



**United States Department of Agriculture
Rural Development**

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FROM: Jasper Schneider
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SUBJECT: Rural Broadband Access Loans and Loan Guarantees Program
Request for Emergency Clearance

Abstract of Program and Implementation

On January 3, 2014, the Agriculture Act of 2014 (Farm Bill) was enacted to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes. Included in the Farm Bill were significant changes to the Rural Broadband Access Loans and Loan Guarantees Program (Broadband Program).

These changes will require that the Agency amend the current program regulation and legal documents, make major enhancements to its IT systems and initiate a study on providing effective data for the National Broadband Map. Below are specifics on the major changes being required implemented:

- Evaluation Periods – establishes at least 2 evaluation periods each year
- Priority – requires the Agency to prioritize applications that offer service to the greatest proportion of unserved households

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- Minimum acceptable level of broadband service – establishes a minimum level for which Broadband Service is defined (4 Mbps down and 1 Mbps up) and requires the Secretary to review that definition at least once every two years.
- Eligible Service Area – changes the current 25% underserved requirement and replaces it with a 15% unserved requirement
- Determining Availability of Service – to be validated by one of three resources: (1) information certified by the affected community, city or county, or (2) demonstrated by the state broadband map or (3) as shown on the National Broadband Map.
- Public Notice Regarding Applications – requires the Agency to establish a fully searchable database that includes a notice regarding each application for funding which includes the applicant identity, description of proposed service area, the amount and type of support requested, the status of the application, the estimated number of households without broadband service, and a listing of the census blocks that will be served or service area map.
- Public Notice Regarding Awardees – requires the Agency to establish a fully searchable database that includes a notice of each entity receiving funding, including the name of the entity, the type of assistance received, the purpose of the funding, and a copy of the awardees semiannual report (redacting any proprietary info).
- Semiannual Awardee Reporting – borrowers are to submit a semiannual report for 3 years after the completion of the project which describes the use of the assistance, the estimated number of end users using or forecasted to use the new or upgraded system, and the borrowers progress towards fulfilling the objectives for which the assistance was provided (the number and location of residents and businesses receiving new and improved service, the speed of the broadband service, the average price of service along with any changes to the adoption rates)
- Default and Deobligation – the Agency is to establish written procedures for all RUS broadband programs in order to recover funds from loan defaults, deobligate awards when demonstrate insufficient performance or fraudulent spending, award those funds to new or existing applicants, and minimize overlap among programs.
- Service Area Assessment – the Agency is to provide at least 15 days for existing service providers to notify the Agency if they provide broadband service to an area for which an applicant is seeking funding. If no provider submits information, then the Agency will consider the number of providers using: 1) the National Broadband Map, or 2) Any other data source regarding availability of service.
- Term – if the project is serving an unserved area, the Agency may establish a limited initial deferral period or other term necessary to achieve financial feasibility and long-term sustainability of the project
- Agency Reporting – in the annual report to congress, in addition to its current reporting, the Agency will provide an update on the number of residents or businesses receiving new or improved service, average broadband speeds and prices on a local and statewide basis, any changes in broadband adoption rates and any activities that increased broadband access for educational institutions, health care providers and public safety service providers.

Reason for Emergency Clearance Request

Due to the significant changes identified above, the Office of General Counsel recommended and the Agency implemented suspension of the Broadband Program. With this suspension, many potential applicants do not currently have access for funding to bring broadband service to rural America. As President Obama identified in recent speeches, America is behind the rest of the world in delivering broadband service. In addition, the President specifically identified this program as means to bring broadband service to the people of the United States of America.

Prompt approval of the paperwork burden package is imperative not only to rural America but the nation's economy as whole. Crucial to the US position in the global economy is a strong, seamless broadband network capable of delivering robust services on multiple technology platforms. Making broadband service available in rural unserved areas ensures that these areas do not fall behind urban areas. Since the Broadband Program was suspended in 2014, the public has been anxiously awaiting the reopening of the program. The emergency review and approval will allow the Agency to provide needed resources, allowing for opportunities for economic improvements and a better quality of life.

As previously stated, this action was created by Agriculture Act of 2014. The Agency cannot reasonably comply with the normal clearance procedures under the Paperwork Reduction Act because the use of normal clearance procedures is reasonable likely to prevent or disrupt the collection. Before funds can become available, paperwork clearance is required on the associated burden. In compliance with OMB regulations (5CFR part 13320), which implements the Paperwork Reduction Act of 1995 (Pub. L. 104-13), the information collection requirements imposed by this action are submitted to OMB for emergency review and approval. The Agency request review and approval of the emergency paperwork collection package as soon as possible so that the Agency can begin accepting applications to support the President's efforts to extend broadband service to all of America.