

# **FCC/USDA Rural Broadband Educational Workshop**

**Blacksburg, VA**

**April 30, 2008**

**Rural Development**  
**1400 Independence Ave.**  
**Washington, DC 20250**  
[www.usda.gov/rus/telecom](http://www.usda.gov/rus/telecom)

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Committed to the future of rural communities.

# *Broadband Funding Opportunities from USDA*

## AGENDA

Rural Development Programs

Rural Development Telecommunications Program –  
Overview

The Distance Learning and Telemedicine Loan and Grant  
Program

The Broadband Loan Program

The Community Connect Grant Program

# Rural Development Programs

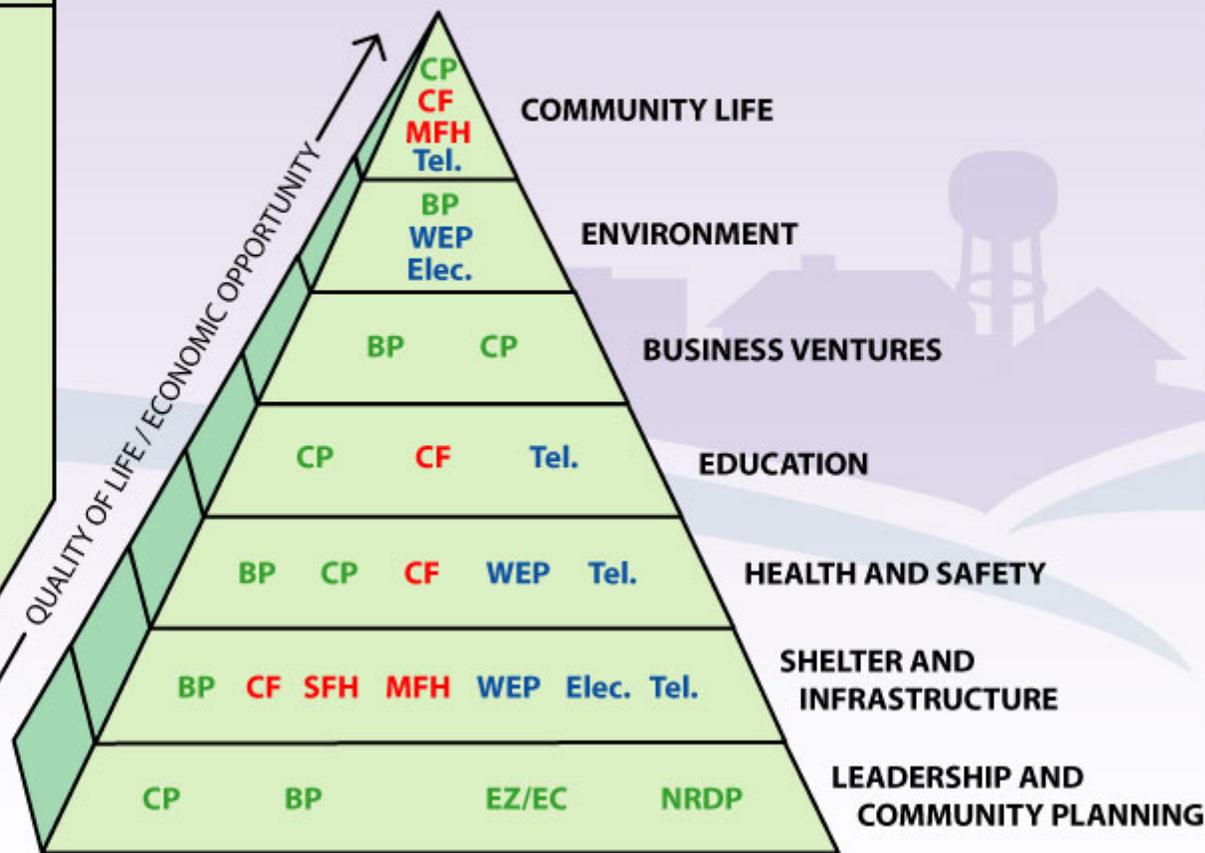


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# Building Communities from the Ground Up

PROGRAM LEGEND	
<b>BUSINESS &amp; COOPERATIVE</b>	
BP	- Business Programs
CP	- Cooperative Programs
EZ/EC	- Enterprise Zone / Enterprise Comm.
NRDP	- National Rural Development Partnership
<b>HOUSING &amp; COMMUNITY</b>	
SFH	- Single Family Housing
MFH	- Multi Family Housing
CF	- Community Facilities
<b>UTILITIES</b>	
WEP	- Water and Environmental Program
Tel.	- Telecommunications
Elec.	- Electric



