2018 ACE SCHOOL & RUS SYMPOSIUM
TERMINUS
CONNECTING POINTS OF OPPORTUNITY

Project Financing

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Public Funding Options

- **RUS Telecommunications Infrastructure Loans & Loan Guarantees**
- **RUS** Rural Broadband Access Loans & Loan Guarantees
- **RUS Community Connect**
- **RUS Distance Learning & Telemedicine Grants**
- **Connect America Funds**
- **Omnibus Funded Rural Broadband Pilot**

Telecommunications Infrastructure Loans & Loan Guarantees

Traditional RUS Loan Program, provides financing for the Construction, Maintenance, Improvement and Expansion of Telephone Service and Broadband in Rural Areas

- Open to most entities that provide Telecommunications Service in Qualified Rural Areas
- Eligible Rural Areas have a population of 5,000 or less
- Applicants must be the Recognized Telecommunications Provider unless the area has no Telecommunications Facilities
- Direct Loans, Loan Guarantees, or Potentially Hardship Loans

Rural Broadband Access Loans & Loan Guarantees

Provides Loans and Loan Guarantees for the Costs of Construction, Improvement, or Acquisition of Facilities and Equipment to Expand Broadband Services into Eligible Rural Areas

- Open to both Non-Profit and For-Profit Organizations, but not Individuals or Partnerships
- At least 15% of the Households in the Proposed Funded Service Area must be Unserved
- Cannot be three or more Incumbent Service Providers
- Cannot Overlap with the Service Area of Current RUS Borrowers or Service Areas Previously Funded by RUS
- Direct Loans; Application Deadline is September 30, 2018

Community Connect Grants

Funds Broadband Deployment into Rural Communities that are not Economically Viable for the Service Provider to Deliver

- Open to Non-Profits, For-Profit Corporations, State & Local Governments, and Federally Recognized Tribes
- Rural Areas with no Existing Broadband Speed of at least 10 Mbps Downstream and 1 Mbps Upstream are eligible
- Competitive Application Process
- 100% Grant Money, but 15% Match Required
- Must cover 100% of Residential and Business Customers in Serving Area at 25 Mbps Downstream and 3 Mbps Upstream
- Must provide two years of Free Broadband Service to Participating Critical Community Facilities
- Up to 10% of the money, not to exceed $150,000, may be used for a Community Center that provides free Online Access to the Public
- Application Deadline is May 14, 2018

Distance Learning & Telemedicine Grants

Helps Rural Communities to use Telecommunications to Improve Education or Health Care

- Open to most entities that provide Education or Health Care through Telecommunications
- 100% Grant Money from $50,000 to $500,000 but requires a 15% Match
- Competitive Application Process
- Grant Money can be used to purchase Eligible Capital Assets and acquire Technical Assistance and Instruction for using the equipment
- Application Deadline is June 4, 2018

FCC Connect America Funds

- ***CAF I - 2013***
  - Five Price Cap Carriers Accepted Funding
  - Total of $255 Million over Six Years
  - 4/1 Mbps Service Required
- ***CAF II -***
  - Ten Price Cap Carriers Accepted Funding
  - Total of $1.5 Billion over Six Years
  - 10/1 Mbps Service Required

FCC CAF II Reverse Auction

- *Up to $1.98 Billion over 10 years*
- *Bids Accepted at Four Service Tiers*
- *Weighted more Heavily to Offers with Higher Broadband Speeds and Low Latency*
- *Application Filings Closed on March 30th*
- *Bidding to Begin on July 24, 2018*

Rate-of-Return – ACAM and Legacy Funding

- *Rate of Return Carriers Selected Between these Two Programs in 2017*
- *$2.2 Billion is Allocated Annually to These Programs*
- *ACAM is Ten Year Program; Legacy if Five Year Program*
- *Each Program has Specific Broadband Build-Out Requirements*

Potential Opportunities in the Future

2018 Omnibus - Rural Broadband Pilot

- $600 Million allocated in 2018 Omnibus for Rural Broadband
- Loans and Grants to be administered by RUS
- Eligible Areas include Populations of 20,000 or less that significantly lack access to 10/1 Mbps Broadband
- Area cannot be served by an RUS borrower
- No significant restrictions on who can apply, Required speeds not stipulated yet, Funding can be loan, grant, or both
- USDA instructed to expedite program delivery but funds can be spent after the end of this Fiscal Year.

Potential Infrastructure Proposal

- Potential $250 Billion Infrastructure Bill has been discussed and could be included in 2019 budget
- Current Proposal is for Block Grant Funds to States
- As much as $50 Billion to be set aside for Rural Counties
- Broadband would compete with other projects, such as bridges, highways, sewer

Remote Areas Fund

- Defined as Census Blocks Unserved by 10/1 Mbps that do not Receive a Winning Bid in the CAF II Auction
- These will be the Areas that are the Most Expensive to Serve
- No Money Allocated Yet and no Additional Information is Likely Until after the CAF II Auctions are Complete

CAF III

- High Cost Price Cap Carrier Service Territories where CAF 1 Funding will expire in 2020
- $1.6 Million per Year will Become Available and Funds are Expected to be Used for a Competitive Bidding Process most likely Similar to the CAF II Auction Taking Place this Year