

OPASTCO's 44th Annual Summer Convention and Trade Show

*Rural Development
1400 Independence Ave.
Washington, DC 20250
www.usda.gov/rus/*

Presenter:

Wes Lannen

*General Field
Representative*

*Telecommunications
Program*



Committed to the future of rural communities.

Rural Development Utilities Programs

Strategies to Enable Community Growth through Advanced Broadband Services: How the Rural Development Programs Can Contribute

- *What We Can Provide*
- *What We Have Accomplished*
- *How to Make the Vision Happen*



Rural Development Utilities Programs

The RD Telecommunications Program loan and grant programs



- **Infrastructure Loan Program**: Loans to local telephone companies for improving telecommunications service in rural communities
- **Broadband Access Loan Program and Community Connect Grant Program**: Loans and grants for local telephone companies and other service providers who offer Broadband (high-speed Internet) services in eligible communities
- **Distance Learning/Telemedicine Loan and Grant Program (“DLT”)**: Loans and grants for providing Distance Learning and Telemedicine services to rural residents

Rural Development Utilities Programs

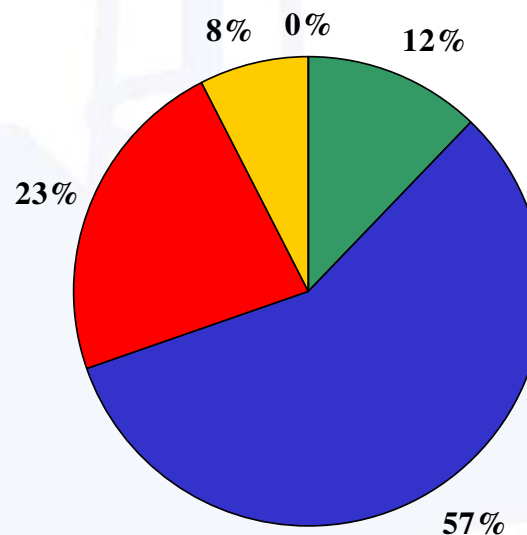


Nationwide Investment

- ✓ More than \$5.7 billion invested in rural telecommunications infrastructure
- ✓ Almost 2 million rural homes and businesses have received access to high-speed broadband connections
- ✓ More than \$251 million in Distance Learning/Telemedicine grants and loans have been awarded to rural health and education providers

Broadband Loan Program: Status and Results

- Established by the 2002 Farm Bill.
- Originally envisioned to fund \$2 billion in rural broadband deployment by 2007.
- To date, 70 loans have been made for approximately \$1.23 billion to finance facilities in 40 states.
 - Projects proposing to serve more than 582,000 households
 - 1,263 communities
- 8 projects completed in Kansas, Louisiana, Michigan, North Dakota, Nebraska, South Dakota, Texas and Washington.



■ Completed ■ In Progress ■ Not Started ■ Rescinded ■ Defaults

Broadband Loan Program: Status and Results

- Unserved and Underserved Communities
 - Approximately 40% of the communities approved for funding were unserved at the time of loan approval.
 - An additional 15% had only one provider at the time of loan approval

