

**Before the
DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

**American Recovery and Reinvestment Act)
of 2009 Broadband Initiatives)**

Docket No. 090309298-9299-01

COMMENTS OF HOME TOWN CABLE TV, LLC

Home Town Cable TV, LLC (“HTC”) submits the following comments to the Rural Utilities Service in response to the Request for Information (“RFI”) issued in this proceeding on March 9, 2009. HTC is a current RUS borrower under the Rural Development Broadband Loan and Loan Guarantee Program. HTC delivers fiber-to-the-premises (“FTTP”) networks in previously unserved and underserved residential communities in St. Lucie County, Florida.

HTC submits these comments to urge RUS to hold that (1) all areas eligible for the Rural Development Broadband Loan and Loan Guarantee Program should be deemed “rural” for stimulus funding and (2) such areas “lack sufficient access to high speed broadband service to facilitate rural economic development” if they are in coastal regions prone to hurricanes and do not already have at least one provider of an underground fiber-to-the-premises (FTTP) broadband network, since such networks are much more likely than above-ground systems to remain available during and immediately after a hurricane.

I. All Areas Eligible for Rural Development Broadband Loans Should be Deemed “Rural”

Congress made clear that it wants stimulus funds to be distributed and spent quickly. Accordingly, where not inconsistent with Congressional directives, RUS should utilize aspects of its existing programs to expedite eligibility determinations for stimulus funding. Specifically, rather than establish a new definition of “rural,” all areas eligible for the Rural Development

Broadband Loan and Loan Guarantee Program should be deemed “rural” for purposes of eligibility for stimulus funding. This simplified standard would not only obviate the need for new determinations,¹ but is consistent with Congress’ instruction that RUS give preference to existing and former RUS borrowers. Since Congress wanted RUS to favor prior borrowers, it is reasonable to assume that it intended all such entities to be deemed eligible for stimulus funding.

II. Underground Broadband Facilities are Key to Rural Economic Development and Public Safety in Hurricane-Prone Areas.

September 11, Hurricane Katrina, and other disasters have proven the importance of resilient communications networks. When HTC’s communities were battered by three major hurricanes in recent years, its underground FTTP broadband network remained fully in service without interruption. By contrast, the systems of the incumbent operators rely on aerial wire on telephone poles for much of their local distribution, and these poles are highly vulnerable in hurricanes. As a result, their services were disabled immediately before, during and after the hurricanes, in some cases for as long as one month. Customers and their friends and neighbors used HTC’s service to access weather, relief and safety information, and to place 911 and other calls.² HTC also made its network available to emergency and relief personnel, and to community residents at temporary public access locations. Local officials praised HTC for its service, and Congress subsequently recognized the special importance of such underground broadband deployments by making FTTP projects in St. Lucie County expressly eligible for funding from the RUS Rural Development Broadband Loan and Loan Guarantee Program.³

¹ In the alternative, if RUS wishes to broaden its definition of rural to make more areas eligible, it should include in such definition a term that provides that all areas eligible for Rural Development Broadband Loan and Loan Guarantee Program loans are eligible for ARRA loans, loan guarantees and grants.

² Among other sources available to residents, HTC provides a free channel to broadcast public safety and weather warnings and other important local information.

³ P.L.108-447, § 727 (adopted December 8, 2004).

The importance of hurricane-proof broadband facilities will be further magnified as a result of the June 12, 2009 DTV transition. Coastal residents historically have relied on battery-powered black & white analog televisions as a back-up means of accessing broadcast TV during storms. After June 12, these analog televisions will not be able to tune over-the-air broadcast stations unless connected to a digital converter. However, nearly all NTIA-approved converters require AC power, so most consumers will be unable to use these televisions when their power has been lost in a storm.

In addition to clear public safety benefits, hurricane-resistant broadband networks are also key to economic development. Businesses will increasingly look to the availability of reliable underground broadband facilities in deciding whether to locate in a hurricane-prone area, both for their own commercial access and also because of its attractiveness to prospective employees at their residences. And the ability of broadband networks to withstand hurricanes is key to restoring a community's economic health after a major storm.

FTTP creates jobs, both in the short term and the long term. A report released earlier this year by Ovum studied FTTP deployments in rural Sweden and found a "clear link between rollout of [FTTP] ... and attraction of new business to area."⁴ More immediately, fiber deployments are also enormous projects that create more than 33% more new construction jobs than similar dollars of investment in wireless broadband.⁵ Congress also agreed that new

⁴ http://www.ftthcouncil.eu/documents/studies/Socio-Economics_Study.pdf at 18.

⁵ Comments of Fiber-to-the-Home Council at 6-7, citing study that 54% of FTTH projects are spent on construction, compared to 7% of wireless broadband projects, and that FTTH projects accordingly create more than 33% more new jobs.

construction would be likely to create more new jobs than upgrades to existing networks and other “projects centered on current-generation broadband speeds.”⁶

The Ovum report also found that FTTP produces significant savings for rural consumers in communications prices; “improvements in educational facilities and services,” such as distance-learning; improved health care, including sharing of information between medical centers and also remote home monitoring of patients; and “closer collaboration between municipalities, public bodies and communities.”⁷ As the Fiber-to-the-Home Council explained in its recent comments to RUS, fiber is an economic engine for small and rural communities. And the dividends from FTTP will continue to grow long after current-generation ADSL and wireless solutions are obsolete, since FTTP enables much faster broadband speeds. HTC has already equipped its FTTP system to support 100 mbps service, and the electronics that drive fiber transmission are easily upgradable to support even greater speeds to stay ahead of inevitable increases in consumers’ demand for bandwidth. Congress directed NTIA to give preference to such projects that deliver the fastest possible speeds, and RUS should give similar consideration.⁸ And of course, above-ground broadband systems deliver no speed at all when they have been disabled by a hurricane.

In sum, ARRA urged preference for projects that enhance public safety, deliver “high-speed” broadband service, and promote economic development. Underground FTTP does all of these. RUS should therefore give preference to the construction of underground FTTP in hurricane-prone areas that currently lack such facilities.

⁶ Conference Report, H.R. 1, “The Conferees are also mindful that the construction of broadband facilities capable of delivering next-generation broadband speeds is likely to result in greater job creation and job preservation than projects centered on current-generation broadband speeds.”

⁷ *Id.* at 6-10.

⁸ ARRA, § 6001(h)(2)(B).

Respectfully submitted,

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