

U.S. Department of Agriculture Sec. Tom Vilsack,
Acting Federal Communications Commission Chairman Michael Copps
and U.S. Dept. of Commerce Senior Advisor and Acting Chief of Staff Rick
Wade
kicked off the joint broadband initiative under the American Recovery
and Reinvestment Act today and announced a series of public meetings.

1 Department of Commerce

2 NTIA Meeting

3 March 10, 2009

4 10:00 - 11:30 a.m.

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6 ADMINISTRATOR GOMEZ: Good morning. I'm

7 Anna Gomez, Acting Administrator for the National

8 Telecommunications Information Administration.

9 It's my pleasure to welcome you to the Commerce

10 Department, and I want to thank you all for being

11 here. I know it's been probably a long morning for

12 most of you. We're delighted to have with us today

13 co-hosting this meeting U.S. Secretary of

14 Agriculture Tom Vilsack, acting chairman of the

15 Federal Communications Commission, Michael Copps,

16 and Commerce Department Senior Advisor and Acting

17 Chief of Staff, Rick Wade. To bring new jobs,

18 services, and products to all of the American

19 people, President Obama has made expanded access to

20 broadband services a priority in the American

21 Recovery and Reinvestment Act. In his inaugural

22 address the president spoke of laying a new

1 foundation for growth, including the digital lines
2 that feed our commerce and bind us together. The
3 President realizes the extraordinary potential
4 expanded access to broadband technology has for
5 transforming lives by bringing the world closer,
6 spurring job creating innovations and growing the
7 economy. Commerce, Agriculture, and the FCC will
8 work together closely to implement the act's
9 broadband initiatives and to develop a national
10 broadband plan. We've asked you here today to
11 begin a dialogue on the president's broadband
12 initiatives and the development of that national
13 broadband plan. To jump start this discussion on
14 the president's broadband initiatives, it is my
15 great pleasure to turn the podium over to Iowa's
16 former governor and president Obama's and America's
17 new U.S. Secretary of Agriculture, Tom Vilsack.

18 SECRETARY VILSACK: Thank you very much.
19 And good morning to everyone. This is an important
20 day for rural America. President Obama promised
21 during the course of his campaign within 100 days
22 to take action on an aggressive rural agenda, and

1 the American Recovery and Reinvestment Act made
2 good on that promise. We're here today to begin
3 the process of a dialogue and a discussion about
4 how best to invest in America's future by expanding

5 broadband access to rural America. I'm
6 particularly interested, and I know the President
7 is as well, of making sure that we make this
8 technology, which is the lifeline to economic
9 development, available in all parts of the country.
10 Our emphasis at USDA will be first and foremost on
11 creating a transparent and participatory process to
12 get the best ideas as to how we can expand this
13 technology and then to quickly implement this
14 technology in communities across the country,
15 particularly those that are unserved today. Today
16 in those unserved areas there are farmers and
17 ranchers in need of technology so that they can
18 access up-to-date information on markets, to make
19 informed decisions about their operations. Today
20 in those unserved areas there are small business
21 individuals who have a creative idea and a product
22 that might gain worldwide acceptance if they had

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1 access to worldwide markets. Today in America in
2 those unserved areas there are youngsters doing
3 reports that need to access information so that
4 they can get the kind of education and training
5 that they need to be competitive in a very
6 difficult global economy. That is what broadband
7 access promises. The opportunity for farmers and
8 ranchers to prosper, the opportunity for small

9 businesses to grow and develop, and the opportunity
10 for our young minds to be as prepared as possible
11 for the challenges of the future.

12 Our USDA commitment is \$2.8 billion.

13 We're interested in working with the private
14 sector, working with our federal partners
15 as well as local governments to find the most
16 creative and innovative ways to expand this
17 technology. And we're anxious to leverage the
18 resources beyond the \$2.8 billion. Sixty years ago
19 the Department of Agriculture was challenged by
20 another administration to expand rural telephone
21 access. It was a dream and a hope that those in
22 rural America would have access to this new

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1 technology. We delivered on that promise, and
2 today we begin another chapter and another journey,
3 to provide up-to-date technology to all of America.

4 I think it's safe to say that we are not
5 as far ahead in this technology as we need to be,
6 but with the passage of the American Recovery and
7 Reinvestment Act we are going to take a significant
8 step forward to realize President Obama's dream of
9 an America that has the framework and technology to
10 compete successfully in whatever the global economy
11 may require.

12 I'm anxious to get to work. I apologize

13 that I'm not going to be able to stay. As good as
14 this audience is, I have an appointment with Cookie
15 Monster and broccoli as we promote school
16 nutrition. The challenges of being the USDA head.
17 But this is an important discussion, and I
18 appreciate the fact that as many people who are
19 here today are as interested as we are in making
20 this work. This is a very important technology
21 that every American needs to have access to, and I
22 look forward to working with all of you to make

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1 that happen. Thank you very much.

2 [Applause]

3 ADMINISTRATOR GOMEZ: Thank you,
4 Secretary Vilsack. Next we will hear from a person
5 I deeply respect, former Department of Commerce
6 Assistant Secretary for Trade Development -- Former
7 Department of Commerce Assistant Secretary for
8 Trade Development and now Acting Chairman of the
9 Federal Communications Commission, Michael Copps.

10 CHAIRMAN COPPS: Thank you. Good
11 morning. Thanks, Anna, for the very nice
12 introduction. The Commerce Department is truly
13 lucky to have such a terrific FCC alum, and that
14 comes from a Commerce alum that has gone to the
15 FCC. This is a beautiful day. I'm pleased to be
16 back here in this beautiful hall of commerce where

17 I see many old friends that bring back many good
18 memories from my years here in the 1990s, and it's
19 good being here with the Secretary of Agriculture,
20 Tom Vilsack, and commerce's Acting Chief of Staff
21 Rick Wade to launch at long last a proactive
22 broadband build-up for our country. I also want to

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1 recognize and thank my friend and colleague from
2 the FCC, commissioner Jonathan Adelstein who is
3 here and who has been working tirelessly at the
4 Commission as an advocate for rural broadband since
5 he came to the Commission. Together we have been
6 asking for years, where is the policy for
7 broadband? Where is the action? Where's the
8 national commitment? Where's the beef?

9 The fact that we are here today talking
10 about President Barack Obama's bringing broadband
11 to all corners of the country should be evidence
12 enough for everyone here if you need any more
13 evidence that change has truly come to Washington.
14 Seven years ago, shortly after I went to the FCC,
15 the Commission issued another of its
16 Congressionally-mandated Section 706 reports about
17 whether advanced telecom services were being
18 deployed around America in a reasonable and timely
19 fashion. And the answer was always yes,
20 everything's great. Don't worry, be happy.

21 But I wasn't happy, and I did worry. And
22 just last week we got another of those many reports

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1 telling us how far the United States has fallen in
2 the ranking of nations when it comes to broadband.
3 This one from the International Telecommunications
4 Union concluding that your country and mine has
5 now slipped to a dismal number 17. Too few
6 consumers and small businesses in this country have
7 the high speed broadband they need if they're going
8 to succeed. We pay too much for service that is
9 too slow. It's holding us back as individuals, it
10 has cost our economy billions, and things are only
11 going to get worse if we don't do something about
12 it. Now, thanks to the vision of the President and
13 the foresight of Congress, we are doing something
14 about it. The years of broadband drift and growing
15 digital divides are coming to an end. We begin to
16 understand how key broadband infrastructure is to
17 the future of each and every one of us. Broadband
18 is a central infrastructure challenge of our time.
19 Earlier generations of Americans, going all the way
20 back to the beginning, met and mastered their own
21 great infrastructure challenges. They built roads
22 and turnpikes and bridges to get settlers' produce

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1 back to markets, they built regional and vast
2 transcontinental railroads to bind the burgeoning
3 nation today. They put power lines and basic
4 telephone service out to every hamlet in America.
5 They built a web of interstate highways to deliver
6 the mobility that we all wanted. They did it by
7 working together, innovative private enterprise
8 encouraged by far-seeing public policy. But you
9 know, we forgot those lessons on how to build our
10 country when it came to the roads and highways and
11 bridges of the 21st century. High speed broadband.
12 So we lost precious time. We lost golden
13 opportunities. We shortchanged our economy, our
14 kids, and ourselves. Well, today we say enough.
15 We mobilize and we begin to build. And I am
16 pleased at the recently enacted and altogether
17 historic Recovery and Reinvestment Act of 2009 gives
18 the FCC an important role to play in turning our new
19 national commitment into a workable national strategy.
20 We are already hard at work on the job and it's my
21 intention that at our next full Commission meeting
22 on April 8th we will kick off an open, participatory

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1 public process with a far-reaching notice of
2 inquiry to marshal the data and expertise we need

3 to have to make sure that we can meet our
4 legislatively mandated date of one year for
5 presenting Congress and the American people with a
6 national broadband strategy worthy of the name. In
7 doing so, we will put the FCC in the position of
8 having the hard data necessary to support sound
9 policy-making for the future. And working with
10 NTIA, we will have important new tools, like a
11 national broadband map to help us gauge how the
12 efforts begun today are actually progressing. This
13 will be a truly inclusive process. It will have
14 comprehensive private sector and public sector
15 input. It will ask the tough questions that must
16 be answered if we are going to succeed. It will
17 search out a myriad of traditional and
18 nontraditional stakeholders who deserve to be
19 heard, consumers, industry, labor, public interest
20 organizations, local, state, and Federal
21 government, all the agencies gathered here for
22 openers, but very likely just about every other

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1 agency of government, too. Because the goal of our
2 national strategy must be to bring value-laden
3 high-speed broadband to all of our citizens, no
4 matter who they are or where they live, rural or
5 urban, affluent or needy, living in a comfortable
6 condo or not-so-comfortable tribal land, physically

7 able or dealing with a disability. "All" must mean
8 everyone.

