100 jobs, then that’s like winning the lottery.”
with a lot of similar rural communities. Otherwise, they will just need to figure out how to handle hospice care for their community. If you are going it alone, I think you are making a huge mistake.

Steel sharpens steel. It just has to be a regional universe.

**MICHAEL BURKE:** And you have to really engage more than just yourself with your customer base. You need to engage with the community that you serve and other like-minded communities out there. There is planning that goes on in a lot of small communities across the country. They’re planning roads, they’re planning schools, and they’re planning other types of construction for the long term.

You have your services that you’re pushing out into the marketplace, and, similarly, you need to have a long-term view. When you put fiber out into a community, it will last 30 to 40 years, so it has ramifications not just today, but decades from now. You need to make sure that the folks that you are working with locally, as well as the virtual community with which you are working, understand those capabilities, because that can enable things about which they might not otherwise think. There is an important need to provide that education, that outreach, and then they also, in turn, provide information back to you that will help you better figure out what you need to prepare for 10, 20, 30 years from now.

**DUSTY JOHNSON:** It occurs to me that thinking regionally is probably our biggest problem. Look at all of the assets we have. We clearly have talents. There are a lot of smart people who live in our communities. In many of these communities, we have great infrastructure. We have some amenities, and I think we can improve the amenities. Maybe we don’t have as many nice coffee shops as the young people want, but, clearly, you can get from here to there.

But, if you are from a town of 4,000, and if there is a town of 4,000 nearby, that’s the enemy, right? Those are the guys you want to beat in football, and those are the guys that, you know, you just get so upset if your sister moves to that town, because those people are idiots, and they’re terrible. That’s a part of the fun of hating your neighbors 10 miles down the road, right?

But, we don’t have that luxury anymore of having high school football rivalries dictate to us who we view as allies or enemies. We have a lot more in common—Mitchell has a lot more in common with all the “enemies” who live in Huron than we do with the people who live in Beijing.

We need to understand and start working regionally, and thinking regionally, rather than getting upset because that guy from Huron insulted my Aunt Fannie 30 years ago, right?
NORMAN JACKNIS: I want to get back to a point that Michael made which I think is very important: you are not just selling connectivity to people, but you really need to help them understand how they can use it.

And you need to look at a little bit of history. The electric company, a hundred years ago, was the major agent for economic development because they knew that for any kind of economic development, people would need more electricity. They would help people understand how to use electricity. They would run seminars. Some of them even set up stores, where they put in the latest electric irons and other products which encouraged people to understand and use electricity.

You need to do that same thing with connectivity. It is not just a question of giving the service but helping them understand what they can do with it and I hope, as well, with this virtual metropolis, making sure that they understand there is a party they can join that will help improve their own economic potential.

“When you put fiber out into a community, it will last 30 to 40 years, so it has ramifications not just today, but decades from now.”

MICHAEL BURKE: We are converting our stores into experience centers. When a customer comes into a store and has a question about, “How fast of a broadband connection do I really need?” we provide live demonstrations and show them. “Well, if you have a 4K smart TV, this is what that looks like on various broadband speeds, and these are the different types of interconnected home devices, home automation devices, that you might want to look at and which you would connect with broadband. Here is a managed Wi-Fi router that we can use to help make using a lot of these devices simple for you.” So, it overcomes that fear-of-technology barrier that exists out there.

There are many things that you can do to interact more with your community. It takes that product from being just a pure broadband service to getting more into the actual lifestyle of the customers and explaining how they need to utilize it. That sets that groundwork, that foundation, for how they can then start taking that product further and innovating it and using it in new ways.

MODERATOR: When Dusty said “amenities,” I was thinking of proximity to either universities or natural resources or industries. And now it occurs to me that perhaps one of the amenities that the communities can market inward is the capabilities of your networks.
NORMAN JACKNIS: Exactly. And in fact, this allows you to create new amenities you have not even thought about.

MODERATOR: When you talk about the virtual metropolis, are there any specific industries or disciplines that jump immediately to your mind?

NORMAN JACKNIS: Artisans. There is a lot of work that people do in your communities. And this partly goes back to an experience I had in the state of Missouri a few years ago. The governor wanted to have broadband everywhere, and a lot of people who worked for him had no idea why that might be the case. We just talked about, for example, people who lived in the Ozarks. During the summer tourist season, you would have these wood carvers make fantastic things, and then, for the other nine months of the year, when the summer tourist season was over, they couldn’t make a living.

It was obvious: If they had participated in the global digital marketplace, they could be selling all year round. But they had nobody nearby who understood marketing and how to do web marketing. If they had somebody in a different rural community who had that skill, worked with them, they could both benefit and share in the growth of revenue. So, I am thinking about people who have products which have a potential to be sold anywhere. Software is an obvious thing, but it’s not just that. There are a lot of products that could be shipped anywhere, if people only knew about it and could buy it.

