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April 13, 2009

VIA ECFS

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W., Suite TW-A325
Washington, D.C. 20554

**Re: GN Docket No. 09-40;
Comments of Great Plains Communications, Inc.**

Dear Ms. Dortch:

On behalf of Great Plains Communications, Inc. ("Great Plains"), attached for inclusion in GN Docket No. 09-40 is the Response of Great Plains to the Joint Request for Information issued by the National Telecommunications and Information Administration ("NTIA") and the Rural Utilities Service ("RUS") in Docket No. 090309298-9299-01. These comments respond to questions posed by NTIA and RUS concerning the statutory provisions of the American Recovery and Reinvestment Act of 2009.

This Response is being filed with the FCC for inclusion in the above-referenced docket via ECFS. Should you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Michael R. Romano
Michael R. Romano

Enclosure

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**Before the
DEPARTMENT OF COMMERCE
National Telecommunications and Information Administration
and the
DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

In re)
AMERICAN RECOVERY AND) **Docket No. 090309298-9299-01**
REINVESTMENT ACT OF 2009)
BROADBAND INITIATIVES)

**RESPONSE OF
GREAT PLAINS COMMUNICATIONS, INC.
TO JOINT REQUEST FOR INFORMATION**

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COMPANY PROFILE AND EXECUTIVE SUMMARY

Great Plains Communications, Inc. (“GPC”) is a communications provider serving approximately 28,000 subscribers throughout rural Nebraska and portions of South Dakota, Colorado, Kansas, and three Tribal reservations. The company is family-run, is the largest locally owned telecommunications service provider in Nebraska, is a significant employer in the areas it serves, and has a tradition of more than ninety-nine years of service. GPC’s service territory covers 14,000 square miles, an area greater than Connecticut, New Jersey and Rhode Island combined, with an average density of fewer than two subscribers per square mile. Since GPC’s service area is very large and lacks population density, the company requires long transport routes for Internet connectivity and “middle-mile” transmission to provide broadband service to its customers. Despite these challenges, GPC has made significant strides to deliver broadband access to the towns and nearby surrounding areas within its service territory. But because of such challenges, there are users in GPC’s more remote areas who can only access the Internet at lower speeds (including dial-up) or through satellite service offerings.

GPC looks forward to applying for funding under the American Recovery and Reinvestment Act (“Recovery Act”) to extend the benefits of broadband to those unserved and underserved users within its serving area and to enhance services to certain key community institutions such as schools, hospitals, and public safety agencies. While to date GPC provides broadband service to the many towns it serves, and accordingly to the healthcare organizations, schools, libraries and public safety agencies, the extremely high costs of providing comparable services far beyond that scope in very rural areas have been prohibitive. Availability of broadband services is particularly critical to the economic development and commerce for farmers, ranchers, and other small businesses that live and reside in areas like those served by GPC.

The Recovery Act represents an historic one-time opportunity to provide broadband service to these consumers. The statute makes clear that funds should go to projects that would not have been built within the next several years without such funding. In the most rural and remote areas of the country, however, the issue is not whether the facilities would have been built in the near term; because of the expense of facilities deployment, the issue in such sparsely populated areas is *whether broadband could ever be deployed economically*. If the chance is missed here to extend broadband to customers who are the only users for miles around in the nation's most rural locations, the unfortunate fact is that some of those customers simply may never receive broadband. Thus, GPC believes that an overly narrow focus on the absolute number of customers served by a project is inconsistent with the objectives of the Recovery Act, would run the risk of ignoring worthwhile projects, and would potentially leave large portions of the country with particularly high costs unserved or underserved. Instead, the agencies should make sure that there is an equitable distribution of broadband funding among areas with varying population densities and long transport distances, with careful attention to *all unserved and underserved* customers -- including those customers in the most remote and rural areas who might not receive broadband for years to come, if ever, if they cannot get it through this historic, one-time funding event.

With respect to the structure of the funding programs, GPC's responses herein emphasize that grants should result in: (i) immediate deployment of new or enhanced broadband infrastructure to these customers who have had little or no chance for such access in the past; (ii) a sustainable broadband infrastructure premised upon sound business planning; and (iii) job creation. To achieve success on all three fronts, the timeliness of funding and deployment must be carefully balanced with responsible use of the funds made available under the Recovery Act. Accordingly, GPC believes that requirements and conditions that are rigorous, well-defined, and reasonably related to

the purpose of the programs must be in place not only for post- project compliance, but also before and during the course of the project. GPC is prepared to meet any and all such reasonable published requirements and conditions. GPC's responses herein to the Joint Request for Information elaborate on how such requirements should be defined, implemented, and administered. GPC's responses to some of the key questions raised in the RFI are also summarized here for convenience of review:

NTIA QUESTION 1 (PROGRAM PURPOSE) -- To ensure that the program is most efficient and has the greatest impact, NTIA should give itself flexibility to fund each worthwhile application and should avoid allocating a pre-determined fixed percentage of funds to each purpose under the Recovery Act. NTIA should, however, create an evaluation system that encourages and rewards projects that will serve multiple statutory purposes.

