

Remarks by Governor Tim Pawlenty from Hong Kong
to participants in the conference
“*Growing with Gigabits: Making the Net Work for Minnesota*”
November 17, 2005
St. Cloud, Minnesota

Jim Hoolihan: If I could have your attention, please. We see the Governor on the screen so we will proceed. Governor, ... as far as I understand it, you are in your hotel room with a laptop in hand.

Governor Pawlenty: ... That is correct. Greetings from Hong Kong, it is about 11:00 at night here as far as I can remember and we are glad to be part of the conference in St. Cloud. Thank you for us being a part of it.

Jim Hoolihan: Thank you very much for joining us. We are inspired by your example and your willingness to try this with us and we know that the support and technology, willingness of the spirit and the mind [lead] the way. We are going to go for this even though it may have some glitches we very much appreciate it. I think without further ado we simply welcome you to the conference, thank you for joining us this way, and turn it over to you and wish you either Good Morning or Good Evening.

Governor Pawlenty: Thank you everybody for the chance to be part of the conference. We are coming to you through the internet from Hong Kong and the message ... you have been focusing on at the conference [is] that we live in a world that is flat. ...

The United States and other developed countries have for the past 15 years been very busy developing the tools of communication and collaboration and connectivity that [are] now allowing people around the world to work with each other very intimately and on a real time basis. ... [T]ools are now being put into the hands of the people around the world [to] ... use ... on a largely ... equal footing and so our competition is no longer regional ... it is truly global. [I]f we as a state or you as a region or community are going to be competitive or forward looking we have to be connected. [A]nd of course broadband or wireless equivalent is a huge part of that infrastructure.

The thing that is going to make us competitive in the future is the ability to have infrastructure both modern and traditional that does not put our job providers and investors and producers at a competitive disadvantage, and to have the constant activity with the rest of the world. ... [R]eal time high speed big capacity [broadband] is just one of those basic critical components that all of Minnesota and of the United States is going to have just to be competitive.

Now as we look at and consider where this goes from here, technology is evolving at a very rapid pace and scope. ... I know that [a] fair amount of focus is on broadband and it is important. But the ... wireless equivalent of broadband is going to hold a lot of promise in the coming years and ... is [has been] talked about for a long is not being successfully implemented as quickly or as efficiently as we would like to see. But I want

to congratulate you on bringing these folks together on this important topic. I know that there [are] possibly some questions or discussion points [from the audience and] I would be delighted to take those questions.

Jim Hoolihan: Thanks Governor. I will ask the first question and invite those from the audience, if they would like to ask the Governor a question, to please come to the podium so the Governor can both see you and hear you. [Out of] respect for the Governor's schedule and our program today we will take two or three questions. My question is pretty straight forward and that is: What do you see as the greatly barrier in getting rural Minnesota plugged in and up to speed on ultra high speed broadband?

Governor Pawlenty: If you look around the state there is a regular and consistent pattern of rural communities having access to broadband. ... [T]here are some rural communities, regardless of size, that have done a fantastic job and are fully wired and have the capacity and speed that is ... equivalent [to] some suburban and urban areas in Minnesota. ... {O}ur hats off to those communities and their leaders. ...[Y]ou can see in those communities ... forward looking leaders. In some cases it is the municipal leaders and some cases is the local energy coop leaders and some cases it's the private sector. [F]or example, the community of Alexandria ... has been wired for high speed capacity for quite some time. They have been a very successful model. There are a lot of these models throughout the state where the leadership has been the key component of getting that underway. It takes vision to see the value, it takes organization and leadership skills to put the package together and get it done.

There are other parts of the State that are not at that level for a variety of reasons. But I think [we should] look to municipal leadership, state leadership, government or private partnerships. [It] takes leadership, it takes vision, it takes skill to put it together. But for those parts of the state who do not have that access yet and perhaps do not have the economy of scale or financing to do it, we are going to have to perhaps turn to our utility companies and our providers and give them an incentive or give them the nudge, a regulatory nudge, to try to get this access across the whole state. As I mentioned earlier, it is critically important. To have a healthy whole state you've got to have jobs across the whole state. Job providers are going to have as a basic prerequisite the ability to have access to broadband or its wireless equivalent.

Jim Hoolihan: Thank you, we do have a pending question. Hang on please.

From the Audience: Hello Governor and thank you for joining us at the conference. I am Sherry Johnson from Ely MN. My question is: What is your administration prepared to do to help expand the deployment of ultra high speed broadband in the State of Minnesota?

