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Topics: Private Sector Eligibility; Coordination between NTIA and RUS on Broadband Initiatives; Innovative Programs to Encourage Sustainable Adoption of Broadband Service and Expanding Public Computer Center Capacity

Moderator: Mr. Bob Atkinson, Director of Policy and Research at the Columbia Institute for Tele-Information at the Columbia Business School.

***Summary of Sessions 1, 2, and 3**

Private Sector Eligibility

Roundtable Panel, Session 1:

Mr. Curt Stamp, President of the Independent Telephone and Telecommunications Alliance (“ITTA”), representing 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:

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.

...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.

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.

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.

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.

Ms. Debbie Goldman, 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:

Need a strong government role in endorsing projects that are proposed by private entities. Endorsement by [a public entity] 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 un-served areas.

Applicant should be required to demonstrate that:

- (1) It has the financial, technical, managerial, and operational qualifications to complete the project in a timely manner.
- (2) 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.
- (3) It has no past record or material violation of federal, state, or local laws or regulations.
- (4) That the project will result in sustainable and quality job creation and economic development.
- (5) As a way 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.
- (6) To ensure additional oversight, fraud protection, sustainability and achievement of the statute's objectives of job creation and broadband build-out, demonstrate 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 un-served 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.

Competition to me is a means, not an end. The statute does not mention competition as the goal for broadband grants. The goals are to serve un-served areas, underserved areas, to facilitate an option to get more computer capacity in anchor institutions, and public safety. It is not to foment competition. Particularly in those areas 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.

The logical process for a broadband grant program would be first you have gathered the data. 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. 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, so a strong state or local role is very important in the process.

Mr. Sasha Meinrath, 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:

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 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.

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

Ms. Betty Ann Kane, Chairwoman of the District of Columbia Public Service Commission, and past 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. Chairman Kane is representing the National Association of Regulatory Commissioners:

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.

NTIA should find that an entity that is applying to serve otherwise un-served citizens, where "un-served" 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 bandwidth in either direction, redundancy and reliability.

NARUC's position is that private entities 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.

I would not like to see something very rigid but certainly coordination with the state's plan, the state's broadband plan. 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 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.

NTIA will be greatly assisted by having states 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.

Grant Seiffert, 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. Mr. Seiffert is representing CTI, ITIC, and Tech America:

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 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.

Public Comment

In order to define public interest, 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. There ought to be some gating factor in order for NTIA to be able to do this job in a timely fashion. Jim Halpert, DLA Piper law firm.

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 police powers basis at a later date. Gerry Lederer, representing a collection of local governments under the heading TeleCommunity.

It does not appear that there is a way for newer technologies that could have extraordinarily large impact on this program to be included in BTOP. Is there a way to wedge in innovative brand-new technologies for people who haven't laid down fiber for the past 25 years? Jess Posey, CEO of TelePost Technologies.

Commissioner Kane stated she believed that the legislation allows for these new technologies.

A licensor should be providing a broadband service. Any provider doing that today should be eligible in our opinion. There does have to be a strong focus, though, on having proof of a preexisting sustained model. Tom, DSL, an association for wireless providers.

Many public agencies are broadband facility providers. Will public agencies that are facilities providers be eligible for NTIA and broadband access grants? Gary Ivory, WA State, BCPDU.org.

Chairwoman Kane responded "yes"; she was not sure about RUS because there are certain statutory provisions for loans and grants, but certainly in many cases there would be municipal or state public facilities, and legislation specifically mentions those types of publicly provided services.

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? Jeff Kamiete, Medical Lake, Washington.

The panelists agreed "yes", that it would fit into at least some of the panelists' thoughts that there is some sort of a track record for this. Chairwoman Kane stated that a good example is where a government entity has had to step in and provide service that is not a good business case or profit-making entity.

How would the panel feel about a separate NOFA for private entities? States compete against states, and private entities compete against private entities? Dennis Conte, an independent telecommunications consultant.

Both Mr. Stamp and Mr. Meinrath responded, discouraging the idea. Per Mr. Stamp, we have a limited pot of funds and we are trying to be as effective and efficient as possible. Per Mr. Meinrath, 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.

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 un-served. The second comment is that applicants should demonstrate innovative approaches in providing broadband in communities where there is low potential of return on investment. How should these two things be demonstrated by the applicants? Dale Alverson, Medical Director for the Center of Telehealth at the University of New Mexico.

Chairwoman Kane responded that the bottom line should be with collaboration. She could see where that would need to be a criteria of the grant application process in terms of documenting how that collaboration is occurring. Mr. Meinrath responded that he loves the idea of private-public partnerships applying and coalitions applying, et cetera.

I would like to add to the eligibility of the grant. I would like the FCC form 477 as part of the matrix to be eligible for a grant. Denise Hamilton, in Tampa, Florida.

Mr. Stamp stated that this goes more to the award criteria than it does eligibility, but *prima facie* eligibility of filing form 477 is probably one that extends the list. Mr. Meinrath thought that the more information that is made publicly available that grantees are required to provide, the better off we all are.

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. 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. Jackie McCarthy, Public Affairs, Wireless Infrastructure Association.

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. Luisa Handem, Director of the Rural Mobile Broadband Alliance.

Will broadband ISPs be given consideration or do we need to join some industry association? As with the expansion of VoIP, the path may not be attractive to us. Alexander Hagen, Etheric Networks.

Mr. Seiffert responded that in order to address this challenge, all parties from a technology standpoint are going to be required. He doesn'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. Ms. Goldman responded that she thought the question has 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. She thinks there is an important role for the states to be evaluating where there needs to be priorities within those states

Back in 1998, we invented the broadband that was used by the government arsenal and Air Force Base when the broadband network came together. 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? Rouzbeh Yassini, YAS Broadband Ventures.

