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Small Towns Line Up for \$7.2 Billion in High-Speed Internet Funds

Some big U.S. cities plan to compete with rural areas for funds



A scene repeated across the country: A construction crew in Memphis, Tennessee, digs a trench along a street for laying a fiber cable.

By Judi Hasson
Special Correspondent

Washington — Cook County in Minnesota is a pristine wilderness area along the Canadian border. While its residents enjoy canoeing, hiking and spotting moose and other wildlife, they lack access to broadband Internet service.

Bob Fenwick, a county commissioner, hopes that will change soon. The county will seek a grant from the \$787 billion economic stimulus plan, officially called the American Recovery and Reinvestment Act. Signed into law by President Obama in February, the plan designates \$7.2 billion for broadband services in unserved and underserved communities across the country.

The stimulus package was designed to jump-start the U.S. economy. It puts emphasis on local “shovel-ready projects,” such as repairing and building bridges and roads. The portion of funds available for broadband development may offer even greater promise of economic benefits than those that simply create short-term construction jobs. By bringing communities into the 21st century with modern technology, building Internet infrastructure may spur job growth in high-tech and service businesses.

“If we were going to give people a reason to live in Cook County, we have to have a reason for them to be here and work. That can work with high-speed broadband,” Fenwick said.

Cook County fits the criteria set forth in the stimulus plan. With a population of 5,500, the county depends on satellite dishes for television signals and has little else to offer residents in terms of technology. Although vacationers swell the county’s population by 20,000 in the summer and create jobs for tourism-related businesses, the local economy doesn’t have much in the way of year-round industry.

Cook County wants \$12 million in grant money to lay down hundreds of kilometers of fiber cable

and hook the county up to high-speed Internet service. February's unemployment rate reached 9.4 percent in the county, and broadband could bring jobs, officials believe. There's a small hospital in the county that does not offer surgery or some other services, with some patients being flown to Duluth, Minnesota, for care. Broadband would lead the way to using the Internet to diagnose health problems with help from a larger hospital 160 kilometers away. Broadband access also would make it possible for people to earn a living through home-based businesses or by telecommuting. It would even be a boon for tourism: Many Americans want to take holidays in the region but stay connected to work via e-mail. (See "[For Many Americans, Hard Work Is Badge of Honor.](#)")

"It would certainly mean an opportunity for people to have the same capabilities that cities have — digital TV, phone and information on the Internet," Fenwick said.

BIG CITY, BUT FALLING BEHIND

A recent report by the Communications Workers of America found that roughly 60 percent of urban and suburban households have access to broadband Internet, but only 38 percent of rural households do. As communities seek federal money, the U.S. federal government will determine what constitutes "unserved" and "underserved" communities. Two agencies in charge of awarding the broadband money are trying to come up with definitions to determine what kind of communities will qualify.

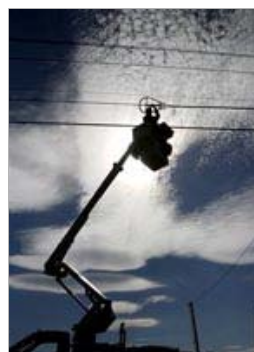
It's going to be important to some big-city mayors too; small communities aren't the only ones seeking the grants. Akron, Ohio, for instance, has its eye on a piece of the \$787 billion in economic stimulus. So do dozens of other cities across America that hope this one-time bonanza will help extend services, create jobs and attract businesses.

Akron, with a population of more than 200,000 and an unemployment rate close to 10 percent, wants \$7 million in stimulus money to bring wireless into every home and business within the city limits. "There are certainly going to be jobs created around this project," said Dave Lieberth, Akron's deputy mayor of administration. "It would be a tool for work force development. It holds a lot of promise for those who need to improve their skills."

Investment of every \$1 billion would create 57,000 jobs, both direct (construction) and indirect (Internet network-related), according to Mark Ansboury, chief technology officer of the Knight Center of Digital Excellence, located in Akron.

"People don't really realize that there are significant [Internet] deserts in every urban area," Ansboury said. "What often happens is that there are blighted areas, blighted housing, 'dead zones,' and a lot of communities don't have a way to change what's around them."

One big city that fits this category is Miami, with a population of 440,000. Peter Korinis, a top technology adviser for the city, said there are "hot spots" of broadband, but penetration is not universal. The city is seeking \$150 million to \$200 million in stimulus funds to build broadband networks throughout the 88-square-kilometer city. "We are losing our competitive edge," he said.



A worker riding in a construction basket strings wire between telephone poles to install broadband access in Cleveland.

"[Citizens] are losing out."

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