

Association of Communication Engineers/USDA Rural Development Seminar

Broadband Program Update

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Committed to the future of rural communities.

*Association of Communication Engineers/Rural Development
Seminar*

The Update

- ✓ **Loan Program Update**
- ✓ **The Proposed Regulation**
- ✓ **Community Connect Grant program**

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Where it all began



Kuchno's Office - July 2003

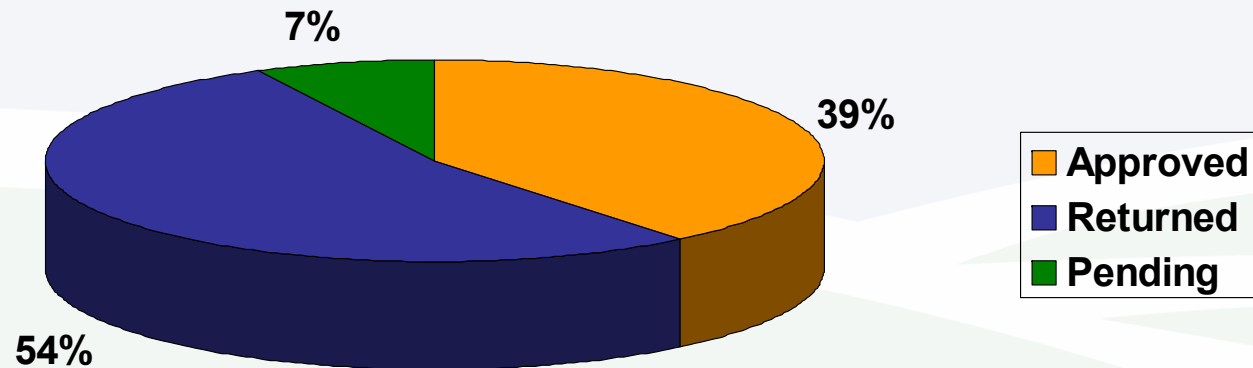
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214 Applications Received: \$4.5 Billion

84 Applications Approved: \$1.7 Billion

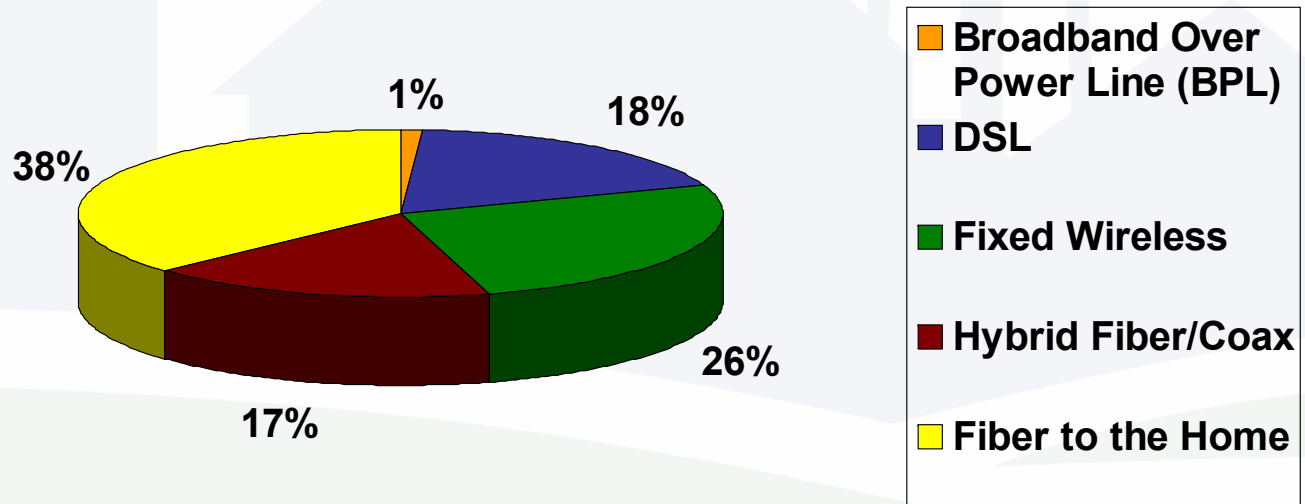
114 Applications Returned: \$2.3 Billion

