USDA – Rural Development
General Field Representative – Rural Utilities Service

• Field employee liaison for National Office

• Origination and Servicing of RUS Programs

• Outreach/Application Assistance

• Project Oversight and Program Administration

• Operational Oversight - Post Project
1. Ensure USDA programs are delivered efficiently, effectively, and with integrity and a Focus on customer service.
2. Maximize the ability of American agricultural producers to prosper by feeding and clothing the world.
3. Promote American agricultural products and exports.
4. **Facilitate rural prosperity and economic development.**
5. Strengthen the stewardship of private lands through technology and research.
6. Foster productive and sustainable use of our National Forest System lands.
7. Provide all Americans access to a safe, nutritious and secure food supply.

“To expand rural business opportunity and rural quality of life with access to capital; improve infrastructure, broadband access and connectivity; and support workforce availability”
23 million rural Americans lack access to advanced broadband service

58% of adults in rural areas say access to high-speed internet is a problem for them

Average cost of not having telemedicine in rural hospitals

$370,000

41% of Americans living in tribal lands do not have access to advanced service

17% of American teens say they are often or sometimes unable to complete homework because they do not have reliable access to a computer or the internet
Task Force on Agriculture and Rural Prosperity Report


Calls to Action:
1. Achieving e-connectivity for Rural America
2. Improving Quality of Life
3. Supporting a Rural Work Force
4. Harnessing Technological Innovation
5. Developing the Rural Economy

More information
• [www.usda.gov/ruralprosperity](http://www.usda.gov/ruralprosperity)

Objectives & Recommended Actions:
1. Establish Executive Leadership to Expand E-connectivity Across Rural America
2. Assess State of Rural E-connectivity
3. Reduce Regulatory Barriers to Infrastructure Deployment
4. Assess Efficacy of Current Programs
5. Incentivize Private Capital Investment
FCC DATA – FIXED BROADBAND CONNECTIONS (Missouri)

MISSOURI RESIDENTIAL FIXED CONNECTIONS SUBSCRIBERSHIP RATIO

- 200 kbps or less: 71% (June 2015), 75% (Dec 2016)
- 10/1 Mbps: 47% (June 2015), 55% (Dec 2016)
- 25/3 Mbps: 26% (June 2015), 37% (Dec 2016)
- 100/10 Mbps: 6% (June 2015), 10% (Dec 2016)

Total Households per reports: 2015 = 2.361 M 2016 = 2.365 M

Source: FCC Industry Analysis and Technology Division Wireline Competition Bureau
FCC DATA – TECHNOLOGY CONNECTIONS (Missouri)

Source: FCC Industry Analysis and Technology Division Wireline Competition Bureau
Rural Broadband Loan Programs

• Telecommunications Loan Program

• Rural Broadband Access Loan Program
Telecommunications Infrastructure Program

<table>
<thead>
<tr>
<th>Available Funding</th>
<th>Program Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2017</strong></td>
<td><strong>FY 2017</strong></td>
</tr>
<tr>
<td>• $690 million available in FY 2017</td>
<td>• 21 loans approved: $427.4 million</td>
</tr>
<tr>
<td><strong>FY 2018</strong></td>
<td><strong>FY 2018</strong></td>
</tr>
<tr>
<td>• $690 million available in FY 2018</td>
<td>• 13 loans approved: $161.9 million</td>
</tr>
<tr>
<td><strong>FY 2019</strong></td>
<td><strong>FY 2019</strong></td>
</tr>
<tr>
<td>• $690 million available in FY 2019</td>
<td>• 5 loans approved: $97.7 million</td>
</tr>
<tr>
<td>• Loans finance new &amp; improved telecommunications infrastructure, primarily for the benefit of rural populations of 5,000 or less &lt;Typically&gt;</td>
<td>• 9 loans in process: $125.0 million</td>
</tr>
<tr>
<td>• Loans may serve non-rural subscribers in some cases</td>
<td>• Applications are accepted year round</td>
</tr>
</tbody>
</table>

Telecommunications Infrastructure Program
- Did You Know?

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

Staff can assist and review loan applications before submission
Available Funding

**FY 2018**
- $29.9 million available in FY 2018

**FY 2019**
- $29.9 million available in FY 2019 * ($121,693,395 Current Allotment)
  * Additional Carry over funding is available from previous fiscal years

- Loans finance the costs of constructing a broadband network
- Serving rural communities of 20,000 or less <typically>
- At least 15% of the proposed funded service area households in unserved
- Cannot have 3 or more incumbent service providers
- Service area cannot be in a RUS previously funded area

Rural Broadband Access Loan Program
AKA “Farm Bill Loan Program”

Program Update

**FY 2018**
- 1 loan approved: **$19.9 million**

**FY 2019**
- 4 loans in process: **$61.2 million**
- **RD Apply** online application system

- **NOSA Released** on November 15, 2018
  - RUS is accepting applications on a rolling basis
  - This will give RUS the ability to request additional information and modifications to a submitted application whenever necessary
  - Applications will be processed on a first come, first served basis
  - Every 90 days, RUS will conduct an evaluation of submitted applications, ranking them based on the percentage of unserved households that the applicant proposes to serve
  - RUS conducting at least 2 evaluation periods for FY2019

https://www.rd.usda.gov/programs-services/farm-bill-broadband-loans-loan-guarantees
**Rural Broadband Access Loan Program – Did You Know?**

* **Loan Amounts** between $100,000 & $25 Million.

