

MR. SEIFERT: Good morning and welcome to Commerce. To some of you, welcome back to Commerce. Hopefully, the line's a little bit easier. Welcome to all of you on the Web and those listening by teleconference. My name is Mike Seifert, and this is our opening session of our week of public comment.

I am going to turn it over to our moderator who we are pleased to have here. Robert Atkinson, since he left, has been the Director of Policy and Research at the Columbia Institute for Tele-Information at the Columbia Business School. While he was at the FCC, he was Deputy Chief of the Common Carrier Bureau. And just to correct the record, I never was the Deputy Chief of the Common Carrier Bureau, despite press reports. Bob was, and did an excellent job. Bob is going to help us and help our panelists see our way through some of these issues and discuss the important sorts of things that NTIA and RUS need to do to get these grant and loan programs up and running. So we appreciate the panelists giving us some of their valuable time and we appreciate Bob helping us out this week. Thank you very much.

MR. ATKINSON: Thank you very much -- I am Bob Atkinson, the Director of Policy Research at CITI. We are an academic center. We are focused on telecom, Internet, and electronic media. I am not an employee of NTIA or any government agency, so that any comments I do make during these roundtables are strictly mine only, and cannot represent the views of NTIA, or CITI for that matter.

The topic for this morning's roundtable discussion is private sector eligibility. Representatives from a number of stakeholders will participate in the roundtable discussion on this topic, and I will introduce the panelists in a moment. Procedurally, each of the panelists will make very brief comments on the topics raised on the joint RUS/NTIA request for information that was issued last week. I will then moderate a roundtable discussion amongst the panelists, and finally the last 30 minutes of the roundtable will be devoted to questions or comments from the audience here at the Commerce Department or from the teleconference and the Webcast. I expect these presentations will spur a lively discussion and generate new innovative ideas about deploying and

utilizing broadband services.

Finally, I would like to observe the roundtable discussions and last week's request for information are part of an open and transparent process which all interested parties will have opportunities to provide comments to NTIA and RUS over the next few weeks.

I would now like to briefly introduce the panelists in the order that they will present their remarks. On my left is Curt Stamp. Curt is the president of the Independent Telephone and Telecommunications Alliance. He was Commissioner of the IA utilities board and has due to -- today Mr. Stamp is representing a coalition that includes CITI, the National Cable and Telecommunications Association, the Wireless Communications Association, and the Satellite Communications Association.

Next to Curt is Debbie Goldman. Debbie is the Telecommunications Policy Director at the Communications Workers of America, where she is responsible for regulatory affairs and telecommunications policy. She currently coordinates the union's "Speed Matters" campaign promoting affordable high-speed Internet for America.

Next to Debbie, Sasha Meinrath. Sasha is the Research Director of the New America Foundation -- they are a wireless future program -- and director of the foundation's Open Technology Initiative. That focus is on community wireless networks, municipal broadband, and telecom policy. Additionally, he coordinates the Wireless Coalition Partnership dedicated to the development of open-source interoperable low-cost wireless technologies.

Next to Sasha is Betty Ann Kane, she is chairwoman of the District of Columbia Public Service Commission and has served as commissioner. She has over 30 years of service in the District of Columbia government, including three terms as an at-large member of the council of the District of Columbia, and has extensive private sector experience in regulatory administration public policy matters. And today Chairman Kane is representing the National Association of Regulatory Commissioners.

Last but not least, Grant Seiffert, the president of the Telecommunications Industry Association. TIA's member companies represent the entire supply chain of the ICT industry, manufacturing products, providing

services, and offering applications by content, video, voice, and data, thereby merging communications and entertaining options. Today Mr. Seiffert is representing CTI, ITIC, and Tech America.

As many of you know, NTIA and RUS have a monumental job to accomplish in a very short period of time implementing the American Recovery and Reinvestment Act in a way that produces the greatest broadband bang for every taxpayer buck. Among other things, this means adopting rules, developing contracts, reviewing proposals, selecting those to best satisfy the goals of the act and award criteria. There's many, many, many other things that NTIA and RUS have to do.

So the purpose of this series of roundtables is to provide NTIA and RUS with considerate thoughts and suggestions from experienced experts from a broad range of stakeholders so that the agencies can accomplish their tasks as quickly and effectively as possible. As I mentioned a moment ago, the topic of today's discussion is private sector eligibility. This is a pretty important topic with respect to the overall broadband stimulus program because the ARRA establishes who is eligible to receive BTOP grants from the NTIA. States, the District of Columbia, Indian tribes, Native Hawaiians, and nonprofit entities are eligible as a matter of law. But other entities are eligible for grants only if NTIA finds their eligibility to be in the public interest by rule.

so the purpose of this roundtable is to help NTIA develop this public interest rule so that everyone can understand who is and who isn't eligible for the BTOP grants. Let's start our panel discussion with Curt Stamp, the president of the Independent Telephone and Telecommunications Alliance. Curt.

MR. STAMP: Thank you, Bob. Good morning and thank you for the opportunity to participate in this morning's panel on private sector eligibility for funds under the Broadband Technology Opportunities Program, or BTOP. As Bob mentioned, I am Curt Stamp and the president of the Independent Telephone and Telecommunication Alliance, but I am before you today representing a broad and diverse industry coalition that includes not only ITTA but U.S. Telecom, CTIA, the Wireless Association, the National Cable and Telecommunications Association, the satellite industry,

and the Wireless Communication Association International. It's a group that is often on different sides of policy debates, but comes together and agrees that private broadband service providers have a vital role to play in realizing the goal of broadband for all Americans put forth by the administration and this program.

The American Recovery and Reinvestment Act of 2009 extends eligibility for BTOP funds to any entity, including a broadband service or infrastructure provider that the Assistant Secretary finds by rule to be in the public interest. In establishing that rule, the Assistant Secretary is directed, to the extent practical, to promote the purposes of the program in a technologically neutral manner. The industries I represent, all current providers of broadband service and infrastructure across a variety of platforms, support the adoption of a rule which finds that direct grants to private sector providers is in the public interest. As a former state commissioner, I understand and appreciate the importance of ensuring that these funds are used in way that not only furthers the public interest but are used as efficiently and effectively as possible. As I will explain further, the goals of BTOP will be furthered if direct grants to private sector providers are determined to be in the public interest and are part of the grant program from the outset.

The public interest and the purpose of BTOP will be best served by a rule that makes any provider of broadband service or infrastructure eligible for a grant. If we are to reach the goal of ubiquitous broadband availability in the United States, we must use all tools available and the private sector can and should be a part of that solution. These companies have extensive technical, financial, and managerial experience and expertise in building broadband networks and providing broadband service. They clearly have the capability of carrying out the projects that they propose in a competent manner in compliance with all applicable federal, state, and local laws, and in an efficient and expeditious manner as envisioned by ARRA.

The experience and expertise of the private sector places us in a unique position of being able to quickly and effectively undertake projects that will give broadband to the far reaches of rural America as well as pockets within our urban areas that do not have

access to broadband today. The proven track record as providers of broadband service and infrastructure will give NTIA assurance that the grants will be implemented in a responsible manner and that the goals of BTOP and the act will be realized.

To streamline the process and allow for the quickest disbursement of the grant funds as possible, NTIA should extend eligibility to any existing entity that holds an FCC license, state certificate of public convenience and necessity, cable franchise, or similar government authorization, or who is otherwise providing broadband service under applicable federal, state, and local law.

MR. ATKINSON: Curt, could I interrupt for one second?

MR. STAMP: Yes, sir.