9 And we will endeavor to ignore no sector of
10 our national life. Stop to think about it for a
11 moment. What doesn't broadband impact as we look
12 to the future of America? Not just the basic ways
13 we communicate with one another, but health care
14 information technology and the need to computerize
15 medical records. Better utilization of scarce
16 energy resources through the use of smart grids.
17 Higher education and the needs of schools,
18 libraries, and students as they gear up for the
19 challenges of the 21st century. More efficient
20 agriculture. Better housing. Public safety and
21 cyber-security. Education. The environment. Each
22 of these presents its own questions and new

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1 opportunities which need to be examined as part of
2 a national broadband plan. I should note that as a
3 preliminary step today, the Commission issued a
4 public notice asking for comment on how there can
5 be better interagency coordination of broadband
6 initiatives in order to develop a report on a rural
7 broadband strategy by May of this year in response
8 to the farm bill passed last year by Congress.
9 This is just a first step in a larger picture, and
10 it's one that should have been addressed by the

11 Commission much more seriously many months ago.

12 So I am pleased to be here as part of

13 this interagency effort, to put us on a real road

14 to broadband, a road carefully laid out, funded and

15 incentivized and solidly built to meet our

16 country's pressing needs. If business and

17 government and stakeholders of every kind can all

18 work together to make this happen, it will happen.

19 We can do this job. Success will be measured in

20 jobs for our people, better health, education,

21 self-fulfillment for each of us as individuals, and

22 renewed economic opportunities for our country's

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1 goods and services around the world. Talk about

2 the game being worth the candle. This is precisely

3 how we built this country of ours. Infrastructure

4 challenge by infrastructure challenge. And it is

5 how we will get it growing again and how we will

6 keep it great. So thank you for having me here and

7 consider me and the agency I have the privilege of

8 representing here signed up for the duration.

9 Thank you very much.

10 [Applause]

11 ADMINISTRATOR GOMEZ: Thank you, Mr.

12 Chairman. I am pleased to introduce Rick Wade, who

13 is Senior Advisor and Acting Chief of Staff of the

14 Department of Commerce. I am very grateful for

15 Rick's commitment and support for the broadband
16 program.

17 [Applause]

18 MR. WADE: Good morning, and let me as
19 well add my welcome and say thanks to all of you
20 for participating in this very, very important
21 meeting. I especially want to thank Secretary
22 Vilsack and Acting Chairman Copps. I also want to

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1 recognize those who are joining us through our web
2 cast. Of course, that speaks directly to the
3 reason why we are here today. To collectively take
4 a step forward towards realizing President Obama's
5 vision of a 21st century communications
6 infrastructure for everyone in America, and through
7 the American Recovery and Reinvestment Act we begin
8 working towards that end. This stimulus funding
9 makes a down payment toward that goal. We won't be
10 able to get broadband access to everyone with this
11 money, but we will begin moving in the right
12 direction, and if we invest effectively and
13 efficiently, we will learn a great deal about what
14 works well. There are five straightforward goals
15 for the administration's broadband stimulus
16 funding.

17 First, we want to begin to close the
18 broadband gap across America. So we'll extend high

19 capacity pipes closer to users in rural, remote,
20 and underserved communities. As Congress has
21 instructed us, other companies will be able to
22 connect to those pipes which will spur competition

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1 and get services to people and businesses.

2 Second, we want to stimulate investment
3 by requiring companies that take federal money to
4 invest their own funds as well.

5 Third, we certainly want to create jobs.

6 Fourth, we want to start taking steps
7 toward ensuring that our schools, our universities,
8 our libraries and community centers and job
9 training centers and hospitals have high-speed
10 access. We've been asked by Congress to focus on
11 funding high-speed connections to these community
12 anchor institutions.

13 Finally, we want to encourage demand for
14 broadband. We think that when more people
15 understand how broadband access can help them find
16 new ways of making a living, that they'll want to
17 have it for themselves. When he announced his
18 candidacy for the presidency, then-Senator Obama
19 called on us to be the generation that reshapes our
20 economy to compete in the digital age. High speed
21 Internet access networks are fundamental to
22 America's economic growth. We need our scientists

1 and our researchers to stay on the cutting edge.
2 We need people in rural, unserved and underserved
3 areas to be able to work online at 21st century
4 speeds. All of these things will be supported and
5 forwarded by increased high-speed access around the
6 country. If communities are relying on 20th
7 century information infrastructure, they're not
8 going to be able to compete in this global 21st
9 century economy. We're calling on each of you to
10 engage with us and dedicate your best and your
11 brightest to develop proposals for funding. This
12 program will offer extraordinary opportunities to
13 provide connectivity to more Americans. We
14 encourage you also to engage each other, working
15 together state and local governments, nonprofit
16 organizations, community institutions, and the
17 business sector can devise viable, vibrant joint
18 projects, and that spirit of collaboration is
19 critical to achieving our goals. It is the
20 principle that guides our efforts to implement this
21 program. Today's meeting is a reflection of that
22 effort. We will do our part and fight to remove

1 the artificial boundaries of geography. We're
2 working in close concert with the USDA and the FCC,
3 and we pledge to do the same with states where the
4 broadband needs of local communities and centers
5 are known to ensure that public funds are used as
6 wisely, efficiently, and effectively as possible.
7 Both Commerce and USDA's broadband programs
8 represent a critical component of the
9 administration's larger economic recovery package.
10 The targeted timely and temporary investments that
11 we make must connect to the other related goals of
12 our economic stimulus efforts. These include our
13 investments in transportation infrastructure, smart
14 grid technology, and health information technology.
15 Still, whenever the President addresses the path
16 towards our economic recovery and job creation, he
17 never fails to mention the importance of broadband
18 Internet access. There's a reason. It will create
19 jobs, both long-term and immediate, with men and
20 women who will be put to work building the towers
21 and digging the trenches necessary to connect the
22 information superhighway, and it will improve the

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1 lives of Americans. Take the farmer in North
2 Carolina, for example. With broadband access he
3 will be able to get real time, up to date minute
4 reports, not only on weather and crops, but market

5 information that will tell him the best place to
6 sell his goods. And then there's the sick child in
7 Illinois in a rural health care center. With
8 broadband his doctors will now be able to connect
9 to the cutting edge centers of care in Champaign or
10 even New York. The outcome: a healthier child
11 spending less time in a medical facility and
12 hopefully less money on care. Guided by the
13 Federal Communications Commission, we will be
14 working together in the year to come on a national
15 broadband plan. Today we take that first step. We
16 have the privilege to live in a transformational
17 moment, the President said last year, a moment when
18 technology empowers us to come together as never
19 before, while letting each of us reach our own
20 individual dreams, a moment when we can finally
21 progress and move beyond the huge challenges that
22 have stood in the way of progress for far too long.

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1 The time has come for us to seize this moment. We
2 look forward to continuing this dialogue and
3 working with each of you in the days, the weeks,
4 and months ahead. Thank you so much, and thank you
5 for being here.

6 ADMINISTRATOR GOMEZ: Thank you, Rick. I
7 want to thank again Secretary Vilsack, Chairman
8 Copps and Rick Wade for joining us today. I will

9 now turn the program over to Mark Seifert who is
10 Senior Advisor and is spearheading this program for
11 NTIA.

12 MR. SEIFERT: Welcome. It's my pleasure
13 to turn to Dr. Bernadette McGuire-Rivera. She will
14 review some of the programmatic aspects of the NTIA
15 portion of the grant program. Just one note. It's
16 been the Obama's administration deep and
17 abiding desire that we work together, both the FCC,
18 NTIA, and USDA to make sure that we work in a
19 coherent, effective way, and so although we're
20 separated into two separate parts for programmatic
21 purposes, you should know that we are working very
22 hard to make sure that this is done in a smart and

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1 forward-looking way. I'll turn it over to
2 Bernadette. I think if you'll come up to the
3 podium and speak from here.

4 DR. MCGUIRE-RIVERA: Good morning. Thank
5 you. Welcome, everyone. I don't think we've had
6 this many people in the Commerce Department since
7 it was built. It's very, very exciting to see so
8 much excitement around broadband. I see a lot of
9 very familiar faces who have been very interested
10 in this for a very long time, and I know each of
11 you in your own way would like to see more and
12 better broadband, and we've been given a very

13 unique opportunity to make that happen. However,
14 it's going to have to happen very fast. So it's
15 not just the FCC, RUS and NTIA that need to
16 cooperate. Everyone needs to work together to make
17 sure we do it and we get it right.

