

**Before the  
UNITED STATES DEPARTMENT OF COMMERCE  
National Telecommunications and  
Information Administration**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Utilities Service  
Washington, D.C. 20230**

In the Matter of )  
 )  
The American Recovery and Reinvestment ) Docket No. 090309298-9299-01  
Act of 2009 Broadband Initiatives Act )  
 )



**NTCA COMMENTS**

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**April 13, 2009**

National Telecommunications Cooperative Association  
Comments, April 13, 2009

Docket No. 090309298-9299-01

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**NTCA COMMENTS**

The National Telecommunications Cooperative Association (NTCA)<sup>1</sup> files these comments in response to the Joint Request for Information and Notice of Public Meetings by the National Telecommunications and Information Administration (NTIA) and the Rural Utilities Service (RUS) released March 12, 2009<sup>2</sup> seeking comment on Section 6001 of the American

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<sup>1</sup> NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents over 580 rural rate-of-return regulated telecommunications providers. All NTCA members are full service rural local exchange carriers (RLECs), and many of its members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended (Act). NTCA members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

<sup>2</sup> *Public Notice of Joint Request for Information and Notice of Public Meetings*, Fed. Reg. Vol. 74, No. 47 (rel. Mar. 12, 2009) (Notice).

Recovery and Reinvestment Act of 2009 (Recovery Act) to administer the broadband grants and loan programs to construct and deploy broadband systems.<sup>3</sup>

The NTIA and RUS seeks comment numerous issues, including the definitions of “unserved area,” “underserved area” and “broadband.” NTIA and RUS also seek input on how to define the nondiscrimination and network interconnection obligations for NTIA’s Broadband Technologies Opportunities Program (BTOP) grants awarded under Section 6001 of the Recovery Act.<sup>4</sup> NTIA seeks comment on selection criteria for its BTOP grant awards, noting that “the Recovery Act requires all agencies to distribute funds efficiently and fund projects that would not receive investment otherwise.”<sup>5</sup> NTIA also solicits comments on factors that NTIA should consider in fulfilling the requirements of the Broadband Data Improvement Act of 2008.<sup>6</sup>

## **I. INTRODUCTION AND SUMMARY**

Important to setting definitions and establishing obligations is reaching an understanding of rural broadband needs through fact-gathering efforts such as hearings, meetings, and NTCA’s Broadband Survey of rural broadband providers. Based on this background data, NTCA recommends that NTIA and RUS use the following definitions, limitations and conditions when distributing the \$7 billion in NTIA and RUS taxpayer broadband stimulus money:

1. “Broadband” should be defined based on high-speed Internet access capabilities that are generally available in a significant sample of service offerings in urban areas to establish a standard of comparability and affordability in urban and rural areas. As the capability of broadband technology and IP applications develop, the definition must evolve to meet consumer, education, business, and public health/safety demands. By linking the definition to generally available services, affordability, and comparability, the definition is enduring, technology neutral, and in the public interest.

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<sup>3</sup> American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) (Recovery Act).

<sup>4</sup> Notice, F.R. 10719.

<sup>5</sup> *Id.* at 10718.

<sup>6</sup> *Ibid*; Broadband Data Improvement Act, Pub. L. 110-385 (2008).

2. “Unserved areas” should be defined as populated areas that have no service or have dial-up only service (excluding satellite broadband service).
3. “Underserved areas” should be defined as populated areas that have access to broadband service at speeds greater than 56 kbps dial-up Internet access service but less than 768 kbps broadband service taking into consideration average customer usage during peak-hour or busy-hour load as established by the FCC.
4. Broadband grants, loans and loan guarantees should be awarded to small rural ILECs because they are well-suited to extend their existing broadband network infrastructure to the remainder of their rural service territories and unserved areas of other providers in an efficient and effective manner.
5. Recovery Act funds should not be used to subsidize competition.
6. Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have agreed to achieve broadband deployments as part of past and future merger approvals. These promises should not be premised or conditioned upon receiving USF broadband funding. Companies should not be allowed to use federal broadband pilot program monies to subsidize these mergers or fund previous commitments made to regulators and customers.
7. Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have included broadband services in their petitions for forbearance from Title II regulation. Some of these carriers’ forbearance petitions have maintained that competition is sufficient to no longer require them to unbundle their networks to CLECs.
8. Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have entered into state incentive regulation plans, which require these carriers to achieve specific broadband deployments in return for pricing and earnings flexibility. Companies should not be allowed to use federal broadband pilot program monies to fund previous commitments made to state regulators and customers.
9. Several factors should be used to identify reputable applicants who are financially stable, who have experience bringing broadband to unserved and underserved areas, and whose broadband strategies will use Recovery Act funds in accordance with Congress’ goals.
10. Large, vertically-integrated communications carriers seeking Stimulus money should be required to provide non-discriminatory access to special access transport needed to reach the Internet backbone.
11. Large, vertically-integrated communications carriers seeking Stimulus money should be required to base the price charged for special access transport needed to reach the Internet backbone upon the cost of providing the service.

12. Large, vertically-integrated communications carriers seeking Stimulus money should be required to make available to non-affiliated companies the same terms, conditions, and prices charged to their affiliated companies for special access transport needed to reach the Internet backbone.
13. Large, vertically-integrated communications carriers seeking Stimulus money should be required to make publicly available all of the terms, conditions and prices for special access transport needed to reach the Internet backbone.
14. Similar protections should be required for the cost of the Internet backbone.
15. Special access (middle-mile) transport should be defined to include, among other services, packet-switched broadband services, optical transmission services (e.g., frame relay, ATM, LAN, Ethernet, video-transmission, optical network, wave-based, etc.), TDM-based services (e.g., DS-1, DS-3, etc.), and other future transport services to reach the Internet backbone.

Additionally, NTIA must keep confidential data gathered to create a comprehensive nationwide inventory map of existing broadband services and should keep the data under close watch to prevent illegal disclosure.

By including these definitions, limitations and conditions on the \$7 billion in broadband stimulus money, NTIA and RUS will be able to efficiently manage the broadband infrastructure investment program consistent with Congress's goals of developing a national ubiquitous broadband network and spurring economic development throughout the United States.

## **II. UNDERSTANDING RURAL BROADBAND NEEDS IS KEY TO THE DEFINITIONAL PROCESS.**

NTIA and RUS seek comment on the proper definitions of “unserved area,” “underserved area” and “broadband” for purposes of awarding broadband grants and loans under the Recovery Act.<sup>7</sup> Engaging in this definition process is the first step and, arguably, the most important task these agencies can undertake towards enhancing rural broadband deployment as these definitions will echo throughout NTIA, RUS and FCC actions for some time, in addition to grants and loans under the Recovery Act. These definitions must reflect the nature of the rural areas which

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<sup>7</sup> Notice, F.R. 10719.

