

2,200 applicants in play for federal Internet grants

October 12 2009, By Etan Horowitz

The federal government is sorting through 2,200 applications seeking \$28 billion to bring high-speed Internet access to more people, officials said at an Orlando technology conference Monday.

But the agencies only have \$4 billion to spend, meaning many of the municipalities, nonprofit groups and telecommunications providers will be turned away. The awards are expected to be announced next month.

The money is part of \$7.2 billion set aside in the stimulus bill for rural broadband connectivity. In August, about 2,200 applications were submitted to the two agencies in charge of the funds -- the Department of Commerce's National Telecommunications and Information Administration and the Department of Agriculture's Rural Utilities Service.

A second, and possibly a third, application period for the remainder of the money is expected to start early next year.

"There's a lot of demand and competition," said Angie Simpson, an official with the [telecommunications](#) administration, who spoke at the COMPTel PLUS convention.

"Broadband really has the potential to do a lot of good and help people that really wouldn't have the opportunities otherwise," Simpson said.

One group that applied for the first round of funds is the Utilities

Commission of New Smyrna Beach, Fla., which is seeking \$1.4 million to connect municipal buildings via a [high-speed Internet](#) line and to offer high speed Internet access to residents.

The commission provides electricity, water, dial-up Internet and other services to thousands of residents in the New Smyrna Beach area. If it wins the federal money, the commission would kick in about \$400,000 in matching funds.

"We don't have the money to do these projects ourselves," said Ellen Fisher, a commission spokeswoman.

Fisher said the main goal in securing the money is to be able to link up city and county facilities such as hospitals, fire stations, utility buildings, water treatment plans, an emergency operations centers and schools, which will reduce costs and ensure rapid communications.

As an added benefit, the commission plans to offer high-speed Internet to residents. Fisher said there are about 800 homes and residents that pay for dial-up Internet service from the commission and she anticipates that about 5,000 residents would sign up for broadband service.

The commission considers those areas to be under-served by high-speed Internet, one of the requirements for receiving the stimulus money.

"Our goal is not to compete with private enterprises (in providing broadband)," Fisher said. "The goal is to get broadband to the people who don't have access to it. It's pretty hard to do business and access the Internet via dial-up, so that's why we would want to be able to help them out."

But Fisher said that there hasn't been a huge demand from the commission's dial-up customers -- many of whom are older -- for high-

speed access.

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