18 Can I have a show of hands for how many
19 people have ever received a federal grant before?
20 Okay, that's good. How many from the Commerce
21 Department? I see not so many.

22 Okay, I think most of you out there are

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1 used to RUS grants or you have worked a lot with
2 the FCC. The Commerce Department tends to do
3 things a little differently, and we're -- I'm going
4 to go through some of this this morning because
5 actually you could start working on your grant
6 application as soon as you walk out the door. So
7 I'm going to go through, and one of the reasons is
8 because the Act itself has been very prescriptive
9 in setting the parameters of the grant program for
10 us, and I think that's going to prove to be very
11 helpful as we move out in full speed.

12 Now, in addition to the information I'm
13 going to give you, I know that a lot of you are
14 concerned about many of the definitions such as
15 under-served, unserved, nondiscrimination, and
16 interconnection. We are going to have a series of

17 public meetings to discuss these. There is a
18 public notice now up on the Federal Register that
19 goes through 15 questions and a great deal of
20 detail about things that we want public input on as
21 we put together the guidelines and the rules for
22 this particular program. So be sure to check that

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1 out as soon as you leave here, and let me give you
2 the dates of the public meetings.

3 The first meeting will be on the 16th of
4 March, and it will be here in this auditorium. The
5 next two meetings will be field hearings on the
6 17th in Las Vegas and on the 18th in Flagstaff,
7 Arizona. There will be meetings again here on the
8 19th of March, the 23rd, and the 24th, and we will
9 shortly be issuing an agenda for each of these
10 meetings that will cover the different topics that
11 will be discussed at each meeting. So that will
12 give you a lot of opportunities to provide input on
13 really every facet of this grant program.

14 Now, we are responsible at NTIA for \$4.7
15 billion. Out of that we may spend up to
16 \$350 million on broadband mapping and planning. Of
17 the \$4.35 billion left, we will spend at least \$200
18 million on public computer center capacity grants
19 and at least \$250 million for innovative programs
20 to encourage sustainable broadband adoption. And

21 our plan now is to have those as four different
22 programs: one, the broadband mapping, one for

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1 public computer center capacity, one for innovative
2 programs, and another large broadband deployment
3 and expansion program. The Act very specifically
4 sets aside \$10 million for what they call audits
5 and oversight, and basically that's for the
6 Inspector General. We will be watching these
7 grants very carefully. It's sort of unusual that
8 they'll set aside money like that. It also allows
9 NTIA to spend up to \$140 million on administrative
10 costs. The program purposes are to provide access
11 in unserved areas, provide improved access in
12 underserved areas, provide access for public safety
13 agencies, and to stimulate broadband demand,
14 economic growth and job creation consistent with
15 the overall stimulus program, and to provide
16 education awareness, training, access, equipment,
17 and support, and in that they ask us to provide
18 this to a very wide range of organizations—schools
19 and libraries, medical and health care, higher ed,
20 community organizations, organizations supporting
21 vulnerable populations, and entities that will
22 create jobs in designated areas. The Act also sets

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1 out some specific responsibilities for NTIA. It
2 directs us to consult with the states and of course
3 to coordinate with the FCC and RUS. We have to
4 award all the grants by September 30th of 2010, and
5 the grants that we award we need to ensure that
6 they are substantially complete within two years.
7 We also have to establish contractual obligations
8 for adherence to the nondiscrimination and network
9 interconnection obligations that we will establish
10 in coordination with the FCC. We will also have to
11 report to Congress every three months, and we will
12 be establishing a database of all the applications,
13 the recipients and the quarterly reports submitted
14 by the recipients.

15 To be eligible for a grant, you need to
16 be a state or a political subdivision or territory.
17 Indian tribes and native Hawaiian organizations are
18 also eligible, as are nonprofit foundations,
19 corporations, institutions or associations. New
20 for the Commerce Department is that broadband
21 service providers and infrastructure providers may
22 be eligible if we determine it to be in the public

1 interest. You will have to, of course, apply for
2 this. We are expecting to have the first notice of

3 availability of funds out somewhere in the April to
4 June period this year. Our plan is to have three
5 grant rounds. This will allow us, one, to get the
6 stimulus money out as rapidly as possible and to
7 give people who need a chance to spend more time on
8 their application to put the application together.
9 The first grant round, again the notice for that we
10 expect to go out, I'm going to give you ranges of
11 times, between April and June of this year. Second
12 round, from October to December of this year.
13 Third round around April or June in 2010. These
14 are all going to be competitive grants based on
15 published selection and evaluation criteria, and
16 the grant application will have to of course
17 provide a detailed description of how you're going
18 to spend the money, and a detailed budget. The law
19 requires that you demonstrate that this project
20 would not have been implemented in the time period
21 without federal assistance. You'll have to
22 disclose other federal or state funding that you've

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1 either applied for or that you already have, and
2 it's okay to apply to both programs. We're going
3 to be working and coordinating. So you can apply
4 to both programs. The only thing is the unjust
5 enrichment which basically I call that the
6 no-double-billing clause, so you can't try -- you

7 can't have both organizations pay for the same
8 piece of equipment. We have to award, according to
9 the law, at least one grant per state. We need to
10 consider each application in terms of will it
11 increase broadband affordability and
12 subscribership, will it provide the greatest
13 broadband speed to the most users? Will it enhance
14 service for health care, education or children?
15 And whether or not the applicant is a socially and
16 economically disadvantaged small business.

17 So that really sort of is the highlights
18 of what is in the Act that will affect your grant
19 application. I believe really you can start, if
20 you're going to apply for a grant you can start
21 pulling all this information together now. Again,
22 I want to stress the public meetings coming up,

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1 because it's a very short timetable.
2 March 16th, 19, 23rd and 24th here at the
3 Commerce Department. March 17th in Las Vegas, and 18th
4 in Flagstaff. Again we really appreciate you
5 working with us on this timetable, but it's really
6 necessary in order for us to meet the obligations
7 of the Act and get the funding out. So I'm going
8 to let you hear from RUS and the FCC, and then
9 we'll take your questions. Thank you.
10 [Applause]

11 MODERATOR: Thanks, Bernadette. It's
12 comforting to have pros in charge of this. It's my
13 pleasure to introduce David Villano, the Assistant
14 Administrator of the Telecommunications Program for
15 the U.S. Department of Agriculture.

16 MR. VILLANO: Good morning, everybody.

17 It's a great honor to be here from the USDA and
18 support the President's broadband initiative. As
19 Secretary Vilsack mentioned this marks the 60
20 anniversary of USDA's Telecommunications Program.
21 Since that time USDA has provided over \$20 billion
22 in telecommunications loans and grants in rural

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1 America. As many of you know, USDA currently
2 administers four major telecommunications loan and
3 grant programs. We have our infrastructure loan
4 program, which has been around for 60 years, our
5 broadband loan program, which originated out of the
6 2002 farm bill, and we also have two smaller loan grant
7 programs, our community connect grants and distance
8 learning and telemedicine loans and grants.

9 Of the \$7.2 billion authorized, USDA has
10 received over \$2 billion that will allow us to
11 deliver a fifth program to help deploy broadband
12 service in rural America. Equally important, we're
13 very excited to be working with NTIA and FCC
14 together in collaborating and providing a

15 transparent and seamless process to provide
16 broadband service in rural America. As I
17 mentioned, we have over \$2 billion in budget
18 authority at USDA. Many of you might know about
19 budget authority. We could deploy all that as
20 grants or we could convert some of that budget
21 authority to loans, which we intend to do. So
22 we're hoping that we will be able to leverage those

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1 resources to deliver substantially more than the \$2
2 billion that we have been given by the President.
3 Let me just take a moment to highlight
4 some of the key elements of our portion of the
5 stimulus package. Seventy-five percent of the area
6 to be served by the project has to be in a rural area
7 without sufficient access to high-speed broadband
8 service to facilitate rural economic development.
9 As has been mentioned here, one of the goals of the
10 Act is to create jobs, and we're hoping to do that
11 through the stimulus package. And within that we
12 have to give priority to projects that will give
13 end users a choice of more than one service
14 provider. We have to help the areas that have the
15 highest proportion of rural residents that do not
16 have access to broadband service, and we're looking
17 for projects that commence immediately upon our
18 approval and can be completed within a reasonable

19 time frame. At USDA we're ready to implement.
20 We're very fortunate that we have a broadband and
21 telecommunications program. We have seasoned staff
22 here in Washington and also being part of the rural

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1 development mission area, we have 6,000 field staff
2 throughout rural development field offices
3 throughout the country. We also sought comments on
4 our broadband regulations back in 2007, and through
5 the farm bill deliberation, we have a lot of input
6 already from the public in how to deploy our
7 broadband funds. But we're very excited about
8 participating with NTIA and the upcoming public
9 meetings that will be commencing next week. That's
10 our way to get public comment from you in person,
11 and there will also be a process for submitting
12 public comments in writing throughout that time
13 frame.

