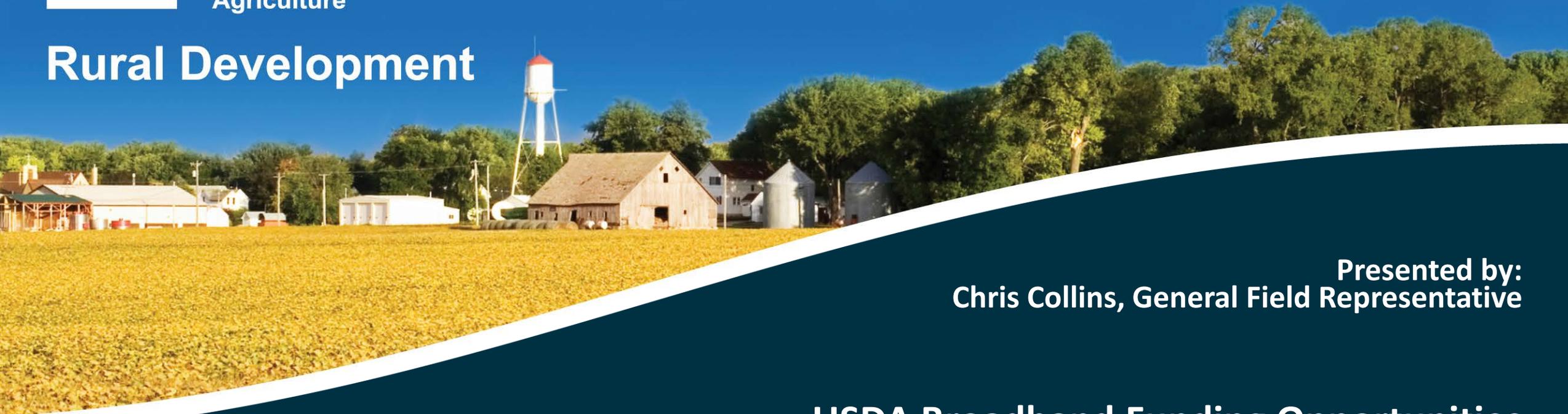




United States
Department of
Agriculture

Rural Development



Presented by:
Chris Collins, General Field Representative

USDA Broadband Funding Opportunities Rural Utilities Service Programs

*2019 Broadband Leaders Academy
Old Kinderhook Resort, Camdenton, MO
JUNE 10, 2019*

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

Strategic Objective

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.



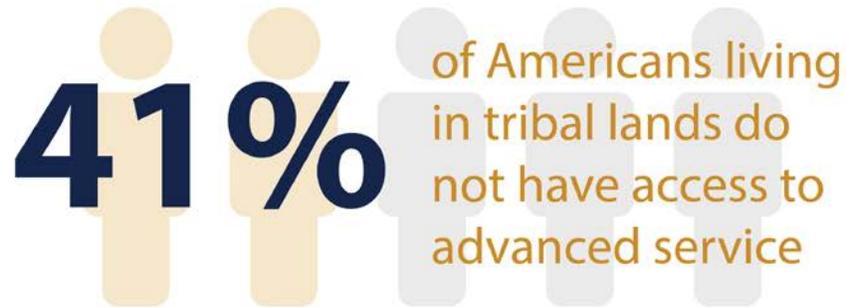
“To expand rural business opportunity and rural quality of life with access to capital; improve infrastructure, broadband access and connectivity; and support workforce availability”