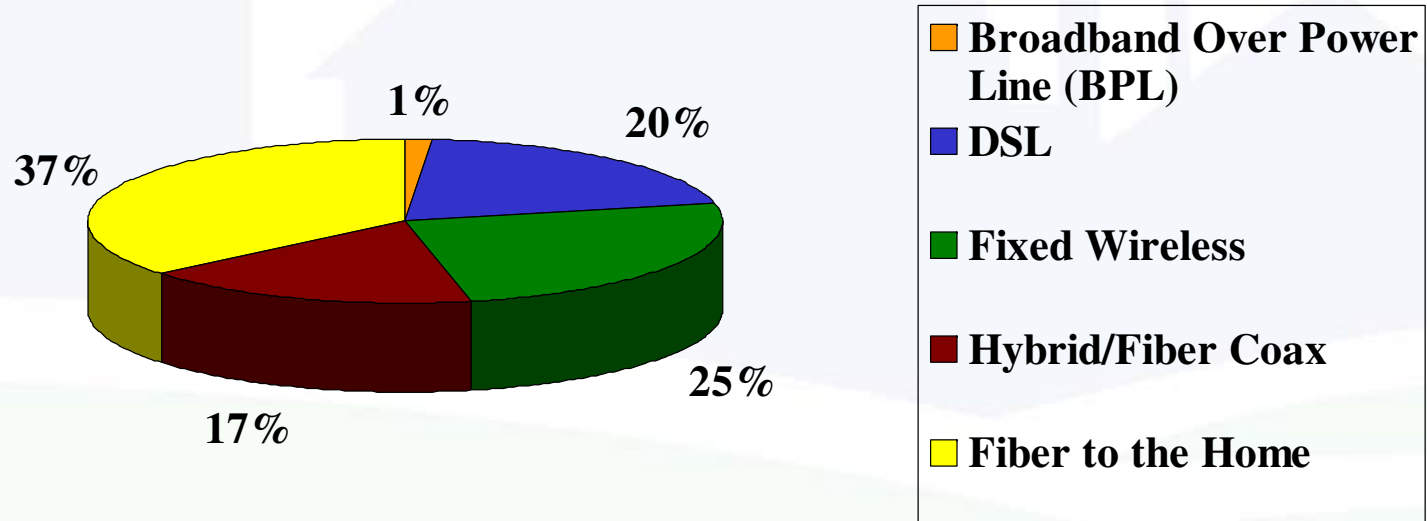
Broadband Loans...

Purpose

To provide loans for the cost of construction, improvement, and acquisition of facilities and equipment for broadband services in eligible rural communities.

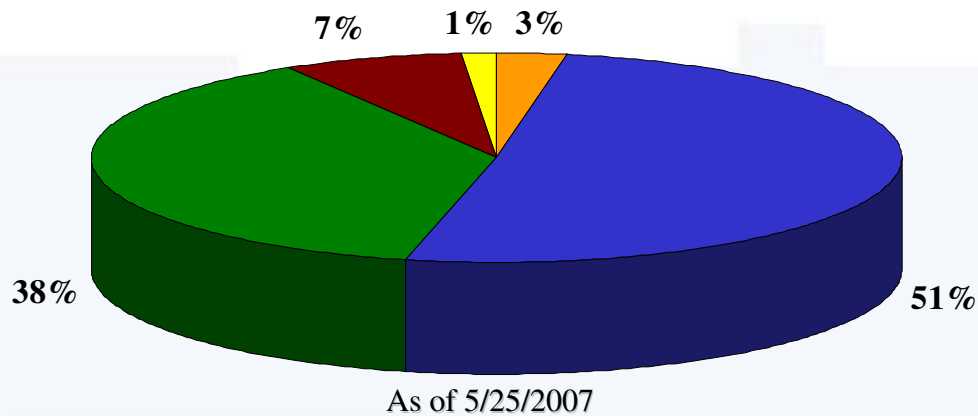
Broadband Loan Program: Technology Neutral

TECHNOLOGIES APPROVED



As of 6/12/2007

Broadband Loan Program: Types of Organizations Funded



■ Municipalities ■ Corporations ■ LLC's ■ Cooperatives ■ Tribal Authority

One Size Does Not Fit All...

- Private/public partnerships
- Traditional telephone companies enhancing service offerings
- Local service providers serving one or a few local communities
- National service providers providing service to multiple communities, even multiple states
- Municipalities

Broadband...

Application Information

The regulation, application, application guide, proposed rule and all other relevant information is available on our website at:

www.usda.gov/rus/telecom/broadband.htm



Broadband...

Application Information

Listing of all approved and pending communities and online search capability:

