

Government's \$4B Broadband Package Buoys Channel Partners

July 13, 2009

By D.H. Kass

Channel partners serving outlying communities stand to benefit from the U.S. Commerce Department's newly released \$4 billion in stimulus funding to bring high-speed Internet access to underserved areas throughout the country.

The federal government recently made available grants and loans amounting to more than half of the overall \$7.2 billion authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) for broadband expansion to communities with limited or no high-speed Internet service.

Some \$4.7 billion of the funding will be administered by the National Telecommunications and Information Administration. It is designated for grants and projects to build broadband infrastructure, deliver access to public agencies and provide education and training to encourage its use. The remaining \$2.5 billion will be administered by the Rural Utilities Service to accelerate the development of broadband capabilities in rural areas.

"Expanding broadband access to underserved communities is an issue of equality and fairness," said Gary Locke, U.S. Commerce Secretary. "Having access to the Internet's economic, health and education benefits should be as much of a fundamental American right as attending a quality school or feeling safe when you walk down the street."

This is the first in a set of three funding rounds for broadband grants and projects offered by the Departments of Commerce and Agriculture. The government said that beginning July 14 it will accept applications for the funds for one month.

The announcement doubtless prompted a flurry of activity from IT solution providers prepping grant requests by the application deadline.

One channel partner, Computer Central, a networking solution provider based in Wilson, N.C., said that the government's broadband stimulus funds were central to its efforts to provide high-speed wireless access to rural areas.

"We've been doing rural wireless in Wilson and Nash counties," said Tina Mooring, Computer Central's store manager. "But we're limited on resources because we have capital tied up in other areas. The [stimulus] funds allow us to get up and running. My guys are shovel ready to start putting equipment up and doing some content delivery."

Computer Central has been "eyeing grants since November," Mooring said. "We have clients that want Internet access in rural areas. We started in Wilson county, got approval from the local government and then Nash county approach us."

Securing backing from a government official for a grant application can help a reseller win approval, said Bob Laclede, Ingram Micro vice president of business development and head of the distributor's IMStimulus program to assist resellers with grant applications.

Unexpected opportunity for resellers

“If a reseller can get their local congressperson or state senator to send a letter from their office to the grant approver in support it really helps,” Laclede said. “Some of our resellers have been able to get that done.”

Mooring said that Computer Central had garnered valuable assistance from Congressman G.K. Butterfield of the first congressional district of North Carolina.

In a letter dated April 13, Rep. Butterfield expressed his “strong support for Computer Central’s request for funding to assist in bringing wireless broadband to the Wilson, Nash and Edgecombe county areas.”

The congressman noted that the funding “is desperately needed in order to provide an economic stimulus to the disadvantaged and underserved residents of these counties.”

Mooring said that Computer Central also will receive application assistance from Ingram Micro’s IMStimulus program. “They’re going to give me a check off list to get my grant prepared when the application comes live,” she said.

Ingram’s Laclede pointed out that broadband offers an unexpected opportunity for resellers, especially those serving rural communities.

“When we first started working on [the grants program], we thought broadband was a low opportunity for our reseller base,” he said. “But as we were building the program, we found out that the large Telcos weren’t playing in the rural broadband grants. Our solution providers in rural areas definitely can get to some of these opportunities.”

Laclede said that since launching the IMStimulus program in early July, Ingram Micro is working on grant requests with about 80 channel partners, 8 – 10 of which have honed in on broadband opportunities.

“We provide education and coaching on submitting the request back to the Department of Commerce,” he said. “There are 212 categories of grants we’re tracking and all have their cycles of when they come live.”

The government also will help interested parties navigate the grants process. Officials said that the Commerce and Agriculture Departments will host public workshops in July to provide information about the availability of funds and the applications process in Boston, Charleston, W.Va., Minneapolis, Memphis, Tenn., Lonoke, Ark., Birmingham, Ala., Billings, Mont., Albuquerque, N.M. and Los Angeles.