Congress has said is the focus of the joint efforts of NTIA, RUS and FCC.

Public hearings, private meetings, and review of rural broadband surveys are all useful tools for the Commission, NTIA and RUS to better understand rural broadband needs. NTIA and RUS have conducted several public hearings on broadband funding issues concerning the potential use of funds provided under the Recovery Act. These hearings have included private sector eligibility, innovative programs to encourage sustainable broadband adoption, and the definitions of “unserved areas,” “underserved areas,” and “broadband.” NTCA also participated and/or attended several of the public hearings in an effort to explain the small rural broadband provider view and provide recommendations for the most efficient and effective manner to distribute the \$7 billion in NTIA and RUS broadband Recovery Act money. NTIA and RUS should review NTCA’s testimony and information as part of the definition process.

For the last ten years, NTCA has conducted its annual Broadband/Internet Availability Survey to gauge the broadband deployment rates of advance services by its member companies. All NTCA members are small carriers that are “rural telephone companies” as defined in the Communications Act of 1934, as amended. While some offer local exchange service to as few as 44 lines and a small handful to 50,000 or more, nearly 50% of NTCA members serve between 1,000 and 5,000 lines. Population density in most member service areas is in the range of 1 to 5 customers per square mile.

The 2008 Broadband/Internet Survey provides valuable aggregated insight into the broadband speeds offered by NTCA’s small independent rural communications providers, their customer take rates, the technologies used to deliver broadband, distance from primary Internet connection, levels of competition, the rural carriers’ marketing efforts, their future deployment

plans and deployment barriers that rural providers face in providing broadband to their members.

Key results of this 2008 Survey are as follows:

- 91% of respondents' customers can receive 200 – 768 kbps service, 83% can receive 768 kbps – 1.5 Mbps, 58% can receive 1.5 – 3 Mbps, 46% can receive 3 – 6 Mbps, and 25% can receive greater than 6 Mbps.
- Regarding take rates, 11% of respondents' customers subscribe to up to 56 kbps service, 19% to 200 – 768 kbps, 36% to 768 kbps – 1.5 Mbps, 10% to 1.5 – 3 Mbps, 11% to 3-6 Mbps, and 5% to greater than 6 Mbps.
- Of the technologies used to bring broadband to their customers, 99% of the respondents use DSL, 44% use fiber to the home or fiber to the curb, 33% use some form of wireless, 14% use satellite and 10% use cable modem (some respondents use more than one technology).
- The typical respondent is located 98 miles from their primary Internet connection, reflecting the distance issues that hinder broadband deployment.
- Ninety-three percent of the survey respondents said they already face competition in the provision of advanced services in some parts of their service area from at least one other service provider. These competitors include national Internet service providers (ISPs), satellite broadband providers, cable companies, and wireless ISPs. Over half of the respondents found it difficult to compete with competitors' price promotions. Deployment costs remain the most significant barriers to wide deployment of fiber.<sup>8</sup>

These survey data draw a clear picture of the difficulties small rural carriers face in providing broadband to rural customers. While on average 91% of NTCA members' customers have broadband available, the last nine percent has been largely too costly to receive previous public or private financing. Rural carriers currently use a variety of technologies to reach customers: DSL, fiber to the home/fiber to the curb, wireless (both licensed and unlicensed), satellite and cable modem. These carriers are intimately familiar with rural issues and challenges, and understand the best way to serve their customers - who are, in large part, friends and neighbors in their community.

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<sup>8</sup> See NTCA 2008 Broadband/Internet Survey Report (rel. Oct. 2008), available at: <http://www.ntca.org/images/stories/Documents/Advocacy/SurveyReports/2008ntcabroadbandsurveyreport.pdf> (NTCA Broadband Survey).

During the last 20 years, rural carriers have continued to invest in rural, high-cost and insular areas in the United States based on a system of rate-of-return regulation, National Exchange Carrier Association (NECA) pooling, and high-cost USF support. This existing regulatory structure has allowed rural carriers to give their rural consumers access to telecommunications services at prices that are comparable to services and prices received by urban consumers. Rural consumers, meanwhile, continue to demand the high quality of service that they are accustomed to receiving from the carriers that have served them for decades. Small rural incumbent carriers have provided high-quality, dependable, enduring service for decades and the NTIA and RUS should use the definition process to allow small rural incumbent carriers to complete the broadband build-out in their rural communities.

According to the Rural Development Telecommunications Program's May 2008 investment report, through its loan programs, over \$6.3 billion has been invested in expanding broadband capabilities since 2001.<sup>9</sup> While this is a significant number, it does not include financing received from other sources, including CoBank, RTFC and local banks, among others. This is a good story. Broadband is being deployed in rural networks and NTIA and RUS should not take actions that would be contrary to the further deployment of broadband in rural areas.

### **III. DEFINING "UNSERVED AREAS" AS DIAL-UP ONLY IS APPROPRIATE.**

NTIA and RUS should define unserved areas as populated areas that have no service or have dial-up only service (excluding satellite broadband service). The intent of the Recovery Act is to achieve 100% broadband availability and subscription in every U.S. household before using stimulus money to over-build any existing broadband networks. The current \$7 billion available in NTIA and RUS broadband grants, loans, and loan guarantees will not meet the needs of the estimated 10 million U.S. households currently without available broadband service.

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<sup>9</sup> [http://www.usda.gov/rus/telecom/broadband/pdf/BIBA\\_asof\\_5-9-08.pdf](http://www.usda.gov/rus/telecom/broadband/pdf/BIBA_asof_5-9-08.pdf)

NTIA and RUS, therefore, should determine that Recovery Act money therefore should be used exclusively for unserved areas (populated areas with only dial-up service) first before considering underserved areas. The letters attached from Senators sent to NTIA, RUS and FCC define "unserved areas" as "dial-up only areas" and urge NTIA, RUS, and the FCC to use the broadband stimulus money in unserved (dial-up only) areas first and foremost. NTCA's proposed definitions are consistent with the congressional intent of the ARRA, prevent the gaming of NTIA/RUS broadband stimulus program, and protect and promote the public interest.

**IV. "UNDERSERVED AREAS" SHOULD BE DEFINED AS LESS THAN 768 KBPS.**

Further, NTIA and RUS should define "underserved areas" as populated areas that have access to broadband service at speeds greater than 56 kbps dial-up Internet access service but less than 768 kbps broadband service taking into consideration average customer usage during peak-hour or busy-hour load as established by the FCC. As noted before, the Recovery Act does not provide sufficient funding to satisfy the demands of all the unserved areas as NTCA defines the term, much less any underserved areas.