NTIA QUESTION 3 (ELIGIBILITY) -- To maximize the potential for job creation and efficient deployment of broadband services, NTIA should find it is in the public interest to award grants to any entity that can show, among other things, it has the financial capability to perform, it is experienced in deploying broadband infrastructure, and it will begin and complete the project in a timely manner.

NTIA QUESTION 4 (SELECTION CRITERIA) -- To ensure that projects are both built and sustainable, NTIA should consider both the proven capability of the applicant as well as its financial strength. NTIA should seek specific details from each applicant to confirm whether the project would not have been built *but for* the federal funding. It should give the greatest weight to projects that serve multiple purposes, especially in rural areas that are likely to contain both unserved and underserved pockets of users. To promote cost-effective broadband that will stimulate adoption, NTIA should also ensure that funding can be used both for local infrastructure as well as middle-mile and backbone needs.

NTIA QUESTION 7 (SUSTAINABILITY) -- Sustainable adoption requires a focus on the barriers to broadband services rather than just building broadband infrastructure. NTIA should encourage projects that *both* deliver much-need infrastructure *and* seek to stimulate adoption through affordable service offerings and other measures.

NTIA QUESTION 9 (GRANTEE CONTRIBUTIONS) -- Matching funds are a key requirement of the long-term sustainability of the project; they demonstrate that the applicant is invested in the successful construction and implementation of the project.

NTIA QUESTION 10 (TIMELY COMPLETION) -- To satisfy the purpose of immediate job creation, NTIA should deploy most of the funding in the first grant cycle. NTIA should require detailed project plans from applicants that will allow project monitors to confirm progress toward deployment of broadband infrastructure.

NTIA QUESTION 11 (DEOBLIGATION) -- NTIA should track progress on broadband deployment through monthly reports and other measures, and if it finds significant and repeated variances from an established project plan, it should have the ability to deobligate funds once reasonable correction measures are exhausted.

NTIA QUESTION 13 (DEFINITIONS) -- Whatever nondiscrimination and interconnection obligations NTIA adopts, it is most important that they be precise, clear, reasonable, and published prior to application windows opening. NTIA should also consider what it can do to ensure that rural broadband providers have equitable and nondiscriminatory access to transport and backbone facilities that are needed for the success of the program -- *i.e.*, to ensure that remote users can affordably connect to centralized Internet gateways at high speeds.

RUS QUESTION 2 (PROGRAM ALIGNMENT) -- RUS and NTIA should coordinate in considering individual projects for funding, but there is no simple formula to reconcile the terms “rural,” “unserved,” and “underserved” between the agencies. The agencies would be better served by looking at whether each project “solves” the “problem” it identifies (whether related to an unserved, underserved, and/or rural area) in a manner that is efficient and effective.

RUS QUESTION 4 (PRIORITIZATION) -- RUS should give priority to projects that will deliver broadband access to unserved and underserved customers in rural areas, and should ensure that the networks built to serve those customers are sustainable, adoptable, and affordable -- it would do little good to build a state-of-the-art network that no one in a rural area can afford. Consistent with the broader purpose of the Recovery Act, RUS should also prioritize those projects that will create jobs.

**Before the
DEPARTMENT OF COMMERCE
National Telecommunications and Information Administration
and the
DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

In re)
AMERICAN RECOVERY AND) **Docket No. 090309298-9299-01**
REINVESTMENT ACT OF 2009)
BROADBAND INITIATIVES)

**RESPONSE OF
GREAT PLAINS COMMUNICATIONS, INC.
TO JOINT REQUEST FOR INFORMATION**

Great Plains Communications, Inc. (“GPC” or “Great Plains”) submits this Response to the Joint Request for Information (“RFI”) issued by the National Telecommunications and Information Administration (“NTIA”) and the Rural Utilities Service (“RUS”) regarding implementation of the broadband funding programs created by the American Recovery and Reinvestment Act (“Recovery Act”). This Response will address issues raised by each agency in the order of the questions posed within the RFI.

NTIA QUESTION 1. The Purposes of the Grant Program: Section 6001 of the Recovery Act establishes five purposes for the BTOP grant program.