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



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



Interagency Task Force on Agriculture and Rural Prosperity

Task Force on Agriculture and Rural Prosperity Report

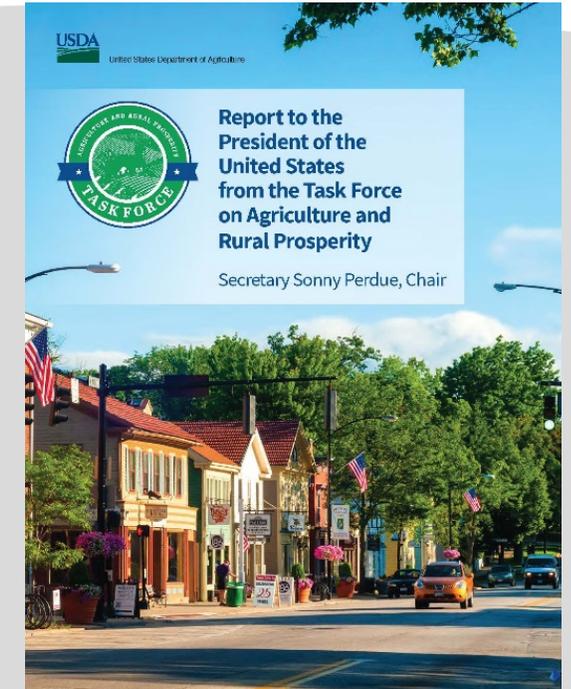
- www.usda.gov/sites/default/files/documents/rural-prosperity-report.pdf

