

# Recommendations of Massachusetts Department of Telecommunications and Cable (MDTC) to NTIA Broadband Technology Opportunities Program

## Preliminary Response to Notice for Feedback Issued March 9, 2009

### General Information about Broadband in Massachusetts (MA)

- Initial mapping exercise conducted after Governor Deval Patrick took office in 2007 showed that of 351 cities and towns in MA, 32 had no broadband, and 63 more were only partially served.
  - Most unserved citizens live in the rural western portion of the state. Ubiquitous, affordable broadband access is a top economic development priority for the Governor and western MA legislators.
- On August 4, 2008, Governor Patrick created a broadband authority for Massachusetts by signing Chapter 231 of the Acts of 2008, *An Act Establishing and Funding the Massachusetts Broadband Institute*.
  - The Institute (MBI), a quasi-public agency, is staffing up, has a full Board of Directors, and has already completed a “Call for Solutions” (RFI) process for western MA. [www.masstech.org/broadband](http://www.masstech.org/broadband)
  - MBI is currently engaged in more detailed mapping of broadband gaps in western MA, as well as working with other state agencies – including MassHighway, the Executive Office of Public Safety and Security, and the Executive Office of Education – to identify opportunities for synergies and sharing of resources.
  - *MBI will serve as the Governor’s point of contact with federal agencies regarding broadband stimulus funding, and will be designated as the “eligible entity” for implementing the provisions of the Broadband Data Improvement Act (BDIA), once NTIA advises states on the appropriate mechanism for this designation.*
- The Act provides for up to \$40 million in state bonding authorization for the purpose of closing broadband gaps, relying on a regionally-based, co-investment model of public-private partnership.
  - *Stimulus funds can particularly help “unfreeze” private investments essential to the partnership. We recommend that NTIA allow state funds, as well as contribution of other state resources such as use of a highway right of way, to satisfy the matching requirement for private partner firms proposing to co-invest with the state.*
- More information
  - Sharon E. Gillett, Commissioner, MDTC, [sharon.gillett@state.ma.us](mailto:sharon.gillett@state.ma.us)
  - Donna Baron, Program Director, MBI, [baron@masstech.org](mailto:baron@masstech.org)
  - Stan McGee, Assistant Secretary for Policy and Planning, Executive Office of Housing and Economic Development, [stan.mcgee@state.ma.us](mailto:stan.mcgee@state.ma.us)
  - Bryan Jamele, Broadband Policy Analyst, Executive Office of Housing and Economic Development, [bryan.jamele@state.ma.us](mailto:bryan.jamele@state.ma.us)

## Responses to Specific NTIA Questions

### 1. Purposes

- a. Should a certain percentage of grant funds be apportioned to each category? *No. NTIA should award funds to projects that best accomplish the stated purposes of the Act.*
- b. Should applicants be encouraged to address more than one purpose? *Yes, but this should not be required. Broadband is by its nature a general-purpose infrastructure. Because of this, any broadband deployment project will almost certainly meet many of the purposes laid out in the statute (such as better public safety, education and health care) even if the application does not include explicit programmatic components to this effect.*

### 2. Role of States

- a. How should the grant program consider State priorities in awarding grants? *Defer to the state's eligible entity to determine priorities.*
- b. What is the appropriate role for States in selecting projects for funding? *States should play 2 separate roles. First, states that have or are organizing public-private partnerships should be allowed to serve as "aggregators" for regionally-based or otherwise larger projects. All of the entities (both public and private) that are working together in partnership should be allowed to apply to NTIA as a group. Second, eligible entities in states should be consulted by NTIA to "vet" proposals from other entities that are not part of a state-led partnership. This approach will help NTIA sort out high quality, truly "shovel-ready" proposals as well as ensure that the most pressing needs are addressed within each state.*
- c. How should NTIA resolve differences among groups or constituencies within a State in establishing priorities for funding? *We recommend that each governor be asked to designate one point of contact for the state for the grant programs, and that NTIA defer to that entity. This entity can be, but should not have to be, the same as the eligible entity designated according to the BDIA (mapping) provisions.*
- d. How should NTIA ensure that projects proposed by States are well-executed and produce worthwhile and measurable results? *NTIA should design standardized forms and mechanisms for progress reporting, and should enforce claw-back provisions based on this reporting. Furthermore, NTIA should ensure adequate oversight and monitoring by providing for states to cover some portion of their administrative costs associated with implementation of the ARRA/BTOP provisions.*

3. **Eligible Grant Recipients** What standard should NTIA apply to determine whether it is in the public interest that entities other than those described in Section 6001(e)(1)(A) and (B) should be eligible for grant awards? *At*

*minimum, a private firm's participation in BTOP should be considered as in the public interest when: (a) that private firm is acting in partnership with a public entity; or, (b) the firm is applying to serve otherwise unserved citizens (where unserved means no facilities-based Internet access other than dial-up or satellite-based access); or, (c) the firm's offering would improve the quality or affordability of broadband in an area. Quality should be judged along multiple dimensions including bandwidth (in either direction), redundancy, and reliability.*

