

Broadband Diversity Supporters

Synopsis of Major Proposals

Our comments are summarized below and reference (e.g., 4a) relevant response sections in our full comments.

1. In Selecting and Supporting Grant Applicants, NTIA's Highest Priority Should Include "Socially and Economically Disadvantaged Small Business" (or "SDB") Applicants [4]

- (a) **SDB Top Priority – Congress directed NTIA to accord SDB applicant grant priority [4a]**
 - The Stimulus Act – accords applicant priority to: (i) one grant per state; (ii) the merits of the applicant in providing broadband access; and (iii) whether the applicant is an SDB
 - SDB Applicant Weighting – should therefore be at least equal the other two criteria
 - No SDB "Scoring" – NTIA should not use "points" to "score" SDBs in grant evaluation [4b]
 - SDBs should simply receive weighting / emphasis in equal fashion as per above
- (b) **SDB Eligibility – NTIA should adopt efficient self-certification, avoiding new SDB barriers [4a]**
 - NTIA applicants should self-certify to compliance with the following rule for SDB eligibility:
 - *"Applicant's governance is 51% or more controlled by: (i) one or more individuals meeting the requirements of (x) 13 CFR 124.103(b)(1) or (c), and (y) the applicant's average gross revenues are less than \$40 million per year for the past three years, or (ii) an Indian Tribe, Native Hawaiian organization or Alaska Native Corporation or subsidiaries thereof."*
 - The revenue threshold is drawn from current, well-documented FCC rules for telecom
 - NTIA may request SDB revenue documentation prior to grant award
 - NTIA should adopt this pragmatic SDB test as vital to enabling meaningful SDB participation
 - Our test allows existing and to-be-formed SDBs to promptly apply for grants → SDBs must not be slowed in grant applications vs. non-SDBs given stimulus timing
 - Our test is efficient, also recognizing that SDB financial and other resources are limited
 - Any added NTIA eligibility hurdles will snuff out the very SDBs NTIA is supposed to prioritize
- (c) **NTIA Should Publish a "Report Card" to affirm SDB success in the grant process [4a]**
 - NTIA should publish real-time data on SDB success (# of grants and \$ value) vs. non-SDBs
- (d) **No Priority to Bundling – NTIA should not give priority to multi-purposed applicants [4e, 1b]**
 - Given that bundling is well-documented to penalize SDBs and favor deep-pocketed entities

2. NTIA Should Accord Highest Priority and Grant Funding to Applicants Serving the Low-Income, Minority Population Segments Across Unserved / Underserved Areas and Urban / Rural Areas [1a]

- (a) **Two Equal Barriers Account for Low Broadband in Low-Income, Minority Communities [1a]**
 - (1) Physical Access – low income communities are often the last to get broadband plant access
 - (2) Sustainable Service Offerings – even in areas where broadband is available, service offerings still need to be tailored to accommodate the needs of these communities with respect to:
 - Accommodating poor credit ratings and not requiring steep customer deposits
 - Not requiring large up-front payments for equipment
 - Making available "value" service plans tailored to these communities usage / income needs
- (b) **NTIA Should Therefore Equally Prioritize Physical Access and Sustainable Service Offerings [1a]**
 - As both are equally vital to low-income and minority broadband adoption [4f]
- (c) **NTIA Should Prioritize Low-Income / Minority Services in Unserved and Underserved Areas Alike**

- And across market geographies, whether urban, suburban or rural areas

(d) Retail Price in applicant service offerings should be but one of several factors to consider [4h]

- In addition to deposit requirements and value propositions taking into account usage patterns

(e) NTIA Should Further Prioritize SDBs Focused on Low-Income, Minority Communities [1a]

- Given that SDBs are particularly qualified given their unique circumstances and perspective

3. NTIA Should Retain Full Grant Responsibility and Authority, But Engage the States [1a, 2]

(a) NTIA Role – NTIA should retain full responsibility for evaluating, prioritizing and awarding grants

- Ensuring that SDBs are evaluated and prioritized per Congress's directive
- Ensuring that low-income and minority communities are prioritized
- Ensuring that national goals cutting across state lines are prioritized
- Avoiding legal challenges such as the longstanding non-delegation doctrine

(b) State Role – states should be encouraged to provide feedback given their key local knowledge

- NTIA should also encourage and build upon state MBE and SDB success stories

4. Grant Mechanics Should Accommodate SDB Capital and Other Limitations

(a) NTIA Grants Should Be Awarded at the Start of a Project for all applicants [5a]

- Or at least for all SDBs, recognizing limited SDB capital resources

(b) NTIA Should Provide SDB Flexibility in Project Completion Requirements [10]

- Specifically, NTIA should exempt SDBs from the two year project completion requirement (10)

(c) In Establishing Financial Need Necessary to Receive More Than an 80% Grant [9] –

- NTIA should adopt a rebuttable presumption that Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Native American Serving Institutions (NASIs), Asian American Serving Institutions (AASIs), Native American Tribal Nations and national intermediary nonprofit organizations would not be expected to generate 20% funding
- This is not intended to exempt well-capitalized small businesses, endowments, etc.

(d) NTIA Should Provide Mediation to Assist SDBs on Reporting Compliance [11]

5. Other Considerations Necessary to Meeting the Needs of the Low-income and Minority Populations

(a) NTIA's \$200 Million for Computer Centers should prioritize minority serving institutions [6]

- HBCUs, HSIs, NASIs, AASIs, Native American Tribal Nations, national intermediary nonprofit orgs.

(b) NTIA's \$250 Million for Programs Building Broadband Adoption should prioritize as follows [7]:

- Priority to programs for low-income, minority and multicultural consumers
- Priority to national intermediary nonprofit organizations, MBEs, SDBs and similar entities with relevant history and experience
- Priority to setting \$250 million as the floor for funding, not the ceiling

(c) Broadband Mapping should take into account socio-economic population metrics [8]

- Such as poverty status, employment, income, race and language
- Metrics that are vital to addressing low-income and minority population needs

(d) The RUS Should Prioritize MBE and SDB Participation [RUS 3]

- For MBEs and SDBs as applicants and/or prime or subcontractors to applicants