- a. Should a certain percentage of grant funds be apportioned to each category?**
- b. Should applicants be encouraged to address more than one purpose?**

The Recovery Act identifies five purposes for the use of the broadband grants under the Broadband Technology Opportunities Program (“BTOP”):

- (1) provide access to broadband service to consumers residing in unserved areas of the United States;
- (2) provide improved access to broadband service to consumers residing in underserved areas of the United States;

- (3) provide broadband education, awareness, training, access, equipment, and support to [schools, libraries, medical and healthcare providers and various other entities, vulnerable populations, and communities];
- (4) improve access to, and use, of broadband service by public safety agencies; and
- (5) stimulate the demand for broadband, economic growth, and job creation.

NTIA asks whether it should apportion a certain percentage of grant funds to each purpose and whether applicants should be encouraged to address more than one purpose. NTIA should not allocate a pre-determined fixed percentage of funds to each category. Fixing funding percentages among BTOP purposes could result in an inefficient and artificial allocation of resources without considering which projects best serve particular (or multiple) needs, or whether certain needs might outweigh others in a particular area or state, or even nationwide. For example, if there are two well-crafted proposals to address unserved areas that “score” highly, one of those should not go unfunded simply because funds must be held for another category of application that might never materialize. It was quite clear from the public meetings that NTIA should look to achieve the most “bang for the buck” as possible through BTOP; to do so, it should give itself the flexibility to evaluate projects on a case-by-case basis rather than pigeonholing projects into “funding silos.”

This being said, it would be consistent with the statute and NTIA’s interest in maximizing BTOP funds to use an evaluation system that emphasizes certain policy objectives and *encourages* applicants to address more than one purpose. With respect to emphasizing policy objectives, in addition to placing special emphasis on the job creation and economic development aspects of each application, priority should be given to each of the five purposes identified in the Recovery Act for purposes of “scoring” each application. Preference should go to broadband accessibility for unserved and underserved areas and customers, particularly if new or improved access can be achieved in an economically efficient manner that will stimulate consumer demand and adoption. Further, NTIA could encourage multi-purpose applications by effectively awarding additional

priority (or even “bonus” points in a scoring system) to projects that serve more than one of the statutory objectives.

The funds appropriated for broadband in the Recovery Act are insufficient to realize the goal of new-era broadband services for every United States citizen, so it is crucial to leverage these limited funds to the greatest extent possible. To achieve the greatest benefit, NTIA should allocate the funds to projects that accomplish multiple purposes wherever possible. To this end, NTIA should establish and publish -- prior to opening any application windows -- a specific and well-defined set of criteria upon which it will evaluate each project. It should weigh those purposes to serve particular policy objectives, and it should give priority and/or additional credit to applications that serve multiple purposes.

NTIA QUESTION 2. The Role of the States: The Recovery Act states that NTIA may consult the States (including the District of Columbia, territories, and possessions) with respect to various aspects of the BTOP. The Recovery Act also requires that, to the extent practical, the BTOP award at least one grant to every State.

- a. How should the grant program consider state priorities in awarding grants?**
- b. What is the appropriate role for States in selecting projects for funding?**

Great Plains believes that states should play an important consultative role, particularly as it relates to providing input on “conditions on the ground” -- *e.g.* where there might be vulnerable populations or schools, or healthcare and/or public safety needs that could be furthered by a more robust broadband infrastructure. Although a state’s recommendation (as well as the recommendations of local city and county governmental entities) should have some bearing on the grant “scoring” criteria, NTIA is the final arbiter of BTOP grants and must ensure accountability and execution throughout the BTOP.¹ Particularly given that the states might themselves apply for

¹ See Pub. L. No. 111-5 (“Recovery Act”), §§ 6001(a) & (m).

funding under the Recovery Act,² NTIA's ultimate oversight is both practical and necessary to assure nationwide consistency and balance in consideration of awards under the funding program.

NTIA QUESTION 3. Eligible Grant Recipients: The Recovery Act establishes entities that are eligible for a grant under the program. The Recovery Act requires NTIA to determine by rule whether it is in the public interest that entities other than those listed in Section 6001 (e) (1) (A) and (B) should be eligible for grant awards. What standard should NTIA apply to determine whether it is in the public interest that entities other than those described in Section 6001 (e) (1) (A) and (B) should be eligible for grant awards?

