

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504- 0002 · (360) 753- 6780 · www.governor.wa.gov

March 8, 2010

Jonathan Adelstein, Administrator
United States Department of Agriculture
Rural Utilities Service, Stop 1590
1400 Independence Avenue, SW Room 5151
Washington DC 20250-1590

Dear Mr. Adelstein:

I am writing in support of the application by Chelan County Public Utility District No. 1 (Chelan PUD) for \$35 million in stimulus funding through the second round of the Rural Utilities Service (RUS) Broadband Initiative. This money will be used to extend Chelan PUD's existing fiber network to substantially all of the remaining 20 percent of rural Chelan County that presently has no access to high-speed broadband. Chelan PUD has been building out its fiber system in the county for several years. It currently provides backbone services for a myriad of critical community facilities, such as hospitals, schools and colleges, and other local governments. In addition, Chelan PUD provides high-speed fiber access to 30,000 businesses and residents in the county.

Chelan PUD's system is also integrated with the Northwest Open Access Network (NoaNet), a recent recipient of round one funding from NTIA. NoaNet's investments connect Chelan PUD's system beyond the borders of Chelan County, while Chelan PUD's investments will constitute the "last mile" of infrastructure. By approving Chelan PUD's request, the RUS funding will leverage earlier federal support of NoaNet.

Chelan PUD operates its wholesale fiber system in an open and non-discriminatory manner and will continue to do so. Operating the network in this manner allows customers to benefit from competition among private-sector service providers who can compete on services and speeds as well as price.

Jonathan Adelstein, Administrator

March 8, 2010

Page 2

Chelan County is a rural county located in north central Washington State with an economy that has traditionally been agriculturally-based. Agriculture is among the most globally competitive of industries, and our competitiveness is increasingly dependent on access to global markets and up-to-date information that only a robust, high-speed network can provide.

I appreciate your dedication to extending broadband service to rural areas and urge your support for this application.

Sincerely,

/s/

Christine O. Gregoire
Governor