MR. ATKINSON: Are we supposed to be putting up a slide here? Someone from NTIA? I know each speaker has one slide. So --

MR. STAMP: And just getting the logos on was the challenging part. So I wanted to show that and get that all lined up. Thank you.

As I mentioned, to streamline the process and allow for the quickest disbursement of grant funds as possible, NTIA should extend eligibility to any existing entity that holds an FCC license, state certificate, et cetera. No additional or individual review of any such entity should be required as a condition of initial eligibility since such entities have already proved -- have been found to be viable service providers and have demonstrated track records as such. Making these providers eligible for BTOP funds offers among the best opportunities to ensure that the funds are used immediately to create jobs, extend broadband, facilitate adoption, and otherwise serve the public interest and the statutory goals. These companies have the experience working with state and local governments, health care providers, education institutions, and businesses, and can build on those relationships to push broadband further and open opportunities for the greater number of Americans.

Allowing direct grants to the private sector also results in additional private sector investment in broadband service and infrastructure. The 20 percent nonfederal match requirement in this program will not only leverage the program funds but will help to ensure

that recipients have a stake in the success of their projects.

Finally, to maintain fairness and competitive neutrality in the programs, NTIA should make the finding that awarding grants to private sector entities is in the public interest in the initial notice of availability of funds. It would be inequitable, inefficient, and potentially wasteful for other categories of eligible entities -- states, public subdivisions, et cetera -- to have their applications filed and processed while the agency is still contemplating how to write the public interest standard for experienced and capable commercial providers of broadband service. Private sector applicants should not be sidetracked in the grant-making process until after considerable sums of money have already been given to others. All applicants should be permitted to approach the starting gate simultaneously and to have their respective applications given full and fair consideration in the program as a whole.

Again, on behalf of the industries I represent, I thank you today for the opportunity to participate in today's panel, and I look forward to the discussion and your questions. Thank you.

(Applause.)

MR. ATKINSON: Debbie Goldman.

MS. GOLDMAN: Thank you, and I also want to thank the NTIA for this opportunity to speak on behalf of the Communication Workers of America. We represent more than 700,000 members, the majority of whom are working in this industry.

I begin -- and I take my opportunity to talk about the public interest standard for the eligibility of private entities, but I want to emphasize that many of the points that I will make will also apply to considerations and priorities that the NTIA ought to make in considering grants in general, because most important is to ensure an additional level of oversight, fraud protection, and sustainability of the projects that are funded, and to ensure that the goals of the statute are met, job creation and the best and most effective expansion of broadband services.

Therefore, my first point is that we would want to look for a strong government role in endorsing projects that are proposed by private entities. And if you look at the statute, it says that public entities

include states or political subdivisions, the District of Columbia, U.S. territory or possession, Indian tribes, or native Hawaiian organization. Endorsement by one of these organizations should give special priority to any grant applicants from the private sector. In addition, priority should be given to entities that add substantial infrastructure and a focus on unserved areas.

Most important, the applicant should be required to demonstrate that it has the financial, technical, managerial, and operational qualifications to complete the project in a timely manner and that it has the capacity to continue operating after stimulus funding is no longer available. Past performance shall be a strong consideration to determine the applicant's qualifications. The applicant shall be required to demonstrate that it has no past record or material violation of federal, state, or local laws or regulations.

Applicants shall be required to demonstrate that the project will result in sustainable and quality job creation and economic development. And as mentioned earlier, we want to use this public money to leverage the most private investment, and at a minimum, the applicant shall provide the 20 percent match from its own sources.

The applicant should also be able to demonstrate that it meets other grant requirements and priorities which will be enumerated in the rules, and I mention a number of them that we believe will again ensure additional oversight, fraud protection, sustainability, and achievement of the statute's objectives of job creation and broadband build-out: evidence of rapid engagement and construction, viability of timeline and certainty of completion, priority to projects in states with prior mapping of infrastructure and technology plans so that we have identified where the unserved areas are, identification of the specific number of households and locations -- for example, libraries, schools, other public and community facilities, including industrial parks or small businesses that will be served -- and the number of jobs created.

(Applause.)

MR. ATKINSON: Our next speaker is Sasha Meinrath.

MR. MEINRATH: Thank you very much. It's good to be here. For those who know me, you will not be surprised that I will be taking a slightly different, though allied, perspective on things. I've spent the past decade, in addition to my work at the New America Foundation, also doing community technology deployment. And I've been climbing on roofs. I've been building coalitions. I've been suffering the slings and arrows of outrageous local politics. And I've been successfully implementing solutions in communities that people said were impossible to deploy in.

So let me begin by restating what I hope is obvious, which is that private profits are the byproduct of a critically important digital inclusion work, work that needs to be done desperately in this country, but they are not the end goal of the stimulus funding.

Now, our fundamental goal should be to search for the most efficacious, eligible entities, both public and private, and maximize the social and economic benefits of this national intervention. It is critically important for NTIA to evaluate each application on its own merits, and not disallow any specific entities or organizations from applying a priori.

The fact is that broadband stimulus is so desperately needed -- the fact that this is so desperately needed is indicative of the woeful state of current service provision within many communities. And its very existence, that of the BTOP program, points to the need for new thinking and innovation and new strategies that dramatically differ from prior practice.

The types of eligible private entities we must support must go far beyond the usual suspects. Within the private sector, NGOs of all types must be eligible and must include nonprofits, coalitions of service organizations, tribal entities and cooperatives, hybrid partnerships with municipal entities, et cetera, et cetera, et cetera.

Current measures, business models, implementation plans have far too often marginalized considerable resources and expertise within local communities. The deep prioritization of local control and accountability has too often led to far less

effective IT training for local residents, lowered educational outcomes, decreased salience to local constituencies for the services that are deployed, and the marginalization of these communities that these resources are supposed to be serving.

So NTIA has an opportunity to begin to address these digital injustices. We have both an obligation to ensure that the very best organizations receive public funding and a concomitant duty to ensure that the most socially and economically just outcomes are deployed. Diversity and heterogeneity of business models are critically important factors in ensuring that universal, affordable broadband access and the widespread adoption of digital resources becomes a reality.

So, to sum up, digital inclusion is not just about the services offered; it's about the local control and accountability of these organizations, and it's about finding the right institutions and organizations to deliver these services in the first place.

So I very much look forward to the following discussion and the public comment. Thank you.

(Applause.)

MR. ATKINSON: Our next speaker is Ms. Betty Ann Kane, Chairman.

MS. KANE: It's only been "chairman" for a couple weeks, so we have to get used to that title. I want to thank NTIA for the opportunity to share the views of the National Association of Regulatory and Utility Commissioners, or NARUC, as it is known. It is the organization that represents the elected and appointed public utility commissioners in the 50 states, the District of Columbia, and the territories. On behalf of NARUC, we are pleased to be here to present our view of what NTIA should consider in establishing whether any entities other than the statutory ones who are named should be declared to be in the public interest.

And basically our position is that in determining what the public interest is in this instance, in determining this rule, it should be informed by the underlying purposes and goals of the legislation.

First of all, that state and political subdivisions should include, at minimum, of course,

state public utility commissions, state broadband authorities, and state universal service administrative agencies. In that context, a private firm or a sole proprietorship or an individual should be considered eligible for participation in the Broadband Technology Opportunities Program, in the public interest, when that entity is acting in partnership with any of those state entities.

Many state commissions and, in other cases, other broadband commissions established by a state or other state agencies currently adopt and run broadband adoption, infrastructure grant, tele- health lifeline linkup, and universal service programs, and have long experience particularly in the universal service area. They have been recognized by Congress in both the act and elsewhere in federal legislation as having particular expertise in this area, and obviously they need to be a very important part of this. Likewise it makes no sense, we think, to simply exclude an otherwise non-qualifying entity that chooses to seek a grant if it's done in partnership with the state or political subdivision.