Chairwoman Kane recommended he approach one or two of the states and work together with them. Mr. Atkinson recommended he look at the request for information that NTIA and RUS put out.

New York State supports the private sector for eligibility; however, it strongly encourages 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. Rico Singleton, Deputy Chief Information Officer for New York State.

There is a differentiation between the eligibility standards and the criterion for grants. We endorse strongly that Congress sought to include as many entities as possible to be reflected in the legislative history. 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. Scott Thompson, Networks, an antenna system provider currently licensed in 30 states and providing innovative next generation broadband networks combined with fiber optics and wireless.

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 un-served and underserved communities, their failure to do so should force them to not take a leadership role in terms of eligibility but to be in association or under the umbrella of some community-based organization. Roy Deldel.

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 m very, very interested in security. I want sustainability for this whole program and practicality. I want to see it work like DSL in Europe. Audience Member, representing a CEO of an Iowa company.

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? Should they both have the same eligibility requirements? O'Connor and Johnston.

Ms. Kane responded that you cannot 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. Mr. Stamp would echo those comments 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.

Coordination between NTIA and RUS on Broadband Initiatives

Roundtable Panel, Session 2:

Brad Ramsay, General Counsel for the National Association of Regulatory Utility Commissioners. My recommendation for the application process is to keep it simple. Have a single application and have it online. Consolidate the applications for NTIA and RUS. List at the very top (1) the amount, (2) agencies and (3) if it is a joint application, single project seeking money from both RUS and NTIA. To the extent possible, RUS should put as much money as it can into grants so that the applications can be more uniform. As the applications come in, they should be sorted by state, city, and locality, so that it's pretty easy to see if there are multiple applications coming in to serve the same area. Keep the definitions broad to allow for more overlap. Use the statutory text where possible instead of elaborating, but not try to force an overlap where one does not exist. To the extent that there are going to be reporting requirements, there should be a common template for reporting on both types of programs. The same type of criteria where the criteria do overlap should all be at the top.

Let me emphasize the importance of getting the right vendor. RUS has 130 telecom people in the telecom section. They have 24 working on broadband grants. NTIA doesn't have very much manpower right now. They are going to be inundated with thousands of applications and they can hire locally a lot of people to take care of it or the two organizations could simultaneously ensure that the same information is sent to the states. The two organizations both have to look at what they have in common in their applications, each focusing on one that is directed to them. If they send it to the states, you will have people that are familiar with localities, with the infrastructure that's in the states, that have kind of a jump-start as to whether this is a good or bad idea, and are in a better position to evaluate items. They can look at both the RUS and NTIA programs and provide a unified ranking together for the federal authorities to look at.

Jeff Arnold, Deputy Legislative Director of the National Association of Counties. Counties around the country long recognized the need for broadband and we really believe it would be an economic engine for us. The same reason that we have underserved and un-served areas will make it difficult for us to participate in this process unless NTIA and RUS have some internal efficiency about the whole process. Brad mentions more grants than loans, something that we would certainly support. Having the verification process standardized is critically important for it to be successful. That includes procedures and practices and processes whenever possible, and including standardized application forms, accountabilities and databases. There is an opportunity for more urbanized counties to assist rural counties to actually use their expertise and do peer-to-peer sort of networking. Both agencies should look at that information sharing as the critical part of the whole process. We also think that public/private partnerships are a critical element of any sort of process like that going forward. For us to understand where we are in broadband it is critically important to have accurate reporting. One of the things

we have learned over time is that our reporting where broadband is and how fast it is simply has not been adequate to the task.

Derrick Owens, Director of Government Affairs, Western Telecommunications Alliance. The coordination between RUS and NTIA is extremely and highly important. There's a limited amount of resources that have been put on the table for this grant program. The coordination between the two agencies will help get that money out more efficiently and effectively. We are also advocates of the need for uniform application procedure. Many of our companies are RUS borrowers but none of them have been NTIA borrowers. Process will allow for expedited fashion in processing applications. As far as grants versus loans, we believe grants should be the way both agencies go. Obviously for NTIA that is already in statute. RUS is looking to give most of their money out through loans. It's likelier to be an easier and quicker process to grant those grant applications rather than loan applications. We also believe that NTIA should grant their money for rural areas as well as non-rural areas. There should be establishment of a joint database. In the law there is already a need for public database, so companies and people can find out who's actually applying for grant money. There should be an internal joint database between the two associations so they can share information back and forth with one another and also to help prevent funding projects in the same area. There should also be development of a notification system so applicants know the status of their application or their loan. Processing the applications in a rapid and efficient manner is important. Our borrowers through the current broadband loan program at RUS have experienced some problems with the application process and the timeliness in which the members have been notified. Finally on auditing and the reporting requirements, our carriers encourage that there be a reasonable and fair audit and reporting process and requirements. The agencies need to carefully keep in mind that they don't want to or shouldn't develop reporting requirements for obligations that are costly and over burdensome to the telcos going forward.

