



BY EMAIL AND USPS

April 10, 2009

Broadband Technology Opportunities Program
U.S. Department of Commerce
Rm 4812
1401 Constitution Avenue, NW
Washington, DC 20230

Re: American Recovery and Reinvestment Act of 2009 Broadband Initiatives
NTIA and RUS Joint Request for Information

Ladies and Gentlemen:

Spot On Networks, LLC (“Spot On”) is pleased to comment on certain aspects of the Joint Request for Information (the “ROI”) published by the National Telecommunications and Information Administration and the Rural Utilities Services on March 12, 2009. As discussed below, Spot On is particularly interested in assuring that in its efforts to provide grants that will satisfy the statutory goal of “provid[ing] improved access to broadband services to consumers residing in underserved areas of the United States”, the NTIA construes the term “underserved” to recognize the needs of low-income, financially disadvantaged populations residing in urban areas who are currently not receiving affordable, sustainable services.

Spot On provides very cost effective, secure, high speed Wireless Internet access and managed telecommunications services to multifamily dwelling residential properties. Utilizing standard 802.11 technology, Spot On provides a secure, cost effective Internet access service operating at up to 100 times the speed of dial up Internet access. Enterprise and residential customers in multi-tenant buildings are capable of using Spot On Network’s services anywhere in their homes and common areas virtually interference free, or if they utilize a laptop computer, can also utilize 802.11 in various downtown areas while at restaurants or shops covered by our network. For the past five years, Spot On has contracted with residential property developers throughout the United States to provide high speed wireless Internet Access in residential multi-family dwelling complexes encompassing nearly 30,000 residential units; schools and universities such as the Brooklyn Law School and enterprise locations in commercial multi-tenant office buildings. Spot On has delivered quality wired and wireless internet access to a full array of different residential communities ranging from high rises, garden style, hotels and commercial properties. Spot On currently has networks deployed in properties in sixteen states and the District of Columbia.

The American Recovery and Reinvestment Act of 2009 (the “Act”) allocated a total of \$4.7 billion to NTIA for a new Broadband Technology Opportunities Program (“BTOP”). The Act states that BTOP is intended, among other things, to provide improved broadband access in



“underserved areas”; provide broadband education, training, access, equipment, and support to organizations that provide outreach, access, equipment, and support services to facilitate greater use of broadband service by low-income, unemployed, aged, and otherwise vulnerable populations and stimulate the demand for broadband, economic growth, and job creation. Consistent with these objectives, BTOP competitive grants are available, among other things, for acquisition of broadband equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure; deployment of broadband services and related infrastructure; facilitating access to broadband by low-income, unemployed, aged, and “otherwise vulnerable” populations in order to provide educational and employment opportunities; and other matters consistent with the purposes behind BTOP.

As Free Press noted in a report published as recently as April 7, 2009¹,

“[f]or many urban residents, high-speed Internet services, which typically cost \$40 to \$60 per month, are simply too pricey. Compounding the Internet access problem, many people are unable to afford a computer or lack the skills to navigate the Web. And just like their rural counterparts, some urban areas have been redlined by Internet service providers that refuse to offer service to communities that may not provide as large a financial return. Many urban residents are locked out, unable to participate fully in the digital era. They’re prevented from applying for jobs, telecommuting, taking online classes or even finishing their homework. It’s becoming increasingly clear that Internet connectivity is key to a sound economy and could assist those hit hardest by the economic downturn.”

Free Press further notes that, for example,

“[a]lthough specific data on the demographics of D.C.’s digital divide is scarce, nationally, only 31 percent of urban households with incomes below \$35,000 subscribe to broadband, compared to 73 percent of urban homes with incomes above \$35,000. In D.C., 34 percent of the more than 250,000 households have incomes below \$35,000. And the divide also extends to race. Nationwide, only 38 percent of black urban households are connected to broadband, compared to 60 percent of urban non-Hispanic white households. Only 35 percent of Hispanic urban homes nationwide are connected to broadband. In D.C., two-thirds of the city’s population are racial and ethnic minorities, compared to just one-third of the total U.S. population.

