

**2010 Information Guide
On
Federal Broadband Programs**



Presented by
U.S. Senator Mary L. Landrieu
Chair
U.S. Senate Committee on Small Business and Entrepreneurship

U.S. Department of Housing and Urban Development:

Section 108 Loan Guarantee Program

Summary:

Section 108 loan guarantees are available to CDBG grantees to finance the CDBG eligible activities as described above. This includes broadband and other technology-based projects and is subject to CDBG program requirements. Section 108 is an “on-demand” program meaning that grantees may submit applications at any time and will be approved if they meet applicable criteria. Be advised that the Department received \$250 million in Section 108 loan guarantee authority for FY 2010 and is in the process of reviewing applications that may use a substantial portion of the available loan guarantee authority.

Applicant Requirements

Note that a grantee’s total commitment of all loan guarantees under Section 108 may not exceed five times the grantee’s most recent grant. A grantee must also meet the requirements for citizen participation and comment before submitting an application for loan guarantee assistance.

Contact Information:

U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410
Phone: (202) 708-1112
Website: www.hud.gov

Community Development Block Grant Entitlement Communities Grants

Summary:

The program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Applicant Requirements:

CDBG funds may be used for a variety of eligible activities including public facilities and improvements, privately owned utilities, and economic development. The use of these

funds is also subject to statutory requirements at Section 104(b)(3) of the Housing and Community Development Act of 1974, whereby such funds must meet one of three national objectives: benefiting low- and moderate-income (LMI) persons, preventing or eliminating slums or blight, or meeting an urgent need to address a serious and immediate threat to the health or welfare of the community. Broadband investments would be expected to meet the LMI national objective either as: an area benefit in which the service area for the investment is primarily residential and the population of the service area is at least 51 percent LMI; or as a jobs benefit in which at least 51 percent of the jobs created or retained by the investment are held by or made available to LMI persons.

Broadband development may be treated as infrastructure, a public facility, or a private utility but the definition of the service area is critical in determining compliance with the national objective requirement. The population in the service area of the entire project must be considered. The CDBG program does not provide for an "allocation of benefit". If a project serves a large area which does not meet the LMI criterion, a grantee cannot separate out the cost to serve a section of the overall area which is 51 percent LMI and then qualify that portion of the project as eligible under CDBG.

Contact Information:

U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410
Phone: (202) 708-1112
Website: www.hud.gov

Economic Development Administration, U.S. Department of Commerce

Public Works and Economic Development Grant Program

(Non-exclusive)

Summary:

Public Works and Economic Development investments help support the construction or rehabilitation of essential public infrastructure and facilities necessary to generate or retain private sector jobs and investments. These grants can also be used to attract private sector capital and promote regional competitiveness, including investments that expand and upgrade infrastructure to attract new industry, support technology-led development, redevelop Brownfield sites and provide eco-industrial development.

Requirements:

This program will only award funds to non-profit projects. This includes local and state governments. The EDA will screen all proposals for the feasibility of the budget presented and conformance with EDA statutory and regulatory requirements. EDA will assess the economic development needs of the affected Region in which the proposed Project will be located (or will service), as well as the capability of the proponent to implement the proposed Project. EDA will also consider the degree to which an Investment in the proposed Project will satisfy one (1) or more of the following criteria:

- A. Is market based and results driven
- B. Has strong organizational leadership
- C. Advances productivity, innovation and entrepreneurship
- D. Looks beyond the immediate economic horizon
- E. Demonstrates a high degree of local commitment

Contact Information:

EDA HEADQUARTERS
U.S. Department of Commerce
1401 Constitution Avenue, NW
Suite 7800
Washington, DC 20230

Phone: 202-482-4085
Website: www.eda.gov

Rural Utilities Service, U.S. Department of Agriculture

Rural Broadband Access Loan and Loan Guarantee Program
(Exclusive for broadband)

Summary: The Rural Broadband Access Loan and Loan Guarantee Program is designed to provide loans for funding, on a technology neutral basis, the costs of construction, improvement and acquisition of facilities and equipment to provide broadband services to eligible rural communities. The Programs' goal is to ensure that rural consumers enjoy the same quality and range of telecommunications services that are available in urban and suburban communities.

