



## AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 RURAL UTILITIES SERVICE BROADBAND INVESTMENT PROGRAM \$2.5 billion for loans and grants

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 ("ARRA"). This document provides information on how Rural Development's Rural Utilities Service (RUS) will implement the broadband provisions of the ARRA.

### Vision

RUS will support the expansion of broadband service in rural areas through financing and grants to projects that provide access to high speed service and facilitate economic development in locations without sufficient access to such service.

### Strategy

In order to provide economic stimulus during the current recession, ARRA requires that funds be obligated by September 30, 2010. RUS will offer grants, direct loans and loan/grant combo. These funds will be awarded on a competitive basis with unprecedented transparency and accountability.

### Objectives

1. Fund projects that will support rural economic development and job creation beyond the immediate construction and operations of the broadband facilities.
2. Ensure that at least 75% of the investment serves rural areas.
3. Implement in concert with National Telecommunications Information Administration (NTIA) and consultation with the Federal Communications Commission (FCC).
4. Establish appropriate monitoring and servicing of the investments to ensure the objectives are achieved.

### Key Requirements

RUS will take the public comments into account when developing a Notice of Funding Availability, which will be published in the Federal Register and elsewhere. This Notice will include detailed information on:

- Amount and type of funding available
- Requirements and deadlines for applying
- Eligibility requirements for applicants and projects

- Evaluation and scoring criteria
- Reporting requirements for borrowers/grantees awarded funding

The ARRA includes the following requirements for broadband projects funded by RUS under the bill:

1. 75 percent of the areas to be served by a project receiving funds from such grants or loans shall be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development;
2. Priority shall be given to:
  - Projects that will deliver end users a choice of more than one service provider;
  - Projects that provide service to the highest proportion of rural residents that do not have access to broadband service;
  - Projects from current and former RUS Title II borrowers;
  - Projects that can commence immediately upon approval.
3. There should not be duplication of projects funded under the RUS Broadband Investment Program with the Broadband Technology Opportunities Program at the Department of Commerce.

#### Timeline

By early summer 2009, RUS and NTIA will publish a joint Notice of Funding Availability (NOFA) in the Federal Register seeking applications for assistance. We anticipate three NOFAs. Timing on the subsequent NOFAs will be dependent upon results from previous NOFAs and our coordination with NTIA and consultation with the FCC as we deploy funds. This implementation plan is subject to change.

A series of workshops will be held jointly with NTIA across the United States in July 2009. These workshops will explain the program to prospective applicants including the program requirements and how to apply. The dates and locations of the workshops will be posted on [www.USDA.GOV/RUS/TELECOM](http://www.USDA.GOV/RUS/TELECOM) and [www.RECOVERY.GOV](http://www.RECOVERY.GOV).

**Website information will be updated frequently. Program notices and updates will be posted at: [www.usda.gov/rus/telecom](http://www.usda.gov/rus/telecom). NTIA information can be found at: [www.ntia.doc.gov/broadbandgrants](http://www.ntia.doc.gov/broadbandgrants)**

#### Contact:

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