My name is Javier Gonzales and I am a county commissioner from Santa Fe County, New Mexico. I also serve as the First Vice President with the National Association of Counties (NACo). It is an honor to be here today and to serve on this panel with such distinguished advocates for rural America.

Few people know that there is more to Santa Fe than the world-renowned tourist destination. Santa Fe County is 80 percent rural. Despite having a successful tourist destination nearby, our rural county residents still feel the crunch that much of rural America feels.

I grew up in Pojoaque, a small town north of Santa Fe. Pojoaque was settled by Spanish explorers decades before pilgrims landed on Plymouth Rock. The Spanish and Native American people in the area developed small farms with vast irrigation systems that raised chile, beans, and cattle. Descendants of those Spanish explorers and native people still farm those areas today. I often talk to those small farmers who tell about their difficulties in facing the new world economy.

I’m pleased that the Federal Reserve Bank has taken a lead in addressing the concerns of rural America. I think the conference has been educational to us all, and I will certainly have some new ideas to take back to the people of Santa Fe County.

I want to take just a minute to comment on some of the discussions we have had and also take a moment to promote my organization, the National Association of Counties, and talk a little about what we are doing.

Rural counties face a myriad of problems in today’s world. Declining natural resource payments to counties, deteriorating infrastructure, lack of technological infrastructure, and a declining population (also known as “outmigration”) threaten the fiscal integrity of these local governments throughout the country.

I really appreciate the comments made by Stephen Cornell from the University of Arizona on the importance of local-level capacity building and the development of both leadership and institutions at the local level. The economic success of some Indian nations described by Professor Cornell really points to the need for local solutions. Being a county elected official, I believe that to be true. NACo focuses on solutions that can be tailored to it local rural counties.

Each year, NACo develops a list of the priority items facing America’s counties. Economic development continues to rank high on the priority list for NACo each year, particularly in rural areas.

As we heard earlier from William Fox, there is a question of priorities in rural America—whether infrastructure improvements lead to business growth or whether business growth generates infrastructure improvements. Surely that debate could go on for a while. But whether we decide that infrastructure improvements or business development need to happen, our nation’s counties are poised to solve these issues at the local level.

We all know that the issues that face rural America are changing rapidly. I was looking at the 1996 proceedings of this conference and I noticed that rarely was technology, such as e-mail or the Inter-
net, mentioned. It’s amazing how much the issues have changed in four short years.

In regards to technology in rural America, their ability to keep up with their urban counterparts has not been happening as fast as it should.

A recent study conducted by the U.S. Department of Agriculture found that in rural America three kinds of business were prevalent: banks, grocery stores, and restaurants. Technological industries were barely a blip on the proverbial radar screen with only half of rural areas having basic computer stores.

Without the necessary technological infrastructure and a computer literate population, business will continue to bypass rural counties throughout this great nation. As Geoffrey Hewings noted in his presentation, changes in urban areas in response to the global economy have been difficult. But rest assured, it will be even more difficult for rural America to make necessary changes. But those changes have to happen.

NACo has undertaken several initiatives to more adequately address technology problems that plague rural counties.

NACo recently formed a Technology Task Force to examine how counties can move forward to fill some of the potholes along the information superhighway. Their findings are due in July 2000 and NACo will be advocating for legislation on Capitol Hill for deployment of either broadband or wireless technologies into these rural areas.

NACo has launched an ambitious set of programs aimed at improving the computer literacy throughout rural America. Through innovative public/private partnerships, NACo is on the forefront of this issue for America’s counties.

For instance, we have noticed not only a “digital divide” within our county borders, but also an “e-mail divide” where only a small percentage of our county officials have e-mail addresses. In order to provide many of our 60,000 county officials with e-mail addresses and Internet access, NACo has teamed up with Juno Online services to provide these services free of charge to many of these areas that are in desperate need of electronic services.

NACo has also joined with America Online to start localized “Power up” projects. Through this partnership, AOL and other corporations will provide technology, funding, trained personnel, in-kind support, and other resources to help close the divide between counties who have access to computer-based information and technology-related skills and those who do not.

Another problem that our nation’s rural counties face is access to affordable health care. The inability of a rural area to provide affordable health care to its citizens simply makes attracting business to their area even more difficult.

In hospitals throughout rural America, the doors are being closed or services cut back due to lack of resources. Congress can help these counties by increasing the reimbursement to Medicare payments to counties in this next fiscal budget cycle.

Many of the discussions we’ve been engaged in these last few days are going on elsewhere. NACo has formed a Rural Action Caucus comprised of nearly 1,000 rural counties to more adequately address many of the problems that I have mentioned here today to representatives and senators on Capitol Hill.

Working in concert with the newly rejuvenated Congressional Rural Caucus, which currently has a roster of one-quarter of the Congress, rural Americans can rest assured that we will be fighting on many fronts to ensure that the digital divide be closed forever and that affordable health care services return to rural America.
Thank you again for this opportunity to be with you here today, and I’m excited to move into a vigorous discussion of these and other issues today.