Applicant Eligibility:

The Rural Development Utilities Program (RDUP) makes broadband loans and loan guarantees to legally organized entities providing, or proposing to provide, broadband services in eligible rural communities. Types of eligible entities include: cooperative, nonprofit, limited dividend or mutual associations, limited liability companies, Indian tribes and tribal organizations, and commercial organizations. Individuals or partnerships of individuals are not eligible.

An eligible rural community is defined as any incorporated or unincorporated place in the United States, its territories and insular possessions (including any area within the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) that has no more than 20,000 inhabitants based on the most recent available population statistics of the Bureau of the Census.

To be eligible to receive a loan under this program, an entity: (1) cannot be serving more than 2 percent of the telephone subscriber lines installed in the United States; and (2) must have sufficient authority to enter into a contract with RDUP and to carry out the purposes of the proposed loan.

Contact Information

Development's national office
USDA Rural Development
Stop 0705
1400 Independence Avenue, SW
Washington, DC 20250-0705

Phone: (202) 720-4323

Website <http://www.usda.gov/rus/telecom/broadband.htm>

Community Connect Program

(Exclusive for Broadband)

Summary: The Community Connect program serves rural communities where broadband service is least likely to be available, but where it can make a tremendous difference in the quality of life for citizens. The projects funded by these grants will help rural residents tap into the enormous potential of the internet.

Operating the same as the pilot broadband grants, this program provides grant money to applicants proposing to provide broadband on a “community-oriented connectivity” basis to currently unserved rural areas. The purpose is to foster economic growth, deliver advanced health care, education and public safety services.

Requirements: Eligible applicants for broadband grants include incorporated organizations, Indian tribes, state or local units of government, cooperatives, private corporations and limited liability companies organized on a for profit or not-for-profit basis. Individuals or partnerships are not eligible.

Funded Projects must:

- Serve a rural area of 20,000 population or less and where broadband does not exist
- Serve on and only one single, community
- Deploy free basic broadband service for at least two years to all community facilities
- Offer basic broadband to residential and business customers
- Provide a community center with at least ten computer access points within the proposed service area while making broadband available for two years at no charge to users within that community center.

Contact:

Broadband Division, Telecommunications Program

Long Chen and Janet Malaki:

Email: community.connect@wdc.usda.gov

Phone:(202)-690-4673

Website: <http://www.usda.gov/rus/telecom/commconnect.htm>

Distance Learning and Telemedicine Loans and grants

(Non-exclusive)

Summary:

Primarily user equipment that functions via telecommunications systems for the purposes of connecting students and teachers or medical professionals and patients at separate sites. Examples are video-conferencing or teleradiology equipment. The Grant Program funds equipment that operates over telecommunications systems, but does not fund the telecommunications links themselves. In additions, it funds such things as the acquisition of instructional programming and technical assistance and instruction for using eligible equipment.

Requirements:

A minimum of 15% of matching funds are required. The minimum grant is \$50,000 dollars and the maximum grant \$500,000 dollars. For loan-grant or loan programs, no matching funds are required. Eight scoring categories that measure such things as how rural the area is, economic need, the extent of matching funds, the specific need of and benefit to the community and four other categories.

Contact Information:

Broadband Division

Address: USDA

STOP 1599

1400 Independence Ave., SW, Rm 2868-S

Washington, DC 20250-1599

Phone: (202) 690-4673

Fax: (202) 690-4673

Website: <http://www.usda.gov/rus/telecom/dlt/dlt.htm>

Rural Telephone Loans and Loan Guarantees

(Non-exclusive)

Summary:

The objective of the Rural Telephone Loans and Loans Guarantees program is to assure that people in eligible rural areas have access to telecommunications services comparable in reliability and quality to the rest of the Nation. Long-term direct and guaranteed loans are restricted to qualified organizations for the purpose of financing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve Telecommunications service in rural areas.

