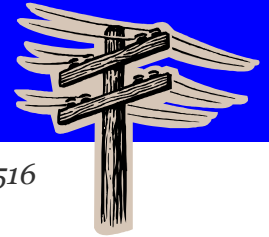


THE FEDERAL WIRE



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What's the Latest with Broadband?

There seems to be confusion at all levels of the broadband stimulus program - from the NTIA and RUS, reviewers, incumbents, states, and applicants. No one seems to be on the same page, so bear with me as I give you the most up to date posting. Everyday seems like a change to the original plan. Due to the overwhelming complexity of the entire program, it appears that NTIA and RUS are doing their best to rush this process along, and they still maintain that all first round awards will be dispensed by the end of this year. The only hope is that they carefully vet each application for the sustainability and quality as promised in the process to get these projects approved.

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BIP/BTOP Application Challenging

Now that the applications have been submitted and are being reviewed, the next important step for incumbents will be to challenge projects that they believe should be disqualified. Maps of the application were supposed to be posted online almost two weeks ago, and we are still waiting. After the maps are posted of each applicants proposed service area, incumbents have 30 days to challenge the proposed area if it overlays their own.

The burden is on local telcos to challenge the proposals and make noise in order to demonstrate that certain proposals may have flaws or provide inaccurate information. Viaero's \$116 million wireless proposal in Colorado and Nebraska is one such proposal that has cause for concern. Viaero's claim that they can bring broadband to their proposed area at a cost of \$300 per household could enable them to win the award. If the only information released to the public is Viaero's map and executive summary, then it will be very important to have as many RLECs as possible challenge their application.

After discussing the challenging options with other consultants, engineers, and telcos; at this point, the best conclusion is for each telco to create a map or maps of their service territory with the Broadband Mapping Tool. It is highly suggested that you start on the maps as soon as possible. It is a complicated and time consuming task, but well worth your time in case a competitor files for hundreds of thousands or even millions of free dollars in your territory.

After the map is created, you will be able to upload it to challenge any proposed service area that overlays your company's service area. (Also, this same map can be used for the second round NOFA if you are thinking of applying) It is believed that in addition to the map, you will be able to provide a 10,000 word or character statement as to why you are challenging an application. It is possible that this will be the only method of challenging, but either way, likely the most effective. Contact our office for more information about creating a map and challenging an application.

The State Review Burden

There has been another change in the way states will be reviewing applications. Originally, it was planned that the NTIA would conduct an initial review of all the applications and then send the highest scoring applications to each state's Governor for input and prioritization. Based on the overwhelming amount of applications, short time frame, and limited resources of reviewers, the NTIA has decided to modify this reviewing process.

Since all the applications are accessible on the BroadbandUSA website, NTIA has told each state to review all the applications in their states, and send their recommendations to the NTIA. Applicants only need to provide the state with more information if they are contacted by the state and asked to provide further details. According to reviewers whom have blogged about their experiences, some still have not received any applications to review. The initial reviews were supposed to be done by mid-September. It is believed that the NTIA passed the buck to the states in order to speed up the process.

This method of review has several causes for concern and poses several problems for states across the nation. The process places an extreme burden on the state to analyze applications by officials that are probably not familiar with the BTOP selection criteria. NTIA has offered little to no guidance on how to determine the most qualified applicants and what the program is designed to do. Governors may not have the right expertise themselves or in place to assist them with the technological guidance required to make the best decisions. Not to mention the political conflicts of interest that may also become present when determining the fate of millions of dollars of application approval.

Some states applied for grants from BTOP, so what is to stop them from highly ranking and advancing only their applications, no matter how much better or worse they are from other applications in the state.

Having states prioritize the initial applications undermines the whole process. If states are scoring applications simultaneously as NTIA reviewers, what happens when one organization scores one application high and the other organization scores the same application low? Either the state input will be entirely worthless or could carry little effect when determining the winners. It looks like transparency may take a back seat to the effort to rush the money out the door.

In Case You Missed It...

Windstream Fights to Change Broadband Stimulus Rules

By Ed Gubbins, www.telephonyonline.com

Net neutrality and other rules are discouraging the best prospects for broadband expansion, Windstream's CEO said in an exclusive interview. "I was so damn disappointed with it," Jeff Gardner, Windstream's chief executive officer, said of the rules governing the federal broadband stimulus program. "We spent months working on this. We spent millions of dollars getting ready. We knew in every county, every exchange, how much additional money we'd need to invest to make the economics work for us.

<http://telephonyonline.com/independent/news/windstream-stimulus-rules-092109/>

Internet Providers Push Back Against 'Net Neutrality' Proposal

By Amy Schatz and Fawn Johnson, [The Wall Street Journal](http://www.thewallstreetjournal.com)

WASHINGTON -- Phone and cable companies expressed concern about proposed rules that would prohibit Internet service providers from slowing competitors' Web traffic or impeding access to legal Web content.

Federal Communications Commission Chairman Julius Genachowski, in a speech Monday, proposed putting teeth into current guidelines on so-called net neutrality by making them full-fledged rules, and extending them to wireless carriers.

http://online.wsj.com/article/SB125354032776727741.html?mod=dist_smartbrief

FCC's Network Neutrality

A few weeks ago, I mentioned a bill (**H.R. 3458**) in the House of Representatives that seeks to legislate network neutrality. Last Thursday, this bill received notable press when Representative Henry Waxman, Chairman of the Energy and Commerce Committee, signed on as a cosponsor of that bill. Telecommunications insiders maintained that any Federal action regarding network neutrality would most likely come in the form of new rules from the FCC. Sure enough, only a few days later, FCC Chairman Julius Genachowski announced new net neutrality rules for the wireless industry.

To keep the Internet neutral, Genachowski wants the FCC to formally adopt six principles, four of which have been employed by the FCC on a case-by-case basis since 2005. (From www.pcworld.com)

1. *Consumers are entitled to access the lawful Internet content of their choice.*
 2. *Consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement.*
 3. *Consumers are entitled to connect their choice of legal devices that do not harm the network.*
 4. *Consumers are entitled to competition among network providers, application and service providers, and content providers.*
- The two additions:
5. *Broadband providers cannot block or degrade lawful traffic over their networks, favor certain content or applications over others and cannot "disfavor an Internet service just because it competes with a similar service offered by that broadband provider."*
 6. *Broadband providers must be transparent about the service they are providing and how they are running their networks.*

There is still work left to be done before these rules are voted on by the FCC including public discussion and workshops. Since 3 of the 5 FCC members are Democrats, the principles are expected to be approved. There is Republican Senate opposition, including Senator Kay Bailey Hutchison threatening to offer an amendment in the Senate to deny funding for the FCC to implement the new rules. She is holding off offering the amendment for the time being while she works with the FCC to find a solution to their differences. The FCC has created another website for more information: www.openinternet.gov.

Websites and Registration Links

[BroadbandUSA](#)

[Broadband Stimulus Notice of Funds Available \(NOFA\)](#)

[Central Contractor Registration \(CCR\)](#)

[USDA Level 1 eAuthentication ID](#)

[Broadband Technology Opportunities Program \(BTOP\)](#)

[Broadband Mapping Tool](#)

Filing Deadlines

October

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

November

2 NTIPS Contact and Data Base Update and NTIPS Compliance Affidavit
2 USAC Form 499-Q

December

18 ICLS Data and Certification
18 LSS True-Up Data