

BROADBANDCENSUS.COM'S weekly report

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The Rural Utilities Service last week released rules for its Community Connect grant program. While not a part of the recently-passed federal broadband stimulus, a RUS official - speaking at a Dallas conference - explained the program and what it may signal for the broadband stimulus regulations due in mid-June.

BOUCHER TO SPEAK AT BROADBAND BREAKFAST CLUB

The Chairman of the House Energy and Commerce Communication Subcommittee, Rep. Rick Boucher, will speak to a sold-out audience at the Broadband Breakfast Club, Tuesday, May 12, 2009. The topic of the meeting is "How Should 'Unserved' and 'Underserved' Areas Best Be Defined?"

For more, see <http://broadbandcensus.com/2009/05/rep-rick-boucher-chairman-of-the-house-commerce-communications-subcommittee-at-broadband-breakfast-club/>

THE WEEK'S LINKS

Stimulus Action Moves to the States

A new report from **Craig Settles** outlines how to navigate the broadband stimulus application process. Settles highlights the overtly partisan political approaches that are likely to be necessary for success. <http://www.successful.com/msp/snapshot-4-09.pdf> The **Connected Nation** affiliate, **Connect Ohio**, is holding broadband stimulus meetings in communities across the state. http://www.starbeacon.com/local/local_story_119194027.html **Sharon Gillett**, the head of the **Massachusetts Department of Telecommunications and Cable**, has been appointed to head **Massachusetts Broadband Institute**, a move highlighting the growing significance of state broadband authorities. http://www.boston.com/business/ticker/2009/04/gillett_will_he.html and <http://broadbandcensus.com/2009/04/ex-mit-researcher-is-massachusetts-new-broadband-czar/> Texas has issued its own request for information "for providers that can help win broadband stimulus funds to link up the state's unserved and underserved"; responses are due on May 15. <http://blog.telephonyonline.com/unfiltered/2009/04/28/texas-issues-broadband-stimulus-rfi/>

Wireless and Satellite Come into the Picture

As new technologies are explored, old ones, rather than dying, continue to evolve and gain traction. The broadband wireless standard battle looks to go on a bit longer with WiMax getting some renewed support, both domestically and internationally. <http://www.telecoms.com/10955/wimax-goes-dutch> **DSL Reports** notes Powerline is still around and even growing. <http://www.dslreports.com/shownews/Powerline-Broadband-Just-Wont-Die-102129> **WildBlue** has demoed 18 Megabits per second satellite broadband. <http://www.dslreports.com/shownews/WildBlue-To-Demonstrate-18Mbps-Satellite-102122> and <http://www.dslreports.com/shownews/Wild-Blue-18Mbps-More-Like-10Mbps-102209> The satellite broadband industry is also gearing up to go after broadband stimulus funds. http://www.satellitetoday.com/via/ednote/Tough-Fight-Ahead-for-Share-of-Broadband-Stimulus-Money_30655.html and http://www.lightreading.com/document.asp?doc_id=176106&site=cdn&

Carrier Groups Push for Municipal Restrictions

With the offer of easy money comes the inevitable brawl for territory -- and North Carolina appears to be the site for first blood. **Americans for Prosperity**, which describes itself as a grass-roots group committed to limited government and free market principles. **Time Warner**, and **Embarq** are push-polling for legislation to stop municipal Broadband competition in N.C. <http://www.zeropaid.com/news/86081/big-us-isps-roll-out-push-polling-to-stop-cheap-internet/> and

CLYBURN TO GAIN SPOT AT FCC

South Carolina Public Service Commissioner Mignon Clyburn, the daughter of House Majority Whip Rep. James Clyburn, D-S.C., has received the nomination for the newly opened Democratic spot on at the FCC. Also, legislative aides said that Congress is unlikely to take any action on Broadband Stimulus until after the August recess. For more, see <http://broadbandcensus.com/2009/04/white-house-announces-nomination-of-mignon-clyburn-to-democratic-fcc-spot/> and <http://broadbandcensus.com/2009/04/telecom-committees-in-congress-raise-universal-broadband-issues-at-cable-forum/>

WIMAX CROSSES A BRIDGE

Reports of the death of WiMax may now be considered exaggerated, given this week's twin announcement from Digital Bridge

http://www.digitalbridgecommunications.com/Portals/0/About%20DBC/DBC_NRTC_press_release_4.28.%2009.pdf and the National Rural Telecommunications Cooperative (NRTC) http://www.nrtc.coop/pub/us/now/press/press_20090428_wimax_dbc.html. For more, see <http://broadbandcensus.com>

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DALLAS, May 4, 2009 - Broadband is and must be more than better-quality voice signals, higher-definition television, and more digital products bundled together, internet visionary **David Isenberg** said at the **Broadband Properties** conference here.