The most basic goal of the Recovery Act is to create jobs and stimulate the economy.³ NTIA should encourage investment from the private sector, as this is where successful broadband efforts have started from in the past, where sustainable jobs are most likely to be created, and where ongoing economic development will occur. NTIA should therefore find that it is in public interest to award grants to any entity, including a broadband service or infrastructure provider, that can demonstrate that it:

- (1) has the financial capability and viability to complete and sustain the project;
- (2) is experienced and has demonstrated expertise in deploying broadband infrastructure;
- (3) has detailed project plans including specific engineering plans, staffing capability, access to rights of way and permitting, and financial strength and stability;
- (4) is capable of beginning the project within 30 days of the award and completing the project within 24 months of project inception;
- (5) will provide 20% matching funds; consistent with the statute,⁴ the applicant must demonstrate that its matching funds will come from an unconditional, firm source or commitment, such as a Letter of Intent ("LOI"); and
- (6) will deploy a project that meets one or more of the purposes of the Recovery Act.

NTIA QUESTION 4. Establishing Selection Criteria for Grant Awards: The Recovery Act establishes several considerations for awarding grants under the BTOP. In addition to these considerations, NTIA may consider other priorities in selecting competitive grants.

² See Recovery Act, § 6001(e)(1)(A).

³ See Recovery Act, § 6001(b)(5), (k)(2)(D) & § 1602.

⁴ See Recovery Act, § 6001(f).

a. What factors should NTIA consider in establishing selection criteria for grant awards? How can NTIA determine that a Federal funding need exists and that private investment is not displaced? How should the long-term feasibility of the investment be judged?

NTIA should consider the experience and expertise of the applicant in constructing and operating broadband infrastructure. Capability, however, must be coupled with financial strength to ensure not only that the project will be constructed, but also that it is viable and will be sustained after construction. As a general matter, rural retail broadband prices cannot begin to recover the costs of operating a rural broadband network, so the selection criteria must consider the product mix of the entity proposing the project and scrutinize the applicant's plans as to how the investment will be successful on a sustained basis. This will accommodate not only accessibility and sustainability, but also the increased adoption of affordable broadband service.

In determining the need for federal funding, NTIA must review the overall cost of the project, the proportionate increase in new and/or improved broadband access as a result of the project, and the size of the broadband project relative to the average annual capital budget of the entity applying for funding. NTIA should request written confirmation and some form of demonstration that the project would not be contemplated or completed at this time *but for* the grant. For example, if the proposed project budget is several times greater than the average annual capital budget of the applicant, it is unlikely that private investment is being displaced.

Finally, long-term feasibility of the investment should be judged not only by the accessibility of new or improved broadband service, but also by the adoption of broadband by consumers. The entity requesting funding should be able to demonstrate financial sustainability as well as specific plans to encourage consumers to utilize the services provided by the broadband infrastructure. Broadband utilization, as a function of service and price, is ultimately the measure of long-term feasibility.

c. How should the BTOP prioritize proposals that serve underserved or unserved areas?

The Recovery Act makes clear that funds should go to projects that would not have been built within the next several years without such funding. In the most rural and remote areas of the country, however, the question is not whether the facilities would have been built in the near term; because of the expense of facilities deployment, the issue in such sparsely populated areas is *whether broadband would be deployed at all*. Thus, the Recovery Act represents a unique and historic opportunity to deploy broadband networks, and the chance it presents should not be squandered. It is critical that the agencies place an emphasis on equitable funding of broadband deployment to *all unserved and underserved* customers, and that it not overlook the needs of customers in the most remote and rural areas who might not receive broadband for years to come, if ever, if they cannot get it now through this historic, one-time funding event.

Priority therefore should be given to projects that provide broadband access and improved access to *both* unserved and underserved customers, since that achieves deployment in the most economically efficient manner. Without funding, almost all extremely rural areas are likely to remain unserved or underserved. Without sufficient population density, it is economically infeasible to provide broadband -- thus resulting in an unserved area. If the “middle-mile” and backbone networks are sub-standard and the distances are significant (and costly), urban-equivalent broadband speeds are not achievable -- thus creating an underserved condition.

d. Should priority be given to proposals that leverage other Recovery Act projects?

The priority ratings and criteria for the BTOP grants should focus on the five specific goals identified by Congress. NTIA should only consider other factors when there are two projects that rate equally in terms of meeting the essential purposes of the broadband grants and both projects cannot be funded.

e. Should priority be given to proposals that address several purposes, serve several of the populations identified in the Recovery Act, or provide service to different types of areas?

Yes. As discussed in response to Question 1 above, an evaluation system that evaluates projects against each purpose under the Recovery Act and awards priority (or “extra credit” or “bonus points”) to a project that serves multiple purposes would not only help those individual communities or populations receiving the benefits of that project, but would also help ensure that NTIA most efficiently manages BTOP funding. For example, a project that combines delivery of services to both unserved areas and underserved consumers while also including a component to stimulate adoption by individual users would allow NTIA to achieve several objectives within a single award, and the evaluation system should include some capability to recognize projects that meet more than one objective and/or escalate or prioritize such projects above and beyond a basic “score” or weight. Establishing such priorities will be critical to maximize the use of BTOP funds and to reach the broadest possible swath of areas, communities, and populations in need of greater (or any) access to broadband.

f. What factors should be given priority in determining whether proposals will encourage sustainable adoption of broadband service?

