

**Before the  
DEPARTMENT OF COMMERCE  
NATIONAL TELECOMMUNICATIONS AND  
INFORMATION ADMINISTRATION  
Washington, D.C.**

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

**COMMENTS OF LYNN R. MERRILL, P.E.**

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Monte R. Lee and Company is a consulting engineering firm, which provides broadband engineering services to wireless and wireline carriers. Our firm also provides services to power companies and CATV operators and has a rich history of providing service to clients in rural areas.

The proposed plans for expanding broadband service under the American Recovery and Reinvestment Act of 2009 (ARRA) to the rural parts of the United States is a step in the right direction. Without the grant program, rural America will continue to remain unserved due to the high cost of construction to connect each rural home.

### **NTIA and RUS Cross Funding Requirements:**

The rules against cross funding between the two programs should be defined to not apply to de minimus areas where different technologies overlap. An applicant for a grant would likely use FTTH technology for the rural areas and wireless technology for the extremely rural areas. If NTIA and RUS use different speeds to define broadband service then dual applications would be required to cover both areas.

A participant in the program would apply to the RUS grant program for the FTTH section of the project and NTIA for the wireless portion of the project. A design using radio frequency is not clearly defined and it is virtually impossible to not have overlap between a wireless area and a FTTH area. Under this circumstance without a de minimus area for cross funding, an applicant that receives grants from both programs would be required to choose which grant it accepts since an overlap would no doubt occur in the market areas.

### **Timely Completion of Proposals:**

The completion of projects in rural areas sometimes takes extended amounts of time due to the archeological study requirements placed on the applicant. In many cases just getting through the environment process takes one or two complete construction seasons (years). The onerous process placed on applicants in areas where the ground is undisturbed requires care, but should not hold up construction for undetermined lengths of time when the actual impact by broadband provider's facilities are minor in nature compared to large scale construction projects.

Areas where broadband facilities are placed along existing disturbed rights-of-way (outside the ditch line of the roads) should have a much easier and quicker process to follow for approval. Agencies should consider a blanket request and place these studies in a priority queue. The agency's reply should be in the form of an approval listing any areas of higher risk along with a detailed description of what to do in the rare case of an item being unearthed.

### **RUS Bundling of Loan and Grant Funds:**

RUS should allow borrowers to convert a portion of an existing unconstructed loan project to a grant. Many projects currently being funded with RUS loans are for extremely rural FTTH projects, and to date have not been constructed due to current economic conditions (high costs per sub for outside of town construction, and lower than expected take rates for broadband service). RUS should consider allowing borrowers to convert a portion of the unused loans to grants. With the use of grant funds, construction in these areas could start immediately. All of these projects have already been engineered, as required in the loan process, and many have been or are currently being staked.

Any borrower proposing to convert a portion of an existing loan to a grant would be required to show the extreme burden or risk a borrower would incur if the project was completed under the current loan arrangement. The applicant would also be required to show how the grant funds would be used to immediately start construction and how additional funds would be used to encourage the acceptance of service.