

Official: Better Connection Needed

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A statewide, videoconference discussion Wednesday that was in part about poor Internet connectivity in Arkansas was cut short by the loss of an Internet connection.

For the second gathering in the Arkansas Economic Issues Breakfast Series, economists made presentations by videoconference to participants at the University of Arkansas at Fort Smith and at other locations in Fayetteville, Little Rock, Jonesboro, Pine Bluff, Monticello and Magnolia.

Michelle Stockman, vice president of Connect Arkansas, spoke to the videoconference following those presentations.

Connect Arkansas is a private nonprofit implementing a community-based initiative that will link all Arkansans, especially in rural areas, according to information from the organization.

A recent Connect Arkansas survey of 608 Arkansas residents found 29 percent never had used the Internet, 7 percent were unsure what broadband or high-speed Internet access meant, 30 percent would not subscribe to the service even if it was available and 51 percent do not have broadband service.

Stockman said a recent national broadband report released Tuesday by the Federal Communications Commission reported that about two-thirds of U.S. households have broadband. Arkansas is lagging behind the nation, and the United States is lagging behind much of the developed world.

“It’s stunting national economic growth,” she said. “We need more connections, and we need faster connections.”

Internet service providers are doing their best, but government officials dealing with telecommunications are beginning to realize that public sector involvement may be necessary to “finish out the final mile” of broadband to many underserved areas, said Stockman.

As Internet connections are made more available to more Arkansans, Connect Arkansas plans to push even harder to get more computers into homes.

Shortly after Stockman’s presentation at about 8 a.m., the videoconference connection was lost.

Steve Williams, dean of the UAFS College of Business, said the loss of signal occurred at the central point of transmission in Little Rock. It was not restored by 8:30 a.m. when most of those attending started leaving at the Fort Smith location. The breakfast was slated to last until about 9 a.m.

Kathy Deck, an economist and director of the Center for Business and Economic Research at the University of Arkansas, and Michael Pakko, chief economist at the Institute for Economic Advancement at the University of Arkansas at Little Rock, both made presentations about the state of the national and Arkansas economies respectively before Stockman spoke.

Pakko said the state’s economic conditions largely mirror national ones, but the state continues to have a lower unemployment rate than the rest of the country, roughly two percentage points lower at 7.6 percent.

It doesn’t look like joblessness will hit 8 percent statewide as was predicted a few months ago, he said.

Although employment statewide is expected to start growing again this year and through 2011, it will take longer to get back to full employment than originally expected.

Deck said the national economy should continue growing through the next six quarters in the 3-percent range of Gross Domestic Product.

“Inventories across all sectors and industries have been drawn down to practically nothing,” she said.

That’s causing production output to expand again to restock those inventories.

Consumer sentiment remains “wishy washy” though, and it will have to strengthen for the economy to really gather steam, said Deck.

Price inflation has stayed very low, which means the Federal Reserve is unlikely to raise lending rates any time soon.

“We’re on the right side of things,” she said.