

MODERATOR: Welcome. My name is Mark Seiffert. I would like to welcome you to our second panel today. This is a very important panel for us to get your feedback on. This panel is how should the two programs work together? How can we coordinate the two granted programs. And I think this is particularly important given the mutual purposes of the two programs. So, what we are trying to do is elicit from the panelists and from the public comment are ways in which we can set up programs that are coherent. Bob Atkinson is going to be our moderator for this panel. Since leaving the FCC in 2000 he has been at the Columbia institute for -- before that he was deputy chief of the common carrier bureau of the FCC. Now I will turn it over to Bob. Thank you.

MODERATOR: Thank you Mark, and good afternoon, everyone. As Mark said I am Bob at skin son, from the Columbia institute of teleinformation. I am not an employee of the NTIA or any government agency so my comments today are strictly my own, they are not even representing views of CITI or Columbia university. For whatever my views are worth.

Program logistics, the topic as Mark said is the coordination between NTIA and RUS on the broadband initiatives. And representatives from the number of stakeholders, up here on the stage will be participating in the roundtable discussion on that topic. I will introduce each of the speakers momentarily. Procedural each of the panelists will make some brief comments, building on the questions and topics raised in the joint RUS/NTIA request for information issued last week but on the topic of NTIA and RUS coordination. I will then moderate a roundtable discussion amongst the panelists, and with the last 30 minutes of the program to be devoted to questions or comments from the audience here in the commerce department auditorium or from the webcast and teleconference.

I am certainly hoping that based on this morning's roundtable but the presentations are going to spur a lively discussion and generate hopefully new and innovative ideas. I would observe that these roundtable discussions are part -- and the request for information was issued last week are part of an open and transparent process which all interested parties

are going to have an opportunity to provide comments to NTIA or RUS over the next few weeks. Let me briefly introduce our panelists. This is the order in which they will be speaking. My immediate left, Brad Ramsay. Brad is the General Counsel for the National Association of regulatory utility commissioners. And he represents all the state public utility regulators in courts, from the Congress, FCC, RUS, NTIA, Department of Energy, and the EPA. Which is a lot of alphabet soup.

Next to Brad is Jeff Arnold. Jeff is the deputy legislative Director of the national so, of counties, NACO. He is NACO's chief lobbyist on telecom policy and is responsible for developing NACO's policy development for all other issues. Next to Jeff is derrick Owens. Derrick is the Director of government affairs for the western telecommunications alliance. Prior to joining WTA, he was a policy advisor for NTIA and on Capitol Hill. Mr. Owens today is representing the western telecommunications alliance, the national telecommunications cooperative association and the organization for promotion and advancement for small telecommunications carriers.

Next to derrick is Mark Cooper, Mark is the Director of research at the consumer federation of America. A fellow for internet and society and fellow with the center for communications research. And our last speaker will be Mark DeFalco. Mark has worked for the Appalachian regional commission for eight years, serving as the telecommunications initiative manager in charge of the information age Appalachia program. He has 30 years experience working with incumbent and change carriers and competitive local change carriers.

As Mark mentioned, the topic for the panel is the coordination of the RUS and NTIA programs. Both NTIA and RUS have monumental job to accomplish in a short time, the implementation of American recovery and reinvestment act in the way it produces the biggest broadband bang for every taxpayer buck. NTIA and RUS have to adopt rules, develop contracts, solicit proposals, review the proposals select those that best satisfy the goals of the ARRA and the award criteria and many, many other functions -- both agencies. The purpose of the roundtable is specifically to collide NTIA and RUS with the considered thoughts and suggestions of these experienced experts as well as

input from the audience here today.

As many of you know, the coordination of NTIA and RUS is important because there are the fact -- the ARRA established two programs to promote the development and adoption of broadband. NTIA will be administering \$4.7 billion grants and RUS will institute a \$2.5 billion program in grants and loans. How did these two agencies work together so that the -- perhaps the programs are synergistic and in harmony with each other and hopefully do not conflict with each other. Can the two agencies use the same award criteria, application process, monitoring programs that might reduce some of the burdens and expedite the program? How do they coordinate the overlapping geographic areas and so the purpose basically as Mark said is to explore the ways that RUS and NTIA can be coordinated to produce the best possible result. And with that we are going to hear from our experts. Our first speaker is Brad Ramsay, General Counsel of NARU.

