



CHESTER J. CULVER  
GOVERNOR

## OFFICE OF THE GOVERNOR

PATTY JUDGE  
LT. GOVERNOR

May 03, 2010

The Honorable Lawrence Strickling  
Assistant Secretary for Communications and Information  
United States Department of Commerce  
Washington, D.C. 20230

Dear Secretary Strickling:

Pursuant to your letter received by my office on March 24, 2010 I hereby submit input from the State of Iowa regarding applications to the National Telecommunications and Information Administration's Broadband Technology Opportunities Program (BTOP).

I directed the Iowa Utilities Board (IUB) to lead the process of reviewing applications that are formulated to serve Iowa. The recommendations contained in the attached document are reflective of a thorough and thoughtful process and it is my hope you will take them into careful consideration when making the final funding decisions.

On April 22, the IUB held a public hearing during which time applicants were provided the opportunity to give an overview of their proposals and to respond to questions from Board Members and staff. A public comment hearing was also held and citizens weighed in on the proposals. The IUB carefully reviewed all materials and comments in order to provide recommendations. I endorse these recommendations and urge their highest consideration by NTIA.

The recommendations are:

### **Comprehensive Critical Infrastructure (CCI) Projects**

- Iowa Healthcare Plus Broadband Extension Project (Recommended)
- Bridging the Digital Divide for Iowa's Communities (Recommended)

### **Public Computing Center (PCC) Projects**

- Iowa Broadband PCC Project – Des Moines Area Community College (Highly Recommended)
- City of Davenport Public Computing Center (Recommended)

### **Sustainable Broadband Adoption (SBA) Project**

- Iowa Digital Empowerment Collaborative (Highly Recommended)
- Central Iowa Hospital Corporation's Rural Iowa Telehealth Initiative (Recommended)

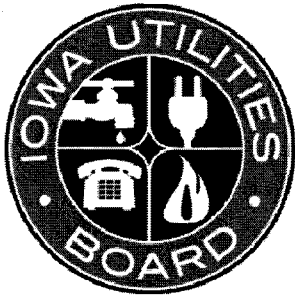
Each of the project applications that were submitted and proposed to serve Iowa had merit, but in order to be responsive to NTIA's request for information we have recommended only a few of the proposals.

Thank you for your consideration of this information. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester Culver", with a long horizontal flourish extending to the right.

Chester J. Culver  
Governor of Iowa



CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

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ROBERT B. BERNTSEN, CHAIR  
KRISTA K. TANNER, BOARD MEMBER  
DARRELL HANSON, BOARD MEMBER

TO: Governor Chester J. Culver

FROM: Robert B. Berntsen, Chair, Iowa Utilities Board  
Krista K. Tanner, Board Member  
Darrell Hanson, Board Member

DATE: April 23, 2010

SUBJECT: Broadband Technology Opportunities Program Report

Attached is the Iowa Utilities Board's report regarding the Broadband Technology Opportunity Program.

If you have any questions regarding this report, please feel free to contact us.

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CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

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ROBERT B. BERNTSEN, CHAIR  
KRISTA K. TANNER, BOARD MEMBER  
DARRELL HANSON, BOARD MEMBER

## **Report of the Iowa Utilities Board to the Iowa Governor's Office Regarding BTOP Applications**

**April 23, 2010**

### **1. Background Information**

On January 15, 2010, the notice of funding availability (NOFA) for the second and final round of funding for the Broadband Technology Opportunities Program (BTOP) was issued by the National Telecommunications and Information Administration (NTIA). The NOFA specifies funding priorities and application guidelines for BTOP, a federal program created by the American Recovery and Reinvestment Act of 2009 (Recovery Act) to expand access to broadband services in the United States by awarding grants for deploying broadband infrastructure in unserved and underserved areas, enhancing broadband capacity at public computer centers, and promoting sustainable broadband adoption.

In the NOFA, the NTIA explained it would once again give states, through their Governors, the opportunity to submit comments to the NTIA about specific BTOP applications and explain why certain applications meet the greatest need of the state. The NTIA explained it would be most helpful if states offered a narrow list of high-priority projects which best meet the needs of the state and suggested that states place projects that meet their priorities in a "recommend" or "highly recommend" category.

### **2. Iowa Utilities Board Review**

In late March, Iowa's Governor, Chester J. Culver, requested the assistance of the Iowa Utilities Board (Board) to gather information about BTOP applications for projects proposing to serve Iowa, to conduct a technical review of those applications, and to propose recommendations for funding priorities for the Governor's consideration in preparing comments to submit to the NTIA. To gather more information about particular BTOP applications for projects proposing to serve Iowa, the Board initiated an inquiry, identified as Docket No. NOI-2010-0001, *In re: Broadband Technology Opportunities Program*, on April 5, 2010. The Board's order opening the inquiry explained that the Board intended to review the actual applications submitted to the NTIA and required all second round BTOP applicants proposing to serve areas within Iowa to file with the Board a copy of their federal applications. The Board explained that the projects of applicants that did not comply with this filing requirement would not be reviewed by the

Board. Applications for 15 projects were submitted for Board review. A list of the applications received and reviewed by the Board is attached to this report as Attachment A.

