



**\$953
Million
Invested in
Alaska**



**USDA Rural Development
ALASKA**

2009 - 2011 PROGRESS REPORT



Committed to the future of rural communities.

Mission Statement

“To increase economic opportunity and improve the quality of life for all rural Americans.”

Rural Development Act of 1972

“The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.” (P.L. 92-419, Title VI, Section 601)

Signed by President Richard Nixon on August 30, 1972

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This report written by Larry Yerich and Jim Nordlund.



President Barack Obama
President of the United States of America

“I know the rest of our country can learn something from rural America. The heartland is central to the economic health and prosperity of our nation. Rural communities provide us with affordable agricultural products, competitive manufacturing capabilities, independent, renewable energy supply and stewardship of America’s great outdoors – an important source of jobs and an incredible treasure for all Americans.

Over the last three years, we’ve been focused on improving infrastructure, building roads and bridges and providing broadband access to millions of rural Americans. We’ve made historic investments in innovation and clean energy. And we established the first-ever White House Rural Council to promote economic growth in rural America – and to do it in a faster and more coordinated way.

We know what it’s going to take to get America going again. It’s going to start with helping families in the heartland and across the country feel like they’re moving forward.”



Secretary Tom Vilsack
US Department of Agriculture

“USDA Rural Development funding has made an enormous difference in the lives of rural Americans. From helping tens of thousands of families repair or purchase a home, to large-scale investments to develop broadband infrastructure, USDA Rural Development employees are helping build better lives for the American people.

Nationally, USDA Rural Development has more than \$155 billion portfolio of loans and will administer \$20 billion in loans, loan guarantees and grants through all our programs. The investments we have made will have a lasting, sustainable impact and provide jobs and economic activity to keep rural America vibrant and prosperous in the future.”



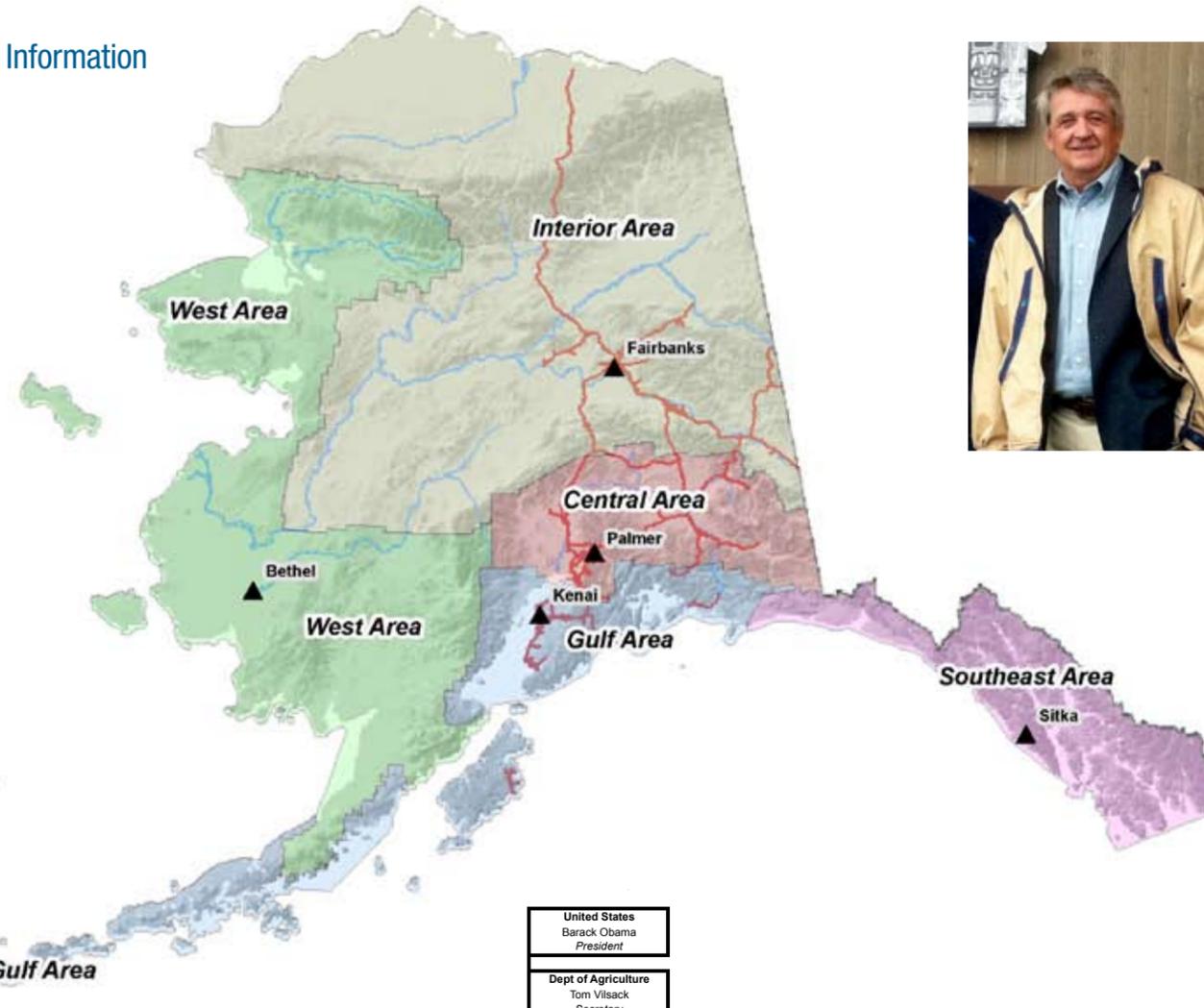
Under Secretary Dallas Tonsager
USDA Rural Development

