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Ms. Bernadette McGuire-Rivera
Associate Administrator
Office of Telecommunications and Information Applications
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Ave., NW Washington, DC 20230

Re: Attribution of Pre-Existing Infrastructure Investments Necessary to BTOP Projects as In-Kind Contributions to the BTOP 20 Percent Non-Federal Match Requirement.

Ms. Rivera:

The Telecommunications Industry Association (TIA) urges the National Telecommunications and Information Administration (NTIA), as it establishes its grant procedures for the Broadband Telecommunications Opportunity Program (BTOP), to permit pre-existing infrastructure investments necessary to BTOP projects to count as in-kind contributions attributable to the statutorily-required 20 percent non-Federal match.

As you know, the American Recovery and Reinvestment Act of 2009 (ARRA) stated that, with exceptions, the Federal share of any BTOP project may not exceed 80 percent.¹ In order to meet the ARRA's 20 percent matching requirement, TIA believes that NTIA should flexibly allow pre-existing infrastructure that are essential elements to an approved BTOP project to be counted as in-kind contributions. Such a determination will ensure maximum participation in the BTOP by all eligible entities, and provide greater certainty to existing public and private service providers who are withholding investment in ICT products today for fear of those investments not counting as contributions toward BTOP projects.

State and local government applicants, who have already established Fiscal Year 2009 appropriations, may be especially challenged to create new cash resources in order to participate in NTIA's rounds of grant funding. In addition, private entities seeking to participate in BTOP, and who are proposing new projects or project extensions not possible absent Federal assistance, are facing the very same economic conditions that gave rise to the ARRA, as well as the same economic factors that make a BTOP project impossible absent federal assistance in the first place. As a consequence, TIA encourages

¹ See American Recovery and Reinvestment Act of 2009, § 6001(f), Pub. L. No. 111-5, 123 Stat. 115 (2009) ("ARRA").

NTIA to permit BTOP applicants to count pre-existing investments in existing network assets that are specifically necessary and relevant to BTOP projects as in-kind contributions.

Passive infrastructure, such as fiber, copper, wireless towers, and rights of way, and active infrastructure, such as routers, wireless transmitters, and packet-switching computers, represent major investments in broadband. These investments can play a vital role in BTOP projects when they are necessary to the extension of an existing network into an unserved area or are upgraded to provide improved broadband in an underserved area.

Unfortunately, the ICT industry is becoming increasingly aware of public and private service providers withholding on potential investments in ICT today, because they are unsure if they will be able to apply those investments towards the BTOP matching requirement. Given the expected timing of the BTOP grant process, without clarity by NTIA on the matching requirement, ICT investment spending could be stalled for at least two to three quarters. This will have a devastating impact on our economy – one that the NTIA can prevent by counting towards the matching requirement pre-existing infrastructure, when that infrastructure is integral to the BTOP project.

In order to encourage immediate investment, and extend appropriate matching credit to prior investments when they are necessary to BTOP projects, NTIA should determine that pre-existing investments in both passive and active infrastructure should count as in-kind contributions toward the 20 percent matching requirement when they play a role in BTOP-proposed projects.

TIA appreciates NTIA's consideration of this important matter, and looks forward to working with NTIA as it administers the BTOP.

Sincerely,

_____/s/_____

Danielle Coffey
Vice President
Government Affairs