Mark Cooper, Director of Research, Consumer Federation of America. Coordination is necessary. NTIA data from 2008 show that rural Americans are severely disadvantaged in broadband access. Penetration of internet, broadly defined, in urban America was only 4 percentage points higher than in rural America but for broadband it was 15 percentage points higher. That is three times as much of a gap. That reflects the lack of availability and high cost of provisioning broadband service in rural areas. The vast majority of households that do not take broadband service are located in urban areas. To coordinate the expenditure of funds between the agencies in light of these facts, I think it is critical to establish a basic set of principles that apply across both agencies. First, with over 40% of households lacking broadband connectivity, and as much as 10% of households not having any broadband availability at all, maximum coverage should be the goal. We need to get people connected now with basic broadband communications that open the door to economic and civic participation. Thus a minimum standard for broadband service should be set at a level that can meet the basic needs of households for broadband connectivity today. Second, to ensure maximum coverage and take-up, it is necessary to be technology neutral and emphasize least cost approaches to accomplishing that

minimum standard. With the diverse geography of a diverted economy, forcing technology to fit all households can result in huge costs and will restrict the number of households that can be served with these limited funds and result in long-term prices that are simply not affordable. Third, priorities should go to projects that meet current public and private sector needs with services that are likely to be durable. Two that come to mind are mobile computing and internet backbone to un-served areas. These two services or infrastructures meet immediate needs for basic connectivity, but also are likely to be permanent features of a 21st century communications landscape. Fourth, the principles must also recognize that the majority of households who have not chosen broadband service have simply not found an option that meets their budgets, meets their needs, or they understand how to use. Thus, this sustainable adoption, training, institutional networking and demand stimulation aspects of the stimulus funding should receive full support. If I apply these principles to the funding that is available, I would suggest a rough justice approach. The funds should be divided equally between physical infrastructure and human and social capital, and within the human and social capital area, it should be divided equally between the adoption, training, institutional network and stimulation aspects of the statute. If the agencies do not adopt a clear set of shared principles for allocating funds, there will be chaos and contention in the process.

Mark DeFalco, Telecommunications Initiative Manger, Appalachian Regional Commission. Our broadband initiative titled "Information Age Appalachia" is focused on bringing broadband services to rural areas of our region. We have been involved with many local and regional projects focused on broadband deployment and application for all sectors, including business development, education, government, and healthcare. We have assisted in doing everything from fiber pools to industrial parks, wireless installations, distance learning, telecommunications, etc. We see a strong role for interagency coordination between not only NTIA and RUS but the FCC and other federal agencies, because the dollars that are flowing from these two agencies require an increased need for communication and execution. We see each agency having a separate process for processing the loans and grant applications. RUS has an existing process in place, and we expect the new stimulus dollars will flow through that process. NTIA will need to develop their process and with the time limits on this, it is a daunting task to get that process in place and get the money out the door. But both processes should use the same definitions of broadband, un-served and under-served and we would like to see rules specifying minimum speed requirements for rural areas. We need to make sure the federal dollars are spent wisely. This will require coordination on a number of grants in a given state, the geography covered by the grants, making sure no duplication or overlapping exists by the areas served by the grants and loans. We favor having a streamlined process in place that allows easy access to the application process and an easy tracking mechanism for transparency purposes so applicants can know the status of their applications. ASC has partnered with FCC, NTIA, and RUS for many years on a wide range of topics. We see our role on this as disseminating information into our region, providing technical assistance and making sure that the broadband flows into our rural communities.

Public Comment

MODERATOR: Is it a good idea to have state or other government agencies, let's say states performing some sort of screening on the assumption that there was many, many, many, many proposals coming in. Is that a good idea?

Mr. Ramsay: Yes.

Mr. Owens: Maybe not. State involvement is good in the sense of helping to make sure that you get the proper information. But if it comes to the point of the states actually making the determination on who's getting the funding, that may pose a problem for our members.

Mr. Cooper: I would second that in the following sense. The point of my comments is to try to discriminate the magnitude of the scrum that takes place on the federal level and there is going to be a scrum. If you just keep the decisions to the states, you end up with 50 scrums. Having the states be potential grantees would be fine, but not to the exclusion of other state and local entities, who know the people, know their areas.

Mr. Arnold: From the county's perspective, we want to facilitate this. Helping NTIA and RUS facilitate this and make it quicker, that's better but I'm with Mark. If it becomes an impediment, it could be a real problem for us.

Mr. Ramsay: The only way this is going to get done is that the states do an evaluation of the proposals and provide a ranking. NTIA would make the final decision; the state would not make the final call. It would be better to let people who are familiar with the jurisdiction and understand what is going on in their state, have a shot at making the ranking rather than consultants in Washington.

Mr. DeFalco: We strongly believe there is a role for the states in this process. Many states have broadband task forces and different entities in place that have been looking at this over time. The states have a real good idea where the absence of coverage is right now. We would be strongly advocating the state role in this process.

Mr. Cooper: The NGO's don't have a lot of consultants in Washington. And replacing consultants in Washington with consultants in Albany and Springfield, I'm not so sure we are making a lot of progress that way. If NTIA and RUS want to transfer the responsibility for actually reading all these applications, they are going to have to do a lot of homework up front so people know and have a good sense of the fairness of the process because they know the criteria and they have written their proposals to meet a good clear set of criteria.

MODERATOR: What is the estimate of number of applicants who apply for both programs, and what type of project do you foresee applying for both programs?

Mr. Ramsay: The more popular states are much more likely to have many more applications, and I would be surprised for California if there were not thousands, if not hundreds of thousands of applications. With the smaller states, smaller populations, there will be correspondingly fewer projects.

Mr. Arnold: I know we are talking about thousands across the country. I know hundreds of counties that expressed interests.

Mr. DeFalco: We think you are talking about thousands.

Mr. Owens: I would say from a rural carrier standpoint and my three associations that I am talking about for the moment, we have close to 1,000 or so companies. I know for WTA alone, my members have told me they intend to submit applications whether it's for the RUS or NTIA.

Mr. Cooper: Assuming there would be thousands if not tens of thousands, I have encouraged the entities I work to make them statewide or regional applications, so you appear to have a structure. There will be if the agencies do not encourage this or set out criteria that convince people that they ought to have an organized approach with the state.

Mr. Ramsay: I know of several states that are looking at performing an aggregation function.

MODERATOR: Mark, you suggested fairly strongly that half of the 7 billion should be infrastructure, and the other half for the innovation issues—split the total amount in half. I would be interested in hearing reactions to Mark's proposal, and should we be going for maximum coverage at minimum speeds?

