

March 18, 2009

[Click **here** and type recipient's address]

Dear <recipient>:

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, otherwise known as the "stimulus package". The legislation will infuse \$787 billion into the struggling U.S. economy, \$7.2 billion of which will be spent on broadband infrastructure. The package's broadband stimuli, known as the "Broadband Technology Opportunities Program" (Program), are intended to expand broadband access capabilities throughout the country (including rural and other unserved areas).

The \$7.2 billion will be distributed through two different federal agencies: \$4.7 billion by the Commerce Department's National Telecommunications and Information Administration (NTIA) and \$2.5 billion by the Department of Agriculture's Rural Utilities Service (RUS).

The Program is on a fast track, with its \$4.7 billion to be awarded by September, 2010 and it presents an opportunity for both Oregon and the telecommunications industry participants, both in the private and public sector, to use federal funding to expand their broadband wireline and wireless capabilities.

Oregon's share, if the money was proportionally allocated, would be approximately \$55 million. However, there is no requirement that the money be allocated, in fact the Program requires that the NTIA award the grants competitively and provide at least one grant to each state.

The monies are to be focused on unserved and underserved areas of the state with the goal of increasing affordability/subscribership and broadband speeds to the greatest population of users in the area. Finally, NTIA is directed to consult with states and to encourage grants within a state be coordinated to maximize the benefit to a state.

Due to the requirement to distribute grants competitively, Oregon benefits from moving quickly and coordinating its grant proposals. To that end, I intend to recommend to the NTIA a coordinated approach for Oregon that focuses on the following categories:

1. Provision of Tele-health and Telemedicine
2. Distance Learning
3. Commerce and Economic Development
4. Public Safety
5. E-Government

Under these categories the Program allows grants for the following:

1. The purchase of software, hardware, digital network technology, infrastructure for broadband services
2. The construction of broadband related infrastructure, including that used for public safety
3. Access to broadband service by community anchor institutions
4. Access to broadband service by low-income, unemployed, aged, and otherwise vulnerable populations. the purchase of equipment, network capabilities, infrastructure

To facilitate a coordinated grant effort, I request that you provide a list of unserved and under-served areas, and the proposed projects in those areas that you believe would meet all of the NTIA grant application requirements and be consistent with the above categories. Your submission should clearly identify the area of the State to be served, the level of competition of broadband service in the project area by number and type of provider. Your project should also indicate the speed of the broadband connection.

I appreciate your willingness to actively participate in this process. The broadband deployment dollars available from the NTIA represents an important first step in expanding the broadband capabilities of the State and restoring Oregon's future.

Please send your proposal by April 20, 2009 to the Public Utility Commission to the attention of Bryan Conway, Telecommunications Division, 550 Capitol St. NE Suite 215, Salem, OR 97301-2251. Bryan may also be reached at 503-378-6200 or Bryan.Conway@state.or.us. Any information you provide marked as confidential will be regarded as such and not disclosed except as required by applicable law.

Sincerely,

THEODORE R. KULONGOSKI
Governor