

As Prepared for Delivery

Rural Broadband Event with Senator Sherrod Brown

4H Center, Ohio State University

Columbus, Ohio

July 27, 2009

Welcome everyone. Thank you for coming. Look at this great turnout. I'm so glad to be here in Columbus for the event. I've been hearing about the Broadband workshops across the country and I can see now why my staff and the Department of Commerce have been working so hard. The Broadband Notice of Funding is an exciting step for the Obama administration, the Departments of Agriculture and Commerce and the American Reinvestment and Recovery Act. So far, USDA and Commerce have traveled to ten (10) states holding workshops just like this and today looks to be another great event.

I'd like to thank all of you who were involved in putting this workshop together - Senator Brown, Governor Strickland's office, Tom Fritz and Bobby Moser for their participation. I would also like to thank my staff for being here to present the application process and answer any questions you may have. It is our mission to be as helpful and accessible as possible and we've launched BraodbandUSA.gov to serve as a resource.

I'll keep it brief so we can get on to the presentation, but I would like to make a few remarks about why USDA Rural Utilities is here in Columbus, what we're doing with broadband and why it's so important for rural America.

We're here because we're working to revitalize rural communities and ensure that they're built to prosper and compete in a 21st century. Soon after I was confirmed as Under Secretary for Rural Development Secretary Vilsack, Vice President Biden, Commerce Secretary Locke and Federal Communications Commissioner Genachowski announced the launch of the Broadband program on July 1. What this did was signal a commitment from the Obama administration to invest in America's rural communities.

To echo what Secretary Vilsack said at the launch, "this program will bring high-speed internet service to communities across the country, create thousands of jobs, and improve economic, health care, and educational opportunities." It is for these reasons, why we are here today.

What we're doing is using funds from the American Recovery and Reinvestment Act to provide over \$9 billion in funding for high speed internet service in communities that lack sufficient access. Approximately four billion is available under the first Notice of Funding, \$2.4 billion will be available from USDA and \$1.6 billion will be available from Commerce. At USDA, the Broadband Initiative Program gives us flexibility between loan and grant funds rather than a loan-only approach from previous telecommunications programs. This flexibility, along with the significant levels of funding, allow for a substantial down payment on the enormous task of providing access to broadband in unserved and underserved rural area.

Why this investment is so important is because it helps to keep the United States at the center of innovation and keep our companies competitive around the world. President Obama made it clear during the campaign that the nation deserves the finest and most modern communications infrastructure in the world and that is what we hope to achieve with this program. Our objectives are:

- To fund projects that will support rural economic development and job creation beyond the immediate construction and operations of broadband facilities;
- To ensure that at least 75% of the investments serve rural areas; and
- To establish appropriate monitoring and servicing of the investments.

Simply - these projects will help to level the playing field of access to infrastructure and allow rural Americans to build the communities they envision for themselves.

Often when I travel around rural America the discussion tends to be about the way things used to be, about why things are not as good as they were in the past. Well, the past was focused on low-balling the capacity of rural America. Today we must reverse the trend and broadband can help us do that.

Recently we had a USDA staff retreat and Secretary Vilsack brought together his new appointees to outline his priorities. I can't tell you how many times he brought up the importance of broadband. The Secretary sees rural America as having a tremendous ability to help drive our economy and he sees broadband as the key. With broadband we can link local markets to global services. We can produce and sell our products to

outside sources and keep talent in the community. With these funds we can develop small businesses, grow their markets and bring money from the outside in.

However, we can't do this alone. We need participation and collaboration from the states - the people on the ground, in the local communities and outside of Washington - to implement these projects. As we finance libraries, schools, hospitals and other community facilities, we can incorporate end user access to broadband and bring in distance learning and telemedicine. As we help farmers form new cooperatives to add value to their operation or market their products, we can facilitate their e-commerce capacity. As we finance new entrepreneurs, and work to save existing rural jobs by modernizing businesses, we can help customers use broadband tools to create new wealth. Together we need to encourage our rural communities to invest in these opportunities, to help others see our vision and to move the ball down the field.

Before we move on to the presentation, I want to leave you with one request – that you spread the word about funding to your friends, family and co-workers. Challenge your community to take advantage of these funds and the opportunities they can bring. Our USDA money is focused on rural areas, but there is also 1.6 billion in grants - in the first Notice of Funding - for the Department of Commerce, which can be applied to non-rural areas. Working together we reach all corners of the country. The bottom line is, we need to get our money out, the economy moving again and broadband can jumpstart us. It's not the means to an end, but it is a crucial step in the process. Thank you all for coming and participating today. And again, all of our information can be found at

BroadbandUSDA.gov and our staff on the ground is here for you. Now let's get into the substance with Ken Kuchno who leads our Broadband program in Washington, DC.