

Broadband Farm Bill Program





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Farm Bill Changes:

- 2008 Farm Bill replaces 2002 Farm Bill
- A new regulation is being drafted to implement the provisions
- A new application guide is being developed



Broadband Farm Bill Program

Broadband Definition:

➤ Requires the Secretary to, as advances in technology warrant, review and recommend modifications to the transmission rate.

➤ What should this requirement be set at???

200k 1M 2M 5M 50M 100M



Broadband Farm Bill Program

Eligible Entities:

1. Demonstrate the ability to furnish, improve, or extend broadband service to rural areas;
2. Submit an application containing all required information; and
3. Agree to complete build-out of the service described in the loan application by not later than three years after the initial date on which the proceeds from the loan are made available.



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Definition of “Incumbent Service Provider”:

Means an entity that, as of the date of submission of the application, is providing broadband service to not less than 5 percent of the households in the service territory proposed in the application.



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Eligible Projects:

- (i) not less than 25 percent of the households in the proposed service territory is offered broadband service by not more than 1 incumbent service provider; and
- (ii) broadband service is not provided in any part of the service territory by 3 or more incumbent service providers .



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Equity and Market Survey Requirements:

- **Equity:** No more than 10% unless a higher amount is needed to satisfy financial feasibility
 - “Recurring Revenue” can be considered
- **Market Survey:** “May” require an applicant that projects more than 20% market share to submit a survey
 - “May not” for applicants proposing less than 20%



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Loan Terms:

➤ Types of Loans:

- Guaranteed;
- Treasury rate; and
- 4%

➤ Loan Maturity Period:

- Not to exceed 35 years;
 - Based on adequate security.
 - Consideration given for un-served areas.



Questions:

Please direct all questions not answered during this presentation to the Broadband USA Help Desk:

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