



July 9, 2010

The Honorable John D. Rockefeller, IV
Chairman
U.S. Senate Committee on Commerce
Science and Transportation
United States Senate
254 Russell Senate Office Building
Washington, DC 20510

The Honorable Kay Bailey Hutchison
Ranking Member
U.S. Senate Committee on Commerce
Science and Transportation
United States Senate
560 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Blanche Lincoln
Chairman
U.S. Senate Committee on Agriculture,
Nutrition & Forestry
United States Senate
328A Russell Senate Office Building
Washington, DC 20510

The Honorable Saxby Chambliss
Ranking Member
U.S. Senate Committee on Agriculture,
Nutrition & Forestry
United States Senate
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairmen Rockefeller and Lincoln and Ranking Members Hutchison and Chambliss,

On behalf of the Telecommunications Industry Association, I am writing to convey our industry's concern about the inclusion of rescissions from programs under your jurisdiction of "unobligated balances" from the "American Recovery and Reinvestment Act of 2009" (PL 111-5) from the Department of Agriculture's "Distance Learning, Telemedicine and Broadband Program" and from the Department of Commerce's "Broadband Technology Opportunities Program" in the recently passed "Amendment to the Senate Engrossed Amendment to the Text of H.R. 4899" which passed the U.S. House of Representatives on July 1, 2010.

As you know, the Department of Agriculture's Rural Utilities Service's (RUS) Broadband Initiatives Program (BIP) was provided \$2.5 billion through the ARRA to offer grants, direct loans, and loan grant combinations to help bring broadband services to rural unserved and underserved communities. While the first round of awards has been announced, the second round of applications is currently under review. Similarly, the Department of Commerce's National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP) is also in the process of reviewing the second round of applications for funding. ARRA provided \$4.7 billion to NTIA to support the deployment of broadband infrastructure, enhance and expand public computer centers, encourage sustainable adoption of broadband service and to develop and maintain broadband maps of every state.

With both of these programs on track to meet the statutory requirement to obligate all of the funds by the end of this Fiscal Year, and second round of applications currently under review, it is alarming that a proposal would be made to rescind some of this funding. Organizations, companies, and communities across America that have decided to apply dedicated time and precious resources to seek an award based on the availability of funds. These efforts were quite substantial – with RUS's own estimates that it takes nearly 400 hours to complete the two steps of the application process and NTIA's estimating 170 hours to respond to the second step of their application. Applicants made business decisions to pursue grants or loans based upon the amounts



of funding available and their chance of success – chances that would be significantly reduced by removing \$602 million from these programs. It stands to reason that had the funding pool been smaller at the onset some applicants may not have dedicated the time and resources to apply knowing that the competition would be even stronger.

To remove \$602 million from these programs would be detrimental to the stated goal of the Recovery Act – job creation. Building new broadband infrastructure is a significant job creator – from jobs created to manufacture the equipment throughout the supply chain, to the jobs created laying the lines. Further, these rescissions would remove needed resources from the effort to deliver broadband to millions of currently unserved and underserved Americans and would limit the investment in communities across America which will benefit from the deployment of new technology for years to come.

The Telecommunications Industry Association (TIA) represents the global information and communications technology (ICT) industry through standards development, advocacy, business opportunities, market intelligence and world-wide environmental regulatory analysis. Members' products and services empower communications in every industry and market, including healthcare, education, security, public safety, transportation, government, the military, the environment and entertainment.

TIA's members recognize that we are in an time of extraordinary deficits and we believe strongly that the investment in broadband infrastructure will be beneficial to the economy today in the creation of jobs in communities throughout America, but also help create and sustain jobs into the future through connecting these communities and opening the door to new opportunities and growth. Knowing of your Committee's work over the past 18 months to ensure the rollout of these programs and to ensure rigorous oversight of these programs, we respectfully request that you work to encourage the Congressional Leadership to reconsider these proposed rescissions and remove them as a potential offset for this or any other bill.

I appreciate your thoughtful consideration of this issue.

Best regards,

A handwritten signature in black ink that reads "Grant E. Seiffert". The signature is written in a cursive, slightly slanted style.

Grant Seiffert
President