



INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

March 18, 2009

Dr. Bernadette McGuire-Rivera  
Associate Administrator, Office of Telecommunication  
and Information Applications  
NTIA  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W.  
Washington, D.C. 20230

Mr. David P. Grahn  
Associate General Counsel  
U.S. Department of Agriculture  
Rural Development  
Room 2017  
Mail Stop 1423  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250

Dear Dr. McGuire-Rivera and Mr. Grahn:

The members of the Independent Telephone and Telecommunications Alliance (ITTA) are mid-size telecommunications providers that serve nearly 30 million customers in 44 states. Our members serve some of the most rural parts of the country, where technological and geographical limitations, combined with market economics, create formidable challenges to high-speed Internet deployment.

Consistent with the points we made throughout the drafting of the American Recovery and Reinvestment Act of 2009 (ARRA), ITTA members strongly believe that the \$7.2 billion in broadband stimulus money should be focused on **unserved** parts of our country. Building out broadband to the unserved will do more to create jobs and open up new economic opportunity than diverting money to other purposes. Making broadband available everywhere will also facilitate other ARRA objectives, such as intelligent transportation systems, electronic medical health records and smart-grid technology. Unless ARRA's limited funds are focused on bridging the gap between the broadband haves and have nots, ARRA could actually widen today's digital divide. ARRA is an excellent start to close existing broadband gaps, but it is vitally important to ensure that funding is utilized as efficiently as possible to extend broadband's reach as far as possible. Thus, connecting the unserved should be the agency's foremost priority.

The full potential of broadband remains beyond the grasp of many Americans living in rural and other high-cost and hard-to-serve parts of the country. A recent study by the U.S. Department of Agriculture highlighted that, due to higher costs and low adoption rates, at least 9.3% of rural households do not have access to any type of broadband services.<sup>1</sup> In spite of the challenges of serving Rural America, ITTA members have invested hundreds of millions of dollars to bring the opportunity-building tool of broadband to 85-90% of their customers, which is in line with the availability in the more urban parts of our country.

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<sup>1</sup> Rural Broadband At A Glance, United States Department of Agriculture Economic Research Service, Bulletin Number 47, February 2009.

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Given current cost and demand conditions, however, we are unable to make a reasonable business case for building out broadband to the most rural areas that remain. This is why it is vitally important that the broadband stimulus funding be targeted as grants to areas that are currently unserved.

The broadband stimulus funding brings the opportunity to connect all Americans to broadband one step closer, and we must not let this opportunity pass us by. The stimulus funding is an important "down payment" on America's broadband future, but the enormity of the task requires focus and discipline in this first step.

Sincerely,

A handwritten signature in black ink, appearing to read "Curt Stamp", with a long horizontal flourish extending to the right.

Curt Stamp  
President, ITTA