

Data centers see potential in federal, local government work

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Data center operators are seeing a big potential market for their services in federal and local governments despite spending cutbacks at all levels, including some information warehouse closures.

Phoenix-based i/o Data Centers launched a government business division in June aimed primarily at developing its new modular business for government work and securing federal contracts.

“Right now that’s the greatest need, but we’ll also start on state contracts,” said **Ronald Yaggi**, a retired U.S. Air Force brigadier general, who’s leading the division.



Simon Rohrich, co-founder of Elliptical Mobile Solutions, is among those offering low-cost options for government data storage/

The launch came just a day before the federal government announced it would shutter 178 of its data centers across the U.S. by year-end because its infrastructure no longer was efficient. This followed 195 closures in the first half of the year.

Among the closures planned in the coming months are three centers in Phoenix: one each operated by the departments of Justice, Commerce and Interior.

In addition, the White House and outgoing U.S. Chief Information Officer **Vivek Kundra** released a report in February saying the federal government needs to consolidate its operations through cloud computing — either with computer systems that can run on the open Internet, or through a secured system accessible only by specific agencies, storing data on remote servers.

With that kind of environment, i/o believes there may be significant opportunities for its modular Anywhere platform of data centers built in Phoenix. The self-contained systems give users the ability to scale and locate their data centers as needed.

“Everyone is using data, consuming data, and they need ways to access their information,” Yaggi said.

Modular data centers have taken on increasing importance in the private sector during the past few years. Online retailer [eBay Inc.](#), for example, put out a request for modular rooftop data center units for a facility it built last year in Phoenix.

Scalability and portability are increasingly important to public-sector groups, said **Simon Rohrich**, co-founder of Elliptical Mobile Solutions in Chandler.

Elliptical manufactures small, portable data centers that roll on powered wheels. The company’s first 20 clients were government-based, and it continues to see interest from that sector, including sales to Canadian agencies, Rohrich said.

“The government isn’t in the business of building fancy data centers with raised floors,” he said. “They just need a solution.”

Even with a move toward modular centers, there is potential for government to use space in large hosted data centers, many of which have found a home in Phoenix because of its climate and lack of natural disasters.

Yaggi said developing data centers for federal agencies comes with unique challenges, including both online and physical security.

“It gives them another solution that they may not be looking at now,” he said.

Phoenix NAP, a Valley-based data center, is working to establish government connections to fill out its facility, said spokesman **Scott Reiland**.

“We are looking into and going after that sector as well,” he said.

Patrick O'Grady reports on technology, solar energy, utilities, manufacturing, aerospace, defense, sustainability, telecommunications, the Arizona Corporation Commission and other related topics