



United States
Department of
Agriculture

Rural Development



Presented by Shawn Arner

Programs Update

RUS Telecommunications Programs

Telecommunications Programs History

From electricity to broadband...

- 1930s**
 - Rural Electrification Administration (REA) began providing financing to promote rural electrification
- 1949**
 - REA received authority to finance telephone service in rural communities
- 1995**
 - Evolving from the REA, the Rural Utilities Service (RUS) required that all financed telecommunications networks have the capacity to deliver broadband
- 2009 to present**
 - RUS has invested **over \$6.9 billion** in loans and grants to build out broadband infrastructure in rural areas

Telecommunications Loan Programs

Infrastructure Program

- **FY 2016**
 - \$690 million available in FY 2016
 - Loans finance new and improved telecommunications infrastructure in rural communities of 5,000 or less

Farm Bill Broadband Program

- **FY 2016**
 - \$20 million available in FY 2016
 - Loans finance the costs of constructing a broadband network serving rural communities of 20,000 or less (not located in urbanized area contiguous/adjacent to a community over 50,000)
 - Eligible service areas contain at least 15% unserved areas with no part of the service area overlapping with 3 or more incumbent service providers or a current RUS borrower or grantee (there are certain exceptions)

Telecommunications Loan Programs Update

Infrastructure Program

- **FY 2015**
 - **17** loans approved: **\$245 million**
- **FY 2016**
 - **12** loans approved: **\$155 million**
 - **12** loans in process: **\$164 million**
- Applications are accepted year round
- Can use [RD Apply](#), but not required <Yet>

Farm Bill Broadband Program

- **FY 2015**
 - New regulation and NOSA were published July 30, 2015
 - Application Window closed on September 30, 2015
 - **15** loans received: **\$118 million**
- **FY 2016**
 - NOSA Released on April 8th, 2016
 - Applications **must** be submitted through [RD Apply](#) no later than July 7, 2016

Telecommunications Loan Programs – Farm Bill Broadband Loans

FY 2015 Status

- 15 Loans Received under the NOSA which closed on September 30, 2015
- 11 Loans have been determined to be incomplete and/or ineligible and have been returned
- 4 Loans (totaling 39.5M) have been determined to be complete and are proceeding with Engineering and Financial Review

What's next?

- Assistant Administrator's Loan Committee
- Senior Loan Committee
- Offer Letter
- Any unused funds may be used in the next funding window – closes July 7, 2016.

Telecommunications Infrastructure Loan Program

Standard Loan Terms include:

- 2 Year Principal Deferral
- Interest Rate at the Cost-Of-Money
- Loan Maturity - Life of the Facilities Financed Plus 3 Years

Modified Loan Terms for Serving a Substantially Underserved Trust Area (SUTA) include:

- At the discretion of the Administrator, RUS can modify certain loan terms or application requirements, which may include:
 - Interest rates as low as 2%, extended amortization period, and/or priority over projects that do not serve trust areas

Staff can assist and review loan applications before submission.

Telecommunications Farm Bill Loan Program

Unserved is defined as areas lacking access to Broadband Service of 10 meg down/ 1 meg up.

Applicant Priority is given to applications demonstrating the greatest proportion of unserved households.

Special Terms and Conditions may apply to applications where over 50% of the households are unserved, which may include:

- up to 4 year principal deferral
- 25% extension to the amortization period of the loan up to 35 years

Telecommunications Grant Programs

Community Connect Program

- **FY 2016**
 - **\$11.74 million** available in FY 2016
 - Grants cover the costs to construct broadband networks in rural communities of 20,000 or less (not located in urbanized area contiguous/adjacent to a community over 50,000)
 - Service Area must be entirely unserved
 - Broadband Service is defined as 4 Mbps (download) and 1 Mbps (upload)
 - 15% Matching Requirement

Distance Learning and Telemedicine Program

- **FY 2016**
 - **\$23.4 million** available in FY 2016
 - Grants fund equipment needed to provide Distance Learning and Telemedicine services
 - 15% Matching Requirement

Telecommunications Grant Programs Update

Community Connect Program

- **FY 2015**
 - **68** applications submitted: **\$106 million**
 - **5** applications approved: **\$11 million**
- **FY 2016**
 - NOFA released on April 18, 2016
 - Submissions: Due June 17, 2016
 - Application Guide and materials for the program may be obtained through The Community Connect Web site @ <http://www.rd.usda.gov/programs-services/community-connect-grants>
 - Webinars on 5/4, 5/17 & 5/25 being planned

Distance Learning and Telemedicine (DLT) Program

- **FY 2015**
 - **191** applications submitted: **\$38 million**
 - **75** applications approved: **\$23 million**
- **FY 2016**
 - Application Window **closed March 14, 2016**
 - **182** applications received for **\$55 million**
 - As these are reviewed, applicants are being notified of level of completeness or rejection (With copies to state directors)
 - Link: <http://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>.

Telecommunications Grant Programs – Did You Know?

Special Consideration provided under both grant programs to projects serving tribal communities.

- 15 additional points in FY 2014 and 2015

Special Consideration provided under both grant programs for tribes, Strikeforce, and Promise Zones.

- 15 additional points in FY 2016

Telecommunications Programs Rural Investments *

Since 2009, RUS has invested over \$6.9 billion in projects serving rural communities:

Telecom Infrastructure	\$2.9 billion
Farm Bill Broadband	\$247 million
Community Connect	\$77.3 million
Distance Learning and Telemedicine	\$212 million
Broadband Initiatives Program	\$3.5 billion

* Numbers as of Feb, 2016

USDA and The EPA Cool & Connected Updates

- Cool & Connected is a pilot program sponsored by USDA Rural Utilities Service and the U.S. Environmental Protection Agency Office of Sustainable Communities.
- Through Cool & Connected, a team of experts will help community members develop strategies and an action plan for using planned or existing broadband service to promote smart, sustainable community development.
- The Cool & Connected program will provide assistance, helping communities take advantage of new or existing broadband service to create walkable, connected, economically vibrant main streets and small-town neighborhoods.
- Over 200 requests for Cool & Connected benefits were received by the February 24th deadline
- Further details can be found here:
 - <http://www.rd.usda.gov/programs-services/all-programs/telecom-programs>
 - <http://www.epa.gov/smartgrowth>

Community Finalists

Tullahoma, Tennessee

Leon, Iowa

Montrose, Colorado

Georgetown, Delaware

Toledo, Washington

Rural Utilities Service Telecommunications Key Contacts

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USDA Rural Development is committed to the future of rural communities.