



NEWS RELEASE

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President Obama Announces Rural Broadband Projects to Bring Jobs and Economic Opportunity to Rural Communities and Native American Tribal Lands

~~One Community in West Virginia to Benefit~~

WASHINGTON, July 2, 2010 – Today President Obama, Agriculture Secretary Vilsack and Commerce Secretary Locke announced investment in sixty-six new Recovery Act broadband projects nationwide, 37 in rural America that, according to the grantees, will not only directly create over 5,000 jobs up front, but also help spur economic development in some of the nation's hardest-hit communities, creating jobs for years to come. In total, tens of millions of Americans and over 685,000 businesses, 900 healthcare facilities and 2,400 schools in all fifty states stand to benefit from the awards. The \$780 million in grants and loans through the Departments of Commerce and Agriculture have been matched by over \$200 million in outside investment, for a total public-private investment of nearly \$1 billion in bringing broadband service to these communities, which currently have little or no access, to help them better compete and do business in the global marketplace.

"The broadband projects announced today will give rural communities access to the tools they need to create jobs, stimulate local economies, and build a foundation for future prosperity," said Vilsack.

Today's announcement begins the U.S. Department of Agriculture's second round of broadband funding announcements through the American Recovery and Reinvestment Act (Recovery Act). In all, \$390.9 million will be invested in 37 projects through funding made available by the American Recovery and Reinvestment Act. An additional \$21.9 million in private investment will be provided, bringing the total funds invested to \$412.7 million. To date, \$1.458 billion has been awarded to construct 105 broadband projects in 37 states and one territory.

According to analysis released by the National Economic Council last year, overall Recovery Act investments in broadband are expected to create tens of thousands of jobs in the near term and expand economic development and job opportunities in communities that would otherwise be left behind in the new knowledge-based economy. Recovery Act broadband projects help bring down the cost of private investment, attract Internet service providers to new areas, improve digital literacy among students and workers, and help create new opportunities in employment, education, and entrepreneurship by wiring homes and businesses. With new or increased broadband access, communities can compete on a level playing field to attract new businesses, schools can create distance learning opportunities, medical professionals can provide

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cost-efficient remote diagnoses and care, and business owners can expand the market for their products beyond their neighborhoods to better compete in the global economy.

In Coconino County and Navajo County in Northeast Arizona, Hopi Telecommunications Inc., has been selected to receive a \$1.1 million loan and \$2.5 million grant to design, engineer, and construct a middle-mile network for its customers. Founded in 2004 by the Hopi Tribe, Hopi Telecommunications provides voice and data services on the reservation of the Hopi Indian Nation. The project will build infrastructure and provide necessary equipment to establish the fiber-optic connection between Hopi Telecommunications and the Internet.

In Big Horn and Yellowstone counties in Montana, the Project Telephone Company has been selected to receive a \$962,672 loan and \$2.9 million grant to design, engineer, and construct a middle-mile, fiber-optic network. The project will create a fiber-optic transport network that connects the Crow Indian Reservation communities of St. Xavier, Fort Smith and Pryor to existing fiber transport networks in the Billings area. Bringing affordable broadband access to reservations and remote areas first requires the establishment of a middle-mile broadband network. This is the first step in the long-term plan that will include the establishment of cost-effective last-mile solutions to be deployed once the fiber network is in place. The project will benefit this high unemployment area by providing the necessary tools to increase job opportunities with enhanced access to education and training resources. By significantly expanding the limited broadband infrastructure, the project will serve as an important economic development catalyst.

Funding is contingent upon the recipient meeting the terms of the loan, grant or loan/grant agreement. A complete list of recent Recovery Act broadband award recipients by state is below:

Alaska

- Copper Valley Telephone Cooperative Incorporated; McCarthy Microwave Shot: \$2,613,975 loan and \$2,613,975 grant. The funding will extend terrestrial wireless broadband connectivity to the remote community of McCarthy and allow the transition from a low-bandwidth capacity satellite link to high-capacity middle-mile service.

Alabama

- National Telephone of Alabama, Inc.; Cherokee Broadband Initiatives Project: \$421,578 loan and \$1,264,739 grant. The funding will provide the infrastructure necessary for rural subscribers in the Colbert county communities of Margerum, Barton and Cherokee, Alabama to access advanced high speed broadband services with advanced DSL (ADSL2+) technology.

Arizona

- Hopi Telecommunications, Inc.; HTI Jeddito Middle Mile/Last Mile Project: \$1,090,471 loan and \$2,544,432 grant. The funding will build infrastructure and provide necessary equipment to establish the fiber-optic connection between Hopi Telecommunications and

the Internet. It also provides a last-mile wireless (WiMax) broadband service to currently unserved premises in Jeddito and Spider Mound.

