

OPINION

Norm to the rescue

Norm Nielsen is a winner, except when it comes to retiring.

The former president of Kirkwood Community College is back in the Corridor, this time as interim president of Mount Mercy University, after the abrupt departure of its previous president, Christopher Blake.

Mr. Nielsen is a great choice as interim president for Mount Mercy because, not only is he a strong and known leader in higher education, he's a trusted leader in the Cedar Rapids community; something that is especially important for this community-minded institution with as many residents as graduates.

From 1985 to 2005, Mr. Nielsen led Kirkwood and built it from a sleepy community college to one of the nation's most prominent community colleges. Kirkwood's reputation also grew as a model provider of workforce education, by listening to and partnering with regional companies. This was a direct result of Mr. Nielsen and the talented staff that he helped recruit and train.

After Mr. Nielsen's retirement from Kirkwood, he took leadership posts at several other institutions of higher education. Mount Mercy was currently in the process of doing what Kirkwood did, but at the university level. Mr. Nielsen can certainly help continue that process.

Manufacturers see government hurdles

Manufacturing in Iowa is a tremendously important industry that unfortunately is sometimes overlooked. Some of the challenges ahead by this important industry should be a wake-up call to policymakers in Washington, D.C.

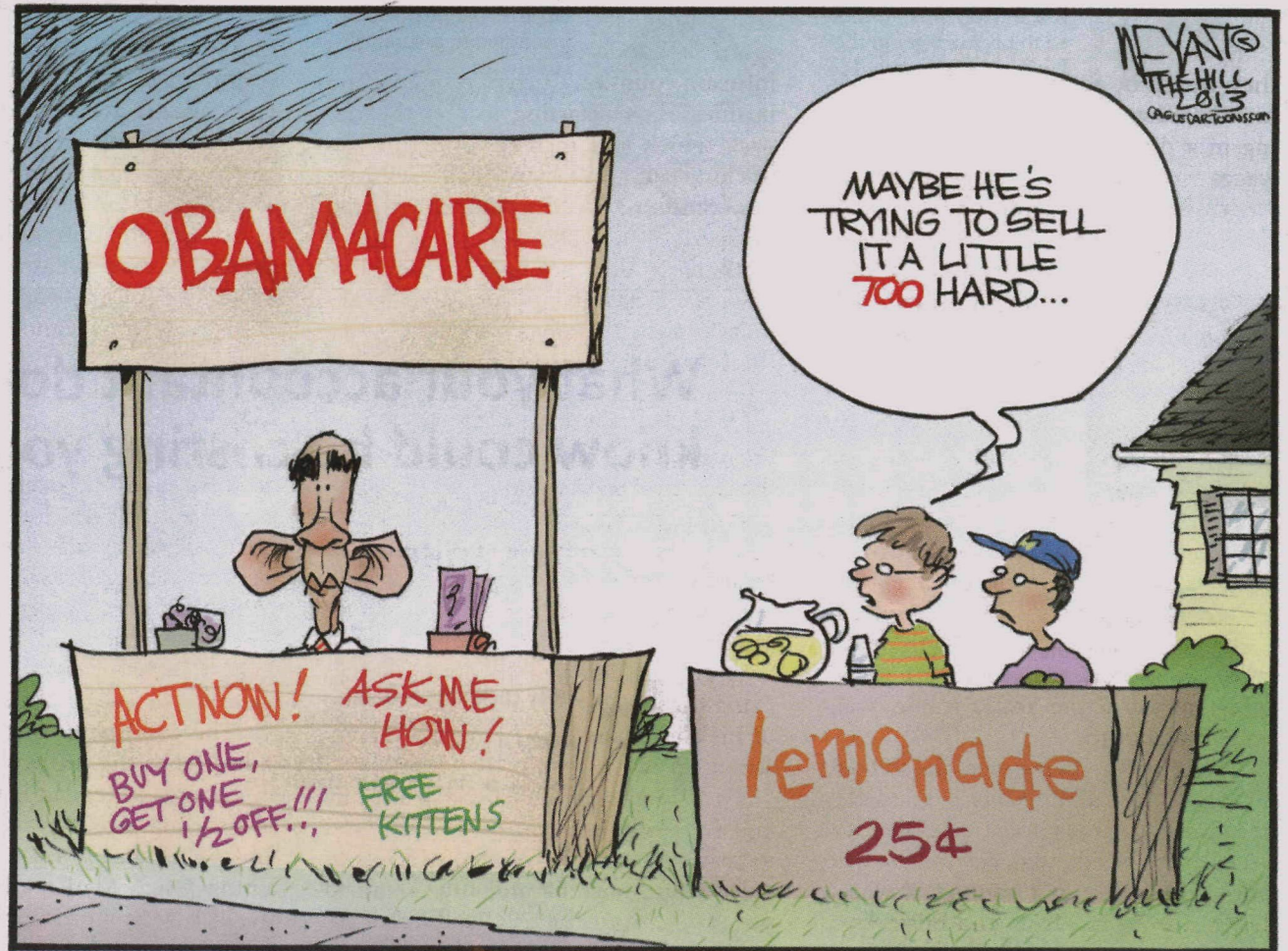
According to the Iowa State University Extension and Outreach Center for Industrial Research and Service, Iowa's manufacturing sector had 211,998 jobs in 2011, accounting for 10.8 percent of the state's total employment. In the United States, manufacturing accounted for 7 percent of total employment. Measured by employment size, manufacturing ranks fifth among Iowa's major economic sectors.