**V. "BROADBAND" NEEDS AN EVOLVING DEFINITION.**

As with any changing technology, the definition of the broadband supported service necessarily will evolve over time. NTIA and RUS should define "broadband" based on high-speed Internet access capabilities that are generally available in a significant sample of service offerings in urban areas to establish a standard of comparability and affordability in urban and rural areas. As the capability of broadband technology and IP applications develop, the definition must evolve to meet consumer, education, business, and public health/safety demands. By linking the definition to generally available services, affordability, and comparability, the definition is enduring, technology neutral, and in the public interest.

## **VI. SMALL RURAL ILECS SHOULD BE GIVEN PRIORITY FOR RECOVERY ACT GRANTS AND LOANS.**

Section 6001(e)(1) of the Recovery Act provides that the Assistant Secretary of Commerce can establish by rule the eligibility criteria for entities whose funding with BTOP grants will serve the public interest. RUS, in the Notice, seeks comment on the most efficient and effective ways to offer broadband funds to target unserved areas.<sup>10</sup> NTCA urges NTIA to adopt rules on BTOP grant eligibility criteria that would include all existing small rural ILECs, which for convenience can be defined as "small entities" under the Regulatory Flexibility Act, 5 U.S.C. Section 601 (RFA). Small rural ILECS are well-suited to extend their existing broadband network infrastructure to the remainder of their rural service territories and in nearby unserved and underserved areas in an efficient and effective manner. Moreover, small rural ILECs are familiar with USF support requirements, USAC audits and financial accountability practices, and RUS loan procedures.

As shown in NTCA's 2008 Broadband Survey, all NTCA small rural ILEC companies are RFA small entities and the respondents are currently providing broadband Internet access to some parts of their rural service areas.<sup>11</sup> NTCA's members are striving to provide broadband throughout their service areas, but on average have not been able to reach the final nine percent of their customers, with deployment costs are cited as the biggest constraint.<sup>12</sup> Many NTCA members would like to apply for Recovery Act funds to complete their broadband build-out in their high-cost areas. These small rural ILECs have some broadband infrastructure already in place, and Recovery Act funds would be used efficiently to extend broadband capabilities to the

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<sup>10</sup> Notice, F. R. 10720.

<sup>11</sup> 2008 NTCA Broadband Survey, p. 1.

<sup>12</sup> 2008 NTCA Broadband Survey, p. 4.

rural ILECs' unserved areas. These small rural ILECs, with Recovery Act funding through the BTOP grants and RUS loans, can create jobs and extend their broadband deployment in a much shorter time frame than other BTOP applicants.

Furthermore, small rural ILECs are familiar with the rigors of audits and financial accountability through their 50+ years of experience with USAC audits of USF funds and RUS loan financial reviews. Consequently, NTIA should enact funding eligibility criteria rules that include small rural ILECS that qualify as small entities under the RFA.

## **VII. CONGRESS DID NOT INCLUDE SUBSIDIZED COMPETITION IN THE RECOVERY ACT.**

In creating its eligibility rules and funding priorities, NTIA and RUS should ensure that federal Recovery Act funds are not used to subsidize competition for broadband services against small rural ILECs. NTCA members reported in the 2008 Broadband Survey that ninety-three percent already face competition in the provision of advanced services in some parts of their service area from at least one other service provider.<sup>13</sup> These competitors include national Internet service providers (ISPs), satellite broadband providers, cable companies, and wireless ISPs. Additional support through Recovery Act funds to create competition in rural ILEC service areas is not justified and is inconsistent with the goals of the Recovery Act.

NTCA members who are existing RUS borrowers are already under financial obligations to repay those loans, and additional competition will reduce the members' ability to deploy more broadband infrastructure and repay loans. NTIA and RUS may find that federally-subsidized broadband competition in high-cost unserved areas will jeopardize rural ILEC RUS borrowers' ability to repay those RUS loans. Subsidizing competition through Recovery Act funds and jeopardizing existing rural broadband deployment efforts is not in the public interest, nor will it

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<sup>13</sup> NTCA Broadband Survey, pp. 3-4.

stimulate economic growth or create jobs in small rural high-cost areas. Rather, rules and funding priorities adopted by NTIA and RUS should reflect a policy of not creating artificial, unsustainable competition through federal support.

### **VIII. NTIA AND RUS SHOULD CONSIDER SEVERAL FACTORS IN ESTABLISHING SELECTION CRITERIA FOR BROADBAND GRANTS AND LOANS.**

NTCA recommends NTIA and RUS consider several substantive factors as part of these agencies' compliance with the Recovery Act.<sup>14</sup> Each factor is designed to help NTIA and RUS create criteria that reveal whether the BTOP grant or RUS grant/loan applicant can and will use Recovery Act funds in an effective and efficient manner in unserved and underserved areas. Using criteria developed from these factors will permit NTIA and RUS to identify quickly the reputable applicants who are financially stable, who have experience bringing broadband to unserved and underserved areas, and whose broadband strategies will use Recovery Act funds in accordance with Congress' goals.

NTIA and RUS should employ the following factors to create selection criteria:

1. Can the applicant demonstrate long-term financial stability concerning the broadband investment proposal? This factor is relevant to the efficient use of Recovery Act funds. Neither NTIA nor RUS should award Recovery Act funds to an applicant who cannot demonstrate long-term financial stability. Questionable companies with fly-by-night investment schemes are not the entities envisioned by Congress as being responsible enough to deploy broadband services in a sustainable manner. Proven stability over time is a solid indicator of continued solvency and responsible use of federal funds for public benefit.

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<sup>14</sup> In addition to awarding at least one grant per state, Section 6001(h) requires NTIA, to the extent practical, to consider whether an application will increase affordability and subscribership to the greatest number of users, 2) provide the greatest broadband speed to the greatest number of users, enhance services for health care, education or children to the greatest number of users, and not unjustly enrich recipients of other federal funds for non-recurring costs. NTIA must also consider whether the applicant is a socially and economically disadvantaged small business concern per 15 U.S.C. Sec. 637.