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

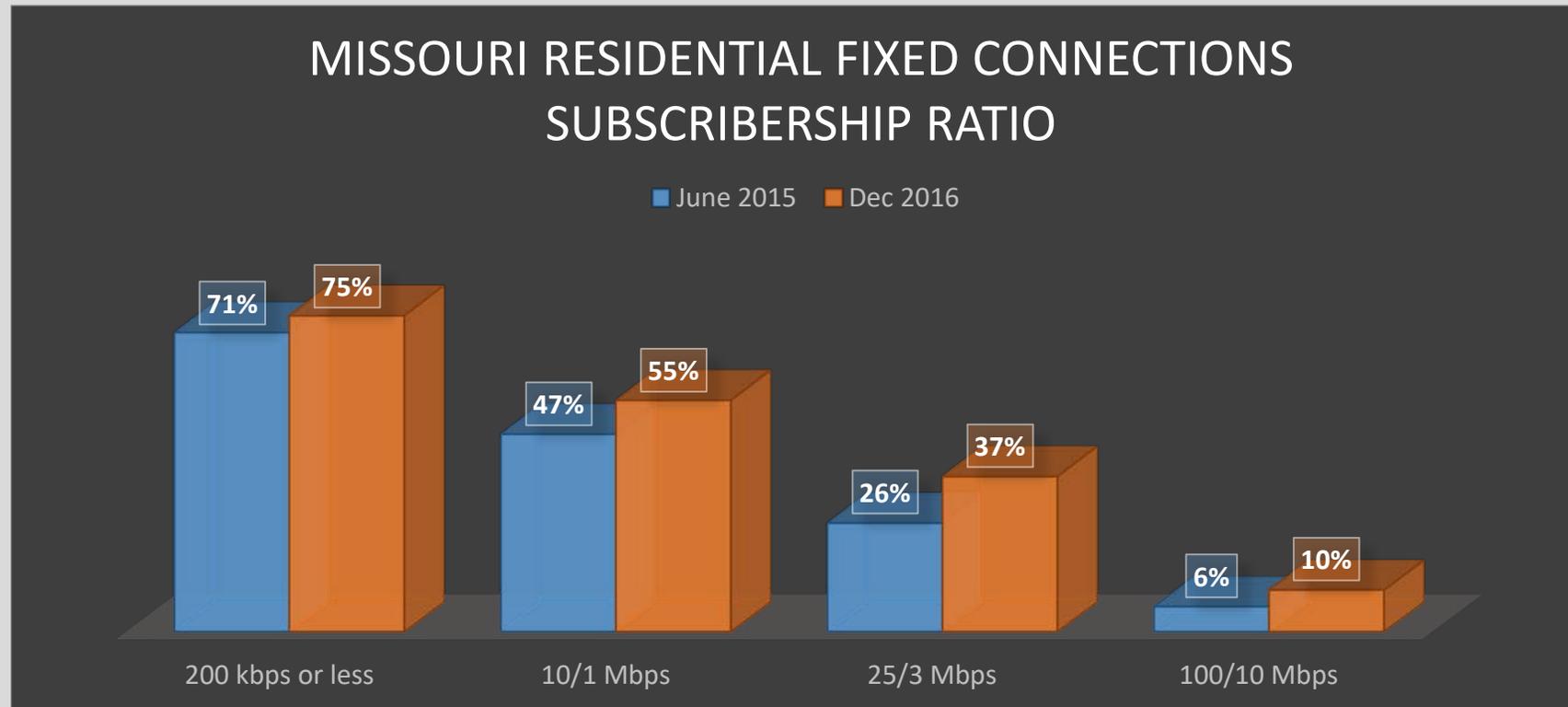
- www.usda.gov/ruralprosperity



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

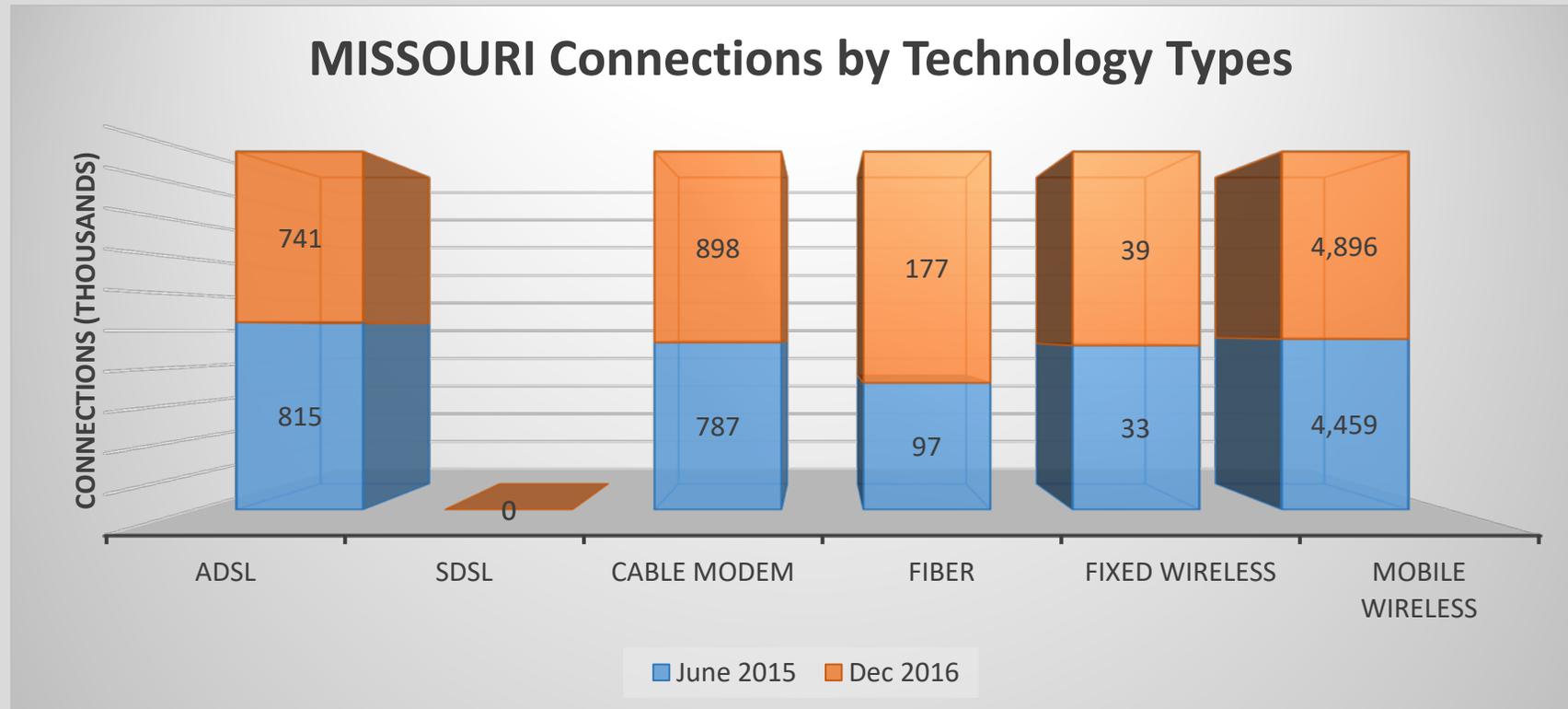
FCC DATA – FIXED BROADBAND CONNECTIONS (Missouri)