If those numbers aren't tangible enough, residents need only to think about John Deere, Rockwell Collins, Kinze Manufacturing and Whirlpool/Amana.

A recent survey by McGladrey on manufacturing and distribution helps us understand some potential challenges and opportunities to this essential industry sector.

According to the 2013 McGladrey Manufacturing and Distribution Monitor, industry executives, including those in Iowa, are optimistic about their companies' growth prospects, but see government regulation, health-care reform implementation, the federal deficit and other policy-related pressures as the greatest threats to their continued recovery.

"On a positive note, the majority of Iowa companies completing the survey expect employee levels to stay the same or increase in the next 12 months," Steve Schoenauer, Eastern Iowa managing partner of McGladrey, stated in a press release. "Nine percent of those responding actually anticipate employee levels to increase by more than 11 percent. Iowa executives also agree with their colleagues across the country that regulatory and policy roadblocks are the biggest threats to growth." ●



CHRISTOPHER WEYANT, THE HILL

FCC policy changes will cost Iowa jobs, limit rural broadband access and stifle economy

Independent telecommunications companies in Iowa have been raising red flags about the Federal Communications Commission's (FCC) rule changes for the last few years. These changes have produced sharp drops in revenue for Liberty Communications and other independent telecommunications companies across Iowa.

These cuts are having a major impact on Liberty Communications' operations in West Liberty and the surrounding area:

- Plans to invest \$271,600 to deploy fiber for high-speed broadband access in three rural communities in our territory have been halted due to the regulatory changes.

- Staff reductions have begun and are expected to increase through attrition as more employees retire. One recently retired employee has not been replaced and contract labor is being used to fill gaps in staffing.

- A new Access Recovery Charge (ARC) has been implemented to compensate for lost revenues. Rates for residential and single-line

businesses have increased \$1 per month, while rates for multi-line businesses have jumped \$2 per month. Additional increases are expected and by July 2017, the ACR will produce a 19 percent rate increase for residential customers and a 14 percent increase for multi-line business customers.

A new independent study confirms that the FCC's rule changes will slow or halt the expansion of broadband availability across Iowa, threatening economic development in rural communities.

The study, based on a survey of 100 Iowa independent telecommunications companies, concludes that these companies will lose revenue because of the FCC's November 2011 Transformation Order on the Universal Service Fund and Intercarrier Compensation. The FCC's actions will result in a drop in high-cost USF funding to these companies in the amount of \$47.1 million from 2012 to 2017, according to the study. As a result of this sharp drop in revenue, many of these companies will have to decrease their investment in expand-

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ing broadband service.

This study was conducted for the Iowa Telecommunications Association (ITA) by the Center for Economic Development and Business Research in the W. Frank Barton School of Business at Wichita State University.

Wichita State's findings are consistent with a 2012 survey of ITA members in which eight in 10 of 81 respondents in Iowa reported that because of the FCC's new rules they were delaying or canceling plans to deploy fiber in their service areas.