Specific and well-designed programs that encourage adoption of broadband service are key to sustainability and ultimately to the success of BTOP. Deploying infrastructure and providing coverage and speed for users is the first step, and should constitute the majority of such a grant request, but the other components comprising broadband connectivity cannot be ignored. Middle-mile and backbone requirements must be considered since creating or improving the connection to the consumer is of little value if the upstream portion of the network is inadequate.⁵ A

⁵ The Recovery Act’s legislative history bears Congress’ intent to fund such infrastructure. According to the Conference Report, “[t]he Conferees [] intend that the NTIA select grant recipients that it judges will best meet the broadband access needs of the area to be served, whether by a wireless provider, a wireline provider, or any provider

comprehensive project also needs to address affordability, particularly for consumers that are facing economic difficulties. This includes not only the broadband service itself but also the existence of a cost-effective device to connect to the broadband service. A project that recognizes not only the construction aspect, but also the economic (and practical) factors of adoption, will have a much higher likelihood of sustaining broadband service adoption and will contribute most to the ultimate success of BTOP.

h. What role, if any, should retail price play in the grant program?

Retail rural broadband services should be relatively comparable to urban broadband service as a matter of policy, but because of the vastly different costs of providing broadband in low density rural areas, the achievable speeds may vary. With that said, the rural retail broadband prices should be affordable and comparable to the prices available in more urban areas. Where significant discrepancies exist, they should be recognized and suitable programs put into place.

NTIA QUESTION 7. Grants for Innovative Programs to Encourage Sustainable Adoption of Broadband Service: The Recovery Act directs that not less than \$250,000,000 of the BTOP shall be awarded for grants for innovative programs to encourage sustainable adoption of broadband services.

b. What measures should be used to determine whether such innovative programs have succeeded in creating sustainable adoption of broadband services?

The Recovery Act provides grants for innovative programs to encourage sustainable adoption of broadband service. These specific grants should focus on the barriers to adopting broadband services rather than the lack of broadband infrastructure. Such barriers include price, lack of computers, and inexperience or difficulty in using computers and broadband services. Programs that address any of these barriers should be eligible for that aspect of BTOP funding to encourage sustainable adoption of broadband services.

offering to construct last-mile, *middle-mile*, or long haul facilities.” Joint Explanatory Statement of the Committee Conference, Div. B to HR-1 (emphasis added).

However, there is no reason that such innovative programs cannot be incorporated in a grant application proposing a broadband construction project. Indeed, from a sustainability perspective, NTIA should encourage efforts to combine broadband infrastructure and programs to stimulate the use of that infrastructure. A comprehensive solution incorporating both accessibility and adoption is inherently efficient, preventing the redundancy often accompanying “smoke stack” projects. Thus, as discussed earlier in this Response, a project that optimizes investment, delivers more services, and incorporates multiple statutory purposes should be “scored” higher and/or otherwise prioritized.

NTIA QUESTION 9. Financial Contributions by Grant Applicants: The Recovery Act requires that the Federal share of funding for any proposal may not exceed 80 percent of the total grant. The Recovery Act also requires that applicants demonstrate that their proposals would not have been implemented during the grant period without Federal assistance. The Recovery Act allows for an increase in the Federal share beyond 80 percent if the applicant petitions NTIA and demonstrates financial need.

a. What factors should an applicant show to establish the “financial need” necessary to receive more than 80 percent of a project’s cost in grant funds?

Matching funds are one measure of the long-term sustainability of the broadband service investment. Without matching funds there may be little, if any, economic incentive to complete the proposed project successfully or expand it after completion. Projects that receive funding must prove to be viable on an ongoing basis; if a project is not financially viable with 80% government funding for construction, NTIA would need to carefully consider whether the applicant would in fact have both the incentives and the resources to maintain and sustain the project once completed.

b. What factors should the NTIA apply in deciding that a particular proposal should receive less than an 80 percent Federal share?

If a project is judged to be particularly risky or the requesting entity has an unproven track record, but the proposed project nonetheless promises to deliver considerable benefits in terms of broadband accessibility, sustainable adoption, or job creation, an exception could be considered. A

higher matching percentage, along with other vehicles (e.g., performance bonds), may serve to offset the risks.

c. What showing should be necessary to demonstrate that the proposal would not have been implemented without Federal assistance?