16 Applications Pending: \$500 Million



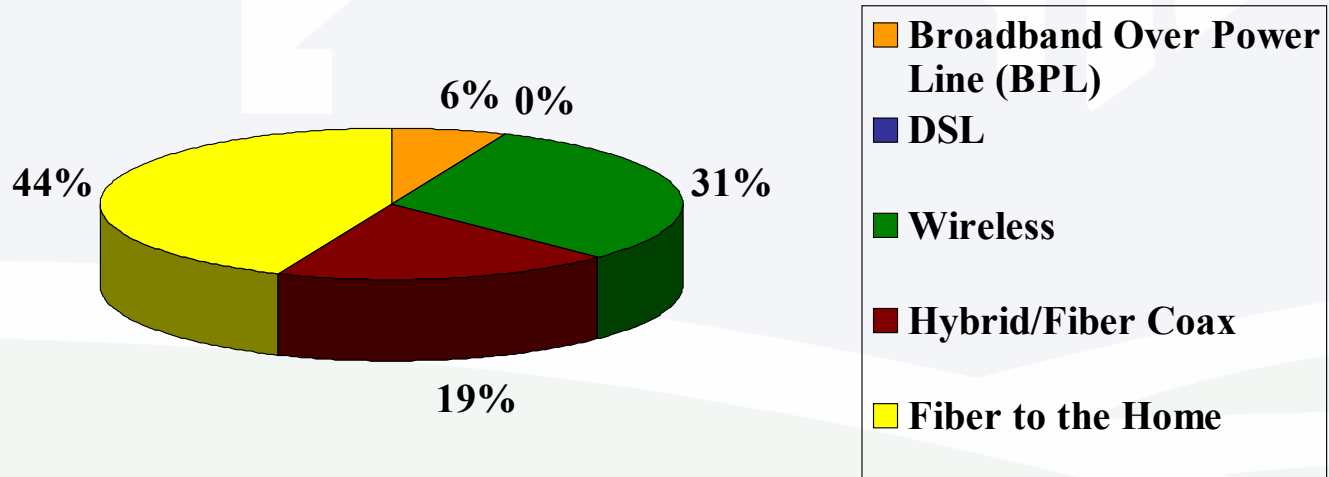
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Technologies Approved



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TECHNOLOGIES PENDING



Broadband Program Update

- **FY 2008 Budget:**

- \$792,900,000 Available
- \$334,000,000 Obligated as of May 6, 2008
- \$458,900,000 Remaining

Broadband Program Update

Rural Community

- Old: community of < 20,000
- **New: < 20,000 – not in an Urban Area**
- Comments: Too restrictive

Broadband Program Update

Priority for unserved

- Old: applications will be processed immediately
- **New: 40% of HH's must be unserved excluding incumbents**
- Comments: General agreement that a limit needs to be set

Broadband Program Update

Transparency

- Old: Publish legal notice in local papers
- **New: RD will post on legal notice on webpage**
- Comments: Generally acceptable, how far do you go

Broadband Program Update

Equity

- Old: 20% credit support
- **New: 10% equity (cash flow considered)**
- Comments: accept, increase, decrease, not require

Broadband Program Update

Market Survey

- Old: every Community
- **New: only for services with a penetration > 15%**
- Comments: generally accepted

Broadband Program Update

Competition

- Old: no restrictions
- **New: ineligible if more than 3 existing broadband service providers**
- Comments: oppose, lower requirement

Broadband Program Update

System build-out

- Old: 5 years
- **New: 3 years**
- Comments: 50% for, 50% against

Broadband Program Update

Broadband Workshops

- How to prepare a broadband loan application
- Financial modeling
- Market studies
- Construction procedures (under development)
- Advance request process (under development)

Broadband Program Update

Community Connect Grant Program FY 08

- \$13 million available
- 103 grant applications received
- 29 states
- \$58 million in applications

Broadband Program Update

Question and Answer Time

This is your chance to ask anything about the
Broadband Program!!!!