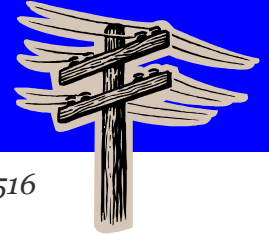


THE FEDERAL WIRE



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Application Monitoring

Following the closing of the first round of the broadband stimulus funding, the BTOP and BIP agencies will publish a list of the census blocks where awards have qualified to the second step of approval. Certain blocks of a non-incumbent project may be defined as an unserved/underserved area under their proposal. Incumbents will have an opportunity during the due diligence phase to prove an area should not be determined to be an unserved or underserved area. However, if an incumbent does challenge an unserved/underserved area, they will have to make this information public, including data to prove their point. At this time, companies that make it past the first round to due diligence will not have the opportunity to counter challenge an incumbent's refute about an unserved or underserved area. It will be important to monitor the applications after the first round approval process so that the incumbent can challenge a project that may invade their territory.

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The application deadline for the first NOFA is
August 14, 2009

First Round Criticisms/Possible Second Round Changes

Speeds: The 768kbps download/200kbps upload broadband speeds probably have been the main criticism of the first round NOFA. Even though companies receive more points when their applications provide for higher speeds, many people complain that these speeds do nothing to help communities compete in today's global economy.

Short Application Period: The 44 day window, from when the NOFA was released on July 1 to the application deadline of August 14, left many organizations scrambling to compile massive amounts of information in a short time frame.

Definitions: The definitions of rural, unserved, and underserved left many organizations and communities hoping to benefit from broadband stimulus funds out in the cold. The strict rules made libraries, schools, and hospitals, and even small towns that would have greatly benefited from broadband service and/or upgrades, ineligible to apply.

Mapping: Most states, including Nebraska, lack an accurate broadband map detailing which regions have access to broadband service and the speeds associated with that service. There is a plan to have a nationwide broadband map in place by February 2011, several months after the \$7.2 billion broadband stimulus money has been dispersed. The companies that currently have mapping in place are going to benefit the most from this NOFA. The speed at which the broadband stimulus money is being dispersed without a sufficient plan invites government waste and fraud, but that is an entirely other topic for discussion, and it will not change the current plan to distribute funds.

The second NOFA is now expected to be released in the fall of 2009, and the third NOFA is expected to be released in the spring of 2010. It is expected that certain aspects will be modified from the original NOFA for the subsequent rounds. However, we will again have to take the wait-and-see approach as to whether any changes will benefit entities hoping to apply for broadband stimulus funds.

In Case You Missed It...

Consumer Groups Attack Broadband Stimulus Rules

By Stacey Higginbotham, *GigaOM.com*

Groups representing municipal broadband advisers and consumer-oriented nonprofits have written a letter protesting the way the first tranche of \$4 billion in broadband stimulus funds is being distributed.

<http://gigaom.com/2009/07/22/consumer-groups-attack-broadband-stimulus-rules/>

Rural Telecom Associations Say BIP Rules are Flawed

By Andrew Burger, *telecompetitor.com*

Asserting that the current evaluation criteria illegitimately favors larger over smaller broadband carriers, a coalition of industry associations representing small rural telecom providers has written a letter to the administrator of the Dept. of Agriculture's Rural Utilities Service urging the agency to change proposed evaluation criteria in the Notice of Funds Availability for the federal government's Broadband Initiatives Program.

<http://www.telecompetitor.com/rural-telecom-associations-say-bip-rules-are-flawed/>

Are Minnesota Cities Shut Out by Broadband Rules?

By Steve Alexander, *Star Tribune*

Groups representing municipal broadband advisers and consumer-oriented nonprofits have written a letter protesting the way the first tranche of \$4 billion in broadband stimulus funds is being distributed. They sent the letter to Larry Strickling, the administrator of the National Telecommunications and Information Administration, which is in charge of distributing \$1.6 billion in stimulus funds in the first of three rounds.

http://www.startribune.com/business/51266442.html?elr=KArksD:aDyaEP:kD:aU2EkP7K_t:aDyaEP:kD:aUjD3aPc:_Yyc:aUU

Wiring Rural America: Which Technology is Best?

By Rachael King, *BusinessWeek.com*

Reaching the most remote rural customers with high-speed Internet access can be prohibitively expensive. Consider the case of Hill Country Telephone Cooperative in Ingram, Tex. The small provider is undertaking a \$57 million effort to install fiber and bring broadband service to a substantial part of its market, which covers 2,900 square miles, roughly twice the size of Rhode Island.

http://www.businessweek.com/technology/content/aug2009/tc2009083_226117.htm

Filing Deadlines

August

14 BTOP & BIP Applications
22 Elect NECA to administer 2008 FCC Regulatory Fees
31 Lifeline Verification Surveys and Certifications
31 NECA Company Services Questionnaire

September

2 FCC Form 477
17 FCC Form 507
22 LSS Projection Data Form

October

1 USAC Rural Use Certifications for High Cost support
15 Form 497

Introduced Legislation in Congress

The "Connecting America Act" (**S.1447**) was introduced by Senator Kay Bailey Hutchison (TX) and it is intended to increase broadband deployment over the next five years through financial incentives such as tax breaks. It would rely on communities and private companies, rather than federal bureaucracies, to deploy broadband services across the nation. Incentives would go to ISPs that provide 50 Mbps downstream and 10 Mbps upstream in rural areas. The legislation would also create an office within the NTIA that would assist companies with applying for federal funds for broadband deployment, such as the broadband stimulus money. S.1447 does not have any cosponsors and is not expected to move out of the Committee on Financial Service, to which it was referred.

The "Internet Freedom Preservation Act" (**H.R.3458**) is a bill introduced by Representatives Edward Markey (MA) and Anna Eshoo (CA) that seeks to legislate network neutrality. This is the third time Rep. Markey has introduced this same legislation, once as a bill, and once as an amendment to a bill with no action taking place either time. If enacted, the bill would establish rules for an open internet. It allows an internet user to file a neutrality complaint with the FCC against an ISP and receive a ruling within 90 days. H.R.3458 is not expected garner much attention this year, but it could gain momentum and will be one to watch next year since President Obama has called for net neutrality in the past, and there is a new pro-net neutrality chairman of the FCC.