In a keynote address during the three-day conference last week, Isenberg – creator of the annual **Freedom to Connect** conference – attempted to take “the 30,000 foot view about why the work that we do is important.”

To Isenberg, Broadband needs to be about more than duct-work and fiber-optic splices and electrical engineering protocols. It must include person-to-person communications. In short, broadband needs to be about the Internet.

Other conference keynoters brought a similar message. Bringing broadband to the low-income, said **One Economy** CEO **Ray Ramsey**, “is about giving oxygen to people: there is a nexus between the quality of information a person has and the quality of life a person has.”

Entertainment Software Association CEO **Michael Gallagher** said that as the content in interactive video games gets richer, “you are going to see an increase of demand on the network... Right now, we are thriving within the broadband services today. We are going to want to see the very best networks, to see our industry thrive and grow.”

Michael Curri, president of the **SNG** consultancy, cited his 2009 study of internet and broadband usage in 18 communities, which found “that 29.3 percent of the new jobs created in the past 12 months were directly attributed to using broadband.” Broadband can provide even more benefits, but it must be explained to users in local communities.

Every year, the annual **Broadband Properties** conference, produced by **Broadband Properties** magazine, assembles those who literally build the innards of the nation’s fiber-optic infrastructure, the most advanced broadband and internet networks anywhere.

They hearken from the private cable industry, where many provided television service to the owners of multi-dwelling units real properties. They also come from the rural companies and communities that took risks in pioneering fiber investments long before larger companies, like **Verizon Communications**, woke up to its benefits.

Either way, these are the people that are, in the words of **Fiber to the Home Council** President **Joe Savage**, “in the dirt-moving industry.”

They include glass-makers, wire-splitters, radio frequency engineers, manufacturers of reinforced boxes and racks for digital switches and routers, and consultants to the equipment providers, carriers and local governments. Some are well-known, and some are invisible. They include **Calix**, **CSI Digital**, **Design Nine**, **FlexOptics Networks**, **Foxcom**, **Light Brigade**, **Hitachi Telecom**, **Motorola**, **Walker and Associates**, among many others.

Isenberg wanted them to look beyond their very exciting cables, however.

Originally an employee at **BellLabs**, then run by the old **AT&T**, Isenberg pioneered the notion of the “stupid network.” Such a stupid network was the decentralized internet, in which intelligence resided at the edges, and not with the company connecting all of the nodes. That internet, of course, wasn’t born at AT&T, which tried to kill it in the 1960s and 1970s.

Taking a counter-factual spin through history, Isenberg speculated that many of the digital delights commonly associated with broadband – faster, bigger, clearer – would have advanced even if AT&T succeeded in killing the ‘Net.

What might not have happened, however, were the simple, crucial things, like e-mail. “People to people applications over what became the Internet was a big surprise,” he said.

What would have been lacking without person-to-person communications? Encyclopedias like **Wikipedia**, retailers like **Amazon.com** and **eBay**, social networks like **Facebook**, online banking, and “web 2.0 applications, where a single computer is pulling from a dozen different directions at one time, would be worse than unavailable. We wouldn’t have [the language] to think about it.”

For Isenberg, the real history of the Internet suggested values worth preserving. The foremost of which is network neutrality, or the notions that network providers need to be restrained from favoring certain applications, or at least certain favored business parties, over others. He concluded that, as network builders and MDU owners, “dirt-movers” shouldn’t be neutral on net neutrality. They should take an enlightened stand for technologies that don’t engage in bit discrimination.

-Drew Clark, Editor, **BroadbandCensus.com**



DALLAS, May 4, 2009 - Regulations have not yet been issued regarding the federal government's program to invest \$7.2 billion in broadband networks, but experts inside and outside of government took their best shot at explaining the program's contours at the **Broadband Properties** conference here.

The conference brought together many of the network builders likely to benefit from such investments. The experts addressed the core broadband program being jointly administered by the Commerce Department's **National Telecommunications and Information Administration** and the Agriculture Department's **Rural Utilities Service**.

Speaking at the conference, **Ken Kuchno**, director of the Broadband Division of RUS, outlined the telecommunications programs within USDA's current budget: \$690 million for its traditional loan program focused on rural carriers; \$400 million for its broadband loan program, which was initiated as part of the 2002 Farm Bill; and \$13 million under its so-called Community Connect program. That Community Connect window closes June 19, and the rules were announced next week.

Each of those numbers, of course, pale in comparison to the \$2.5 billion that the RUS will distribute as part of the American Recovery and Reinvestment Act. RUS has the authority to spend the money by way of grants or, more likely, stretching its funds by turning them into loans.

Kuchno emphasized that a crucial aspect of the RUS's funding was that 75 percent of the areas to be served by its grants and loans must be in rural areas. (Currently, 100 percent of RUS funding is in rural areas.) The USDA defines rural areas as communities of less than 20,000, or communities not bounded up against a town of 50,000 or more.