MICHAEL BURKE: When you look at the issue, you’re enabling intellectual capital, right? You’re taking people’s ideas and skills and extending their reach far beyond just one particular local area; you’re making it global.

NORMAN JACKNIS: Creativity is the only limit on this. We are not going to have the answer, but we can suggest it. We can give people ideas, and maybe those will trigger an idea that we would never think of.

DUSTY JOHNSON: When we start to think about enabling this innovation and this intellectual return to rural, is capital much of an issue? We know people move for amenities. They want the great parks, and they want the coffee shops. We get that. But I feel like a young person would be more likely to move back home and start this business, this entrepreneurship that is the winning lottery ticket, if they had easy access to capital.

And so, the idea of loaning money to a 27-year-old to start a business that is almost certainly going to fail would be out of culture for us, out of character. But, it seems to me that there is a pretty big role in trying to tell these kids that you can fail four or five times, and as long as you succeed once, you have the opportunity to create dozens or hundreds
of jobs that are going to transform a community. And there are going to be families out there who are paying their mortgage because of your good idea and hard work, and, frankly, a little bit of capital from that community upfront.

If your community does not have some sort of a loan or grant program to try to encourage that kind of small business creation, I think we are missing the boat.

It is less expensive now to be an entrepreneur than ever before in history. There is so much that will help you get going that does not require money. And, capital is moved around a lot. It’s not just things like Kickstarter, but there are a lot of angel investment groups, and they are looking for opportunities because in the obvious places they have been looking, the value of what they can get for their investment has gone down. So, if you have something in your small community that is a good idea, they will jump on it.

If you have got a great idea, you can get access to capital. Some of this is about investing in an idea from a local kid for whom the Boston venture capitalists are not quite ready.

MODERATOR: We are talking about opportunities to think about regional behavior. Is it necessary to think about a regional rural “Shark Tank” where the resources of these different communities get pooled, and we put aside the matter that this fellow did not come from my town, and we put together the resources to fund that entrepreneurship? What are the top three issues that communities can be thinking about?

MICHAEL BURKE: We sometimes tend to think in terms of our communities in isolation, and we need to break down those barriers and really think beyond that, to understand that we really are part of this global interconnected community.

I understand that people are doing that already. People are already actively using the internet, whether for entertainment or gaming, or research, or education or medical
reasons. We need to embrace and then corral some of that energy to make good, constructive use of it in terms of changes within our individual economies, and how we can collaborate better to help.

MODERATOR: Do you need to navigate local political issues and political personalities as you go about this?

DUSTY JOHNSON: Of course. Some of the regional, zero-sum game approach we talked about earlier is a problem. But, the three questions that I think I would want to make sure every community is asking is, number one: Have we made, in the last 18 months, a major investment in our assets, our amenities? Of course, broadband can be one of those, but it can also be some of these cultural things we are talking about. So, number one, have I made an investment in assets, community assets?

Number two: Are we telling the story? Are we selling Mitchell to Mitchell, every single day, talking to our kids about, “This is the best quality of life in the world, and here are the real advantages, and here’s why your mother and I made that decision to move here?” Are we having that conversation with our kids?

And then, number three, if we have the assets, and we are marketing the assets, then, number three: Are we able to recruit that talent back to make sure that those 52 million rural Americans are as smart and as hardworking as they can be to deliver the kind of value that they need to deliver?

NORMAN JACKNIS: My list would be, first, that you really need to understand you’re in the digital era. A lot of the fighting that people used to have over trying to convince a factory plant to show up … that day is gone. You are in better shape now if you cooperate.

Second, what do the people in my community need to succeed, and where can I help them find it?

And, third, think about the experience of living in this community. You have a lot of natural amenities, but you need to keep building on those in a variety of ways. You want people to say, “I love living here because … ”

It is about creating a positive experience of being in a place at a time when many people can make a living anywhere they want to be.
MICHAEL BURKE: We need to create passion.

We all know what happened with Kodak: They missed that their product was not the film, it is what the film captured. It is the life experiences and all of those things that film provided.

We need to think about our product in that same way: We don’t sell broadband or phone service. We sell all the experiences that go with that broadband connection that have a meaningful impact on people’s lives. And the more you think about that and embrace that, and then look at all the things that surround your broadband service, then you will be able to create that passion you need to avoid becoming a commodity. That, in turn, will build upon the level of services that you are providing and what is happening in your community.

DUSTY JOHNSON: You buy rural, you sell rural, you believe rural. This virtual metropolis only works if we step away from any parochial vision of our little community being in a zero-sum fight with all of the other rural communities. We should be looking across the world to rural communities and understanding the value there, how many values we share and how we can make one another stronger.

I am going to give you an example of something we have done in Mitchell that I think your communities can do, and I think it has transformed the discussion in Mitchell. And, if I viewed my community as being in a competition with yours, I would never give you a great idea, right? I would not hand you the patent paperwork and tell you to take the idea. But, this isn’t a zero-sum game. The stronger you are, the stronger we are.

