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IBM Global Financing to Speed up Broadband Access to Rural America With New Financing That Benefits IBEC and DS2.

ARMONK, N.Y., and HUNTSVILLE, Ala., Sept 09, 2009 /PRNewswire-FirstCall via COMTEX/ -- IBM Global Financing, the lending and leasing business segment of IBM ([IBM](#) 117.40, +0.24, +0.20%) today announced that it has recently reached a new financing arrangement that would help accelerate customer access to high speed Internet in rural areas.

The funding agreement would benefit Broadband over Power Line (BPL) technology provider International Broadband Electric Communications, Inc. (IBEC) and one of its leading integrated chip (IC) suppliers, DS2. IBEC has developed technology that would deliver broadband access over electric power lines. IBEC is currently working with local electric utility cooperatives to build out a broadband network throughout parts of rural America, predominantly in the South, East and Midwest. Presently, IBEC delivers high-speed Internet access and provides 24/7/365 customer service to the cooperatives' consumer-membership.

IBM Global Financing has entered into a financing agreement with DS2, which provides important integrated chip technology to IBEC for the manufacture of Broadband over Power Line Regenerating Unit (BRU) smart boxes. About the size of an ordinary desktop computer tower, these boxes are attached to a common electric utility pole and activate to provide high-speed Internet signals to households that previously had only limited or dial-up access to the Internet. Under the agreement, IBM Global Financing will purchase IBEC invoices from DS2 and provide extended payment terms to IBEC.

"IBM Global Financing is proud to play a part in the financing of smart projects that lead to eventual economic recovery," said John Callies, general manager of IBM Global Financing, Worldwide. "Spurring investments in communications and information technology infrastructure like Broadband over Power Lines can not only provide a boost to the U.S. economy, but also lay the groundwork for long-term economic growth and significant improvement in Americans' quality of life."

IBEC also benefits from funding provided by the U.S. Department of Agriculture Rural Utilities Service (USDA RUS), which has this year been bolstered by additional funding from the American Recovery and Reinvestment Act (ARRA). This economic stimulus law signed by President Barack Obama included \$2.5 billion for the Agriculture Department to expand broadband service in rural America. Helping rural communities access high-speed Internet is an

important stimulus opportunity for the U.S. economy. Recently, IBM Global Financing announced a stimulus financing program for smart technology projects. IBM has estimated that in one year, a \$10 billion investment in broadband networks will support an estimated 498,000 new U.S. jobs.

IBM Global Business Services is already responsible for deploying thousands of these BRU smart boxes on utility poles across several states. Computer users are able to access the Internet at broadband speeds with a simple BPL modem that plugs into their household electrical socket. IBM Global Business Services recently signed a \$10 million services deal with IBEC.

"IBEC is excited by this arrangement with IBM Global Financing which will support our efforts to provide broadband Internet access to rural Americans who otherwise would have no path to this indispensable resource," said Scott E. Lee, IBEC CEO. "At IBEC, we recognize that all Americans, including those in rural America, want and need this service. IBM Global Financing's financing helps ensure they will have it sooner and more economically than would be possible without their participation."

Growing businesses often benefit from financing lines to push forward smart and innovative technology projects and bridge the time period between the delivery of goods and payment. IBM Global Financing can help well-qualified small businesses get paid earlier and bolster their business cycle.

"We are delighted with this relationship. It supports two growing companies like IBEC and DS2 to fund gigantic growth," said Jorge Blasco, DS2 President and CEO. "IBM Global Financing is playing a role that traditional banks are reluctant to play due to limited knowledge of the Smart Grid business and today's liquidity problems."

"Broadband over Power Line clearly is one of the technologies that should be included as part of the effort to expand broadband services to un-served and underserved markets in the U.S.," said Vince Vittore, Principal Analyst, Yankee Group. "This jump start in financing by IBM Global Financing is exactly the type of effort that will allow BPL to be an integral part of bringing the benefits of broadband to consumers and businesses that have been left out of the most important communications trend of the last decade."

Today, access to broadband service can make a huge difference in the lives of many. It can help rural communities link to tele-medicine, health, IT, education, and other capabilities that could further boost business and innovation.

About IBEC

IBEC, Inc. is a full-service provider of Broadband over Power Line Internet access products, solutions and services, electric utility SmartGrid communication and integration solutions, and powerline-based security systems. Focused on meeting the broadband needs of rural and underserved America, IBEC is the leading provider of Broadband over Power Line solutions to rural electric utilities and their consumers. For more information, contact IBEC at 285 Dunlop Boulevard SW, Suite K, Huntsville, AL 35824-1103 USA, 256.492.1000, 256.456.1406 fax, or via email at Marketing@ibec.net. On the Internet, visit IBEC at <http://www.ibec.net> and <http://www.bpl.coop>. IBEC - EmPOWERing the World's Broadband(R)

About IBM

For more information, please visit <http://www.ibm.com/financing>.

About DS2

For more information, please visit: <http://www.ds2.es>

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