Mr. DeFalco: I would like to respond to that last question first. We do not want maximum coverage at minimum speeds. We want to have good coverage in all rural areas.

Mr. Cooper: I agree with that. We ought to meet the standard that fits the full range of applications that people use for today and it's not slowed down. Second, I want to talk about what I call “no-regrets policies.” The concern is that if we pick a standard, we will fall behind fairly quickly. I didn't say maximum coverage at minimum speed. I said maximum coverage at a speed that really meets people needs for communications.

Mr. Arnold: \$7.2 billion is not that much when you look at this sort of effort. At least for this round of funding our perspective would be to stick with shovels in the ground, get this stuff deployed and then we need to do what Mark suggests.

MODERATOR: Let's come back to this very specific topic here of coordination of RUS and NTIA. If you were the czar, what directions would you give to NTIA and RUS to accommodate the exact kind of coordination you are envisioning? Who has to do what and where is the leadership?

MR. Ramsay: The first important thing is setting up the database for the applications, and it needs to be online. You can just start listing the criteria, and it kind of organizes itself.

MODERATOR: Are you aware of any criteria, for example, that the statute would require separate criteria for an RUS grant versus an NTIA grant?

MR. Ramsay: In the stimulus package there are a lot more listed criteria for the NTIA grants. For RUS it says 75% of any project has to serve rural areas as defined, and it's a different definition of rural.

MODERATOR: Derrick, have you some experience with that RUS. Do you see any statutory problems that would need coordination?

Mr. Owens: I think there probably are. Clearly the 75% definition in the statute is a big issue where NTIA doesn't have that requirement right now. To get back to the question you asked about what could you do to help these agencies coordination better? I think one of which is a streamline application process right from the beginning with just some basic information to make sure these are applications that qualify or can be considered for this grant.

Mr. Cooper: If the agencies determine that there is a barrier in the statute towards a really comprehensive evaluation across the two programs, then I would argue that the NTIA grants should shape themselves and compensate for the hard allocation in rural America. If the conclusion is that the 2.5, which is already in through RUS, can't be administered across the two agencies, because of the way RUS is set up, then I would argue that NTIA needs to compensate the balance, address the other part of the problem.

Mr. DeFalco: There are also some differences. The intent is to have a similar process but right now most of the RUS loans go to rural telephone companies, private sector providers. The guidelines for NTIA are going to be that unless you get a waiver, it's going to be a public waiver or NGO for their grants. Then you have the fact that the RUS loans are going to be grants, loans or loan guarantees, where NTIA is going to be primarily grants, so there is going to have to be differences in their process but I don't think it reduces the need to coordinate. For the application process, to the degree that it could be similar would be a good thing, but they can't be identical because they are reaching different audiences to a certain degree and they have different programs under the statutes.

MODERATOR: Speed is a goal here, not only speed of broadband but speed in getting these programs up, running, money out, projects built. Does coordination, your expectations, if you were the Washington heads, do you expect RUS NTIA coordination to speed up or slow down the distribution of the money?

Mr. DeFalco: If it's done correctly, it will speed it up.

Mr. Ramsay: Your expectation is that it would slow it down, but the simple things they could do in terms of the first part of the application so you can see where the applications are allowed, and including at the very top whether they are seeking funding in part for one part of this application, has to be 75% rural from RUS and from another NTIA, allows for coordination that is required to screen the applications.

MODERATOR: Are there any other parts of the statute that you are aware of that would require or are aware that coordination has to occur?

Mr. DeFalco: I think of the definitions of un-served and underserved and what is broadband although the FCC has a strong role in that there has to be coordination to make sure everybody is using the same definitions and what they are doing.

Mr. Owens: I would agree with that. Just because RUS has run two different programs in the past doesn't matter; I think this provides a good opportunity for them to revise their actual application forms so if you are an RUS borrower, and you want to seek funding through NTIA, you don't have to go through a whole new application process just because you were a previous RUS borrower and have a good amount of that data in previous applications.

Audience:

David Sowe, consultant with the New York state program office. The integration between NTIA and RUS should be in consultation with the states in prioritizing projects which align with an established state broadband statute.

Gerry Leonard, Telecommunity, a collection of local governments. Local governments, especially as Jeff mentioned, urbanized councils would love coordination because there is a lot of folks that would be eligible for both NTIA and RUS programs. Question: Brad, how many of your PUC's have by statute been denied any role in broadband whatsoever and would this be difficult, the industry has been successful in state legislation pushing it total out of any broadband role. Question for the gentleman from Appalachia, I would be interested in your reaction that you were in 13 different states how about if you have a program that ranks high in one state and is killed in another state, how does that get saved if you are willing to embrace the state as the initial deep process?

Mr. Ramsay: The first thing I should say is it won't be the state commission in every instance; it might be an entity that the governor designs. We expect it to be the state commissions in many instances, but the level of specific authority to regulate broadband has nothing to do with whether a particular agent can provide advice in ranking projects.

Mr. DeFalco: The states are very different and it depends on the geography and it quite frankly depends on the money and it depends on the existing service – the more rural the area is, the more difficult it is to provide the service. Every state is unique. They are all different, but we think the state partner has a hand on what the best needs are for state to figure out what works best for them.

Louisa Hamden, RUMPA USA. My question pertains to the coordination of NTIA and RUS. Couldn't NTIA and RUS agree on what is the best technology? Fastest? Cheapest? The one that can be deployed throughout the United States meeting the budget as much as possible. Is it possible at all for that to happen?

MR. Cooper: I have taken the position that the geography of the country is so diverse, it's really hard, especially for the 10 percent or so that is underserved today, to identify a single technology. We need to find a minimum standard that really meets needs, that delivers services that are going to be durable, and we need

to do that allowing the technologies to compete on their costs. I think it's a mistake to assume that everybody can be served by one technology.