NTIA should request written confirmation and some form of demonstration that the project would not be contemplated or completed at this time but for the grant. One way to satisfy this requirement could be for applicants to present recent capital budgets showing that internal approval had not been made (or had been constantly deferred) relating to the proposed project. Indeed, in the case of network planning for the most rural and remote areas, it is not at all uncommon for projects to be deferred year after year (or even decade after decade) in capital budgets because the sparse population of such areas makes it difficult, if not impossible, to justify the expense of building to individual customer locations or even entire portions of a serving area. As mentioned previously, if the proposed project's budget is multiple times more than the applicant's annual average capital expenditure budget, it is unlikely that the project would be undertaken *but for* BTOP funding.

NTIA QUESTION 10. Timely Completion of Proposals: The Recovery Act states that NTIA shall establish the BTOP as expeditiously as practicable, ensure that all awards are made before the end of fiscal year 2010, and seek assurances from grantees that projects supported by the programs will be substantially completed within two (2) years following an award. The Recovery Act also requires that grant recipients report quarterly on the recipient's use of grant funds and the grant recipient's progress in fulfilling the objectives of the grant proposal. The Recovery Act permits NTIA to de-obligate awards to grant recipients that demonstrate an insufficient level of performance, or wasteful or fraudulent spending (as defined by NTIA in advance), and award these funds to new or existing applicants.

a. What is the most efficient, effective, and fair way to carry out the requirement that the BTOP be established expeditiously and that awards be made before the end of fiscal year 2010?

BTOP's primary objectives are to create jobs and to establish sustainable and effective broadband access for those lacking such access today. The most effective way to achieve both of those objectives is to focus funding to the early part of the grant timeframe. By allocating the

majority of funding (50% or more) to the first “phase,” rather than allocating awards in three equal phases, NTIA will have the “pick of the litter” of those grant applicants that are ready to deploy quickly and produce the projects -- and jobs -- that further the objectives of the Recovery Act. Applicants not selected but with sound project proposals could of course resubmit their applications in subsequent rounds and fine-tune their projects to make them more competitive. NTIA should rigorously adhere to the established timelines -- not only for funding but also project completion -- to ensure not only fairness but also to meet the goals of the Recovery Act.

b. What elements should be included in the application to ensure the projects can be completed within two (2) years (e.g., timelines, milestones, and letters of agreement with partners)?

The application should demonstrate the applicant’s ability to track the project through a work order or “work in progress” process, contain a level of specificity in terms of labor, engineering and equipment that demonstrates a comprehensive project design, and include letters from partners and/or vendors indicating an understanding of the project and their own ability and commitment to deliver within the prescribed timeframes. The application should also include a project plan with relevant and detailed milestones and timeframes for achievement of those milestones, such as sub-project completion deadlines, fiber miles constructed, new/enhanced consumer broadband accessibility, etc. These measures are important indicators of the progress of the project, and can be relied upon by NTIA in monitoring success rates in deployment and completion of projects as described in the section that follows.⁶

Applicant personnel with primary responsibility for the project should be identified in the application. Not only are the project managers key to meeting the timeline and milestones, but the

⁶ As discussed further herein, applicants should be reporting monthly during the construction phase. Relying only on quarterly reports during the critical construction phase will not provide timely information and will not allow for appropriate oversight during this critical phase.

individuals identified can also recognize and rectify the problems that may impede or delay project completion. Applicants should also be encouraged to provide any other indicators of sound management practices with their submissions, including a detailed description of a dynamic internal reporting system and change control process.

NTIA QUESTION 11. Reporting and Deobligation: The Recovery Act also requires that grant recipients report quarterly on the recipient’s use of grant funds and progress in fulfilling the objectives of the grant proposal. The Recovery Act permits NTIA to de-obligate funds for grant awards that demonstrate an insufficient level of performance, or wasteful or fraudulent spending (as defined by NTIA in advance), and award these funds to new or existing applicants.

Monthly progress reports throughout the course of the project should be submitted to NTIA or its designated project monitor. “Spot checks” of the project should be anticipated by the grant recipient to assure timeliness and accuracy. While there will be occasional deviations from the project plan, continuing variances should be an early warning sign of potential project failure. If corrective measures do not re-establish the success of the project -- *i.e.*, the project is wasting time and resources as measured by repeated failure against its project plan -- it is unnecessary (and perhaps even inefficient or risky) to wait until the end of the project timeline to deobligate funds.