In addition, NTIA should find that an entity that is applying to serve otherwise unserved citizens, where "unserved" means no facilities-based Internet access other than dial-up or satellite, or the entities offering to improve the quality or affordability of broadband in an area --that that would be the second judge of public interest with that partnership, where quality should be judged along multiple dimensions including band width in either direction, redundancy, reliability or -- excuse me -- redundancy and reliability.

And let me say a little bit more about the underlying goals and purposes of the act. Purposes of grants, according to legislation, to provide broadband service to consumers in unserved areas; to provide improved access to broadband service to consumers in underserved areas; and, number three, to provide broadband education, awareness, training, access, equipment, and support to schools, libraries, medical and health care providers, community colleges, other institutions of higher learning, other community support entities, to facilitate greater use of broadband service through these organizations or to provide outreach, access, equipment, and support

services, and in particular, according to the congressional legislation, that section 6001(c) directs NTIA to consult with the states on the identification of unserved and underserved areas in their borders, and (2) the allocation of grants to projects affecting each state.

The conferees recognize that states have resources and a familiarity with local economic, demographic, and market conditions that could contribute to the success of the broadband grant program. And states will be encouraged to coalesce stakeholders and partners, assess community needs, aggregate demand for services, and evaluate demand for technical assistance. Conferees therefore expect and intend that the NTIA, at its discretion, will seek advice and assistance from the states in reviewing grant applications as long as the NTIA, of course, retains sole authority to approve the awards, and they intend that the NTIA, in its discretion, will assist the states in post-grant monitoring to ensure that recipients comply with the terms and conditions of their grants.

So both the congressional intent as well as the goals of the legislation have a very strong role for states, which is why NARUC's position is that private entities that -- should be eligible for grants and should be determined in the public interest if they are working in partnership with a state, both for reasons of coordination and because all of the social and economic goals of the legislation -- jobs, education, health -- these are state responsibilities, and they will best be carried out timely, targeted, and although the goal of the stimulus law is to be temporary, sustainability will be best achieved through coordination with the states. Thank you.

(Applause.)

MR. ATKINSON: And our last speaker is Grant Seiffert.

MR. SEIFFERT: Good morning. Thank you, Mr. Seiffert, for inviting me to speak today here. I'm Mr. Seiffert, so Mark and I will have an interesting dialogue back and forth on the transcript.

I am grateful for the opportunity to appear before you and to serve on this distinguished panel. I appreciate the leadership of the NTIA, the FCC, the Congress, the RUS, the administration, and of course,

thank you, Mr. President Obama for his leadership on bringing broadband to all Americans. On behalf of TIA, CEA, ITI, Fiber to the Home Council, and Tech America, I collectively represent a large coalition of thousands of Internet companies, equipment vendors, suppliers, those who are supplying the broadband networks, consumer electronics, systems integrators, information technology, government contractors, and information technology consulting and sourcing companies, all of which want to see a successful implementation of the broadband initiatives we discuss today.

This is a historic opportunity for all. I urge the NTIA to embrace the flexibility Congress wove into the Broadband Technology Opportunities Program, BTOP, and allow all entities private and public to propose and receive funding for projects that will make broadband technology available in all corners of our nation. The bottom line is that we need to get this economy moving, and broadband investment will do that. Ultimately, fulfilling the purposes of the BTOP should be the driving force behind every decision the NTIA makes with regard to the process set forth in order to serve the best interests of citizens and our economy.

As companies that help provide Internet service to millions of Americans and creators of the technologies and applications that will build the broadband networks and provide consumers the tools they need to harness the Internet, our members work with a vast array of public and private entities to deploy broadband. Their experience shows that all parties -- public, private, and partnerships combining the two -- can very effectively seek and steer broadband delivery projects.

Therefore, in order for the American people to get the most benefit for the stimulus funds allocated to broadband deployment, all parties should be eligible to bid for the BTOP funding and show how a project can meet the purposes of the BTOP as established by Congress.

BTOP eligibility standards should be flexible to bring the most qualified and most diverse group of applicants to the table. NTIA should not focus on what type of entity an applicant is, but rather (1) the value of the proposed project to the American people; (2) the applicant's ability to use the funds to achieve the project's objective. And the criteria for grant

awards should include a proposed project's area and demographic coverage, costs and efficiency, along with equality and suitability of the broadband offering. In any particular case, the best candidate under these principles may be the state or local government, a tribal authority, a nonprofit organization, a private party, or a partnership.

An open eligibility policy will allow the NTIA to pick the best among diverse applicants. A flexible approach would also be consistent with the RUS portion of the ARRA, which allows private entities to propose broadband infrastructure projects funding.

In addition to opening the grant applications access to all parties, NTIA should maximize the flexibility Congress provided in the BTOP with respect to areas available for and contractual conditions on grant funding. As the applicants' application process begins, states should be advised to consult with the NTIA to extend such expertise that will streamline the application process and facilitate completion of the projects.

Our coalition has other input on a host of other matters which will - that you have inquired into in your request for information. In the coming days, we will provide a concise list of our shared positions to assist you in developing the grant application selection and award processes. Again, I urge the NTIA to ensure that all parties can apply for BTOP grants to bring the best innovators into the BTOP broadband development effort.

And, in closing, I don't believe and many in industry don't believe that this program can be successful and meet the goals set by Congress and the administration without the private parties being involved. So I thank you, and we offer our assistance on technical and policy matters moving forward. Thank you very much.

(Applause.)

MR. ATKINSON: Thank you, panelists. And I think the panel has demonstrated the difficulty, in a sense, of the task that NTIA has ahead of them, which is to come up with a rule that establishes what the public interest is or it's a -- according to the statute, an entity -- the Assistant Secretary of Commerce, the Administrator of NTIA can -- has to find by rule that any of the -- any entity not mentioned by

statute is in the public interest. And what I will challenge our panelists to do is to tell me what is the rule -- if you were writing the rule right now that defines what is the public interest or how you would figure out what the public interest is, what should that rule look like?

And I think it's a difference between a rule that is put into the standard governmental-type rule versus the award criteria. I think, at least, there's -- they're different. The award criteria comes after the proposals come in, but first, who is eligible even to put a proposal into the hopper? And, you know, Congress certainly said nonprofits, state or political subdivisions, et cetera, et cetera, and then it's any other entity as long as in advance a rule has been written that describes that public interest.

I have heard in the discussion, for example -- I guess it was Curt Stamp who suggested that anybody who holds a government license or authorization is prima -- prima facie they're authorized. Is that a fair point of view?

So I could envision writing a rule that says anyone who holds a public -- a certificate of public convenience and necessity from a state or has a federal license, et cetera, et cetera -- that's rule-type language. Would you -- so I am going to go down the row here and just say tell me again, what is the eligibility criteria in a rule, like one sentence? To be eligible in the public interest, you must be X or do X.

MR. STAMP: Actually, I think you gave my answer to me. I think we would argue that all private providers should be eligible but those who have a current license -- that should be kind of the hurdle for them. We are not necessarily saying any other provider wouldn't be eligible who doesn't meet that criteria, but from a further review, further determination of eligibility with NTIA, anyone who is currently operating under one of those licenses is eligible.

MR. ATKINSON: So anyone who holds a spectrum license from the FCC?

MR. STAMP: Exactly.

MR. ATKINSON: Because that, presumably, was found to be in the public interest --

MR. STAMP: Cable franchise, et cetera.

MR. ATKINSON: Okay. Fine.

Debbie, how would you write that rule?

