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California Association for Local Economic Development

February 14, 2007

Ms. Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: WT Docket No. 07-16
M2Z Networks, Inc.'s Application for License and Authority to Provide a National Broadband Radio Service in the 2155-2175 MHz Band

Dear Secretary:

The California Association for Local Economic Development (CALED) is California's premier statewide economic development organization. Founded in 1980, CALED now includes over 700 members, who represent cities, counties, state and federal agencies, economic development corporations, and the private sector. As the Chair of CALED's Board of Directors, I am writing to express the Board's enthusiastic support for the type of service proposed by the spectrum license application that M2Z Networks, Inc. (M2Z) has filed with the Federal Communications Commission (FCC), to provide affordable wireless broadband Internet access to 95% of the American population, with an emphasis on underserved areas of America.

Broadband access is now essential for meaningful use of the Internet. As The Tomás Rivera Policy Institute in Los Angeles stated in an October 2005 report, "[e]very sector of our society – from commerce, education, health, government and entertainment – increasingly benefits from a high-speed Internet platform and technological convergence to remain productive, innovative and relevant," and that "broadband is less a luxury than a necessity."

National, state, and local government leaders have all recognized the importance of broadband Internet access. In March 2004, President Bush stated that this country should have "universal, affordable access for

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broadband technology by the year 2007." He understood that competition among broadband providers will lead to lower prices and increased broadband access among the American public, which will help keep America competitive globally. In October 2006, Governor Schwarzenegger formed a California Broadband Task Force, comprised of government and business leaders, to report and make recommendations to the Governor and to the Legislature concerning ways to increase broadband access and to remove barriers to such access, including administrative barriers. California is not alone - other states, such as Kentucky and Ohio, also have broadband initiatives, which reflect a similar recognition of the importance of broadband access to their states' economies. Counties and cities all across the country are actively exploring ways to deliver affordable, universal broadband access to their residents. For example, San Francisco is considering a public-private partnership with EarthLink and Google that would provide free broadband access for that city's residents, in the belief that such access will foster community development, economic development, and government efficiency and better equip residents to compete in the global economy.

There is good reason for the widespread government interest in promoting the availability of high-speed connections — broadband access fosters economic development. In February 2006, the U.S. Department of Commerce's Economic Development Administration (EDA) issued a report in which the EDA concluded that "[b]roadband is clearly related to economic well-being and is thus a critical component of our national communications infrastructure." The EDA found that "between 1998 and 2002, communities in which mass-market broadband was widely available by December 1999 experienced more rapid growth in employment, the number of businesses overall, and businesses in IT-intensive sectors, relative to comparable communities without broadband at that time."

The issue is no longer whether ubiquitous broadband Internet access is vital to this country's ability to create jobs and to remain competitive economically — it is. The real question for policy makers is what can be done to facilitate broadband access by a greater portion of our citizens. In 2004, the United States was ranked 13th in broadband penetration according to the International Telecommunication Union. In that same year, President Bush called for universal, affordable broadband in this country by 2007. Since 1994, our ITU broadband penetration rate has slipped to no better than 15th and the President's goal of ubiquitous reasonably priced broadband is not yet in view. A new direction is needed. The Commission should support innovative, thoughtful solutions that are capable of meeting the challenge.

M2Z has proposed a way to deliver affordable, universal broadband access to 95% of the American population, by using spectrum that lies fallow, by using only private funds, by providing a stream of revenues to the federal government that would increase over time, and by making Internet access safe for children. M2Z's proposal represents exactly the sort of innovative, public-private partnership that ought to be encouraged. M2Z's proposal would complement efforts by state and local authorities to expand broadband access and would help the market for broadband access to work more efficiently, by increasing competition and reducing prices.

In sum, with M2Z's application, the FCC has an opportunity to create value for the American public on a grand scale. CALED's Board of Directors therefore encourages the FCC to approve M2Z's application at its earliest opportunity.

Thank you.

Sincerely,

Paul Saldaña, CEcD
Chair of CALED
President and CEO of Tulare County, Economic Development Corporation

cc: Fred Campbell
John Branscome
Barry Ohlson
Aaron Goldberger
Angela Giancarlo
Kathy Massey
Joel Taubenblatt