



THE FLORIDA OFFICE OF Economic Recovery



The Capitol, Room 1604
Tallahassee, Florida 32399

October 14, 2009

The Honorable Larry Strickling
Assistant Secretary of Commerce
Administrator, National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

Dear Secretary Strickling,

In accordance with Public Law 111-5, the State of Florida respectfully submits the following comments on applications for Florida in Round 1 of BTOP funding. Per NTIA's *Notice of Funding Availability of July 9, 2009, National Telecommunications and Information Administration for the Broadband Technology Opportunities Program*,

"States may provide a list and prioritization of recommended projects, along with an explanation of why the selected proposals meet the greatest needs of the state."

Your staff has indicated that NTIA is looking for the Governor to provide feedback that only the state is able to provide and we have focused our efforts accordingly.

There are considerable constraints in NTIA's process that have impeded our review of the applications and diluted the value of the state's review efforts.

1. The information about the applications is uneven and very incomplete in many cases. Not all applicants have responded to requests for information and in many cases we have only the brief project statements available on the www.broadbandusa.gov web site. While this may make it easy to dismiss such applications, it complicates the job of knowing whether other applications for the same area or need are the best solution.
2. Many of the corporate applications have significant information redacted which precludes any review of the level of service provided, pricing, expected subscriber levels, etc.
3. While about two dozen applications were known to us prior to the review period, once NTIA began the process the number soared to over 120 applications to be reviewed. While your staff indicated that giving all applications to the state was in the interest of giving the states "full autonomy," the end result is a process that dilutes review resources that would have been better served focusing on only those applications making it to step 2 in NTIA's evaluation.
4. NTIA left it to the states to collect materials from the applicants and this took more than one week. This left barely two weeks to conduct our review (after receipt of materials requested). Given the time available and the number of applications, it was not possible to screen all the

applications and then invite the most competitive applicants for presentations where full querying could be done.

5. At least a third of the applications are national or multistate projects, many with minimal Florida involvement. Some of the applicants have not responded to requests for information about Florida-specific activities in their applications so it is impossible to know how the proposed project would serve our state.
6. Your agency will not share your expert reviewer scoring and comments with us so we don't know the results of your "thorough and robust" reviews of project's purpose, benefits, technical feasibility, budget, business plan and sustainability, etc.
7. The most challenging aspect of this review is determining whether there is a need for the service being proposed in the Last Mile and Middle Mile applications.
 - There are 52 applications for expanding broadband infrastructure yet, in many cases, there was no factual proof in the applications of the need for investing the funds in that area, particularly for the Middle Mile applications. This may be a function of grant writers not including this information but it is hard for the reviewers to know the situation without corroborating information.
 - The reviewers were hindered by Florida's coverage map not yet being available to use in evaluating statements about existing service and underserved or unserved areas.
 - Perhaps most importantly, NTIA will not provide us with the information it is collecting from challenges to coverage area attestations.

Given this situation, Florida's comments to you focus on the information we have available and provide Florida-specific information that will be helpful to NTIA.

Infrastructure – Middle Mile (MM) and Last Mile (LM)

We understand that NTIA set a very low standard (768 kbps down/200 kbps up) to allow for a wide range of approaches to broadband development. However, this could very well be one-time funding. We know that users will continue to demand more bandwidth in the future and we have concerns about expending valuable taxpayer resources on service at the lowest levels since it could be soon obsolescent. We believe NTIA should only be investing in such systems if the costs of upgrading them are included in the business plan – that such upgrades are financially sustainable. Fiber build-out is preferable to wireless wherever possible to provide long-term usefulness.

We recognize that \$7.2 billion is not sufficient to meet the incredible demand throughout the country and that only a limited number of applications will be funded. Consequently, we want to make sure that NTIA is aware of Florida's most pressing needs and where grant funding should be invested first. While many parts of the state need enhanced or more affordable broadband service, there are several parts of the state that are of greater state concern.

Florida is a very large state (almost 60,000 square miles) and our 18 million residents and their schools, businesses, homes and community institutions have many unmet needs, as represented by the large number of applications for the state. Consistent with § 6001 of the Recovery Act, we have identified the areas of the state that are the highest priority (our greatest needs) and where we request that NTIA make the first investments in Florida. These areas are largely rural areas that require investment in

broadband for economic development and upgraded service for education, public safety and health care.

Without a state map or the information NTIA is collecting from providers about coverage challenges, to determine the areas in greatest need we consulted with subject matter experts and looked at available demographic and economic data.

We also have placed a priority on identifying adequate service to anchor institutions. If the anchor institutions have adequate service, there is a greater likelihood that the residents in that area will as well. Conversely, if residents in an area have adequate service there is no guarantee that anchor institutions will have adequate service given their greater bandwidth requirements.