The Board also scheduled an oral comment presentation to allow BTOP applicants and interested members of the public an opportunity to comment about specific applications. The Board conducted the oral presentation on April 15, 2010, and heard presentations from eight applicants about nine projects and comments from eight entities speaking either in support of or opposition to particular applications. A transcript of the proceeding is available on the Board's electronic filing system, filed under Docket No. NOI-2010-0001, at <http://efs.iowa.gov>.

Finally, the Board assigned seven of its most senior staff members (with a total of more than 180 years of industry and regulatory experience) from the Board's Telecommunications and Policy Development sections to review the applications. These staff members developed a set of evaluation criteria to be used to score the applications. The evaluation criteria were modeled on the NTIA's evaluation criteria for each project category - Comprehensive Community Infrastructure (CCI), Public Computer Center (PCC), and Sustainable Broadband Adoption (SBA) - included in the NOFA. Staff's evaluation focused on four factors: Project Purpose, Project Benefits to Iowa, Project Viability, and Project Budget and Sustainability. A copy of a blank scoring sheet is attached to this report as Attachment B.<sup>1</sup> A total of 15 BTOP applications were reviewed and scored by staff.

Based on its review and scoring of the applications, and after considering all comments made at the oral presentation, staff classified the highest scoring projects from each of the three BTOP funding categories as either "recommended" or "highly recommended." Projects that are "recommended" are those that would provide a benefit to Iowans and meet or exceed BTOP criteria. Projects that are "highly recommended" are those that would provide a benefit to Iowans and meet or exceed BTOP criteria and, in addition, create synergies with and opportunities for non-partnering entities, evidenced, in part, by broad-based public support at the oral presentation.

### **3. Board Recommendations**

The Board has reviewed the recommendations of its staff and adopts the recommendations on the following pages. Of all the projects proposing to serve Iowa, the following projects stand out as the most important for Iowa. The Board recommends these particular projects for funding by the NTIA as they most effectively promote the availability, sustainability, and adoption of broadband service in Iowa. These projects would meet Iowa's need to expand and strengthen telehealth networks and community college broadband infrastructure, improve access to broadband technologies by underserved vulnerable populations at public computer centers, and

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<sup>1</sup> Because the actual scoring sheets completed by staff are based on information applicants designated as confidential, the Board will treat the completed scoring sheets as confidential.

promote statewide broadband adoption and digital literacy programs. The benefits from each of these projects would compound to the benefit of all Iowans.

#### **A. Comprehensive Community Infrastructure (CCI) Projects**

The CCI category is meant to fund Middle Mile broadband infrastructure projects that offer new or substantially upgraded connections to community anchor institutions, especially community colleges. The Board's staff reviewed and scored four projects submitted by: County Executive Association; Iowa Communications Network; Iowa Health System; and XO Communications Services, Inc.

**Recommended:** The Board recommends the **Iowa Healthcare Plus Broadband Extension Project (Easygrants ID 7294) proposed by Iowa Health System (IHS)** for funding by the NTIA. This middle mile project would expand existing broadband infrastructure that provides direct access to underserved rural healthcare providers. The project would facilitate the growth of e-health initiatives into the rural parts of the state, allowing, for example, real-time patient diagnostics to be provided over faster broadband connectivity. The project would create jobs and satisfy four of five BTOP statutory purposes. Although the IHS proposal is a stand-alone project, it would coordinate with ICN's CCI project (Easygrants ID 5390) if both were funded by the NTIA.

The Board notes that the IHS proposal was opposed by several parties representing private sector telecommunications providers at the April 15, 2010, oral presentation. Those parties are concerned about the potential duplication of facilities and question the job creation potential of the project. Also, a representative of an association of business and industry members spoke in general terms against funding this project.

The Board has considered these comments in its review and finds that it is appropriate to recommend the IHS proposal. In this second round of funding, the NTIA has removed the requirement that infrastructure projects connecting community anchor institutions must be located in unserved or underserved areas, though projects in unserved or underserved areas will receive additional consideration. Therefore, the Board finds concerns regarding duplication of facilities a relevant factor for the NTIA to weigh as part of its review of an application, but not a disqualifying factor for state endorsement or for ultimate NTIA approval.

**Recommended:** The Board recommends the **Bridging the Digital Divide for Iowa's Communities** project (**Easygrants ID 5390**) for funding by the NTIA. This project would modernize the state-owned Iowa Communications Network (ICN), giving it a 10 Gbps backbone that would reach all 99 counties in Iowa. The enhanced Middle Mile Network would also provide 1 Gbps symmetrical Ethernet to 1,036 educational facilities, hospitals, libraries, public, safety, workforce development, and other Community Anchor Institutions throughout the state. The project would create jobs and satisfy four of five BTOP statutory purposes. Although ICN's proposal is a stand-alone project, if funded, it

would create synergies for other CCI, PPC, and SBA projects the Board is recommending in this report.

