



One Parkway Center, Suite 212
Pittsburgh, Pennsylvania 15220-3505
412-922-8300 Office • 412-922-2110 Facsimile

Matthew M. Polka, President and CEO
Direct Dial: 412-922-8300, Ext. 14
E-Mail: mpolka@americancable.org
Website: www.americancable.org

April 16, 2010

The Honorable Lawrence Strickling
Assistant Secretary for Communications and Information
National Telecommunications and Information Administration
U.S. Department of Commerce
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Assistant Secretary Strickling:

The American Cable Association, which represents nearly 900 cable and telephone providers, many of which have deployed broadband services in rural areas, supports the Administration's goals of providing more broadband services to consumers in sparsely populated areas of the country through the Rural Utilities Service (RUS) and the National Telecommunications and Information Administration (NTIA). I am writing today to encourage the agency to better honor the contributions of our members and others that have invested private capital to deploy broadband in their communities, by not funding applicants to the NTIA Broadband Technologies Opportunities Program (BTOP) whose proposed projects would overbuild these rural providers.

The ACA supported BTOP because our members were optimistic that the Program would provide needed funds to truly unserved areas and not fund projects in communities where service was already being provided. Prior to BTOP, ACA and its members had longstanding concerns with other similar programs, such as the Rural Broadband Access Loan and Loan Guarantee Program, where public funds were given to new entrants in communities that already had broadband service.

As a result, we were greatly disappointed to learn from our members that a grant from BTOP is being awarded for areas that are already sufficiently served with broadband. Specifically, we have learned that a recipient of BTOP funds for a middle-mile project in rural Pennsylvania has proposed a network in which a large portion of the potential customers already benefit from high-speed broadband service. Additionally, much of the area is served by a network that has multi-gigabit capability.

The Honorable Lawrence Strickling
April 16, 2010
Page Two

On March 25, Zito Media Communications II, LLC (Zito), received a \$6.1 million NTIA award, which will be used in part to provide additional broadband middle-mile fiber facilities in Northeastern Ohio and Northwestern Pennsylvania. In addition to providing a very high-speed network into the area, Armstrong serves a large portion of this network and provides broadband service to nearly 40,000 homes in Crawford County, PA. Armstrong has made available 10 mbps to its internet customers, and will soon offer a 50-mps service. Funding a new network in this area would not make broadband available in areas where it is needed most. It is important to also note that Armstrong provides Broadband service to 110 hospitals and medical facilities, 60 government offices, 70 schools, 47 police and fire stations, and eight libraries in Zito's service area. These numbers represent far more anchor institutions than Zito indicated existed in the entire PFSA. Even more disappointing was the fact that it appears Zito was contacting Armstrong's customers when they learned that a broadband stimulus award was forthcoming to get them to switch to Zito when their network is complete.

Because of a lack of transparency in this process, Armstrong had no ability to review the awardee's application to ensure the information submitted by the applicant was accurate. As a consequence, Armstrong has filed a Freedom of Information Act (FOIA) request on the Zito application. I ask that you support the FOIA request so that Armstrong may respond to the facts as soon as possible. In addition, please note that Armstrong did submit a public notice protest regarding the application, but no follow-up effort was made by NTIA to learn more about the broadband services that already exist in the proposed service area. Moreover, there was no formal process for a hearing on, or for a review of the application, where Armstrong could provide rebuttal information and evidence concerning the granting of this award.

In light of the above, we believe that NTIA must take additional steps to ensure that funds are not granted to any applicant that would spend the money to build broadband infrastructure in an area already served by wireline broadband operator. The NTIA should immediately review and modify all proposals of all Round 1 awardees to ensure that no funding will be used to overbuild existing Internet access providers, particularly the instance above, and then concentrate in the second round on providing loans and grants to the truly unserved areas of the country.

We hope you share these common goals. With best regards, I remain

Yours sincerely,



Matthew M. Polka

MMP/