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USDA & Commerce racing to deliver \$7 bil. for rural broadband

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Administration officials confirmed in a House hearing Nov. 19 that awards will be announced beginning this December for the \$4 billion first round of stimulus-bill funding for improving broadband internet service in unserved and underserved rural areas. USDA Rural Utilities Service Administrator Jonathan Adelstein and Commerce Department Assistant Secretary for Communications Lawrence Strickling added that a second round to complete the total of \$7.2 billion in broadband funding is expected to begin next January.

Adelstein and Strickling were testifying in a broadband program hearing held by the House Agriculture Subcommittee on Rural Development, Biotechnology, Specialty Crops, and Foreign Agriculture. Subcommittee Chair Mike McIntyre (D-NC) warned that USDA and Commerce need to eliminate confusion over the definitions of “rural” and “remote” being used in allocating funding. He said that unless the departments find a way to ensure that funding doesn’t go to already served areas, the program could increase rather than shrink the “digital gap” which disadvantages large parts of rural America.

Ranking Member Mike Conaway (R-TX) called on Adelstein and Strickling to postpone further stimulus fund awards until completion of national maps detailing unserved and underserved areas – maps not scheduled to be complete until Feb. 2011.

In response to such congressional concerns, Adelstein said the departments are “prepared to make changes that may be significant.” He also pointed out that the departments have issued a request for public comments. To read the departments’ Nov. 16 request and to file your suggestions for how USDA and Commerce could improve the broadband funding program, go to: http://www.broadbandusa.gov/files/BTOPBIP_RFI_091116.pdf. Comments must be received by Nov. 30 at 5:00 p.m. Eastern Standard Time.

The first round of broadband grant and loan program funding attracted over 2,200 applications requesting nearly \$28 billion – seven times the available first round funding. Adelstein and Strickling said that applicants who do not receive funding in this first round are encouraged to reapply in the second round in January – and they’re advised to study the first round winners for guidance on ways to improve their applications. They

also said that based on their experience in running the first round, they expect the “streamlined” second round process to be less confusing and more user-friendly.

In comments following the hearing, USDA’s Adelstein told *Agri-Pulse* that:

- “We are really presented with this unprecedented opportunity to have this level of resources. We’ve never in the history of the agency had this great an opportunity to make a substantial difference to the amount of broadband available in rural America in one shot, and we aim to do it right.”
- “There are vast unmet needs out there. For agribusiness, broadband has become an essential tool, not a luxury, to compete internationally, to find the best prices. For agricultural production we need all of our agricultural producers to have access to broadband. Today, we’re not where we need to be.”
- “There’s a real recognition by this administration and by the Department of Agriculture that there are vast unmet needs. We are trying to determine how to best focus the resources given to us by Congress to try to fill that gap.”
- “We’re also seeing the job numbers aren’t where we want them to be, so we’ve got to get this money out quickly to get the economy moving again. Creating jobs is an important element of this. We also want to create long-term economic growth.”
- “Broadband deployment in the short-term creates jobs for the construction of these networks and in the long-term it’s essential to the economic growth and vitality of rural areas, so we can’t afford to wait until we get perfect data in order to move forward.”
- “We know there are areas which don’t have broadband. We’re ensuring that each area that we are providing assistance to does not have broadband available in it, so we don’t think we need to wait for maps in order to move forward.”

Commerce’s Strickling explained why the focus is on expanding rural broadband: “A 2009 study by the Pew Internet Project reports that only 46% of rural American households subscribe to broadband. That’s an improvement from the 18% reported in 2005, but it still doesn’t measure up to the 63% overall adoption rate for the country which itself is an unacceptably low number.”

For more information on USDA’s broadband development program, go to: <http://www.broadbandusa.gov/>.