Requirements:

Funds are allocated to only Rural utilities; municipalities; commercial corporations; limited liability companies; public utility districts; Indian tribes; and cooperative, nonprofit, limited-dividend, or mutual associations who are providing or who may here after provide, telecommunication service in rural areas. "Rural areas" are those areas with a population of 5,000 or less.

Funds may be used for new construction; improvements and expansions of existing plans, acquisitions and refinancing. Loan funds cannot be used to duplicate facilities or systems already providing reasonably adequate service. Loans may benefit some non-rural subscribers as long as the primary beneficiaries of the loan are rural.

Contact Information:

Utilities Programs National Office
USDA Rural Development, Room 4051-S
Mail Stop 1510
1400 Independence Avenue SW
Washington, DC 20250-1510

Phone: (202) 720-9540

Fax: (202) 720-1725

Website: <http://www.usda.gov/rus/telecom/broadband.htm>

Regional Development Authorities

Delta Regional Authority

Summary:

Delta Regional Authority's mission is to be an advocate for and partner with the people of the Delta to create opportunities for self-sustaining economic development and improved quality of life.

This program focuses on activities which support DRA's mission. Specific program goal are: (1) to develop the transportation infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may

only be made to state and local government); (2) to assist the region in obtaining the job training, employment related education, and business development (with an emphasis of entrepreneurship) that are needed to build and maintain strong local economies; (3) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for improving basic public services; (4) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for equipping industrial parks and related facilities; and (5) to otherwise achieve the purpose of the Act. Grants are made either directly by the Authority or grants may supplement other Federal grants.

Applicant Requirements:

The governor of each Delta state shall submit a State Delta Development Plan within 10 months after taking office, and must be approved by the board. Prior to December 15 of each year, the Governor of each state shall submit a Strategy Statement and Investment Program describing the state's program for achieving the goals and objectives contained in its state Development Plan, and must be approved by the board.

Eligible states include: Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee.

Contact Information:

DRA Headquarters
236 Sharkey Avenue Suite 400
Clarksdale, MS 38614
Phone: (662) 624-8600
Fax: (662) 624-8537
Website: www.dra.gov

Denali Commission of Alaska

Summary:

The Denali Commission is an independent federal agency designed to provide critical utilities, infrastructure, and economic support throughout Alaska. With the creation of the Denali Commission, Congress acknowledged the need for increased inter-agency cooperation and focus on Alaska's remote communities. Since its first meeting in April 1999, the Commission is credited with providing numerous cost-shared infrastructure projects across the State that exemplify effective and efficient partnership between federal and state agencies, and the private sector.

Applicant Eligibility:

Awards are available to State and local governments, private, public, profit, nonprofit organizations and institutions or individuals eligible in Alaska. Projects are judged based on consistency with locally developed and regionally supported infrastructure

development plans, long term sustainability, relative impacts on reducing unemployment, raising the standards of living, reducing the cost of utilities, and cost-sharing by others.

Contact Information:

DCA

Jennifer Robinson

510 L Street Suite 410

Anchorage, Alaska 99501

Phone: (907) 271-1414

Fax: (904) 271-1415

E-mail: jrobinson@denali.gov

Website: www.denali.gov

Appalachian Regional Development Authority

Summary:

The Appalachian Regional Commission (ARC) is a regional economic development agency that represents a partnership of federal, state, and local government. Established by an act of Congress in 1965, ARC is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president. Local participation is provided through multi-county local development districts.

ARC funds projects that address the four goals identified in the Commission's strategic plan:

1. Increase job opportunities and per capita income in Appalachia to reach parity with the nation.
2. Strengthen the capacity of the people of Appalachia to compete in the global economy.
3. Develop and improve Appalachia's infrastructure to make the Region economically competitive.
4. Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Each year ARC provides funding for several hundred projects in the Appalachian Region, in areas such as business development, education and job training, telecommunications, infrastructure, community development, housing, and transportation. These projects create thousands of new jobs; improve local water and sewer systems; increase school readiness; expand access to health care; assist local communities with strategic planning; and provide technical and managerial assistance to emerging businesses.

