

# USDA RURAL DEVELOPMENT RURAL BROADBAND ACCESS LOAN PROGRAM

and the  
American Recovery and Reinvestment Act of  
2009



Committed to the future of rural communities.

# Broadband Initiatives of the American Recovery and Reinvestment Act of 2009

- Funding authorized for USDA Rural Development under the Act
  - \$2.5 billion for rural broadband.
  - \$4.7 billion to go to NTIA
- USDA is working to implement the provision's of the President's Broadband Initiative.
- 2009 Appropriation (w/o ARRA funds)
  - Anticipate \$300-\$400 million nationwide, with no carryover from previous years.
  - 2008 appropriation was \$298 million (with carryover).



# Broadband Initiatives of the American Recovery and Reinvestment Act of 2009

- USDA is working to implement the provision's of the President's Broadband Initiative.
  - 1<sup>st</sup> Public Meeting held on 3/10/09 with USDA Rural Development/NTIA/FCC - subsequent meetings to follow
    - Dates/Times of meetings can be found at [www.ntia.doc.gov/broadbandgrants](http://www.ntia.doc.gov/broadbandgrants) or at [www.rurdev.usda.gov/index.html](http://www.rurdev.usda.gov/index.html)
    - Meetings and transcripts will be available at NTIA's web link
  - Written comments on matters to be considered under the Recovery Act for the deployment of and construction of broadband systems will be accepted through April 13, 2009. See Federal Register Vol. 74, No. 47, dated 3/12/09.
- USDA RD Utility Programs intends to have ARRA funds running within 90 days.

# Broadband Initiatives of the

## American Recovery and Reinvestment Act of 2009

### Matters to be considered...

1. What are the most effective ways RUS could offer broadband funds to ensure that rural residents that lack access to broadband will receive it?
2. In what ways can RUS and NTIA best align their Recovery Act broadband activities to make the most efficient and effective use of the Recovery Act broadband funds?
3. How should RUS evaluate whether a particular level of broadband access and service is needed to facilitate economic development?

# Broadband Initiatives of the

## American Recovery and Reinvestment Act of 2009

### Matters to be considered...

4. In further evaluating projects, RUS must consider the priorities listed below. What value should be assigned to those factors in selecting applications? What additional priorities should be considered by RUS? Priorities have been assigned to projects that will:
  - (1) Give end- users a choice of Internet service providers,
  - (2) serve the highest proportion of rural residents that lack access to broadband service,
  - (3) be projects of current and former RUS borrowers, and
  - (4) be fully funded and ready to start once they receive funding under the Recovery Act. ?

# Broadband Initiatives of the

# American Recovery and Reinvestment Act of 2009

## Issues to be considered...

5. What benchmarks should RUS use to determine the success of its Recovery Act broadband activities?

# Rural Development Rural Broadband Access Loan Program

- Established by the 2002 Farm Bill
- Designed to:
  - Provide loans for funding to eligible rural communities, on a technology neutral basis, for the costs of
    - Construction
    - Improvement, and
    - Acquisition of facilities and equipment to provided broadband service (min. of 200kb/s upstream & downstream).
- Goal:
  - Ensure that rural consumers benefit from the same quality and range of telecommunications services that are available in urban & suburban communities.



# Rural Development

## Rural Broadband Access Loan Program

- Eligible Applicant
  - Legally organized entities providing, or proposing to provide, broadband services in eligible rural communities.
- Eligible Rural Community
  - Any incorporated or unincorporated place in the U.S, that has no more than 20,000 population (<http://www.census.gov>)
- To Be Eligible For A Loan An Entity:
  - Cannot be serving more that 2% of the telephone subscriber lines installed in the U.S., and
  - Must have sufficient authority to
    - Enter into a contract with Rural Development Utility Programs, and
    - Carry out the purposes of the proposed loan.

# Rural Development

## Rural Broadband Access Loan Program

- Eligible Loan Purposes, Types of Loans, Rates & Terms, Security, Credit Support
  - Outlined in handout.
- Recently Funded Broadband Loan
  - \$2,229,000 loan to Topsham Telephone Co. to expand fiber network to Fairlee, West Fairlee, and Orfor, NH.  
(FY 2008)

# WHO TO CONTACT AT RURAL DEVELOPMENT

- New England/NY General Field Representative  
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- [www.usda.gov/rus/telecom/broadband.htm](http://www.usda.gov/rus/telecom/broadband.htm)



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# What can you do to be ready to apply for ARRA USDA RD Broadband Funds?

- Contact Tom Jensen
  - For more details, or
  - to discuss your proposed project, including any barriers you are concerned about.
- Gather your data
- Identify your service area/subscribers
- Watch the RD Broadband web site for updates/application information.
  - [www.usda.gov/rus/telecom/broadband.htm](http://www.usda.gov/rus/telecom/broadband.htm)



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