

E-COPERNICUS



RUS

- Highest honor to serve among the ranks of RUS
- No better agency in the US Government
- Corp of dedicated, innovative public servants
- 21st Century mission
 - Telecommunications
 - Electric
 - Water
 - Broadband

Disclosures

- Views expressed are my own
- Do not represent any federal agency
- Not speaking for e-Copernicus or any client of e-Copernicus
- Based on experience as RUS Alum

Ghost of RUS Past



RUS Connecting Rural America

- Successor to REA/FmHA
- Agency within USDA
- New Deal Program with 21st Century Mission



74 Years of Progress

- 1935 Electric
- 1940 Water
- 1949 Telephone
- 1993 DLT
- 2000 Broadband Pilot
- 2002 Broadband Title to RE Act
- 2008 Reauthorization
- 2009 ARRA



Ghost of RUS Present



Broadband Grant Program

- Community Connect Program
- One community per application
- Must have **NO** broadband
- Provide 2 years free service to community facilities
- Community Computing Center
- Low income, low population score well
- Tribal areas have done well
- 15% Match
- Generally \$10 – 20 million a year

Broadband Loan Program

- Launched in 2000 as a pilot program at end of Clinton Administration
- Carried forward in 2001 in first Bush Budget
- New Title VI of the Rural Electrification Act in 2002 Farm Bill
- Congress had high hopes and expectations
- 2008 Reauthorization and Amendments
- Awaiting Regulations

Scary Economy



American Recovery and Reinvestment Act

- \$2.5 billion for Distance Learning, Telemedicine and Broadband Loans and Grants in “any area of the United States.”
- Legislative language very flexible
- Legislative language strongly suggests stimulus program is not tied to existing BB loan and grant programs.

God Bless Us Everyone!



Requirement

At least 75% of area to be served shall be in a rural area without “sufficient access to high speed broadband service to facilitate rural economic development, as determined by the Secretary of Agriculture.”

Priorities

- “deliver end users a choice of more than one service provider”
- Projects that provide “service to highest proportion of rural residents that do not have access to broadband services.”
- Current and Former Title II RE Act borrowers
- All project elements fully funded
- Can be completed
- Can commence promptly

Important Provision in NTIA Section for RUS

“The Assistant Secretary shall ensure that the program complements and enhances and does not conflict with other Federal broadband initiatives and programs.”

Other Provisos

- No double dipping with NTIA
- First Report from Secretary on planned spending and actual obligations due within 90 days.
- RUS pays as you go and on invoice
- Infrastructure finance not operations
- Cheaters go to jail!

Quick Start Decisions to be Made

- Matching requirements if any
- Define rural areas without sufficient access
- Bandwidth
- Easy cases first then harder cases
- Allocation of funds between
 - DLT
 - BB Loans
 - BB Grants
 - Technical Assistance

Quick Start Recommendations

- States: your input is welcome
- WH, RUS, NTIA, OMB & OGCs need to cooperate and coordinate for fast results
- First round of funding could focus on un-served
- RUS could move quickly to NOFA for portion of money
- Streamlined application followed by detailed implementation

The Greatest Economic Challenge Since the Great Depression

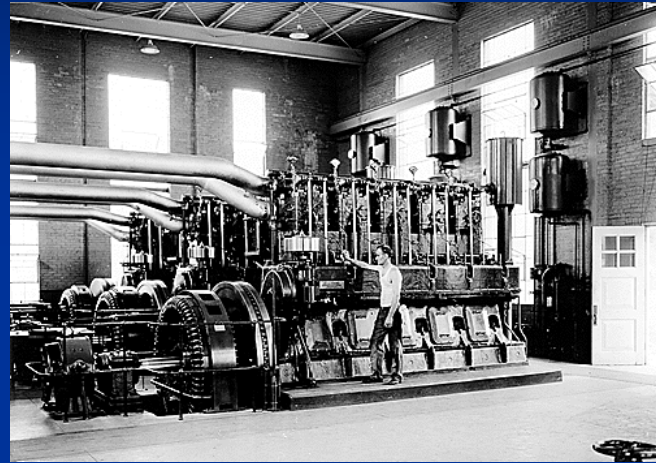
The solutions to the are as old as the Rural
Electrification Act of 1936