MR. RAMSAY: 18 years appearing on federal panels with my colleagues, this is the first time I have ever been the first speaker, and I wanted to extend my personal thanks to mark Seiffert, and Larry Ellis who shall -- Jim and Ms. Brown for arranging to get me on this panel and three or four other panels with basically one day's notice. I had a fun weekend. First thing and most important thing I want to say particularly with the press people in the room is what I say today is not necessarily NARU's policy. We are nimble but not that nimble. We hope to have formal NARU comments by the end of the week. But if you were attributing anything I should say. If you do any attributing, attribute it to me, not NARU. These are my ideas. One may likely be an NARU position but many are just my own ideas. I have basically two broad points I wanted to make. One of them is a focus on the application process itself, and the other is processing the applications once they are made. So, you can -- if it's not immediately apparent, if you didn't know I was doing this late at night, the litteration in my two bullet points will give me away. The bare bones or be buried. What I am going for there is all of us in the room that have been doing telecommunications for a long time know we can argue about the process and points until the cows come home, but there is not enough time. So the first probable restriction for a joint

application is to keep it simple and that is obviously and the strongest suggestion, is to have a single application and to have, I think, have it on line. Submitting the stacks of paper is not going to make it easier for the agencies to coordinate on what's in there, and I would think it would be a consolidated application. Specific suggestions would be to have listed at the very top, the amount and agencies and if it is a joint application, single project seeking money from both RUS and NTIA, I would suggest to the extent possible, RUS put as much money as it can into grants so that the applications, again, can be more uniform, because all NTIA is pretty much grants.

I would suggest that as they are submitted that the database they use, NARU uses an on line survey process that allows us to immediately sort thing by various criteria. I would suggest on a daily basis as the applications come in they be sorted by state, city, locality, so that it's pretty easy to see if there are multiple politics -- multiple applications coming in to serve the same area. I would suggest to both RUS and NTIA to keep the definitions broad, that allows for more overlap to extend if it is permissible. I would suggest using the statutory text where possible instead of elaborating, but I would not try to force an overlap where one does not exist, because it seems the NTIA has a little more flexibility in giving out its grants than RUS.

One last thing to mention is, to the extent that there are going to be reporting requirements, there should be templates, 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. This would make it easier for everyone. In terms of my second point, getting the right vendor. It looks like you are going to have NTIA, let's face it, small agency, RUS, they have 130 telecom people in the telecom section. They have 24 working on broadband grants. NTIA doesn't have in terms of manpower, very much, I'm not sure they've got even that many people right now. So, what's the choice? 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 they could simultaneously ensure that the same information is to the states you have two organizations here NTIA and RUS that both have to look at in common

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, and they can look at both the RUS and NTIA programs and provide a ranking together. So there will be at least a unified ranking available for the federal authorities to look at. And I will look forward to your questions.

MODERATOR: Our next speaker will be Jeff Arnold.

MR. ARNOLD: Good afternoon. It's always good to be the second speaker because I can leave things out that Brad already mentioned. But I do want to bring welcome from America's counties and thank NTIA and RUS for bringing us to the table to be part of this process. Counties around the country long recognized the need for broadband and we really believe it would be an economic engine for us. But of course in many many counties, whether it be underserved or unserved, very important to get broadband deployed. The same reason that we have underserved and unserved areas will make it difficult for us to participate in this process unless-- NTIA and RUS, we would like some internal efficiencies about the whole process. Brad mentions more grants than loans, something that we would certainly support and we would believe that in sending the politics tracking, 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. We are glad that the recovery act doesn't decide we would have undue enrichment by one geographic area by saying you can't give grants in the same locations, however, we do think there is an opportunity more urbanized counties to assist rural counties to actually use their expertise and do to peer-to-peer sort of networking and we would hope that both agencies would look at that information sharing as the critical part of the whole process. We also think that public/private partnerships, we don't have a really good track record in municipal government sector in rolling out broadband but we know that we can partner and we think

public/private partnerships are a critical element of any sort of process like that going forward. The other thing we think is critically important for us to understand where we are in broadband is accurate reporting. One of the things we have learned over time is our reporting where broadband is and how fast it is simply not been adequate to the task. We have had a couple of organizations out trying to do a better job of that, particularly in rural America, and we do hope this process will bring out a lot more information about where we are in terms of broadband in the future. Look forward to your questions.

MODERATOR: And our next speaker will be Derrick Owens.

MR. OWENS: Good afternoon. I want to again thank the folks at NTIA and obviously my colleagues on the panel up here for joining me and inviting us to participate today. As Brad mentioned, my comments should probably more be reflected as me stating that even though I have gotten some buy-off from the other associations on what I'm going to say, but attribution you should bring to me. Our companies are rural and many are providing voice, video and data and some of them are also providing wireless services. Many of our members are RUS borrowers, so it's important for us to obviously share our concerns or our views with respect to how NTIA and RUS should coordinate on these broadband programs. We believe the coordination between RUS and NTIA is extremely and highly important. As you all know there's a limited amount of resources that have been put on the table for this grant program and we believe that 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. As I mentioned many of our companies are RUS borrowers but none of them have been NTIA borrowers and we believe that 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, we believe, RUS has to look to give most of their money out through loans. We believe it's likelier to be an easier and quicker process to grant those grant applications and 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. As you have heard folks already say that should be important. 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. We believe 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, double-dipping is I think the term many folks have used. There should also be development of a notification system so applicants know the status of their application or their loan. Again, we believe processing the applications and in a rapid and efficient manner is important. Again, our borrowers through the current broadband loan program at RUS, you know, we have experienced some problems with the application process and the timeliness in which the members have been notified. And so we believe that should also be taken into consideration in this process and finally on auditing and the reporting requirements, our carriers encourage that there be a reasonable and fair audit and reporting process and requirements. Again, 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 overburden some to the telcos going forward. Thank you.

