



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

DTMB
Technology, Management & Budget
KENNETH D. THEIS
DIRECTOR

FOR IMMEDIATE RELEASE

August 18, 2010

Contact: Tiffany Brown

517-335-6397

Michigan Broadband Providers to Receive More Than \$81 Million to Expand High Speed Internet Access

Recovery Act awards will bring broadband to underserved areas across the state

LANSING – Governor Jennifer M. Granholm today announced that three Michigan providers will receive more than \$81 million in federal grants to expand broadband internet access in a large, underserved portion of the state, including Southwest Michigan and the Upper Peninsula, and to build public computing centers in more than 200 Michigan communities.

The awards, funded through the American Recovery and Reinvestment Act of 2009 (Recovery Act), are part of a total federal investment of nearly \$7 billion to expand high speed internet access and adoption across the country. The projects announced today were part of the second round of Recovery Act funding for broadband expansion and are administered by the Department of Commerce's National Telecommunications and Information Administration (NTIA) and the Department of Agriculture's Rural Utilities Service (RUS).

“To diversify our economy and create jobs, we must expand high speed internet access to every corner of the state,” said Granholm. “This Recovery Act investment will allow us to build the broadband backbone necessary to bring reliable, high speed connectivity to communities, businesses, schools, and public safety providers all over Michigan.”

The Michigan projects announced today include:

- Merit Network Inc. – \$69.6 million

This award will allow Merit Network to offer affordable middle-mile broadband service in Michigan's Upper Peninsula and northern Lower Peninsula, with additional connections to research and educational networks in Wisconsin and Minnesota. The project will directly connect 61 community institutions to broadband. As many as 1.8 million people and 49,000 businesses will benefit from the expanded service.

- Michigan State University (MSU) – \$6.1 million

This award will allow Michigan State University to establish and upgrade more than 200 public computer centers in south-central Michigan, reducing the wait time for computer workstations and providing access for an additional 180,000 weekly users at public computing centers.

- Bloomingdale Communications Inc. – \$5.6 million

This award will allow Bloomingdale Communications to offer affordable middle-mile broadband service in southwest lower Michigan. The project will directly connect 40 community institutions to broadband and serve as many as 32,400 people and 1,000 regional businesses. In January, Merit Network and MSU received more than \$34 million in first-round federal broadband funding, and six Michigan organizations were awarded more than \$42 million in

additional second-round funding announced earlier this month. To date, Michigan projects have been awarded nearly \$158 million in Recovery Act funds to expand access to high speed internet service across the state.

According to an analysis released by the National Economic Council last year, overall Recovery Act investments in broadband are expected to create tens of thousands of jobs in the near term and expand economic development and job opportunities in communities that are being left behind in the new knowledge-based economy.

Recovery Act broadband projects help bring down the cost of private investment, attract Internet service providers to new areas, improve digital literacy among students and workers, and help create new opportunities in employment, education, and entrepreneurship by wiring homes and businesses.

With new or increased broadband access, communities can compete on a level playing field to attract new businesses, schools can create distance learning opportunities, medical professionals can provide cost-efficient remote diagnoses and care, and business owners can expand the market for their products beyond their neighborhoods to better compete in the global economy.

“This grand effort will allow us to connect Michigan communities to economic opportunity,” said Granholm. “Like the monumental project 56 years ago to link our two peninsulas, building a broadband network across the state will bring transformational change to Michigan. I believe today as I did in 2004 that broadband will be this generation’s Mackinac Bridge.”

#