Joyce Lynn Tate, Media Telecommunications Council. The RFA requests comments on NTIA and RUS coordination. In light of these requests, will NTIA and RUS consider comments that address the extent to which the selection criteria for RUS grants should be congruent for the selection criteria for the NTIA grants?

Mr. Ramsay: The application form itself will show there is an overlap by listing criteria, and there are, as the panelists have suggested, different criteria for RUS.

Patrick Pearlman, Western Consumer Advocate Division: To what extent are the eligibility requirements in the existing RUS regulations for each of four programs to apply to funding applications submitted under the ARRA, or will RUS be flexible in how those regulations apply? – or should RUS be flexible in how those regulations apply to funding? Should the agencies establish points of contact within states that could be contacted in response to funding applications in order to generate input from state local governments as part of the consultation role?

Mr. Owens: I hope the regulations will be flexible enough. It just seems to me that as RUS is getting this information through these meetings that hopefully they recognize that, you know, one set of requirements is probably going to be helpful, but I think their needs to be some flexibility in the type of information that they are going to ask of the applicants.

Mr. Ramsay, as to second question: Yes.

Rose: The panel discussed nicely how we can coordinate between RUS and NTIA. During your discussion I heard three issues, one is coordination between NTIA and RUS and the other is coordination between services and technology and what you decide. Three is how to record it within the state and local. A common interface may be a suggestion that can solve these three problems you mention, which would bring out the best of broadband if anything, anywhere, any time as time goes on can be connected. I suggest the panel to consider specifically coming up with a standard user interface, regardless of technology or regardless of service, that different broadband applications all the way from internet to a TV, to water pipe, to your light can be connected, and you will be saving significant energy by doing that.

Steve, Subaerial Group, Inc. There are large national companies that spend millions on advertising and billions on spectrum airwaves and it appears they do not need money. However, dealing with the government -- and I believe this repeats to the coordination issue -- dealing with government often requires a great deal of expense that us small companies do not have. In the context of RUS and NTIA coordination, impacts -- how helpful would you expect that to be in terms of reducing costs on small applicants?

Mr. Arnold: The fact that everything is standardized will drive down costs dramatically, and small town America and small towns across the country to the

extent that they can share the information and how they go about the application process, it makes a lot easier and a lot cheaper.

Mr. Ramsay: If they follow through with transparency and they keep everything on line where the applications can be seen, it will make it easier going for the second round and funding, particularly if they can see which ones are successful.

Mr. Cooper: I can't imagine that NARUC won't establish a standardized NTIA procedure. After they see what develops, they will develop a standardized application that will go out to their counties and will help their counties then to apply. The key then is to get the NTIA and RUS to make it easy for NACO to help their members.

Linda, Tech Strategies. Mr. Ramsay, can you expand a little bit your thoughts on what might happen where the states as you mentioned may be the aggregators and how that would play in a state screening process, where you have non-state government and non-state aggregated grants competing with what the states would be screening, in terms of authority issues? Mr. Cooper, with regard to your comment about broadband speeds, you spoke about residential areas, I guess this is more a comment in terms of thinking about the multiuser environments not just residential requirements, by colleges, universities, schools, libraries, cities, counties, you know, I think we have to be careful that we don't define our broadband needs in this country just based on residential uses.

Mr. Ramsay: There is no problem with the state providing an evaluation on both, you know, one is assume that the state, probably a separate entity, would be doing the aggregating then the entity that is providing the ranking.

MR. Cooper: The institutions you mentioned are ideal local connectivity points, where you do in fact put in a lot of capacity, and they then become the origin point for reaching out to residential users.

Karen Ruby, Medical Director, University of Virginia telemedicine program. I wonder if the panelists have considered reaching beyond the two agencies on to HHS, HERSA and CNS, because you can build it but they might not come if we don't coordinate across all the agencies as we move forward with healthcare reform. My project has been funded by NAR and ARC and I am grateful for that. But our doctors can't be paid when the patient is in an area which is considered urban by CMS's definition and rural by RUS.

Mr. Arnold: We are working with HHS and CMS with the new IT regulations coming down the pike but some of the things you just said are exactly the sorts of comments we have made and are working with them on a regular basis because indeed to have a nationwide system, one that works for America, it has to be on that basis.

Mr. Ramsay: There is a real interest to the state in coordinating all the interstate moneys to the state grid to the maximum amount possible. The problem in terms of a formal coordination is there's just not time.

Mr. Cooper: Look across all the agencies you deal with and present a proposal that addresses not only physical infrastructure and the NTIA support for training, but also looks at HHS and other agencies.

Lisa Chantaller, Office of Rural and Small Systems, National Cable and Telecommunications Association. We strongly support coordination between RUS and NTIA, and we would also encourage the agencies to make sure that that transparency includes an opportunity for the public, including providers, to comment and indicate which areas proposed to be served by a project are already served or not.

Mr. Ramsay: That's just one of the reasons why they should have it at the very beginning.

David, Shovel Ready Projects. Mr. Ramsay, how can you be assured if the states rank the projects that they won't be biased towards their own networking plans? And the second question for all the panelists, the RUS confronts a lot more projects using loan guarantees than grants. Aren't you compromising that ability by suggesting that the RUS use mainly grants?

Mr. Ramsay: States are going to know more about where the un-served is and know more about the state and where the problems are than anybody else. You have protection from bias in that the state will have to try to match up its recommendations based on the criteria provided predominantly in the statute in the case of NTIA and endorsed by NTIA and RUS.