MODERATOR: Mark Cooper, next speaker.

MR. COOPER: Let me move this back, I tend to get loud. You can tell I'm a consumer advocate. I'm the guy without the tie. I am also going to do something a little different because I want to get into the substance of why coordination is necessary. NTIA data from 2008 show that rural Americans are severely disadvantaged in the broadband access. Penetration of internet, broadly defined, in urban America was only 4% higher than percentage points higher than in rural America but for broadband it was 15 percentage points higher. Three times as much of a gap. That reflects the lack of availability and high cost of provisioning broadband service ins rural areas.

At the same time, however, 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. And being a consumer advocate, I will suggest a few. 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 cost that 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. To that come to -- two that come to mind are mobile computing and internet back bone to unserved 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. I fear that if the agencies do not adopt a clear set of shared principles for allocating funds there will be chaos and

contention in the process. Thank you.

MODERATOR: Mark DeFalco.

MR. DeFALCO: Mark, you spoke like a true advocate. Good afternoon and I would like to start off by thanking NTIA and RUS for holding these workshops. I think they are important and valuable to get the input and the public record established for the way forward with this. I will start off briefly. I work with the Appalachian regional commission and most of you don't know our region or don't really know what we do. Our region, the Appalachian region contains 420 counties in 13 states. 23.6 million people live in Appalachia. 32% of our population is rural as opposed to 22% nationally. And we have 73 local planning districts that work throughout our 420 counties. Our organization is a partnership organization focused on economic development. Our federal partner is an appointee by the president with Senate confirmation. Our state partners are governors of the 13 states and local partners are the 73 planning districts. So we definitely understand the need to work together to make things happen. Our focus on broadband. 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. Business development, education, government, and healthcare. We have assisted in doing everything from fiber pools to industrial parks, wireless installations, distance learning, telecommunications, you name it we have been involved in making it happen. What is our role in this? We see a strong role for interagency coordination between not only NTIA and RUS but the FCC and other federal agencies, because the dollar are flowing from these two agencies, there is 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 quite honestly 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, unserved 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 parole on this as disseminating information into our region, providing technical assistance and making sure that the broadband flows into our rural communities. Thank you.

MODERATOR: Thank you, panelists, and thank you all for being brief and to the point. First of all, is there anybody in violent disagreement from anything you've heard? I thought I heard mostly agreement, but I would be more interested in areas of disagreement. If you could use the MIC, please. We are on the web. I think it's on in the control room. Brad?

MR. RAMSAY: I am very pleased to the extent that none of my co-panelists had no difficulty, by your silence you are supporting the notion that having local and state authorities involved in the validation process is a good idea?

MODERATOR: Let me ask. This is sort of on my list. 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: Obviously it came from me, but I would say yes.

MODERATOR: I knew you would say yes.

MR. OWENS: I would like to comment on that. I think state involvement is good in the sense of helping make sure that you get -- 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. And there's also a concern with adding an extra step in the process, when we are trying

to make sure that these moneys go out quickly, recognizing also that there should be some accountability for these projects. And I think you can help in that sense, but if you are talking about actually making determinations on who received the funding or not, then I think that might be a concern for our members.

MODERATOR: Mark Cooper?

MR. COOPER: I would second that in the following sense. The point of my comments is 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, and while we figure that government is best with governments closest to the people there are ways to get closer to the people, cities and counties and non-NGOs. And so I think handing the states as potential grantees would be fine, but not to the exclusion of other state and local entities who could actually, you know -- who know the people, know their areas. I understand that governors know their areas well, but rural cooperatives know their areas well and can be actionable users. Those lower level entities should be encouraged to find some way to aggregate their interest up at least on the state level so you might have a state-wide association of telco companies or consumer action companies put together one grant which but I certainly wouldn't want the states to sort of just then become the second place we have another round of a battle over how the money should be used.

MODERATOR: You weren't here necessarily on the morning session for eligibility. Some of the panelists were suggest a fairly significant state role for determining the eligibility criteria. Other panelists had a different view. But very much on the same lines you describe here. The state versus -- state involvement is coming up in a number of areas. Jeff?