MS. GOLDMAN: Well, part of the advantage of being part of this panel and holding these roundtables is learning from each other. And although I did not propose what Curt enunciated, I think that I would concur with him that that should be a bottom line, that you have some kind of a public license or --

MR. ATKINSON: So, when you say "endorse" -- I think you used the term "endorsement," that might be a prior endorsement in terms of a license, as opposed to having a new -- having to go and get some sort of a new endorsement or both, or what?

MS. GOLDMAN: Well, as you push me, I am thinking through the difference between a rule of the public interest and a criteria that would bump you up to the top. And I certainly support endorsement by the public sector.

I am very concerned that the NTIA construct a grant-making system that has a very strong state role, because I am very concerned about fraud protection, sustainability, and, really, identification of where there are the projects that meet the statute's goals. Therefore, it seems to me a strong -- and when I say "state," I mean a strong governmental role, a state or its political subdivision. So I think Betty Ann Kane has also given us a lot of good direction around that.

And I hope I am not avoiding answering your question directly, but I do think that this is the area we need to be thinking about. Thank you.

MR. ATKINSON: Sasha, write me a rule in two sentences.

MR. MEINRATH: Two sentences?

MR. ATKINSON: What is the public interest?

MR. MEINRATH: There's definitely a divide -- let me preface this. There's a divide between sort of the pragmatic operationalization of a rule that we can all sort of look at and objectively identify --

AUDIENCE MEMBER: We can't hear you.

MR. MEINRATH: Sorry about that.

There's a problem of trying to operationalize this in a manner that's two sentences long and can be objectively assessed and the real-world social, economic impacts on the ground that people experience in their everyday lives. And so somehow -- and there's a tension here, obviously. So somehow we have to write

a rule that gets at the notion of supporting organizations that have meaningful real-world impacts on the ground in local communities.

And I would like to see a rule in fact that really, as was mentioned, sort of prioritizes -- doesn't write off everyone else -- but prioritizes the groups and organizations that have had meaningful impacts on the ground in local communities, and irregardless in some ways of whether it's in telecom or poverty reduction or education, et cetera. I feel like this can be a program that drives innovation and shifts our priorities to really focus on the impacts of broadband in helping all of these secondary areas.

MR. ATKINSON: So does -- I'm sort of hearing somebody has to at least bring a track record.

MR. MEINRATH: A track record would be very nice, but not the typical track record that I think, you know, a sort of risk-averse politician would want, of like you've deployed broadband networks and, you know, done that successfully, but rather who is on the ground actively involved with a long-time standing and trust within local communities.

If you are talking about working in under- and unserved communities in particular, there is expertise and there are people who have incredible resources that are not going to get tapped unless we make that a priority.

MR. ATKINSON: And -- but compared to Curt or Debbie's idea which is fairly simple to write into a rule, that's pretty amorphous.

MR. MEINRATH: And thus the tension between sort of effectiveness on the ground and political pragmatics. And somehow NTIA has to bridge that divide. I would --

MR. ATKINSON: We're here to help them today, hopefully, so --

MR. MEINRATH: That's right.

MR. ATKINSON: And hope you can provide --

MR. MEINRATH: But what I would say is that it is important to look at the social, economic justice impacts of on-the-ground organizations. And maybe that will be a partnership --

MR. ATKINSON: Would that go more into the award criteria rather than the eligibility criteria?

MR. MEINRATH: I think they are definitely related. And, again, it's not about like saying these

are the organizations you should fund and everyone else you shouldn't, but that this needs to be a priority criteria for deciding where funding goes and who should be eligible.

MR. ATKINSON: Betty Ann, you've been in government a long time and have written many rules.

MS. KANE: Yes, and I think might protest the difference, that there is a difference between sort of political considerations and effectiveness at the state and local level.

But, again, writing a rule, I think NARUC would say the rules should say, if you are not one of the statutorily named entities, state or a subdivision or nonprofit -- even the case of a nonprofit -- that an other entity would be deemed in the public interest if it was working in partnership.

MR. ATKINSON: What do you mean by "partnership"? I mean, clearly not an investment partnership.

MS. KANE: Not necessarily, although certainly there are a number of states, for example, that do give broadband grants out of state funds or out of state universal service funds, ranging from, you know, Vermont and Maine all the way to California, which actually do take applications and give grants to private companies to build, for example, in build-out deployment in rural remote areas and have been very successful. So that's one kind of partnership.

There are state broadband commissions, in Virginia, for example. It's had an excellent program where they actually took their tobacco fund money and used it to fund a very detailed kind of mapping of where there was needs in the state and working and continuing to work. This is a broadband commission set up through the governor's office working with business communities, working with private sector entities to target and bring in -- again, the actual work being done by private sector entities building the deployment, building the infrastructure, but in partnership or in coordination with a state plan.

When we look at demographics -- I mean, job creation, education, health, these are all state responsibilities, and the state on the ground knows where the partnership coordination and consistency with a state plan.

MR. ATKINSON: Is a state certification of

public convenience and necessity, for example -- is that enough of a partnership in your thinking of it?

MS. KANE: Not necessarily for this kind of work. You can have entities that are not telephone companies, not providers and not licensed entities, and don't need to be licensed entities, but they could be other service providers that would have the ability and capability to work closely with the state.

MR. ATKINSON: Take Curt's idea of just if you already have a license, that might qualify, but be a bit broader and more inclusive.

MS. KANE: I would have to go out on a limb and say that if just having a license would have accomplished the goal, then we would have broadband everywhere and it would be affordable. So --

MR. ATKINSON: Grant Seiffert, right?

MR. SEIFFERT: The most cost-effective, efficient, and serves the public out there that does not have broadband. And we believe that the congressional intent is to not preclude anyone from applying. So that's really important. I think there is some support on the panel for this. Because we do want to see the best and brightest brought to this issue. They ought to be given an opportunity to at least apply, given the criteria.

MR. ATKINSON: So you are saying that the Assistant Secretary's statutory requirement defines by rule are in the public interest? You are saying, anybody can apply?

MR. SEIFFERT: I think not anybody, but you certainly have to have some metropolitan writ within the industry, and I think the challenge is -- again, I don't think Congress wants to exclude anyone from serving in this roll-out of the infrastructure.

MR. ATKINSON: How do you define the best and brightest? Anybody thinks they are the best and brightest. Anybody can come along with that criteria.

MR. SEIFFERT: I think there are innovators, and there is confirmation, whether it's private, or public, or partnerships -- again, we don't want to exclude. And as I said in my testimony, this is an opportunity that is historic. Sasha has said a couple of times that he has worked in smaller communities that can only bring this service to consumers. So I think there is the -- the challenge is not setting the bar too low, but too high.

MR. ATKINSON: Anybody like to make comments about each other's, and we will go around again in order?

MR. STAMP: I wanted to respond to Commissioner Kane on the requirement that there is a private-public partnership. Throughout the debate as we worked with CRD and others, Congress rejected the idea that there be a specific requirement that one would have to partner with one of those named entities. The intent of Congress is clear that along the lines of what the grant said, we should have the eligibility as broad as possible, and I think if we start putting a lot of restrictions on who you have to require and who can apply and some of those other things, you run the risk of driving away potential investors and people who could actually be part of that solution moving forward.

And, you know, I think the other piece that we sometimes fail to realize, when people talk about how, as Sasha did, about the woeful job we have done so far, if you look at the areas where there is not broadband service that lasts 10 to 15 percent or whatever the number is you want to use, the biggest reason that there is not investment in those areas today is there is not an economic business case to be made to make that investment. So one of the reasons we pushed for the grants in this process and pushed to have private sector folks be eligible is we have gotten the folks in place and you need that grant for someone to move what is now a noneconomic business case and make it an economic case to invest.

