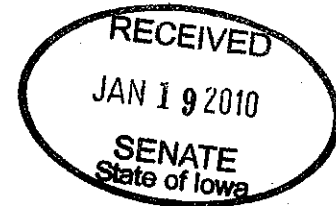


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ROBERT B. BERNTSEN, CHAIR
KRISTA K. TANNER, BOARD MEMBER
DARRELL HANSON, BOARD MEMBER

January 13, 2010

Glen Dickinson, Director
Legislative Services Agency
Ground Floor, State Capitol Building
Des Moines, IA 50319



RE: Activities of the Iowa Broadband Deployment Governance Board

Dear Mr. Dickinson:

On behalf of the Iowa Broadband Deployment Governance Board (BDGB), I am pleased to submit this report detailing the activities of the BDGB since its creation as part of the I-Jobs infrastructure investment initiative, pursuant to 2009 Iowa Acts, Senate File 376, Section 13(5).

Senate File 376 directed the Iowa Economic Development Board, the Iowa Utilities Board (IUB), and the Iowa Telecommunications and Technology Commission (ITTC) to establish a joint governance board of 15 members. The 11 voting members of the BDGB represent educational users of broadband services, local governments, urban residential users, broadband and telecommunications service providers, and state government. Four non-voting members represent the General Assembly. The members were appointed by July 10, 2009. The BDGB is staffed by personnel from the Iowa Department of Economic Development (IDED), the IUB, and the ITTC. Senate File 376 specified that the Economic Development Board would adopt administrative rules on behalf of the BDGB.

The BDGB has two primary duties – to establish a competitive process to award grants to broadband infrastructure projects and to develop a comprehensive plan for the deployment and sustainability of high-speed broadband access in areas capable of timely implementation of such access. Senate File 376 appropriated \$25 million to the ITTC to be used to promote universal access to high-speed broadband services at speeds which exceed federal requirements. The General Assembly expressed its intent that the appropriation be used to access federal funds made available for the deployment of high-speed broadband service.

The American Recovery and Reinvestment Act of 2009 appropriated \$7.2 billion to expand broadband access to unserved and underserved communities. The U.S. Department of Agriculture's Rural Utilities Service (RUS) and the U.S. Department of Commerce's National Telecommunications Information Administration (NTIA) are administering the competitive programs to award the federal funds. RUS is administering the Broadband Initiatives Program (BIP), a program that will award loans or a combination of loans and grants to projects that will facilitate broadband deployment in rural communities. NTIA is administering the Broadband Technology Opportunities Program (BTOP), which will award grants to broadband infrastructure projects, public computer center projects, and sustainable broadband adoption projects. BTOP grant awardees are required to contribute 20% matching funds.

The BDGB held its first meeting on July 24, 2009, and since then has met seven times. Staff from the supporting agencies created a Web site, found at www.broadband.iowa.gov, that contains the BDGB meeting calendar, meeting minutes, member and staff contact information, links to the BDGB administrative rules, and other information.

Throughout the summer of 2009, the BDGB worked to develop administrative rules which outline the competitive grant process, identify threshold application criteria, and specify how applications will be evaluated. Consistent with the intent of the General Assembly expressed in Senate File 376, projects will be eligible for a grant award from the BDGB only if the grant request is for capital expenditures for a broadband infrastructure project and if the applicant has received notice of an award of federal funds under either the federal BIP or BTOP grant programs.

On September 11, 2009, the BDGB approved the rules for adoption by the Economic Development Board. The rules were adopted and filed on an emergency basis by that board, published at ARC 8218B on October 7, 2009. A Notice of Intended Action was also published at ARC 8219B on October 7, 2009. An oral comment hearing was held October 27, 2009. No oral or written comments were received and final rules were adopted by the Economic Development Board on December 17, 2009. The rules are found at 261 IAC 410 - 412.

An optional "Notice of Intent to Apply" process was initiated to gather information from potential applicants for BDGB planning purposes. Potential applicants for state grant funds are encouraged to submit a "Notice of Intent to Apply" to the BDGB before submitting an application. To date, the BDGB has received notice from eight potential applicants stating their intent to apply for state grant funds, in the event they are successful in obtaining a federal award, for 69 projects, with \$13,819,107.50 in anticipated requested grant funding. This funding, coupled with federal and other resources, would fund projects totaling \$128,859,982.

Staff from the supporting agencies has worked with the Department of Management to coordinate the BDGB grant application process with Iowa's Electronic Grant Management System. Applications for BDGB grants will be submitted through the electronic system.

The pace of the first round of the federal grant award process has been somewhat slower than expected. On December 17, 2009, the federal agencies announced the first awards totaling \$183 million for 18 projects. No Iowa project has yet to receive a federal grant or loan award, so the BDGB has not yet processed any applications for state funds. As the pace of the federal disbursement quickens in the coming months, the BDGB anticipates that it will receive its first applications. There will also be a second round of federal funding.

With respect to the BDGB's duty to develop a comprehensive statewide broadband deployment plan, the BDGB plans to coordinate with the IUB and Connect Iowa, the State's partner in developing a statewide broadband inventory map. On December 31, 2009, Connect Iowa received notice of a federal award of \$2.2 million for a broadband mapping and planning initiative in Iowa. The data collected from the mapping initiative will help inform the BDGB on broadband availability in Iowa, while the data collected from the planning initiative will identify barriers to broadband adoption. The BDGB will rely on the data collected from the mapping and planning initiatives to prepare the statewide broadband deployment plan required by Senate File 376.

At this time, the BDGB is considering just one legislative proposal. Staff from the supporting agencies has drafted an amendment to add language regarding confidentiality of grant applications received by the BDGB. The proposed language mirrors that which was included in the statute creating the Iowa Power Fund.

Please contact me with any questions you might have about the work of the Iowa Broadband Deployment Governance Board.

Sincerely,



Krista Tanner
Vice-Chair
Iowa Broadband Deployment Governance Board
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cc: Secretary of the Senate ✓
Department of Management