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: I honestly believe the only way this is going to get done, this was not an NARU

proposal yet but this was suggested by one of my Commissioners through the officers of his governor, and the suggestion was basically that the states with certain centers from NTIA to do it, but the states do an evaluation of the proposals and provide a ranking. NTIA would make the final decision, but in terms of, you know, the state would not make the final call. They would take the stuff and rank it based on the criteria that NTIA and RUS establish for each of the grants. Do the evaluation. You only have two choices here. I think that people keep making the case not thinking about what happens if you don't have the state involvement. If you don't have the state involvement, then you are going to have probably a bunch of consultants in Washington who know very little about the state, calling my state commissions, because this is what has happened to me in the past and trying to get information from my state commissions to try to do the evaluation, instead of having the state -- let's -- in most cases where this is being considered in the number of states it has been, the state commission for obvious reasons has been considered the obvious place because at least at the state level they are the one that has the knowledge and expertise of the infrastructure, they are the one that gets complaints when there is no coverage. They were the ones who take the political heat when it doesn't work. So not only is there an additional layer of accountability but the likelihood that the grants get out in a timely fashion. I mean it may not be the optimum solution if you have a five or six-year program to do this, but we have under two years to do the evaluations and get the money out. So my suggestion is, instead of a lot of consultants in D.C., if they are submitted online in a unified method where the states can access. Again, with suitable incentives and there are a couple of ways to go about that, and I believe my predecessor will be discussing this as one of the sessions later but this is probably the fastest way to get the money out to probably the most efficient way to target it also. There is no perfect process and my only suggestion is, letting people who are familiar with the jurisdiction understand what is going on in their state, have a shot at making the ranking of the politics in terms of what's the best bang for the federal dollar is much better than having a bunch of consultants in Washington

who are going to have five months, may not be familiar with the state or know anything about it come up with ranks of which state is going to be good.

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. The way this is laying out right now, the mapping is going to be done at the same time initially that the first grant is put in place or the first cycle of grants are put in place, so the states are probably in the best position to know what rural areas need the coverage in the first-round of funding. So we would be strongly advocating the state role in this process.

MR. COOPER: I have to say a little bit. The NGO's don't have a lot of consultants in Washington. And replacing consultants in Washington with consultants in Albany and spring field, I'm not so sure we are making a lot of progress that way. I will agree that if you're going to do it that way, the NTIA and RUS have to come up with some very, very specific criteria, so that it's not really a lot of discretion to the governor or PUC. If they are truly just evaluating against a set of criteria, those criteria are going to have to be really, really carefully defined or else you get into what is essentially a lobbying ballot for PUC, and that's what PUC's don't do it happens in governor's offices so if the 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: We have a question coming in from the outside world that relates to this. Perhaps part of the question is, how many applications are you envisioning? If it's millions you may have one view, and if you are only envisioning relatively small numbers. The question that came in was -- 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?

If each of you have a particularly strong view on this, state involvement, give some idea of the

scale and scope of your vision.

MR. RAMSAY: The only thing I will say is the more popular states are much more likely to have many more applications, and I would be -- -- and I would be surprised -- for California, I would be surprised if there were not thousands if not hundreds of thousands --

MODERATOR: To both agencies?

MR. RAMSAY: Let me take that back. It depends on how they structure the grant proposal and grant project, where I think people that are accustomed to using RUS or its long-time clients, if they structure the grant program slightly differently and make clear that it's available, yes, I think people will go where the money is. With the smaller states, smaller populations, there will be correspondingly fewer projects, I would think.

MODERATOR: You made your initial proponent of having a state screening process so you are envisioning lots? Right?

Is there anybody who is envisioning much fewer?

MR. ARNOLD: I know we are talking about thousands -- I mean thousands across the country I know hundreds of counties that expressed interests. I talked to our large urban county caucus and they have a number of underserved projects they are going to apply for you are going to have independent cities, and counties and regional areas that have a number of programs ready to go.

MR. DeFALCO: We think you are talking about thousands. When NTIA put out the first public notice about the first meeting when they were going to start accepting things in the first of March they had thousands of inquiries wanting to set up meetings and the vast majority of these were potential grantees, wanting to get their foot in the door and make a pitch for the program.

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. And I know for WTA alone, my members have told me they intend to submit applications whether it's for the RUS or NTIA.

MODERATOR: And your companies have had experience -- actually experience for the RUS.

MR. OWENS: Yes.

MODERATOR: Are they running hundreds of application as year through RUS or is the scale --

MR. OWENS: That I don't know and I see John Claffee here. He could probably tell me more. But I think it's a substantial number of applications.

MODERATOR: And you mention problems in that process at that level.

MR. OWENS: The problems have been one, notification that, you know the application has been received. There is also some issues with not getting back to the applicant's quick enough or at all, if there is a problem with the application. So, it stays out there for a number of months, if not a year or so. And you know, I know the folks at RUS are working hard on these thing, but sometimes it takes a while for them to get back into notification mode, back to the applicants themselves on what the actual problems are, and how the telcos can go ahead -- what the actual problems are and how the companies can go ahead and fix the problems.

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, at least, you will get inundated with thousands and thousands of applications.

MR. RAMSAY: And there is at least -- I know of several states that are looking at performing an aggregation function.