NTIA QUESTION 13. Definitions: The Conference Report on the Recovery Act states that NTIA should consult with the FCC on defining the terms “unserved area,” “underserved area,” and “broadband.” The Recovery Act also requires that NTIA shall, in coordination with the FCC, publish nondiscrimination and network interconnection obligations that shall be contractual conditions of grant awards, including, at a minimum, adherence to the principles contained in the FCC’s broadband policy statement (FCC 05-15, adopted August 5, 2005).

c. How should the BTOP define the nondiscrimination and network interconnection obligations that will be contractual conditions of grants awarded under Section 6001?

(1) In defining nondiscrimination obligations, what elements of network management techniques to be used by grantees, if any, should be described and permitted as a condition of any grant?

The Recovery Act provides, at a minimum, that adherence to the FCC's *Broadband Policy Statement* will be a contractual obligation of any NTIA grant.⁷ This obligation is indifferent to the technology utilized to provision broadband services. NTIA may decide to place additional conditions, including non-discrimination provisions and interconnection obligations. NTIA should select and publicize any such conditions as early as possible in the process so that applicants are completely aware of their obligations -- and the key is that such obligations be stated with precision and clarity, and that such obligations be both reasonable and reasonably related to the primary objectives of BTOP. If there is any uncertainty with respect to what is required in this regard or if an unreasonable condition is imposed in connection with the program, it could have the unfortunate effect of chilling applications and/or hindering the ability of those who apply to comply with the relevant obligations.

(3) Should there be different nondiscrimination and network interconnection standards for different technology platforms?

No. Non-discrimination and interconnection standards are overarching policy objectives that should generally apply on a technologically neutral basis. If there are specific technical limitations, those should be identified and addressed on an individual case basis rather than creating a general exception to whatever standards are adopted.

NTIA QUESTION 14. Measuring the Success of the BTOP: The Recovery Act permits NTIA to establish additional reporting and information requirements for any recipient of grant program funds.

a. What measurements can be used to determine whether an individual proposal has successfully complied with the statutory obligations and project timelines?

Compliance with the project timeline, based upon the detailed project plan submitted with the application, is the most straightforward parameter to measure. For example, how many consumers gained access to new or enhanced broadband service in 60 day increments? Did the

⁷ See Recovery Act, § 6001(j).

work begin within the committed time of grant approval? What areas gained broadband accessibility? How many miles of broadband plant were constructed and put into service in a given period? Additional helpful measures are addressed in response to the next question.

b. Should applicants be required to report on a set of common data elements so that the relative success of individual proposals may be measured? If so, what should those elements be?

Measurable criteria must be defined and should be applied consistently across all awards to the extent practicable. Certain recipients may not have a need to report particular data elements if those elements are not relevant to the project, but all projects should measure a minimum baseline of data to capture results in a consistent fashion. Such data points include:

- Number of customers with access to new or enhanced broadband services
- Number of new customers subscribing to broadband services
- Percentage increase in demand for broadband services including new broadband applications
- Number of schools, healthcare facilities and public safety agencies with access to new or enhanced broadband services
- Number of jobs created
- Number of vulnerable (aged, Native American, poor) population segments served that did not have access and/or had not adopted broadband
- Report on education programs or equipment deployment to increase adoption of broadband services
- Speed of broadband available and the adoption by speed, by area

These criteria need to be established at the outset of each project as part of the project plan, so that the deliverables can be measured not only against statutory obligations but also relative to the project proposal.

Rigorous reporting requirements and actual demonstrations must be required not only after the project is completed, but also prior to approval and throughout the project process. Financial capability is a key indicator of project success, and must be thoroughly reviewed as part of the grant consideration process. During the course of project construction, reports should be filed monthly, in addition to quarterly, to facilitate early detection and correction of significant project deviations.

Grant applicants should be required to consent to an independent audit of the use of BTOP grant funds, and they must account for the investment and expenses associated with the funded project separately from other operations.

RUS QUESTION 2. In what ways can RUS and NTIA best align their Recovery Act broadband activities to make the most efficient and effective use of the Recovery Act broadband funds?

In the Recovery Act, Congress provided funding and authorities to both RUS and the NTIA to expand the development of broadband throughout the country. Taking into account the authorities and limitations provided in the Recovery Act, RUS is looking for suggestions as to how both agencies can conduct their Recovery Act broadband activities so as to foster effective broadband development. For instance:

- a. RUS is charged with ensuring that 75 percent of the area is rural and without sufficient access needed for economic development. How should this definition be reconciled with the NTIA definitions of “unserved” and “underserved?”**

Although there may be some overlap between the different terms, these are different measurements and should be tracked separately. For example, without funding, almost all extremely rural areas are unserved or underserved. If there is a lack of population density (which is the defining attribute of rural areas), it is economically infeasible to provide broadband -- thus resulting in an unserved area. If the middle-mile and backbone networks are distant, costly or not robust urban broadband speeds are not achievable -- thus resulting in an underserved condition. There is, however, no simple formula for reconciling unserved, underserved and rural.

