

Lehigh Valley Coop Telephone Association
COMMENTS TO NTIA AND RUS
EXECUTIVE SUMMARY

Lehigh Valley Coop Telephone Association hereby submits its comments on the American Recovery and Reinvestment Act of 2009 (ARRA) regarding several of the specific agency questions within the NTIA and RUS Joint Request for Information. As a rural telephone LEC serving rural portions of the state of **Iowa**, we are committed to improving access to broadband services in the rural communities we serve. We are very interested in utilizing funds from the stimulus bill to improve the broadband service in our rural communities.

We encourage NTIA and RUS to award funding in the most effective and efficient way consistent with the main goals of the bill so that funding is truly targeted to the most needy rural areas. The key element in providing broadband access is getting the infrastructure in place that will allow service providers to offer broadband to the greatest population over the greatest serving area at the greatest speed. Once the infrastructure is built, broadband access will be extended to community anchor institutions, and service providers will then be able to educate all users on the importance of broadband. By educating users and promoting the benefits, providers will be encouraging the future use and demand of broadband.

As a rural carrier with a long history of being sensitive to our service areas needs and dedicated to our customers long term quality of life, we provide the following highlights:

NTIA items:

- The States role must be consistent with the ARRA's text, which is to help determine unserved and underserved areas within the state and to advise on allocation of funds within the state. However, the States should only play an advisory role and not be involved in the selection of projects. Some state and local governments will be submitting their own projects and it would be a conflict for states to select their projects over private entity projects that may be more worthy. NTIA needs to make the final selection of all projects.
- Funds need to be awarded to entities that are community focused and have a demonstrated history of ensuring that quality service is provided. Start up entities in most cases will not have the experience or often the same commitment. Rural providers have proven experience, skills in providing broadband, a commitment to the communities they serve and reinvest back into

the communities they serve.

- In awarding funds under the BTOP program, we recommend using a similar weighting and scoring process like what was used under the original TOP program. Under the selection criteria section, we provide a listing of six (6) criteria that could be rated and assigned a relative weight.
 - *Project to provide infrastructure capable of providing broadband service to the greatest number of population in unserved and underserved areas (30%)*
 - *Provide service to Community Anchor Institutions (20%)*
 - *Applicant's level of experience and commitment to the community (20%)*
 - *Project's economic feasibility (10%)*
 - *Long Term Sustainability of Broadband Access (10%)*
 - *Ability to timely start and complete the project (10%)*
- Funding requests should rarely exceed 80% of the total grant request. Applicants that are able to contribute at least 20% of their own funds to the project will be more committed to the long term viability of their project. Applicants who are willing to contribute more than the minimum 20% equity should score higher in the review process.
- To effectively and efficiently review the volume of applications expected, it will be important for NTIA and RUS to have application formats that are very similar. In addition, they should both adopt similar definitions, especially of broadband, rural, unserved and underserved.
- We suggest definitions for unserved, underserved and broadband. Our definitions are consistent with the FCC's new broadband speed reporting requirements for FCC Form 477. Unserved should be defined as speeds less than 768Kbps; Underserved should be defined as speeds at least 768Kbps but less than 12Mbps.

RUS items:

- We recommend RUS divide the funds being allocated to them with at least 60% going for grants and the remaining 40% for loans. Many projects will be seeking funds through the ARRA because they have not been financially feasible in the past with loans.
- "Rural Economic Development" are projects that stimulate the economy with new job creation and long term sustainability. "High speed broadband service" should be the same as NTIA's "broadband" definition. The definition of "Rural" should be consistent with the new definition in the 2008 Farm Bill Sec. 601.
- Current and former RUS borrowers should receive top priority in the eligibility criteria as stated in the ARRA. The selection criteria for RUS funded projects should be similar to the criteria for NTIA projects, with the addition of any criteria that are unique to RUS as listed in the ARRA.

Our full comments are listed below. We have numbered each comment in correlation to their listing in

the Joint RFI. We appreciate the opportunity to submit these comments in preparation of the rules.