Although the definition of rural areas is not likely to change under the regulations in progress, how a project may be defined as meeting the 75 percent mark (i.e., by population, or by land-mass) remains uncertain.

"We have committed that we will get our comments out in the June 20 time-frame," said Kuchno. "That notice of funds availability will say how much [in grants], who [will be eligible for grants], the areas [that will be served]," as well as the types of projects that will be favored.

Once the rules are released, the RUS will be conducting outreach through its own staff. In April, it put out a proposal for a contractor to sort through the applications. "If we get 100 applications, that is one thing, but if I get 1,000, I will need [a contractor] to be able to get through the process."

Kuchno said that the first RUS awards would be made by the end of September 2009.

Others at the conference also spoke about another \$109.75 billion in broadband – for things like electronics medical records, so-called "green jobs," the electric "smart grid," transportation expenditures, and other fiscal stimulus-related spending.

This coming week, several additional conferences in Washington, and outside of the Beltway, will continue the broadband stimulus conversation. These include the conference, "**Community Networks for the Future**," on Monday and Tuesday in Myrtle Beach, S.C., by the **Southeastern Association of Telecommunications Officers and Advisors**. <http://www.seatoa.com/pdf/031609%202009%20SEATOA%20CONF%20PROGRAM.pdf>

OPASTCO, the **Organization for the Promotion and Advancement of Small Telecommunications Companies**, and the **Western Telecommunications Alliance** are hosting their legislative and regulatory conference on Tuesday and Wednesday, including **David Villano**, the assistant administrator at RUS. <http://www.opastco.org/site/meetings/09lrc/agenda>

The **Computer and Communications Industry Association** annual "**Washington Caucus**," on Wednesday, will be drawing a range of legislators to talk about CCIA's issues – which include a strong voice counterbalancing the carriers. http://www.cciainet.org/artmanager/publish/events/Upcoming_Event_2009_Washington_Caucus.shtml

And the **Benton Foundation**, on Thursday from Noon to 3 p.m. at the National Press Club, hosts a roundtable on "Setting a High Standard for Broadband Stimulus Funding: Urban and Rural Examples of the "Best in Breed." The event seeks to "bring new ideas on the innovative and imaginative use of broadband and the evaluation of results in so doing," according to Benton Foundation Chairman **Charles Benton**. <http://benton.org/node/24884>

-Drew Clark, Editor, BroadbandCensus.com



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THE WEEK'S LINKS...

<http://www.salisburypost.com/Area/050109-fiber-americans-for-prosperity-on-cable-bill> and http://www.tech-journalsouth.com/news/article.html?item_id=7334 and http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=105190 **Karl Bode**, on DSL Reports, notes that, "After a while, you start to wonder how many actual broadband connections these companies could have deployed with all of the money spent nationally on lobbying, PR, lawyers and push pollsters." <http://www.dslreports.com/shownews/Incumbent-Dirty-Tricks-In-Wilson-NC-102206>

Deep Packet Inspection and Metered Billing

GigaOm writes that deep packet inspection could enable Internet service providers to "provide a form of consumption-based broadband. Instead of a flat-out metering program, such packages might offer subscribers an emphasis on voice or gaming services and prioritize packets accordingly." The privacy issues related to DPI are likely to remain hot topics however. <http://gigaom.com/2009/04/30/dpi-its-going-to-be-about-more-than-ads/> **Bill Gurley** at **Forbes** suggests that metered pricing could squash competitive Web video services completely. http://www.forbes.com/2009/04/30/cable-broadband-internet-video-business-media-broadband.html?feed=rss_business But the **American Cable Association** says consumption-based broadband pricing is "certain." <http://www.dslreports.com/shownews/American-Cable-Association-Metered-Billing-Inevitable-102166> and <http://www.engadget.com/2009/04/28/surprise-the-american-cable-association-favors-tiered-broadband/>

Australian Broadband Access, and the e-Rate

The Australian Minister for Broadband says broadband access is a fundamental service like electricity. <http://dotnet.sys-con.com/node/939477> In the U.S., the Government Accountability Office issued a report criticizing the Federal Communications Commission's decade-old e-Rate program. <http://www.dslreports.com/shownews/A-Decade-Later-FCCs-ERate-Program-Still-A-Mess-102201> and <http://www.networkworld.com/news/2009/042909-fcc-e-rate.html> **Tom Hazlett** writing in the **Financial Times** observes that the "shovel-ready" projects mandated by the stimulus are ripe for waste, fraud and abuse, similar to that documented annually from the stimulus already routinely offered by the phone companies. http://www.ft.com/cms/s/0/af900dd0-3699-11de-af40-00144feabdc0.html?nclick_check=1

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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