State Office Locations

Download Quick Reference Guide

"Committed to the Future of Rural Communities"

# USDA Rural Development Utilities Programs



➤ Electric Program  
(1935)

➤ Water and Environmental  
Programs (1937)

➤ Telecommunications Program  
(1949)

# *Federal Government Develops A Partnership with Rural America*

## **Key Milestones**

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- **1935** - Rural Electrification Administration
- **1937** - Water Facilities Act
- **1949** - Rural Telephone Program
- **1990** - Distance Learning/Telemedicine Program
- **1994** - Restructuring: REA Plus Water and Waste programs
- **2002** - U.S. Farm Bill: Broadband Program

# Rural Development Telecommunications Program – Overview

# Telecommunications Program

Vision



Rural America will have access to affordable, reliable, advanced communications services to provide a healthy, safe and prosperous place to live and work.

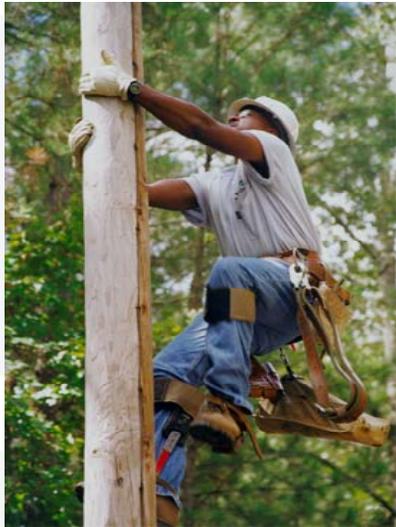
Mission



To improve health, safety, education, economic opportunity, and quality of life in rural America through leadership and investment in communications infrastructure and services.

# Telecommunications Program

## *The Rural Development 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**: Loans and grants for providing Distance Learning and Telemedicine services to rural residents

# Telecommunications Program

## Organizational Structure

- **Headquarters staff in Washington, DC**
  - Executive management staff
    - Administrative
    - Manage the programs
    - Evaluate and approve loans and grants
  - Financial staff
    - Evaluate loans and grants
    - Process loan and grant documents
    - Monitor repayment of loans
    - Manage the disbursement of funds
  - Engineering/technical staff
    - Evaluate loans and grants
    - Provide support to loan applicants
    - Maintain knowledge of technologies
- **Field representatives in each state**
  - Understand their local communities
  - Educate community leaders and service providers on Telecommunications programs
  - Evaluate loan and grant applications
  - Provide financial and technical support to loan applicants and borrowers
  - Help grantees after the grant is awarded with implementation of the project and with reporting requirements

# Telecommunications Program

*More than \$6 billion invested in rural telecom infrastructure since 2001...*

## Infrastructure Loan Program

- Assists the private sector in developing and financing the construction of telecom infrastructure in rural America.
- \$3.7 billion in principal outstanding; 550 borrowers.
- Borrowers are providing Broadband service to 92% of their telephone exchanges.

## Distance Learning and Telemedicine

- \$306 million in DLT grants and loans have been awarded.
- In FY 2007, 78 grants and 11 loan/grant combinations were awarded. 699 educational centers and 512 health centers will gain access to improved services under loans and grants made in 2007.

## Broadband Loan Program

- 82 loans have been made, for \$1.65 billion, for broadband deployment in 2,043 communities in 47 states.
- More than 1.1 million households will receive broadband access under loans made.

## Community Connect

- Since its inception, the program has provided 148 grants and invested almost \$70 million to provide service to local communities.
- Awarded \$8.9 million in grants in FY 2007.



# Telecommunications Program

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## FY 2008 Budget

- Infrastructure Loan Program: \$685,170,000
- Broadband Loan Program: \$792,900,000
- Community Connect Grants: \$13,405,500
- Distance Learning and Telemedicine Loans and Combination Loan/Grants: \$28,265,371
- Distance Learning and Telemedicine Grants: \$24,763,815

# Distance Learning and Telemedicine Loan and Grant Program



Committed to the future of rural communities.