Mr. Owens: We have a lot of companies, rural companies in particular, who are taking on obviously a lot of debt right now. Thus a grant would be a good opportunity for them. We see the grants just from an expediency perspective as being a lot easier to manage than loan guarantees but clearly we do have some companies who will probably go the loan guarantee route, especially if the RUS loan rates are pretty low.

Mr. DeFalco: If you want to have a policy that's going to say we are going to have ubiquitous broadband coverage, then as you get out into those really rural areas, the only way you are going to get a provider to be willing to cover those areas is by giving them grant dollars to make it work because if they look at the economics they are just going to say no, even with a very low cost loan or even with a no interest loan. In some of these places, the population just does not allow the revenue stream to cover the deployment costs.

Mr. Cooper: The one thing I really care about is that when those loans and grants are made, I want to see the value of those loans and grants reflected in the price of the service. I am very concerned about loans and grants going out and then having people price their services to the market or commercially, when in fact the cost has been subsidized.

Lawrence Peters, National Education Foundation. I want to talk about two points. One is the 80 percent which the feds are going to provide. Obviously 20% is going to come from the locals. Do you think there should be common criteria as far as NTIA and RUS

really using the same criteria to analyze what -- whether the people petition for the extra 20 percent saying a local cannot afford that extra amount should be the same?

Mr. Arnold: Any part in this process from day one's application through consideration ought to be the same because if you have different criteria, that makes it more difficult to apply, more difficult to review and more difficult to award. The important thing for us to keep in mind is what qualifies for that 20%? Is it absolute hard cash match or are facilities included? Those are big questions that are still outstanding. There is a waiver opportunity, but what is the status of a waiver, how do you apply for that, etc. There are a lot of questions yet to be answered.

Moderator: A comment on that from the web is from Craig Noble, All High Speed Network in Vermont. His view is that here should be no in-kind matches for the 20 percent. The 20 percent should be cash or cash equivalent which would weed out solution providers incapable of delivering on their proposals.

Innovative Programs to Encourage Sustainable Adoption of Broadband Service and Expanding Public Computer Center Capacity

Roundtable Panel, Session 3

Jonathan Linkous, CEO of the American Telemedicine Association. Telemedicine is broadly defined. Over the last few years, it has expanded to include not just the traditional video-based conferencing, large rural health center to a rural clinic but includes a broader array of services. There is a large variety of applications, generally of which expand access, reduce costs and improve the quality of care and is taking the healthcare out of the institution. We would really encourage the goal of the program to be ubiquitous deployment of broadband not just to a particular institution or set of institutions but all over--to the person and to the home and to all locations. And it would also be technology neutral, so that we are not talking about wired or wireless, but a broad array. When you get an application in for telemedicine, make sure they have a strong link in with the health provider. In terms of use of the short-term leasing of equipment, services needs to be an important part what you are talking about. We would strongly urge that you not require some kind of a long-term contract. Allow flexibility in the selection of the telecommunications provider as well as any form of broadband service. The definition of broadband and the need is going to vary a lot upon applications. If you are doing vital sign monitoring there may be active video in the home. If you are doing monitoring of intensive care units into a facility, you are talking about a different level of broadband. So you need to be flexible enough to understand that they can shape their application, and what they were going to be spending money on depends upon the need and the appropriateness and the quality that's important.

Coordination is another theme that we would push. When you look at the coordination of your services and the programs, consider coordination with a couple of other programs, too. One is the national coordinator for health information technology, ONC over at the Department of Health and Human Services. HRSA will be spending a lot of money on deploying health technology and deployment of health telecommunications, an important player and it's important that we not start duplicating the services. Encourage integration with normal healthcare delivery and avoid separate grants and programs.

You looked at benchmarks, certainly in terms of the services offered, the outcomes and sustainability. It's critical you look at sustainability of this program. In that regard, there should be coordination also with Medicare in terms of reimbursement for the service delivered and a couple of other programs in the federal government. I know you will be hit up with a lot of applications and a lot of requirements, so we certainly would suggest review teams of some sort and certainly in the world of telemedicine we are used to having review teams that come in and help agencies. I'm sure there will be folks that assist in that. You should have similarity in application forms among all the programs as well as your reporting requirements because some of these programs will be getting money from multiple federal grants and nothing drives them more crazy than to have

different reporting requirements and different dates when you talk about a program that is similar or operates from the same institution.

Emily Sheketoff, Associate Executive Director of the American Library Association.

Libraries are the premier public commuting centers in nation's communities. There are 1,171 community college libraries nationwide that play a vital role in providing resources and opportunities on line including education, job searching and skills training, government services and much more. Nearly 100 percent of public libraries and community college libraries provide public access to the internet at no charge to their patrons. In 73 percent of our communities, they are the only source of no-fee public internet access. In rural America, this is 82 percent. About half of public libraries are located in rural areas. Use of public libraries is heavily increased across the country in these difficult economic times. Currently they are averaging 175 million visits a month.

Libraries stimulate broadband demand. Both community college and public libraries are physically located in all of the nation's communities. Rural, urban, suburban, large or small, ethnically diverse or not, reaching out to everyone in the community, including the young and the old, low-income residents, unemployed and other vulnerable people. Libraries can offer programs on broadband, internet education and training, what can be done with such access, why it is important today and why it will be even more important in the future. Librarians are highly trusted members of the community, using librarians is likely to be very effective. But libraries' connections are too slow. Their connection speeds are often inefficient. Consider the fact that a majority of the nation's libraries have a connection speed of 1.5 Megabits per second or less. At the same time, libraries as multiuser environments serving patrons with many different needs have significantly greater different broadband capacity needs than residences. Not surprisingly research shows that most public libraries do not have sufficient broadband capacity. With almost 60 percent reporting that their broadband connection is often too slow. More than 4 out of five public libraries say that patrons often must wait in line for access. This is only a snapshot of our current capacity. This does not reflect the looming broadband crisis as applications become more band width intensive and our citizens' demand higher quality of internet access. We must encourage projects that are strategic and visionary with long-term benefit. Libraries serve as the information hub of their communities. Similarly, they can serve as anchor tenants as next generation networks are deployed across the country. Service providers should be encouraged to work with libraries. Applications should be streamlined. They should be required in a manner that would allow a regular librarian would -- with no particular grant expertise could apply. We learned a great deal from the E rate applications of the FCC and we know especially if we want to move this program quickly we must make the politics easy for regular Americans to use. At the March 10 public meeting it was mentioned that the two federal agencies are interested in projects that have long-term benefits. The American library association strongly believes that even our smallest public libraries will eventually require bandwidth that likely will only be provided over fiber. Therefore we encourage both the NTIA and RUS to allocate some funding to support a fiber to the library initiative. Finally, improving libraries