At the Board's April 15, 2010, oral presentation, the ICN proposal received favorable endorsements from other BTOP applicants that would connect to the upgraded network. However, opposition to the ICN proposal was voiced by three parties representing private sector telecommunications carriers in Iowa. These parties contend that the ICN upgrade would duplicate existing facilities in the state. The parties also question the capacity of the ICN upgrade to create jobs. Also, a representative of an association of business and industry members spoke in general terms against funding this project.

The Board has considered these comments in its review and finds that it is appropriate to recommend the ICN proposal. In this second round of funding, the NTIA has removed the requirement that infrastructure projects connecting community anchor institutions must be located in unserved or underserved areas, though projects in unserved or underserved areas will receive additional consideration. Therefore, the Board finds concerns regarding duplication of facilities a relevant factor for the NTIA to weigh as part of its review of an application, but not a disqualifying factor for state endorsement or for ultimate NTIA approval.

## **B. Public Computer Center (PCC) Projects**

The PCC category is meant to fund projects that would expand public access to broadband service and enhance broadband capacity at entities that permit the public to use these computing centers, such as community colleges and public libraries. The Board's staff reviewed and scored three projects submitted by: the City of Davenport; Des Moines Area Community College; and Iowa Department of Corrections.

**Highly Recommended:** The Board highly recommends the **Iowa Broadband PCC Initiative (Easygrants ID 6734) proposed by Des Moines Area Community College** for funding by the NTIA. This statewide project led by a community college would establish 63 public computer centers in 54 of Iowa's 99 counties. The public computer centers would be located at community colleges, libraries, and various community organizations. The project involves the collaboration of numerous Iowa partners and would serve the neediest of the state's rural and urban communities. Key partners include Iowa Workforce Development, all 15 of Iowa's community colleges, the Iowa Center for Faith-Based Community Initiatives, the Iowa Association of Community College Trustees, the Iowa Communications Network, the Iowa Department of Education, Connected Nation, the State Library of Iowa, eight libraries, and ACT, Inc. The public computer centers would focus on developing digital literacy skills, promoting Internet safety, and developing job placement skills for Iowans. The proposal is highly qualified for funding as it satisfies all five BTOP statutory purposes.

At the Board's April 15, 2010, oral presentation, the Iowa Broadband PCC Initiative received favorable endorsements from three non-affiliated parties representing much of the telecommunications industry in Iowa. No party at the oral presentation spoke in

opposition to the project. The Board notes that although the Iowa Broadband PCC Initiative is a stand-alone project, it dovetails with Connected Nation's SBA project, which is also highly recommended by the Board. Funding both of these projects will build public awareness, stimulate the use of broadband technologies, stimulate job creation, and advance Iowa technologically.

**Recommended:** The Board recommends the **City of Davenport's Public Computer Center (Easygrants ID 6594)** proposal for many of the same reasons as the Iowa Broadband PCC Initiative. This project would establish an enhanced public computer center at Davenport's Main Library as well as two additional computer centers located in Davenport community centers serving low-income youths. The Davenport proposal satisfies four of five BTOP statutory purposes.

At the Board's April 15, 2010, oral presentation, the Davenport proposal received three favorable endorsements from non-affiliated telecommunications providers. No party spoke in opposition to the Davenport proposal. Primarily, it is the smaller scale of the Davenport proposal, compared to the Iowa Broadband PCC Initiative, that the Board considered in categorizing the project as "recommended" to the NTIA.

### **C. Sustainable Broadband Adoption (SBA) Projects**

The SBA category is meant to fund innovative projects that promote broadband demand, including projects focused on providing broadband education, awareness, training, access, equipment, or support particularly among vulnerable populations that have underutilized broadband technology. The Board's staff reviewed and scored eight projects submitted by: Asian Media Access, Incorporated; Central Iowa Hospital Corporation; Communication Service for the Deaf, Inc.; CommunityVine; Connected Nation, Inc.; County Executives of America; Genoa Services; and Iowa Communications Network.

**Highly Recommended:** The Board highly recommends **Connected Nation's<sup>2</sup> Iowa Digital Empowerment Collaborative (Easygrants ID 6665)** for funding by the NTIA. The project will implement a comprehensive awareness campaign to identify and address barriers to broadband technology across vulnerable populations in the state. Connected Nation's proposal involves a broad partnership of several stakeholders in Iowa's digital future. The project is partnered with the Iowa Broadband PCC Initiative Public Computer Center proposal (Easygrants ID 6734). Key partners include Iowa Workforce Development, the Iowa Counties Information Technology Organization, the Iowa Association of Community College Trustees, the State Library of Iowa, the Iowa Statewide Independent Living Council, the Iowa State Association of Counties, the Iowa

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<sup>2</sup> The Board notes that Connected Nation is the entity that was designated by Iowa to apply for broadband mapping and planning grant funds from the NTIA's State Broadband Data and Development Program. As an optional part of the Request for Proposals (RFP) seeking the state's designated entity, vendors were asked to propose how they would provide and secure funding for sustainable broadband adoption services. As the successful vendor chosen through the RFP process, Connected Nation committed to applying for NTIA grant funds for a sustainable adoption program.