MODERATOR: I will switch gears slightly. Brad you made a comment, and I certainly encouraged a lot of discussion. Mark, you raise add question, you suggested fairly strongly that half of the 742 billion should be infrastructure, and half the demand, the other innovation issues, split in half. I would be interesting in hearing reactions from -- this question came from the outside, too -- reactions to Mark's proposal, and should we be going for maximum coverage at minimum speeds? Which I think was implicit in mark's comment.

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. And we cannot afford -- we are real, real strong on this. We cannot afford to take these rural areas and give them adequate coverage today which is not going to be the applications for tomorrow. If we do that, then we are going to be back in this same situation in a couple of years where they have broadband and they have low-speed DSL service and what they need is something far more robust and the urban areas have FIOS in place or U-verse or fast cables and these rural areas are left behind with a slow speed service. So we really don't want to see that happen.

MR. COOPER: I agree with that. We ought to meet the standards that fits the full range of applications that people use for today and it's not slowed down. Second of all I want to talk about what I call no-regrets policies. The concern is, well, if we pick a standard, we will be -- we will sort of fall behind fairly quickly. And I agree that is a mistake. But what I have identified, I think is two services or facilities that actually are durable. Mobile computing is going to be part of the communications face in the 21st century. Mobile computing is probably not going to be as fat and fancy as those big wires, but it's going to be useful for county governments for consumers. So this is a no ingress investment that will be around for a long time. The second one that will be around for a long time is internet back bone. We lack internet back bone in rural America, and no matter where the network eventually goes, that future network where we are not exactly sure where they go, we are going to need that back bone. It turns out that those two investments if made today, not only give you those durable services but they also give you a much higher standard, capable of giving you a much higher standard than is available in rural America. So 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: I was just going to say something extraordinary, \$7.2 billion, candidly is not that much when you look at this sort of effort. And when you look how the recovery splits it out into pieces it's really not \$7.2 billion. And if you are going to split off a chunk of money for driving demand or education, you begin to lose the purpose which is

doing the thing mark was suggesting, getting the back bone out there, getting the mobile computing out there so at least this round of funding our perspective would be, let's 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 be giving 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 needs to be on line, I already said this -- and you can just start listing the criteria, and it kind of organized itself. I was playing around with the process in which you put in an application.

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, different packages you can use to evaluate, RUS seems to be -- and we will leave it to the RUS people that we dealt with it says 75% of any project has to serve rural areas as defined, and it's a different definition of rural. So.

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, I would need to look more closely into that. But clearly the 75% definition in the statute is a big issue. Where NTIA doesn't have that requirement right now. So there is some differences there. But to get back to the question you asked about, you know, 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, okay, these are applications that qualify or can be considered for this grant. And looking at the criteria that is already set out is a good example, but you know, the project itself, the costs, the area, isn't shovel ready, those types of things I think on an initial page would be very helpful and help streamline

the process.

MODERATOR: Mark?

MR. COOPER: If the agencies determine that there is a barrier in the statute towards a really comprehensive evaluation across the two programs -- and there may be -- I am not a lawyer, so I will let the lawyers fight it out, and they will, for sure. Then I would argue that the NTIA grants should shape themselves and compensate for the hard allocation in rural America. I described the conflicting problems in the data, the fact that the overwhelming majority of unserved were people who have no alternative are in rural America but the overwhelming majority of people who don't have broadband service are in urban America. There is a contradiction there -- not a contradiction but there is a conflict when allocating a small sum of money. So 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. My 50/50 was just rough justice. You walk into court and tell the judge you want rough justice, the judges tend to nod their heads.

MODERATOR: The other Mark?

MR. DeFALCO: There is also some differences, the intent is to have a similar process but RUS right now most of their loans today go to rural telephone companies, private sector providers, the guidelines for NTIA are going to be unless you get a waiver, it's going to be a public waiver or NGO for their grants, and then you have the fact that the RUS today, their loans are going to be -- whether it's 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, and make sure that the intent of what they are trying to do, the application process to the degree that it could be similar would be a good thing, but they can't be identical because quite frankly, they are reaching different audiences to a certain degree and they have different programs than 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, 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 saying, this is for this state, this is for this -- 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. They both have to know under the stimulus Act, that the same money is not being used to do the same thing. So it's a requirement, whether it slows it down or speeds it up, they have to coordinate at least to that extent and it may turn out that's probably the greatest --

MODERATOR: Are there any other -- that's a good point in terms of the statute itself requiring coordination. What other part -- 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 unserved 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. And to go back again, to the application in the two agencies, just because RUS has run two different programs in the past, I think this provides a good opportunity for them to revise their application -- 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 you a good amount of that data in previous applications. Now you can just convert it to one application and submit for both programs, and not go through that added extra expense.

MODERATOR: I would like to alert the audience that we are approaching the 30-minute to go mark. If you have some questions, if you can assemble at the four microphones, and we will begin those

questions or comments in a few minutes.