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

Available Funding

FY 2017

- **\$690 million** available in FY 2017

FY 2018

- **\$690 million** available in FY 2018

FY 2019

- **\$690 million** available in FY 2019
- Loans finance new & improved telecommunications infrastructure, primarily for the benefit of rural populations of 5,000 or less <Typically>
- Loans may serve non-rural subscribers in some cases

Program Updates

FY 2017

- **21 loans approved: \$427.4 million**

FY 2018

- **13 loans approved: \$161.9 million**

FY 2019

- **5 loans approved: \$97.7 million**
- **9 loans in process: \$125.0 million**
- Applications are accepted year round
- RD Apply online application system

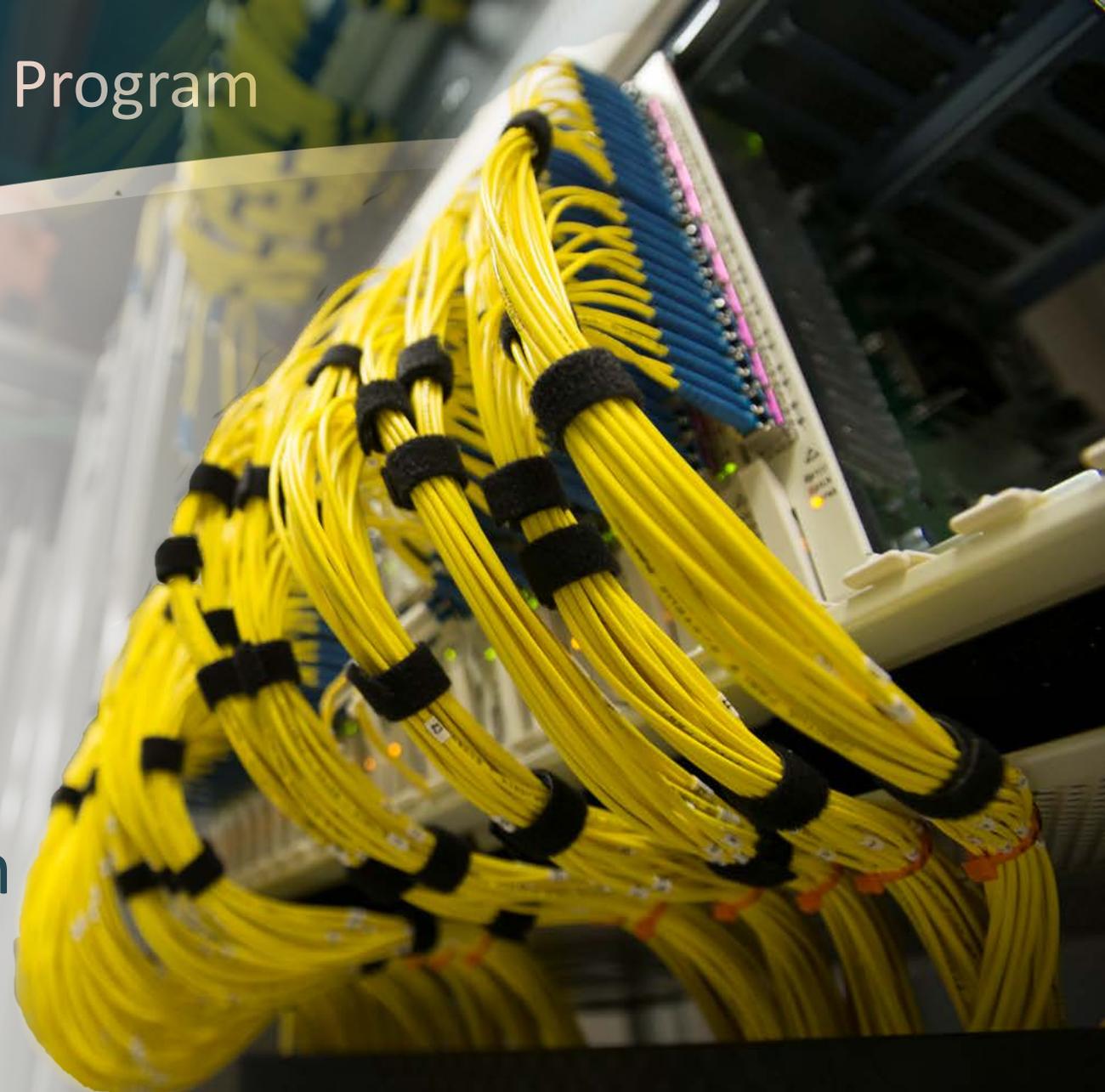
<https://www.rd.usda.gov/programs-services/telecommunications-infrastructure-loans-loan-guarantees>