MR. ATKINSON: Betty Ann, do you have your mike in your hand? I said we would go in order, so I apologize. Let's do it that way.

MS. GOLDMAN: I wanted to ditto what Curt just said because a lot of reasons this is important is there was not an incentive to build infrastructure, and equally important there needs to be an assurance that once that infrastructure is built with public money that the entity that built it has the capacity, both the technical, the managerial, the financial, and the skilled labor to operate. We don't want to be in a situation where, after this is all done, we put infrastructure in the ground and then we see companies that don't have a viable business model to operate. So I think it is important that we identify private entities that have the capability and sustainability to

operate once they have built this infrastructure.

MR. ATKINSON: Is that more of an award criteria than an eligibility -- just to put in the proposal?

MS. GOLDMAN: You are absolutely right. That's why the bottom line would have to be looking at a track record, and a state certification would certainly be one way to create some kind of a bottom line.

And the other piece that we have to remember, there are goals in this statute about increasing affordability and digital literacy, and those kinds of adoption goals. And it may be that there would be entities -- I'm not sure they are private entities, quite frankly. I think it is likely they are governmental and nonprofit. But there may be private entities that would be interested in applying for those kinds of grants and those would not be entities that would be getting certificates from the FCC or state commissions or cable commissions.

I want to think hard about it, because I have a very strong preference that the projects that are funded have a strong engagement with a planning perspective and accountability. That means that there is a close engagement with a governmental entity.

MR. ATKINSON: Any comments, Sasha?

MR. MEINRATH: I will respectfully disagree with some of the statements said about the unserved and underserved areas in the United States when you have lawsuits that are put out there and -- to stop people who have deployed networks. We have predatory pricing and red-lining happening in underserved and unserved areas of our nation.

It's very clear that there are people who want to deploy in all areas -- not all perhaps, but a lot of areas -- and are kept from doing so, through legal machinations, through pricing discriminations, and through a variety of different ways, and we can't ignore that history. To do so really misses the mark in terms of depth and breadth of the product we face.

And I look at, for example, other areas, other countries that have done far better in terms of broadband service provision, and it's due to sort of an interplay between markets and regulations that supports a variety of different business models and that ensure that no one gets left out as we have allowed to happen

in the United States. That history needs to be attended to, otherwise we will repeat the same sorts of mistakes this time around with the money we have available today.

MR. ATKINSON: The rule can't say it's in the public interest to have people apply for these grants who have just come out of the woodwork?

MR. MEINRATH: The rule needs to include objective, quantitative criteria, but it also sort of needs to include --

MR. ATKINSON: Like what?

MR. MEINRATH: Like sticking to the statute and what it is intended to be. And there was also this exemption, I think it was put in there because of the qualitative realities like some organizations should be eligible that might not otherwise not be because their on-the-ground work is so important and so efficacious. And that hard work is what NTIA takes on, but I think they are very much up to it, and they are ready to move forward with this, and I feel like if we nail things down too narrowly, we will have failed because we created the Cheetah of broadband deployment. It works really well as long as nothing in the world changes and then becomes extinct because it cannot adapt to new circumstances or situations.

MR. ATKINSON: Betty Ann?

MS. KANE: I would not like to see something very rigid but certainly coordination with the state's plan, the state's broadband plan. If we are looking at the law, we are talking about job creation as one of the main goals of the whole legislation, but specifically on this, the job created facilities that are statutory, that is located within a state economic zone or zone designated by the federal government or Department of Agriculture, et cetera, that is done in conjunction with the state, anyway. If we want to get things done and we want to -- not scattershot, but if we want it to be effective and sustainable in creating jobs and education, and in the many, many areas, the urban areas where infrastructure is there but the uptake and the adoption isn't there because of affordable, lack of computers, lack of in-home equipment, lack of understanding about the value of the Internet, what it can do for education, jobs, et cetera, that is always done in conjunction with service agencies that have always worked together with the

state. Partnership, not necessarily the kind of public-private partnership you might see when you are building something but certainly coordination and consistency with the state.

And all through legislation -- there are several different types of other core legislation -- is funding for the broadband mapping. And that responsibility is given to a designated state entity, one per state. And that is enacting procedure and enacting exercises, not just one shot, but it has to look at not only where broadband is, what the speeds are, what the barriers are to the deployment and uptake, and an ongoing updating of that. So it lets us envision, and the only way that is going to happen is there is a clearing-house role and coordination role to make this work.

MR. ATKINSON: There is a need for speed not only in broadband speed but in getting these programs up and running as fast as possible. You think that states or other government agencies would be able to work quickly enough to establish these partnerships or provide any sort of endorsements or things like that?

MS. KANE: I think that is probably the best way to get it done quickly, if NTIA gets flooded with 20,000 applications. And I think NTIA will be greatly assisted by having this role to support states to be a filter and give priority to those that are coordinated with the best fit of the state plan and best way to get it done, get the money out there, and get the states to play a role in monitoring the use of the money and in holding people's feet to the fire and making it happen.

MR. ATKINSON: We are getting questions from the Webcast.

Go ahead, Grant.

MR. SEIFFERT: I was going to reiterate that the NTIA should not focus on the entity. If that's the case, I believe again reinforcing the fact that you are going to have some applicants that have better ideas, better solutions because of the gaps that have been out there that we currently know, and that the value that they bring to the table is that they are bringing new ideas and you have got to get those to the table in order to bridge this gap.

MR. ATKINSON: Well, you know NTIA has a tough job ahead of them in finding out who is establishing this rule of eligibility. I am looking at

my watch. I think it might be at least -- ask the audience to at least get the audience to get some questions, and if you line up and ultimately line up in a circle, 1, 2, 3, 4 -- there are microphones and we have questions coming in from the Webcast.

And -- I guess there has been a history at the federal and state level for competition to be in the public interest. Is that, is competition a public interest factor that NTIA either should take into account or in fact be bound by in terms of finding what's the public interest with these grants? Any thoughts? Debbie?

MS. GOLDMAN: Competition to me is a means, not an ends. The statute does not mention competition as the goal for broadband grants. The goals are to serve unserved areas, underserved areas, to facilitate an option to get more computer capacity in anchor institutions, and I have forgotten the fifth. But it's along those lines, it's not -- and public safety -- it is not to foment competition. Particularly in those areas where there is low -- where there is no broadband, there is a reason for that. And to try to get competitors who are dividing the low density up, you are not going to have a sustainable business case. So I do not see competition as a public interest standard in this particular arena.

I want to step back just for a minute, and talk about how we have been focusing on how you define the public interest rule for public entities. I do want to step back. Obviously, the logical process for a broadband grant program would be first you have gathered the data. You know where there is unserved areas, you know where there is underserved areas. Probably about 15 states have done that already.

Then you have an entity that has gathered all the stakeholders and developed a plan. Again, about a dozen states have done that. At the federal level, we are doing that backwards. We have the grants at the same time we are giving the money for the mapping, and the FCC has a year to develop a broadband strategy. This leaves the NTIA whose goal it is in this act to create jobs and jump-start the economy at somewhat of a disadvantage. We want to get the money out there. We know it's needed and we want to create jobs, but we also are at a disadvantage in that we do not have a national map.

Therefore, we learned last time the NTIA has talked about giving these grants out in thirds. It makes sense that those states that have not done their mapping apply to get their mapping done, set up their infrastructure. That's step one. It doesn't mean that those states cannot have entities, nonprofits, local governments, states, or private entities with some kind of endorsement from the state applying. But they should definitely be getting their structure, their ducks in a row.

