

November 23, 2009

The Honorable Lawrence E. Strickling
Assistant Secretary for Communications and Information
National Telecommunications and Information Administration
United States Department of Commerce

Dear Mr. Strickling

Re: Request for Information Round Two Broadband Initiatives Program and Broadband Technology Opportunities Program.

A. Streamlining the Applications

Yes, the application was overly burdensome. One of the biggest challenges was gathering data on what is currently available in a rural underserved area, especially when that area is large such as when taking a regional approach to broadband projects

Another option could be to request applicants to fill out a preliminary but substantive project proposal, budget and timeline. That way, those with no hope of funding could be quickly eliminated. Those who pass that first step should be requested to complete all of the other information items needed in a second step. More time should then be allowed for step two.

It seems that the those who are providing service in the area, or in our case pretending to, should help NTIA/RUS with this process. The broadband mapping that is being undertaken by the states will help, but that is a future option and the BTOP/BIP is now. The current providers are allowed input via a public notice process. Why not request them to prove their contention that an area is served and not merely state it?

1. New Entities: Since new entities cannot provide historical financial data another method of proving financial capacity should be found such as letter providing a substantial line of credit for the project or other provable financial resources.
2. Consortiums, etc.: No comment
3. Specification of Service Areas: Census block level data collection is extremely burdensome for most. The geographical areas covered are not consistent because of population demographics. It quickly becomes evident, especially in rural areas, that a much larger geographical area must be served to reach the same population levels. Also reaching an isolated area of population is more difficult because the entire census block must be served. If that area is large as it frequently is in rural areas, it could make an applicant decide not to provide service to the isolated area, thus negating the objective of the broadband stimulus. If reaching the unserved and underserved is the desired goal then simple mapping of the area covered with a population total provided would be the best method.
4. Relationships Between BIP and BTOP: The most troubling part of this grant process was requiring rural areas apply to BIP where only grant/loan options were

available for underserved. Rural areas are most often poor areas. Few non-profits or government entities in rural areas could consider making a application for a loan/grant, but rural applicants are required to apply to BIP first and hope that their grant request is passed on to BTOP. It seems unfair to rural applicants who are one of the most vulnerable populations the program is meant to serve. When profit is made, it should be used to expand the system and to increasing the number of broadband users, not repaying a loan.

- B. Transparency and confidentiality: No comment
- C. Outreach and Support: Please do simultaneous webcasts on the workshops. The FAQ was very good, but follow through was missing. As the process develops, more information should be placed on the Broadband USA page. In particular, any reports to congress that either NTIA or RUS make since significant information is contained in them. Also, any changes in timelines about grant awards and any new information about second round should be on the page with links to the pertinent documents such as the new RFI in the Federal Register.
- D. NTIA Expert Review Process: Because no one can be sure that all volunteer reviewers have the same skill level in reviewing grants and in broadband development, it would be best to contract this process out to those with known expertise.

II. Policy Issues Addressed in the NOFA

- A. Funding Priorities Addressed in the NOFA: It was obvious from the funding allocation decisions that broadband infrastructure development was considered most critical, as it should be. Middle mile projects that also provide services to anchor institutions and to end users either by current end user providers using the new system or the grant recipient adding end users as the project is built is an excellent use of grant dollars. Although it is never easy to quantify a vision, some credible estimates of the benefits such as those suggested in the RFI could be developed.
1. Middle Mile “Comprehensive Community” Projects: Middle mile projects with anchor tenants that are community, governmental and critical institutions are the best use of grant dollars because they are the providers of health care, safety, education and information to their communities. No other entities have as significant an influence on the citizens of an area. They reach all of the vulnerable populations, and the schools and libraries affect broadband adoption in the general population of an area. If people are never exposed to broadband, how will they know about its unique ability to expand their knowledge, entertain them and connect them with their community and the world? Anchor institutions and in particular libraries, schools and colleges are particularly adept at providing this exposure.
 2. Economic Development: Yes, NTIA/RUS should allocate a portion of the remaining funds available under the BIP and BTOP programs to promote a regional economic development approach to broadband deployment. The regions should be self-determined by membership in a regional economic development organization. Artificially created partnerships will find those most in need used for their qualifying demographics when they would be far better served by remaining with known and

trusted partners. In particular, those in rural areas have found that some in urban areas are eager to partner with them when there is opportunity for funding, but not so eager when there is a need. Those with economic development strategic plans should have priority because they have an already demonstrated commitment to improving the economy of their region. Readily available high-speed broadband will provide means and impetus to that commitment. Funds should be targeted to rural areas with underserved and unserved populations. Although it is not as evident as it would be in an urban area, rural areas frequently have high poverty, high unemployment and low income vulnerable populations. If they are ever to move out of this vulnerable position broadband capability that supports economic development is critical.

3. Targeted Populations: Targeting specific populations such as tribal entities and housing authorities may not be the best way to proceed with round two. Those populations could be served by redefining what is unserved and underserved. For instance if high speed broadband is available but is not affordable, is that served? If the broadband is affordable but does not have the needed speed to supply a user such as a hospital or a school, is that served? What if both are true and the cost is too high and the speed too low? Is that served?
4. Other Changes: Other comments have covered this
 - B. Program Definitions: See comments in Targeted Populations about unserved and underserved. Additionally, the speed criterion is far too slow, for it is not broadband at that speed. A user might be able to download a text e-mail, but the potential to change lives is lost without higher speeds. Large institutional users such as hospitals, libraries, government and education cannot function at low speeds.

The definition of remote area does not meet the objective of the broadband stimulus as it is too restrictive. For instance, a remote area of a rural county could meet the definition, but an urbanized area of the same county may not. Both are under and/or unserved, but are not eligible because of geographic factors. Population densities should be a consideration when determining remote areas.
 - C. Public Notice of Service Areas: Is it a concern among applicants there is no mechanism to rebut or substantiate information provided by existing broadband service providers. They should be required to substantiate their claim that they are serving an area and at what cost and what speed. If anchor institutions in their service area must gang together T-1 lines to get sufficient broadband, is that served? If community services such as fire protection, police and EMS are disrupted for more than 24 because of line break, is that service? Quality, cost and dependability of service should be factors in determining whether existing service providers are serving an area.
 - D. Interconnection and Nondiscrimination Requirements: No changes should be made.
 - E. Sale of Project Assets: No changes should be made

- F. Cost Effectiveness: When evaluating cost effectiveness NTIA/RUS take into account whether an area is rural, tribal or urban. Households passed would give an indication, but less densely populated areas are at a serious disadvantage. A better way would be to base it on percentage of households passed, anchor tenants served and businesses connected in a service area. In the final analysis, the objective is to get broadband deployed throughout the US, to create jobs, new wealth and economic growth and sustainability. If that objective is met and the cost is reasonable based on industry standards, isn't that cost effective?

The opportunity to comment on the BTOP and BIP process is deeply appreciated. It is sincerely hoped that the commentary provided by those involved will greatly improve all elements of the next round. The learning curve was very, very steep for all participants in the first round. A second round should provide an opportunity for all to refine the process.

Sincerely
Florida's Heartland REDI

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