

## State of Michigan's Response to:

### DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Broadband Initiatives Program

RIN: 0572-ZA01

### DEPARTMENT OF COMMERCE

National Telecommunications and Information Administration

Broadband Technology Opportunities Program

RIN: 0660-ZA28

Docket No: 0907141137-91375-05

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#### I. Application Process

- A. *Streamlining the Applications.* For the first round of funding, applicants were required to complete a broadband infrastructure application, public computer center application, or sustainable broadband adoption application, depending on the type of project being proposed. For each application, the NOFA required applicants to respond to a number of questions and submit certain data. Those applicants considered highly qualified after completion of step one of the review process were required to submit additional information during a step two “due diligence” phase to substantiate the representations provided in the application.<sup>3</sup> Some stakeholders, especially applicants completing the broadband infrastructure application, stated during the first round application process that completing the initial application was overly burdensome based on the questions asked and the number of attachments required. RUS and NTIA tentatively conclude that the application process should be streamlined. In what ways should RUS and NTIA streamline the applications to reduce the burden on applicants, while still obtaining the requisite information to fulfill the statutory requirements set forth in the Recovery Act? Should the agencies modify the two-step review process, and if so, how? Should certain attachments be eliminated, and if so, which ones? Should the agencies re-examine the use of a single application for applicants applying to both BIP and BTOP to fund infrastructure projects? How should NTIA link broadband infrastructure, public computer center and sustainable adoption projects through the application process?

*The State of Michigan has concerns over the “two step” process as the process included a review by the state with little guidance. Michigan reviewed the applications as it applied to its needs, however, there were national projects that could have provided service but Michigan felt it was outside of their scope to weigh in on national projects. Additionally, the review process with a due diligence provision, left the state at a deficit as it was working off the initial filing of the applications. Michigan and other states did not have the second step evaluation of the applications. The State was expecting an initial review, or “filter” of Round one application’s prior to being asked to provide our recommendations. It is the State of Michigan’s position that if this process will be*

*repeated for the next round of funding that it be disclosed to the State and public what weight these recommendations will be given in the federal review process.*

*The process should be exclusive to grants versus loans. Grants are more likely to be the strategy of choice, especially in very rural areas, and to combine the review process makes the process considerably more complex. It is evident that a grant process is more palatable for many applicants and realizing the strategy of leveraging loans and grants, it still does not provide a good method of application.*

*The application attachments should be in a format that is easy to plot. Michigan could not get any data sets from NTIA or RUS that would allow for mapping of service areas. When requested, it was provided that the information was unavailable. In order to review and ascertain the level of coverage for our state, it is essential that Michigan be able to plot the areas of coverage for both round one awardees, and round two applicants.*

*Collaboration should be linked to other application requests; this could be done by allowing those applicants to include some identifiable numbers on the corresponding applications of those collaborating.*

1. *New Entities.* What type of information should RUS and NTIA request from new businesses, particularly those that have been newly created for the purpose of applying for grants under the BIP and BTOP programs? For example, should the agencies eliminate the requirement to provide historical financial statements for recently-created entities?

*It is important to recognize the history of existing companies, however, it is beneficial to allow for a brief description of previous experience the company and its employees may have in the telecommunications industry.*

2. *Consortiums and Public-Private Partnerships.* Similarly, how should the application be revised to reflect the participation of consortiums or public-private partnerships in the application process? Should certain critical information be requested from all members of such groups, in addition to the designated lead applicant, to sufficiently evaluate the application? If so, what type of information should RUS and NTIA request?