- San Carlos Apache Telecommunications Utility Inc.; San Carlos Apache Telecommunications, Inc. - Broadband Offering: \$5,244,585 loan and \$5,244,585 grant. The funding will provide fiber-to-the-premise services to two areas within the San Carlos Apache Reservation in Arizona.

Arkansas

- Northern Arkansas Telephone Company; Northern Arkansas Broadband: \$1,101,272 loan and \$2,569,636 grant. The funding will substantially expand the provision of advanced fiber-to-the-home and advanced DSL (ADSL2+) services via a fiber-optic network with combined speeds exceeding 20 Mbps to households, local businesses and anchor institutions in Marion and Boone Counties in rural, north central Arkansas.

Colorado

- Nunn Telephone Company; Nunn Rural Broadband Project: \$1,293,125 loan and \$3,879,375 grant. This project will provide high speed broadband service to rural residents and business in north central Colorado utilizing fiber-to-the-home technologies.

Georgia

- Wilkes Telephone & Electric Company; Wilkes Telephone Company Fiber-to-the-Home Build-Out: \$33,678,779 loan and \$14,433,762 grant. The funding will provide state-of-the-art communication services while enhancing broadband communication options to the current and future citizens of Lincoln, Taliaferro, and Wilkes counties in Georgia. Technology deployed will be a Fiber-to-the-Home wireline fiber-optic cable network configured in Passive Optical Network (PON) architecture, and able to support speeds in excess of 20 Gbps.
- Darien Telephone Co., Inc.; Broadband Bridge to Sapelo Island: \$223,996 loan and \$223,997 grant. The funding will expand high-speed broadband service to Sapelo Island, a barrier island off the coast of Georgia. Darien will be able to meet the broadband needs of residences, businesses and community anchor institutions on Sapelo today and far into the future using fiber-to-the-home technology.

Iowa

- The Farmers' Telephone Company of Riceville, Iowa; Farmers Telephone Company Fiber-to-the-Premises Overbuild: \$9,367,926 loan, \$9,367,927 grant and \$4,683,963 private investment: The funding will be used to construct a fiber-to-the-premises network, allowing Farmers Telephone Company to provide greater than 20Mbps broadband access in the exchange areas of Little Cedar, New Haven, Plymouth, Riceville, Marble Rock, Greene, St. Ansgar and Stacyville, Iowa.
- Grand River Mutual Telephone Corporation; Grand River Mutual Fiber-to-the-Home Broadband Deployment Project – Service Area 4: \$2,788,293 loan and \$6,506,016 grant.

The funding will provide broadband service to the towns of Lorimor, Murray, and Thayer, Iowa, and their surrounding rural areas via a fiber-to-the-home network.

- Ellsworth Cooperative Telephone Association; Ellsworth Fiber-to-the-Home Broadband Deployment Project: \$1,580,609 loan and \$3,688,087 grant. The Ellsworth Fiber-to-the-Home Broadband Deployment Project will provide high speed Internet service in the communities of Ellsworth and Garden City, Iowa, and their surrounding rural areas via a fiber-to-the-home network.
- Breda Telephone Corp.; Breda and Lidderdale Town and Rural Fiber-to-the-Premises Overbuild: \$783,572 loan, \$1,828,337 grant and \$2,611,909 private investment. This overbuild project will allow high speed Internet and video services to reach all of the customers in the Breda and Lidderdale exchanges, in addition to their present landline phone services.

Iowa and Missouri

- Grand River Mutual Telephone Corporation; Grand River Mutual Fiber-to-the-Home Broadband Deployment Project - Service Area 5: \$6,081,258 loan and \$14,189,603 grant. The funding will provide broadband service to the towns of Corydon, Millerton, Allerton, and Lineville, IA, and Powersville, Mo., and their surrounding rural areas.

Illinois

- Shawnee Telephone Company; Shawnee's Fiber-to-the-Home Project: Focused Economic Revitalization & Sustainable Transformation of Southern IL: \$6,249,989 loan, \$1,102,940 grant and \$1,000,000 private investment. The funding will provide an opportunity for transforming citizens in underserved, low-income areas into highly productive members of the community by first empowering these communities with broadband technology. Shawnee's fiber-to-the-home network is capable of 1 Gbps transmission speed and will serve households, businesses, and community institutions, such as public schools, libraries, law enforcement and medical care facilities.

