



# Rural Utilities Service

## *Telecommunications Program*

1400 Independence Ave.  
Washington, DC 20250  
[www.usda.gov/rus/telecom](http://www.usda.gov/rus/telecom)

*Presented by:*  
Hilda Gay Legg  
Administrator





*Who we are...*

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The **RUS Telecommunications Program** assists the private sector in developing, planning, and financing the construction of telecommunications infrastructure in *Rural America*.





# Infrastructure... *Program Budget*

## Infrastructure Programs:

<b>Program</b>	<b>2003</b>
<b>Loans:</b>	
Hardship	\$ 75 million
Cost of Money	\$ 300 million
Rural Telephone Bank	\$ 175 million
Guaranteed	\$ 120 million
	<u>\$ 670 million</u>



# Infrastructure... *Programs*

<b>Program</b>		<b>2003</b>
Hardship:	<p><b>Interest Rate:</b> 5% Fixed</p> <p><b>Term:</b> Up to 35 years; determined by assets' useful service life</p> <p><i>To qualify, an entity must have:</i></p> <p><b>Density:</b> 4 subscribers or less; AND</p> <p><b>TIER:</b> Between 1.0 and 3.0</p>	\$ 75 million



# Infrastructure... *Programs*

<b>Program</b>	<b>2003</b>
Cost of Money:	<p data-bbox="587 586 1302 639"><b>Interest Rate:</b> Treasury Rate</p> <p data-bbox="587 708 1232 905"><b>Term:</b> Up to 35 years; determined by assets' useful service life</p> <p data-bbox="587 962 1321 1015"><i>To qualify, an entity must have:</i></p> <p data-bbox="587 1076 1360 1196"><b>Density:</b> 15 subscribers or less; AND</p> <p data-bbox="587 1225 1321 1272"><b>TIER:</b> Between 1.0 and 5.0</p>



# Infrastructure... *Programs*

<b>Program</b>		<b>2003</b>
Rural Telephone Bank:	<b>Interest Rate:</b> Cost of Capital	\$ 175 million
	<b>Term:</b> Up to 35 years; determined by assets' useful service life	
	<i>To qualify, an entity must have:</i>	
	<b>Density:</b> 15 subscribers or less; AND	
	<b>TIER:</b> Between 1.0 and 5.0	



# Infrastructure... *Programs*

## Program

**2003**

Federal Financing  
Bank Guarantee:

**Interest Rate:** Treasury Rate + 1/8%

\$ 120 million

**Term:** Up to 35 years;  
determined by assets'  
useful service life

*To qualify, an entity must have:*

**Density:** Any;

AND

**TIER:** 1.2 or more



# Broadband... *Program Budget*

## Broadband Programs:

<b>Program</b>	<b>2003</b>
<b>Loans:</b>	
4 Percent	\$ 80 million
Treasury Rate	\$1,295 million
Guaranteed	<u>\$ 80 million</u>
	\$1,445 million
<b>Grants:</b>	\$ 10 million



# Broadband... *Programs*

<b>Program</b>		<b>2003</b>
Direct:	<p data-bbox="446 586 1039 634"><b>Interest Rate:</b> 4% Fixed</p> <p data-bbox="446 708 1155 829"><b>Term:</b> Determined by assets' useful service life</p> <p data-bbox="446 882 1161 936"><i>To qualify, a community must:</i></p> <p data-bbox="446 1001 915 1048"><b>Be:</b> Unserved</p> <p data-bbox="446 1115 1464 1229"><b>Have:</b> Population of less than 2,500 Per capita income less than 55%</p> <p data-bbox="446 1293 1213 1340"><b>Density:</b> 10 subscribers or less</p>	\$ 80 million



# Broadband... *Programs*

## Program

**2003**

Direct – Cost  
of Money:

**Interest Rate:** Treasury Rate

**Term:** Determined by assets'  
useful service life

*To qualify, a community must:*

**Have:** Population of less than 20,000

\$ 1.295 billion



# Broadband... *Programs*

<b>Program</b>		<b>2003</b>
Guarantee:	<p data-bbox="446 586 1335 634"><b>Interest Rate:</b> Private Lender's Rate</p> <p data-bbox="446 708 1155 829"><b>Term:</b> Determined by assets' useful service life</p> <p data-bbox="446 896 1000 943"><b>Guarantee Rate:</b> 80%</p> <p data-bbox="446 1001 1161 1048"><i>To qualify, a community must:</i></p> <p data-bbox="446 1115 1398 1162"><b>Have:</b> Population of less than 20,000</p>	\$ 80 million