We considered the following factors in determining areas of need for infrastructure investment:

- Alignment with statutory intent of the American Recovery and Reinvestment Act of 2009 and Chapter 2009-226, Laws of Florida,
- Governor's declaration of Rural Areas of Critical Economic Concern counties,
- Counties prioritized by the Agency for Health Care Administration to prepare for health information technology and health information exchange,
- Counties prioritized by the Department of Education for K-20 service,
- Counties prioritized by the Department of Management Services for telecommunications service of anchor institutions based on input from city and county government, and
- Counties identified as needing enhanced broadband by the Bill and Melinda Gates Foundation 2008 survey of public libraries.

The high priority counties for infrastructure are shown in the attached map.

Using these geographic priorities, Last Mile and Middle Mile applications to which we request NTIA give high priority are:

- Florida's Heartland (MM) – This application is a priority if the proposed network meets underserved and unserved qualifications.
- GTC (LM) – This application will not meet the needs of anchor institutions but will address residential needs. Funding this application is a priority if the wireless system can be upgraded as bandwidth requirements increase and if the proposed network meets underserved and unserved qualifications.
- Level 3 EON (MM) – This application supports another priority project. It should be funded if the proposed network meets underserved and unserved qualifications and demonstrates that the project would not be implemented but for federal grant assistance.
- North Florida Broadband Authority (MM) – This application allows an already-funded Last Mile RUS project to proceed and is a priority if the proposed network meets underserved and unserved qualifications.
- Northwest Florida Business Development Council (LM) - Funding this application is a priority if the wireless system can be upgraded as bandwidth requirements increase and if the proposed network meets underserved and unserved qualifications.

- Okaloosa County Board of County Commissioners (MM) - Funding this project in the rural, northern part of the county is a priority if the proposed network meets underserved and unserved qualifications.
- Palm Beach County (LM) – Funding this project in the rural, western part of the county is a priority if the wireless system can be upgraded as bandwidth requirements increase and if the proposed network meets underserved and unserved qualifications.
- The best Last Mile solution for south central Florida - Three companies (ePath, Navtech, VistaNet) have submitted applications but we don't have sufficient information to compare them. It appears that none will meet the needs of anchor institutions but residential service in this area is needed.

The following applications do not address geographic priorities but deserve NTIA's consideration:

- Engage Communications (LM, MM) or FiberLight (MM) – Applications from both of these companies cover an area geographically isolated from the peninsula and one should be funded if it is the most cost-effective option for the service Monroe County is losing in December 2010. Unfortunately, we had very little information about Engage's projects to enable us to make a recommendation as to the better investment. An application should be considered if it meets underserved and unserved qualifications, is cost-effective, and demonstrates that the project would not be implemented but for federal grant assistance.
- Florida Public Broadcasting Service (MM) –The proposed network doesn't appear to meet underserved and unserved criteria but supports education throughout the state and could serve as a model for other PBS stations.
- Fort Pierce Utilities Authority (LM) – This is one of the components of a Smart Grid Investment Grant application and should be considered if the proposed network meets underserved and unserved qualifications and if the wireless system can be upgraded as bandwidth requirements increase.
- Home Town Cable TV (MM) – Limited information was available for our review due to redaction. This project would provide service to a regional project (Florida's Heartland) serving one of Florida's high priority areas and is one of the components of an ARRA energy efficiency grant application. This application should be considered if it meets underserved and unserved qualifications, is cost-effective, and demonstrates that the project would not be implemented but for federal grant assistance.
- Miami-Dade Broadband Coalition (MM) – This is one of the components of a Smart Grid Investment Grant application and should be considered if the proposed network meets underserved and unserved qualifications and if the wireless system can be upgraded as bandwidth requirements increase.
- OneBroward (MM) - This application should be funded if the proposed network meets underserved and unserved qualifications.

Please note that governmental entities planning to begin offering communications services are required by law (s. 350.81, Florida Statutes) to follow a due diligence process to prove the need for the new service and the private and public costs and benefits. The process includes no less than two public hearings and can take up to six months.

Public Computer Centers and Sustainable Adoption

For public computer centers and sustainable adoption needs, we considered:

- Population below the poverty level
- Education levels and dropout rates
- High population centers
- Applicants with proven track records in providing similar services
- Applicants with close ties to the community being served, including local partnerships
- Projects that would bring new users to broadband (not just new applications for existing users)
- Computer centers that are open beyond regular business hours

Public Computer Center applications to which we request NTIA give priority in consideration:

- Broward County Board of County Commissioners – Wired for Success
- Department of State – Florida’s Broadband Enabled Public Library Services
- Leon County – Public Access PC Expansion (use of virtualization to lower costs could be a model for others)
- Miami-Dade County – Miami-Dade County Library Community Broadband Initiative

Also deserving of NTIA consideration –

- City of Miami – Elevate Miami – Limited information was available for our review.