Nothing about rural infrastructure is as difficult as
what the nation has faced in the past

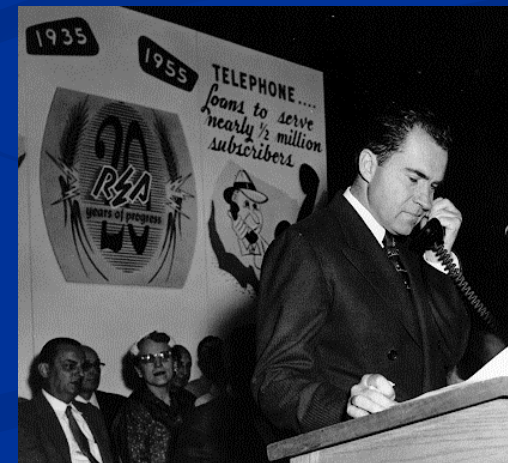
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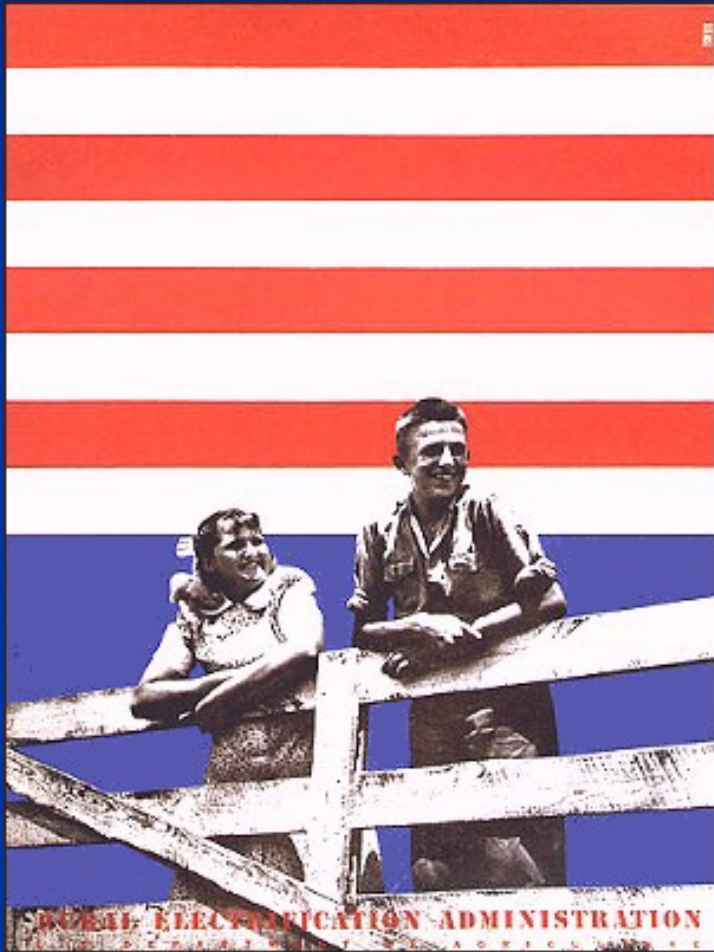
Benefit



Leadership



Education



Success

- 1935 10% of farmers had power
- Today nearly 50% of electric infrastructure from REA/RUS current and past borrowers
- 1949 40% farmers had phones
- Today parity – some of the best plant in rural areas
- Broadband – Bipartisan Agreement – universal broadband.

The Broadband Question

- Can we do with Rural Broadband what we do with rural electrification and rural telephony?

Yes We Can!



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