



Calif. company looks to bring broadband service to area

By Brock Letchworth
The Daily Reflector

Sunday, October 18, 2009

A California-based wireless company is vying for federal dollars to help them provide broadband service to areas lacking it in eastern and coastal North Carolina.

Cleartalk, which builds wireless phone and high-speed Internet networks in under-served areas, has applied jointly for about \$48 million under both federal broadband stimulus programs. If approved for either one, company officials say they plan to bring mobile broadband service to about 2 million people in 38 counties, including Pitt.

Officials say they will need 392 tower sites in the service area to do so. They will use existing infrastructure where available and build towers in rural and remote areas where none exist, Matthew Merritt, Cleartalk director for South Carolina and North Carolina, said.

The 3G network service would be affordable and convenient for residents and businesses in those areas, Merritt said, noting that it would operate similar to networks the company has constructed during the past 10 years in Colorado, California, South Carolina, Idaho, Arizona, Alabama, Florida, Tennessee and Texas.

“We are trying to get broadband service to as many people as possible because we recognize its importance,” Merritt said. “With this, you could travel around and use the service anywhere, including your home, and it is much cheaper.”

Merritt said there are about 2,200 applicants seeking \$28 billion in federal broadband stimulus funding. He said Cleartalk's application should be attractive to those making the decision because it would be less costly per person than others.

Cleartalk's cost per population is \$12 per person under the RUS-BIP grant application and \$24 per person under the NTIA-BTOP grant. Other applicants in N.C. have a cost structure between \$250-\$1,500 per person, Merritt said.

“I would say our cost structure compares very favorably with any of the 2,200 other applicants,” he said.

Merritt said the company would offer high-speed mobile broadband at less than \$35 per month for five gigabytes. Merritt said that is about 50 percent less than the national average for similar service. A 25 percent discount also will be offered to “strategic institutions” such as schools and hospitals, he said.

A decision about the application is expected next month. Service could be ready for initial markets within nine months of receiving the funding, Merritt said. The entire project will take about three years to complete.

Plans for the broadband expansion already have the support of several legislators and other prominent figures in the state, including Sen. Kay Hagan, Sen. Richard Burr and Congressman G.K. Butterfield.

Hagan said implementing broadband access will help boost economic development in rural communities and keep them “vibrant.”

“Increasing broadband access means connecting our communities to the world and increasing commerce in this tough economy,” she said.

Merritt said the service would be the first opportunity many in the 38 counties have had for high-speed broadband Internet access.

A 2008 report by Connected Nation titled The Economic Impact of Stimulating Broadband Nationally estimated that increased broadband adoption in North Carolina would create more than \$2.4 billion in direct income growth and create or save more than 69,400 jobs.

Merritt said that equates to about \$573 million in direct income growth and 16,400 jobs created or saved in the North Carolina counties targeted by Cleartalk.

Rick Niswander, dean of the East Carolina University College of Business, said he believes broadband access is essential for areas such as eastern North Carolina as society shifts from an industry-dominated economy to one that is based on technology and information.

“If eastern North Carolina is going to be successful in the information age that we are moving more towards every day, then broadband Internet access is absolutely vital in making that happen,” Niswander said. “Otherwise, our citizens and young people are not going to have the tools they need to succeed in the information age. If we don't give them those tools, we are going to be left in the dust.”

In addition to the grant money, Cleartalk is contributing about \$10 million for the project. The company also has purchased more than \$6 million in equipment licensed by the Federal Communications Commission to allow it to provide the voice and data service. Cleartalk will be hiring about 200 people in the state during the next 12-18 months if approved, Merritt said.

Merritt said anyone wanting to learn more about Cleartalk's attempt to bring broadband service to eastern and coastal North Carolina can visit the Web site www.connectthecoast.com.

Contact Brock Letchworth at bletchworth@coxnc.com or (252) 329-9574.