*Collaboration with another project is critical to success and Michigan believes there should be a way to indicate that two projects are related. This could be done by allowing those applicants to include some identifiable numbers on the corresponding applications of those collaborating. Support letters, and the number of support letters each applicant can submit would be helpful. It is discouraging for applicants when the process to collect letters of support can take so much time and ultimately be denied the ability to submit them. The size and scope of the partnership should be considered. For example, a provider working in*

*one niche community versus a provider working on a statewide strategic initiative should have different weights.*

3. *Specification of Service Areas.* The broadband infrastructure application required applicants to submit data on a census block level in order to delineate the proposed funded service areas. Some applicants found this requirement burdensome. What level of data collection and documentation should be required of applicants to establish the boundaries of the proposed funded service areas?

*The detail of the proposed service area was important in the review process; however the presentation of such data lacked clarity. If this information could be provided in a common data format (electronically), that could easily be distributed along with the maps would prove to be more beneficial.*

*Complete applications should be made available for download to the public.*

4. *Relationship between BIP and BTOP.* The Recovery Act prohibits a project from receiving funding from NTIA in areas where RUS has funded a project.<sup>4</sup> Section VI.C.1.a.i of the NOFA required that infrastructure applications consisting of proposed funded service areas which are at least 75% rural be submitted to and considered under BIP, with the option of additional consideration under BTOP.<sup>5</sup> According to the NOFA, NTIA will not fund such an application unless RUS has declined to fund it.<sup>6</sup> RUS and NTIA are presently reviewing joint applications consistent with the process set forth in the NOFA. Should these kinds of rural infrastructure applications continue to be required to be submitted to RUS or should the agencies permit rural applications to be submitted directly to NTIA, without having to be submitted to RUS as well, and if so, how should NTIA and RUS proceed in a manner that rewards the leveraging of resources and the most efficient use of Federal funds? Are there situations where it is better to give a loan to an applicant as opposed to a grant? Are there applicants for which a loan would not be acceptable, and if so, how should the programs consider them?

*A loan program cannot compete with a grant program. Michigan submits that a provider should have the opportunity to submit an application relative to the program it desires not based on service area. It is understood that BIP is attempting to leverage its ability to fund applications; however, loans require repayment which in areas of low service may not bring the relative investment back to allow for repayment. Michigan believes this is contrary to the goals of the initiative. Additionally, it is difficult to assess the viability of any loan/grant request based on the selection criteria between BIP loans and NTIA grants.*

*Additional clarification is needed on what information should be submitted if an entry is applying for both RUS and NTIA funds.*

- B. *Transparency and Confidentiality.* Consistent with the Administration's policy and the Recovery Act's objective to ensure greater transparency in government operations, RUS and NTIA are considering whether they should permit greater access, consistent with applicable Federal laws and regulations, to certain applicant information to other applicants, policymakers, and the public, including state and tribal governments. Should the public be given greater access to application data submitted to BIP and BTOP? Which data should be made publicly available and which data should be considered confidential or proprietary? For example, RUS and NTIA tentatively conclude that the application's executive summary should be made publicly available for the second round of funding.

*Complete applications should be available to the state and the public. This includes mapping, geographic data sets, analysis, and viability statements. Additional information that would aid States in their review process may be needed.*

- C. *Outreach and Support.* For the initial round of funding, RUS and NTIA provided multiple means of applicant support and outreach, including hosting national workshops and minority outreach seminars, publicly releasing an application guidance manual, posting responses to Frequently Asked Questions on [www.broadbandusa.gov](http://www.broadbandusa.gov), and establishing a Help Desk that fielded thousands of telephone and e-mail inquiries. What method of support and outreach was most effective? What should be done differently in the next round of funding to best assist applicants?

*Michigan requests that specific workshops for state and local government roles be offered prior to the round two process. It is essential the states and federal counterparts can discuss national and statewide objectives.*

- D. *NTIA Expert Review Process.* During the first round of funding, NTIA utilized panels of at least three independent reviewers to evaluate BTOP applications.<sup>7</sup> A number of stakeholders have questioned whether this is the most effective approach to evaluating BTOP applications. To further the efficient and expeditious disbursement of BTOP funds, should NTIA continue to rely on unpaid experts as reviewers? Or, should we consider using solely Federal or contractor staff?