2. Can the applicant improve access to broadband service to consumers residing in an unserved or underserved area through broadband facilities in or near the area for which the grant and/or loan is requested? If a broadband provider is already investing in an unserved or underserved area and already has some infrastructure in that area, that broadband provider has an enhanced stake in providing high-quality service. Such an applicant is more likely to continue provide service, is a lower risk, and is more likely to have a better credit history than a new entrant.
3. Does the applicant seek to serve any part of a rural ILEC's service territory? New BTOP and RUS grants and/or loans should not be given to applicants who seek to enter a rural ILEC's service territory because the area may not economically support more than one carrier. Furthermore, the rural ILEC may already be providing broadband service to some portions of its service area. Rather, the rural ILEC applicant should gain priority over the new entrant to better use existing infrastructure and to avoid creating unsustainable, artificial competition in rural ILEC territory. This also prevents harm to rural consumers who could otherwise be harmed if/when the new entrant abandons service in the high-cost area. Additionally, a new entrant's efforts to lure a rural ILEC's customers may jeopardize the rural ILEC's ability to repay its existing RUS loans.
4. Does the applicant have an existing or past RUS loan? This factor examines the utility of lending or awarding Recovery Act funds to an applicant who has experience with RUS funding. New BTOP and RUS grants/loans should be awarded to those with a proven history of managing and accounting for federal loans through the RUS program. Existing or previous RUS borrowers have priority under the RUS system, and this priority should carry over to NTIA.
5. Is the applicant a carrier that receives federal USF support? Applicants who receive federal USF support should be given additional consideration because they may qualify for additional high-cost support after the grant or loan money has been invested. These applicants thus have the enhanced ability to turn the Recovery Act funds from near-term funding to long-term investments. The Recovery Act funding is limited and must be awarded by September 2010. As mentioned earlier, there is not enough money in Recovery Act funds alone to reach all the unserved areas. Awarding Recovery Act funds to CLEC applicants in rural ILEC territory will create artificial competition and will take funds away from unserved broadband service areas. Annual USF funding perpetuates the benefits of Recovery Act funds by maintaining the infrastructure, which is critical in rural areas.
6. Is the applicant in good standing with state and federal regulators? This factor reflects the reputability of the applicant, one which NTIA and RUS should examine to ensure that federal funds are not given to those with serious regulatory violations. Applicants in good standing with state and federal public utilities commissions and publicly held corporations in good standing with the Securities and Exchange Commission and the Federal Trade Commission should be favored for funding.

7. Does the applicant have a history of building, operating and maintaining a high-quality communications network? A proven work history is a solid predictor of future performance and gives NTIA and RUS a higher comfort level in providing funding. Established companies have a higher likelihood of paying back the loans on time and using Recovery Act funds properly. Unproven companies pose a higher risk that they will leave a project unfinished. NTCA members have been serving their customers for over 50 years, and in some instances for over a century. NTCA member have provided high-quality service consistently and therefore should receive higher ranking and given greater weight when NTIA and RUS consider competing applications.
8. Would the broadband grant and/or loan be used to promote artificial competition? Grants and loans through the Recovery Act should not be used to promote artificial competition. The top priority for funding is the unserved areas. If NTIA and RUS allocate funds to stimulate competition, those funds will by definition be directed to areas that already have at least one broadband provider. As with voice-grade service, promoting artificial competition in broadband service is no guarantee that broadband take rates will increase. Instead, funding competition takes away funds that could be better used for unserved areas. Consequently, applicants that would use the Stimulus funds to compete with an existing provider should not be favored.

Using these selection factors will identify those applicants who best can provide access to sustainable broadband service in unserved and undeserved areas, stimulate demand for broadband services, and provide economic development and job creation in rural areas.

**IX. NTIA AND RUS SHOULD ADOPT SELECTION CRITERIA THAT REQUIRE BROADBAND STIMULUS MONEY RECIPIENTS TO PROVIDE COST-BASED SPECIAL ACCESS (MIDDLE-MILE) TRANSPORT SERVICE TO THE IP-BACKBONE AT NON-DISCRIMINATORY RATES, TERMS AND CONDITIONS.**

In addition to the foregoing selection factors, NTIA and RUS should require those who receive Recovery Act grant or loan money or guarantees to verify that their special access (middle-mile) transport rates are cost-based and non-discriminatory. This approach is crucial to ensuring that rural broadband providers who depend on special access (middle-mile) transport services can do so at non-discriminatory, cost-based rates, terms and conditions.<sup>15</sup> NTCA

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<sup>15</sup> Special access (middle-mile) transport service includes, among other services, packet-switched broadband services, optical transmission services (e.g., frame relay, ATM, LAN, Ethernet, video-transmission, optical network, wave-based, etc.), TDM-based services (e.g., DS-1, DS-3, etc.), and other future transport services to reach the Internet backbone.

recommends that all large, vertically-integrated communications carriers, such as AT&T, Verizon, Qwest, and Comcast be required to provide non-discriminatory, cost-based special access (middle-mile) transport services needed to reach the Internet backbone.

Increasing broadband demand means that carriers must increase their transport capacity to the Internet backbone. When these carriers must purchase special access services at above cost rates, customers eventually will see these higher costs included in their broadband rates.<sup>16</sup> These costs, as well as the middle-mile transport and the Internet backbone itself are significant cost factors in providing rural broadband service. Keeping large carriers middle-mile transport cost-based will accelerate broadband deployment and subscription, result in more affordable broadband services to consumers, and drive economic development throughout the United States.

The National Exchange Carrier Association (NECA) performed an extensive analysis of middle-mile costs in a recent study. NECA's findings were dire-concluding that high-speed Internet service is uneconomic in many rural areas. NECA further found that increased IP traffic will exacerbate, rather than ameliorate, the problem, as existing revenue shortfalls are multiplied as the scale of operations increases. For example, the study shows revenue shortfalls at \$9.7 million per year at a 0.5% penetration rate, growing to \$33.6 million per year at a 5% penetration rate, \$49.8 million at a 10% penetration rate, and \$63.8 million per year at a 15% penetration rate. NECA's sobering conclusion: "high-speed Internet service may not be sustainable in many rural areas based on pure economics."<sup>17</sup>

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<sup>16</sup> *Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Recommended Decision, FCC 07J-4 (Fed.-State Jt. Bd., rel. Nov. 20, 2007) ("Overlooking transport costs can harm remote carriers, and the problem worsens when those carriers must purchase special access facilities to connect their customers."), ¶ 21.

<sup>17</sup> NECA, Middle Mile Cost Study Executive Summary, [www.neca.org/source/NECA\\_Publications\\_1154.asp](http://www.neca.org/source/NECA_Publications_1154.asp).

NTCA members report similar realities. The cost of purchasing internet capacity on a per megabit basis has gone down in some instances over the last several years; however, in response to customer demand, small rural broadband providers are buying more and more capacity. Therefore, rural ILEC Internet total capacity costs are increasing while the prices for broadband Internet access have remained at fairly constant levels. One NTCA member company, which provided NTCA with cost data under the proviso that its identity not be revealed, reported that total bandwidth costs for backhaul purposes increased by 105% between 2001 and 2008. Over the same period, Internet access capacity costs increased by more than 500%. While these cost increases were, in part, offset by increased broadband revenues, the average cost per customer is increasing because customers are consuming increasingly larger quantities of bandwidth.