League of Cities, the Iowa Farm Bureau Federation, and the Iowa Department on Aging.<sup>3</sup>

The project also includes a No Child Left Offline computer donation program to distribute 1,200 computers to vulnerable households in Iowa. Over 50 broadband service providers have agreed to provide special terms (e.g., complimentary installation and setup, limited free or discounted broadband service, and limited free or discounted digital literacy training) to the targeted households. Additionally, the project satisfies two of the BTOP statutory purposes.

At the Board's April 15, 2010, oral presentation, the Iowa Digital Empowerment Collaborative SBA project received favorable endorsements from three non-affiliated parties representing much of the telecommunications industry in Iowa. No party at the oral presentation spoke in opposition to the project. Funding this project as well as the Iowa Broadband PCC Initiative (Easygrants ID 6734) will build public awareness, stimulate the use of broadband technologies, stimulate job creation, and advance Iowa technologically.

**Recommended:** The Board recommends **Central Iowa Hospital Corporation's Rural Iowa Telehealth Initiative (Easygrants ID 5131)**. This project would promote a telehealth program that would reach approximately two-thirds of the rural and medically underserved communities in Iowa. It is a partnership of four rural hospitals along with Iowa Health-Des Moines. Access to advanced technologies, specialty care services, emergency trauma services, and mental health services would be enhanced. Jobs would be created that would be located in rural areas. Educational opportunities in the health care profession would be promoted through connections to community colleges and universities. The project also satisfies two of the BTOP statutory purposes.

At the Board's April 15, 2010, oral presentation, no party spoke in opposition to the Rural Iowa Telehealth Initiative. Iowa Health System, a BTOP CCI applicant, stated it supported the project. Primarily, it is the smaller scale and more limited scope of the Central Iowa Health proposal, compared to Connected Nation's Iowa Digital Empowerment Collaborative that the Board considered in categorizing the project as "recommended" to the NTIA.

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<sup>3</sup> The Board notes that Iowa's Broadband Deployment Governance Board (BDGB), which is chaired by Board Member Krista Tanner, submitted a letter of support, pursuant to a BDGB vote, which is included in the application. The BDGB supports SBA initiatives generally and voted to provide letters of support upon request from SBA applicants.

**Broadband Technology Opportunities Program  
Listing of Applications with Project Titles Filed for Board Review  
Docket No. NOI-2010-0001**

**Comprehensive Community Infrastructure Projects (CCI)**

County Executive Association (County Executives Telecommunications Initiative)	County Executives Telecommunications Network (CETN), formerly the County Executives Television Network
Iowa Communications Network	Bridging the Digital Divide for Iowa's Communities
Iowa Health System	Iowa Healthcare Plus Broadband Extension Project
XO Communications Services, Inc.	Northern Lights: Building Broadband Communities

**Public Computer Center Projects (PCC)**

Davenport, City of	Public Computer Center Enhancement and Outreach
Des Moines Area Community College	Iowa Broadband PCC Initiative
Iowa Department of Corrections	Video Visitation Project

**Sustainable Broadband Adoption Projects (SBA)**

Asian Media Access, Incorporated	Midwest Coalition of Asian Americans (MCAA)
Central Iowa Hospital Corporation	Rural Iowa Telehealth Initiative
Communication Service for the Deaf, Inc.	Project Endeavor
CommunityVine	Broadband and Computers for Seniors
Connected Nation, Inc.	The Iowa Digital Empowerment Collaborative (IDEC)
County Executives of America (County Executives Telecommunications Initiative)	County Executives Telecommunications Network (CETN), formerly the County Executives Television Network
Genoa Services	Broadband Enabled Remote Guidance Systems for the Visually Impaired ("InSight Platform")
Iowa Communications Network (ICN)	ICN Broadband Adoption and Awareness: Connecting Iowans