*Michigan recommends the review process consist of federal employees and its contractors. It is important that all applications as well as national and state strategic goals be considered. If independent reviewers*

*are to be utilized it should leverage individuals from each state that can properly assess the impact of the application to the state goals.*

## **II. Policy Issues Addressed in the NOFA**

A. *Funding Priorities and Objectives.* Section IV.B of the NOFA establishes the funding limits for the first round of BIP and BTOP funding.<sup>8</sup> In particular, RUS set aside approximately \$2.4 billion in funding, with up to \$1.2 billion available for last mile projects, up to \$800 million available for middle mile projects and up to \$325 million available for a national reserve. NTIA allocated up to \$1.2 billion for broadband infrastructure projects, up to \$50 million for public computer center projects, up to \$150 million for sustainable broadband adoption projects, and up to \$200 million as a national reserve. Many parties have publicly made suggestions as to how the NOFA could be modified to ensure that the Recovery Act funds make the greatest impact possible. RUS and NTIA welcome suggestions for targeted funding proposals and seek comment on how they can better target their remaining funds to achieve the goals of the Recovery Act. Below we set forth some examples of types of projects we could specifically target. We seek comment on these proposals as well as any others.

RUS and NTIA request commenter's that are proposing a more targeted approach for round 2 projects to support their proposal with quantitative estimates of the projected benefits of adopting such an approach. For example, commenter's should quantify the impact of their proposal based on such metrics as the number of community anchor institutions committing to service, the number of last mile providers committing to utilize middle mile projects, the number of end users reached by the proposal, the number of new jobs created, directly and indirectly, and the projected increase in broadband adoption rates, as well as any other metrics necessary to justify the adoption of their proposal and ensure that the benefits of the Recovery Act are being realized. Commenter's should explain the basis and method of calculation for the quantifications they provide.

*In January of 2009, the State of Michigan formed a team of state agency representatives, with input from local government and the provider community, to begin brainstorming a plan for responding to the RUS and NTIA broadband programs as set forth in the American Recovery and Reinvestment Act. The team began by identifying the problem, and developing a strategy to present a comprehensive plan. The problem was defined by identifying unserved and underserved households and businesses across the State.*

*The strategy consists of a vision, four goals, and a framework to address the unserved and underserved households and businesses in the State. The four goals were: Expand and upgrade broadband service to unserved/underserved populations across the State; Transform Michigan's economic competitiveness by making affordable broadband accessible to any business throughout the State; Ensure a better, more efficient government for the 21<sup>st</sup> century; Strengthen Michigan's ability to monitor borders and critical infrastructure. The State then worked to develop a framework to support and accomplish those goals. The framework is meant to facilitate infrastructure expansion*

*for immediate and future growth. Those infrastructure builds need to include both middle and last mile components.*

*In discussing this plan with our provider community and reading the requirements set forth in the round one NOFA, it became clear that rather than prepare an application itself, the State could play a more strategic role by helping to coordinate efforts on a statewide basis. The state worked hard to visit unserved and underserved communities and with providers interested in applying for funds to build infrastructure in those areas. Through the efforts of the State and broadband providers across the State, Michigan was very well represented in the Round one application period.*

*The State of Michigan through its collaborative efforts in Round One have put forth recommendations that would bring service to 66% of the households and 68% of the businesses the State had previously determined to be unserved and underserved. In trying to reach the remaining percentage of unserved and underserved households Michigan feels that continued investment in both middle and last mile infrastructure must be the priorities. If Michigan were to receive all the awards it had recommended to the NTIA, then we would still have both middle mile and last mile priorities to reach the remaining 34% of households and 32% of businesses in unserved and underserved areas.*

1. *Middle Mile “Comprehensive Community” Projects.* Should RUS and/or NTIA focus on or limit round 2 funding on projects that will deliver middle mile infrastructure facilities into a group of communities and connect key anchor institutions within those communities? Ensuring that anchor institutions, such as community colleges, schools, libraries, health care facilities, and public safety organizations, have high-speed connectivity to the Internet can contribute to sustainable community growth and prosperity. Such projects also have the potential to stimulate the development of last mile services that would directly reach end users in unserved and underserved areas. Additionally, installing such middle mile facilities could have a transformative impact on community development by driving economic growth.