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



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

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

<https://www.rd.usda.gov/programs-services/farm-bill-broadband-loans-loan-guarantees>

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

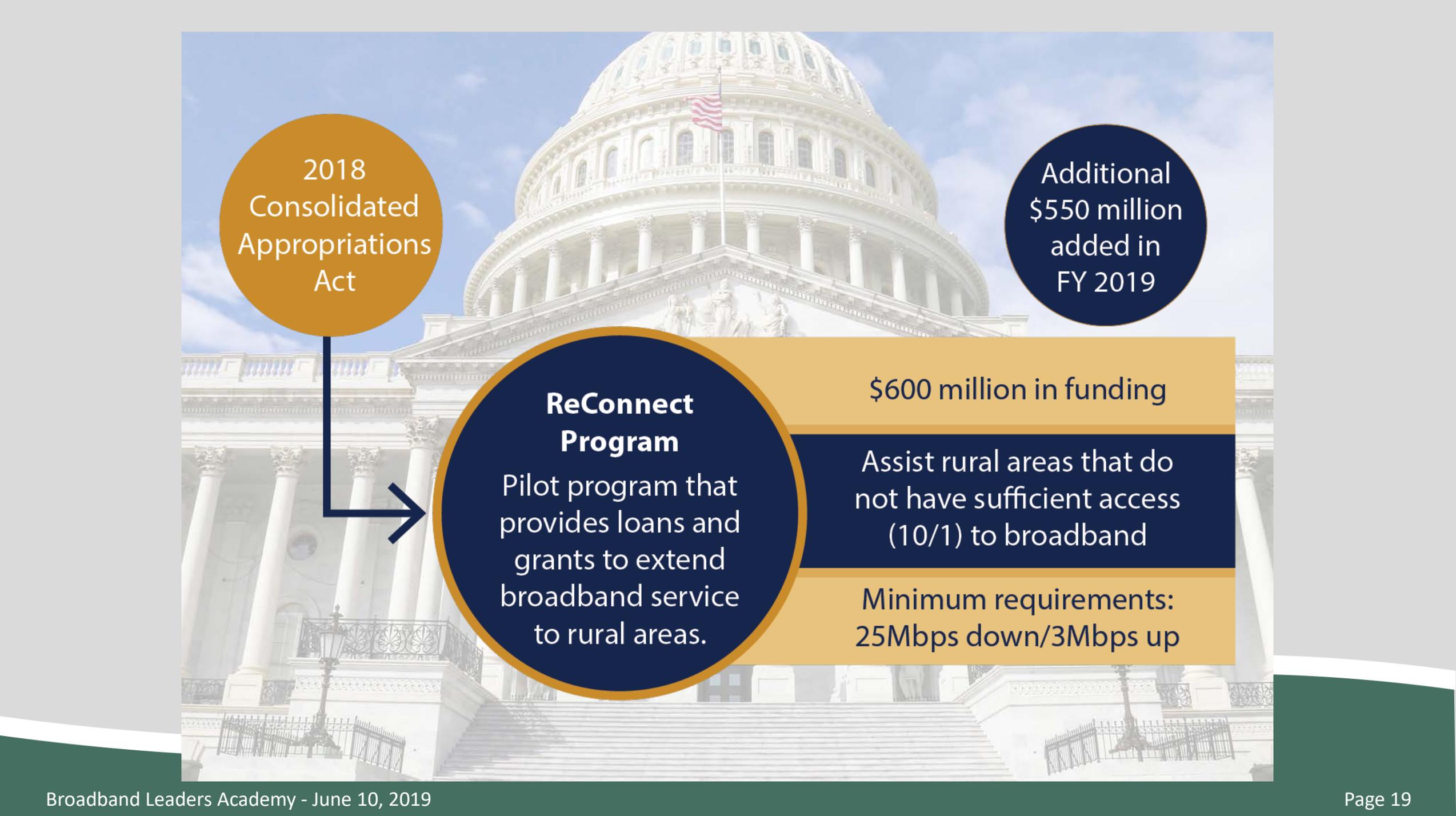
Farm Bill Highlight Continued

- **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

Additional
\$550 million
added in
FY 2019

**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

Application Intake
System Available:
April, 23, 2019



LOAN

25/3 Mbps minimum

Max award: \$50 million
2% Interest Rate

Open (non-competitive)