broad band capabilities involves more than a bigger pipe to library buildings. The technical and physical infrastructure within libraries often needs to be upgraded to accommodate faster internet connections and these improvements include hardware, software and building renovations. Additional expertise may also be needed, such as technical advice, support and capacity for sustainability planning.

James Hermes, American Association of Community Colleges. There are about 1200 community colleges nationwide. The 1200 colleges extend out to 1600 different campuses and then on top of that, there are many other sub campus level service centers administered by community colleges. NTIA has identified the two crucial institutions on a local basis in terms of expanding public computer center capabilities. When considering the computer center capacity and on the innovation grants side, the government would do very well to take a value-added approach to what it hopes to accomplish with this as it is essentially seed money in this area. When you are locating a center at a library or community college, you were getting a lot more than a local hub for people to just gain access to broadband. You are gaining a local center where people coming will be able to access instruction on how to use computers at a very basic level and then go well beyond that into the community college's case, post secondary education offerings that relate directly to the broadband or use of the broadband in some way. Finally, in terms of locating the centers, there is a lot of evidence to suggest that just getting people on to college campuses and into libraries are going to bring them back into the educational fold, and as you well know, we are into an economy now that increasingly requires post secondary education for every worker. Anything that these grants can do to get people actually back into or into post-secondary education for the first time has a value-add on top of the core mission of expanding broadband access. The second point that I make is that community colleges have repeatedly expressed to us their desire to be more linked in to high speed interstate networks or things like internet-2 and so forth, and more commonly associated with larger research institutions. Community colleges do offer many cutting edge occupational programs, for instance, and programs in the first two years of research-based science degrees where they can greatly benefit through great /EUR connectivity to these networks. Obviously this benefit will extend not only to community college students but the communities they serve as well. The third point I mention is how is access to broadband going to spur the growth of businesses in the local areas which in turn will create that sustainable demand for broadband and use of the broadband services. I encourage you in particular to look at entrepreneurship and which of course is very important in the rural areas, community colleges, 800 of the 1200 community colleges do serve rural areas and this is an important area that they have been offering in terms degrees. I encourage support for the innovation grants for those sorts of programs. And finally I will just mention, of course, the obvious importance, the increased broadband access in the home to community colleges and their students for the purposes of distance education. If you increase the broadband access, more people are able to take part in distance education and get the skills they need for the 21st century economy, and turn around and start new businesses

again, or increase the labor pool for the kinds of businesses that are going to maintain that need for the broadband services in the community.

Erin Duncan, federal lobbyist of the National Education Association. The national education association, NEA, is committed to advancing the cause of public education, and its 3.2 million members work at every level of education from preschool to university graduate programs. Added infrastructure and enhanced high speed internet is necessary for technologies that support student achievement. Including to the E rate program 98% of all schools are connected, but connected means many things in education, it could mean high speed wireless internet access throughout a building. Connected could also mean one computer in the office which collects absenteeism data for the central office. But schools must have enough band width so students can have access to on line materials that support a 21st century education. According to America's digital schools, 67 percent of school districts prohibit teachers from using tools such as streaming video to conserve bandwidth. The \$7.2 billion from the ARRA can best be used by devising a plan that connects as many communities and schools as possible. The plan should focus on connecting schools and communities that are in under-served areas. We support the state educational technology Director association's recommendations of external internet connection to the internet service provider of at least 10 Megabits per second per 1000 students and staff, internet wide area network connections to the district in each school and between schools of 100 megabits per second per 1000 students and staff. The goal should be to provide as many schools and communities as possible access to high speed internet before increasing the speed in communities that already have high speed internet access.

Hank Kenchington, Deputy Secretary for Research and Development in the Department of Energy's Office of Electricity Delivery and Energy Reliability. As the Department of Energy, we have \$4.5 billion to invest in what we call smart grid technologies. What is smart grid? Smart grid uses information, communications technologies, to improve the viability and availability and efficiency of electricity systems as well as developing new products and markets and services. These devices will be applied all the way from generation at your power plant through the transmission distribution all the way to the end user. It's the information communications network that distinguishes the smart grid technologies as opposed to what we have today, which is more of a passive network. If we look at the grid today, how it works you have a generation plant on one end, a steady state but a coal plant or nuclear plant that supplies power over fixed power lines to the homeowner or residents and that power has to be balanced constantly between the amount of generation and the amount of load. In the morning or even in the early morning when there is not much load, there are people demanding power, the power plant is just kind of sitting there maybe running in the Washington area, 20,000 megawatts. In the morning when everybody gets up, you turn on washers and hair dryers. Now the power plant has to match that generation need. Now we are up to 30, 000 megawatts and then it goes back down. In the evening we all come home, turn on the stove, cook our dinner and turn on plasma TVs to watch the