Should we give priority to those middle mile projects in which there are commitments from last mile service providers to use the middle mile network to serve end users in the community? Should the agencies' goal be to fund middle mile projects that provide new coverage of the greatest population and geography so that we can be assured that the benefits of broadband are reaching the greatest number of people? Should we target projects that create "comprehensive communities" by installing high capacity middle mile facilities between anchor institutions that bring essential health, medical, and educational services to citizens that they may not have today? Should certain institutions, such as educational facilities, be given greater weight to reflect their impact on economic development or a greater need or use for broadband services? If so, what specific information should RUS and NTIA request from these institutions?

To the extent that RUS and NTIA do focus the remaining funds on "comprehensive community" projects, what attributes should the agencies be looking for in such projects? For example, are they most sustainable to the extent that they are public-private partnerships through which the interests of the community are fully represented? Should we consider the number of existing community anchor institutions that intend to connect to the middle mile network as well as the number of unserved and underserved communities and vulnerable populations (i.e., elderly, low-income, minority) that it will cover? How should RUS and NTIA encourage appropriate levels of non-Federal (State, local, and private) matching funds to be contributed so that the potential impact of Federal funds is maximized? In addition, should we consider the extent of the geographic footprint as well as any overlap with existing service providers?

*Michigan believes middle mile projects should continue to be a fundamental goal. Connecting anchor institutions within communities should be a priority for any middle mile applicant for round two funding. Michigan is not sure that setting aside specific dollars for just "comprehensive community projects", versus having an evaluation criteria based around this where everyone is still drawing from the same pool would be the appropriate way to go.*

*In some cases, a library or local government office could also serve as the focal point within a community. Such institutions should not be overlooked and be included with educational facilities.*

*The NOFA needs to describe how this item will be evaluated and scored. Will applicants receive more points for a greater than 20% match. If match fund levels will be evaluated it must be published.*

*Michigan is not clear on how the public comment period works. There has been no guidance on how a challenge of service area may affect the status of an application.*

- 2. Economic Development.* Should RUS and/or NTIA allocate a portion of the remaining funds available under the BIP and BTOP programs to promote a regional economic development approach to broadband deployment? This option would focus the Federal broadband investment on communities that have worked together on a regional basis to develop an economic development plan. It would encompass a strategy for broadband deployment, and would link how various economic sectors benefit from broadband opportunities. Such a regional approach would seek to ensure that communities have the "buy-in," and the capacity, and the long-term vision to maximize the benefits of broadband deployment. Using this option, NTIA and RUS could target funding toward both the short term stimulus of project

construction and the region's longer term development of sustainable growth and quality jobs. For instance, rather than look at broadband investments in both rural and urban communities as stand-alone actions, should RUS and NTIA seek applications for projects that would systematically link broadband deployment to a variety of complementary economic actions, such as workforce training or entrepreneurial development, through targeted regional economic development strategic plans? Should funds be targeted toward areas, either urban or rural, with innovative economic strategies, or those suffering exceptional economic hardship? Should states or regions with high unemployment rates be specifically targeted for funding?