¹ “Wired Less: Disconnected in Urban America,” released April 7, 2009, available at www.freepress.net.



The Joint Explanatory Statement released by the Congressional conferees confirms that, in evaluating each application, NTIA must consider whether an infrastructure grant will increase the affordability and adoption of, and subscribership to, broadband. Clearly, then, the mere availability in an urban area of other broadband providers does not mean that particular pockets and communities within the area are not “underserved.” BTOP applicants who are prepared to build new wireless infrastructure targeted to, and priced for, lower income areas should be funded even where other providers may have facilities which are being offered at prices that simply do not meet the needs of, and are not being adopted by, of this segment of the population. Spot On, for example, is working with community organizations to prepare a BTOP application that will provide funding for the installation of wireless networks in so-called “affordable” housing that can bring very reasonably priced wireless broadband internet access network to low-income, unemployed, aged, and otherwise “vulnerable” populations. Spot On’s approach satisfies two key goals of the BTOP: it provides reasonable adoption capability for those “vulnerable” populations and it will provide additional employment opportunities in the areas where ARRA funds are being used to implement Spot On’s networks.

Installing wireless broadband access in the multiple dwelling unit complexes (MDUs) that qualify as affordable housing under applicable federal standards in which these vulnerable residents often live is a highly cost and time efficient way to implement the goals and policies of the Act. Only 25% of low-income Americans², and 45% of lower-middle income Americans³ reported having broadband as of April 2008. Grant funds would be used for acquisition of broadband equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure and to deploy broadband services and related infrastructure within affordable housing MDU communities. Indeed, but for the availability of BTOP funding, it is virtually impossible to sustain a business case that allows for the lower pricing that Free Press notes will be an *essential* element of closing the “broadband” gap that now exists between the advantaged and disadvantaged elements of society.

Use of wireless broadband access networks will significantly expedite the delivery of internet access services to these “underserved” MDUs: Spot On, for example, believes that an initial BTOP grant would allow it to serve as many as 100,000 units – likely representing a population of nearly 300,000 new users -- within 12 to 18 months in some of the states in which it currently operates, and we suspect that other, similarly situated small business entrepreneurs could make similar achievements in many other states. Use of BTOP funds for such expansion would also create jobs for small businesses associated with the implementation of these MDU networks – further fulfilling a significant goal of the Act. No less significantly, and as Free Press has noted in its Report, broadband access within affordable housing communities will provide increased opportunities for residents to seek employment, work from home, and study and learn from home through access to on-line educational opportunities for adults and school-aged children alike, and even facilitate over time the provision of telemedicine and other health care benefits within these vulnerable communities.

² Pew Internet & American Life Project – Broadband Adoption 2008

³ Ibid.



By the NTIA recognizing such proposals as eligible for BTOP funding in an “underserved” area, Spot On also hopes to work with its community sponsors to obtain funding that will allow these “vulnerable” populations to obtain the customer premises equipment – either small notebooks or full-sized computers – that are also key to their ability to fully utilize the enormous advantages that the internet provides. Indeed, by providing these vulnerable populations access to the number of internet applications available to other segments of the populace, for example, Voice over Internet Protocol (“VoIP”) services, these residents may be able to reduce their overall monthly communication costs, in some cases by enough to add the cost of internet access from the savings.

In short, assuring that the term “underserved” expressly includes those elements of the population who do not have access to affordable, mobile broadband facilities in their residence – the very vulnerable population that Free Press identifies as being on the wrong side of the digital divide today – will allow NTIA to achieve significant objectives of the BTOP: increasing employment, introducing access to vulnerable, underserved urban populations, and providing service to those who would not be served during the time frame contemplated by the Act as quickly or as affordably at sustainable rates. We urge NTIA and RUS to include these elements as part of its broad definition of “underserved.”

Respectfully,

A handwritten signature in black ink, appearing to read "Richard Sherwin". The signature is written in a cursive style with a long, sweeping underline.

Richard Sherwin
Chief Executive Officer