Application Requirements:

ARC grants are administered either by ARC or by a federal agency selected by the grantee. The Commission administers most grants where the funds are for technical

assistance, program operating costs, or equipment purchase, with no construction costs involved. ARC enters into a grant agreement with the applicant that generally extends for a twelve-month period.

No projects involving significant construction, except housing projects, may be administered directly by ARC. A federal agency receives the ARC grant and makes payments to the grantee in conformance with the federal agency's program requirements. In many cases, the federal agency also provides matching grants or loans for the ARC project.

ARC expects grantees to contribute matching resources to projects, to the extent they are able to do so, and to seek additional non-ARC funding assistance in a diligent manner. ARC has specific requirements for matching funds; individual states may have additional requirements. State ARC program managers or local development districts can provide information about state matching requirements.

Contact Information:

ARC Headquarters
1666 Connecticut Avenue, NW
Suite 700
Washington, DC 20009-1068

Phone: (202) 884-7700

E-mail: info@arc.gov

Website: www.arc.gov

Institute of Museum and Library Services:

Library Services and Technology Act Grants:

Summary:

The Institute of Museum and Library Services is the primary source of federal support for the nation's 123,000 libraries and 17,500 museums. The Institute's mission is to create strong libraries and museums that connect people to information and ideas. The Institute works at the national level and in coordination with state and local organizations to sustain heritage, culture, and knowledge; enhance learning and innovation; and support professional development.

The purposes of the Library Services and Technology Act are to promote improvements in library services in all types of libraries in order to better serve the people of the United States, to facilitate access to resources and in all types of libraries for the purpose of cultivating an educated and informed citizenry and to encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of

library services to the public. These grants provide funds for a wide range of library services including installation of fiber and wireless network

Applicant Requirements:

An eligible applicant must be a unit of state or local government or private nonprofit organization that has tax-exempt status under the Internal Revenue Code. Applicants must be located in one of the fifty states of the United States and be one of the following six types of organizations: A library or a parent organization, an academic or administrative unit, a digital library, a library agency that is an official agency of a state, a library consortium that is a local, statewide, regional, interstate, or international and a library association that exists on a permanent basis

Contact Information:

Institute of Museum and Library Services
1800 M Street NW, 9th Floor
Washington, DC 20036-5802
Phone: 202-653-IMLS (4657)
Fax: 202-653-4600
Website: www.ims.gov

Definitions:

Broadband - Two-way data transmission with advertised speeds of at least 768 kbps down stream and at least 200 kbps upstream to end users, or providing sufficient capacity in a middle mile project to support the provision of broadband service end users.

Rural Area - Any area, as confirmed by the latest decennial census of the Bureau of the Census, which is not located within:

- A city, town, or incorporated area that has a population of greater than 20,000 inhabitants
- An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants.

For Purposes of the definitions of rural area, an urbanized area means a densely populated territory as defined in the latest decennial census of the U.S. census Bureau.

Unserved and Underserved - Eligible “unserved” areas defined as where at least 90% of households lack access to terrestrial broadband services. Underserved areas: for last mile projects if at least one of the following factors is met:

- No more than 50% of the households in the proposed funded service area has access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed
- No broadband service provider advertises broadband transmission speeds of at least 3 megabits per second.

- The rate of broadband subscribership for the proposed funded service area is 40% of households or left.

A proposed funded service area may qualify as underserved for middle mile projects if one interconnection point terminates in a proposed funded service area that qualifies as unserved or underserved for last mile projects.

High Speed Access - High speed broadband service to facilitate rural economic development, or service at the rate of at least 5 Mbps (upstream and downstream combined).

Last Mile Project - Any terrestrial infrastructure project the predominant purpose of which is to provide broadband service to end users or end-user devices (including households, businesses, public safety entities, and critical community facilities)

Middle Mile Project - Any broadband infrastructure project the predominant purpose of which is to provide interoffice transport, backhaul, internet connectivity, or special access (including point-to-point projects), which furthers rural economic development, submitted in an application or co-application.

Additional Information:

For additional Federal assistance that may be of interest, please refer to the Catalog of Federal Domestic Assistance: <https://www.cfda.gov/>