In the meantime, we have many states that do have their mapping and do have their structures in place and can assist the NTIA when it gets its 20,000 applications in prioritizing, because there is no way that NTIA can look at and try to determine 20,000 entities, which one has a track record of a viable and sustainable business plan. So a strong state or local role is very important in the process.

MR. ATKINSON: I think what we should do -- I promised the audience that the last 30 minutes would be theirs. So I will start off with one question from the teleconference. I apologize, someone is standing up already, and we will get there in a moment.

This is directed to Curt and Grant. The question is: It appears that you suggest basically that anyone who is licensed gets in. In reality your rule seems to strip the congressional language of any meaning. Are you really saying "any" in private business? Curt?

MR. STAMP: I think to clarify where we are coming from, the incumbent folks that I represent are saying to the extent private sector folks are eligible -- and we think they should be, they are a vital part of this process -- there shouldn't be any additional eligibility test beyond those who are currently have the FCC license and the state certification. That doesn't necessarily preclude unlicensed entities, but it says that the folks would have to be looked at harder, that the viability to be in the long-term is there. We indeed are saying that many folks in the private sector should be eligible and should be able to apply in this program.

MR. ATKINSON: Grant?

MR. SEIFFERT: From the coalition's perspective, we don't have a specific position on the licensing issue, but I think it's clear from our

standpoint that anyone that is interested in applying should be allowed to apply based on the goals and objective of the program. And so those criteria set forth by the NTIA are going to dictate how someone comes in to apply. And those decisions should be based on the merit of the business, and again focusing on the best bang for the buck. Those that are not receiving broadband -- and again, there is a reason why there is such a challenge to get the infrastructure built out. So, you may see -- I don't think we want to exclude any entrepreneurs or any other carriers that have not been serving that particular space.

So, again, I think no one should be excluded or precluded. I think the flexibility that Congress gave the NTIA is very important, and the NTIA should use that flexibility to their advantage.

MR. ATKINSON: Thank you. Let's go to the audience. And we have a time limit on either the question or comment, so please make brief -- is that what this -- that will tell you when your time is up. So please, so we can get as many people in. Because I am seeing at least 10 or 15 people here. And I have a file from the outside world.

Microphone number 1, identify yourself.

MR. HALPERT: I am Jim Halpert from the DLA Piper law firm. It seems to me that if you look at the legislative history of the Senate bill that forms the basis for the BTOP program, that initially it precluded private sector participation, then was amended in order to allow it. And if you look to consider what the meaning of the public interest ought to be here, I think I agree with Debbie that it's important to look at the statutory purposes in issues like sustainability. Projects that have not already been built out are going to be factors that ought to determine whether a grant application is relevant. And it probably would be useful for NTIA, in order to do gating and screening, to require some initial showings of, for example, sustainability of project -- as a way to gate out some of the tens of thousands of applications that really won't be able to be built.

By the same token, I thought that Grant's point about working with or including entities that have worked in the community successfully is an important plus factor in the grant decision-making process, for example. But that there ought to be some

gating factor in order for NTIA to be able to do this job in a timely fashion.

MR. ATKINSON: That was a comment, no question. Thank you. Now go up to microphone number 2.

MR. LEDERER: My name is Gerry Lederer.

MR. ATKINSON: I should remind the press, if you have any questions, if you would go back to the microphone. Appreciate it. Thank you.

MR. LEDERER: I am here representing a collection of local governments under the heading TeleCommUnity. I would like to go back to the question that you asked to folks out in the field. What we hear incumbents trying to say is that Congress was blind to the fact that they didn't create a public interest test. They did in fact, Congress could have easily said any licensed provider is a protected class.

And so I guess my question is -- my statement is that there really does need to be a public interest test. What we found in local government over the years is the ability to enforce something under contract, under franchise agreement, as opposed to under the legal or police powers standard, has always made a great deal of sense and made life a little bit easier. So at a minimum, the public interest test could be that any incumbent or any existing provider that takes the grant does so under contractual terms and agrees not to challenge any of those terms on a legal basis or a police powers basis at a later date.

MR. ATKINSON: Microphone number 3 at the back.

MR. POSEY: My name is Jess Posey. I am CEO of a company called TelePost Technologies. I am an extremely frustrated entrepreneur because we are looking at the BTOP package and we don't see a way for newer technologies that could have extraordinarily large impact on this essentially get wedged in here. The reason I say that is because even in terms of venture financings and such, any time you look at the technology that is going to impact within the current system, there is a tendency to step back away from it because people do not believe it would ever be adopted, which is the crux of the problem. Here is why I believe you should care because the technology that we have ended up developing takes the actual price of implementation of a broadband solution down about 75

percent from a megahertz per second basis down to 10 percent. You are talking about being able to have up to six miles -- four miles -- three miles, 10 megahertz per second. It kills the noise problem that hurts DSL and does not affect us. It allows people to step up as their desire to step up and their 100 megahertz solution, which is especially good for those areas, especially good for those places that are in remote and rural areas.

Is there a way to wedge in innovative brand-new technologies for people who haven't laid down fiber for the past 25 years? Thank you.

MR. ATKINSON: Does anybody have a response to that?

MS. KANE: I think there are places where it does match techniques and innovative approaches and also not to favor any one technology over the other. So, I see legislation as encouraging those kinds of new approaches.

MR. ATKINSON: Microphone number 4?

AUDIENCE MEMBER: I'm not sure where to start.

MR. ATKINSON: Could you identify yourself.

AUDIENCE MEMBER: Tom with DSL and association for wireless providers. I would like to start out by agreeing with part of Curt's comment, which stated that a licensor should be providing a broadband service. Or -- I would like to emphasize providing the broadband service. Any provider doing that today should be eligible in our opinion. Currently the unlicensed market is serving America under FCC regulation and state regulations. It should not be excluded from this proceeding in any way, shape, or form.

I think there does have to be a strong focus, though, on having a preexisting proof of -- proof of preexisting sustained model, and I don't see any candidate that is better for doing that than existing entities across the country that through any disadvantaged state have continued to survive and thrive throughout the last ten years. I would also note -- I will leave my comment at that. Thank you.

MR. ATKINSON: Thank you. We will go to the Web. This is a question from Gary Ivory. He is from Washington State, with BCPDU.org. His question is: Many public agencies are broadband facility providers.

Will public agencies that are facilities providers be eligible for NTIA and broadband access grants? Does anyone have an answer?

MS. KANE: I don't know about RUS because there are certain statutory provisions for loans and grants, but certainly I would say in many cases there would be municipal or state public facilities, and legislation specifically mentions those types of publicly provided services.

MR. ATKINSON: I think the answer is yes. A couple quick ones.

MR. KAMIETE: Jeff Kamiete, medical lake, also Washington. We have received rural utilities funding through grants and have worked with several communities, both incorporated and unincorporated. Does that count as far as merit and past experience?

MR. ATKINSON: Does anyone want to say no? Everyone says yes? That would fit into at least some of the panelists' thoughts that there is some sort of a track record.

MS. KANE: A good example where a government entity has had to step in and provide service that is not a good business case or profit-making entity.

MR. STAMP: The lines seem to be building here a bit, too. The public interest piece we were talking about here is in terms of who is eligible to apply. The other criteria in terms of sustainability in your business model and how effectively and efficiently you do it is sorted out in the selection criteria process. All we are saying is that private entities should be able to and are a vital part of that mix going forward, and should be still going forward. And we can talk about the merits as you sort through the various selection criteria.

MR. ATKINSON: Microphone number 1. And let me ask people, if you are going to ask a question, say that at the beginning, and if you are going to address it to anybody in particular, just so the panelists can be really paying attention and preparing their answer. If you are going to make a comment, just say you are making a comment. Microphone number 1.