14 So you're probably all wondering when are
15 we going to get the funds out? Well, this is our
16 implementation plan. Within 60 days of the public
17 comments, we plan to publish a series of notices of
18 funding availability, NOFAs, similar to NTIA. The
19 first NOFA, as I mentioned, should be published
20 within the next 60 to 90 days, and then we'll be
21 publishing subsequent NOFAs thereafter. We
22 anticipate there will be at least three NOFAs. The

1 timing of the subsequent ones, we want to see.

2 We're going to be working very closely with NTIA and

3 the FCC. We want to get the first one out as soon as

4 possible based upon the demand for that, and the

5 funding available through NTIA, we want to

6 coordinate. We expect them to be approximately

7 three to four months each time, but that's all very

8 flexible at this point. The NOFAs will have the

9 amount of funds that we'll be making available.

10 They will have the applicant, the area, and the

11 project eligibility requirements. They will explain

12 the whole application process, and the time frames that

13 applicants would need to submit those applications.

14 We will lay out all the scoring criteria and the

15 evaluation criteria, and the reporting requirements

16 that the applicants have to abide by to receive

17 these grants. We are similar that we have funds in

18 the stimulus package for our office of the Inspector

19 General to review the programs, and we want to make sure

20 that these very limited resources, this down-payment on

21 broadband deployment throughout the country are well

22 utilized.

1 With that, I'm going to yield the microphone
2 over to Mark to turn over to the FCC. On behalf of the
3 Secretary and everybody at USDA, we look forward to
4 working with you.

5 MODERATOR: Thanks David. We probably need
6 no introduction for Scott Deutchman, Acting Senior

7 Legal Advisor to Acting Chairman Copps of the FCC.
8 MR. DEUTCHMAN: No more introduction than any
9 of my other colleagues up here for sure. Thank you for
10 the opportunity to speak today. I realize that after
11 45 minutes of the program and standing in some lines
12 to get in here this morning, that I'm the only one who
13 stands between you folks and the comment period, so I'm
14 going to try to be brief.

15 As you've heard, the FCC has an important job
16 given to it under the Recovery Act. We've been charged
17 with the development of the national broadband plan, a
18 role we are very excited about.

19 As Chairman Copps outlined, we view this as a
20 comprehensive effort that will seek input from many
21 quarters - the private sector, and government agencies.
22 We'll be looking at a cross-section of issues, including

1 health care, cyber security, energy, and many
2 others. We will also be starting -- we will also
3 be reporting, excuse me, on the progress, and I
4 expect the successes of the down payment that these

5 broadband projects being started will achieve. We
6 plan to rely on a wealth of data including better,
7 more useful broadband maps.

8 Separate from the broadband plan, which we
9 expect to kick off at our April meeting on the 8th,
10 the Commission released a notice this morning in
11 coordination with the Department of Agriculture.
12 The chairman of the FCC must provide Congress with
13 a report on a rural broadband strategy by May 22nd
14 of this year, which does not give us much
15 time. So we've released a public notice seeking
16 comment today. The report is supposed to include
17 recommendations on promoting interagency
18 coordination of broadband policies and rural
19 broadband initiatives. We're seeking comment on
20 how best to achieve this and I would expect the
22 report will be one of the building blocks for the

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1 larger national broadband plan. Thus, I encourage
2 everybody to participate and to make comments. The
3 notice is now on our web site, the docket number,
4 it's up on the web, but the docket number is GN-0929.
5 0929. Comments are due by March 25th, given the
6 short time period.

7 In addition to this report and the national
8 broadband plan that we'll be working on, the Commission
9 has a key role to play in supporting NTIA and the

10 Department of Agriculture in their broadband grant
11 and loan programs. We will be working closely with
12 them to provide substantive expertise on the
implications

13 of important definitions relevant to their process, such
14 as the definition of unserved and underserved areas,
15 on broadband and the like. We also will be
16 providing our counsel on key questions regarding
17 network interconnection and nondiscrimination
18 obligations as they relate to the grants.

19 I can tell you that our staff from all
20 the relevant parts of the Commission are working
21 hard on this effort in order to do our part in
22 making the national broadband plan and the

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1 interagency process we are all involved in a
2 success. With that I thank you. I look forward
3 for your comments.

4 [Applause]

5 MODERATOR: Thank you, Scott, thank you,
6 David, thank you Bernadette. We will now turn to
7 the public comments section of this meeting. For
8 those of you who have comments and questions, begin
9 queuing behind the microphones. We have a hard
10 stop unfortunately at 11:30. We will get through
11 as much of the comments and questions as we can.

12 We are joined today, I'm very excited to

13 say, by folks on the web who are watching this web
14 streaming and by folks on a teleconference. We are
15 also, I'm very happy to say, broadcasting this with
16 text streaming so that folks who need that ability
17 to participate are able to participate.

18 So as you've heard from everyone, this is
19 the beginning of our process. We are reaching out
20 to each of you to help us make these programs a
21 success. I think you've heard the word down
22 payment a couple of times, and I can't stress that

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1 strongly enough. We have approximately seven
2 billion dollars. We have 50 states, some
3 territories, and the District of Columbia that we
4 are trying to make sure that these grant funds
5 reach out to. If you do the simple math, that's
6 not a lot of money per state, but that's not an
7 impediment, that's a challenge.

8 We need the best and the brightest. We
9 need innovators. We need the American spirit to really
10 put forth proposals that can help us figure out how
11 to do this in the future.

12 I invite you to work very hard and very
13 fast, and fast is key to the stimulus, to help us
14 reach our goals.

15 As Bernadette mentioned, we issued the

16 joint request for information, and she spoke about
17 the 15 questions. There are questions that are
18 separate for NTIA and for RUS, but you'll see some
19 overlap. We would particularly enjoy your commentary
20 on how we can make the two programs work together.

21 You'll find that's up for all of you folks on the
22 inside who know how the Federal Register works, that's

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1 up on their pre-release, but we have a link to it
2 on our page for you folks who happily don't know how
3 the Federal Register works.

4 If you go to www.NTIA.doc.gov\broadbandgrants,
5 you'll find a link to that information.

6 The meetings that are going to be held
7 here and in Las Vegas and Flagstaff are also going
8 to be web streamed, and we invite the public to
9 attend, to participate, and to join in.

10 I'm excited to say now that we begin
11 our comment and question period that we're also going
12 to take questions. We have some questions that were
13 e-mailed in to us, and we have folks on the
14 teleconference who I believe should be queuing up
15 now and they will be sending their questions in.

16 So if you would like to make a comment or question,
17 and it's going to be hard for me to see but I'm
18 going to number the microphones 1, 2, 3, 4, and
19 then I'll go around.

20

In order to try to get as much commentary

21 as possible, I would like you to limit your question
22 or comment to 60 seconds. No need to fill the entire

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1 60 seconds. We're not billing today. If you don't
2 get a chance to ask your question or make your comment,
3 all of these will be made part of the record, and
4 if yours doesn't get asked, you can submit it and it
5 will be part of the record. These questions and
6 comments will help us make our decisions and help
7 us get the best possible proposals out for funding.

8 So let's start with microphone number 1.

9 AUDIENCE MEMBER: Thank you. My name is
10 Debbie Goldman. Is this on? I'm with the
11 Communication Workers of America. I simply want to
12 applaud the public meeting and the work that you've
13 already done. We worked very hard to get this
14 program passed because we're very concerned about
15 the key, one of the key goals that you all
16 mentioned, which is job creation. We're in the
17 midst of a terrible, terrible economic situation.
18 Our country, our people are losing their jobs, and
19 keeping our focus on this will create jobs - not
20 just temporary but permanent, good career jobs for
21 people, and we're looking to you to include that
22 as a top priority as look at these competitive grants.

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1 Thank you.

2 MODERATOR: Thank you very much. Now I
3 have a question from email from SONNY in San
4 Francisco, California. Will collaboration amongst
5 several applicants into a consolidated application
6 be encouraged or welcomed over individual
7 proposals?

8 DR. McGuire-Rivera: I guess it's what
9 the group comes up with. But we will, you notice
10 the act does say we want to get as much to as many
11 users as possible. I would really encourage people
12 to get out and cooperate in applications, and
13 aggregate demand.

14 I don't think we have a "no" decision
15 just because simply you're a group of people and
16 that's going to be better than someone that's
17 not a group, but I would encourage people to get
18 together and put applications together.

19 MR. VILLANO: As mentioned, we want to do
20 this in a collaborative manner, so we would
21 certainly want to look at applications that use
22 joint funding between USDA and NTIA.

1 MODERATOR: Microphone 2 in the back.

2 AUDIENCE MEMBER: Yes, thank you. My
3 name is Joe Saundry. I'm with Fiber Tower Company.
4 We're a carrier backhaul using shared access. We're
5 very curious - will the map show how many towers and
6 buildings are broadband enabled so that when
7 broadband services, whether they are commercial or
8 government or community, when they are launched to
9 save money, will it all go back to one specific
10 shared access point much like when we built the
11 nation's highways?