To achieve and maintain the goal of universal affordable broadband service for all Americans, NTCA has urged the Commission to regulate the terms, conditions and pricing of Internet backbone services, including special access (middle mile) transport needed to reach the Internet backbone, to ensure that large, vertically-integrated Internet backbone providers do not abuse their market power by imposing unfair and discriminatory pricing on small, rural communications carriers providing retail high-speed Internet access service in rural, insular and high-cost areas of the United States. The Commission has already adopted some of these conditions as part of the Commission's approval of the AT&T/BellSouth merger.<sup>18</sup> NTCA urges NTIA and RUS to require special access providers who receive Recovery Act grants or loans to certify that their special access rates are cost-based and non-discriminatory.

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<sup>18</sup> *In the Matter of A&T and BellSouth Corporation Application for Transfer and Control*, Order on Reconsideration, Appendix, Page 5, WC Docket No. 06-74, (rel. March 26, 2007).

**X. RECOVERY ACT GRANTS AND LOANS SHOULD NOT BE AWARDED TO APPLICANTS ALREADY OBLIGATED TO PROVIDE BROADBAND SERVICE UNDER MERGER, INCENTIVE REGULATION OR FORBEARANCE REQUIREMENTS.**

Congress prohibits NTIA and RUS from distributing Recovery Act funds for projects that would not receive investment otherwise.<sup>19</sup> This restriction prevents recipients who are otherwise obligated to provide broadband service or build-out as part of their merger agreements, incentive regulation or forbearance petition awards. Consequently, none of the current \$7 billion NTIA and RUS stimulus money available for broadband should be distributed to AT&T who was required to buildout 100% of its service area in 2007 as part of the FCC's AT&T/Bell South merger conditions and has invested billions overseas.

Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have entered into state incentive regulation plans, which require these carriers to achieve specific broadband deployments in return for pricing and earnings flexibility. Companies should not be allowed to use federal broadband pilot program monies to fund previous commitments made to state regulators and customers.

Other large integrated broadband service providers who receive grants of forbearance from Commission regulation in exchange for deploying broadband infrastructure should likewise be excluded from consideration for Recovery Act funds. NTIA and RUS to ensure that Recovery Act money used to serve any existing unserved AT&T households should be given only to other providers applying for funding. Furthermore, NTIA and RUS must examine closely whenever AT&T, Qwest, Verizon or other carrier seeks Recovery Act grants and loans to fund their current broadband obligations.

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<sup>19</sup> Notice, F.R. 10718.

## **XI. NETWORK INTERCONNECTION OBLIGATIONS FOR BTOP GRANTS SHOULD FOLLOW THE FCC'S 2005 BROADBAND POLICY STATEMENT.**

NTIA and RUS should require Recovery Act recipients to certify that they are adhering to the Commission's principles contained in its broadband policy statement adopted August 5, 2005.<sup>20</sup> The FCC adopted the following principles to ensure that broadband networks are widely deployed, open, affordable, and accessible to all consumers:

- To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to access the lawful Internet content of their choice.
- To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement.
- To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to connect their choice of legal devices that do not harm the network.<sup>21</sup>
- To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet, consumers are entitled to competition among network providers, application and service providers, and content providers.<sup>22</sup>

NTCA believes net neutrality principles should also be designed to permit reasonable and non-discriminatory management of network bandwidth capacity, establish reasonable prices for special access services to the Internet backbone, and provide reasonable and non-discriminatory

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<sup>20</sup> *In the Matters of Appropriate Framework for Broadband Access to the Internet over Wireline Facilities*, CC Docket No. 02-33, *Review of Regulatory Requirements for Incumbent LEC Broadband Telecommunications Services*, CC Docket No. 01-337, *Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services: 1998 Biennial Regulatory Review – Review of Computer II and ONA Safeguards and requirements*, CC Docket Nos. 95-20, 98-10, *Inquiry Concerning High-Speed Access to the Internet Over cable and Other Facilities*, GN Docket No. 00-185, *Internet Over Cable Declaratory Ruling, Appropriate Regulatory Treatment for Broadband Access to the Internet Over Cable Facilities*, CS Docket No. 02-52, Policy Statement, FCC 05-151 (rel. Sep. 23, 2005).

<sup>21</sup> See *Hush-A-Phone Corp. v. United States*, 238 F.2d 266, 269 (D.C. Cir. 1956); *Use of the Carterfone Device in Message Toll Telephone Service*, 13 FCC 2d 420 (1968).

<sup>22</sup> See Preamble, Telecommunications Act of 1996, P.L. 104-104, 100 Stat. 56 (1996) (enacting 1996 Act “to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies”).

access to high-quality IP-based services to all consumers using the network. NTCA has recommended that the FCC expand its existing network management principles and now recommends the following to NTIA and RUS:

1. Communications network providers seeking stimulus money should be required to provide consumers with non-discriminatory access to any lawful content or services on the public Internet through their Internet connection and allow consumers to attach any lawful equipment to their Internet connection.
2. Communications network providers seeking stimulus money should be allowed to offer quality of service priced public and private services to providers of IP-enabled services who seek to guarantee the quality of their services to the communications network provider's end-user customers.
3. Communications network providers seeking stimulus money should be allowed to take reasonable and non-discriminatory measures to protect their networks through the management of bandwidth and transmission of content and applications to their customers.
4. Communications network providers seeking stimulus money, including Internet backbone providers, should be required to provide all communications network providers with non-discriminatory access to the Internet backbone, including special access (middle-mile) transport needed to reach the Internet backbone.
5. Communications network providers seeking stimulus money, including Internet backbone providers, should be required to price their Internet backbone service, including special access (middle-mile) transport needed to reach the Internet backbone, based on their cost to provide the service.
6. Communications network providers seeking stimulus money, including Internet backbone providers, should be required to provide non-affiliated communications network providers with the same terms, conditions, and prices that the Internet backbone providers charge their affiliated companies for access to the Internet backbone, including special access (middle-mile) transport needed to reach the Internet backbone.
7. Communications network providers seeking stimulus money, including Internet backbone providers, should be required to make publicly available all of the terms, conditions and prices for their Internet backbone services, including special access (middle-mile) transport needed to reach the Internet backbone.

Considered as a package, these expanded net neutrality principles constitute a sound basis for protecting the interests of consumers, ISPs/broadband service providers, and IP

application/content providers. Nothing in NTCA's proposed principles condones the blocking or dropping of any lawful IP applications or broadband transmissions used by consumers or IP application/content providers.

**XII. NTIA AND RUS SHOULD STRIVE TO APPLY REGULATORY FLEXIBILITY ACT ALTERNATIVE RULES TO REDUCE THE ECONOMIC IMPACT ON SMALL RURAL ILECS.**

While administering Regulatory Act funds, NTIA and RUS should adhere to the Regulatory Flexibility Act (5 U.S.C. Section 601) and consider alternative rules that will reduce the economic impact on small entities. NTIA and RUS should adopt NTCA's recommended definitions of "unserved area," "underserved area," "broadband," and non-discrimination and network interconnection obligations for BTOP grants, which will comply with the RFA and reduce the economic burden on small, rural LECs and the consumers they serve. NTCA's approach will also promote the public interest, convenience, and necessity, will spur development of new advanced communications technologies and broadband deployment, and most importantly, will ensure that consumers living in rural, high-cost areas are able to receive high-quality, affordable voice and broadband services.

