

# No Consensus as Deadline Comes for Broadband Stimulus Applications

Aug 19, 2009, By *Andy Opsahl, Features Editor*

As the first funding deadline for broadband stimulus arrives Thursday, Aug. 20, observers say it's hard to predict what types of grant applications will be submitted, and who will emerge as the players behind the projects.

Sunne Wright McPeak, president of the California Emerging Technology Fund (CETF) -- a nonprofit that is organizing groups to apply for broadband stimulus money and is providing partial matching funds -- said this week she expects most applicants from the state to be smaller telecommunications companies. The CETF reached out to larger firms, but McPeak said they weren't interested.

"The larger companies didn't want the hassle of government stipulations. The smaller ones have been cash-strapped, so we finally got them, through all of our outreach, to realize this could be an opportunity they shouldn't pass up," McPeak said. She said her organization encouraged those companies to partner with local governments, but she didn't know how many took that advice.

On the other hand, Alan Shark, executive director of the Public Technology Institute, expects fewer submissions from local government than many anticipate.

Shark's prediction seemingly downplays the high volume of applications that last week overloaded the electronic submission system used for accepting applications. He predicts many local governments will wait for the next of the three funding windows for broadband in hopes that eligibility requirements will be loosened by the National Telecommunications Administration (NTIA) and the Rural Utilities Service (RUS) -- the two federal agencies disbursing \$7.2 billion set aside in the American Recovery and Reinvestment Act for broadband projects.

Confusion about eligibility requirements for the broadband money has intensified since July, when local governments in urban areas were surprised to learn that in order to be eligible, the project's geography would have to include neighborhoods where citizens are "unserved" or "underserved" by broadband coverage. Officials in at least a few cities, including two in California -- San Jose and San Francisco -- said [their grant applications for broadband funds would likely be unsuccessful](#) because they didn't think they would qualify.

"We're going to find there will be light turnout except for rural areas that can prove they're serving an unserved population," Shark said.

But that doesn't mean there aren't projects -- big and small -- in the works.

## Broadband Project Details Emerge

A coalition of state and local government agencies in Maryland has made it known that it's asking for \$100 million for a regional broadband network that officials say would save participants [\\$40 million annually](#). A similar consortium has formed in Cape Cod, Mass., under a proposed broadband network called [OpenCape](#). In Wisconsin, broadband providers are seeking the stimulus to help fund broadband for residents in as many as [26 counties](#).

And at least \$300 million in broadband stimulus money will be requested by private industry in California, said McPeak.

The CETF recently submitted two applications on behalf of the [California Telehealth Network](#), a project aiming to connect rural health-care providers to broadband. California State University, Sacramento, is leading the project, which involves several public and private entities, and wants \$49 million in stimulus grants. It already receives funding from the FCC, the CETF and United Health/Pacificare.

The CETF also submitted an application for \$39 million that it would be split up among 45 "community-based organizations" that have enlisted in the submission. If they get the grant, the CETF will provide up to 10 percent matching funds for each organization.

"A community-based organization would be like the YMCA of Long Beach, Calif.," McPeak said, later adding, "They're nonprofits that are serving a public purpose."

The CETF will do effectiveness reporting to the federal government on behalf of the recipient organizations and will collect a

small fee from the stimulus award to fund that process.

MJ

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