#### **4. Selection Criteria**

- a. How can NTIA determine that a Federal funding need exists and that private investment is not displaced? *NTIA should consider historical investment patterns in the affected region as part of this determination. How should the long-term feasibility of the investment be judged? NTIA could consider requiring financial modeling as part of the grant application, however they should keep any such requirements from becoming unduly burdensome for smaller applicants.*
- c. How should the BTOP prioritize proposals that serve underserved or unserved areas? *BTOP should prioritize projects that bring new, affordable, next-generation infrastructure and services to unserved and underserved communities while at the same time connecting those communities to the broader region, integrating them with existing infrastructure, and building redundancy into their networks. Projects that make "middle-mile" or "backhaul" connections more robust and affordable can be just as important as "last-mile" projects in remote areas.*
- g. Should the fact that different technologies can provide different service characteristics, such as speed and use of dedicated or shared links, be considered given the statute's direction that, to the extent practicable, the purposes of the statute should be promoted in a technologically neutral fashion? *Technology neutral does not mean "quality" neutral – rather it should be interpreted as meaning that no one broadband industry segment (e.g. telco or cable) should be favored. Proposals should be favored that provide the best value in terms of quality offered relative to cost incurred.*
- h. What role, if any, should retail price play in the grant program? *Lower is better, but again price needs to be judged relative to the quality offered.<sup>1</sup>*

#### **5. Grant Mechanics**

- a. What mechanisms for distributing stimulus funds should be used by NTIA and USDA in addition to traditional grant and loan programs? *NTIA should ensure that Notices of Funding Availability (NoFAs) give respondents at least 8 weeks to assemble their grant applications, or*

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<sup>1</sup> *Note California's use of standard "\$ per Mbps per month" metric in comparing broadband service price offerings in their Broadband Task Force report. See [http://www.calink.ca.gov/xls/CBTF\\_PricingSurvey\\_2007.xls](http://www.calink.ca.gov/xls/CBTF_PricingSurvey_2007.xls)*

*possibly longer for public-private partnerships. Application directions and guideline documents should be kept short and simple. Given that multiple application rounds are planned, winning proposals should be published after each round and agencies should promote knowledge sharing regarding application best practices to avoid repetition of mistakes or poor quality applications in subsequent rounds. Finally, agencies should allow electronic or paper submission.*

- b. How would these mechanisms address shortcomings, if any, in traditional grant or loan mechanisms in the context of the Recovery Act? *NTIA could also consider allocating a portion of the funding up front to block grants to states to get funds out quickly. A particularly valuable use of such grants would be for technical assistance. The state's broadband point of contact would identify the unserved and underserved communities and regions that need assistance with developing "broadband-friendly" ordinances for local issues such as zoning, siting, and right-of-way management.*

**6. Grants for Expanding Public Computer Center Capacity**

- a. What selection criteria should be applied to ensure the success of this aspect of the program? *Allow these applications to be bundled within infrastructure grants, instead of requiring separate applications for this purpose.*
- b. What additional institutions other than community colleges and public libraries should be considered as eligible recipients under this program? *Town halls, schools, and other community anchor institutions. Flexibility is warranted here since the smallest unserved communities may have neither a community college nor library located nearby, and may effectively use a different institution (e.g. town hall, community center, elementary school) to serve the equivalent purpose of providing a communal point of access to broadband.*

**7. Grants for Adoption** *NTIA should consult with each state's broadband point of contact regarding the quality of proposals from within the state's borders.*

**8. Broadband Mapping** The Recovery Act directs NTIA to establish a comprehensive nationwide inventory map of existing broadband service capability and availability in the United States that depicts the geographic extent to which broadband service capability is deployed and available from a commercial provider or public provider throughout each State. *NTIA should provide a standard form for designating the state's eligible entity for receipt of broadband mapping funds.*

- a. What uses should such a map be capable of serving? *Such a map should, through the use of GIS layers and overlays, be able to identify (a) locations (ideally addresses) without broadband service; (b) the level of service at any given served location (at a minimum identifying the*

*number of competitors, bandwidth, and price available); (c) progress over time.*

- b.** What specific information should the broadband map contain, and should the map provide different types of information to different users (e.g., consumers versus governmental entities)? *See answer to a. For clarity, multiple maps should be produced to illustrate different dimensions of broadband, such as availability, affordability, or quality.*
- c.** At what level of geographic or other granularity should the broadband map provide information on broadband service? *Ideally the address level.*
- d.** What other factors should NTIA take into consideration in fulfilling the requirements of the Broadband Data Improvement Act, Pub. L. No. 110-385 (2008)? *Clarify that states can compel and receive the same information about broadband deployment as federal authorities.*