Kansas

- H & B Communications Inc.; FTTH - Rural Ellinwood & Claflin, Kansas: \$1,965,455 loan, \$4,586,064 grant and \$1,637,880 private investment. This fiber-to-the-home project will provide high speed broadband in the underserved rural communities surrounding Claflin and Ellinwood, Kansas.
- J.B.N. Telephone Company, Inc.; JBN East Towns: \$1,000,568 loan and \$2,323,576 grant. The funding will enable the JBN Telephone Company, headquartered in Holton KS., to construct fiber-to-the-premises throughout six towns in their eastern exchange area. This area includes the towns of Corning, Goff, Havensville, Netawaka, Soldier and Wetmore.
- South Central Wireless Inc.; South Central Wireless - Attica, Kansas Fiber-to-the-Premise: \$560,000 loan, \$557,621 grant and \$575,973 private investment. The funds will enable construction of a fiber-to-the-premise infrastructure for Attica, KS, and offer voice and high speed services. The proposed technology for this system will be immediately

capable of dedicated 100Mbps high-speed services for each customer without further investment of time or finances. Attica does not have wireline facilities-based broadband service available.

Kentucky

- Thacker-Grigsby Telephone Company, Incorporated; Breathitt County Broadband: \$2,222,542 loan and \$5,185,932 grant. The funding will provide a fiber-optic network in portions of Breathitt County, Kentucky. This network will be capable of providing broadband internet access to end users, community anchor institutions and public safety entities.

Minnesota

- Federated Telephone Cooperative; Rural Appleton, MN: \$630,289 loan and \$630,289 grant. The funding will build a fiber-to-the-premise system to deploy voice, video, and data services to the Rural Appleton, MN exchange, which is primarily located in Swift County, with small portions in Big Stone and Chippewa Counties.

Missouri

- Grand River Mutual Telephone Corporation; Grand River Mutual Fiber-to-the-Home Broadband Deployment Project - Service Area 1: \$3,418,682 loan and \$7,976,924 grant. The funding will provide broadband service to the town of Lathrop, Missouri and its surrounding rural areas via a fiber-to-the-home network.
- Northeast Missouri Rural Telephone Company; Green City, MO Fiber-to-the-Premises: \$3,595,810 loan and \$3,595,810 grant: This funding will provide greater than 20 Mbps broadband access to the residences, businesses and community organizations in the Green City, Missouri telephone exchange. This will create the potential for increased business growth, public service, public safety and quality of life for the residents of Green City.

Montana

- Project Telephone Company; Scott St. Pryor Middle Mile: \$962,672 loan, \$2,888,015 grant and \$79,500 of private investment. The funding will provide a fiber-optic network that connects the Crow Indian Reservation communities to existing networks in the Billings, MT area. The project will benefit this high unemployment area by providing the necessary tools to increase job opportunities with advanced access to education and training resources.
- Project Telephone Company; Crow Agency/Lodgegrass Fiber-to-the-Premise: \$3,887,370 loan, \$11,662,109 grant and \$165,000 of private investment: This last mile project will provide fiber-to-the-premises to all locations within the Crow Reservation exchanges of Crow Agency and Lodge Grass, where more than 50% of the locations do not currently have access to 5Mbps (up and down combined). This project will also bring fiber-to-the-premises to all anchor institutions including the headquarters of the Crow Tribe in Crow Agency.

Nevada

- Rural Telephone Company; North Fork, Tuscarora, and Jarbidge Service Area Broadband Service Implementation: \$728,700 loan and \$1,700,300 grant. The funding will extend advanced DSL (ADSL2+) high speed broadband services to existing and new Rural Telephone customers in the North Fork, Tuscarora and Jarbidge service areas.

North Carolina

- French Broad Electric Membership Corp.; French Broad Electric BPL Project: \$621,492 loan \$1,154,200 grant and \$216,615 in private investment. This project provides broadband internet access to Spring Creek, Laurel, Beech Glenn and areas of Marshall and Mars Hill, North Carolina. The technologies used include fiber optics as the middle mile backhaul, and broadband-over-power lines as the last mile medium to provide service to the subscriber. This technology combination utilizes existing infrastructure, and minimizes project cost.

North Carolina and Tennessee

- Skyline Telephone Membership Corporation; High Country Fiber: \$8,695,588 loan and \$20,289,706 grant. This funding will substantially expand the provision of advanced fiber-to-the-home services via a fiber optic network with combined speeds exceeding 20 mbps to households, local businesses and anchor institutions in Alleghany and Ashe counties in rural, northwestern North Carolina.

North Dakota

- Consolidated Enterprises, Inc.; CEI Broadband Infrastructure Project: \$5,782,361 loan \$5,782,361 grant and \$3,854,908 in private investment. The CEI Broadband Infrastructure Project consists of two proposed high speed service areas in rural Dickinson and Belfield, western North Dakota. The Project is a fiber-to-the-home expansion to CEI's existing fixed wireless data system in those areas. CEI will build fiber to the least populated areas of those communities where it has been cost prohibitive to deploy and sometimes even DSL. Under the Project, CEI will build out its facilities to provide voice and video, as well as data services at speeds up to 100 Mbps.
- S R T Communications Inc.; Fiber-to-the-Premise for the Rural North Dakota Community of Metigoshe: \$2,214,758 loan, \$2,214,758 grant and \$2,200,000 in private investment. The funding will provide broadband services to the rural North Dakota exchange of Metigoshe. The project will provide unparalleled broadband service to various town and rural subscribers within this proposed funded service area. This fiber-to-the-premise project, utilizing fiber optic cable, will allow SRT to provide more than 20 Mbps broadband access to each household and business in the area, simultaneously.

