Minority Media and Telecommunications Council

STATEMENT OF THE MINORITY MEDIA AND TELECOMMUNICATIONS COUNCIL ON CONGRESSIONAL OVERSIGHT OF THE BROADBAND SECTION OF THE AMERICAN RECOVERY AND REINVESTMENT ACT[1]

March 31, 2009

The broadband stimulus provisions of the American Recovery and Reinvestment Act are a bold step toward creating opportunities for all Americans to participate as broadband contractors. We hope the Energy and Commerce Subcommittee on Communications, Technology and the Internet will focus on the following issues and questions as it oversees the broadband procurement process.

1. The Purposes of the Grant Program

- Congress should ensure that service to communities with low income, high unemployment, high representation of minorities and high representation of multilingual populations are given top priority for grants.

- Already-wired communities should receive supplemental infrastructure that will deliver the same high speeds as those designed into new rural infrastructure.

2. Organizations and Agencies Providing Outreach

- Funds should be awarded to contractors and subcontractors, as well as Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Native American Serving Institutions (NASIs) and Asian American Serving Institutions (AASIs).

- A National Minority Broadband Training and Technical Council should be established.

---

[1] Henry M. Rivera, Chair of MMTC, has recused himself from this matter and did not participate in the formulation or submission of this Statement.

3. Role of the States

- Congress should undertake to prevent state procurement laws, rules, regulations and programs related directly and indirectly to socially and economically disadvantaged businesses (SDBs) from conflicting with federal government policies regarding SDBs.

- The National Telecommunications and Information Administration (NTIA) should establish expedited and favorable (at least tie-breaker) consideration for prime contractors that voluntarily include in their bids genuine and substantial first tier minority business enterprise (MBE) participation beyond the minimum federal 8(a) guidelines for MBE utilization.

4. Eligible Grant Recipients

- National intermediary nonprofit organizations should assist Congress in monitoring the operation of all stimulus initiatives to ensure that contracting practices are free of entry barriers and other practices that thwart the usage of SDBs.

5. Establishing Selection Criteria for Grant Awards

- An especially high priority should be SDB status or non-SDB partnerships with SDBs (ARRA Sec. 6001(h)(3)), both as prime contractors and subcontractors.

- NTIA should give preference to proposals that include HBCUs, HSIs, NASIs and AASIs and well as nonprofit institutions that focus on broadband training and broadband adoption initiatives.

- Priority should be given to contractors that voluntarily include in their bids genuine and substantial first tier MBE participation beyond the minimum federal 8(a) guidelines for MBE utilization.

- Priorities for unserved and underserved communities should account for structural factors such as poverty, unemployment, race and language.

- Priorities should generally not be given to proposals that serve several of the populations identified in the Recovery Act, or provide service to different types of areas, since these priorities would have the effect of creating a market entry barrier by encouraging "bundling" of projects, thus inherently favoring very large applicants over SDBs and small businesses.

6. Grants for Expanding Public Computer Center Capacity

   • Priority should be afforded HBCUs, HSIs, NASIs, AASIs, and nonprofit organizations that provide broadband training.

7. Grants for Innovative Programs to Encourage Sustainable Broadband Adoption

   • Grants should stimulate broadband adoption and telecom literacy for low-income, minority and multicultural consumers or provide technical assistance and training for emerging telecom MBEs.

8. Broadband Mapping

   • Maps should display broadband availability, competitive service, speed, price and adoption rates for each of these social metrics: poverty status, income, race and language.

   • Mapping should be performed on a longitudinal basis, with new data available every three months.

   • Source data should be verifiable, taking due account of concerns for the protection of proprietary data.

9. Financial Contributions by Grant Applicants

   • A rebuttable presumption should be adopted to specify that HBCUs, HSIs, NASIs and AASIs, as well as nonprofit organizations, would not be expected to generate, internally or from third-party sources, 20% of a project's cost.

10. Coordination with USDA's Broadband Grant Program

   • RUS should use the USDA's existing Section 8(a) authority to track NTIA's 8(a) priorities for BTOP.

11. Definitions

   • The Small Business Act permits federal agencies and departments to adopt their own size standards rather than relying on the default size standards developed by the SBA. NTIA should adopt size standards for SDBs that will maximize MBE participation, i.e., a 51% minority voting interest in the company controlled by disadvantaged persons or entities.

12.   Measuring the Success of NTIA's BTOP Program

   • NTIA should establish and fund a National Minority and Broadband
      Training and Technical Council.

13.   Additional Issues

   • Outside reviewers should have expertise in administering programs
      with 8(a) SDB components.

   • An entity that does not receive funding in one round should be
      eligible to reapply in subsequent rounds.

   • SDB monitoring, coordination, and outreach should be undertaken
      by a resuscitated, well funded and fully staffed Minority
      Telecommunications Development Program (MTDP).

* * * * *