**State's Review and Allocation of Points for BTOP Applications  
(2<sup>nd</sup> Round Applications)**

Category	Points Available	Points Given	Criteria																											
<b>Project Purpose</b>	20		<ul style="list-style-type: none"> <li>✓ Promotes BTOP Statutory Purposes and Priorities<sup>1</sup> – additional consideration given to applicants that address more than one statutory purpose and project category.</li> <li>✓ Potential for Job Creation</li> <li>✓ Recovery Act and Other Governmental Collaboration</li> <li>✓ Enhanced Service for Health Care Delivery, Education, and Children</li> <li>✓ Is an Indian Tribe or Socially and Economically Disadvantaged Small Business</li> </ul>																											
<b>Project Benefits to Iowa</b>	20		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"><b>Comprehensive Community Infrastructure</b></th> <th style="width: 33%;"><b>Public Computer Centers</b></th> <th style="width: 33%;"><b>Sustainable Broadband Adoption</b></th> </tr> </thead> <tbody> <tr> <td>Impact on the Proposed Service Area</td> <td>Vulnerable Populations Served</td> <td>Level of Support for Vulnerable Populations</td> </tr> <tr> <td>Level of Need for the Network in the Area</td> <td>Expand or Create a Public Computer Center</td> <td>Measurability and Sustainability</td> </tr> <tr> <td>Network Capacity and Performance</td> <td>Improve Broadband Service or Connections at a Public Computer Center</td> <td>Number of New Subscribers and Users Generated</td> </tr> <tr> <td>Commits to Exceeding Minimum Requirements for Interconnection</td> <td>Availability of the PCC to the Public</td> <td>Cost Effectiveness of the Program</td> </tr> <tr> <td>Nondiscrimination, Interconnection, and Choice of Provider</td> <td>Training and Educational Programs Offered</td> <td>Project Innovation</td> </tr> <tr> <td>Effect on Community Anchor Institutions</td> <td>Availability and Qualifications of Staff</td> <td></td> </tr> <tr> <td>Affordability of Services Offered</td> <td>Create Computer Center in Community Colleges</td> <td></td> </tr> <tr> <td colspan="3"> <ul style="list-style-type: none"> <li>✓ Promote the Availability, Sustainability, and Adoption of High-Speed Broadband Service in Iowa.</li> <li>✓ Meet specific economic and geographic needs of Iowa.</li> </ul> </td> </tr> </tbody> </table>	<b>Comprehensive Community Infrastructure</b>	<b>Public Computer Centers</b>	<b>Sustainable Broadband Adoption</b>	Impact on the Proposed Service Area	Vulnerable Populations Served	Level of Support for Vulnerable Populations	Level of Need for the Network in the Area	Expand or Create a Public Computer Center	Measurability and Sustainability	Network Capacity and Performance	Improve Broadband Service or Connections at a Public Computer Center	Number of New Subscribers and Users Generated	Commits to Exceeding Minimum Requirements for Interconnection	Availability of the PCC to the Public	Cost Effectiveness of the Program	Nondiscrimination, Interconnection, and Choice of Provider	Training and Educational Programs Offered	Project Innovation	Effect on Community Anchor Institutions	Availability and Qualifications of Staff		Affordability of Services Offered	Create Computer Center in Community Colleges		<ul style="list-style-type: none"> <li>✓ Promote the Availability, Sustainability, and Adoption of High-Speed Broadband Service in Iowa.</li> <li>✓ Meet specific economic and geographic needs of Iowa.</li> </ul>		
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<b>Project Viability</b>	30		<ul style="list-style-type: none"> <li>✓ Technical Feasibility of the Proposed Project</li> <li>✓ Applicant's Organizational Capability</li> <li>✓ Level of community Involvement in the Project (Consideration give to meaningful links to community anchor institutions and public safety organizations.)</li> <li>✓ Ability to Promptly Start Project</li> </ul>																											
<b>Project Budget &amp; Sustainability</b>	30		<ul style="list-style-type: none"> <li>✓ Reasonableness of Budget (For CCI projects that include a Last Mile Component, cost per household or per subscriber should not exceed \$10,000)</li> <li>✓ Sustainability of the Project</li> <li>✓ Leverage of Outside Resources (For CCI projects, additional consideration given to projects that provide a cost match of 30% or greater. For all categories, additional consideration given to applicants providing cash matches.)</li> </ul>																											
<b>Total</b>	100																													

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<sup>i</sup> **BTOP's five core purposes are:** (1) To provide access to broadband service to consumers residing in unserved areas; (2) To provide improved access to broadband service to consumers residing in underserved areas; (3) To provide broadband education, awareness, training, access equipment and support to (a) schools, libraries, medical and healthcare providers, community colleges and other institutions of higher learning, and other community support organizations; (b) organizations and agencies that provide outreach, access, equipment, and support services to facilitate greater use of broadband services by vulnerable populations, e.g., low-income, unemployed, aged; or (c) job-creating strategic facilities located in State- or Federally-designated economic development zones; (4) To improve access to, and use of, broadband service by public safety agencies; and (5) To stimulate the demand for broadband, economic growth, and job creation.

**All projects funded under BTOP must advance one or more of the five statutory purposes (See Endnote i).** BTOP is designed to extend broadband access to unserved areas, improve access to underserved areas, and expand broadband access to a wide range of institutions and individuals, including vulnerable populations." BTOP "will seek to serve the highest priority needs for Federal investment – particularly projects that offer the potential for economic growth and job creation. The Program will support viable, sustainable, and scalable projects."

The **Comprehensive Community Infrastructure (CCI ) category** has the following funding priorities (listed in order of importance) and will **focus on Middle Mile broadband infrastructure projects** that:

- i. offer new or substantially upgraded service to community anchor institutions;
- ii. incorporate a public-private partnership among government, non-profit and for-profit entities, and other key community stakeholders;
- iii. bolster growth in economically distressed areas;
- iv. commit to serve community colleges;
- v. commit to serve public safety entities;
- vi. include a Last Mile infrastructure component in unserved or underserved areas or, alternatively, commitment from one or more Last Mile broadband service providers;
- vii. propose to contribute a non-federal cost match that equals or exceeds 30 percent .