Oklahoma

- Pine Telephone Company, Inc.; Last Mile ILEC Fiber-to-the-Home for Isolated Rural Southeastern Oklahoma/Choctaw Nation: a \$15,081,959 loan and \$15,081,958 grant. The funding will provide a hybrid network including a fiber-to-the-home and fiber-to-the-node solution for Pine Telephone Company's existing service area. In addition to enabling data rates of up to 40 Mbps, the network will enable video delivery via affiliate head-end facilities. Wireless microwave backhaul is proposed in some extremely rugged portions of the network.

South Dakota

- TrioTel Communications, Inc.; TrioTel Fiber-to-the-Home Broadband Deployment Project: a \$3,704,212 loan and \$8,643,163 grant. The funding will provide high speed Internet service in the communities of Canova, Alexandria, Emery, Farmer, Salem, and Spencer, South Dakota, and their surrounding rural areas via a fiber-to-the-home network.
- Venture Communications Cooperative; Cresbard, Orient and Faulkton Exchanges: \$2,614,957 loan, \$2,614,956 grant and \$1,743,305 in private investment. The project will provide needed broadband services and create the potential for increased business growth, public safety services and quality of life for the residents in the Cresbard, Faulkton and Orient exchanges within South Dakota.

Tennessee

- Twin Lakes Telephone Cooperative Corporation; Twin Lakes Telephone Cooperative Corp.: Fiber to the Home Broadband Project: \$16,076,833 loan and \$16,076,834 grant. This fiber-to-the-premise project will provide advanced broadband services to rural exchanges of Byrdstown, Celina, Moss & Clarkrange, Tenn. This project will promote economic development in rural areas that have consistently higher than average unemployment rates & areas that are in a persistent poverty county.

Texas

- Blossom Telephone Company; Red River Broadband Expansion Project: \$833,303 loan, \$1,944,373 grant and \$814,000 of private investment. The funding will provide middle-mile connection to last-mile networks to provide affordable high-speed broadband services to an area otherwise constrained by the high costs of services.

Utah

- Central Utah Telephone, Inc.; Basin Broadband Project: \$620,724 loan and \$1,862,070 grant. The funding will enable installation of approximately 71 miles of middle-mile underground fiber optic cable in Juab and Millard counties, Utah, and approximately 60 miles of hybrid fiber/coax last-mile cable in the communities of Lynndyl, Delta, Hinckley, Holden and Fillmore, Utah. The network will allow bandwidth offerings of up to 100 Mbps.

West Virginia

- Hardy Telecommunications, Inc.; Hardy OneNet Fiber to the Home Project: \$9,494,483 loan and \$22,153,791 grant. This project is a fiber-to-the-home network providing affordable, reliable ultra-high speed Internet access, VoIP, and video services to underserved areas in Hardy County, West Virginia. Hardy Telecommunications is a nonprofit rural telephone cooperative committed to working together with its members, and other nonprofit organizations and public institutions, to serve the needs of the people of Hardy County.

Wisconsin

- Marquette-Adams Telephone Cooperative, Inc.; Broadband Edge Out Marquette-Adams Telephone Cooperative: \$6,202,326 loan and \$13,805,175 grant. This project will extend fiber optic service from the existing Telephone Cooperative service area, where all customers can currently receive broadband voice, video and data services, to unserved rural areas bordering the Telephone Cooperative's current territory.
- Reedsburg Utility Commission, Inc; Reedsburg Utility Commission Fiber Network Expansion: \$5,239,168 grant and \$2,303,357 in private investment. The funding will extend an existing municipal Fiber-to-the-Premise, network operated by City of Reedsburg, to the surrounding rural area to provide affordable advanced broadband service to residents and businesses that are currently confined to traditional dial-up, wireless, and costly satellite services. This rural area of southwestern portion of Wisconsin is deficient in broadband services due to the hilly terrain and numerous valleys which severely limit wireless and satellite service coverage.

President Obama signed The American Recovery and Reinvestment Act of 2009 into law on Feb. 17, 2009. It is designed to jumpstart the nation's economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

More information about USDA's Recovery Act efforts is available at www.usda.gov/recovery. More information about the Federal government's efforts on the Recovery Act is available at <http://www.recovery.gov/>.

Through its Rural Development mission area, USDA administers and manages more than 40 housing, business and community infrastructure and facility programs through a network of 6,100 employees located in the nation's capital and 500 state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers, and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of more than \$138 billion in loans and loan guarantees.

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