* **Unserved areas**: “Broadband Service”, the rate used to determine if an area is eligible for funding, shall mean the minimum rate of data transmission of 25 megabits downstream and 3 megabits upstream for both mobile and fixed service.

**Applicant Priority**: The greatest proportion of unserved households.

* **Broadband Lending Speed**: Applicants must propose to offer new broadband service at a minimum bandwidth of 25 megabits downstream and 3 megabits upstream for both mobile and fixed service to the customer.

**Special Terms and Conditions** may apply if more than 50% of the households are unserved:

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

**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

* As of the most recent NOSA on November 15, 2018
2018 Farm Bill Updates
Farm Bill Highlights

• **Section 6201: Access to broadband service in rural areas** –
  Expands the funding authorities to include grants, loans, loan guarantees and payment assistance; modifies some of the program priority and eligibility requirements; and increases the potential funding level for the program
  • Adds Grant Funding and Payment Assistance
  • Requires Guarantee Program
  • Modifies Required “unserved” HH percentage from 15% to 50% for loans and 90% for grants
  • Establishes New Priorities
  • Increases Authorized Funding Level from $25 million to $350 million
  • Establishes new “broadband buildout” standards associated with the life of the loan
  • Requires additional communication and coordination with NTIA and FCC

• **Section 6202: Expansion of Middle Mile Infrastructure** – authorizes the agency to provide funding for stand alone middle mile projects
Farm Bill Highlights Continued

• **Section 6203: Innovative Broadband Advancement Program** – Authorizes the development of a new program to provide grants and loans to eligible entities demonstrating innovative broadband technologies or methods (Replaced the Gigabit Grant Program)

• **Section 6204: Community Connect Grant Program** – Codifies the Community Connect Program

• **Sections 6209 and 6211: Use of Loan Proceeds for Refinancing** – Removes the 40% cap that was in place on the amount of project funding that can be used for refinancing and expands the agency’s authority for the types of loans which can be refinanced

• **Section 6214: Rural broadband integration working group** – Establishes a rural broadband working group across Federal agencies to identify, assess, and determine possible actions relating to barriers and opportunities for broadband deployment in rural areas
Farm Bill Highlight Continued

• **Section 6207: Public Notice, Assessments and Reporting Requirements**
  • Expands the Searchable Database and Public Notice Filing/Existing Service Provider Response Process for “Retail Broadband” projects provided assistance through a loan, grant or loan guarantee program administered by the USDA
    • For Telecom, this expands this process across the Community Connect and the Infrastructure Loan Program
    • PNF/PNR not required when the project is within an area where the entity receives federal universal support
  • Requires USDA to confer with NTIA and the FCC when determining the areas that are “unserved”
  • Requires awardees of funding for “Retail Broadband” projects to submit an annual report for 3 years after completion of the project regarding the use of the assistance and progress towards fulfilling the objectives for which the funding was provided
ReConnect: Broadband Pilot Program
2018 Consolidated Appropriations Act

ReConnect Program
Pilot program that provides loans and grants to extend broadband service to rural areas.

$600 million in funding
Assist rural areas that do not have sufficient access (10/1) to broadband
Minimum requirements: 25Mbps down/3Mbps up

Additional $550 million added in FY 2019
**Application Intake System Available:**
April, 23, 2019

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**LOAN**
- Buildout Speed: 25/3 Mbps minimum
- Terms: Max award: $50 million, 2% Interest Rate
- Application Review: Open (non-competitive)
- Round 1 Federal Funds: $200 million
- Application Deadlines: July 12, 2019

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**COMBO**
- Buildout Speed: 25/3 Mbps minimum, incentive for higher speeds
- Terms: Max award: $50 million, 50/50 Loan/Grant UST Rate
- Application Review: Competitive Scoring
- Round 1 Federal Funds: $100 million grant + $100 million loan
- Application Deadlines: June 21, 2019

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**GRANT**
- Buildout Speed: 25/3 Mbps minimum, incentive for higher speeds
- Terms: Max award: $25 million, 25% match
- Application Review: Competitive Scoring
- Round 1 Federal Funds: $200 million
- Application Deadlines: May 31, 2019
Who Can Apply?