*Michigan believes this type of influence will over-prioritize a portion of a state and leave out other areas that may also need development. Some of the communities that need broadband the most are without it because they lack the ability to work with those around them or lack the technology experts to bring broadband to their communities. Michigan believes this plan would favor larger metro communities that are regularly working with surrounding communities.*

*As it is nationally known, Michigan leads the nation with the highest unemployment rate. Michigan understands how critically important Broadband is as an economic development driver. It gives businesses the opportunity to locate anywhere in the State and still be able to have adequate connections back to the internet and the global economy.*

3. *Targeted Populations.* Should RUS and NTIA allocate a portion of the remaining funds to specific population groups? For example, should the agencies revise elements of the BIP and BTOP programs to ensure that tribal entities, or entities proposing to serve tribal lands, have sufficient resources to provide these historically unserved and underserved areas with access to broadband service? Similarly, should public housing authorities be specifically targeted for funding as entities serving low-income populations that have traditionally been unserved or underserved by broadband service? How can funds for Public Computer Centers and Sustainable Broadband Adoption projects be targeted to increase broadband access and use among vulnerable populations? Should NTIA shift more BTOP funds into public computer centers than is required by the Recovery Act? In what ways would this type of targeted allocation of funding resources best be accomplished under the statutory requirements of each program? Should libraries be targeted as sites for public computer access, and if so, how would BTOP funding interact with e-Rate funding provided through the Schools and Libraries program?

*Michigan offers that the "unserved" and "underserved" populations should still be the target of these efforts. It should be up to the applicant to prove that its application is covering populations that fit into those two*

*categories. A pathway into the public computing centers is essential for the goals of this initiative.*

*While it is true that proprietary fiber is not "E-rate-able", the fiber that Michigan's schools have invested in can be served via a head-end that connects to the public shared infrastructure that is so critical for the state to enhance. E-rate rules specify the use of a telecommunications carrier (that offers telecommunications services on a common carriage basis), which further the build-out of the public infrastructure. Schools and libraries may receive discounts on leased data circuits, Internet service, and "internal connections". No provision is made via E-rate funding for end user devices (computers) or for the training and user support that libraries provide. ARRA computer center support can be sustained with E-rate funds for the data circuits and Internet service, but there may be need for further library support from ARRA or other funding to support the mission of serving the un- and underserved populations with computer training and one-on-one support, which drives adoption.*

4. *Other Changes.* To the extent that we do target the funds to a particular type of project or funding proposal, how if at all, should we modify our evaluation criteria? How should we modify the application to accommodate these types of targeted funding proposals? For example, should any steps be undertaken to adjust applications for satellite systems that provide nationwide service, but are primarily intended to provide access in remote areas and other places not served by landline or wireless systems? Are there any other mechanisms the agencies should be exploring to ensure remaining funds have the broadest benefit? How might the agencies best leverage existing broadband infrastructure to reach currently unserved and underserved areas? Are there practical means to ensure that subsidies are appropriately tailored to each business case? For example, should the agencies examine applicant cost and revenue estimates, and adjust the required match accordingly? Could elements of an auction-like approach be developed for a particular class of applications or region? If so, how would the agencies implement such an approach in a manner that is practical within program constraints and timeliness?

*Michigan submits that these initiatives should remain technology neutral. It should provide baseline service capabilities without prescribing the nature of the technology. Each state should be more involved in the evaluation and selection process. Michigan believes the best evaluation will come from the strategic plan for each state relative to the needs and geographic service area of the state. The evaluation that the state was offered left no criteria for selection and additionally was not within the NOFA. Ultimately, it left the states to decide the best applications for the state without having any authority. This review process at the last minute left little time to gather information. The information that Michigan felt*

*was necessary to evaluate, was unavailable from the application process (i.e. distinct mapping).*

*Additionally, it should be noted that Michigan requests that the second round NOFA not be issued until award notifications for the first round are complete. The ability to know what has transpired in round one to be able to build on those investments will help to make strategic decisions about potential round two applications. It may also serve to decrease the number of applications and amount of overlapping nationwide that was seen in round one.*

- B. *Program Definitions.* Section III of the NOFA describes several key definitions applicable to BIP and BTOP, such as “unserved area,” “underserved area,” and “broadband.”<sup>9</sup> These definitions were among the most commented upon aspects of the NOFA.