\$200 million

July 12, 2019



COMBO

25/3 Mbps minimum,
incentive for higher speeds

Max award: \$50 million
50/50 Loan/Grant
UST Rate

Competitive Scoring

\$100 million grant +
\$100 million loan

June 21, 2019



GRANT

25/3 Mbps minimum,
incentive for higher speeds

Max award: \$25 million
25% match

Competitive Scoring

\$200 million

May 31, 2019

Buildout
Speed

Terms

Application
Review

Round 1
Federal
Funds

Application Deadlines

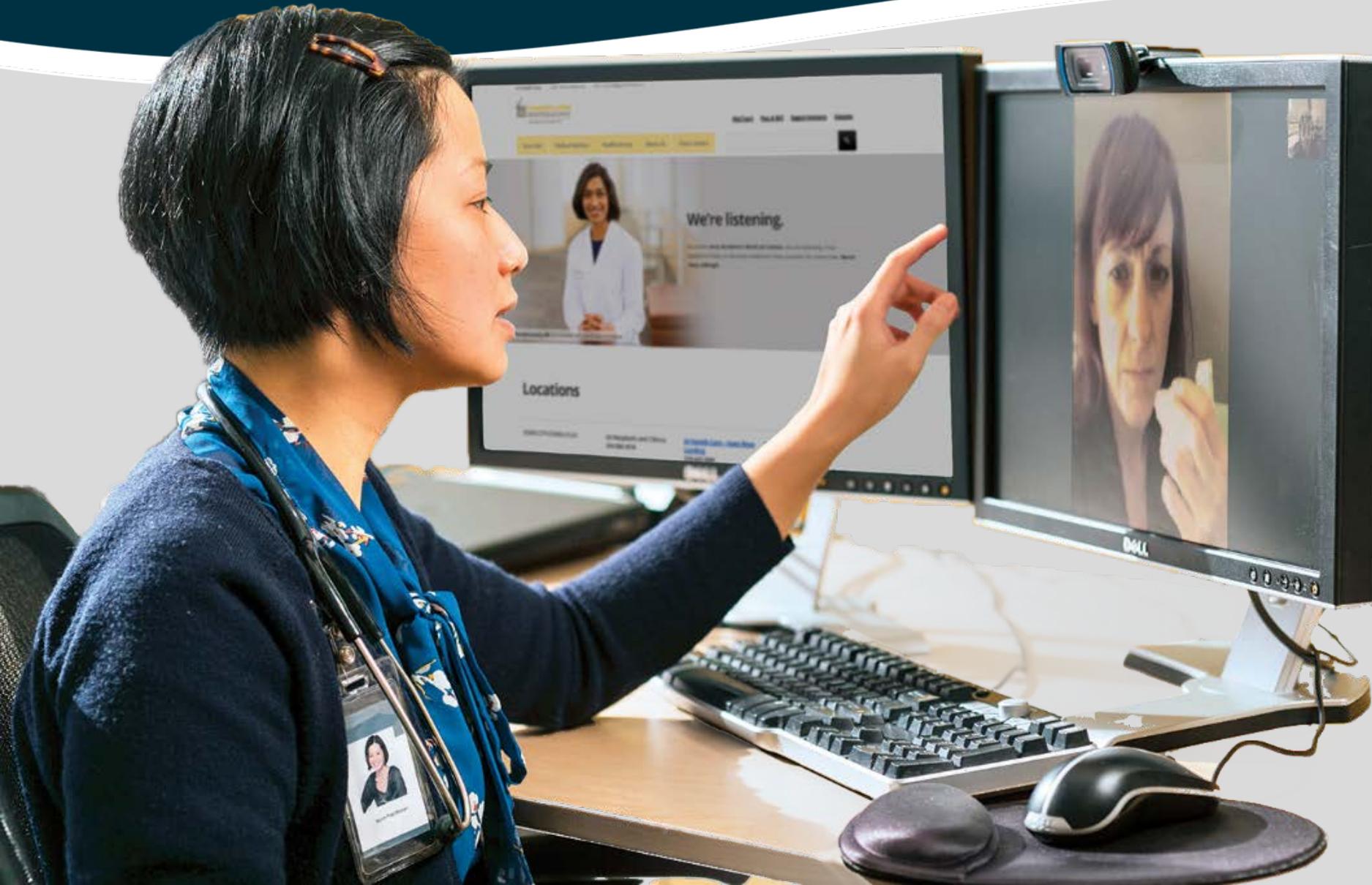
Who Can Apply?