MR. CONTE: My name is Dennis Conte, and I am an independent telecommunications consultant. And my question is how the panel would feel about a separate NOFA for private entities? States compete against states, and private entities compete against private

entities?

MR. ATKINSON: Panelists? And that, by the way, is similar to a question we received from the city of Chicago that says: Private sector entities are eligible to apply for BTOP grants if they meet public interest requirements. Having defined this, will private sector entities be competing for the same funding pool as other applicants? The question is: Would there be two separate pools so that competition wouldn't occur? Curt?

MR. STAMP: I think my initial reaction to that would be no. As you are looking, we have a limited pot of funds and we are trying to be as effective and efficient as possible. So to have a private sector round, and you have private sector grants for communities A, B, and C, for X dollars, and then six months later you have the public sector round and they do that for 50 percent of what the private sector was going to do or vice versa, then you run the risk of over-spending or not effectively spending those dollars if you try to tranche it out in trying to get the particular amount of providers.

MR. MEINRATH: I would say that the dichotomy of private sector versus nonprofit versus public entity is going to be very difficult. I suspect there is going to be a lot of hybrid groups and coalitions, et cetera, that are putting things in there. On that level, it is complicated.

The other aspect of this I wanted to bring up is -- and I think there is a reason why the language was skewed to support a different status quo. And I think that needs to be held in mind when you think about what other criteria and what is the intent of this law. We clearly don't want another subsidy for the same players that have failed to deliver in underserved areas.

MR. ATKINSON: Microphone number 2 in the back. Question or comment?

MR. ALVERSON: This is both comment and question for the panel. My name is Dale Alverson. I am Medical Director for the Center of Telehealth at the University of New Mexico. And in New Mexico we face tremendous challenges with the digital divide, particularly in rural areas and tribal areas. I want to make sure that NTIA encourages applicants to show evidence of coordination and collaboration between

private and public entities in improving affordable broadband, particularly to the underserved and unserved. And that means working in concert with state IT initiatives such as is occurring in New Mexico with tribes, the private sector.

And my question is how should the applicant demonstrate that?

The second comment is that applicants should demonstrate innovative approaches in providing broadband in communities where there is low potential of return on investment. That has been a huge barrier that might require subsidy programs such as the FCC and telemedicine programs using universal services funds or other innovative business plans. How should that be demonstrated by the applicants?

MR. ATKINSON: Anyone want to take that?

MS. KANE: We are getting into grant criteria, but I believe the bottom line should be with collaboration. If you look at the legislation, legislation on the mapping -- and I think these two things, they kind of go together in terms of the whole concept of it, requires, that there be a huge county or designated region in the state, a local technology planning team with members representing the broad cross-section of the community, which is business, telecommunications, labor organizations, schools, libraries, health, et cetera. I could see where that would need to be a criteria of the grant application process in terms of documenting how that collaboration is occurring, whether those types of teams or planning is in place.

MR. ATKINSON: Anybody else?

MR. MEINRATH: I want to comment on this. This notion of the private-public partnership hides all manner of sin, and has in the past. This is where I love the idea of private-public partnerships applying and coalitions applying, et cetera. When we are looking at those applications, we really have to look at coming back to where is the ownership for this model, where is the accountability, where is the control over these initiatives. And that really I think is going to differentiate kind of the wheat from the chaff. We want to see a true collaboration, and that too often has not been the case in a public and private partnership.

MR. ATKINSON: I have a question. Who can

tell me what FCC form 477 is? Tell us because this relates to the next question.

MR. STAMP: Briefly, it's the -- it's basically the form the FCC uses to gather data on broadband deployment availability, and they generate a biannual report based on that.

MR. ATKINSON: The reason I asked -- and I thought that is what it is, but I didn't want to risk looking ignorant. The question is from Denise Hamilton in Tampa, Florida: "I would like to add to the eligibility of the grant. I would like FCC form 477 as part of the matrix to be eligible for a grant."

Any comments as part of the eligibility criteria, a form 477 filer?

MR. STAMP: I think again that probably goes more to the award criteria than it does eligibility.

MR. ATKINSON: But you wouldn't be a form 477 filer if you were not already at least in the business.

MR. STAMP: That's true. If you put that in, the laundry list of eligible -- prima facie eligibility of filing form 477 is probably one of those that probably extends the list. Yeah.

MR. ATKINSON: Anybody have a problem with that 477?

MR. MEINRATH: The more information that is made publicly available that grantees are required to provide, the better off we all are. Classic economics assumes perfect information amongst providers and suppliers. And in the broadband market, it's like the most imperfect information ordinance imaginable.

MR. ATKINSON: Microphone number 1? I'm sorry, microphone number 3?

MS. McCARTHY: Good morning. I have a brief comment. My name is Jackie McCarthy, and I am in public affairs at the Wireless Infrastructure Association. Our owners own and operate all types of infrastructure facilities for deployment of existing networks by both existing and emerging providers. We feel that BTOP must engage the expertise and capabilities of private sector entities that are successfully deploying networks and that would include not only the carriers and CPCN holders that Mr. Stamp mentioned but the wireless infrastructure providers that build the backbone of those networks.

To the extent that the economies in the past have not made these projects feasible, BTOP can change

this to a positive business case, and finally I would submit to you that the inclusion of these kinds of entities is consistent with congressional intent, as evidenced in the conference report in which Congress said that as broad a class of entities as possible should be eligible to apply for grants, including tower companies, tower providers, as well as carriers.

MR. ATKINSON: Microphone number 4?

MS. HANDEM: Thank you, my name is Luisa Handem, Director of the Rural Mobile Broadband Alliance, a broadband organization that seeks to bring together equipment makers, telcos, and rural people that want to see this broadband initiative happen. I first of all would like to thank the Obama administration for bringing this wonderful cause to the forefront of his policies a little less than two months after taking office. And I would also like to thank NTIA, RUS, FCC, and the panelists, and in particular I would like to thank Sasha for his very innovative ideas. You seek to bring together telcos and other interested parties to help the government go through supporting the public interest and who should get the grants.

RuMBA USA stands for information speed and deployment in areas that are underserved and unserved. And we have had tremendous response since founding it almost three weeks ago. What we would like to seek is input from the panelists on where do they see RuMBA being most effective. We have had tremendous support. Our site was down a couple of days, so many hits. I get calls from all over the country from members, potential members to RuMBA. What we intend to do is to streamline the application process. We want to bring everyone or anyone that thinks they can provide the broadband capabilities that the recovery act is seeking to address.

So, my question to the panel is, how quickly can we achieve this? And I would like to say also that innovation should be number one. We should not lose sight of companies as small as they may be that may be able to provide the results we need.

MR. ATKINSON: Thank you. Just to be sure, I am going to be a little rude, but that's my job in terms of trying to keep this thing on time. That question does relate, however, to one of the questions we received from the Webcast from Alexander Hagen at

Etheric Networks. His question is: Broadband fixed costs will establish a -- will broadband ISPs be given consideration or do we need to join some industry association? Perhaps yours. As with the expansion of VoIP, the path may not be attractive to us.

Comments or reactions?

MR. SEIFFERT: In order to address this challenge we have, again, all parties from a technology standpoint are going to be required. So certainly, again, as I said before, the best and brightest, latest ideas, and newest technology. So I don't think anyone should be excluded or we should be picking one technology over the other necessarily, but they are all going to have different attributes and merits for that particular problem, and they will address that through the application process. Anybody else?