# Distance Learning/ Telemedicine Program

**The DLT Grant and Loan Programs provide rural communities with opportunities to obtain educational and medical services from distant locations utilizing communications technologies.**

<http://www.usda.gov/rus/telecom/dlt/dlt.htm>



# Distance Learning/ Telemedicine Program

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## Telemedicine Examples

- Clinics and hospitals linked with radiology specialists for instant diagnosis and consultation
- Visiting Nurses Associations providing home health monitoring
- Diagnostic Mobile PCs
- Mobile health units and ambulances linking to local clinics and hospitals

# Distance Learning/ Telemedicine Program

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## Distance Learning Examples

- Connecting schools to share teaching resources
- Accessing instructional programming
- Offering Remote GED courses
- Bringing advanced placement college courses to high school students
- Sharing teaching resources between colleges
- Delivering specialized continuing education courses
- Offering technology and job training

# Distance Learning/ Telemedicine Program

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- **The DLT Program provides three kinds of financial assistance:**

1. 100% grant

2. 100% loan

3. Combination loan/grant (9 to 1 ratio, loan value to grant value)

# Distance Learning/ Telemedicine Program

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## Eligible Entity

- Applicant must deliver distance learning or telemedicine services to rural Americans
- Be one of the following
  - An incorporated organization or partnership
  - An Indian tribe or tribal organization
  - A state or local unit of government
  - A consortium of the above
  - Other legal entity such as a private corporation either *profit or non-profit*

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Grants – Features

- Annual Application Period
- Competitive Application Process
- 15% Required Matching Contribution
- \$50,000 Minimum
- \$500,000 Maximum

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Grants – Scoring Criteria

- Rural Area (**Rurality**)
- Economic Need (**NSLP**)
- Special Communities (**EZ/EC**)
- Leveraging (**Matching Funds**)
- Need for Services and project Benefits (**Needs and Benefits**)
- Innovativeness
- Cost Effectiveness

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Grants – Eligible Purposes

- Eligible equipment
  - Computer hardware and software
  - Audio and video equipment
  - Computer network components
  - Interactive video equipment
- Acquiring instructional programming
- Providing technical assistance and instruction

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Loan and Grant Combination - Features

- Applications Accepted Year-Round and Processed as Received
- Noncompetitive Application Process
- No Matching Contribution
- \$50,000 Minimum

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Loan and Grant Combination – Eligible Purposes

- All eligible grant purposes
- Medical or educational equipment
- Links between teachers and students or medical professionals in the same facility
- Site development/alteration of buildings
- Purchasing land/constructing buildings
- Acquiring transmission facilities provided no facilities exist

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Loan – Features

- Applications Accepted Year-Round and Processed as Received
- Noncompetitive Application Process
- No Matching Contribution
- \$50,000 Minimum

# Distance Learning/ Telemedicine Program

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## Distance Learning and Telemedicine Loan

### – Eligible Purposes

- All eligible loan/grant combination purposes
- Project operating costs during the first two years
- Educational broadcasting for distance learning purposes

# Distance Learning/ Telemedicine Program

- *What to do if you are interested in applying:*
  - Review loan and grant application guides and application on the website at <http://www.usda.gov/rus/telecom/dlt/dlt.htm>
  - The website also has summaries of previous DLT grants
  - Contact your General Field Representative with questions
    - Remember the 100% grant program has an application window; loan and combination loan/grant applications are accepted year-round
    - The grant application window for the 100% grant program is announced in the Federal Register and on the Telecommunications Program website, usually in February or March
    - The GFR can assist you with general information on the grant program but since it is a competitive program, they cannot help you fill out the application
    - For loans and loan/grant combinations, the GFR is available to assist you with the application



# The Broadband Loan Program

# The Broadband Loan Program

- **Broadband is a tool** that allows people, communities and organizations to consider new and different ways to interact, manage their lives and do business.
- Broadband access is **eliminating the barriers** of distance, remoteness, and time that face rural America and is providing solutions to those challenges 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.



# The Broadband Loan Program

There are eligibility requirements with regard to:

- Types of borrowers
- Size of communities served
- Purpose of the loan
- Types of services provided
  - Must enable a subscriber to transmit and receive at a rate of no less than 200 kilobits per second;
  - Must provide data transmission service and may provide voice, graphics, and video.

USDA Rural Development is technology neutral with regard to how the broadband service is provided (e.g. wireless broadband, fiber-to-the-premise, etc.)



