



April 9, 2009

CHAIR

Robert Hoffman
Oracle

VICE CHAIR

Gary Fazzino
HP

PAST CHAIR

Laura Ipsen
Cisco Systems

EXECUTIVE

VICE-CHAIR

Rhett Dawson

OFFICERS

Dean C. Garfield
President & CEO

Ralph Hellmann
Senior Vice
President

John Neuffer
Vice President

Rick Goss
Vice President

Ms. Bernadette McGuire-Rivera
Associate Administrator
Office of Telecommunications
and Information Applications
National Telecommunications
and Information Administration
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

Mr. David P. Grahn
Associate General Counsel
U.S. Department of Agriculture
Rural Development
Room 2017
Mail Stop 1423
1400 Independence Avenue SW
Washington, DC 20250

Dear Ms. McGuire-Rivera and Mr. Grahn:

The American Recovery and Reinvestment Act (ARRA) provides a historic opportunity for significant advancement in widespread U.S. broadband deployment. The benefits of ubiquitous, affordable broadband access for all Americans are clear. By maximizing the benefits of broadband funding through both the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunity Program (BTOP) and the U.S. Department of Agriculture's (USDA) Rural Utilities Service (RUS) program, increased broadband access will create jobs and stimulate the economy in the short term, while providing the long-term backbone for significant economic and social advancement.

The Information Technology Industry Council (ITI) represents the nation's leading high-tech companies who will play a significant role in achieving the goals set forth by the ARRA. ITI's members include the nation's leaders in broadband network components, services and end-use applications. To that end, ITI offers the following policy recommendations on how to most effectively implement the BTOP and RUS programs:

PURPOSE OF FUNDING: Stimulating the Economy and Creating Jobs through Widespread Broadband Deployment Should Be the Central Objective of the Grant Programs. Priority should be placed upon projects that will directly stimulate the economy and significantly increase job growth. Studies show that, with every \$5 billion in investments in broadband deployment, 97,500 direct jobs are created, and 2.5 million jobs throughout the economy in the next few years. Such an increase will dramatically reduce health care costs, reduce emissions, and significantly increase telecommuting, among countless other societal and economic benefits.



TIMING & PROCESS: Swift and Transparent Application Requirements Would Allow for Immediate Investment and Broadband Access for Consumers. Broadband Internet access technologies are available for deployment today. As the agencies already recognize, given the need for grant awards to be made by October 1, 2010, the sooner the regulations can be adopted and the more maneuverable the process, the faster applicants can develop plans and receive funding to accelerate deployment. To that end, NTIA and RUS should work with OMB to apply the public interest waiver of the Buy America provision to ICT products used for NTIA and RUS funded projects. Many ICT products critical for the successes of widespread broadband deployment are either fully, or in part, manufactured abroad and should therefore be excluded. Waiving the Buy America provision for ICT products will aid in more immediately creating U.S jobs and stimulating the economy, thus helping to achieve the primary goals of the programs.

ELIGIBILITY: Flexible Eligibility Criteria Should be Established to Ensure that the Most Qualified and Diverse Entities and Group(s) Can Apply. NTIA should not focus on what type of entity an applicant is, but rather on: 1) the value of the proposed project to meet the objectives of the law; and 2) the applicant's ability to use the funds to achieve the project's objective. To spend BTOP funds wisely, NTIA should choose those applicants that would maximize the benefits from broadband to unserved and underserved Americans. The goal should be to flexibly evaluate the circumstances of each particular case. The terms "unserved" and "underserved" should be defined expansively to reach all such Americans. The criteria for assessing these benefits should include: effects on subscribership, broadband speed, mobility, capital and operating costs, service and equipment prices, size of service footprint, marketplace competition, sustainability and job growth, along with the quality and suitability of the broadband offering. Such quality and suitability in a broadband offering should demonstrate the ability to deliver advanced next generation capabilities, thereby allowing all grant recipient areas to meet potential 21st century needs. In any particular case, the "best" candidate under these principles may be a state or local government, a Tribal authority, a nonprofit organization, a private party, or a partnership.

CONDITIONS ON FUNDING: Clear and Navigable Application Processes will Most Effectively Achieve the Goals of Creating Jobs and Stimulating the Economy. The ARRA requires the NTIA, in consultation with the FCC, to publish interconnection and nondiscrimination requirements, which shall at very least include the FCC's Internet Policy Statement. The public interest is served by application of the Policy Statement, adopted in 2005. Competition and innovation resulting from access to information and connectivity of devices will lead to more options and lower prices for consumers. Creating jobs and stimulating the economy are central tenants of the ARRA, which is best accomplished under a clear and navigable application and grant process, which includes conditions that awardees understand.

ADOPTION: Education of Low-Use Communities and Home Computer and Mobile Broadband Device Ownership Will Effectively Sustain Broadband Use. The \$250,000,000 allocated for adoption is best used for the encouragement of sustainable



adoption of broadband services through education programs and programs that provide individuals and families computers, and mobile broadband devices, to harness the value of the Internet. Broadband use can also be brought up by programs that educate seniors and the disabled community of the benefits of the Internet. Studies show that disproportionate numbers of seniors and disabled Americans do not have broadband. Education of these communities is the best way to reverse those numbers. Approximately 25% of U.S. households do not have computers, and many of those without them are in unserved and underserved areas. Providing increased demand through provision of computers and mobile broadband devices will drive awareness of the value of broadband services, thereby increasing interest in competitive offerings.

On behalf of ITI's member companies, allow me to express my appreciation for all the work NTIA and RUS have already done and will continue to do in implementing these critical programs. We appreciate the opportunity to comment and look forward to continuing to work with you throughout this process.

Sincerely,

Dean C. Garfield
President & CEO
Information Technology Industry Council (ITI)

cc: Mark Seifert, Senior Advisor to the Assistant Secretary, NTIA
Rick Wade, Senior Advisor and Acting Chief of Staff of the Department of
Commerce
David Villano, Assistant Administrator for Telecommunications Programs, RUS