

U.S. Department of Agriculture 1400 Independence Ave., S.W. Washington, DC 20250

News Release

Contact: Press@oc.usda.gov

Mark Your Calendars, USDA to Open the Application Window for the Second Round of ReConnect Program Funding Friday

WASHINGTON, Jan. 27, 2020 – Today, U.S. Department of Agriculture (USDA) Secretary Sonny Perdue announced USDA will begin taking applications for the second round of \$550 million in ReConnect Program loan and grant funding on January 31. These funds will enable the federal government to continue to partner with the private sector and rural communities to build modern broadband infrastructure in areas with insufficient internet service. Insufficient service is defined as connection speeds of less than 10 megabits per second download and 1 megabit per second upload. Beginning Friday, ReConnect funding applications can be submitted at www.usda.gov/reconnect.

"Reliable, high-speed broadband e-Connectivity is critical for economic prosperity and quality of life, from education to health care to agriculture to manufacturing and beyond," Secretary Perdue said. "Under the leadership of President Trump, we at USDA are very excited to begin accepting applications for the second round of funds totaling \$550 million for this innovative program, which will bring critical infrastructure investments to even more homes, farms, ranches, schools and health care sites in rural America."

Telecommunications companies, rural electric cooperatives and utilities, internet service providers and municipalities may apply for funding through USDA's ReConnect Program to connect rural areas that currently have insufficient broadband service. Through the ReConnect Program, USDA is making available approximately \$200 million for grants, as well as up to \$200 million for loan and grant combinations, and up to \$200 million for low-interest loans. Funds will be awarded to projects that have financially sustainable business models that will bring high-speed broadband to rural homes, businesses, farms, ranches and community facilities such as first responders, health care sites and schools.

To assist potential providers with their applications, USDA is hosting technical assistance and training webinars across the country. To see an updated list of dates and locations, or to register for a workshop or webinar, visit www.usda.gov/reconnect/events.

So far in round one of the program, USDA has announced \$343,429,703 in grant and loan funding for high-speed broadband infrastructure. The funded service areas include a total of 79,534 rural households. USDA will continue to announce round one investment over the course of the coming weeks. To see latest investment information, visit www.usda.gov/reconnect/awardees.

Background:

In March 2018, Congress provided \$600 million to USDA to expand broadband infrastructure and services in rural America. On Dec. 13, 2018, Secretary Perdue announced the rules of the program, called "ReConnect," including how the loans and

grants will be awarded to help build broadband infrastructure in rural America. USDA received 146 applications between May 31, 2019, and July 12, 2019, requesting \$1.4 billion in funding across all three ReConnect Program funding products: 100 percent loan, 100 percent grant, and loan-grant combinations. USDA is reviewing applications and announcing approved projects on a rolling basis. Additional investments in all three categories will be made in the coming weeks.

These grants, loans and combination funds enable the federal government to partner with the private sector and rural communities to build modern broadband infrastructure in areas with insufficient internet service. Insufficient service is defined as connection speeds of less than 10 megabits per second (Mbps) download and 1 Mbps upload.

In December 2019, Agriculture Secretary Perdue announced USDA will be making available an additional \$550 million in ReConnect funding in 2020. USDA will make available up to \$200 million for grants, up to \$200 million for 50/50 grant/loan combinations, and up to \$200 million for low-interest loans. The application window for this round of funding will open Jan. 31, 2020. Applications for all funding products will be accepted in the same application window, which will close March 16, 2020.

A full description of 2020 ReConnect Pilot Program funding is available on page 67913 of the Dec. 12, 2019, <u>Federal Register</u> (PDF, 336 KB). To learn more about eligibility, technical assistance and recent announcements, visit www.usda.gov/reconnect.

In April 2017, President Donald J. Trump established the <u>Interagency Task Force on Agriculture and Rural Prosperity</u> to identify legislative, regulatory and policy changes that could promote agriculture and prosperity in rural communities. In January 2018, Secretary Perdue presented the Task Force's findings to President Trump. These findings included 31 recommendations to align the federal government with state, local and tribal governments to take advantage of opportunities that exist in rural America. Increasing investments in rural infrastructure is a key recommendation of the task force. To view the report in its entirety, please view the <u>Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity</u> (PDF, 5.4 MB). In addition, to view the categories of the recommendations, please view the <u>Rural Prosperity infographic</u> (PDF, 190 KB).

USDA Rural Development provides loans and grants to help expand economic opportunities and create jobs in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural areas. For more information, visit www.rd.usda.gov.