

Broadband Initiatives Program



**Rural Development
Broadband Initiatives Program
Webinar
October 13, 2011**



Broadband Initiatives Program Webinar 10/13/11

Importance of BIP Projects to Economic Recovery

- Broadband infrastructure crucial to success of rural communities
- BIP projects will have short term and long term economic impacts, including job creation and retention



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BIP Project Status

- A survey of BIP projects was made through the GFRs to determine reasons why BIP projects are not further along in construction and why more funds have not been drawn.
- In some cases more than one reason for a delay in construction or funds disbursements was cited.
- And in some cases the delays were not fully explained by the awardees.



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Completed Projects

- Copper Valley Wireless (Alaska)
- Supervision, Inc. (Alaska)
- Big Island Broadband/Aloha Broadband (Hawaii)
- Halstad Telephone Company (two projects, Minnesota/North Dakota)
- Gervais Telephone Company (Oregon)



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BIP Project Implementation – RUS Support

- RUS Awardee Workshops (Denver, Chicago)
 - Construction and other procedures
 - Accounting and regulatory requirements
 - Environmental requirements
 - Headquarters and field staff available
- RUS Field staff support
- RUS Headquarters staff support



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BIP Project Implementation – Causes of Delay

- Environmental reviews
- Awaiting contract approvals from RUS
- Legal/loan document delay
- Fiber/materials shortage
- Financing delay
- Waiting to submit FRS to avoid start of 3 year clock
- Regulatory delays



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BIP Project Implementation – Causes of Delay

- Environmental reviews – what awardees can do to help the process:
 - If you receive a request to complete due diligence reports/surveys, please submit them to RUS ASAP
 - Any changes in design will require additional environmental review responsibilities
 - If the project crosses federal land (Forest Service, BLM, etc.), awardees must work directly with the realty offices of those agencies.



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WHY ARE PROJECT DELAYS AN ISSUE?

- Impacts economic recovery and job creation in rural America
- Impacts USDA Rural Development's goals of bringing broadband to unserved and underserved rural areas
- Risks future funding for broadband
- Risks funds being rescinded:

U.S. HOUSE OF REPRESENTATIVES PASSED HR 1343:

A bill to return unused or reclaimed funds made available for broadband awards in the American Recovery and Reinvestment Act of 2009 to the Treasury of the United States



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RUS PROPOSED CONTRACT MODIFICATION

- On 9/15/11, U.S. Office of Management and Budget instructed federal agencies to “work collaboratively and transparently with recipients of discretionary Recovery Act [funds] to accelerate the spending rate for all awarded funds while still achieving core programmatic objectives.”
- RUS sent a letter by courier to all BIP awardees on 10/4/11
- RUS is proposing contract modifications to streamline and simplify the timeline for construction
- **Awardees must review, sign and return your acceptance of this proposal as soon as possible**



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WHAT HAS CHANGED?

PRIOR REQUIREMENT



NEW REQUIREMENT

- BIP projects must be substantially complete within two years and fully complete within three years of the execution of loan and grant agreements

- BIP projects must commence within 180 days of *the latter* of the completion of the project's historic preservation or environmental review and be fully complete no later than three months prior to the 9/30/15 expiration date



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*Remember, ALL FUNDS MUST BE
EXPENDED BY 9/30/15 OR THE FUNDS
WILL*

DISAPPEAR....



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CONCLUSIONS

- Please sign and return contract modification letter
- Tell us how we can support you in getting these projects moving
- Let's work together to get broadband deployed in rural America

Thank You!

Questions?