Let me raise an issue that came in from the outside. The panel is addressing coordination between two grant programs. We have also heard from both NTIA and RUS that the two programs want to work together jointly funding certain projects and those projects cost jurisdictions -- cross jurisdictions from rural to non-rural areas. In these cases doesn't it make sense to extend the program to whether the applicant is a socially and economically disadvantaged small business concern as defined under section 8 a of the small business act. If not we could have a scenario in which a prime contractor has contracts for the regional build out but feels there is no reason to engage them for the RUS part of the project. The question S doesn't it make sense to extend to the RUS version of the program whether the applicant has a disadvantaged small business concern?

MR. COOPER: That's a weeds question. That's in the weeds.

MODERATOR: The outside world is concerned about what's in the weeds.

MR. COOPER: That shows you that the majority of the people out there know exactly what they were going to apply for so you are going to get 10,000 applications. One of the reasons that the agency thought as a holistic view, is maybe to avoid that sort of conflict. If you can take care of the entities that claim a special status under NTIA without incurring a need to bend the RUS rules and get yourself into a court case, that may be a way to manage it. To avoid as many of those conflicts as you possibly can.

MODERATOR: All right. I think we might go to some questions. I have got a ton from the outside world. But we've got a number of speakers lined up. So if you could, two ground rules. First identify yourself. If you are going to make just a comment, make that known at the beginning. And if you are going to be asking the question, if it's to any specific person, alert them to that fact. Question, comment, basically there is a minute, there is a timer up front, it will start flashing and doing things when you reach the one minute mark and we will try to keep the comments and questions in that sort of area. So this is microphone number one and we will go around in clockwise direction.

#01: My name is David Sowe I am a consultant with the New York state program office. We believe the integration between NTIA and RUS should be in consultation with the states in prioritizing projects which align with an established state broadband statute. It's inevitable that both the NTIA and RUS will receive a large number of applications for both programs. For this reason we would encourage both the NTIA and RUS to work in collaboration with the states to review and prioritize projects. And of course make the final funding decisions. States that haven't established broadband authority such as the New York state council for universal broadband have a unique vantage point of being able to step back and see the entire picture, and how each project provides the broader goals of providing 100 percent availability and property leverage and mixed projects in both rural and urban settings.

MODERATOR: That was a comment. Thank you very much. Microphone number 2.

#01: My name is Jerry Leonard I am here for telecommunity, which is a collection of local governments. I guess to start with one quick comment, terrific panel, all coordination. I think local governments especially as Jeff mentioned urbanized councils would love coordination because there is a lot of folks that both NTIA and RUS programs that they would be eligible for.

I think though my question like Brad's comment will hijack the panel and that is we are getting to the state role and I guess my question for Brad and the gentleman for Appalachia because you both embraced the state gating of the process is 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. And 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: I will answer your first question. In terms of -- the first thing I should say is it won't be the state commission in every instance,

it would be an entity that the governor design Yeats under the proposal that we have been looking at. 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 -- provide advice would be ranking them I don't see them as a conflict in terms of they were not exerting any authority, people who are submitting these applications are submitting them voluntarily because they want federal money. The statute specifically allows for consultation with states. And I assume the governor has some authority to suggest who should provide that consultation within the existing statutory enabling -- you know, if the governor says state commission, I would like your advice on these infrastructure projects, I don't think they are going to need new legislation to give the governor or assistant governor in that process. What is your second question?

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 -- rural the area is, the more difficult it is to provide the service. There is an issue here that the panel earlier in the morning discussed the concept of economics making the business case, so each state is in a unique situation. We think that the governor's office in the state, and we agree it's no the governor's state commission necessarily but there is past course ins several of our states, there is broadband groups, North Carolina has the ENC group that is not working with the public service commission but is still doing wonderful, wonderful work. 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.

MODERATOR: Number 3?

#01: My name is Louisa Hamden, I am with RUMPA USA. My question pertains to the coordination of NTIA and RUS. Well, let me preface by saying that RUMPA is trying to bring together consumer groups and others that are in rural areas or underserved areas and we have a blog that has been active in the past few days and we tend to bring together all the parties interested in pushing for the stimulus package to work for them. My question is, 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?

MODERATOR: Is it possible?

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. If you force a single technology into those places, you really do end up with one of two possibilities, crummy service or extremely expensive service which cuts down the number of lines, number of households that you can serve. And that's why I think we need to do two things, 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. And the consultants who are running around, at least as many with technologies as with other kinds of plans. So there are, in fact, competing technologies that can fit better in different places. One answer I think and a couple of people have mentioned it, is that now that America is focused on broad band, you discover very quickly that there are a lot of people who know they are not served. So when you go out to the county governments, when you go out to the rural co-ops, when you go to the community action agencies and these mutual agencies, they have a good idea of who is not served. What we have to do now is sort of organize and aggregate that data and then I think let the technologies fit the needs. I think it's a mistake to assume that everybody can be served by one technology.

MODERATOR: Microphone number 4?

MS. Lynn: My name is Joyce Lynn Tate I am with the media telecommunications council. This question is for Brad specifically and generally anyone else who has input. The RFA requests comments on NTIA/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?

