

**Before the
Federal Communications Commission
Washington, D.C. 20554**

GN Docket No. 09-29
Re: Report on Rural Broadband Strategy

**Comments of the
Michigan Public Service Commission**

Introduction

The Federal Communications Commission (FCC) released a Public Notice on March 10, 2009 (Public Notice), requesting comments “on how the Commission and the Department of Agriculture should implement section 6112” of the 2008 Farm Bill. Section 6112 requires the FCC to develop a report to Congress containing recommendations for a comprehensive rural broadband strategy (Rural Broadband Strategy Report). In addition, the *American Recovery and Reinvestment Act of 2009* (ARRA) charges the FCC with developing a comprehensive national broadband plan. The public notice notes that the FCC expects “that the rural broadband strategy developed in this docket will inform our effort to develop a comprehensive national broadband plan pursuant to the Recovery Act.”¹ The Michigan Public Service Commission (MPSC) believes that such a strategy should include at least three main components: mapping of broadband infrastructure; efficient coordination of varying federal loan and grant programs; and strong accountability provisions including the requirement for measurable results. The MPSC further believes that states should play an active role in each of the components.

¹ See the Public Notice, page 1.

The Public Notice seeks recommendations on how federal resources can “best respond” to rural broadband requirements. One important way the FCC and other federal entities can best respond, is to ensure that the states play a strong role. While the mandated focus on interagency coordination of Federal agencies² is indeed important, the MPSC advocates for expanding this focus to include not only interagency federal coordination, but coordination with state governments—specifically state commissions, or other state agencies charged with developing broadband strategies. Many states have broadband initiatives and, in some instances, broadband entities working to address the broadband needs of rural, unserved and underserved areas. By utilizing the knowledge of the states, the federal government can avoid spending time and resources replicating much of the work, that in many cases, the states have already accomplished/begun. Consequently, the federal government can focus its efforts more effectively on the oversight and coordination with the various states to ensure a consistent outcome. The MPSC supports a rural broadband policy as part of a larger national broadband policy and requests that, in the development of the Rural Broadband Strategy Report, the FCC consider the following ways in which the states may have a role in a comprehensive rural or comprehensive national broadband policy.

The State Role in Broadband Mapping

The separate broadband mapping bill funded by ARRA, the “Broadband Data Services Improvement Act,” includes the requirement that National Telecommunications and Information Administration (NTIA) cannot give any entity funds unless it is the single eligible entity in the state **that has been designated by the state** to receive a grant under the Act. The MPSC believes that the maps that will result from this Act should be

² See the Public Notice page 2, discussing the recommendations required by the 2008 Farm Bill.

an important piece of a comprehensive broadband strategy. In this case, the state role is explicit; however, the FCC should include in the Rural Broadband Strategy Report a recommendation to expand the role of the states in order to allow the states to streamline much of the work involved in stimulating rural broadband development, as well as other projects contained in any future national broadband strategy.

The State Role in Federal Loan/Grant Programs

Allowing the states to work at streamlining the process of obtaining federal loans/grants under either the Department of Agriculture's Rural Utilities Service (RUS), or NTIA, will significantly reduce the workload of the FCC and the loan/grant agencies and shorten the timeframe for successful rural broadband projects. State commissions are best suited to prioritizing state broadband needs and therefore the MPSC encourages the FCC to include in the Rural Broadband Strategy Report a recommendation that state commissions that choose to do so have a role as a clearinghouse for broadband proposals to RUS/NTIA. The state commissions that choose this option would be responsible for reviewing applications for completeness/correctness. In this way, the states would be responsible for weeding out incomplete or inappropriate applications, and prioritizing the applications according to RUS/NTIA criteria since states are best suited to identifying the needs of their citizens. This process would reduce the number of applications the RUS/NTIA would need to review and provide important state-level guidance on the merits of the application in relation to the broadband needs of the individual states. The MPSC is aware that the National Association of Regulatory Utility Commissioners (NARUC) is advocating a more detailed process to accomplish this objective in its discussions with NTIA and is generally supportive of NARUC's proposal.

The State Role in Accountability

The MPSC believes that the states should also play an important role in any accountability provisions included in a rural or national broadband policy. The FCC should consider recommending that states have the authority to monitor the implementation of broadband projects undertaken as a result of a national broadband policy. The MPSC is very aware of the potential for wider broadband availability and adoption to help citizens in varying ways. As such, the MPSC has (and one would assume any state would have) a keen interest in ensuring that funds allocated to broadband projects in Michigan are spent wisely. State commissions will be best suited to monitor the progress of broadband projects resulting from a rural or national broadband policy due to both physical proximity and better understanding of state broadband needs/obstacles.

Conclusion

As the FCC is aware, there are necessarily short time frames regarding much of the work that State commissions must do in regards to commenting on the broadband items currently ripe for federal action as part of both the 2008 Farm Bill and more recently the ARRA. Therefore, the MPSC would note that states might be able to play an even greater role than that discussed here. The MPSC continues to work toward being better able to spur broadband deployment in rural, unserved and underserved areas through a variety of means. The MPSC advocates a strong state role each of the following areas associated with a comprehensive rural, or national, broadband strategy: mapping; coordination of loan/grant programs including the stimulus programs; and

accountability. Therefore, the MPSC urges the FCC to include in its Rural Broadband Strategies Report the recommendations discussed in these comments.

Respectfully submitted,

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