<http://www.usda.gov/rus/telecom/broadband-search.htm>

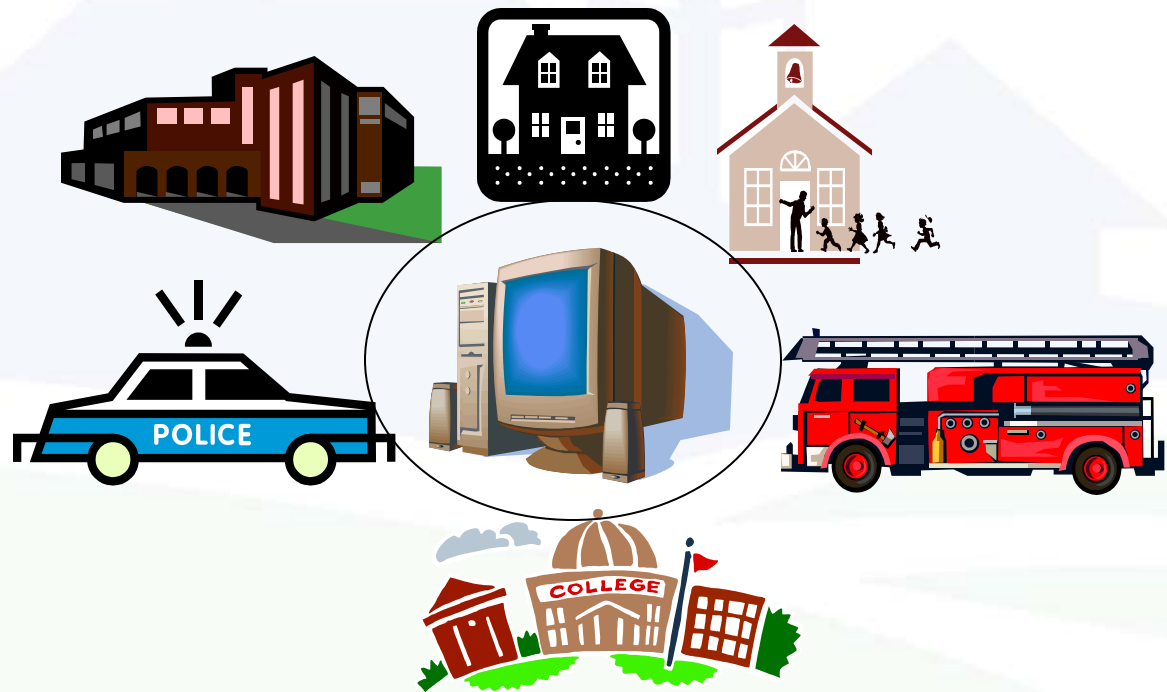


Broadband Grants... *Community Connect*

What is Community Connect?

A nationally competitive grant program to provide broadband service on a “community-oriented connectivity” basis to the most rural and economically challenged communities.

Since its inception, the Community Connect program has provided 130 grants and invested almost \$60 million to provide service to local communities.



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Broadband Grants... *Community Connect*

*Broadband services **must be provided** to rural schools, libraries, education centers, health care providers, law enforcement agencies, and public safety organizations.*

*A **community center**, accessible “free of charge for two years,” must also be made available.*



Broadband Grants... Community Connect

- \$8.9 Million Available for FY 2007
- Application window for FY 2007 is from July 5th to August 18th
- Visit the web for more information:
www.usda.gov/rus/telecom/commconnect.htm



Benefits of Community Connect Grants

1. Foster economic growth

2. Deliver enhanced:

- Educational opportunities
- Health Care
- Public Safety Services



Broadband Success

Nex-Tech, Inc.



Committed to the future of rural communities.

Broadband Success

Camellia



Committed to the future of rural communities.

Broadband Success

Hood Canal Telephone Company Inc.



Committed to the future of rural communities.

Community Connect Success

Air Advantage



Committed to the future of rural communities.

Making the Vision Happen

Local Leadership

- Success in obtaining financing and completing a project is improved with local support and commitment.
- Local, state and Federal government agencies must work together to make broadband access more available to rural communities.

Collaboration

- Collaboration between community leaders and service providers helps achieve the vision. Proactive efforts may be required to attract an Internet service provider to your town or to convince your local telephone company to expand their Broadband service out to more rural areas.
- Information sharing is crucial: business models and case studies can be replicated and save time and expense for communities and providers. This includes sharing knowledge between RD Telecommunications Program staff and applicants/borrowers, as well as sharing information amongst communities.

Commitment to Success

- Strong business and technology plan
- Long term commitment and financial resources
- Strong management and technical staff



A Rural Broadband Partnership

Conclusions

- *Rural America today is as diverse as the challenges it faces. Broadband is having a profound effect on the nation's economy, its strength, and its growth.*
- *With Broadband access, rural residents can now live locally and compete globally.*
- *Our programs encourage investment in broadband infrastructure to enable all rural communities, residents and businesses to have equal, affordable access to high-speed internet technology.*
- *Everyone has a stake in ensuring that rural America obtains better access to Broadband and the associated economic and social benefits.*



Rural Development Utilities Programs

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