**XIII. BROADBAND MAPPING DATA MUST BE KEPT CONFIDENTIAL AND UNDER CONTANT VIGILENCE TO AVOID ILLEGAL DISCLOSURE.**

NTIA seeks comments on factors that NTIA should consider in fulfilling its requirements under the Broadband Data Improvement Act of 2008 (BDIA).<sup>23</sup> The BDIA, among other provisions, requires the US Department of Commerce (NTIA) to create a broadband inventory map using data gleaned from grants funded through the Recovery Act.<sup>24</sup> Access to the data gathered to create these broadband maps is restricted to aggregate data, not individual data, and

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<sup>23</sup> Notice, F.R. 10718.

<sup>24</sup> BDIA, Sec. 106.

can be released only to eligible entities. An “eligible entity” as defined under the BDIA is a state, municipality, nonprofit organization or other independent agency or commission designated by the state to receive a grant through the BDIA.<sup>25</sup> These entities are subject to the following admonition regarding public disclosure of broadband information gathered under the BDIA:

“Notwithstanding any provision of Federal or State law to the contrary, an eligible entity shall treat any matter that is a trade secret, commercial or financial information, or privileged or confidential, as a record not subject to public disclosure except as otherwise mutually agreed to by the broadband service provider and the eligible entity.”<sup>26</sup>

NTIA must use constant vigilance to protect confidential information provided by rural broadband service providers, as required by Congress.

Another source of confidential broadband data available to NTIA is gathered by the FCC through the use of the Form FCC Form 477. Beginning with the March 2009 filing of year-end connection data as of December 31, 2008, all facilities-based providers of wired, terrestrial fixed wireless, and satellite broadband connections must report the number of connections in service to households and businesses by census tract, separated by category and eight tiers of service speed.<sup>27</sup> Terrestrial mobile wireless broadband providers must provide the census tract that best represents their service footprint.<sup>28</sup> Alternatively, reporting entities can file a list of service addresses or GIS coordinates, with the speed and broadband connection technology by address.<sup>29</sup>

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<sup>25</sup> BDIA, Sec. 106 (i)(2).

<sup>26</sup> BDIA, Sec. 106(h)(2).

<sup>27</sup> *In the Matter of Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Services to All Americans, Improvement of Wireless Broadband Subscriberhip Data, and Development of Data on Interconnected Voice over Internet Protocol (VoIP) Subscriberhip*, WC Docket No. 07-38, Further Notice of Proposed Rulemaking, (rel. June 12, 2008) (FNPRM), ¶¶ 14, 20.

<sup>28</sup> *Id.* ¶ 16.

<sup>29</sup> *Id.* ¶¶ 15, 32.

Called a means to collect a “rich trove of data,” the new Form 477 will glean broadband information at the census tract level, instead of the former five-digit zip code system.

The Commission can share the mapping data with other federal and state agencies, local governments, and public-private partnerships.<sup>30</sup> The NTIA, RUS and FCC should protect broadband consumers’ privacy interests and broadband providers’ competitive interests by shielding proprietary information, especially carrier build-out plans, that may be provided on the FCC Form 477 and through statewide mapping efforts from public disclosure. Indeed, municipal utilities, who may compete against telcos using municipal networks and/or broadband over power line (BPL) technologies and through pole attachment negotiations, may gain a corporate advantage by seeing their competitors’ fiber, wireless and DSL build-out intentions. Revealing these intentions do not illuminate broadband availability but may cause carriers to retract broadband deployment plans.

The Commission recognizes its obligation to protect proprietary and commercially sensitive information from public disclosure pursuant to 5 U.S.C. § 552, 47 C.F.R. § 0.457(d), 0.459(d) while subject to Freedom of Information Act disclosure rules. Broadband providers will be reluctant to submit private consumer information and confidential commercial data unless the providers and consumers are assured their data will remain confidential. Data validity is critical to the overall success of broadband mapping. NTIA and RUS should keep these disclosure sensitivities in any distribution of aggregate or disaggregated data that may result from the newly-revised Form 477.

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<sup>30</sup> *Id.* ¶ 35.

#### **XIV. CONCLUSION.**

The primary intent of the American Recovery & Reinvestment Act is to achieve 100% broadband availability and subscription in every U.S. household before using stimulus money to over-build any existing DSL broadband networks with fiber. This money therefore should be used for unserved areas (populated areas with only dial-up service) first before considering underserved areas. NTCA therefore recommends that NTIA and RUS use the following definitions, limitations and conditions when distributing the \$7 billion in taxpayer broadband stimulus money:

- a. "Broadband" should be defined based on high-speed Internet access capabilities that are generally available in a significant sample of service offerings in urban areas to establish a standard of comparability and affordability in urban and rural areas. As the capability of broadband technology and IP applications develop, the definition must evolve to meet consumer, education, business, and public health/safety demands. By linking the definition to generally available services, affordability, and comparability, the definition is enduring, technology neutral, and in the public interest.
- b. "Unserved areas" should be defined as populated areas that have no service or have dial-up only service (excluding satellite broadband service).
- c. "Underserved areas" should be defined as populated areas that have access to broadband service at speeds greater than 56 kbps dial-up Internet access service but less than 768 kbps broadband service taking into consideration average customer usage during peak-hour or busy-hour load as established by the FCC.
- d. Broadband grants, loans and loan guarantees should be awarded to small rural ILECs because they are well-suited to extend their existing broadband network infrastructure to the remainder of their rural service territories and unserved areas of other providers in an efficient and effective manner.
- e. Recovery Act funds should not be used to subsidize competition.
- f. Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have agreed to achieve broadband deployments as part of past and future merger approvals. These promises should not be premised or conditioned upon receiving USF broadband funding. Companies should not be allowed to use federal broadband pilot program monies to subsidize these mergers or fund previous commitments made to regulators and customers.