MS. GOLDMAN: I think, again, we are getting questions that have to deal with potential applicants trying to figure out what would be the most effective way to put together an application and how will this be considered and prioritized. It seems to me that in answer to some of these questions, I am going to sound a little bit like a broken record, but I think there is a very important role for the states to be evaluating where there needs to be priorities within those states, so that states will be putting together packages, one would hope, that would be addressing the priorities within the states.

And it is conceivable that the actual RFPs from the states, soliciting from the states, the partnerships may come then or they may come once the funding is available. So then the states would be seeking to put out competitor process for the providers. I know that slows it down, and one of the goals is to get this money out fast, but, again, we have heard that there are going to be different grant periods, and so there are going to be different kinds of projects that will be put together. But I think that as wireless ISPs or private entities or telehealth associations are looking to how do we scale this up, working through regional governmental entities or state entities to put together projects that are scaleable and sustainable makes a lot of sense, and I know I moved way beyond the scale of the question.

MR. ATKINSON: I think we can go a little bit over -- there's five or six speakers. But lightning

round questions, if you would, please.

MR. YASSINI: Comment and question. My name is Rouzbeh Yassini, YAS Broadband Ventures. Back in 1998, we invented the broadband that was used by the government arsenal and Air Force Base when the broadband network came together. Based on our support and standardization, we put together a cable modem known as the father of cable modems, the same as PHD. We had a research center built in 2003, in Boston. The reason we built that is because people stopped thinking of broadband as Internet. It is far bigger than the Internet. We've got 50 projects each representing each state in this country, and as a result we learned the difficulties that broadband has brought in. Broadband specifically with security and user interface can turn this broadband stimulus to the biggest broadband bailout that will solve the security of the nation which will be exposed.

My question is: How would an inventor and visionary like us, which has depth of knowledge of broadband for 25 years, assist the Secretary of this office and your panel to do a better job for this grant?

MS. KANE: Approach one or two of the states and work together with them. It may be the technology you've got is appropriate for a particular problem in a particular state, all kinds of solutions are needed. What I need in the District of Columbia, where we have multiple ISP and Internet providers but we have many, many people of low-income who don't subscribe, is I need to access my public housing center, very different than what you might need in Montana or some place else. I think there is a role for everybody, in all kinds of ideas and innovations in some of which are providers and some of which -- it needs to be tailored and fit into the goals of the state.

MR. ATKINSON: I think you should look at the request for information that NTIA and RUS put out. There is a wide opportunity to provide assistance through the Assistant Secretary through that mechanism if nothing else, as well as this. My phone number --

MR. SINGLETON: Rico Singleton, Deputy Chief Information Officer for New York State. Just a brief comment. New York State supports the private sector for eligibility; however, we strongly encourage a requirement that the private sector do so in

partnership with an eligible entity as defined in the bill. The state has a broad amount of experience in broadband and has the best position and perspective to understand how the profit lines up with a comprehensive broadband interest for the state. When we think about public interest, we speak about authority -- the broadband authority for the state, when it exists, should be relied upon to make that determination, such as in New York State the governor created the Council for Universal Broadband, that developed a strategy that consists of nonprofit eligible members as well as the state sector. We are therefore in support of the position of Betty Ann Kane, that we have a private public partnership, and where broadband authority and strategy exists, that private sector applications must align for that strategy.

MR. THOMPSON: My name is Scott Thompson. I am here on behalf of Networks, which is an antenna system provider. They are currently licensed in 30 states and provide innovative next generation broadband networks combined with fiber optics and wireless. I am going to speak very briefly as a comment in support of what Mr. Flood said, and in opposition of what the last guy said. I think there is a differentiation between the eligibility standards and the criterion for grants. And we endorse strongly that Congress sought to include as many entities as possible to be reflected in the legislative history. And while working with the states is obviously something we want to do and partnering with the states is something we ought to do, I don't think it should be a threshold gating issue for eligibility which would be perhaps an issue for criterion for a grant.

MR. ATKINSON: Microphone number 4?

MR. DELDEL: My name is Roy Deldel. I would like to remind everyone why we are here. The private sector in particular, the telco and the cable companies, along with some local governments, have failed to deploy broadband technologies in the targeted communities that we are here talking about today. Given that fact, I think that those companies that have been encouraged by Congress, such as telco and cable companies, to build out broadband in unserved and underserved communities, their failure to do so should force them to not take a leadership role in terms of eligibility but, as Sasha has indicated, be in

association or under the umbrella of some community-based organization.

With respect to local government and the private sector, if those two parties are allowed to go forward with this kind of application in partnership, I think we will have pretty much what we have now, because they have a partnership with local government, but more important, they make the case of the telco representatives that the reason why they didn't do the build-out is because of the funding or it wasn't a business case. But I would like to remind them that those communities, in particular urban areas, are varied communities that have given these companies extreme profits. So I don't buy the argument that there is no business case to be made.

MR. ATKINSON: I have to cut you off. I apologize. It is my job to be rude when I have to be. Last question from the audience, and then I have one more from the Web net.

AUDIENCE MEMBER: Thank you, Mr. Chairman. This is a question and comment for Curt, I believe. I am from the rural sector of Iowa -- Cedar Falls, Iowa. And I am representing a CEO of a company that is 30 years old, had the best year ever in Iowa. And I would like to address this to the situation where I have a DSL live VoIP right beside me, but I haven't hooked into it. I work with pharmaceuticals, I work with other corporate America, and I want security. So I am very, very interested in security. I want sustainability for this whole program and practicality. I think precautionary means, whatever, for that sustainability, precautionary for health, if that be the case, whatever it is. I think those should all be high, high criteria. And I would like to stress for our particular company we need that confidentiality, so we like the hard-wire. That doesn't mean when I go to Panera or something I don't want a quick fix for quick information. So I want to see it all work for the best of the country. I want to see it work like DSL in Europe.

MR. ATKINSON: I don't think there is a question in there, so I will go to the Internet question, and this is a question, and it's the last one.

Both NTIA and RUS have expressed the desire to align certain aspects of their grant programs. The

statute has different criteria for each program. Would you agree that the eligibility criteria should be the same for NTIA and RUS programs? And this is from O'Connor and Johnston. Should they both have the same eligibility requirements?

MS. KANE: You can't get around what the statutory provisions are. But there is a provision that there is no double-dipping, no duplication, and an entity that gets an RUS grant can't get any money for another part of the project. So that calls for what can be added to RUS's coordination with the state, whether it's through what NTIA is doing with the states or directly with the states. But one very good way to avoid duplication is you should fund both pots effectively with coordination with the states.

MR. STAMP: I would echo that to the extent practical. Where there are opportunities to have the same definitions, they need to do that, but the coordination is paramount if they are going to use the dollars as effectively as possible.

MR. ATKINSON: Looks like Debbie is going to get last word.

MS. GOLDMAN: I will encourage that person to tune in at 1:00 when that is specifically the topic of conversation.

MR. ATKINSON: That is a perfect lead-in for the next session. We will be reconvening this afternoon.

I want to give a big round to the panel, who did an excellent job. I want to especially thank you for your lightning return of your slides and your information. This has been coming together very quickly, and these folks were real troupers. The next panel starts at 1:00 p.m.

For those of you who are here in the flesh, can you leave the building and come back in, save enough time to get through security? There's places to eat, all around. Across the street is probably the quickest.

The next panel as Bob said and Debbie said is coordination with RUS and NTIA. Folks who are participating by teleconference and Webcast, if you submitted a question and it did not get asked from the microphone, I want you to understand those are going into the record and we will be reviewing those. The comment intake form is up on the NTIA Web site. We go

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to NTIA.DOC.GOV/broadband. We will take a break until
1:00.

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