football game. To meet this varying demand the power system is met to meet that maximum peak. Usually about a 20% margin above that peak and it's kind of an inefficient use of assets. Let me give you an example of smart grid applications. The thinking here is if we are going to change and reduce our greenhouse gas emissions and reduce our dependence on foreign oil, how do we do that? One example is through net zero homes. If you have solar panels in your house during the day when the solar panels generate energy, what happens to the energy because you don't need it? We want a way to store it locally so when you come home you can tap into the local storage and bring it back and use that energy versus using the energy from the power plant. To do this, you need two-way communications. Those two-way communications is where the broadband services come in. This is enabled an area where we can leverage these two opportunities, bring them together and provide services for the homeowners, the utilities and the nation. Another example is the time when you use smart appliances where you get price signals during the day, in five minute increments, as the price goes up in the morning you want to reduce your demand and give the incentive to the homeowner to reduce his electricity bill. And the third example is to plug-in hybrid vehicles. As we see plug-in hybrid vehicles becoming more and more widespread across the country what could happen is everyone comes home with these plug-in hybrid vehicles is you all plug in at the same time. We need two-way communications, broadband services, where we can time that with charging smart intelligence into the plug-in hybrid vehicle so it only charges during the evening when the price is low, and the demand is low. So I think through these two opportunities we have the opportunity to provide better services to consumers, to allow them to lower their electric bill, for utilities to increase their asset utilization, and to plan it by reducing greenhouse gas emissions.

Jason Goldman, Chamber of Commerce. For years the chamber has been talking about broadband in terms of jobs and economic development. Today is not going to be any different. Broadband has the power to transform every sector of the U.S. economy, whether it be healthcare, education, E government, E-Commerce, agriculture, or you name it. Broadband is essential and can transform it. For example, a broadband connection allows a business regardless of its size or location to sell to customers across the country and around the world. The chamber strongly supported the broadband stimulus bill and the broadband stimulus provisions in it. And we will be very active to ensure that it only takes one bill and it is done correctly and the bill money is used as wisely as possible. We are very focused on the importance of broadband adoption. This is why the chamber has partnered with connect a nation and has co-hosted regional dialogues on the importance of broadband across the country. The stimulus allocates over \$800 million across three different grant programs in part to encourage broadband adoption. The statute funds the public computing program with at least \$200 million, and at least is the key condition. The chamber strongly supports this program and urges NTIA to consider the \$200 million as a floor. Community colleges, libraries and other public computing centers serve a vital role especially those who cannot afford computers or broadband access, because jobs, education, and information and the 21st century are all tied to assets. According to the bill and Linda Gates foundation, more than 70 percent

of those who use library connections and library computers as their primary source for connecting the internet, the stimulus bill provides again at least \$250 million for broadband adoption and at least again is the key. The chamber strongly supports this program and urges NTIA to consider the \$250 million as the floor for this program. Both of these pots of money are relatively small, therefore NTIA will be faced with the challenge of ensuring the money goes to projects that bring about the greatest economic impact. Fortunately the broadband improvement act of 2008 was funded with \$350 million in the stimulus bill. And as a result states now have a clear vehicle for use for developing state-wide public private partnerships that leverages resources within and across every community for effective technology expansion. While this \$350 million of federal funds is often referred to as \$350 million for mapping, it's important to remember that this \$350 million is not just for mapping. These funds are for statewide programs designed to stimulate sustainable broadband adoption at the county and local level. The U.S. chamber urges policymakers to recognize the importance of adoption and the public computing centers because of accelerating broadband use and adoption, the United States will its economic competitiveness and improve the quality of life with all Americans with greater choice of goods and services.

Rey Ramsay, CEO and cofounder of One Economy Organization. As I was listening to the remarks what sticks in my mind is the term that was often used that some people still use which is the digital divide. And when we started One Economy nine years ago, I said we have something else that we want to talk about and I called it the digital opportunity. We've got to just focus on what opportunity we have in front of us. The way I view this opportunity and the most important advice that I would give to those administering agencies, is to have intentionality. Whatever it is we are going to do, let's be very intentional about what we are trying to achieve, because otherwise there will be so many thing that could fit under the rubric of sort of using technology. Every part of our life is impacted by technology. The intentionality that is most important to me from my perspective is what we are going to do to assist the poor, and those who have been left out. We haven't heard that yet in a very explicit way but we need to be very intentional about how we are going to help the poor, because there are a lot of other folks who are adapting to technology and using it in different parts of their lives, whether at work or other means. These funds give us an opportunity to create a culture of use, where people will use technology to improve their lives, their social, economic, and health sides of their life. We need to focus on what I call the three A's, making sure that it is available, making sure that it's affordable, and making sure that it's adopted. Then, to add some more depth to that, look at the studies about the adoption of technology and why people don't adopt. You look at the latest Pew study. It's not only the issue of portability, but it is also the issue of relevant content and do people look at the internet as being relevant. If you look at studies that Pew and others have done, the most important venue for the use of technology in terms of moving the meter is the home. Look at the resources to date that have gone into assisting people, whether we call it the digital divide or the digital opportunity, the least amount has gone into the home, yet we know by every study that's where it has made the greatest difference. If we look at housing policy in this

country, we should never have built affordable housing without it being networked. We have an opportunity to make sure that in public housing authorities (of which there are thousands in every community) that the connectivity gets to the people who need it most, which is in affordable housing. We have thousands of affordable housing developers across this country. We can marry this and create a real opportunity to reach people where they are. There is no place like home in terms of making those connections. I would urge that we make sure that we have the intentionality along with the other issues that are on the slide that I presented, making sure that we are clear about the uses and that they drive toward intentionality and some of the key principles that we actually do focus on making sure it's sustainable programs, not just run-offs that we do leverage resources because that is supporting capacity and we achieve some of these outcomes, we maximize the impact and again, we demonstrate the intentionality.