- g. Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have included broadband services in their petitions for forbearance from Title II regulation. Some of these carriers' forbearance petitions have maintained that competition is sufficient to no longer require them to unbundle their networks to CLECs.
- h. Broadband grants, loans, or loan guarantees should not be given to carriers in areas where they have entered into state incentive regulation plans, which require these carriers to achieve specific broadband deployments in return for pricing and earnings flexibility. Companies should not be allowed to use federal broadband pilot program monies to fund previous commitments made to state regulators and customers.
- i. Several factors should be used to identify reputable applicants who are financially stable, who have experience bringing broadband to unserved and underserved areas, and whose broadband strategies will use Recovery Act funds in accordance with Congress' goals.
- j. Large, vertically-integrated communications carriers seeking Stimulus money should be required to provide non-discriminatory access to special access transport needed to reach the Internet backbone.
- k. Large vertically-integrated communications carriers seeking Stimulus money should be required to base the price charged for special access transport needed to reach the Internet backbone upon the cost of providing the service.
- l. Large, vertically-integrated communications carriers seeking Stimulus money should be required to make available to non-affiliated companies the same terms, conditions, and prices charged to their affiliated companies for special access transport needed to reach the Internet backbone.
- m. Large, vertically-integrated communications carriers seeking Stimulus money should be required to make publicly available all of the terms, conditions and prices for special access transport needed to reach the Internet backbone.
- n. Similar protections should be required for the cost of the Internet backbone.
- o. Special access (middle-mile) transport should be defined to include, among other services, packet-switched broadband services, optical transmission services (e.g., frame relay, ATM, LAN, Ethernet, video-transmission, optical network, wave-based, etc.), TDM-based services (e.g., DS-1, DS-3, etc.), and other future transport services to reach the Internet backbone.

Additionally, NTIA must keep confidential data gathered to create a comprehensive nationwide inventory map of existing broadband services and should keep the data under close watch to prevent illegal disclosure.

By including these definitions, limitations and conditions on the \$7 billion in broadband stimulus money, NTIA and RUS will be able to efficiently manage the broadband infrastructure investment program consistent with Congress's goals of developing a national ubiquitous broadband network and spurring economic development throughout the United States.

Respectfully submitted,



By: /s/ Daniel Mitchell  
Daniel Mitchell

By: /s/ Karlen Reed  
Karlen Reed

*Its Attorneys*

4121 Wilson Boulevard, 10<sup>th</sup> Floor  
Arlington, VA 22203  
(703) 351-2000

April 13, 2009

**CERTIFICATE OF SERVICE**

I, Adrienne L. Rolls, certify that a copy of the foregoing Initial Comments of the National Telecommunications Cooperative Association in Docket No 090309298-9299-01 was filed electronically via e-mail to the **Broadband Technology Opportunities Program**, ***BTOP@ntia.doc.gov*** on this 13<sup>th</sup> day of April 2009, with a courtesy copy sent electronically to the following persons:

Barbara Brown  
U.S. DEPARTMENT OF COMMERCE  
National Telecommunications and  
Information Administration  
[\*bbrown@ntia.doc.gov\*](mailto:bbrown@ntia.doc.gov)

Mary Campanola  
U.S. DEPARTMENT OF AGRICULTURE  
Rural Utilities Service  
[\*mary.campanola@usda.gov\*](mailto:mary.campanola@usda.gov)

# United States Senate

WASHINGTON, DC 20510

March 9, 2009

The Honorable Otto J. Wolf  
Acting Secretary of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230

Dear Acting Secretary Wolf:

As you begin the process of implementing the broadband initiatives provided in the American Recovery and Reinvestment Act of 2009 (ARRA), we urge you to prioritize deploying basic broadband to currently unserved areas through the National Telecommunications and Information Administration (NTIA). The legislation provided \$4.7 billion for NTIA broadband deployment programs, but it also contained a number of priorities for you to consider in allocating those funds. Bringing broadband to unserved rural areas, however, must be our first priority because economic recovery will be difficult to achieve in rural communities without broadband access.

It is widely understood that high-speed broadband is a crucial driver of economic recovery, creating jobs and enhancing our global competitiveness. Currently, many areas are served only by dial-up, which can be very slow in rural areas. By providing access to high-speed broadband to places that only have access to dial-up connections, many rural communities will experience the development that broadband allows. Broadband access will spur job creation in rural areas hardest hit by the recession. Broadband will also be central to improving educational opportunities and delivering health care more efficiently, important benefits that also contribute to economic growth.

As you know, lowering health care costs is essential to economic recovery. Broadband networks enable innovative use of telemedicine services and applications, allowing more cost-effective and quality care, greater access to specialists, and remote monitoring of patient vital signs and diagnostic information by doctors. Perhaps most importantly, telemedicine gives rural and low-income communities access to medical experts even at great distance.

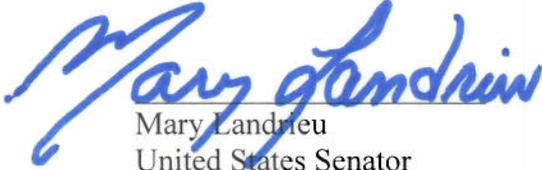
In addition, broadband networks are an essential part of improving educational opportunities for students. Access to broadband has transformed education by improving learning outcomes, serving multiple learning styles, and expanding access to high quality curriculum. It also allows for instant feedback between teachers and students and individual tailoring of instruction.

Without access to broadband, many rural communities will be unable to realize the benefits of economic recovery as intended in the ARRA. We urge you to make deploying broadband to unserved areas your first priority in dispensing the considerable resources accorded to broadband by Congress in the ARRA.

Sincerely,



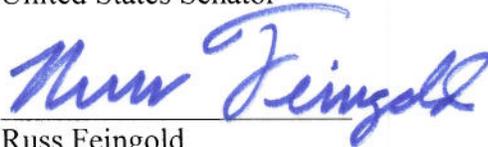
Jeanne Shaheen  
United States Senator



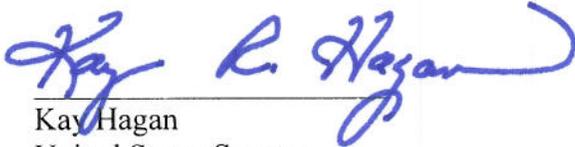
Mary Landrieu  
United States Senator



Debbie Stabenow  
United States Senator



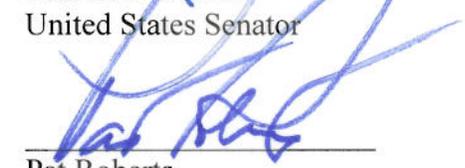
Russ Feingold  
United States Senator



Kay Hagan  
United States Senator



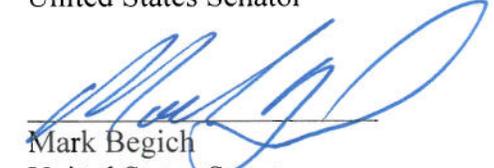
Sam Brownback  
United States Senator



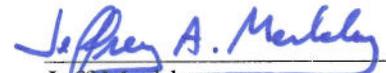
Pat Roberts  
United States Senator



Ron Wyden  
United States Senator



Mark Begich  
United States Senator



Jeff Merkley  
United States Senator

CC: Commissioner Jonathan S. Adelstein

Commissioner Robert McDowell

# United States Senate

WASHINGTON, DC 20510

March 9, 2009

Acting Chairman Michael J. Copps  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Acting Chairman Copps:

As you begin the process of coordinating the broadband initiatives provided in the American Recovery and Reinvestment Act of 2009 (ARRA), we urge you to prioritize deploying basic broadband to currently unserved areas. The legislation provided federal agencies with \$7 billion for broadband deployment programs, but it also contained a number of priorities for agencies to consider in allocating those funds. Bringing broadband to unserved rural areas, however, must be our first priority because economic recovery will be difficult to achieve in rural communities without broadband access.