CHESTER J. CULVER  
GOVERNOR

## OFFICE OF THE GOVERNOR

PATTY JUDGE  
LT. GOVERNOR

May 28, 2010

The Honorable Lawrence Strickling  
Assistant Secretary for Communications and Information  
United States Department of Commerce  
Washington, D.C. 20230

Dear Secretary Strickling:

The National Telecommunications and Information Administration (NTIA) recently contacted the State requesting input regarding proposals from Iowa that had not met the original deadline for Round Two of the Broadband Technology Opportunities Program (BTOP). As you know, some projects that had not met the original submission deadline were provided a waiver by NTIA. According to NTIA, there was one project from Iowa that had been provided such a waiver, a Public Computing Center (PCC) application developed by the Sac and Fox Tribe of the Mississippi in Iowa.

This project has been reviewed by the State in a process identical to the one utilized for previous Round Two applications. Attached to this letter, please find the details from the review performed by the Iowa Utilities Board (IUB). The Board recommends this project for funding by NTIA, and I concur with their recommendation. This recommendation is in addition to previous input provided to NTIA, not to supplant any other Iowa project recommendation.

I hope you will give this input your highest consideration as you continue to review applications for Round Two of BTOP funding.

Sincerely,

A handwritten signature in cursive script that reads "Chester Culver".

Chester J. Culver  
Governor of Iowa





CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

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ROBERT B. BERNTSEN, CHAIR  
KRISTA K. TANNER, BOARD MEMBER  
DARRELL HANSON, BOARD MEMBER

TO: Governor Chester J. Culver

FROM: Robert B. Berntsen, Chair, Iowa Utilities Board  
Krista K. Tanner, Board Member  
Darrell Hanson, Board Member

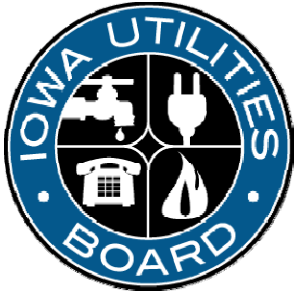
DATE: May 27, 2010

SUBJECT: Broadband Technology Opportunities Program Supplemental Report

Attached is the Supplemental Report of the Iowa Utilities Board regarding the Broadband Technology Opportunities Program.

If you have any questions regarding this report, please feel free to contact us.

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Attachment



CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

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ROBERT B. BERNTSEN, CHAIR  
KRISTA K. TANNER, BOARD MEMBER  
DARRELL HANSON, BOARD MEMBER

## **Supplemental Report of the Iowa Utilities Board to the Iowa Governor's Office Regarding BTOP Applications**

**May 27, 2010**

### **1. Background Information**

On January 15, 2010, the notice of funding availability (NOFA) for the second and final round of funding for the Broadband Technology Opportunities Program (BTOP) was issued by the National Telecommunications and Information Administration (NTIA). The NOFA specified funding priorities and application guidelines for BTOP, a federal program created by the American Recovery and Reinvestment Act of 2009 (Recovery Act) to expand access to broadband services in the United States by awarding grants for deploying broadband infrastructure in unserved and underserved areas, enhancing broadband capacity at public computer centers, and promoting sustainable broadband adoption.

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### **2. Board Review of BTOP Applications**

In late March, Iowa's Governor, Chester J. Culver, requested the assistance of the Iowa Utilities Board (Board) to gather information about BTOP applications for projects proposing to serve Iowa, to conduct a technical review of those applications, and to propose recommendations for funding priorities for the Governor's consideration in preparing comments to submit to the NTIA. To gather more information about particular BTOP applications for projects proposing to serve Iowa, the Board initiated an inquiry, identified as Docket No. NOI-2010-0001, *In re: Broadband Technology Opportunities Program*, on April 5, 2010. The Board's order opening the inquiry explained that the Board intended to review the actual applications submitted to the NTIA and required all second round BTOP applicants proposing to serve areas within Iowa to file with the Board a copy of their federal applications. The Board explained that the projects of

applicants that did not comply with this filing requirement would not be reviewed by the Board. Applications for 15 projects were submitted for Board review.

The Board also scheduled an oral comment presentation to allow BTOP applicants and interested members of the public an opportunity to comment about specific applications. The Board conducted the oral presentation on April 15, 2010, and heard presentations from eight applicants about nine projects and comments from eight entities speaking either in support of or opposition to particular applications.

Finally, the Board assigned seven of its most senior staff members from the Board's Telecommunications and Policy Development sections to review the applications. These staff members developed a set of evaluation criteria to be used to score the applications. The evaluation criteria were modeled on the NTIA's evaluation criteria for each project category — Comprehensive Community Infrastructure (CCI), Public Computer Center (PCC), and Sustainable Broadband Adoption (SBA) — included in the NOFA. Staff's evaluation focused on four factors: Project Purpose, Project Benefits to Iowa, Project Viability, and Project Budget and Sustainability. A total of 15 BTOP applications were reviewed and scored by staff.

Based on its review and scoring of the applications and after considering all comments made at the oral presentation, staff classified the highest scoring projects from each of the three BTOP funding categories as either "recommended" or "highly recommended." Projects that were "recommended" were those that would provide a benefit to Iowans and meet or exceed BTOP criteria. Projects that were "highly recommended" were those that would provide a benefit to Iowans and meet or exceed BTOP criteria and, in addition, create synergies with and opportunities for non-partnering entities, evidenced, in part, by broad-based public support at the oral presentation.

