



Committed to the future of rural communities.

# Connecting Rural America

## Telecommunications Loans and Grants



## ***Telecommunications and America's Future***

Access to broadband has become essential for the social and economic benefits it provides to American residents, businesses, governments, and communities. Broadband is crucial for increased health, educational, and economic opportunities, as well as job and business creation and growth.

USDA Rural Development's Rural Utilities Programs provide a variety of loans and grants to build and expand broadband networks. Loans to build broadband networks and deliver service to households and businesses in rural communities provide a necessary source of capital for rural telecommunications companies, broadband, wireless companies, and fiber-to-the-home providers. Grant funding is reserved for communities with the highest need that lack access to broadband service.

Eligible applicants include for-profit and non-profit entities, tribes, municipalities, and cooperatives. The Agency particularly encourages investment in tribal and economically disadvantaged areas. Through low-cost funding for broadband infrastructure, rural residents can have access to broadband service that will close the digital divide between rural and urban communities, that is sustainable over time, and that is crucial for economic development.

Once funds are awarded, the Agency monitors the projects to make sure they are completed, meet the program requirements, and are making efficient use of Federal resources.

Each program has different applicant and project eligibility requirements and program objectives.

### ***Telecommunications Infrastructure Loan Program***

The telecommunications loan program provides loans, for all types of technologies, for the costs of construction, improvement, expansion, and acquisition (some restrictions apply) of facilities and equipment to provide telecommunications services in rural areas.

Loans are made to:

- Entities that currently or will provide telephone service in rural areas,
- Public bodies providing telephone service in rural areas as of October 1949, and
- Cooperative, nonprofit, limited dividend, or mutual associations.



*Triangle Communications field technicians splice fiber-optic cable.*

Loans are not made to individuals.  
To be eligible, a borrower:

- Must have sufficient authority to carry out the purposes of the Rural Electrification Act, and
- Must be incorporated or a limited liability company.

For example, rural Montana residents were in need of enhanced broadband service. With the aid of several infrastructure loans totaling more than \$126 million, Triangle Communications has been able to provide this service. Thanks to the loans, the community has created new jobs and expanded several locally run small businesses. A small pharmacy in the area recently opened another pharmacy that is virtually connected to the first as a result of the availability of broadband.

For more information about the program and how to apply, visit:

[http://www.rurdev.usda.gov/utp\\_infrastructure.html](http://www.rurdev.usda.gov/utp_infrastructure.html)

## ***Farm Bill Broadband Loan Program***

This program provides loans, for all types of technologies, for the costs of construction, improvement, expansion, and acquisition (some restrictions apply) of facilities and equipment to provide broadband service to eligible rural communities.geor

Loans are made to the following non- or for-profit organizations:

- Corporations,
- Limited liability companies (LLCs),
- Cooperatives or mutual organizations,
- Federally recognized Indian tribes or organizations, or
- State or local governments.

In 2004, Hood Canal Telephone Co. received a Farm Bill Broadband Loan to expand broadband service to residents of Mason County in Washington State. As a result of this loan and other assistance from Rural Development, the company has delivered improved broadband services to nearly 3,000 businesses and customers, and has partnered with the Squaxin Indian Tribe to bring them improved technology that the Tribe has used to provide an online GED program and create a Web site for its local museum.

For more information about the program and how to apply, visit:

[http://www.rurdev.usda.gov/utp\\_farmbill.html](http://www.rurdev.usda.gov/utp_farmbill.html)

## ***Community Connect Grant Program***

This program provides grants to eligible applicants for broadband access to rural communities that are currently without broadband service. Priority is given to areas where development of new broadband services will improve economic development and provide enhanced educational and healthcare opportunities.

The program serves the most rural, lowest income communities that do not have existing broadband access.



Grants are made to:

- Incorporated organizations,
- Federally recognized Indian tribes or organizations,
- State or local governments, or
- Cooperatives, private corporations, or limited liability companies, organized on a for- or non-profit basis.

The Havasupai Reservation is located at the bottom of the Grand Canyon where it is difficult to receive cell phone service. The tribe can now stay connected to distant family and friends, as well as non-local businesses and schools, through a broadband network funded by the Community Connect program. The grant has also increased the tribe's ability to communicate during natural disasters. After the arrival of broadband, tribe members were able to call for assistance during a flood for the first time by using the Internet.

For more information about this program and how to apply, visit:

[http://www.rurdev.usda.gov/utp\\_commconnect.html](http://www.rurdev.usda.gov/utp_commconnect.html)

### ***Distance Learning and Telemedicine Grant Program***

This program provides grants for distance learning and telemedicine in rural areas through the use of telecommunications, computer networks, and related advanced technologies to be used by students, teachers, medical professionals, and other rural residents. Grants are awarded based on rurality and economic need through a competitive process and may be used to fund telecommunications-enabled information, audio, and video equipment.

Funds are provided to entities providing education and medical care via telecommunications, including corporations or partnerships, Indian tribes or organizations, State or local governments, consortia, and private for- or non-profit corporations. Individuals are not eligible.

For example, starting in 2002, three distance learning and telemedicine grants for more than \$1 million were awarded to Wayne County Memorial Hospital in Pennsylvania. The grants were used to create a teleradiology unit in a town where the lack of public transportation and medical providers was causing residents to travel long distances and wait up to 8 weeks for X-ray results. Now, thanks to the teleradiology unit, patients can stay in town while their X-ray results are read to them in real time

remotely from the hospital. The network also supports CT scans, MRI services, and ultrasounds.

For more information about this program and how to apply, visit:

[http://www.rurdev.usda.gov/UTP\\_DLT.html](http://www.rurdev.usda.gov/UTP_DLT.html)

## ***To Learn More***

For more information about the telecommunications programs, contact your local USDA Rural Development office through the U.S. Government listing in your phone directory under U.S. Department of Agriculture, or find it online through:

<http://www.rurdev.usda.gov/StateOfficeAddresses.html>

You can also write to:

USDA Rural Development  
Stop 0705  
1400 Independence Ave. SW  
Washington, DC 20250-0705  
TEL 1 (800) 670-6553 (Toll Free)  
FAX (202) 690-4083

Website:

<http://www.rurdev.usda.gov/RUSTelecomPrograms.html>

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