It is widely understood that high-speed broadband is a crucial driver of economic recovery, creating jobs and enhancing our global competitiveness. Currently, many areas are served only by dial-up, which can be very slow in rural areas. By providing access to high-speed broadband to places that only have access to dial-up connections, many rural communities will experience the development that broadband allows. Broadband access will spur job creation in rural areas hardest hit by the recession. Broadband will also be central to improving educational opportunities and delivering health care more efficiently, important benefits that also contribute to economic growth.

As you know, lowering health care costs is essential to economic recovery. Broadband networks enable innovative use of telemedicine services and applications, allowing more cost-effective and quality care, greater access to specialists, and remote monitoring of patient vital signs and diagnostic information by doctors. Perhaps most important, telemedicine gives rural and low-income communities access to medical experts even at great distance.

In addition, broadband networks are an essential part of improving educational opportunities for students. Access to broadband has transformed education by improving learning outcomes, serving multiple learning styles, and expanding access to high quality courses. It also allows for instant feedback between teachers and students and individual tailoring of instruction.

Without access to broadband, many rural communities will be unable to realize the benefits of economic recovery as intended in the ARRA. We urge you to make deploying broadband to unserved areas your first priority in dispensing the considerable resources accorded to broadband by Congress in the ARRA.

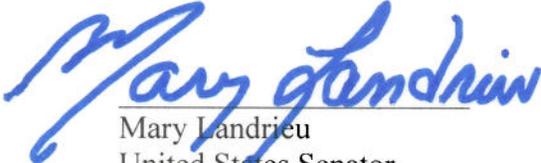
Thank you for considering these views.

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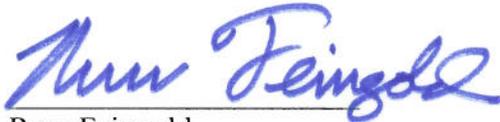
Jeanne Shaheen  
United States Senator



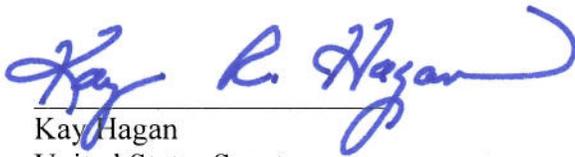
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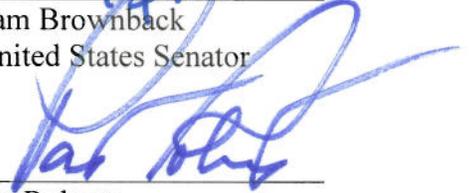
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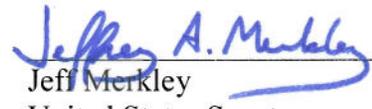
Pat Roberts  
United States Senator



Ron Wyden  
United States Senator



Mark Begich  
United States Senator



Jeff Merkley  
United States Senator

CC: Anna Gomez  
Deputy Assistant Secretary for Communications and Information and Acting  
Administrator, National Telecommunications and Information Administration

# United States Senate

WASHINGTON, DC 20510

March 9, 2009

The Honorable Tom Vilsack  
Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Independence Ave., S.W.  
Washington, DC 20250

Dear Secretary Vilsack:

As you begin the process of implementing the broadband initiatives provided to the Department of Agriculture (USDA) in the American Recovery and Reinvestment Act of 2009 (ARRA), we urge you to prioritize deploying basic broadband to currently unserved areas through the Rural Utilities Service (RUS). The legislation provided \$2.5 billion for RUS/USDA broadband deployment programs, but it also contained a number of priorities for you to consider in allocating those funds. Bringing broadband to unserved rural areas, however, must be our first priority because economic recovery will be difficult to achieve in rural communities without broadband access.

It is widely understood that high-speed broadband is a crucial driver of economic recovery, creating jobs and enhancing our global competitiveness. Currently, many areas are served only by dial-up, which can be very slow in rural areas. By providing access to high-speed broadband to places that only have access to dial-up connections, many rural communities will experience the development that broadband allows. Broadband access will spur job creation in rural areas hardest hit by the recession. Broadband will also be central to improving educational opportunities and delivering health care more efficiently, important benefits that also contribute to economic growth.

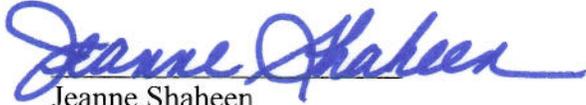
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In addition, broadband networks are an essential part of improving educational opportunities for students. Access to broadband has transformed education by improving learning outcomes, serving multiple learning styles, and expanding access to high quality curriculum. It also allows for instant feedback between teachers and students and individual tailoring of instruction.

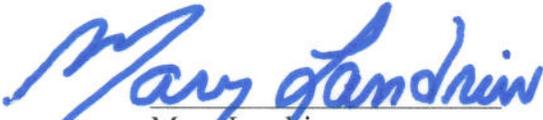
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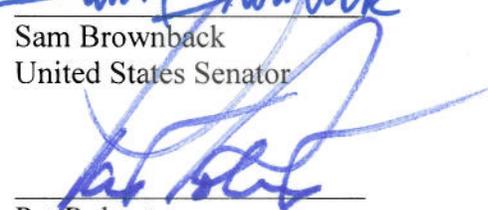
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United States Senator

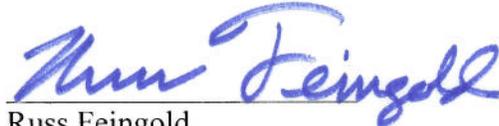
  
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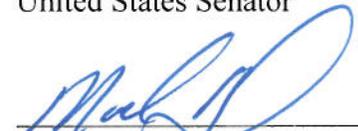
  
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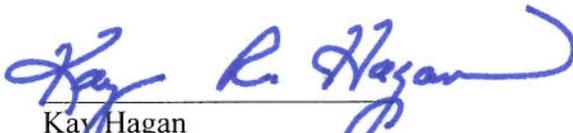
  
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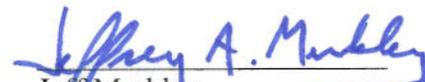
  
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Mark Begich  
United States Senator

  
Kay Hagan  
United States Senator

  
Jeff Merkley  
United States Senator

CC: James R. Newby  
Acting Administrator, Rural Utilities Service