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Huge demand for \$4 billion in rural broadband loans & grants

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With \$4 billion available for loans and grants, the Department of Agriculture's Rural Utilities Service (RUS) and the Commerce Department's National Telecommunications and Information Administration (NTIA) announced Thursday that almost 2,200 applicants have requested nearly \$28 billion in funding for proposed broadband projects. This is the first round of American Recovery and Reinvestment Act (ARRA) funding aimed at expanding broadband access throughout the U.S. to help bridge the technological divide and create jobs for building Internet infrastructure.

The Recovery Act provided a total of \$7.2 billion to NTIA and RUS to expand access to and adoption of broadband services. Of that funding, RUS will invest \$2.5 billion to facilitate broadband deployment primarily in rural communities. NTIA will utilize \$4.7 billion to deploy broadband infrastructure in unserved and underserved areas in the United States, expand public computer center capacity, and encourage sustainable adoption of broadband service. Approximately \$2.4 billion from RUS and up to \$1.6 billion from NTIA is available in this first grant round.

Applications came in from a diverse range of parties including state, local, and tribal governments; nonprofits; industry; anchor institutions, such as libraries, universities, community colleges, and hospitals; public safety organizations; and other entities in rural, suburban, and urban areas.

"The overwhelming response we received underscores the extensive interest in expanding broadband across the country. Rural communities clearly recognize that broadband can expand their economic opportunities and create jobs," said Jonathan Adelstein, Administrator of USDA's Rural Utilities Service. "The Obama Administration's goal is to target funds to serve areas of greatest need. The big demand for loans as well as grants demonstrates that we can leverage private investment with USDA's \$2.5 billion to deliver the greatest bang for the taxpayers' buck."

"Applicants requested nearly seven times the amount of funding available, which demonstrates the substantial interest in expanding broadband across the nation," said Lawrence E. Strickling, Assistant Secretary for Communications and Information and

Administrator of NTIA. “We will move quickly but carefully to fund the best projects to bring broadband and jobs to more Americans.”

A preliminary analysis of applicant-reported data shows that NTIA and RUS received requests for grants and loans totaling nearly \$28 billion. When including about \$10.5 billion in matching funds committed by the applicants, there are over \$38 billion in proposed broadband projects.

The applications break down as follows:

Infrastructure

More than 400 applications were filed solely with RUS’s Broadband Initiatives Program (BIP), requesting nearly \$5 billion in grants and loans for broadband infrastructure projects in rural areas.

More than 260 applications were filed solely with NTIA’s Broadband Technology Opportunities Program (BTOP), requesting over \$5.4 billion in grants to fund broadband infrastructure projects in unserved and underserved areas.

More than 830 applications were filed with both NTIA’s BTOP and RUS’s BIP, requesting nearly \$12.8 billion in infrastructure funding. (Applicants for infrastructure projects in rural areas must apply to BIP but were given the opportunity to jointly apply to BTOP in case RUS declines to fund their application.)

Sustainable Broadband Adoption

More than 320 applications were filed with NTIA requesting nearly \$2.5 billion in grants from BTOP for projects that promote sustainable demand for broadband services, including projects to provide broadband education, awareness, training, access, equipment or support, particularly among vulnerable population groups where broadband technology has traditionally been underutilized. (The Recovery Act directs NTIA to make at least \$250 million available for programs that encourage sustainable adoption of broadband services, of which up to \$150 million is allocated in this first round of grants.)

Public Computer Centers

More than 360 applications were filed with NTIA requesting more than \$1.9 billion in grants from BTOP for public computer center projects, which will expand access to broadband service and enhance broadband capacity at public libraries, community colleges, and other institutions that provide the benefits of broadband to the general public or specific vulnerable populations. (The Recovery Act directs NTIA to make at least \$200 million available for expanding public computer center capacity, of which up to \$50 million is allocated in this first round of grants.)

In the coming weeks, NTIA and RUS will post online a searchable database containing summaries of all applications received. The dollar figures cited today represent applicants’ self-reported totals from proposals submitted before the August 20, 2009, deadline. NTIA and RUS note that the initially reported results are preliminary estimates and may change as applications are reviewed for errors, omissions, and duplications.