# The Broadband Loan Program

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215 Applications Received Since the Beginning of  
the Program, Totaling \$4,520,389,046

Applications Processed as of April 21, 2008

**83 Approved**

**\$1,657,907,931**

18 In Review

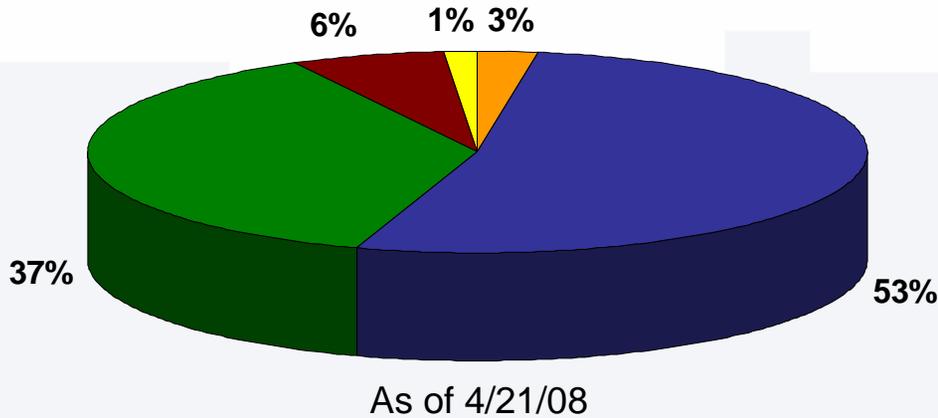
558,512,197

114 Returned

2,310,528,216

# The Broadband Loan Program

## Types of Organizations Funded



### One Size Does Not Fit All...

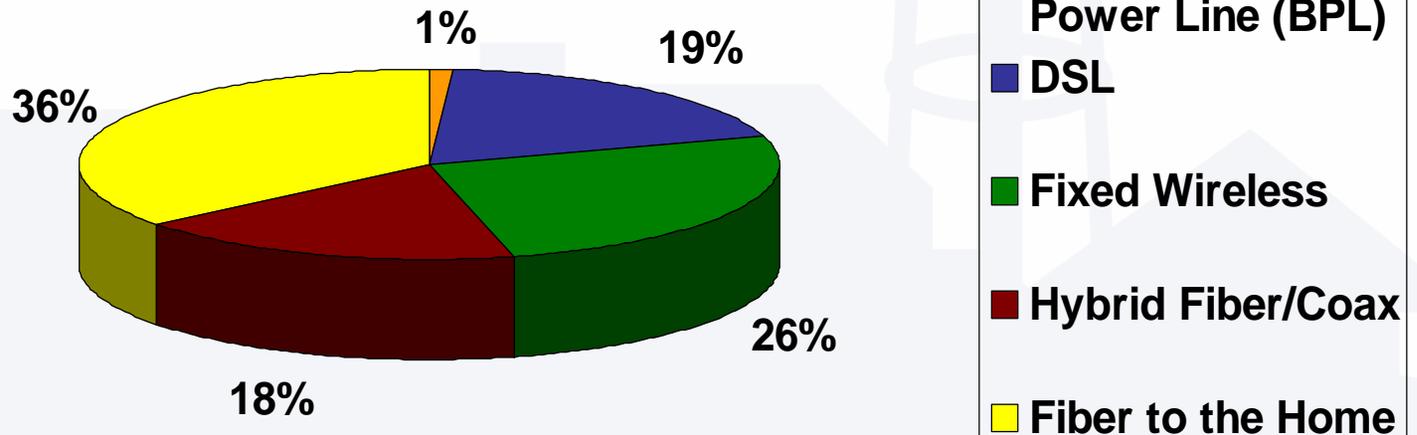
- Private/public partnerships
- Traditional telephone companies enhancing service offerings
- Local service providers serving one or a few local communities
- National service providers providing service to multiple communities, even multiple states
- Municipalities
- 35% of applications approved have been from startup companies

■ Municipalities ■ Corporations ■ LLCs ■ Cooperatives ■ Tribal Authority

Corporations:	53%	LLCs:	37%
Cooperatives:	6%	Municipalities:	3%
Tribal auth.:	1%		

# The Broadband Loan Program

## Types of Technologies Funded



As of 4/21/08

Fiber to the Home:	36%	Fixed Wireless:	26%
DSL:	19%	Hybrid Fiber/Coax:	18%
Broadband over Powerline:	1%		

# The Broadband Loan Program

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## *Who is eligible?*

- Corporations
- Limited Liability Companies
- Cooperative or Mutual Organizations
- Indian Tribes
- Public Body

# The Broadband Loan Program

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## *Who is not eligible?*

- Individuals
- Partnerships (including LLPs)
- Any entity serving more than 2% of the telephone subscriber lines installed in the United States

# The Broadband Loan Program

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## *Direct Cost-of-Money Loans*

Bear interest at the cost of money to the Treasury for comparable maturities.

