

## **Infrastructure repair key with ARC**

### **• Manchin wants to add broadband installation to water, sewer projects**

**October 26, 2007**

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Staff writer

Physical infrastructure — including water and sewer — need to be maintained and efforts possibly pooled in Appalachia to continue to enhance economic development, representatives of the 13-state Appalachian Regional Commission were told Thursday.

Meeting in Charleston for its annual conference titled “Back to Basics: Investing and Improving Appalachia’s Infrastructure,” conferees reviewed a report on past ARC projects with a look to the future.

Gov. Joe Manchin, who co-chairs the commission, said part of the future will be working toward broadband, high-speed Internet connections for rural areas. Manchin has pledged to have West Virginia fully online by 2010.

“That’s part of our ARC mission that I’ve asked them to look at,” Manchin said at a press conference held with Anne Pope, a Kingsport, Tenn., native who is the federal co-chairwoman of the commission.

Believing broadband networks will help communities’ economic development, the ARC has proposed some innovations such as installing telecom lines concurrently with water and sewer infrastructure.

The ARC has poured millions into helping rural communities to provide safe water and wastewater only to see many facilities fall into disrepair for lack of funding and maintenance, said Jeff Hughes, director of the Environmental Finance Center at the University of North Carolina.

“What happens in Appalachian does not stay in Appalachia,” he said of the region’s water.

Costs of building such water systems are higher in the mountainous area, while residents’ ability to pay is “considerably lower,” he noted. Loss of population in the region has also left some local waterworks with fewer customers than they were originally constructed to serve.

Many of the water and wastewater treatment plants do not have certified workers and are open only a few days a week. Some simply can’t afford to operate on the funds they generate.

“We do have a lot of small towns that do the best they can,” he said.

He called for pooling resources, but said, so far, any movement in that direction seems to have been undertaken by private, for-profit businesses, such as West Virginia-American Water Co.

“There’s some definite drawbacks,” he said, noting in particular the desire of private firms to make larger profits.

And there are the financial problems of the ARC.

“We have significant budget problems at the state and federal levels,” he said.

Maryland has found a method to fund its wastewater cleanup by enacting a “flush tax,” Hughes said. That tax will allow the state to sell bonds up to \$600 million.

Manchin noted West Virginia has had three good economic years, but that isn’t good enough.

“All that said, if you don’t have a good job and water to flush, we haven’t accomplished much,” the governor said.

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With droughts across many states this year, many parts of Appalachia have continued to have ample water and are the main supply point for others.

"We've been so blessed [with an abundance of water] we take it for granted," Manchin said.

"We've never really thought of water as an asset," conceded Pope. "We do need to think of water in a new way, as an economic tool and as a necessity of life."

Hughes released a report that sampled 104 of 400 of ARC's infrastructure investment projects from 1999-2005, showing they had a significant economic impact in the region. They created more than 17,600 new jobs, retained 9,580 existing jobs and generated \$639 million in new annual wages.

Those projects also brought in \$1.7 billion in private investment, a ratio of \$75 to \$1 of ARC investment.

"We think that these are impressive numbers," Pope said. "They show that ARC's policy of investing over half of its project funds in physical infrastructure is not only improving the lives of people in West Virginia and throughout Appalachia, it is also reaping important dividends in job creation, private investment leveraging and tax revenue."

But even with ARC investments, the study shows the Appalachian region still creates only 80 percent of the national average in businesses start-ups.

"Our hills may provide obstacles, but I really believe they provide opportunities," Manchin said.

Representatives of West Virginia, Pennsylvania, Ohio, Virginia, Tennessee, North Carolina, South Carolina, Alabama, New York, Maryland, Georgia, Mississippi and Kentucky attended the two-day conference held at the Charleston Civic Center. West Virginia is the only state completely inside the Appalachian region.