

INFRASTRUCTURE

Infrastructure provides the physical support system on which an economy is based. It is a stock of capital investments including roads, bridges, railways, airports, water and sewer systems and communication networks. Modern, flexible transportation and communications infrastructure are essential for rural economic development. Each part provides vital connections to markets, employment, services and other resources both within and outside the community.

Transportation

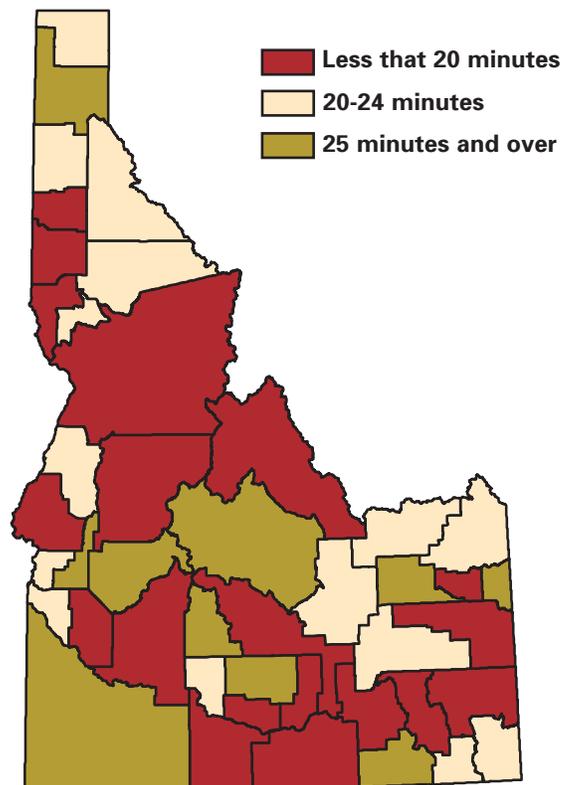
Large segments of the transportation sector have been deregulated over the last 25 years, and much of the federal planning has devolved to the state and local levels. Each region of the state views the development of the statewide system differently depending on their level of urbanization, unique transportation problems and geography.

Some deregulated transportation services like intercity airline and bus routes have disappeared or downsized in rural Idaho. The competition from deregulation has led to lower fares and rates, but the results are uneven. Quality air service has been reduced to a few metropolitan areas in Idaho and population centers in nearby Washington and Utah. Many rural airports are increasing activities and facilities to better serve Idaho's wilderness and mountainous areas.

The number of small trucking companies serving rural communities has grown rapidly. The downside is most rural roads must be maintained by local governments, and heavy loads increase road maintenance expenses. The number of improved road miles per capita in rural Idaho is five times more than in urban areas. Idaho's bridges have a low deficiency rating and are seventh best in the country. The average commute time of 20 minutes is the eighth shortest in the country.

Idaho's bulk commodities which are usually farm, forest and mineral products are most often moved by rail. Two mainline railroads, Union Pacific and Burlington Northern Santa Fe, provide access to intrastate and interstate markets. Most mainline freight is passing through Idaho so short-line railroads are particularly important to rural businesses shipping bulk commodities. The economic success of short-line railroads is mixed. In 2004, the Idaho Legislature passed an Intermodal Commerce Authority, providing bonding authority at the county level that may, among other things, strengthen short-line railroads. Rail passenger service in Idaho is limited to a single AMTRAK stop in Sandpoint in Idaho's Panhandle.

Average travel time to work, 2000



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The Port of Lewiston is Idaho's only seaport and the farthest inland port on the West Coast. The port is served by tug and barge lines, truck lines and a short-line railroad that can significantly reduce shipping costs to the West Coast.

Communications

Broadband Internet access is a rapidly developing market in Idaho and the nation as more people and businesses take advantage of a high-speed

communications infrastructure. High-speed, affordable Internet access is an important rural economic development issue. Its absence diminishes the overall economic competitiveness of many rural areas. There are several challenges to providing many common broadband services like Digital Subscriber Line (DSL) and cable modem in sparsely populated areas. DSL uses telephone lines, and it is most often found in more populated areas because the technology usually works within three to six miles of a telephone company's switching center or central office. Even pockets of urban areas are often outside a DSL service area. Large multi-state communication and cable companies usually do not enlarge their high-speed Internet coverage until there is sufficient consumer demand to justify the expansion of their service area.

Several broadband solutions exist for rural areas, but each has limitations. Satellite broadband services are available to virtually anyone in Idaho with a clear view of the southern sky. Equipment and installation costs are not inexpensive and monthly service fees are more than other types of service. Faster download and upload speed options greatly increase the monthly service fees. There are over 30 wireless Internet Service Providers in Idaho that provide a more affordable option, but customers need an unobstructed view to the company's central antenna. Idaho also has a Middle Mile network that provides high-speed fiber optic communication services to many areas in southern Idaho. It is not clear if the digital divide between urban and rural Idaho is decreasing, but technological improvements and the trend of high-speed Internet replacing dial-up connections is growing.