- 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

FY 2018

- **\$30.0 million** available in FY 2018

FY 2019

- **\$30.0 million** available in FY 2019
- * Carryover funding is sometimes available from previous fiscal years

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

Program Updates

FY 2018

- **124** Applications processed: **\$225.6 million**
 - **14** grants approved: **\$30.0 million**
 - States (x9): KY*, MN, NC, ND, OK, NC, TN, VA*, UT
- * HQ State, but grant benefited additional state(s)

FY 2019

- Funding Opportunity Announcement (FOA), published on the Community Connect website and Grants.gov on February 12, 2019
- Applications deadline April 15, 2019
- 60 applications received, totaling \$99.4M

<http://www.rd.usda.gov/programs-services/community-connect-grants>

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**:

DL	TM	Overall	
67 awards	65 Awards	132 awards	
32 States	39 states	45 states & Territories represented	
\$22.7 million	\$18.1 million	\$40.8 million	
STEM & Opioid Special Consideration Point Projects			
63 Opioid	51 STEM	18 None	132 awards
\$17.9 million	\$18.6 million	\$4.4 million	Tot: \$40.8 million

FY2019

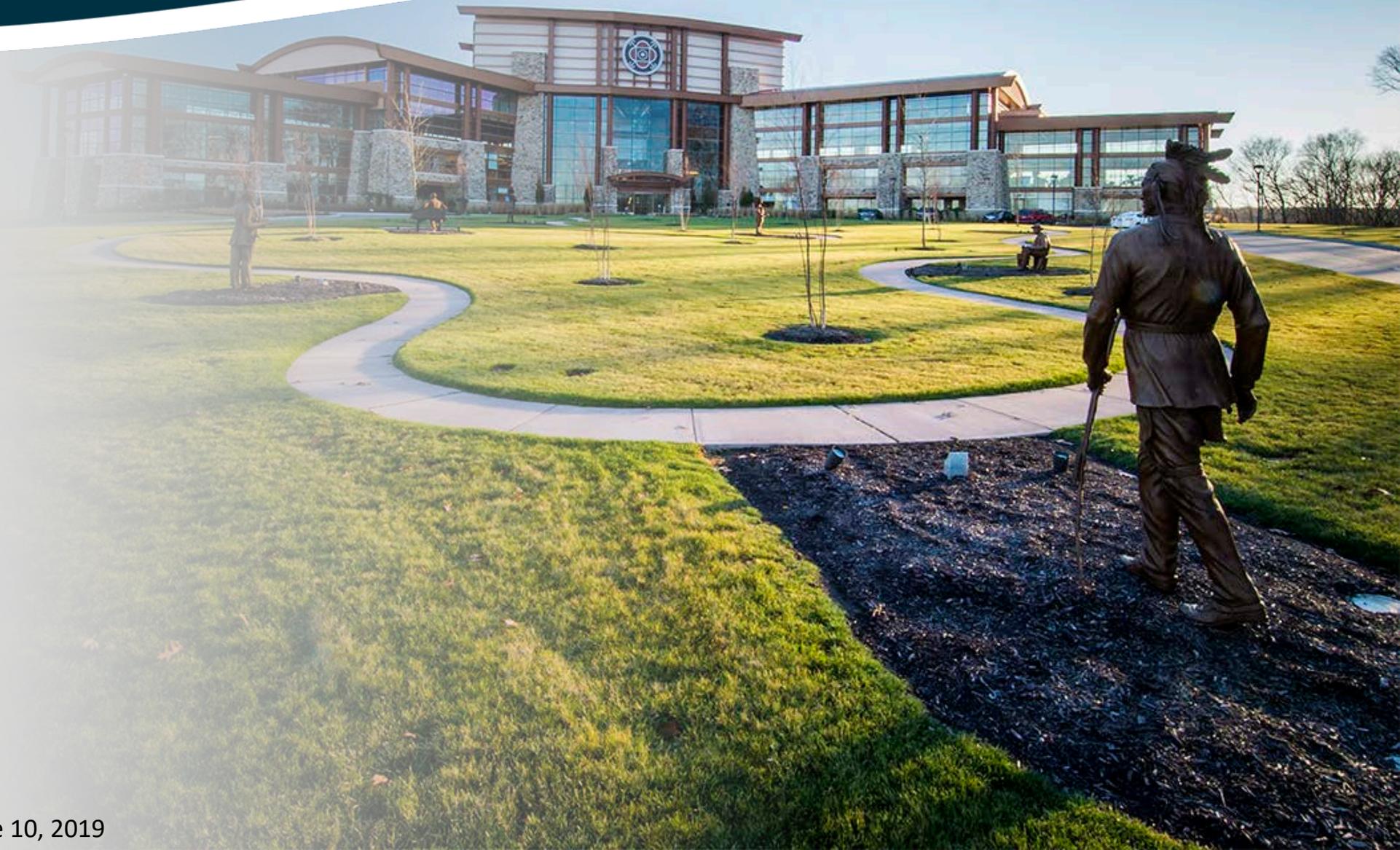
- **FOA Released** on February 14 , 2019
- Opioid DLT FY2019 - Submissions received - April 15, 2019
 - 15 Applications Received & being processed
- Traditional DLT FY2019 – Submissions received - May 15, 2019
 - 166 Applications Received & being processed

