BROADBANDCENSUS.COM'S
weekly report

5/25/2009

Broadband stimulus funds from the Commerce Department will begin flowing in either October or in December, according to either an NTIA report or a White House report. In either case, the agency plans to release rules, and then begin to accept applications, by June 30.

THE WEEK'S LINKS

The Stimulus and Stimulus Assistance Industry

Even before the Commerce Department's **National Telecommunications and Information Administration** issues its first public contracts, to help it sort out its grant proposals http://washingtontechnology.com/articles/2009/05/18/ntia-readies-contract-for-broadband-grant-support.aspx , the broadband stimulus is already creating a mini-stimulus in stimulus assistance organizations. The **Georgia Technology Authority** is collecting information for potential broadband stimulus projects in the southern state. http://www.ajc.com/metro/content/business/stories/2009/05/20/rural_broadband_georgia.html As reported by the **Journal of New England Technology**, other states, such as Massachusetts and Connecticut, are setting up similar programs. http://www.masshightech.com/stories/2009/05/11/weekly9-States-eager-for-broadband-stimulus-funds.html

Equipment Providers Offer Stimulus Advice

It isn't only government agencies who want in on the broadband stimulus action. Non-profits and private industry are also forming stimulus assistance groups and businesses. Many telecom industry players, such as **Alcatel-Lucent** and **Juniper Networks**, are helping their customers to pursue federal stimulus funds knowing that that money will in all likelihood be spent on their products. http://www.internetnews.com/infra/article.php/3820566 Plus, the stimulus reporting industry is growing. This week produced a **U.S. Telecom Association**-issued paper, "The Economic Benefits of Broadband and Information Technology" http://www.nyls.edu/user_files/1/3/4/30/84/187/245/Brogan,%20SPRING%202009,%2018%20MEDIA%20L.%20&%20POL%E2%80%99Y.pdf , plus an article by **Kelly Teal** on **XChange** about why a strict interpretation of "buy American" provisions "could ruin (the) broadband stimulus". http://www.xchangemag.com/articles/buy-american-ruin-broadband-stimulus.html

Fiber May Not Be the Best Bet for Stimulus

Art Brodsky, writing on the **Public Knowledge** blog, observes that fiber's promise isn't everything it once promised, especially for the rural unserved and underserved. "Now it's clear that fiber deployments will be much more limited than previously thought…. The idea of a fibered-up America takes on less the cast of a noble cause, *a la* rural electrification, than it does as an offering for the relatively select few in privileged urban and particularly suburban areas." http://www.publicknowledge.org/node/2170 Yet the push for fiber deployment remains powerful enough that the **Wall Street Journal** notes that it imperils

UPDATES TO THE BROADBANDCENSUS.COM LIST OF NTIA COMMENTS

The BroadbandCensus.com List of NTIA Comments has been updated to include summaries of additional comments filed with the NTIA. Comments updated include:

- Access Delray
- Advanced Emergency Communications Coalition
- Alabama
- Alaska
- Alcatel Lucent
- Allied Fiber
- Alvaron, Inc.
- American Cable Association
- American Farm Bureau
- American Fiber Systems

Check back frequently to view additional summaries of the substantive comments filed in the proceeding.
For more, see http://broadbandcensus.com/2009/04/the-broadbandcensuscom-list-of-ntia-comments/

FIBER TO THE LIBRARY AS AN AGENT OF DIGITAL RECOVERY

Extending fiber-optic internet service to the library would help increase demand for super-high-speed internet at home, broadband experts said on Thursday.
For more, see http://broadbandcensus.com/2009/05/fiber-fed-libraries-can-serve-as-agent-of-digital-recovery

FCC MOVING 'FULL SPEED AHEAD' ON BROADBAND PLAN

"I'm enthused as I can be that this country is finally, finally going to develop a national broadband plan," Acting FCC Chairman Michael Copps said Wednesday.
For more, see http://broadbandcensus.com/2009/05/fcc-moving-full-speed-ahead-on-broadband-plan-says-copps

WASHINGTON, May 25, 2009 – By June 30, the NTIA intends to hire an outside contractor to help administer its broadband grants program, release rules for $4.7 billion in grants, and issue two separate notices of funds availability.

Those details emerged from the quarterly report to Congress, dated May 18, that the Commerce Department's National Telecommunications and Information Administration released on either May 21 or May 22. http://www.ntia.doc.gov/broadbandgrants/BTOPQuarterlyReport_090518.pdf

NTIA also said that it "anticipates making grant awards beginning in the final quarter of the calendar year 2009," or potentially as soon as October 1. That date differed from what the White House's recovery.gov web site said.

