RCAP
Rural Community Assistance Partnership

"Improving the quality of life in rural communities"

November 19, 2009

Broadband Initiatives Program
Rural Utilities Service
U.S. Department of Agriculture
1400 Independence Avenue, SW
Stop 1599
Washington, DC 20250

Broadband Technology Opportunities Program
National Telecommunications and Information Admin.
U.S. Department of Commerce
HCHB Room 4887
1401 Constitution Avenue, NW
Washington, DC 20230

To Whom It May Concern:

I am writing in response to the Joint Request for Information published in the November 16 Federal Register soliciting comments relating to the implementation of the Broadband Initiatives Program (BIP) and the Broadband Technology Opportunities Program (BTOP).

The Rural Community Assistance Partnership, Inc. (RCAP) is a 501(c)(3) nonprofit service delivery network comprised of a national office and six regional partners that provide technical assistance, training, and financial resources to water and wastewater systems in 2,000 small rural communities each year throughout the U.S. and its territories. Most communities we assist are economically disadvantaged and have a population under 2,500, and many have significant minority populations.

First, your agencies should be commended for the job done in soliciting public comment on the development of these programs and issuing a NOFA less than five months after the ARRA became law. Reviewing 1,000 public comments and evaluating the merits of an existing RUS program and a largely defunct NTIA program to create workable solutions to deploy broadband across America is no small accomplishment.

RCAP's responses to two Matters To Be Considered follow.

I.A.2. - Consortiums and Public-Private Partnerships.
RCAP submitted a Sustainable Broadband Adoption application under the BTOP that proposed to assist more than 400 small rural communities in evaluating the feasibility of broadband service, then developing service where it can be sustainable. We believe our application presents the best model for aiding the smallest unserved communities, those that will not be considered by an existing Internet service provider. Our model is to work intensively with them to develop local capacity to make decisions about service options and, if appropriate, retain broadband experts and architects, form a utility or other legal entity, submit funding applications, and monitor implementation. Unfortunately, our concept was not directly contemplated by the July 9 NOFA.

If one Googles "broadband Internet consultant," more than 2 million search results are returned. How can a community without full-time staff cull through such a multitude of options and select someone to guide them through the adoption of broadband service? How would they know where to begin to even evaluate their options? (At existing dial-up speeds, just browsing through a portion of the search results could take days.) If major telecommunications providers opted not to apply for ARRA broadband funding because the process was too onerous or restrictive, certainly small, unserved communities will face significant challenges accessing the funding and implementing sustainable service. They will need unbiased assistance to navigate the complexities of the process.

I.A.4. Relationship between BIP and BTOP.
Rural infrastructure applications should continue to be required to be submitted first to RUS, which has decades of experience working with rural communities to support infrastructure development.

RUS should not automatically reward leveraging of resources, because the agency is the funder of last resort for many communities. The purpose of the BIP should be to support deployment of broadband service in areas where it would not be sustainable without RUS assistance. As a result, there will be applicants for which a loan would not be acceptable. Median household income and population are two key factors in this determination. The program should consider them its highest priority, as long as a sustainable operational model is presented in the application.

A recent article at The Daily Yonder (http://www.dailyyonder.com/rural-broadband-lets-talk-about-cost/2009/11/03/2429) aptly compared broadband Internet deployment to rural electrification in the 1930s and 1940s and made a notable observation: "The story of how the federal government helped bring electricity to rural America teaches an important lesson to those who are now deciding how to spend $7 billion on extending broadband to the countryside. It's this: Cost is just as important as build-out. In fact, affordability of broadband is probably more important than its availability."

Small unserved communities need to realistically evaluate whether broadband service is affordable, even with federal funding, because without an adequate subscriber rate, the service will not be sustainable. To accomplish that, they will need an unbiased source of information and guidance, not someone whose primary objective is to sell equipment or service. In more than 30 years utilizing our technical assistance model, RCAP has found that, given good information, communities will cautiously make decisions about new developments. If broadband service is not sustainable no matter the federal infrastructure subsidy, a community will wait until it is.

RUS and NTIA received over 2,200 applications in response to the July 9 NOFA, requesting nearly $28 billion in funding. Perhaps many small rural communities will be served by rural telecommunications companies or regional consortia. This would be a welcome development. However, many more such communities will continue to be excluded, with no affordable means of participating in the application process. This is unfortunate, so RCAP encourages you to directly address the need for technical assistance in the second round NOFA.

Sincerely,

Robert Stewart
Executive Director