- States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof
- A territory or possession of the United States
- An Indian tribe (as defined in section 4 of the Indian Self Determination and Education Assistance Act)
- Non-profit entities
- For-profit corporations
- Limited liability companies
- Cooperative or mutual organizations
Application Eligibility Factors

✔ Unqualified Audited Financial Statement
✔ Fully Complete Application
✔ Timely Buildout Completion
✔ Financial Feasibility and Sustainability
✔ Technical Feasibility
✔ Service Areas
✔ Fully Funded
Telecommunication Grant Programs

- Community Connect Grants
- Distance Learning & Telemedicine Grants
## Community Connect Program

### Available Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>- $30.0 million available in FY 2018</td>
</tr>
<tr>
<td>FY 2019</td>
<td>- $30.0 million available in FY 2019</td>
</tr>
<tr>
<td></td>
<td>* Carryover funding is sometimes available from previous fiscal years</td>
</tr>
</tbody>
</table>

### Program Updates

<table>
<thead>
<tr>
<th>Year</th>
<th>Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>- 124 Applications processed: $225.6 million</td>
</tr>
<tr>
<td></td>
<td>- 14 grants approved: $30.0 million</td>
</tr>
<tr>
<td></td>
<td>- States (x9): KY*, MN, NC, ND, OK, NC, TN, VA*, UT</td>
</tr>
<tr>
<td></td>
<td>* HQ State, but grant benefited additional state(s)</td>
</tr>
<tr>
<td>FY 2019</td>
<td>- Funding Opportunity Announcement (FOA), published on the Community Connect website and Grants.gov on February 12, 2019</td>
</tr>
<tr>
<td></td>
<td>- Applications deadline April 15, 2019</td>
</tr>
<tr>
<td></td>
<td>- 60 applications received, totaling $99.4M</td>
</tr>
</tbody>
</table>

**General provisions as of the latest FOA:**

- Population of 20,000 or less
- Amounts from $100,000 to $3 million
- Service Area must be entirely unserved
- Minimum Broadband Service is defined as 10 Mbps (download) and 1 Mbps (upload)
- Minimum Broadband Grant Speed is defined as 25 Mbps (download) and 3 Mbps (upload)
- 15% Matching Requirement

# Distance Learning and Telemedicine (DLT) Program

## Available Funding

**FY 2018**
- $29.0 million available in FY 2018
- $20.0 million additional available in FY 2018 in rural areas to help address the opioid epidemic in rural America

**FY 2019**
- $34.0 million available for Traditional DLT FY 2019
- $26.0 million available for Opioid DLT FY 2019 in rural areas to help address the opioid epidemic in rural America

- Grants fund equipment needed to provide Distance Learning and Telemedicine services
- 15% Matching Requirement
- Minimum Grant amount: $50,000
- Maximum Grant Amount: $500,000
- Only grants are available-no loans or combo loan/grants

## Program Updates

**FY 2018**
- 225 applications received for $68.4 million
- 132 applications approved for $40.8 million:

<table>
<thead>
<tr>
<th></th>
<th>DL</th>
<th>TM</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>67</td>
<td>65</td>
<td>132</td>
</tr>
<tr>
<td>States</td>
<td>32</td>
<td>39</td>
<td>45 states &amp; Territories represented</td>
</tr>
<tr>
<td>Amount</td>
<td>$22.7 million</td>
<td>$18.1 million</td>
<td>$40.8 million</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Special Consideration Point Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opioid</td>
</tr>
<tr>
<td>STEM</td>
</tr>
<tr>
<td>Amount</td>
</tr>
</tbody>
</table>

**FY 2019**
- **FOA Released** on February 14, 2019
- Opioid DLT FY2019 - Submissions received - April 15, 2019
  - 15 Applications Received & being processed
- Traditional DLT FY2019 – Submissions received - May 15, 2019
  - 166 Applications Received & being processed

DLT Statutory Changes

• Per the guiding statute,
  
  • Program appeals are now restricted to RUS Telecommunications and Electric Borrowers.
  
  • RUS Telecom and Electric Borrowers will now be eligible to apply for grants and grant-loan combinations as well as loans.
  
  • Broadband transmission facilities will be considered eligible for grant funding as they are an integral part of providing distance learning and telemedicine services.
Questions?
Rural Utilities Service Telecommunications Key Contacts

<table>
<thead>
<tr>
<th>Role</th>
<th>Contact Name</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Administrator</td>
<td>Chad Parker, Assistant Administrator, RUS Telecommunications</td>
<td><a href="mailto:chad.parker@wdc.usda.gov">chad.parker@wdc.usda.gov</a> / 202.720.7287</td>
<td></td>
</tr>
<tr>
<td>Deputy Assistant Administrators</td>
<td>Laurel Leverrier, Deputy Assistant Administrator, RUS Telecommunications</td>
<td><a href="mailto:laurel.leverrier@wdc.usda.gov">laurel.leverrier@wdc.usda.gov</a> / 202.720.3416</td>
<td></td>
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<tr>
<td></td>
<td>Peter Aimable, Office of Portfolio Management &amp; Risk Assessment</td>
<td><a href="mailto:peter.aimable@wdc.usda.gov">peter.aimable@wdc.usda.gov</a> / 202.720.1025</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shawn Arner, Office of Loan (&amp; Grant) Origination &amp; Approval</td>
<td><a href="mailto:shawn.arner@usda.gov">shawn.arner@usda.gov</a> / 202.720.0800</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kenneth Kuchno, Office of Policy &amp; Outreach</td>
<td><a href="mailto:kenneth.kuchno@wdc.usda.gov">kenneth.kuchno@wdc.usda.gov</a> / 202.720.9424</td>
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