12 So just to repeat, will we be mapping and
13 then giving grants to folks who build that type
14 of infrastructure, enabling towers and buildings
15 to get back to the Internet?

16 MR. DEUTCHMAN: Thanks for the question.
17 It's certainly a good idea. What exactly will be
18 on the maps at end of the day, the mapping
19 inventory I think is still to be determined as part
20 of the questions that are part of the request for
21 information that NTIA and RUS put out today. I
22 think the goal here is at the end of the day to be

1 as granular as possible. Our hope and expectation
2 is that we can provide as much information and get
3 as much detailed information collected so that
4 we're in a position and our colleagues at different
5 agencies are in a position to be really making

6 data-driven policy-making, so our expectation is to
7 vastly improve on what we have today by far more
8 granular mapping of the broadband infrastructure.

9 MODERATOR: Thank you, Scott. I think
10 you'll see in the Request for Information we seek
11 comment from the public about how to do things
12 better in this whole broadband map area. There's
13 opportunities, there's lots of data out there from
14 various agencies, and there's ways to make this map
15 a very, very helpful device for all the
16 policymakers. So we look forward to your comments
17 on that microphone number 3 in the back.

18 AUDIENCE MEMBER: I think it's me here.
19 My name is Louisa Handa. I just launched Rumba. I
20 encourage everyone to go to Rumba.com. I'm just a
21 hill country activist in Texas that could not get
22 any sleep, and I heard that this amount of money was

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1 available and that there was no structure to bring
2 people together to work on the best possible
3 technology to put out there. Our alliance is an
4 alliance of hundreds of telcos, small rural
5 companies that are confused, that do not know if
6 they should apply individually. So what we want is
7 to bring everybody together, and our proposal to
8 you is to give us this opportunity to bring
9 everybody together to work on the best technology,

10 the cheapest and the one that can be deployed the
11 fastest. This is not about who gets there first.
12 It's not about people dusting off their old
13 equipment which they did not use to help the rural
14 areas, and present it for a grant at this time.
15 This is the time for truthfulness. I just
16 encourage everybody to look into RumbaUS.com,
17 and I would appreciate your comment on whether this
18 is a good idea.

19 MODERATOR: One piece of information that
20 will help is typically in these grant programs
21 after you get the grant guidelines out there are
22 workshops, furthering education because there are

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1 a lot of technical questions that will come up
2 and that is definitely in the plans for both
3 of these programs, and it has been the practice
4 for both Department of Commerce and the Department
5 of Agriculture to do post-grant follow-up so that
6 folks understand exactly how to solve these issues
7 that you've raised. No I'm going to go to another
8 email. Has the FCC determined the definition of
9 underserved areas? I'm interested in this answer
10 by the way.

11 MR. DEUTCHMAN: For those of you in the
12 room who have studied the issue, you know that the
13 answer is not definitively yes. How do I qualify

14 that? Can you hear me now? I was just saying the
15 FCC has not done that. Our role in this process,
16 given by the statute, is to provide a consultative
17 and coordinating role with the grant-making
18 agencies. We will be doing that, and we are
19 certainly -- they are certainly asking questions
20 about that in the RFI, and we'll be providing them
21 our expertise and counsel, but that decision by
22 anybody that I'm aware of has not been made at this

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1 point, and there are things to guide everybody in
2 terms of what the FCC and others have done in the
3 past, but we don't have a definitive answer on
4 that.

5 MODERATOR: I think that's right. We're
6 seeking your comment on how to do that and what's
7 the best way to do that given the goals and the
8 structure of the Act. I know the NTIA portion of
9 the act uses underserved and unserved and the
10 agricultural part of the act uses rural. We're
11 working very closely together to try to make sense
12 of how all of these terms can be rolled out
13 together so that we are working together and making
14 a coherent, unlike my comments right now, a
15 coherent approach to these sorts of things.

16 Microphone number 4.

17 AUDIENCE MEMBER: My name is Bob Schmidt.

18 I'm the CEO of a company called Great American
19 Broadband. We operate in rural America. We have
20 7,500 subscribers in Indiana, Ohio, Nebraska and
21 Wyoming. We serve the underserved areas. The
22 biggest issue we face as a small business company

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1 is liquidity, and if this system continues to
2 operate the way it has, we will still be in need of
3 liquidity. I encourage you to utilize as many
4 local banks on some sort of guarantee program so
5 that the funding can be distributed and properly
6 audited as you go through the four corners of this
7 country. Thank you.

8 MODERATOR: I would like to follow up on
9 that. One thing we're also trying to do in these
10 programs, as we set them up, is to try to leverage
11 the other broadband based programs in the Recovery
12 Act. There is the smart grid, there is Department
13 of Transportation money going out, so the thought
14 has been if you come forward with a proposal and you
15 don't have to dig the trench twice, that shows
16 efficiency and effectiveness, and so we want to --
17 I think we raised this in the Request for
18 Information -- we want to request that you to think
19 about how to utilize all aspects. Like the health IT,
20 there are a number of different programs within the
21 Recovery Act, and so in your local communities and

22 your states, when you're designing these programs

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1 looking for ways to leverage those different
2 aspects will be very helpful.

3 Microphone number 1.

4 AUDIENCE MEMBER: I'm Jim Smith with the
5 law firm of Davis Wright Tremaine on the behalf of
6 several applicants. My question regards the three
7 grant rounds that both of you, the NTIA and the
8 Agriculture Department were talking about having.

9 In those three rounds, do you anticipate allocating
10 a third or different amount of available funds in
11 each of those rounds. Presumably you don't want to
12 run out of money in the first or second round.

13 Secondly, would you anticipate in those
14 three rounds to have each round open to every type
15 of applicant or to try to have certain types of
16 grant applicants in each of the rounds and
17 categorize it that way?

18 MODERATOR: I'll jump in for a second,
19 then I'll let Bernadette and Dave follow up. These
20 are just our thoughts right now. Your question has
21 gone into the public record, and we want people to
22 tell us about this. We're trying to give you some

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1 meat to help you with how we should design the
2 program. I think that's our current thinking right
3 now. The concept is, I believe, to have a third,
4 approximately a third, and approximately a third so
5 we can get some money out the door, and it would be
6 across all the programs. It wouldn't be one versus
7 the other. But I'll turn it over to Dave and
8 Bernadette.

9 MR. VILLANO: That was well put.

10 DR. McGUIRE-RIVERA: You picked it up.
11 It wouldn't make any sense to give all the money
12 away in the first round.

13 MODERATOR: Thank you. Back in the back.
14 Yes?

15 AUDIENCE MEMBER: I'm Steven, I'm with
16 zone technology. As it happens, we're the only
17 access gear vendor that is manufacturing all its
18 gear here in the U.S. We have a nice factory in
19 Florida. My question is about the implementation
20 of your programs and the buy-America provisions
21 in the bill. Could you comment on that angle
22 please.

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1 MODERATOR: I can comment that we're
2 waiting to hear about that, and that we will --
3 that will be part of the information that comes

4 out. So we're waiting to hear. And we're aware of
5 that issue and are trying to get a legal opinion on
6 that.

7 Three, in the back on this side.

8 AUDIENCE MEMBER: Thank you. My name is
9 Mitsaco Herrera. I'm with Montgomery County,
10 Maryland. We thank you for having this. We hope
11 in your discussions as you look forward to the
12 application process and the consolidation that just
13 as there are tensions between rural states and more
14 populous states in the Senate, there are also
15 tensions between urban counties and urban cities
16 within a state and statewide so that when you look
17 at consolidation that good weight is given to the
18 value of accepting applications at the local or
19 from the local jurisdictions. What we would also
20 do is in Montgomery County we're looking at
21 weighing different, ag reserve, if you consolidate
22 projects that you be sure to give weight to the

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1 different types of projects within there. For
2 NTIA, are you planning on hiring additional staff
3 or will you be outsourcing the actual review of the
4 applications? What's a reasonable number of grant
5 applications, whether that's 10,000, 5,000, 1,000
6 to expect to be able to give to and for the library
7 program, are you looking for specifically those

8 applications to come from individual libraries or
9 from library jurisdictions?

10 MODERATOR: I'll answer the second
11 question first, then I'll turn the first question
12 over to Bernadette. We're looking for the best
13 that you have to offer, and so we're not
14 restricting in that sense. The statute lays out
15 specific guidelines for who is eligible and who can
16 apply and what you have to have in your
17 application, but I think opening the door wide
18 allows for the opportunity for us to review and
19 see, and the cream will rise, I believe.

20 Bernadette, if you can answer the --

21 DR. McGUIRE-RIVERA: Definitely we will
22 be contracting out some of the support on getting

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1 the grants out. As you know, NTIA itself is an \$18
2 million agency, so we will have to be staffing up
3 and using some contract help. Probably somewhat
4 similar, I know some of you are familiar with PSIC.
5 We have used a lot of contract support in that
6 program, and that model has proved to be pretty
7 successful. We haven't determined yet exactly how
8 many grants we would be giving out or a target.
9 That's one of the things we want to talk to all of
10 you about in the meetings of what would be a good
11 number of grants. Should there be a floor amount

12 on the grants? Should there be a ceiling amount on
13 the grants? That's something we would like your
14 consultation on.