### **3. Board Recommendations and Governor Culver's Letter to the NTIA**

On April 23, 2010, the Board submitted a report to the Governor's Office on the reviewed BTOP projects. That report "highly recommended" two proposals (Easygrants ID 6734 and Easygrants ID 6665). Additionally, the report "recommended" four proposals (Easygrants ID 7294, Easygrants ID 5390, Easygrants ID 6594, and Easygrants ID 5131). The Board's April 23, 2010, report to the Governor's Office is available on the Board's electronic filing system, filed under Docket No. NOI-2010-0001, at <http://efs.iowa.gov>. In a letter to the NTIA, dated May 3, 2010, Governor Culver endorsed the Board's recommendations for projects worthy of BTOP funding based on their potential to effectively promote the availability, sustainability, and adoption of broadband service in Iowa.

### **4. Late-Filed BTOP Application**

In mid-May 2010, the Board learned from the NTIA that at least one BTOP applicant for a project proposing to serve Iowa had received a waiver from the NTIA excusing a late filing. This project, identified as Easygrants ID 6328, was not reviewed by the Board in the process explained above. Under the waiver, the NTIA would allow Governor Culver



to review and submit comments on this application by June 1, 2010. The NTIA recommended that the Governor use the same process used for BTOP applications previously reviewed.

On May 19, 2010, the Board issued an Order Reopening Inquiry so that the Board could review and score the late-filed BTOP application. The order required the applicant to file its BTOP application with the Board and scheduled an oral comment presentation for May 26, 2010, to receive public comments on the application.

On May 21, 2010, a BTOP application for a Public Computer Center (PCC) was filed with the Board by the Sac and Fox Tribe of the Mississippi in Iowa (Tribal PCC application). The PCC category is meant to fund projects that would expand public access to broadband service and enhance broadband capacity at entities that permit the public to use the computing centers.

## 5. Board Review of Tribal PCC Application

The Board's staff reviewed the Tribal PCC application using the same criteria used to score the three PCC applications reviewed in April 2010.<sup>1</sup> A copy of a blank scoring sheet is attached to this report as Attachment A.<sup>2</sup> On May 25, 2010, staff briefed the Board on the Tribal PCC application and provided the Board a list of questions about the application for the May 26, 2010, oral proceeding.

On May 26, 2010, the oral proceeding was conducted. One Board Member presided over the oral proceeding, assisted by three senior staff from the Board's telecommunications section. Three representatives from the Sac and Fox Tribe of the Mississippi in Iowa presented an overview of the project, discussing how it meets the BTOP statutory purposes and how it would promote the availability, sustainability, and adoption of broadband service in the Meskwaki Settlement and surrounding communities. There were no other public comments received at the proceeding regarding the Tribal PCC application. A transcript of the proceeding is available on the Board's electronic filing system, filed under Docket No. NOI-2010-0001, at <http://efs.iowa.gov>. After the oral proceeding, staff scored the Tribal PCC application based on information contained in the application and learned at the oral presentation.

## 6. Recommendation to the Governor's Office

***Recommended:*** In addition to the PCC recommendations made by the Board in its April 23, 2010, report, the Board also recommends the **Sac and Fox Tribe of the Mississippi in Iowa's (Easygrants ID 6594)** PCC application.

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<sup>1</sup> The Board's review of the Tribal PCC application is intended to supplement, not alter, the Board's previous PCC recommendations. Accordingly, the Board continues to "highly recommend" the DMACC PCC application (Easygrants ID 6734) and "recommend" the Davenport PCC application (Easygrants ID 6594).

<sup>2</sup> Because the actual scoring sheets completed by staff are based on information applicants designated as confidential, the Board will treat the completed scoring sheets as confidential.

The Tribal PCC application dovetails with two other applications “recommended” and “highly recommended” in the Board’s April 23, 2010, report. The broadband fiber infrastructure needed to serve the Tribal PCC would be provided by the “recommended” Bridging the Digital Divide for Iowa’s Communities (Easygrants ID 5390) CCI application. The computers, software, and job training services would be provided, in part, by the “highly recommended” Community College (Easygrants ID 6734) PCC application. The Sac and Fox Tribe application would fund additional computers as well as specialized software and training services tailored to the unique needs of the Meskwaki Settlement and its neighboring communities.

Finally, the Board notes that in addition to computers, software, and training services, this application would construct a new facility to house the Tribal PCC. Under the provisions of the NOFA, such costs are eligible for funding “provided the applicant explains why it is necessary to construct, acquire, or lease a new facility to facilitate public access to broadband services or expand computer center capacity.”<sup>3</sup> At the May 26, 2010, oral presentation, the Tribal representatives made a strong case that there is currently no facility located in the Meskwaki Settlement in which the public computer center could be operated. The construction of this facility is necessary to house the public computer center that is critically needed to preserve the tribal heritage and to develop job skills and training.

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<sup>3</sup> See **Federal Register** / Vol. 75, No. 14/ Friday, January 22, 2010 / Notices, p. 3802  
“Eligible and Ineligible Costs for Public Computer Center Projects.”