MODERATOR: I don't think Brad can answer will, but maybe should.

MR. RAMSAY: Yes, should. But what I said.

Initially Bob told us to keep it under three minutes or he was going to use the Kane. So I was pretty brief. But there should be -- application forms should list -- I am hoping the application form itself will show there is an overlap by listing criteria, and there will -- there are as the panelists have suggested, be different criteria for RUS.

AUDIENCE: Will that address the comments as well that will be applied, not just the applications but the comments?

MODERATOR: I think the comments are wide open. In fact, the one thing I have heard from everyone at NTIA and RUS is, give us all your ideas in as much detail as you can. They are looking for information and ideas and your comments. So it's wide open.

AUDIENCE: Thank you.

MODERATOR: I got a call --

MR. COOPER: I think it's really important to take those comments seriously. And I would encourage every legal argument anyone can muster as to why we ought to view this as a common program so we can get a rational best solution that should come in those comments so we build an evidentiary record for defending the best outcome we possibly can get.

MODERATOR: I have a question from the web. I will direct it probably to derrick. "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 I will change that to should -- or should RUS be flexible in how those regulations apply to funding?"

THE WITNESS: I hope those reg's 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.

MODERATOR: I should mention that question is from Patrick Pearlman with the western consumer advocate division. He had a follow-up and I am changing the verb so you can answer it. "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?" Anyone?

MR. RAMSAY: I think I have already answered that question. Yes, Pat, thanks for the question.

MODERATOR: We will go back to the microphones. Number one, please.

#01: Rose: The panel discussed nicely how we can coordinate between RUS and NTIA the. That was nicely discussed. During your discussion I heard 3 dimensional issues, one is coordination between NTIA and RUS the other is coordination between services and technology and what you decide. Thirdly, is how to record it within the state and local. If you go back to history, he had Edison invented electric and Bell invented the telephone, they didn't talk about speed they came up with a common interface, and a common interface may be a suggestion that can solve these three problems you mention, which brings out the best of broadband, anything, anywhere, any time as time goes on can be connect. So I suggest the panel to consider specifically coming with a standard user interface, regardless of technology or regardless of service, that different broadband applies 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. Thank you.

MODERATOR: Thank you for the comment. And I will bring in one more question from the internet from 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 is small companies do not V. 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: I think to the fact that everything is standardized that, 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: And the other thing is 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.

MODERATOR: You assume that someone has broadband so they can see the on line application.

MR. RAMSAY: I am assuming they can go to the library.

MR. COOPER: I can't imagine that NARU 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 have -- make it easy for NACO to help their members.

#01: Linda, tech strategies, I have two questions, one from Mr. Ramsay and one from Mr. Cooper. Mr. Ramsay, with regard to the could be accept of state screening to target helping push this process forward due to the high volumes, 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 and 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.

MODERATOR: Brad, first.

MR. RAMSAY: First off, the statute originally said or one of the statutes initially said that NTIA shall or would after -- now it's may. But in either case Congress didn't legislate an issue basically that that option be available. It did not say that NTIA consult with the states, but not if the state was the aggregate of the project. That is not in the statutory text. So in terms of the statutory text, 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, but even if that were not the case, it is not inconsistent with the statutory scheme in the grand interests of Congress.

MODERATOR: Is that a conflict of interest?

MR. RAMSAY: Congress could have given block grants to the states and the states would have had unlimited discretion. Is it a conflict of interest is? It is one that Congress chose to allow without condition. NTIA consultant states, on whether we use the more formalized approach that I believe NARU will be coming forward with, state evaluation, if you take that tact.

MR. COOPER: The institutions you mentioned are ideal local connectivity points, where you do in fact, put in -- a lot of capacity, and they become perhaps the origin point for reaching out in first mile for residential. So, I am well aware of those institutions, the things we talked about, the schools, libraries, hospitals, government buildings, as key connectivity points. The interesting point is that if you go through and look at, go through the newspapers and go throughout articles that we have seen, if you look at the applications that people say they really need to bring rural America into the broadband age, you can design delivery of services to those institutions, extend the service at those institutions into the surrounding areas, a choice of technologies, and actually meet all those felt needs out there in rural America.

MODERATOR: Number 3?

#01: Good afternoon my name is Karen Ruby and I am the medical Director of the 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: I would be happy to take that complement. 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.

MODERATOR: I think your comment would be equally appropriate and if you would stay on the next panel, telemedicine subjects like that are being discussed.

MR. RAMSAY: The comments I have had is there is a real interest to the maximum state possible in coordinating all the interstate moneys to state grid to the maximum amount possible. The problem in terms of a formal coordination is there's just not time. There may be time -- in other words, I fully expect there will be IT application that is come into NTIA and we will be smart politics, applications that deal with smart grid that coming into NTIA and other agencies, but I'm not sure trying to get some kind of common application that cuts across all these programs is doable in a year. Year and a half and getting the grant money out statement.