The recovery.gov web site, which was posted on Friday, May 15, said: "Initial grant awards made December 2009." Speaking exclusively of the Broadband Technology Opportunities Program (BTOP), the name for the grants being administered by NTIA, the recovery.gov site specified December 31, 2009, as the "completion date" by which "initial grant award [would be] made."

The slightly different message between the NTIA and the White House may stem from the lack of high-level political connectedness. Although the Senate voted to confirm Aneesh Chopra as the nation's first Chief Technology Officer on Thursday evening, the nomination of President Obama's choice to head the NTIA – Larry Strickling – remained stalled on the Senate floor.

NTIA officials were unavailable on Friday to comment on the discrepancy: whether grant funds could be made available by October 1 (the date in the NTIA report) or by December 1 (the date in the White House's recovery.gov).

Both documents appeared to concur that NTIA has established a firm June 30 deadline for issuance of rules, and a so-called "Notice of Funds Availability," or NoFA. The recovery.gov site said that the agency would "pub-

THE SLIGHTLY DIFFERENT MESSAGE BETWEEN THE NTIA AND THE WHITE HOUSE MAY STEM FROM THE LACK OF HIGH-LEVEL POLITICAL CONNECTEDNESS.

lish notice of funds availability" in June, and award a grants support contract by that date.

The NTIA report to Congress didn't itemize the June 30 date, but did commit itself to "issuance of funds availability" by "early summer 2009." NTIA's timeline also said that it would begin "implementation" of the program in June, and that the "submission of grant applications" would run from July 2009 to September 2009.

In its report, NTIA also provided further details about its approach to the up to $350 million to fund federal and state broadband data and mapping initiatives. NTIA said that it "currently intends" to issue a separate NoFA dedicated to the broadband data and mapping initiatives.

Both the NoFA for broadband data and the general BTOP NoFA are to be released in early summer. The general NoFA will also define the terms "broadband," "unserved," "underserved," as well as laying out the non-discrimination and interconnection obligations.

NTIA notes that the $350 million can be used to fund the Broadband Data Improvement Act or to aide the NTIA – or even the FCC – in supporting the obligation to produce an interactive national map of "broadband service capability and availability." The Broadband Data Improvement Act, passed in October 2008, creates a state-based approach to collecting broadband data.

Speaking in particular of all these broadband data grants, the report to Congress said that "NTIA anticipates the use of grants to entities capable of providing data and other support in the development of the broadband map."

The NTIA also said that it intended to "actively engage the states in fulfilling the mapping initiative," as well as continuing to consult with the FCC and the Agriculture Department's Rural Utilities Service.

Additionally, NTIA said that it is preparing a Request for Proposal for an outside contractor, to aid in the review of potentially thousands of applications.

"While the substantive review of grant applications will remain within NTIA, the outsourcing of some administrative aspects of the grant process will expedite the award of BTOP grants while maximizing efficiency," said the report to Congress.

–Drew Clark, Editor, BroadbandCensus.com

INTERNATIONAL BROADBAND ELECTRIC COMMUNICATIONS

WASHINGTON, May 25, 2009 – One key area of the broadband stimulus package in which states are certain to have an impact is in the area of collecting and releasing information about local broadband deployment.

In this area, no state has advanced as far as fast as has Massachusetts, where Gov. Deval Patrick (D) signed legislation last August granting $40 million in bond authority for the state to ensure broadband connectivity to all parts of the Massachusetts. http://broadband-census.com/2008/08/in-massachusetts-governor-to-sign-40-broadband-bill-aimed-at-spurring-investment/

The Massachusetts Broadband Institute was originally set up to administer a state-only program with a strong focus in western Massachusetts. It now faces the prospect of accessing about five times that amount, based upon the hypothesis that state funds might well be able to serve as the 20 percent matching grant for federal stimulus funds.

> MASSACHUSETTS HAS ALSO TAKEN A STRONGLY DATA-CENTRIC APPROACH TO COLLECTING AND PUBLISHING BROADBAND DATA.

With a high-profile director now on board, Massachusetts appears likely to continue its leadership role among the states. Beginning this month, the MBI has been led by Sharon Gillett, who stepped down from her position as the state's top telecom regulatory to take the job.

The institute will receive another boost of publicity on Tuesday, when Patrick, together with Gillett and Rep. John Olver, D-Mass., are scheduled to appear at a 10 a.m. town hall meeting in New Salem. In addition to discussing the MBI's efforts in western Massachusetts, the group is scheduled to highlight a new interactive mapping tool that is designed to speed deployment of broadband coverage.

The meeting will also highlight the MBI's new website, http://massbroadband.org, which features a more independent look that the current site, http://masstech.org/broadband. Technically, the MBI is a subdivision of the non-profit Massachusetts Technology Collaborative.