# Attachment A: Blank Scoring Sheet

## State's Review and Allocation of Points for BTOP Applications (2<sup>nd</sup> Round Applications)

Applicant's Name: **Sac & Fox Tribe of the Mississippi in Iowa**

Category	Points Available	Break Down	IUB Scorers MB	DR	Criteria		
<b>Project Purpose</b>	<b>20</b>	<b>4*</b>			✓ Promotes BTOP Statutory Purposes and Priorities – additional consideration given to applicants that address more than one statutory purpose and project category.		
		<b>4</b>			✓ Potential for Job Creation		
		<b>4</b>			✓ Recovery Act and Other Governmental Collaboration		
		<b>4</b>			✓ Enhanced Service for Health Care Delivery, Education, and Children		
		<b>4</b>			✓ Is an Indian Tribe or Socially and Economically Disadvantaged Small Business		
<b>Project Benefits to Iowa</b>	<b>20</b>				<b>Comprehensive Community Infrastructure</b>	<b>Public Computer Centers</b>	<b>Sustainable Broadband Adoption</b>
		<b>2</b>			Impact on the Proposed Service Area	Vulnerable Populations Served	Level of Support for Vulnerable Populations
		<b>3</b>			Level of Need for the Network in the Area	Expand or Create a Public Computer Center	Measurability and Sustainability
		<b>2</b>			Network Capacity and Performance	Improve Broadband Service or Connections at a Public Computer Center	Number of New Subscribers and Users Generated
		<b>3</b>			Commits to Exceeding Minimum Requirements for Interconnection	Availability of the PCC to the Public	Cost Effectiveness of the Program
		<b>2</b>			Nondiscrimination, Interconnection, and Choice of Provider	Training and Educational Programs Offered	Project Innovation
		<b>2</b>			Affect on Community Anchor Institutions	Availability and Qualifications of Staff	
		<b>2</b>			Affordability of Services Offered	Create Computer Center in Community Colleges	
		<b>2</b>			✓ Promote the Availability, Sustainability, and Adoption of High-Speed Broadband Service in Iowa.		
		<b>2</b>			✓ Meet specific economic and geographic needs of Iowa.		

# Attachment A: Blank Scoring Sheet

<b>Project Viability</b>	<b>30</b>	<b>6</b>		✓ Ability to Promptly Start Project
		<b>8</b>		✓ Technical Feasibility of the Proposed Project
		<b>8</b>		✓ Applicant's Organizational Capability
		<b>8</b>		✓ Level of community involvement in the Project (Consideration give to meaningful links to community anchor institutions and public safety organizations.)
<b>Project Budget &amp; Sustainability</b>	<b>30</b>	<b>10</b>		✓ Leverage of Outside Resources (For CCI projects, additional consideration given to projects that provide a cost match of 30% or greater. For all categories, additional consideration given to applicants providing cash matches.)
		<b>10</b>		✓ Reasonableness of Budget (For CCI projects that include a Last Mile Component, cost per household or per subscriber should not exceed \$10,000)
		<b>10</b>		✓ Sustainability of the Project
<b>Total</b>	<b>100</b>	<b>100</b>		

\* Extra point available (5) if project meets all five BTOP purposes.

<sup>i</sup> **BTOP's five core purposes are:** (1) To provide access to broadband service to consumers residing in unserved areas; (2) To provide improved access to broadband service to consumers residing in underserved areas; (3) To provide broadband education, awareness, training, access equipment and support to (a) schools, libraries, medical and healthcare providers, community colleges and other institutions of higher learning, and other community support organizations; (b) organizations and agencies that provide outreach, access, equipment, and support services to facilitate greater use of broadband services by vulnerable populations, e.g., low-income, unemployed, aged; or (c) job-creating strategic facilities located in State- or Federally-designated economic development zones; (4) To improve access to, and use of, broadband service by public safety agencies; and (5) To stimulate the demand for broadband, economic growth, and job creation.

**All projects funded under BTOP must advance one or more of the five statutory purposes (See Endnote i).** BTOP is designed to extend broadband access to unserved areas, improve access to underserved areas, and expand broadband access to a wide range of institutions and individuals, including vulnerable populations." BTOP "will seek to serve the highest priority needs for Federal investment – particularly projects that offer the potential for economic growth and job creation. The Program will support viable, sustainable, and scalable projects."

The **Comprehensive Community Infrastructure (CCI ) category** has the following funding priorities (listed in order of importance) and will **focus on Middle Mile broadband infrastructure projects** that:

- i. offer new or substantially upgraded service to community anchor institutions;
- ii. incorporate a public-private partnership among government, non-profit and for-profit entities, and other key community stakeholders;
- iii. bolster growth in economically distressed areas;
- iv. commit to serve community colleges;
- v. commit to serve public safety entities;
- vi. include a Last Mile infrastructure component in unserved or underserved areas or, alternatively, commitment from one or more Last Mile broadband service providers;
- vii. propose to contribute a non-federal cost match that equals or exceeds 30 percent .