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**MICHAEL KEARNS**  
Acting Executive Director

**ARIZONA CORPORATION COMMISSION**

April 3, 2009

**Re: Opportunities for Commission regulated telecommunication companies to access Federal stimulus monies for broadband projects; Telecommunication company plans and preparations for additional funding.**

Dear Sir or Madam:

You are receiving this letter as a representative of an Arizona land line-based telecommunication company in Arizona. As you know, the recently passed American Recovery and Reinvestment Act ("ARRA") includes financial assistance for broadband projects. All told, more than \$4.7 billion grant dollars is available through the National Telecommunications and Information Administration ("NTIA") as a grant to fund the deployment of broadband infrastructure in unserved and underserved areas. An additional \$2.5 billion in loans and grants will be administered by the Rural Utilities Service ("RUS").

As you know, portions of Arizona still do not have adequate access to broadband and other advanced telecommunications services. For example, the Commission has been contacted numerous times by representatives of the state's tribal entities regarding the need for bolstering telecommunications service on tribal lands. Additionally, in 2007 the Commission travelled to Skull Valley to hear the concerns of residents there about the dearth of broadband and quality landline services. And the absence of telecommunication services in Whispering Ranch, an area Northwest of Surprise, provides an additional example of the need to build out Arizona's broadband and telecommunications infrastructure. Doing so would both protect the health and safety of our residents, and help expand the state's economy.

Given the immediacy of this issue and the scope of funds available, I would like to make sure that your company is assessing the opportunity and making efforts to submit applications to the NTIA and the RUS which meet the grant recipient criteria set out by those agencies. Please inform the Commission of any plans you have for accessing these grant monies and any project applications you anticipate submitting.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes".

Kris Mayes  
Chairman

Cc: Commissioner Pierce  
Commissioner Newman  
Commissioner Kennedy  
Commissioner Stump  
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