



National Congress of American Indians

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Rural Utilities Service Broadband Pilot Loan Program To Provide \$80 Million In FY 2002

The Rural Utilities Service (RUS) recently published a Federal Register notice indicating that it will provide \$80 million in FY 2002 for loans under the Broadband Pilot Loan Program.

Funds may be used to finance the construction of facilities and systems providing broadband Internet transmission services to rural consumers in communities of up to 20,000 inhabitants. Loans also may finance the lease or purchase of spectrum rights or bandwidth necessary to provide broadband transmission services. Funds cannot, except in limited circumstances, be used to cover operating expenses.

Eligible entities include tribal governments, as well as cooperatives, nonprofits organizations, and businesses. The minimum loan amount is \$100,000 and must be paid back, with interest, within a period not to exceed ten years.

RUS currently has completed applications totaling \$150 million that were submitted in response to the FY 2001 Broadband Pilot Loan Program solicitation and which did not receive funding. It is expected that the \$80 million available in FY 2002 will be fully committed after RUS acts on these applications. However, if additional loan authority is available, RUS will publish a notice advising that additional applications will be accepted.

The Federal Register notice may be downloaded at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2002_register&docid=02-1666-filed.pdf.

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