**The interest rate is set at the time of each advance of funds**

The current rates can be found at:

<http://www.federalreserve.gov/releases/h15/update>

# The Broadband Loan Program

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## New Broadband Loans Search Tool

**Listing of all approved and pending communities:**

**<http://broadbandsearch.sc.egov.usda.gov/SearchTabs.aspx>**

**This new search tool is regularly updated.**

# The Broadband Loan Program

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## *Key Components of an Application*

Credit Support

Business Plan

Market Survey

Financial Information

System Design

# The Broadband Loan Program

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- *What to do if you are interested in applying:*
  - Review loan and grant application guides and application on the website at <http://www.usda.gov/rus/telecom/broadband.htm>
  - Contact your General Field Representative as early as possible for assistance (list of GFRs is on the website)
  - There is no deadline for submitting an application



# The Community Connect Grant Program

# The Community Connect Grant Program



# The Community Connect Grant Program

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- A nationally competitive grant program to provide broadband service to the most rural and economically challenged communities
- Serves one community with no existing broadband service
- Project must include a Community Center with 10 computers for public use (at no charge for two years)
- Free service to Critical Facilities (such as fire station, city hall, police station, etc.) must be provided for two years
- Must offer basic broadband service to residential and business customers within the proposed service area

# The Community Connect Grant Program

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## How can my community apply for a grant?

- Get informed
- Determine community eligibility
- Determine project eligibility
- Complete Application
- Submit Application

# The Community Connect Grant Program

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## Eligible Community

- Community found on the US Census or the 2007 or 2008 Rand McNally atlas
- One Community per application
- No existing broadband service
- Less than 20,000 people

## Eligible Applicant

- Incorporated organization
- Indian tribe or tribal organization
- State or local unit of government
- Cooperative or LLC

# The Community Connect Grant Program

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- Minimum Grant Request \$50,000; Maximum Grant Request \$1,000,000
- Scoring Criteria:
  - Rurality of the community
    - Determined by population size
  - Economic need of the community
    - Determined by Median Household Income of the community compared to the state average
  - Benefits derived from the proposed project – determined by information/documentation provided by the applicant on:
    - The need for broadband services
    - Benefits derived from the services proposed by the project
    - Local community involvement in planning and implementing the project

# The Community Connect Grant Program

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## Things to Avoid

- Using ineligible/insufficient matching funds
- Using a Census tract/Multiple communities
- Missing the deadline
- Excessive Operating Expenses

# The Community Connect Grant Program

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- For more information:
  - Find information on the website, including application guide and application window - <http://www.usda.gov/rus/telecom/commconnect.htm>
  - The website also has summaries of previous Community Connect grants
  - Contact your GFR: <http://www.usda.gov/rus/telecom/staff/gfr-state-list.htm>
  - For Community Connect questions, please contact program staff, **Long Chen and Kristin Lough** at [community.connect@wdc.usda.gov](mailto:community.connect@wdc.usda.gov); (202)-690-4673

# Contact Information

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*Rural Development  
Telecommunications Program  
1400 Independence Ave.  
Washington, DC 20250  
[www.usda.gov/rus/telecom](http://www.usda.gov/rus/telecom)*

## Telecommunications Program Headquarters Staff:

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Gary Allan, [gary.allan@usda.gov](mailto:gary.allan@usda.gov) ; Acting Director, Distance Learning & Telemedicine Program, 202-720-0665

## General Field Representatives:

Richard E. Jenkins, [richard.jenkins@wdc.usda.gov](mailto:richard.jenkins@wdc.usda.gov) ; GFR for Virginia, West Virginia, 304-645-1947

Broadband Specialist GFRs: Tony Tindall, [anthony.tindall@wdc.usda.gov](mailto:anthony.tindall@wdc.usda.gov) ; 612-721-6432; Randy Jenkins, [randy.jenkins@wdc.usda.gov](mailto:randy.jenkins@wdc.usda.gov) ; 316-733-7604

Other GFRs: <http://www.usda.gov/rus/telecom/staff/gfr-state-list.htm>



# Contact Information continued

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The Virginia State Office, located in Richmond, Virginia, administers USDA Rural Development (RD) programs through four Area Offices and 12 Field Offices across the state. Each office is committed to serving those in search of information and assistance with RD programs and initiatives. Website: <http://www.rurdev.usda.gov/va/>

State Office – 1606 Santa Rosa Road, Suite 238, Richmond, VA 23229-5014

Ellen M. Davis, State Director, [ellen.davis@va.usda.gov](mailto:ellen.davis@va.usda.gov) ; 804-287-1551

Wytheville Area Office, 100 USDA Drive, Wytheville, VA 24382-8368

Travis D. Jackson, Area Director, [travis.jackson@uva.usda.gov](mailto:travis.jackson@uva.usda.gov) ; 276-228-3513, x115

Other Rural Development State Offices: [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html)



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***Thank you.***



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