Sustainable Adoption applications to which we request NTIA give priority in consideration:

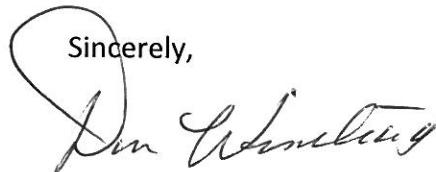
- Florida Department of Management Services – Connect Florida
- Florida Learning Alliance – The Florida Rural Broadband Campaign
- OneBroward – One Broward CAN (Community Action Network)
- School Board of Miami-Dade County – Miami-Dade County Public Schools Get Connected

Also deserving of NTIA consideration –

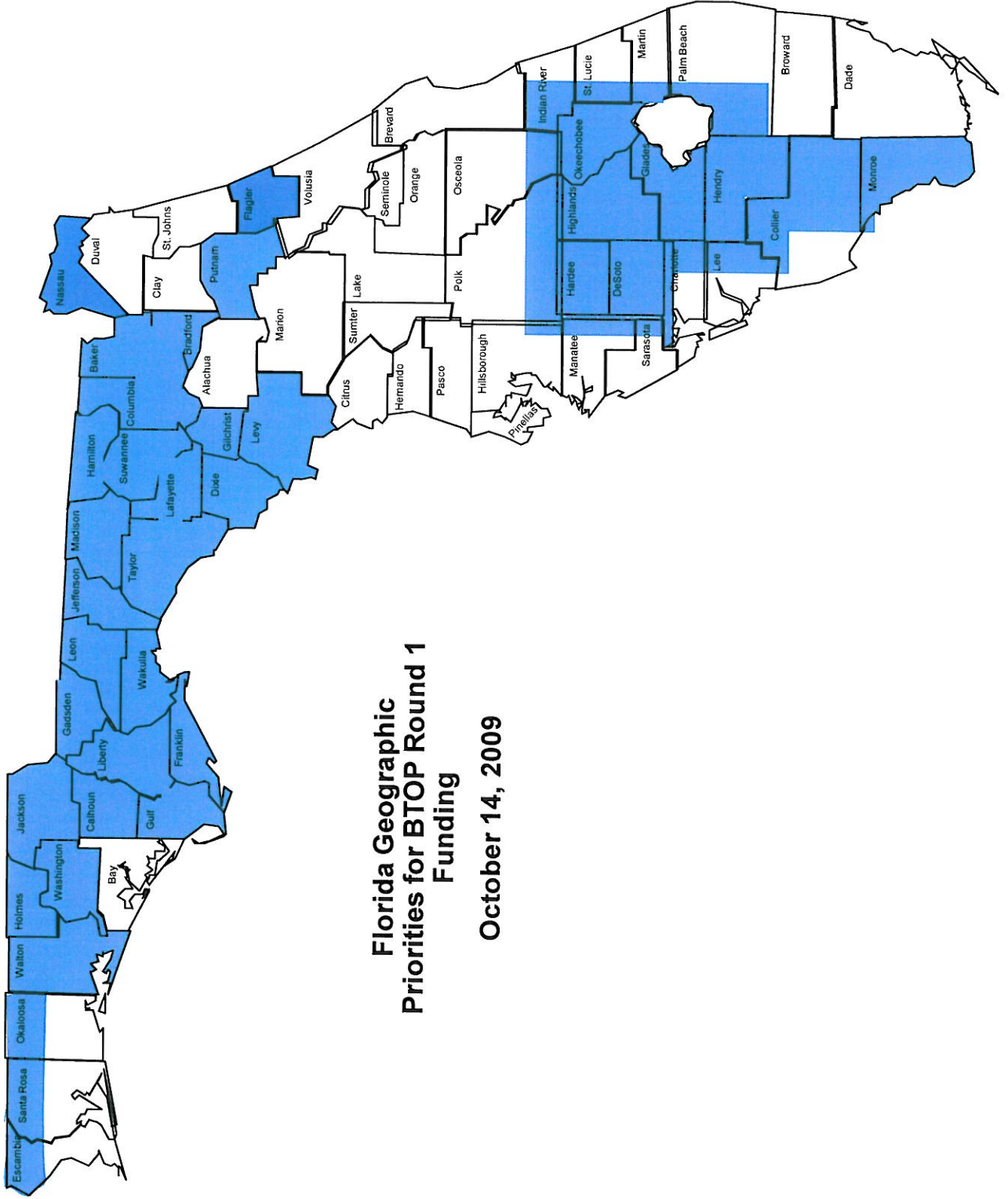
- Tampa Housing Authority – AccessALL Tampa

We welcome the opportunity to work with your staff on devising an improved review process for the next round of funding. If you need further information about our recommendations and comments, please contact Linda Fuchs on my staff (linda.fuchs@myflorida.com, 850-487-8165).

Sincerely,



Don Winstead
Special Advisor to the Governor



**Florida Geographic
Priorities for BTOP Round 1
Funding**

October 14, 2009