For example, a number of applicants have suggested that the definitions of unserved and underserved are unclear and overly restrictive; that they kept many worthy projects, particularly those in urban areas, from being eligible for support; that there was insufficient time to conduct the surveys or market analyses needed to determine the status of a particular census block area; and that they discouraged applicants from leveraging private investment for infrastructure projects. In what ways should these definitions be revised? Should they be modified to include a specific factor relating to the affordability of broadband service or the socioeconomic makeup of a given defined service area, and, if so, how should such factors be measured? Should the agencies adopt more objective and readily verifiable measures, and if so, what would they be? How should satellite-based proposals be evaluated against these criteria?

With respect to the definition of broadband, some stakeholders criticized the speed thresholds that were adopted and some argued that they were inadequate to support many advanced broadband applications, especially the needs of large institutional users. Should the definition of broadband include a higher speed and should the speeds relate to the types of projects? Should the agencies incorporate actual speeds into the definition of broadband and forego using advertised speeds? If so, how should actual speeds be reliably and consistently measured?

The NOFA defines “remote area” as an unserved, rural area 50 miles from the limits of a non-rural area.<sup>10</sup> The rural remote concept aims to address the prohibitive costs associated with broadband deployment in communities that are small in size and substantially distant from urban areas and their resources. The definition adopted in the NOFA was intended to ensure that the most isolated, highest-cost to serve, unserved communities could receive the benefit of up to 100 percent grant financing. The geographic factor upon which an area was determined to be eligible was its distance from a non-rural area; in this case, 50 miles. RUS heard from many interested parties, including members of Congress, on this definition. Many believed

it was overly restrictive, thereby eliminating too many areas that were not 50 miles or more from a non-rural area but were nonetheless a fair distance away and unserved. Comment is requested on the definition of remote area, as well as whether this concept should be a factor in determining award decisions. Should factors other than distance be considered, such as income levels, geographic barriers, and population densities?

*Michigan believes the definitions should be more refined for the different types of projects. For example, unserved and underserved for infrastructure build should be judged differently than for unserved and underserved public computing and sustainable broadband. Unserved areas should be those that do not have a basic level of broadband service that is defined by the NTIA and RUS programs. Underserved areas should be defined by those that a majority of the population cannot access the basic level of broadband services in the said area or have limited or no competition among providers that can provide affordable, reliable and high-speed service.*

*Consistent with the round one NOFA, non-terrestrial based services should not be eligible for funding.*

*The BTOP should establish a threshold transmission speeds for purposes of analyzing whether an area is unserved or underserved in order to prioritize grant awards. The basic minimum level of broadband speed should be set at 1.5Mbps for unserved and at 5Mbps for the underserved. The basic speed should be fixed where as the threshold for the underserved areas may be more flexible based on legitimate impediments including, but not limited to, geographic circumstances. The impediments would need to be well documented and proven.*

- C. *Public Notice of Service Areas.* Section VII.B of the NOFA allowed for existing broadband service providers to comment on the applicants' assertions that their proposed funded service areas are unserved or underserved.<sup>11</sup> Some stakeholders have suggested that this rule may reduce incentives for applicants to participate in the BIP and BTOP programs because of the risk that their applications may be disqualified from funding on the basis of information submitted by existing broadband service providers that they have no means to substantiate or rebut. How should the public notice process be refined to address this concern? What alternative verification methods could be established that would be fair to the applicant and the entity questioning the applicant's service area? Should the public notice process be superseded where data becomes available through the State Broadband Data and Development Grant Program that may be used to verify unserved and underserved areas? What type of information should be collected from the entity questioning the service area and what should be publicly disclosed?