Governor Pawlenty: ... Let's just wire the whole state with broadband. Keep in mind that if you look critically at Minnesota ... all but a [small] chunk of it already has broadband access. So we shouldn't conclude that Greater Minnesota does not have it. There are pockets that need to have service ... or the finance incentives or regulatory

nudges to get that done. But we also have to be mindful [of] whether the technology is about to change. It could turn out to be not a very wise decision if we hard wire or bring wiring in current or past form in all of Minnesota only to find out that in 24 months wireless capabilities are going to be available at a high speed high capacity and inexpensive form. And increasingly things are moving in that direction. If that's going to be too expensive or too slow, then we can go back to the hard wiring construct. But I think we would be well served as a state and as communities exploring the new and emerging technologies to see if they are not going to present a more efficient and affordable alternative to hard wiring the whole state.

From the Audience: Thank you for the opportunity, Mr. Governor. My question is, being [that the] State of Minnesota [is] one of the largest employers of the state, and [that we have] the technology to be able to move the person away from the file cabinet, when will the State of Minnesota or your Administration look at moving more ... state jobs out of St. Paul into rural communities?

Governor Pawlenty: That is an idea that I have supported in my time as a state leader. Again, if you believe the world is flat -- and one of Tom Freedman's premises in his book is that people can do most things anywhere with the right kind of activity, that it really does opens up a whole new world of possibilities as to the geographic locations of these jobs and these people -- [then it's clear that] not everybody needs to be or should be in St. Paul.

While we do have distribution state employees across the state, compared to how many [we] have in the regional centers or metropolitan areas, [there] is not an equal distribution. I think we should explore areas of ideas that if technology allows and makes sense, [it] would be good rural economic development policy to distribute those jobs across the state using those tools that you are suggesting by your question.

From the Audience: As rural leaders how could we support your Administration and that concept?

Governor Pawlenty: I think basically just expressing support for it. There has been legislation in the past requiring or mandating certain departments or certain divisions or certain functions [be distributed to rural areas]. Sometimes ... try[ing] to legislate the details of how you distribute personnel is probably not the smartest or most efficient way to do it. But I think working with you and finding out what communities have the interest, the facilities, and the desire to work with our Administration to do that is something that would be fairly easy to do. Keep in mind that certain facilities, certain functions, wouldn't be suitable for it. For example, we just opened up a new health science laboratory with a lot of capital investment, a lot of capital equipment and state-of-the-art laboratories, and having to move all that and rebuild all that somewhere else probably wouldn't make sense. But for many more jobs it would. But to answer your question directly, I think it is just a matter of working with me and my office and {Department of Employment and Economic Development Commissioner} Matt Kramer

about identifying jobs that through technology would be well suited to redistribute into greater Minnesota.

From the Audience: Hello Governor Pawlenty. I am Cathy Schuman from the City of Monticello. I know there has been some movement in the legislature to ...restrict cities from competing with private enterprise, especially in the areas where there might be a profit making business. However, in the area of ultra high speed broadband it seems that it may take public entities to take the leadership role in this. What is your position on trying to provide means for cities to finance and lead this effort in their own communities, whether it be full deployment, setting up their own utilities, financing projects, [or] working on public/ private partnerships?

Governor Pawlenty: Thank you. All of the above I guess would be the answer. It's not necessarily a one size fits all. For some communities it means they just went out and did it. It's the model that you see in these rural communities that the local utility in one form or another [takes the lead]. Sometimes it's the [service] provider, sometimes it's the phone provider, either on their own or [in] partnership [with] municipal officials, [that get] it done. Perhaps those communities have a leadership component or a financing component or a market component that has given them an advantage or incentive to do so. But for the remaining communities who have not seen fit or [have] been unable to take those steps, then finding out whether they can [provide service] on their own is important. And if they simply can't because they don't have the leadership ability or the financing or the market share to encourage that, I think there is a role for government, whether it be on the local or state level to require or incentivize it. It is very important. [Broadband] is like the utilities of the traditional nature. It's like sewer, like water, like basic electricity services. Those are the models that are now applicable to this kind of need and service. [Broadband] is as important to the future economic development as basic electricity was some years ago. So finding a way, ideally through local initiative and private initiative, to get it done is very important. And if [the private sector] can't or won't or [is] unable [to provide service], then I think additional incentives or requirements in the nature of the utility initiative would be most appropriate.