<http://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

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

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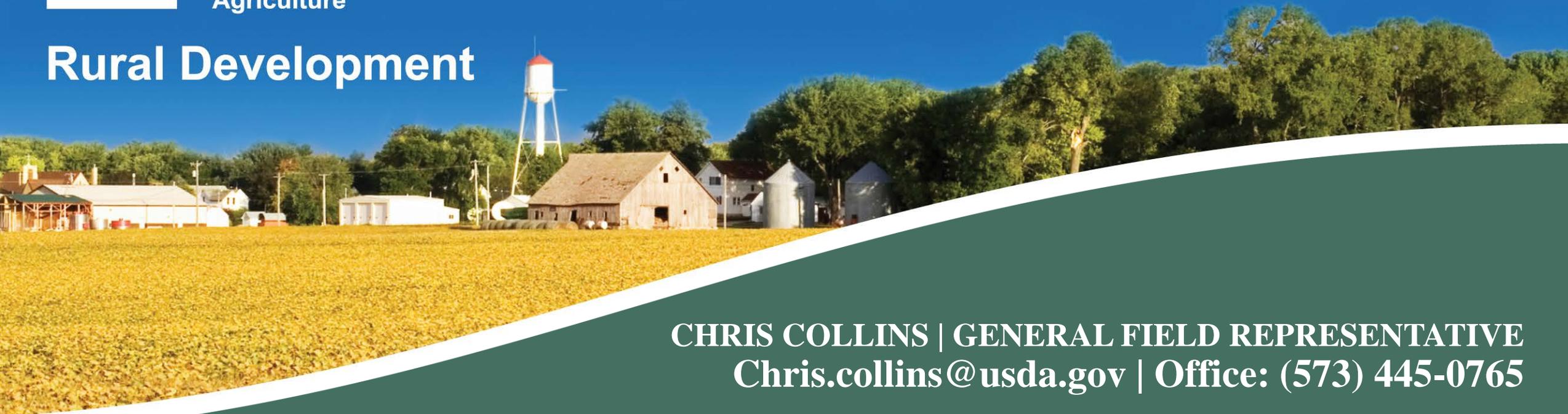
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Rural Development



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