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Submitted to the
HOUSE AND SENATE WAYS AND MEANS COMMITTEES
and the
HOUSE AND SENATE COMMERCE COMMITTEES
of the
EIGHTY FIRST IOWA GENERAL ASSEMBLY
Concerning HSB 182 /SSB 1136
March 10, 2005

Intel is the world's largest semiconductor manufacturer and a leading technology company. We have a longstanding interest in promoting public policies that foster broadband deployment and facilities-based competition. We respectfully submit these comments on HSB 182 and SSB 1136 for your consideration.

Many municipalities are considering ways to promote broadband networks in their communities. Legitimate concerns have been raised about the merits of such public-sector efforts, but Intel believes state laws prohibiting or foreclosing these efforts are a mistake.

Municipalities that determine there is an unmet need can find solutions that are open, transparent and reasonably competitively neutral. Some promising cooperative efforts between municipalities and multiple private sector partners already exist or are underway.

Presumptively, municipalities should follow common sense guidelines designed to promote competitive neutrality. For example, they should first assess unmet needs, underserved areas, and future requirements. This might involve working with a private-sector consulting firm. They should use an open, competitive bid process to determine the best-suited technology and provider. Private sector new entrants, established firms with existing facilities, and out-of-region established firms should be free to bid on the service provision and network operational requirements as they see fit. Also, municipal efforts should not get preferred access to rights of way or other favored treatment.

Because circumstances vary, however, statewide blanket prescriptions are unwise. Some municipalities may find private sector partners able to provide all of their services. Others may find private partners able to provide some, but not all, of the services they require. Still others – because of their small size or remote location – may not find any private sector partners willing to provide their services. The key is that municipalities use open and neutral processes to determine the private sector involvement.

In summary, Intel supports allowing municipalities to pursue network solutions that are arrived at through open processes and are reasonably competitively neutral. We believe that framework encourages public-private partnerships that could advance the goal of making affordable and high quality broadband available to all Americans.

Respectfully submitted,
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