

New Funding for Rural Broadband

The passage of the Agricultural Improvement Act and the opening of a funding window for the ReConnect program will help narrow the rural digital divide.

By Drew Clark / *BroadbandBreakfast.com*

The U.S. Department of Agriculture has two new significant broadband programs to implement in addition to its existing telecommunications-focused programs.

On December 20, 2018, President Trump signed the Agriculture Improvement Act, known as the “farm bill.” In addition to including measures designed to stimulate rural broadband, the act also revamped several aspects of Rural Utilities Service broadband funding.

One week earlier, the Agriculture Department unveiled the details of its \$600 million broadband loan and grant program – dubbed ReConnect – which was originally called for by appropriations legislation passed in March 2018.

FARM BILL ADDITIONS

The farm bill, H.R. 2, passed by the House of Representatives on December 12 and by the Senate one day earlier, included a number of items previously included in the Precision Agriculture Connectivity Act and increased funding for RUS grant and loan programs to \$350 million for the years 2019 to 2023. It annually allocates \$50 million for Community Connect grants, \$10 million for rural middle-mile infrastructure grants and loans, and \$10 million for a gigabit-focused program called the Innovative Broadband Advancement Program.

The precision agriculture measure established a task force to identify connectivity gaps in agricultural areas. Members, who will be nominated by the USDA and the Federal Communications Commission, will also

develop policy recommendations to promote the rapid, expanded deployment of fixed and mobile broadband internet access service on unserved agricultural land, with a goal of achieving reliable capabilities on 95 percent of agricultural land in the United States by 2025.

The task force will propose effective policy and regulatory solutions that encourage the adoption of broadband internet access service on farms and ranches and promote precision agriculture; recommend specific steps that the FCC should take to obtain reliable, standardized data measurements of the availability of broadband internet access to unserved rural areas; and explore ways that USDA expertise can inform FCC policies.

Additionally, the farm bill legislation codifies the Agriculture Department’s definition of minimum acceptable broadband speeds at 25 Mbps downstream and 3 Mbps upstream. And it will require that RUS fund projects only in areas where at least 90 percent of households lack access to internet speeds of more than 10 Mbps downstream/1 Mbps upstream.

RECONNECT DETAILS UNVEILED

On December 13, one day after the House passed the farm bill, the USDA released the long-awaited details of the ReConnect program. It implements the \$600 million in new funding that was included in the \$1.3 trillion congressional omnibus spending bill passed in March 2018.

“High-speed internet e-connectivity is a necessity, not an amenity, vital for quality of life and economic opportunity, so we hope that

today rural communities kick off their rural broadband project planning,” said Agriculture Secretary Sonny Perdue, who spoke at a briefing at the department’s headquarters near the National Mall. “We don’t want an urban-rural divide in the county,” he said. “When are we going to stop having to drive rural kids to places where they can do homework by skimming off Wi-Fi from fast food restaurants?”

The program is being administered by USDA Rural Development, the umbrella agency at the Agriculture Department that includes the Rural Utilities Service.

Jannine Miller, senior adviser for rural infrastructure to Perdue, introduced the secretary, saying that “connecting America is truly transformative.”

FUNDING RULES FOR RECONNECT

Municipalities, rural electric co-ops and utilities, and private internet companies may all apply for funding through ReConnect.

The USDA will make available approximately \$200 million for grants, \$200 million for loan and grant combinations and \$200 million for low-interest loans. The grant applications are due by April 29, 2019, the loan-grant combination applications are due May 29, and loan applications can be submitted between March 1 and June 28. (At press time, the USDA was shut down, so these dates may have to be adjusted.)

Chad Parker, the Rural Utilities Service assistant administrator for telecommunications policy, said that projects funded through this initiative must serve communities with fewer than 20,000 people who have no broadband service or whose service is slower than 10 Mbps download and 1 Mbps upload.

“Approved projects must create access speeds of at least 25 Mbps download and 3 Mbps upload,” Parker added. Priority will be awarded for projects that propose to deliver higher-capacity connections to rural homes, businesses and farms.

“USDA seeks to stretch these funds as far as possible by leveraging

existing networks and systems without overbuilding existing services greater than 10/1 Mbps,” the USDA said in a news release.

Evaluation criteria include connecting agricultural production and marketing, e-commerce, health care and education facilities. The grant program and grant/loan combination program will award funding to the applicants with the highest scores according to the evaluation criteria, but the pure loans will be awarded on a rolling basis to any qualified applicant.

Previous research by the USDA – and many others – has connected high-capacity broadband to all aspects of rural prosperity, including the ability to grow and attract businesses, retain and develop talent and maintain rural quality of life.

RECONNECT IMPLEMENTATION

The USDA is holding a series of webinars and regional in-person workshops; a list of upcoming public webinars and workshops is available at ReConnect’s resource portal at reconnect.usda.gov.

The historical genesis of the program includes the Trump administration’s establishment of an Interagency Task Force on Agriculture and Rural Prosperity to identify legislative, regulatory and policy changes that could promote agriculture and prosperity in rural communities.

The task force findings included 31 recommendations to align the federal government with state, local and tribal governments to take advantage of opportunities that exist in the rural United States, and increasing investments in rural infrastructure was a key recommendation of the task force.

At the time of the March 2018 omnibus appropriation bill’s passage, Perdue said that “increased support for broadband internet access is in line with administration goals and will be an important boost as we look to improve the economy in rural America.”

RECEPTION TO RECONNECT

A variety of other government and nongovernment entities weighed in with support for the ReConnect program.

Senate Agriculture Committee ranking member Debbie Stabenow, D-Mich., said in a statement, “I’m pleased the USDA is finally moving forward on the \$600 million high-speed internet investment Congress provided in the 2018 omnibus.

Expanding high-speed Internet access is vital to the growth and success of our small towns and rural communities in Michigan and across the country.”

When the bill was passed in March, Stabenow noted that the \$600 million for rural broadband “represents the largest investment in broadband expansion since the American Recovery and Reinvestment Act of 2009.”

Jim Matheson, CEO of the National Rural Electric Cooperative Association, said, “Secretary Perdue’s announcement lays the groundwork for an improved approach to making broadband a reality across rural America. This pilot program and the strong broadband provisions included in the 2018 farm bill highlight a much-needed shift in federal policy to make rural broadband a possibility for the estimated 23 million Americans who lack it.

“More than 100 electric co-ops have launched broadband deployment projects to help modernize rural economies,” Matheson added. “We are very pleased that the pilot program adopts a 25/3 sufficiency standard and will prioritize applications that would deliver speeds in excess of the 25/3 minimum standard.”

Matheson said “all capable providers should have equal access to federal funding” and that grants should be prioritized in areas with the lowest population density “given that is a prime cost driver of the lack of broadband deployment.” ❖

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