The Wichita State study shows the rules changes will have a negative effect on employment and wages across Iowa, as well as state tax revenue. Telecommunications

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CONSULTING

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companies responding to the survey said they would be forced to cut their workforce almost 10 percent by 2017, resulting in a direct loss of \$14.9 million in wages.

Because rural local exchange carriers provide service in 97 of Iowa's 99 counties, the study says the resulting ripple effect will translate into a statewide loss of \$25.8 million in wages, leading to an estimated loss of \$2.3 million in income and sales tax revenue by 2017.

Availability of high-speed broadband service is a major concern of local businesses. For example, West Liberty Foods, a key supplier to the Subway restaurant chain, is able to keep its corporate headquarters in West Liberty due to the availability of high-quality broadband service.

Staying in rural Iowa gives the company the advantages of keeping its existing infrastructure and a stable, well-trained workforce.

In addition to being essential to businesses, fast broadband service is quickly becoming a household necessity, especially for residential customers who work from home. As a result of increased demand from residents and businesses, Liberty Communications has increased the amount of bandwidth purchased by 645 percent since 2009.

While demand for high-speed broadband service continues to grow, it is

clear that the FCC's actions and resulting cuts in revenue to companies like Liberty Communications will curtail access to reliable and affordable high-speed broadband services in Cedar and Johnson counties. Current residents and businesses are starting to feel the impact, which will increase over time. In the long run, this lack of access will curb our community's economic growth and prosperity.

There is one positive development, however. Following a successful grassroots outreach campaign by NTCA, the rural broadband association, the Government Accountability Office (GAO) confirmed in June that it will study FCC broadband policies, including reforms to the Universal Service Fund, and issue a report of its findings later this year.

The GAO also plans to study the effectiveness of the FCC's reforms, including any impacts the changes have had on broadband rates and speeds, in response to a request initiated by Congressman Chris Gibson, R-N.Y., and more than 60 of his colleagues in the House of Representatives.

To help ensure the Corridor's future and economic growth, I encourage you to reach out to your elected officials to voice your concerns and urge them to put pressure on the FCC to further investigate the economic impact of its rule changes. This can be accomplished quickly and easily by visiting www.iowalinkedup.org and clicking on the "Take Action" tab. ●

ICAD annual meeting scheduled for Aug. 29

The Iowa City Area Development (ICAD) Group is hosting a dinner and program Aug. 29 at the Riverside Casino and Golf Resort to celebrate its past fiscal year.

The evening's program will focus on workforce in the Iowa City area and will feature presentations and a panel discussion with representatives from General Dynamics Information Technology, Integrated DNA Technologies, Kirkwood Community College and NextStep.io. Additional speakers will be announced soon.

Networking and a cash bar will begin at 5:45 p.m. with the dinner and program at 6:30 p.m. Tickets are available through the ICAD Group office at (319) 354-3939 or by registering online at www.icadgroup.com/signmeup. Tickets are \$40 for 2030 Visionaries and investors and \$45 for the public. Tables of eight are also available. Deadline to register is Aug. 23.

"The good news we'll share at Riverside is that the projects we worked on this past fiscal year added more than 550 well-paying jobs to our local economy, and we're already on track for another strong year," Mark Nolte, president of the ICAD Group, stated in a press release. "Our focus moving forward is how to continue this economic growth and make sure our employers have the workforce they need."

ICAD Group dedicated a large por-

tion its five-year, Vision 2030 campaign to workforce development and continues to implement programming to benefit all of Iowa's Creative Corridor.

In addition to comments from presenters and panelists, the meeting will feature a recap of the past fiscal year and help celebrate the start of ICAD Group's 30th year.

Corridor MPO plans open house on federally funded projects

The Corridor Metropolitan Planning Organization (MPO) will host an open house from 5:30-7 p.m. Aug. 1 in the Multipurpose Room of Hiawatha City Hall (lower level) to present projects that will receive federal funding in the metropolitan area over the next four years.

These include projects funded by the Corridor MPO, projects receiving grants and Iowa DOT-funded projects. Corridor MPO staff will provide a brief presentation at 5:45 p.m. The remainder of the meeting will be an open question-and-answer session regarding Corridor MPO activities. Park in the large parking lot facing Center Point Road.

The Corridor Metropolitan Planning Organization, www.corridormpo.com, is a partnership of metro area governments that uses public input and federal dollars to make smart transportation funding decisions.

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