Since it was established pursuant to the August 2008 legislation, MBI is governed by a nine-member board, five of whom are appointed by the governor. http://massbroadband.org/about/board.html

For nearly two years, Massachusetts has also taken a strongly data-centric approach to collecting and publishing broadband data. In June 2007, the Massachusetts Technology Collaborative published a township-by-township map, with carrier-specific broadband information, highlighting unserved and underserved areas in the state. http://massbroadband.org/mapping/state-wide.html

Local governments within the western portion of the state recently updated the map, based upon Verizon Communication's announced upgrades to the digital subscriber line (DSL) service that it offers in portions of Berkshire County and the Pioneer Valley region. http://massbroadband.org/docs/West_mass_broadband_VZ_DSL.pdf

Massachusetts also appears to be taking a multi-pronged approach to data-collection. In addition to working with the state agency responsible for Geographic Information Systems – they are partnering on developing a block-level map of broadband infrastructure – Massachusetts is also taking a bottom-up approach to collecting broadband information from citizens.

Through the grass-roots efforts of broadband organizers in the western portion of the state, Berkshire Connect and Pioneer Valley collected nearly 5,000 survey responses about the quality of broadband service from residents. Among respondents that had broadband, 16 percent rated their service as "excellent," with equal portions rated in "good," "fair" or "poor." Among those without broadband, 63 percent said they didn't subscribe because broadband wasn't available, while 12 percent it was too expensive. http://www.pioneervalleyconnect.org/Survey_Summary_Dec08.pdf

MBI's new web site highlights a spot for survey results, and encouraging visitors to check back on May 26, the date of the New Salem meeting. http://massbroadband.org/mapping/survey.html

–Drew Clark, Editor, BroadbandCensus.com

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THE WEEK'S LINKS...

the once sacrosanct assurance of telecom dividends. http://online.wsj.com/article/SB124283681994439787.html#mod=todays_us_money_and_investing New revenue centers and business model revisions are going to be necessary, notes **BusinessWeek**. With cell-phone penetration approaching 90%, carriers such as **AT&T** and **Verizon Wireless**, must explore new options. http://www.businessweek.com/magazine/content/09_22/b4133000229480.htm?campaign_id=rss_tech

More competition, new opportunities, more demand

On Wednesday, the **Organization for Economic Cooperation and Development** released its latest data on broadband access. The data shows the United States remains in the middle of industrial nations for broadband penetration, but that it is now slightly above average for OECD member countries. http://economix.blogs.nytimes.com/2009/05/20/broadband-around-the-world/ *and* http://www.switched.com/2009/05/21/america-has-more-high-speed-citizens-than-any-other-country/ *and* http://broadbandcensus.com/2009/05/us-remains-largest-broadband-market-worldwide-halts-slide-in-oecd-rankings/ The **National Cable and Telecommunications Association** recently issued a report to the Federal Communications Commission that a wealth of competition had spurred cable to provide more and better service, with the clear message that the Congressional mandates in the 1992 Cable Act on rate regulation, program access, leased access, cable-ownership restrictions and more are now "relics of a bygone era" because competition has been "unquestionably" achieved. http://www.multichannel.com/article/252011-NCTA_Cable_Act_Regulations_Are_Now_Relics.php?rssid=20059

Europe: Following Its Own Broadband Path?

In Britain, **British Telecom** has recently doubled the pace of its fiber roll-out. http://www.businessweek.com/globalbiz/content/may2009/gb20090518_437752.htm?chan=top+news_top+news+index+-+temp_global+business London's **Financial Times** points out that there is rising support in Europe for functional separation for European telcos: "Brussels and several countries want the national telecom incumbents to separate their infrastructure network from the service riding on it, which would be open to competitors on equal terms." http://www.ft.com/cms/s/0/8b149b84-41a1-11de-bdb7-00144feabdc0.html?nclick_check=1 Yet the fact remains, a world-wide recession in underway. **Telephony Online** reports that despite broadband stimulus funding, U.S. spending on access equipment is projected to decline by 27% this year and to keep declining for two years before turning around. http://telephonyonline.com/residential_services/news/us-broadband-equipment-market-0521/

ABOUT BROADBANDCENSUS.COM

BroadbandCensus.com is a premium provider of news, information and events about broadband technology and internet policy. BroadbandCensus.com is at the forefront of understanding and explaining the implementation of the $7.2 billion broadband stimulus package on the federal, state and local level. Since January 2008, BroadbandCensus.com has been building a public, transparent and freely accessible database about local broadband speeds, prices, availability, reliability and competition.

BroadbandCensus.com is also host of the Broadband Breakfast Club, an on-the-record discussion forum that meets at the Old Ebbitt Grill on the second Tuesday of each month, from 8 a.m. to 10 a.m. Registration is available here. Webcasts of previous Broadband Breakfast Club events are available for purchase here.

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