

MONDAY, FEBRUARY 8, 2010

Broadband program making inroads

CONNECTKENTUCKY A MODEL FOR OTHER STATES



TOM EBLEN
HERALD-LEADER
COLUMNIST

A century ago, farm-to-market roads were the new infrastructure Kentucky needed to move its economy forward. A half-century ago, it was interstates and parkways.

Now, it's the information superhighway.

As the federal government begins taking applications Feb. 15 for \$7.2 billion in second-round stimulus money to expand broadband, it's a good time to check in on a Kentucky program that has become a model for other states.

ConnectKentucky was launched as a public-private partnership in 2004 to map high-speed Internet access in Kentucky, find gaps in coverage and work county-by-county with citizens, local officials and service providers to fill them. Much of the work focused on rural areas and the mountains.

From 2004 to 2007, broadband availability grew from 58 percent of Kentucky households to 95 percent, ConnectKentucky says.

The organization's newest initiative uses money from coal severance taxes and the Appalachian Regional Commission to expand broadband access in Breathitt, Powell, Estill and Lee counties.

ConnectKentucky also works to teach people how to use computers and to promote broadband as a way to improve economic and community development, education and health care.

That's because broadband availability and affordability aren't the only issues, said René True, executive director of ConnectKentucky.

See **EBLEN, B3**

KENTUCKY BY THE NUMBERS 5,000

The response to the University of Kentucky basketball team's recent Hoops for Haiti telethon was so overwhelming that business processing giant ACS jumped in to help the Bluegrass Chapter of the American Red Cross.

ACS volunteered its services to help the Red Cross in processing the roughly 5,000 donations that were made, about four times the volume of transactions processed annually by the chapter.

The telethon raised more than \$1.3 million.

ACS, which employs 2,000 in Lexington and is the city's third-largest private employer, provides a number of services to businesses including document and transaction processing and operation of customer support call centers.

SCOTT SLOAN



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PHOTOS BY **VICKY BROADUS** | vbroadus@herald-leader.com

At BabyCakes, all of the cupcakes are made fresh every day from scratch. The locally owned bakery, the "love child" of Tricia and Keith Clemons, opened last April on Patchen Drive. BabyCakes also caters special events.

OUTSIDE THE CUBE

A sweetheart of a business

BabyCakes is devoted to cupcakes and the belief that everybody knows somebody who'd love one

By **Vicky Broadus**

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It's that wonderful time of year when greeting card racks throb pink and red, teddy bears leer from seasonal merchandise displays and long-stemmed roses prick customers in checkout lanes. Ouch.

Given the assignment of producing something Valentine's Day-related, this incorrigibly unromantic reporter set out in search of a business to write lovingly about. A tip from Brown's Bakery (a subject of a previous column) set the car on a course for 153 Patchen Drive, home of the locally owned and operated, full-time cupcakery called BabyCakes Cupcakes.

Stop in the name of love: OK, so the space is cute and cozy and smells good. That's lovable. There's a board listing the day's special cupcake flavors: hot chocolate, pink lemonade, cherry vanilla vodka ... Mmmm. Here comes the proprietress from behind a curtain. She looks happy.

Cupcake hostess: Tricia Clemons introduces herself as the owner (with her husband) and driving force behind BabyCakes. On this visit, it's the end of many hours in the kitchen, and she settles onto a stool to talk. "I haven't sat down all day," she says.

Crazy love: Hoping to find a kindred spirit, I immediately dig deep, encouraging Clemons to spill her true feelings about Valentine's Day. "I love Valentine's Day. It's the only day all year that's focused on love," she says sweetly. Darn! She adds that this will be her first Valentine's Day at the shop, which opened last April, and "I hope it gets crazy."

See **CUBE, B5**

IF YOU GO

BabyCakes Cupcakes

Where: 153 Patchen Drive, Suite 57B

Hours: 11 a.m.-6:30 p.m. Tue.-Fri., 10 a.m.-4 p.m. Sat. Closed Sun., Mon.

More information: (859) 433-6190, www.bb-cakes.com.



Above: Tricia Clemons is the cupcake honcho at BabyCakes.



Left: Clemons made a buxom "sexy fairy" on the top of this cupcake out of fondant, a marzipanlike mixture. Customers may request special decorations.

COMMENTARY

Wall St. vs. Main St. thinking is simplistic

THEY'RE LINKED IN WAYS THAT BENEFIT BOTH



JOHN GAREN
CONTRIBUTING
COLUMNIST

The bank bailouts of last year and the subsequent discussion of banking and financial market regulation is often couched in terms of Wall Street versus Main Street.

There are aspects of government actions that did favor big, Wall Street institutions. But the us-versus-them mentality is not generally appropriate. Wall Street and Main Street are interlinked in many beneficial ways.

The many connections that Kentuckians, Kentucky merchants and Kentucky banks have to Wall Street provide important links to the national and international credit markets. Through these connections, people from around the world have access to investing in Kentucky projects. Similarly, Kentucky residents and organizations wishing to invest have not only local opportunities, but a wide array of national and international options available. Regulation tilted toward Wall Street upsets the balance of activity locally and nationally.

The bank bailouts of fall 2008 and winter 2009 did target the larger Wall Street financial institutions on the argument that some were "too big to fail."

The institutions perceived — correctly — that they had taxpayer-paid backing. That led to a less cautious approach to investing, essentially them taking more risk.

This is termed "moral hazard," the natural human tendency to be less careful when you know the effects of taking risk are covered.

If a financial institution takes more risk, there is a larger potential gain that the bank and its investors collect if things turn out well. But if things turn out poorly, the government is there to cover the losses. The bailouts to the big firms resulted when these losses materialized.

See **GAREN, B4**

TIGHTEN THE BELT IN 2010

From now through early April, Tighen the Belt will offer an update on many popular federal income tax deductions.

The alternative minimum tax exemption for 2009 is:

■ \$70,950 for a married couple filing a joint return, and qualifying widows and widowers.

■ \$35,475 for a married person filing separately.

■ \$46,700 for singles and heads of household.

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