15 MODERATOR: Okay, thank you.

16 AUDIENCE MEMBER: And on the libraries?

17 MODERATOR: The libraries was my answer
18 to your question, we're opening the door wide, so
19 whatever folks think is the best approach, it may
20 be one library, it may be a group of libraries, it
21 may be libraries, public safety, the local
22 community. We leave that door wide open because we

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1 believe it will bring more innovative and
2 forward-looking proposals for it.

3 Microphone right here.

4 AUDIENCE MEMBER: My name is Steven, I'm
5 with world innovative networks. What you're trying
6 to do is nothing new. In the past we have come up
7 with solutions where we're integrating both
8 municipal, public, public safety, and energy
9 networks in together. My question for you is, the
10 only way you can really pull that off is with a
11 true broadband wireless type infrastructure to
12 provide both fixed and local access, to provide
13 these applications and services. Does the FCC have
14 any plans under the new administration to either
15 increase the power, the frequencies that are

16 available. The 4.9, 3.65 gigahertz or to provide
17 new frequencies that would not go to auction to
18 actually allow this implementation in rural
19 environments.

20 MR. DEUTCHMAN: I believe that question
21 is ongoing at the FCC. I don't know the answer to
22 your question. I'll speak closer to the

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1 microphone. That question is specific with regard
2 to proceedings that are ongoing at the FCC. I'm
3 happy to get you touch with the right folks -- get
4 you in touch with the right folks, but I don't have
5 an answer for you at this time.

6 MODERATOR: Now I have a question from
7 email, Lynn from Oklahoma City. She asked about
8 can a timeline be provided for RUS portion of the
9 stimulus package which I think Dave kind of laid
10 out. But I want Lynn to be on the web broadcast so
11 she can tell her grandkids that her question got
12 asked.

13 Another question is will satellite-based
14 rural broadband providers be allowed to participate
15 in this particular program? That's from John.

16 MR. VILLANO: I don't see any prohibition
17 in the statute, so we would certainly be looking
18 for public comment on that.

19 DR. McGUIRE-RIVERA: Same here. I think

20 particularly in some of the unserved areas that
21 that will be a very attractive sort of application.
22 MODERATOR: Thank you. Microphone 1.

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1 AUDIENCE MEMBER: Thank you, my name is
2 Gaylen Updike. I'm with the state of Arizona,
3 broadband manager there, and we have lots of
4 questions with regard to a number of different
5 things. I think that one of the big questions is
6 will the states be allowed to consult separately
7 with NTIA as a body or individually? Can we
8 schedule meetings with you on that? That's my half
9 question there.

10 MODERATOR: Okay. So you have 36 seconds
11 left.

12 AUDIENCE MEMBER: The second question I
13 have, it seems like the mapping dollars, there is
14 no 80-20, it's a grant I presume to an organization
15 in each state to do mapping? I presume that the
16 mapping will help certify underserved and unserved
17 areas in advance of grants applications, I would
18 imagine, and the question I have is how will those
19 dollars, those mapping dollars be implemented to
20 state organizations so they can go about and do the
21 mapping that's required?

22 MODERATOR: Let me answer the state

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1 meeting first, then I'll turn the mapping over to
2 Scott. Many of you saw our March 2nd, that was
3 when public meetings were going to start. There's
4 a correction to that coming out. We had over 2,000
5 people sign up for individual meetings, and I
6 calculated that I would be here until 2012 having
7 all those meetings. So we have moved to this
8 process of trying to get folks to come to consensus
9 and sit on these round tables to give us their best
10 thoughts. The time pressure is such that we really
11 have to move quickly, and we need to get your best
12 ideas. Also, however, we know that statute says
13 we're supposed to reach out to the states. So
14 we're going to do our best to meet those goals of
15 the statute. I'm not sure, and I can't promise
16 that we're going to have time to sit down with each
17 of the 50 states and the territories and the
18 District of Columbia individually to discuss
19 through their proposals. We have until September
20 30th, 2010 to get this money out. I believe there
21 will be ongoing conversations with folks who submit
22 proposals that meet the requirements and the

1 further guidance sort of thing. So I think that's

2 the best answer I can give you right now. We're
3 going to do our best to do what Congress has told us,
4 which is to consult with the states and receive
5 their input on this, and then Scott I'm going to
6 turn it over to you for the mapping.

7 MR. DEUTCHMAN: The good news is -- I
8 can't seem to get this right. I'll get it by the
9 end, by 11:30 I should be raring to go.

10 The good news is that we're coming to
11 Arizona next week, so.

12 AUDIENCE MEMBER: I'll be there. I'm
13 very happy.

14 MR. DEUTCHMAN: There is an opportunity.
15 On the mapping, it's important to point out that
16 there are two real areas where mapping comes into
17 play with regard to the statute. One is you're
18 talking about the grants, but the other is that by
19 2011 there needs to be a national broadband
20 inventory, national broadband mapping inventory, so
21 we've got the bigger picture to strive for as well
22 as the individualized maps.

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1 With regard to the individualized maps, I
2 think in some respects that's to be determined by
3 the grant-making agencies, but you'll see, I don't
4 mean to defer, but I think we're trying to learn
5 from you folks exactly what you said, are we going

6 to -- how are these maps going to work? What type
7 of information do you need to have on there?

8 There's a lot of questions being asked today.

9 AUDIENCE MEMBER: Will the maps be used to
10 certify underserved and unserved areas?

11 MR. DEUTCHMAN: I'll defer to others, but
12 I don't believe that decision has been made.

13 DR. McGUIRE-RIVERA: I just want to
14 reinforce working with the states, we will work
15 with the states. There are about five or six
16 states, and you know who you are, who have five or
17 six phone calls in to us, and we will get back to you.

18 MODERATOR: Microphone 2 in the back.

19 AUDIENCE MEMBER: Thank you for the
20 opportunity to comment. I'm an elected city
21 counselor for the city of The Dells, Oregon. We
22 are far and away the largest population center in

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1 our area. That kind of prefacing my question which
2 deals again with the distinction between entirely
3 unserved and underserved areas, how that
4 distinction will be made and whether a county-wide
5 proposal that incorporates a small urban population
6 center such as The Dells might be considered for
7 one of the proposals.

8 MODERATOR: So I think the short answer
9 is we've not made a decision, we have reached out

10 and asked you and folks like yourself and folks in
11 this room and folks on the broadcast and on the
12 teleconference to tell us how we should, and once
13 you submit those comments, we will review those and
14 put that up against what the statute says we need
15 to do and come up with what we believe is the best
16 answer. So I think the short answer is we are
17 waiting for you to help us get to those
18 definitions.

19 AUDIENCE MEMBER: All right, thank you.

20 MODERATOR: Thank you. Microphone 3 in
21 the back.

22 AUDIENCE MEMBER: My name is Janna, I ask

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1 this question on behalf of clients who may be
2 potential applicants. The RUS has partial loan,
3 partial grant, a combination I heard through the
4 grapevine informally that there are talks of
5 actually doing it similar, implementing this one in
6 a similar fashion. Can I get some confirmation on
7 that?

8 Also, NTIA thinking of doing a partial
9 loan, partial grant as well?

10 The second question, will there be any
11 set-aside or consideration for small disadvantaged
12 businesses as you disseminate the grants?

13 MODERATOR: I'll take the last part of

14 your question and turn the first part over to Dave.
15 The statute actually has a provision about small
16 businesses. If you refer to the statute it speaks
17 about what you're talking about, and then Dave I'll
18 let you answer about the grapevine.

19 MR. VILLANO: Sure. The statute provides
20 us the authority to do loans, grants, and loan
21 guarantees. So we would envision that we would be
22 providing grants, loans, and loan/grant combos.

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1 We're looking to get the best bang for the bucks.

2 MODERATOR: Ours is a grant program. I
3 imagine people with proposals who came in and said
4 we would use our grant to do it even better and
5 cheaper because we worked with our local bank to
6 get a good rate that might be a very attractive
7 thing reviewing proposals.

8 I would encourage people on the
9 teleconference if you have questions forge ahead
10 and submit them. I didn't want folks to think we
11 were leaving out. So far they have been completely
12 satisfied with the comments so far.

13 DR. McGuire-Rivera: As I said before you
14 can apply to both RUS and NTIA, so if you have a
15 situation where you want to get a loan from RUS and
16 then get a grant from us for a separate part of the
17 project, that could work.

18 MODERATOR: Thank you. This microphone
19 right here.

20 AUDIENCE MEMBER: Good morning. My name
21 is Brian Parsons. I'm from CTI, we're a global
22 provider of services to the telcos, and we're

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1 based in Pennsylvania. A comment and a question.
2 My comment is based on the plans that show how
3 important the rapid deployment of broadband
4 would be as well as in light of the current economy
5 it would seem that certainly a pragmatic approach
6 to this deployment will be most desired, and with
7 that in mind my question relates, I guess, simply
8 to digging ditches. So namely will there be or do
9 you see direction or preference given to
10 fiber-based deployments versus copper-based
11 deployments versus wireless deployments?

