



State of New Jersey

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JON S. CORZINE

Governor

April 13, 2009

The Honorable Gary Locke
Secretary, U.S. Department of Commerce
Office of the Secretary
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

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

The Honorable Anna Gomez
Acting Assistant Secretary,
Deputy Assistant Secretary for Communications and Information
Office of the Assistant Secretary,
National Telecommunications Information Administration
U.S. Department of Commerce
1401 Constituion Avenue, N.W.
Washington, DC 20230

Dear Secretary Vilsack, Secretary Locke, and Assistant Secretary Gomez:

As noted in the recent letter from the National Association of Regulatory Utility Commissioners (NARUC), the "American Recovery and Reinvestment Act of 2009" (ARRA) charges the National Telecommunications Information Administration (NTIA) and the Rural Utilities Service (RUS) with the task of efficiently disbursing \$6.85 billion via grants for broadband infrastructure and adoption programs in under 18 months. Both agencies face extraordinary challenges. The State of New Jersey recognizes that NTIA must focus on the DTV transition during the most critical period for disbursements. With limited staff, the NTIA's challenges become even greater. RUS staff is fully occupied disbursing funds from previously authorized programs. It may be impossible for either to complete the tasks assigned under ARRA without significant staff expansion. Given the incredibly compressed timeframe, it will be virtually unmanageable to review the anticipated thousands of applications most predict both will receive, much less rank the proposals according to ARRA-specified criteria, disburse funds, and monitor grant specific implementations.

New Jersey can help. As the National Association of Regulatory Utility Commissioners (NARUC) noted in its letter to you, "Congress, GAO and even outside commentators have recognized that these

tasks *cannot* be accomplished without State assistance.” The State of New Jersey agrees with NARUC and the Ohio Commission that the best way to assure that the bulk of the stimulus funds are

targeted and expended in the most efficient manner possible is, as Congress directed, to rely extensively on the States. The State of New Jersey has intimate knowledge of our communications environment, geography, and demographics along with every incentive to make certain the money is swiftly distributed and properly targeted.

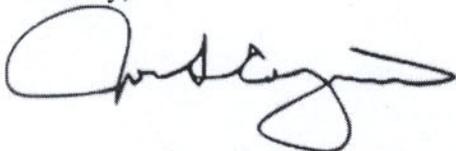
RUS is seeking comment on the most effective ways to offer broadband funding, and ways to align the RUS and NTIA programs most effectively. RUS also seeks comment on the priorities for funding that are outlined in ARRA, as well as on ways to evaluate whether areas need funding under the ARRA criteria, i.e., whether an area lacks sufficient high speed broadband to facilitate rural economic development. The State of New Jersey requests that RUS be flexible in defining what qualifies as a rural area in keeping with the goals of the legislation so that the states can all benefit when confronted with these difficult economic times.

One of the main goals of ARRA is to provide \$2.5 billion through the RUS in discretionary grants, loan and loan guarantees for broadband infrastructure in any area in the United States. This is to allow for distance learning, telemedicine, and broadband development. States like New Jersey have areas and regions that are significantly more rural in geography and demographics than other parts of the State. Specifically, large areas of northern New Jersey and also southern New Jersey are more rural. These are exactly the kinds of geographic and demographic areas that the ARRA funds for RUS are intended to help. To apply a rigid definition of rural area would defeat the very purpose and intent of ARRA for these types of areas. Accordingly, the State of New Jersey urges that RUS focus not on the population number for these areas but rather, on the significant and important opportunity for the creation of jobs and the creation of economic opportunity in these regions in states like New Jersey.

We are concerned that pre-existing definitions of rural areas will make it impossible for areas in states like New Jersey that are more rural in nature to qualify for RUS funding because they do not meet that strict definition of the U.S. Department of Agriculture. The State of New Jersey requests that RUS use a more flexible approach to defining rural areas so that states like New Jersey can qualify for RUS grants and loans.

New Jersey’s economic situation is as challenging as the economic situation in other states across the country. And New Jersey has potential telemedicine and health care network enhancements that would benefit significantly from RUS grants and loans. Accordingly, the State of New Jersey respectfully requests that RUS apply funding criteria for its ARRA grants and loans in an equitable and flexible manner that permits less densely populated areas in New Jersey to qualify for these much-needed funds for distance learning, telemedicine and broadband deployment to New Jersey’s more rural areas. Many of these areas are unserved or underserved.

Sincerely,



JON S. CORZINE