



NEWS RELEASE

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RECOVERY ACT FUNDS PROVIDE A BOOST TO RURAL ALASKA

PALMER, Alaska, February 17, 2010—One year after passage of the American Recovery and Reinvestment Act, residents of rural Alaska are reaping benefits which will have a substantial long term impact on our state. Many Alaskans have quality homes thanks to loans and loan guarantees provided through the Recovery Act and a large portion of rural Alaska is about to reap the benefits of state-of-the-art broadband access. Additionally, other funding is being provided through USDA for job creation efforts in Southeast Alaska.

Most significantly, in fiscal year 2009 alone, Recovery Act housing funds were used to guarantee 132 home loans with a total value of \$24,222,067. Almost half of those loans were made in the Mat-Su Borough. Another 14 direct loans, with a total value of over \$2.5 million were made to very low income applicants with funding provided directly through Rural Development's home loan program. Almost 16 percent of all the loans provided by USDA in Alaska last year (Recovery Act and annual allocation) went to members of minority groups.

Secretary Tom Vilsack joined three other Obama Administration Secretaries in visiting Western Alaska last summer. They were told of a need for reliable Internet service to provide economic and educational opportunities, along with improving telemedicine services in the Yukon Kuskokwim region. Several months later, two substantial Recovery Act awards were announced that will extend broadband to a wide swath of Southwestern Alaska. United Utilities was selected to receive a \$43,982,240 grant and a \$44,158,522 loan. The funding will provide middle mile connectivity to 65 communities. Additionally, Rivada Sea Lion, LLC will receive a \$25.3 million grant with \$6.4 million of leveraged funds to provide 4G high-speed broadband internet service availability to rural residents.

Southeast Alaska has been the focus of economic development efforts through Rural Development and the Forest Service. As part of that effort, the Ketchikan Gateway Borough will receive \$99,000 in Federal Recovery Act funds that will be leveraged with an additional \$100,000 to start a revolving loan fund to create and start small businesses. The program is expected to diversify the community's economy and allow the Borough to boost the shellfish industry, develop an industrial park at Ward Cove, and promote renewable energy projects. The funding is being provided through USDA Rural Development's Rural Business Enterprise Grant Program (RBEG), which helps finance new and existing businesses as well as employment-related adult education programs.

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The Recovery Act funding made available through Congress must be obligated to projects prior to October 1, 2010. Any eligible entity and any prospective homeowner who wants more information about available Recovery Act funds is encouraged to contact the Alaska State Office of USDA Rural Development in Palmer, or area offices in Bethel, Dillingham, Fairbanks, Nome, Kenai, and Sitka.

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