12 MR. VILLANO: There's no priority in the
13 statute for that, and that's what we'll be seeking
14 public comments on at the field hearings and here
15 in D.C.

16 MODERATOR: I would say if you look at
17 the statute, it also says the fastest speeds
18 possible, most forward-looking. There's a lot of
19 that in there and also in the conference report.
20 What we're looking for is bottom line the best bang
21 for the buck, but I think if we're planning about

22 the future, we need to think about the future, and

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1 we need to have forward-looking future-looking
2 programs, expandable. To me, and having not seen
3 what the public comment is and we invite your
4 public comment on this very question, but if we're
5 going to spend public dollars, it should be on
6 something that can be an investment for the future.

7 Microphone number 1.

8 AUDIENCE MEMBER: My name is Rico
9 Singleton. I'm from New York State, deputy chief
10 information officer. We appreciate the NTIA and
11 FCC for convening these public meetings to address
12 the issues on broadband in the American Recovery
13 and Reinvestment Act. What I would like to ask,
14 in regards to the non-Federal funds matching
15 criteria in both of, both or all of these grants,
16 and specific to the local governments and
17 political subdivisions of the states, most of
18 them are typically strapped for cash, and
19 so what we would like to know is, are there going
20 to be considerations made for in-kind contributions
21 from nonprofits or political subdivisions such as
22 rights of way of fiber, fiber facilities, waiver of

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1 fees, et cetera, whereas typically with the
2 nonprofits and political subdivisions being
3 strapped for cash, it may narrow the pool of
4 applicants whereas allowing for in-kind
5 contributions would increase the wide range of the
6 applicant pool as the goals state.

7 MODERATOR: I think I can say now that
8 the statute makes very clear about contributions,
9 and we would like to hear your comments about how
10 those contributions should be measured and how that
11 can be demonstrated. I think that's the best
12 answer we can give you right now.

13 Microphone 2 in the back.

14 AUDIENCE MEMBER: I represent Berlin
15 Atlantic capital. My question is for RUS and
16 David. You're in the midst of a rulemaking process
17 for the 2008 farm bill, and I believe you are done
18 with your rules. I don't know if they've been sent
19 to OMB. Will you continue with that process and
20 will it impact, will it become the template for
21 how you're going to deal with the grant program,
22 the loan program, and the direct loan program?

1 Second question, when you talk about a
2 guaranteed loan program, what kind of guarantee do
3 you think you're going to offer and what kind of

4 criteria are you going to expect from the borrower?

5 MR. VILLANO: In answer to your first
6 question, we are still working on our regulations
7 to implement the 2008 farm bill. They're in final
8 departmental clearance. They have not gone
9 to the Office of Management and Budget, and we do
10 hope to have those published within the next 60
11 days as an interim final rule on a request for
12 comments.

13 In answer to your second question, we
14 have the authority to do guaranteed loans right now
15 in our broadband program. It has not been funded
16 or utilized. So we'll be looking for public
17 comment on how we can best deploy that, if
18 possible, within the time constraints of a stimulus
19 package.

20 MODERATOR: Thank you. This question is
21 from emails. Will the NTIA, and I'm going to add
22 RUS into this question, also develop any yardstick

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1 metrics to determine the effectiveness of these
2 programs?

3 MR. VILLANO: Well, I'll start since I
4 have the microphone. Yes, we are. We are
5 developing those right now, and you'll see in the
6 request for the public comments, we'll also be
7 seeking input from you on how we should measure

8 evaluation criteria for awarding loans and grants
9 and how we should measure success of the projects
10 funded.

11 DR. McGUIRE-RIVERA: Yes, we're going to
12 have metrics. It's one of the questions we want
13 your input on. I know this sounds -- and also
14 we'll have overall program metrics, and we'll have
15 metrics associated with each individual
16 application.

17 MODERATOR: I want to encourage you also
18 for folks out there who are thinking about this
19 issue to give us some guidance. One of the
20 programs is innovative, we're supposed to give
21 money for innovative programs, and we were sitting
22 around the other day saying how do you measure

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1 innovation? Was I three times as innovative as
2 you? I know a lot of those folks out there, you've
3 been working with this and thinking about this. We
4 can use your wisdom on these issues. I think I'm
5 back here, microphone 3.

6 AUDIENCE MEMBER: I'm Tom DeReggie with
7 Rapid DSL and Wireless. We're a local broadband
8 company here in Montgomery County. I also am here
9 representing WISPA, I am on their legislative
10 committee and VP of the board. I would like to
11 start out by thanking the United States Government

12 and Congress for recognizing the needs of rural
13 America and more importantly recognizing the need
14 to deploy grants in a technology-neutral manner.
15 However, what's not very clear to me right now is
16 fulfilling the other goal, which is to make sure
17 that all Americans have the right to have broadband
18 regardless of the geographical area that they may
19 live in, including urban America. In the RUS
20 grants in the past they've previously
21 discriminated, disqualified underserved areas that
22 are within or nearby a metropolitan area. Will

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1 that be removed from the RUS requirements in these
2 future grants or is it better for urban/suburban
3 Internet providers to be looking to the NTIA for
4 assistance in those areas?

5 MR. VILLANO: In answer to your question,
6 the existing programs that we have are very small,
7 they're very competitive, and the evaluation
8 criteria was determined based upon the availability
9 of the funds. Under the Recovery Act, they
10 exempted us from the farm bill, the rural
11 requirements of the farm bill. As I mentioned in
12 my presentation, at least 75 percent of the area
13 served has to be in a rural area, so we will be
14 able to touch on some areas that aren't considered
15 rural by USDA. In addition, we'll be working with

16 NTIA. So that might be a perfect project where
17 there's collaboration on. Again, we'll be seeking
18 comments on that.

19 MODERATOR: I think we want to be very
20 clear.

21 MR. DEUTCHMAN: I have to get at least
22 one plug in for the national broadband plan. It

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1 was a good stepping stone, which is that look,
2 those are exactly the types of issues that I think
3 we're going to be wanting to look at. The grant
4 programs are -- we're going to learn from them.
5 They're a down payment. What the long-term vision
6 of how we get broadband out to all Americans
7 everywhere at the type of competitive speeds that
8 you're talking about is something that certainly I
9 would expect the FCC to be taking a close look at.

10 DR. McGuire-Rivera: Of course we will be
11 able to give funding to both urban and rural areas,
12 and so I think again this will be a great place
13 where we'll be coordinating with RUS, so you can
14 take advantage of dual funding sources to do some
15 projects that you might ordinarily not have been
16 able to do. Also my question is who we should
17 apply to? Should we apply to RUS or NTIA if we
18 want a grant, should we apply to one or the other
19 if we're an urban/suburban provider?

20 MR. VILLANO: You'll be able to apply
21 for both. I think you should provide your input
22 during the public comment period and see how we

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1 craft our NOFAs and how we're going to work
2 together in deploying the funds, and that will
3 guide you into the best way to apply for
4 assistance.

5 MODERATOR: These are issues we're
6 spending a lot of time thinking about and we
7 actually need your input. We're trying to figure
8 out a way to create an intake program that will
9 allow us to address these sorts of things. If you
10 can help us design that program by submitting
11 comment, you know, we're all better for it.

12 I'm very excited. Tina from Wilson
13 County, North Carolina has submitted a question.
14 She operates a wireless ISP company. One county
15 required a propagation study. Will all counties be
16 required to perform propagation studies? Tina, you
17 may have stumped the panel.

18 DR. McGUIRE-RIVERA: I haven't thought
19 about it.

20 MODERATOR: I think the law says it has
21 to comply with all local, federal, and state laws.

22 DR. McGUIRE-RIVERA: I think you will

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1 also have to provide some information that you
2 would use for a propagation study. If you have a
3 propagation study, I think you're a little ahead of
4 the game, Tina.

5 MODERATOR: That will be an issue of the
6 things that we need to put into the NOFA.

7 AUDIENCE MEMBER: My name is Robert
8 Finch. I'm on the board of the National Broadband
9 Services Association. The members of that
10 association range from individual private schools
11 on up to large public university systems, and they
12 hold licenses from the FCC to provide broadband
13 services in the 2.5 gigahertz range.

14 My question really involves what
15 organizations within the state, what portions of
16 the state government will you be consulting with as
17 you get input from the states?

18 DR. McGuire-Rivera: Again, this is a
19 good question because from state to state it
20 differs, and who within the state government is
21 responsible for broadband. In some states there
22 are more people who are responsible and other

2 interested. That's one of the things we're really
3 looking to in the question is for each state to
4 tell us or people who are involved in broadband in
5 the state where in your state we should be going
6 for our consultations.