About 18 months ago, we started including in our local newspaper every couple of weeks a profile of a family that had moved to Mitchell. And it is amazing. It has literally transformed the conversations you have, because now you never hear people say, “Oh, this community is dying,” or, “Nobody ever lives here. Nothing ever goes on in this community,” or, “Why would anybody live here?” Because the proof is there.
They are the most sought-after articles on the newspaper’s website. They get hits from all over the globe. When these people move from Kansas City to Mitchell, their friends back in Kansas City are linking to it, and it’s posted on Facebook, and it’s generating discussion digitally.

And they are so heartwarming. When you read these articles about these people who just decided to create a new life in Mitchell, it really makes you feel good. We all want our choices to be validated. We are all choosing, right now, to live in our rural communities. And when somebody else makes the same choice, it tells us that we made a good one.

And you know, it seems like the kids are never listening, right? But when they hear other families come over, when the adults say, “Oh, my gosh, did you see that story? I didn’t even know that cute family had moved back,” you know, “Oh, yeah, well, he works here; you know, she works here”—those kids hear us getting excited about our community. They hear us talking about the success stories. And it is going to have a long-term psychological impact on how they view my community, and I think that’s a good thing.

“We don’t sell broadband or phone service. We sell all the experiences that go with that broadband connection that have a meaningful impact on people’s lives.”
**Michael Burke** CEO of the Matanuska Telephone Association. He has served on the Alaska Exchange Carriers Association Board of Directors, the Alaska Exchange Carrier Association Tariff and Rate Development Committee and was the Alaska Broadband Task Force Peer Reviewer. He has a bachelor’s degree from Seattle University in business administration and is an Alaska Certified Public Accountant. Burke has lived in Anchorage since the early 1980s. Founded in 1953, MTA is a member-owned cooperative whose service area covers more than 10,000 square miles extending from Hiland Road in Eagle River to Clear Air Force Base near Fairbanks. The cooperative has store locations in Eagle River, Palmer and Wasilla and provides local and long-distance telephone service, wireless, internet, business, director and digital TV services.

**Norman Jacknis, Ph.D.** is the senior fellow at the Intelligent Community Forum (ICF). His responsibilities include leading the ICF’s Rural Imperative, building on the ideas he developed for the U.S. Conference of Mayors on a future-oriented economic growth strategy for cities. Before joining ICF, Dr. Jacknis was director, Cisco’s IBSG Public Sector Group, where he worked extensively with states and local government, the National Association of Counties, the U.S. Conference of Mayors, and the staff responsible for the federal government’s website and citizen engagement. Prior to joining Cisco, Dr. Jacknis was technology commissioner for Westchester County, N.Y., when it was an ICF Top 7 city. Dr. Jacknis is the author of numerous articles, including “Beyond Smarter City Infrastructure—The New Urban Experience” and “Transformation of the Local Government CTO/CIO.”

**Dustin “Dusty” Johnson** serves as vice president of consulting for engineering and consulting firm Vantage Point Solutions. He is an expert in state and federal telecommunications policy and is a recognized leader in USF reform issues. Dusty helps manage the consulting team and their work on new business and services planning, cost studies, regulatory analysis and filings, and other consulting and regulatory efforts. He is a former chief of staff to the governor and was twice elected statewide to the South Dakota Public Utilities Commissioner.

**MODERATOR:**

**Joshua Seidemann** is Vice President of Policy of NTCA–The Rural Broadband Association. Mr. Seidemann focuses on federal regulatory issues as well as technology and economic factors affecting the rural telecom industry, and is a regular contributor to trade publications.
About NTCA–The Rural Broadband Association: NTCA–The Rural Broadband Association is the premier association representing nearly 850 independent, community-based telecommunications companies that are leading innovation in rural and small-town America. NTCA advocates on behalf of its members in the legislative and regulatory arenas, and it provides training and development; publications and industry events; and an array of employee benefit programs. In an era of exploding technology, deregulation and marketplace competition, NTCA's members are leading the IP evolution for rural consumers, delivering technologies that make rural communities vibrant places in which to live and do business. Because of their efforts, rural America is fertile ground for innovation in economic development and commerce, education, health care, government services, security and smart energy use. Visit us at www.ntca.org.

About Smart Rural Community: Smart Rural Community® is an initiative of NTCA–The Rural Broadband Association. Smart Rural Community comprises programming relating to and promoting rural broadband networks and their broadband-enabled applications that communities can leverage to foster innovative economic development, education, energy distribution, health care, public safety and other vital public functions. Smart Rural Community hosts educational events for communications and non-communications professionals, including government policy-makers; administers an award program that invites and reviews applications of rural broadband providers for certification and recognition; and provides resources to rural broadband providers to assist their achievement of goals promoted by Smart Rural Community. Smart Rural Community also publishes original research and white papers that investigate issues relating to rural broadband deployment, adoption and use. Visit us at www.ntca.org/smart.

Smart Rural Community White Papers