Projects should be assessed on an individual case basis by economics. In almost all cases, regardless of technology, extremely low population density areas with long transport distances will have very high costs per customer served to provide higher speed broadband services. There is no “silver bullet.” Moreover, there are other aspects of projects that must be evaluated -- whether, beyond economics, they satisfy certain societal, statutory, or regulatory objectives. To be sure, coordination between the agencies will be important to ensure that funds are awarded efficiently, and that applicants are not hampered in being able to obtain funds from the correct program(s) to

support particular projects. For example, there is no reason that a project that does *not* receive a NTIA award with respect to an “unserved” area in an early funding round should be precluded from seeking RUS support with respect to that same area (assuming it meets the definition of “rural”) in a later funding cycle.

But rather than devoting significant time to an overarching effort to reconcile “unserved,” “underserved,” and “rural” terminology, NTIA and RUS should determine whether each project “solves” the particular “problem” (*i.e.*, an unserved, underserved, and/or rural community) for which it is proposed. In short, given the purposes of these programs and the speed with which they must deploy, it would seem best for NTIA and RUS to focus on the economics and other merits of each proposal -- the sustainability, adoption and job creation -- in serving the proposition(s) for which it has been submitted.

RUS QUESTION 3. How should RUS evaluate whether a particular level of broadband access and service is needed to facilitate economic development?

In evaluating individual applications, RUS should look to criteria such as the following to determine what economic development needs exist in the rural area covered by the application and in considering whether the proposed project would provide corresponding benefits: (a) the percentage of consumers in the project area with existing access to broadband; (b) the increased percentage of customers that will be reached through the project; (c) the current adoption rate for broadband services; (d) the anticipated rate of adoption following the project; (e) the current retail price and speeds of broadband service in the rural project area; (f) the retail price and speeds of broadband service that would be anticipated after completion of the project; and (g) the jobs that would be created from the project, both in terms of those directly involved in constructing and operating the broadband network, as well as any credible studies showing indirect impact in terms of job creation as a result of greater broadband availability. Other, more subjective factors such as

educational programs and the like should be factored in as well, but it is key to assess factors such as accessibility, sustainability, adoptability and job creation to ensure that the objectives of the Recovery Act are met.

RUS QUESTION 4. In further evaluating projects, RUS must consider the priorities listed below. What value should be assigned to those factors in selecting applications? What additional priorities should be considered by RUS?

Priorities have been assigned to projects that will:

- 1) Give end-users a choice of internet service providers,**
- 2) Serve the highest proportion of rural residents that lack access to broadband service,**
- 3) Be projects of current and former RUS borrowers, and**
- 4) Be fully funded and ready to start once they receive funding under the Recovery Act.**

Unserved and underserved consumers in rural areas should be the top priority. In many rural areas, competitive internet service is unlikely, and broadband connectivity at affordable prices should be the goal. Weight also needs to be given to projects that address sustainable and adoptable broadband services -- it would do no good to build a state-of-the-art network in rural America if no one can afford it and, thus, no one buys service from it. Finally, consistent with the overarching driver of the Recovery Act, priority should also be placed on those projects that are likely to create the most jobs in rural areas. Current and former RUS borrowers will help “jump-start” the process - - since those projects should be readily approvable -- but while that might be an important RUS priority it should not be a mandatory (or even major) requirement.

RUS QUESTION 5. What benchmarks should RUS use to determine the success of its Recovery Act broadband activities?

Great Plains refers RUS to the response provided to NTIA question No. 14 herein, describing those data points that should be used to track whether individual projects have been successful in serving the purpose of delivering broadband to unserved, underserved, and rural customers.

CONCLUSION

NTIA and RUS will receive a large number of comments reflecting a variety of interests. Above all, the primary principles of broadband accessibility, sustainability and adoption -- coupled with job creation in this economic environment -- must take center stage and receive greatest focus in the application process. As a general policy matter, NTIA and RUS should make every effort to ensure that there is a fair distribution of funds among areas with varying population densities so that large portions of the country do not remain unserved or underserved, and should use the historic one-time opportunity presented by the Recovery Act to support delivery of broadband to consumers who might never otherwise receive such services because of their remote or rural locations. In terms of structuring the application process, GPC believes that transparency will be key: all requirements and conditions needed to secure an award and comply with the program as well as the measures of success should be established as early as possible and published for all potential applicants. Furthermore, to ensure program success, the requirements throughout all phases of the application and project monitoring process should be rigorous and applied consistently to all grant applicants and recipients.

Respectfully submitted,

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