7 MODERATOR: Okay. Here.

8 AUDIENCE MEMBER: Good morning, Betty
9 Buckley, I'm executive director of the Communities
10 Connect Network which is a grass-roots coalition of
11 organizations across Washington state who are busy
12 implementing demand side strategies. Two quick
13 questions. One, last year we were able to work
14 successfully with the state legislature to create a
15 grant program for those organizations.
16 Unfortunately Washington, like so many other
17 states, has very little money this year, so that
18 program's no longer funded. We're hoping you might
19 consider a regranting program. That's question
20 number one.

21 Question number two, Dr. McGuire-Rivera,
22 I was very interested to hear your words. At least

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1 \$200 million and at least \$250 million. I would love
2 to know more about what "at least" means.

3 DR. McGuIRE-RIVERA: Very good, you
4 picked up on that. "At least" means we will spend at
5 least \$200 million. No, no, it also leaves it open

6 that we may spend more than \$200 million. It
7 depends on what we get in terms of applications,
8 but the law says we have to spend at least that
9 much but we're not limited to it.

10 AUDIENCE MEMBER: And the regranting
11 notion?

12 DR. MCGUIRE-RIVERA: That's a great idea.
13 We got it down.

14 AUDIENCE MEMBER: Thank you.

15 MODERATOR: This question comes from MATT
16 with the American Cable Association. The federal
17 application process is usually very difficult with
18 a large amount of requirements. What are you doing
19 to streamline the application process? What are
20 you doing to have a technology-neutral program for
21 small, rural areas?

22 MR. VILLANO: We're looking at every way

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1 we can to streamline the process, particularly for
2 our grant program. It makes it a little bit easier
3 when you have a loan component, we need financials
4 to be shown that the loan can be repaid. We're
5 currently working together to see how we can do
6 that. One of the advantages that we've had with
7 the 2008 farm bill is we've been developing
8 regulations to implement those, and one of the
9 steps that we've taken is a streamlined process for

10 applications, so we'll be able to transfer a lot of
11 the knowledge and the comments that we got from
12 that program into the deployment of the stimulus
13 funds.

14 DR. McGUIRE-RIVERA: This is not an
15 existing program at NTIA and in many ways that
16 makes it even easier to streamline because we don't
17 have a lot of legacy forms. I think also just the
18 mere fact that we have to get this out so quick
19 will be a major force in getting this to be a very
20 streamlined application.

21 MODERATOR: We just want to set
22 expectations. We have seven minutes left for

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1 public comment at this meeting, but I want to
2 encourage you to attend and participate in the
3 upcoming six meetings. I think my next -- it's
4 over here. Thank you. Number 2. Thank you.

5 AUDIENCE MEMBER: My name is Mark, I
6 represent a nonprofit, one community broadband
7 service provider in Ohio and also the Knight Center
8 of Digital Excellence which is the best practice
9 for implementation and adoption of broadband
10 services. We were lucky enough to receive one of
11 the FCC rural health care pilot grants here a
12 little over a year ago, and we're very pleased, and
13 thank you FCC for helping make that all happen.

14 But one of the things is we're working with a
15 number of communities in helping them to find, and
16 as Dr. Bernadette McGuire-Rivera said get the
17 proposals ready now, but the issue really seems to
18 follow in towards the administrative process. Once
19 the awards occur, are we going to expect the same
20 kind of sort of time and burdens and complexity in
21 administering and using the funds or are you
22 expecting to really streamline that process so the

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1 funds can be deployed quickly?

2 DR. McGUIRE-RIVERA: We will streamline
3 it, but you still have to be very accountable, and
4 I think in order to get the money out fast, we'll
5 be very careful in managing it and having quarterly
6 reportings, but I don't see anything other than --
7 you might want to look at our program and things we
8 have done before. I think it actually is pretty
9 streamlined. But we understand what you're going
10 through in trying to get the money spent and get it
11 spent properly. Again, we'll work with you to get
12 something that works for both of us.

13 MODERATOR: I would also follow on with
14 saying because we're trying to do this test bed
15 program, because we're trying to do things that
16 will be scalable and usable in the future, I think
17 we're going to look very closely, and we're going

18 to -- we want to make sure when we give out the
19 public's money that we give it out in a wise way.
20 So I would add that to those comments.

21 One question is can sole proprietorships
22 be eligible for the RUS broadband grant program?

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1 MR. VILLANO: It's a good comment. We'll
2 be seeking comments on that. Right now they would
3 not be, and there's nothing in the statute that
4 would preclude it. So we'll certainly look at that
5 during the comment period.

6 MODERATOR: Okay. And then I think up
7 here.

8 AUDIENCE MEMBER: Good morning. I am Tad
9 with the Mid Atlantic Broadband Cooperative. I
10 have a very large network in Virginia. My question
11 is on matching funds. We have six million of
12 non-Federal matching dollars ready to go today, I
13 have tower contractors, fiber contractors, we're
14 ready to award contracts. My question is, if we
15 award those contracts prior to any federal grant
16 award in NTIA or RUS, will those still be
17 considered matching funds?

18 DR. McGUIRE-RIVERA: That is a real good
19 question, and if it were one of our existing grant
20 programs, it wouldn't be, so we are going to go
21 back and check on that for you. So don't give up

22 hope.

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1 AUDIENCE MEMBER: Great, thank you.

2 MODERATOR: I do want to turn folks
3 attention to the statutory requirement that you
4 demonstrate that these projects would not have been
5 funded but for grant funds under this program.
6 That's not a mushy rule, that's a hard and fast
7 rule that's in the statute, and we're going to pay
8 attention to that.

9 I have another question from email.

10 Sometimes it's not just the last mile that is
11 missing. Will the cost of creating the back haul
12 for remote areas be something that is funded? Will
13 the need to create middle mile infrastructure
14 negatively affect which projects get funded?

15 That's from Steve in Imperial, Nebraska.

16 I think that's what we're looking for
17 comment on. If I had those answers, I wouldn't be
18 here right now. We need your comment on these
19 sorts of questions, and I think we all have to come
20 together and use the collective wisdom to see
21 what's the best way to spend this money to come up
22 with proposals that will show us the way forward in

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1 the future, that will help the FCC with the
2 broadband, national broadband program, but we
3 welcome your comments.

4 We have three more minutes. So who is
5 next? Down here. Thank you.

6 AUDIENCE MEMBER: I'm Alan, I'm with the
7 American Library Association, and we represent
8 America's libraries through our 67,000 members. I
9 have a comment and a question. The question is, can
10 you say any more about the upcoming public meetings
11 in terms of who gets to speak or who is invited to
12 speak or whether there will be themes or anything
13 of that sort?

14 The comment is that we hope that grants
15 or other federal assistance provided to service
16 providers to build out the broadband infrastructure
17 will give preference to those who build out
18 infrastructure to make it accessible to libraries
19 and other community organizations and will it
20 include some type of preference such as discounts?
21 Thank you.

22 MODERATOR: I think we've seen where

1 American library association is going with their
2 comments, and I think that that would be very
3 helpful to have that information in, and again I'm

4 sorry to repeat this over and over, but we need
5 your help in figuring out those sorts of answers to
6 those sorts of questions.

7 AUDIENCE MEMBER: The public meeting
8 question?

9 MODERATOR: The agenda will be out very
10 soon. If you look at the request for information,
11 you'll see a variety of topics, and what we're
12 going to try to do is have a meeting much like this
13 where we raise a topic, "eligible entities," and how
14 you would define those eligible entities, and we
15 will do our best to get representative stakeholders
16 from the folks who will be affected by the statute,
17 we will have public comment and question period at
18 the end of each of the sessions so folks can
19 participate. All of that will be web-streamed, all
20 of it will be made available, the transcripts
21 following will be made available on our web site,
22 and it will all be part of the public record and

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1 part of what we consider in designing the program.
2 Thank you. Sorry for missing that question.

3 All right, I hate to do this, but you're
4 the lucky last question.

5 AUDIENCE MEMBER: This is a quick one.
6 My name is Richard McKinney, I'm with Sky Casters,
7 we're a satellite broadband provider based in Ohio.

8 I'm hearing a consistent theme throughout the
9 entire meeting of the need to collaborate, to
10 network, to figure out exactly how we're going to
11 do things. I'm curious if, in fact, the program is
12 going to facilitate some of that by releasing
13 contact information of those of us at least who are
14 in this room so we can share thoughts together and
15 perhaps build better proposals for you?

16 MODERATOR: That is not currently in our
17 plan, but we can do our best. I know that our
18 comment site is getting up and running fairly
19 quickly, that's been one of our tasks, to try to
20 get that ready, and through that you will see the
21 scope and the breadth of people participating.
22 That's one easy way for us to try to have a place

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1 for you to reach out. I would encourage each of
2 you, you're part of member organizations, there are
3 some cross organization work that you can do
4 together and reach out using your networks to come
5 together and give us those ideas about how you can
6 work together.

7 I want to take this time to thank my
8 three panelists.

9 [Applause]

10 MODERATOR: I would encourage you to be
11 concise when you're submitting comments so that we

12 can actually read them and get them and make use of
13 them, and we'll see you March 16th. Thank you very
14 much.

15 [Applause]

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