MR. COOPER: In the advice I'd give to the groups I am working with is I think there is time in this sense, that is they need to look across all the agencies they deal with and present a proposal that I say lights up a community. Lights it up with the physical infrastructure, the NTIA support for training, but also looks at HHS and other agencies so that when the -- we invite the president to come out and do the ribbon cutting in eight months you can point to a full range of impacts across all these agencies telemedicine from HHS, training from NTIA, infrastructure from RUS. I think that is what will distinguish applications and maybe make them not look like they were written by inside-the-beltway consultants.

MR. RAMSAY: And probably get a much better shot than any of the agencies of getting to the top of the list.

#01: Thank you.

MODERATOR: I have a number of questions from the web on telemedicine which I probably will save for the next panel. We have other speakers on that other topic and telemedicine seems to be a very interesting topic which a lot of people are interested in. Microphone number 4?

#01: I am Lisa Chantaller and I direct the office of rural and small systems at the national cable and telecommunications association and we strongly support coordination between RUS and NTIA, and going to Mr. Ramsay's earlier point about having an open and transparent process and applications on the web, I think 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, so that the state, the agencies themselves will have the most wholesome information available, particularly the order of mapping on the bill.

MR. RAMSAY: And I would say that's just one of the reasons why they should have it at the very beginning. When I was toying around with this and we only had three or four minutes, one of the things you would list at the beginning of the application is what is the current level of service, what types of services are provided and most importantly, where are you getting the information to answer these questions? What is your source? Did you do surveys, call the companies, et cetera, et cetera, and if it is posted on line and sorted daily by state or locality, presumably would you have the opportunity pretty easily to look on line and see if someone was misrepresenting the level of coverage in their application or perhaps could you know the actual level of coverage in terms of where the application is being submitted in those geographic areas.

MODERATOR: Microphone number 1.

#01: David with the shovel ready projects. Two questions. First with Mr. Ramsay. How can you be assured if the states -- if the projects -- if the states rank the projects they won't be biased towards their on networking plans? And the second question is for all the panelists, the RUS confront 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: Let me just point out Mark mentioned a while ago that states are going to know more about where the unserved is and know more about the state and where the problems are than anybody else. There are problems with any process, the cure for you

is that the states in this circumstance, although I hasten to point out, the statute requires consultation, it doesn't require the states to agree to provide an evaluation based on the NTIA criteria, and that is kind of what I am suggesting here. So you have a little bit of protection 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. That's the protection against bias.

MR. OWENS: I would just say on the loan guarantees issue, we have a lot of companies, rural companies in particular who are taking on obviously a lot of debt right now. So that may be an option of seeking grant money, because one, they may not be able to or not want to incur any more debt than they already have on their plans, so a grant would be a good opportunity for them. Again, we see the grants just from an expediency purposes 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, the rates are pretty low.

If you get a loan rate of 1 percent or so, that may encourage a lot of companies to actually look at that.

MR. DeFALCO: Assess I said earlier the economics of rural broadband deployment are very difficult. Two things happen, the deployment costs go up, because the topography and distances between subscribers and because it's so rural, you have fewer subscribers so therefore the more rural the application, the harder it is to make it work with a loan or loan guarantee. I think 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, whoever that provider is 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 even with a very low cost loan even with a no interest loan, I have to be able to recover the investment I am making, and in some of these places, the population just does not allow the revenue stream to cover the deployment costs.

MR. COOPER: I will give a different answer

to the loan and grant question. The one thing I really care about is when those loans and grants go out, 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 so one of the things we will look very hard at is how does the value the taxpayer is putting into the building of the infrastructure get reflected in the rates charged to the public. Thank you.

MODERATOR: Number 4? You may be the last.

#01: Lawrence Peters, national education foundation. I want to talk about two points. One the 80 percent which the feds are going to provide, obviously 20% is going to come from the locals. 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? Over to? ?

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%, that's another important element of the discussion, absolute hard cash match, are facilities included? Those are big questions that are still outstanding, there is a waiver opportunity, what status of a waiver, how do you apply for that, there are a lot of questions yet to be answered.

MODERATOR: Just to comment on that particular comment from the web, basically from the Craig noble at all high speed network in Vermont's largest -- and his view there 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 among other comments. So that was a relevant comment from the web. Any other questions in the audience? No. I have a number of other questions that did come in today, but I think they are more suitable for the next panel on innovative programs and sustainable adoption. And the expanding public computer center.

So I will hold those. I would note for people on the web and teleconference that any comments that did come in that I haven't read yet or may not yet to, will go in the public record, they are being read, they will be read and are being read by NTIA and RUS staff people, so your comments are heard. Keep those cards and letters and e-mails coming in, because it's a great way to have your voices heard. On that note, I think we are just about on time, so I would like a hand for our panelists. It has been a good discussion for RUS and NTIA coordination. We will be reconvening at 2:45. 15 minutes. The topic is roundtable on innovative programs and expanding public computer centers. Thank you.