

MERKLEY PUSHES USDA TO GET RURAL BROADBAND FUNDING TO COMMUNITIES

Tuesday, March 5, 2019

WASHINGTON, D.C. – Oregon’s Senator Jeff Merkley today pushed U.S. Department of Agriculture (USDA) Secretary Sonny Perdue to make sure that new rural broadband funding reaches the communities it was intended to help.

As the top Democrat on the Senate Agriculture and Rural Development Appropriations Subcommittee, Merkley successfully fought to secure a massive, \$1.15 billion investment in rural broadband deployment through the 2018 and 2019 congressional spending bills. In December 2018, USDA announced the rule implementing the program that would get these funds to communities.

“Many Oregonians have expressed concerns that some of ReConnect’s designs limit accessibility for more residential areas with fewer medical centers, businesses, and educational facilities,” wrote Merkley in a letter to Perdue. “Additionally, an applicant who normally qualifies for the loan program under current Rural Utilities Service guidelines would be unable to accept due to strict standards. These guidelines make the program out of reach for many Americans in rural underserved and unserved areas for which this program is intended to help.”

Merkley requested that the USDA respond to his inquiry with the following information:

1. A summary of which stakeholders engaged in the comment process on USDA’s deployment, including the total number of individuals, businesses, schools, etc. and how USDA has incorporated these comments to improve the ReConnect Program;
2. Efforts made by USDA to ensure underserved and unserved rural communities with limited resources are able to meaningfully engage in and apply for this program, especially those with populations of 10,000 or less;
3. How USDA is considering underserved but predominately residential areas that do not include many educational, medical, agricultural or business sites, which under the

program's competitive scoring do not perform well in the program's application;

4. An explanation of the requirement that no more than 10% of the proposed service areas can already have existing broadband speeds of 10/1 Mbps or greater, when previous programs allowed for much higher thresholds;
5. An explanation of how the Rural Utilities Service will or has worked to develop affordable loan products given its strict standards, including the requirement for an applicant to pledge all of its assets as collateral;
6. An estimate USDA could provide on any potential delays to the disbursement of grants and loans that are a result of the partial shutdown of the federal government; and
7. A record of attempts made by USDA to work with the Office of Management and Budget (OMB) to finalize subsidy rates for the loan program.

“The need for greater broadband accessibility is for both promoting economic growth and for expanding access to important services like health care and education,” wrote Merkley. “Access to high-speed internet, especially for rural communities, is crucial in connecting our constituents to the wealth of information and resources that remains critically underutilized in these areas.”

The full text of the letter follows below.

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Dear Secretary Perdue:

Developing and maintaining a high-quality telecommunications infrastructure, including broadband, is essential to bridging America's digital divide. As one of the sponsors of the ReConnect Program to address this divide and bring broadband to rural areas of our nation, I write to learn more about what efforts the United States Department of Agriculture (USDA) has taken to ensure funding will successfully reach underserved and unserved rural communities.

As you know, \$600 million in funding for the ReConnect Program was included in the Consolidated Appropriations Act of 2018. In December 2018, USDA announced the rule implementing this crucial program to help broadband reach all Americans. I was also pleased to help USDA secure an additional \$550 million for the program as part of the spending package signed into law on February 15, 2019, bringing the total funding to \$1.15 billion for the ReConnect Program.

Many Oregonians have expressed concerns that some of ReConnect's designs limit accessibility for more residential areas with fewer medical centers, businesses, and educational facilities. Additionally, an applicant who normally qualifies for the loan program under current Rural Utilities Service guidelines would be unable to accept due to strict standards. These guidelines make the program out of reach for many Americans in rural underserved and unserved areas for which this program is intended to help.

The need for greater broadband accessibility is for both promoting economic growth and for expanding access to important services like health care and education. Access to high-speed internet, especially for rural communities, is crucial in connecting our constituents to the wealth of information and resources that remains critically underutilized in these areas.

Along with our request for further information to ensure USDA's ReConnect Program accomplishes Congressional intent, I am interested in learning about how the recent partial government shutdown will affect any internal deadlines, or cause any delays in grant and loan disbursement.

I request an update on the status of the launch of the program, along with the following information:

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Thank you for your attention to this matter. The success of this program depends on USDA's transparency, limited barriers to funding, and the deployment of the program. I look forward to hearing from USDA on its findings regarding this important step in promoting broadband access in rural areas across the United States.