



June 1, 2009

The Honorable Gary Locke  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue  
Washington, DC 20230

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue  
Washington, DC

RE: Buy American Provisions of the ARRA

Dear Secretaries Locke and Vilsack:

The Telecommunications Industry Association (TIA) appreciates the challenges faced by NTIA and RUS in designing and implementing the American Recovery and Reinvestment Act of 2009 (ARRA) broadband deployment provisions. Representing over 500 manufacturers of telecommunications broadband equipment, TIA is firmly grounded on the principle of technology neutrality, which values the social and economic benefits of ensuring access to a wide variety of broadband technologies. TIA shares the Obama Administration's goal of expanding broadband coverage throughout the United States as expeditiously as possible. While TIA and its members interpret the Office of Management and Budget's April 3 ruling on grants and loans under the ARRA to exempt private sector applicants from the Buy American provision<sup>1</sup>, concerns remain about the continuing applicability of the provision to grants and loans made to public entities, such as state and local governments.

The manufacture of broadband technologies is conducted on a global scale with companies' manufacturing supply chains varying by product and ever changing due to the influence of global supply and demand. The result is a very competitive and complex production landscape with components and end products being manufactured and assembled in a large number of countries. With the number of components and parts for more complex hardware numbering into the thousands, requiring public entities to document the origin of broadband equipment and their components to determine whether they fit the definition of the Buy American provision of the ARRA will severely complicate those applicants' ability to apply for funds. The reality of a complex and varied global supply chain for broadband equipment will significantly and unnecessarily

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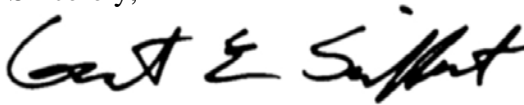
<sup>1</sup> If this interpretation is incorrect, TIA urges NTIA and RUS to apply the public interest waiver of the Buy America provision - Section 1605 (b) (1) (a) of the ARRA - to all recipients of broadband grants and loans under both the NTIA BTOP and the RUS program.

complicate applicants' ability to procure equipment from vendors for building out a network. This burden could lead to delaying the ability of NTIA and RUS to release stimulus money in the timeframe set by the Obama Administration.

Considering all of the above, TIA recommends that NTIA and RUS implement the ARRA in a manner that will enable the widest possible access to available technologies, irrespective of their country of manufacture. To that end, we urge NTIA and RUS to apply the public interest waiver of the Buy America provision - Section 1605 (b) (1) (a) of the ARRA - to public sector recipients of broadband grants and loans under both the NTIA BTOP and the RUS program. Such an approach would acknowledge the fact that the market and manufacture of broadband equipment are performed on a global scale. A waiver for all broadband equipment would also recognize that while Information and Communication Technologies (ICTs) are the foundation of broadband, the ICT components of broadband networks themselves represent but a small fraction of the overall investment required to build broadband networks. Broadband projects stimulated by the RUS and NTIA grant programs will spend far more on physical labor and construction than on ICT products themselves.

Please do not hesitate to contact me or Nicolas Fetchko, our Director for International and Government Affairs (202-346-3246, [nfetchko@tiaonline.org](mailto:nfetchko@tiaonline.org)), should you or your staff have questions regarding our request or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant E. Seiffert". The signature is fluid and cursive, with the first name "Grant" being the most prominent.

Grant Seiffert  
President

CC: Mark Seiffert, NTIA  
John Morabito, NTIA  
Kenneth Kuchno, RUS