*Michigan is still unclear on how this provision will be implemented. Below are some of the questions and concerns that we have observed stemming from the first round of funding:*

*If an applicant is “contested” for a service area, will there be a protest period with evidentiary proceedings? Will an entire application be denied if one census block is successfully contested? Is there a procedure on how the entire process will work? This is an area of concern.*

- D. *Interconnection and Nondiscrimination Requirements.* Section V.C.2.c of the NOFA establishes the nondiscrimination and interconnection requirements.<sup>12</sup> These requirements generated a substantial amount of debate among applicants and other stakeholders. Although RUS and NTIA are not inclined to make significant changes to the interconnection and nondiscrimination requirements, are any minor adjustments to these requirements necessary? In particular, should they continue to be applied to all types of infrastructure projects regardless of the nature of the entity? Should the scope of the reasonable network management and managed services exceptions be modified, and if so, in what way? Is it necessary to clarify the term "interconnection" or the extent of the interconnection obligation?

*Michigan offers no comment.*

- E. *Sale of Project Assets.* Section IX.C.2 of the NOFA generally prohibits the sale or lease of award-funded broadband facilities, unless the sale or lease meets certain conditions. Specifically, the agencies may approve a sale or lease if it is for adequate consideration, the purchaser agrees to fulfill the terms and conditions relating to the project, and either the applicant includes the proposed sale or lease in its application as part of its original request for grant funds or the agencies waive this provision for any sale or lease occurring after the tenth year from the date the grant, loan, or loan/grant award is issued. Some stakeholders have suggested that this rule is overly restrictive and is a barrier to participation in BIP and BTOP. Should this section be revised to adopt a more flexible approach toward awardee mergers, consistent with USDA and DOC regulations, while still ensuring that awardees are not receiving unjust enrichment from the sale of award-funded assets for profit?

*Michigan offers no comment.*

- F. *Cost Effectiveness.* How should NTIA and RUS assess the cost effectiveness or cost reasonableness of a particular project? For example, in the context of infrastructure projects, how should we consider whether the costs of deploying broadband facilities are excessive? In BTOP, one of the Project Benefits that NTIA considers is "cost effectiveness," when scoring an application. This is measured based on the ratio of the total cost of the project to households passed. However, such costs will necessarily vary based on the particular circumstances of a proposed project. For example, extremely rural companies typically have much higher construction costs than more densely populated ones. Also, geographic areas that experience extreme weather or are characterized by difficult terrain will dictate higher per household costs. Similarly, the technology that is chosen to provide the service (e.g., fiber vs. wireless) would influence the costs. And finally, smaller companies as measured by subscriber count would necessarily have a higher cost per subscriber than larger companies. How should the agencies take these various factors into consideration

when evaluating broadband infrastructure projects? What evidence should we require from applicants to ensure that unnecessary costs have not been added to the project?

*Michigan offers no comment.*

- G. *Other.* What other substantive changes to the NOFA should RUS and NTIA consider that would encourage applicant participation, enhance the programs, and satisfy the goals of the Recovery Act?

*Michigan offers that the length of the application period be extended, to allow for a well thought out application. Considering the detail of the application 45 days is not enough time for a well thought out application. The applicants require the time to collaborate with each state and develop an application that will provide service that supports the goals of the state and the Broadband initiative in general. Additionally, each state should have the ability to evaluate applications based on the needs of that state. The time frame for round one evaluation from the state side was very short, additional review time is requested. The size of the review also came as a surprise to the States as they expected an initial round of evaluation from the federal government. Further, the States were unaware of the weight that its review would have toward an application acceptance.*

*Additionally, it should be noted that Michigan requests that the second round NOFA not be issued until award notifications for the first round are complete. The ability to know what has transpired in round one to be able to build on those investments will help to make strategic decisions about potential round two applications. It may also serve to decrease the number of applications and amount of overlapping nationwide that was seen in round one.*

*In some cases, a library or local government office could serve just as the focal point within a community. Such institutions should not be overlooked and be included with educational facilities within the definition of anchor institutions.*