Tough choices for feds giving out broadband money

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(AP) -- The federal government will soon start handing out the first $4 billion from a pot of stimulus funds intended to spread high-speed Internet connections to more rural communities, poor neighborhoods and other pockets of the country clamoring for better access. The challenge is that the government has received $28 billion in requests.

So the reviewers at the Commerce and Agriculture Departments who will award the broadband money must make hard choices. The 2,200 applications each envision something different - more fiber-optic lines, for example, or computer labs or municipal wireless networks. But they all promise that their proposals will create jobs and bring new economic opportunities.

What follows are snapshots of four projects representing a cross section of the broadband stimulus hopefuls. It's too soon to know which plans will win federal grants or loans, either in this round of funding or in the next, as the total broadband stimulus expands to $7.2 billion. Those that do get picked may not get the full amount they are seeking.

But perhaps one - or more - of these projects has a chance.

For the Coeur d'Alene Indian tribe in the Idaho panhandle, the stimulus money could mean a lifeline to the outside world.

The tribe is asking for $12.2 million for a ring of fiber-optic lines that could connect up to 3,500 homes on one side of its rural reservation, which is about half the size of Rhode Island.

Right now, the tribe's landline broadband options are limited. The local cable company has pulled out of the market. And the phone company, Verizon Communications Inc., offers digital subscriber line (DSL) service to just a small slice of the reservation.

Although the tribe launched its own wireless network in 2005 with the help of Agriculture Department funding, that network reaches less than half the reservation and slows to a crawl whenever too many people get online at once.

Valerie Fast Horse, the tribe's information technology director, says stimulus money would let the Coeur d'Alene Indians build a network that is "more stable and more reliable" and could deliver faster connections at lower prices.

The tribe's wireless network currently offers top speeds of 1.5 megabits per second, comparable to standard DSL service available elsewhere. But it charges users about $100 a month, about four times the standard price. The proposed fiber network would deliver a 20-megabit connection - faster than what most cable subscribers get - for $100 a month. Or tribe members would be able to get a 1.5-megabit connection for $25 a month.

Fast Horse envisions all sorts of uses for the fiber lines, including distance learning. Tribe members already use video conferencing to participate in classes at North Idaho College, about 35 miles away, when the roads are too icy to drive. But that requires them to travel to the tribe's education center, which has a landline connection to the Internet. A fiber-to-the-home network would let tribal members take classes

without leaving their kitchens, she says.

It would also enable Coeur d'Alene members to consult with medical specialists around the country. And it would help the tribe preserve its language and culture, by allowing more members to access the tribe's video-sharing Web site, Rezcast. Among other things, the site features clips of powwows and online tutorials with tribal elders speaking their native language.

Clearwire Corp., a company pioneering the use of a next-generation wireless technology known as WiMax, is upfront about the fact that some markets don't make sense for telecom providers that need to show a profit.

So Clearwire is asking for $19.4 million to build a high-speed wireless network in a handful of poor Detroit neighborhoods that it otherwise might not serve anytime soon.

Although those neighborhoods have more than 800,000 people, high unemployment and poverty levels make for a tough business case. But federal dollars would change the equation, says John Bunce, president of the Clearwire unit applying for stimulus funding.

And with that seed money as a starting point, the company pledges to spend its own capital to expand the wireless network across metropolitan Detroit, including more lucrative suburban markets.

The company offers a range of wireless plans, including a $45-a-month package that delivers speeds averaging 3 megabits to 6 megabits per second. On the low end, the company offers a basic 1-megabit connection for $25 a month.

In Detroit, Clearwire says, it would also provide free and discounted accounts for poor residents through nonprofit partners.

In Appalachia, a nonprofit Internet provider called the Mountain Area Information Network (MAIN) wants help expanding a service started back in the dial-up Internet days so that people in the mountains of North Carolina wouldn't have to make a long-distance phone call to get online.

MAIN is asking for $2.5 million to extend its wireless network in Asheville, N.C., and several remote mountain communities. A sister non-profit is asking for $38.8 million to install fiber lines that would connect that network to the Internet.

Launched in 1996, MAIN today has about 1,200 dial-up subscribers, 400 wireless subscribers and several hundred additional customers who pay to access a Wi-Fi connection for a few hours or a few days at a time. Stimulus money would enable the non-profit to spread its wireless "cloud" to 11,000 additional homes in Asheville public housing projects and surrounding low-income neighborhoods.

Wally Bowen, MAIN's executive director, says the service would bring inexpensive mobile Internet connections - with speeds of 3 megabits per second for $30 a month - to a transient, low-income community that includes struggling artists and young entrepreneurs. Many of those people, he says, cannot sign up for the typical one-year or two-year contracts required to get the cheapest Internet rates from the big phone companies.

MAIN would also use federal funding to bring wireless connections to 1,700 homes in Graham County, an isolated, rural district that has no

four-lane highway. Although the library and community college in Graham County's only town, Robbinsville, do provide [high-speed Internet](#) access, budget cuts have restricted the number of hours that those computer centers are open.

In addition, MAIN would use stimulus money to extend its wireless service to Mount Mitchell State Park, home to the highest point east of the Mississippi. That would allow campers, park rangers and visiting scientists studying acid rain and biodiversity to get real-time updates on weather and trail conditions.

Philadelphia is making its second run at a big municipal broadband project.

The city is asking for $21.8 million to connect police precincts, fire stations, libraries, housing projects, recreation centers and community organizations across three inner-city neighborhoods.

Allan Frank, Philadelphia's chief technology officer, envisions doing this with a combination of fiber lines and a wireless network. That would bring high-speed links to city buildings to handle municipal affairs - while also enabling garbage collectors, emergency responders, fire inspectors and other city workers to stay connected using handheld devices in the field.

Philadelphia also has two other stimulus proposals: The city's public housing authority would like $2.4 million to place computer labs in housing projects. And the city's library system, working closely with community groups, is asking for $15 million to set up Internet training programs, supply laptops and install Internet connections to get low-income residents online.

Five years ago, Philadelphia partnered with EarthLink Inc. to blanket the city with wireless access, in hopes of providing cheap connections for poor neighborhoods. But that effort ended in failure: EarthLink concluded the venture had no business model and pulled out. Now the city hopes to buy the network assets that EarthLink left behind.

Frank says the stimulus money is an opportunity to "restart the conversation about what our technology future should look like." By retaining control over the project and focusing on broadband adoption as well as access, he added, the city would avoid the mistakes it made last time.

"This is a game reset for us," he says.

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