“Rural communities are home to more than 50 million people. Rural America supplies much of our nation’s food and water, and safeguards our environmental heritage. Its role in establishing our nation’s energy independence is growing every day. Reversing youth outmigration and revitalizing rural America for the next century is USDA Rural Development’s mission. It is our goal to ensure that rural areas are creating wealth, self-sustaining, repopulating and thriving economically.

We achieve our mission by helping finance and guide rural individuals, communities and businesses to their next level of growth. With the goal to out-educate, out-innovate and out-build global competition, USDA Rural Development is committed to the future of rural communities.”



Alaska Rural Development Area Map & Information



Alaska State Director Jim Nordlund

USDA Rural Development Alaska

“In Alaska, the word ‘rural’ means something different. With few people living across a vast and wild landscape, the challenge of building infrastructure and providing services in rural Alaska is unmatched in the rest of America.

Many rural Alaskans, both Native and non-Native, feed their families with wild fish and game they harvested. There are few roads so transportation by small plane, boat, four-wheeler, dog sled and snowmachine are common. Materials often have to be shipped by barge before the rivers freeze. Construction is challenging when building on permafrost and when temperatures reach 70° below. The cost of living is high. For example, diesel fuel costs \$7/ gallon, electricity at 75¢ per kilowatt hour and milk is at \$9/gallon.

In spite of these challenges, USDA Rural Development is up to the task. In Alaska, we are organized into five areas. Our Interior Area is larger than Texas and our West Area is larger than California. And yet, our staff and partners have done an amazing job bringing critical infrastructure to rural Alaskans.

During 2009 to 2011, we invested over \$950 million to bring water and sanitation to villages still on ‘honey buckets’; provided ambulances and public safety equipment to communities on and off the road system; financed the construction of critical access hospitals; helped families build, purchase and repair their homes; invested in wind and other renewable energy systems; connected communities to broadband and high-speed internet; and helped small businesses create and retain jobs in rural communities.

These projects could not have been completed without significant contributions from federal, state and community partners. Funding from the American Recovery and Reinvestment Act has provided \$256 million through RD to stimulate economic activity in Alaska. Alaska is also fortunate to have three members of Congress who are strong advocates for rural Alaskans.



Alaska is a young state, still in need of critical infrastructure. Please feel free to contact me or a Rural Development staff member listed below to see if we can help. We look forward to continuing our efforts to meet the needs of rural Alaska.”

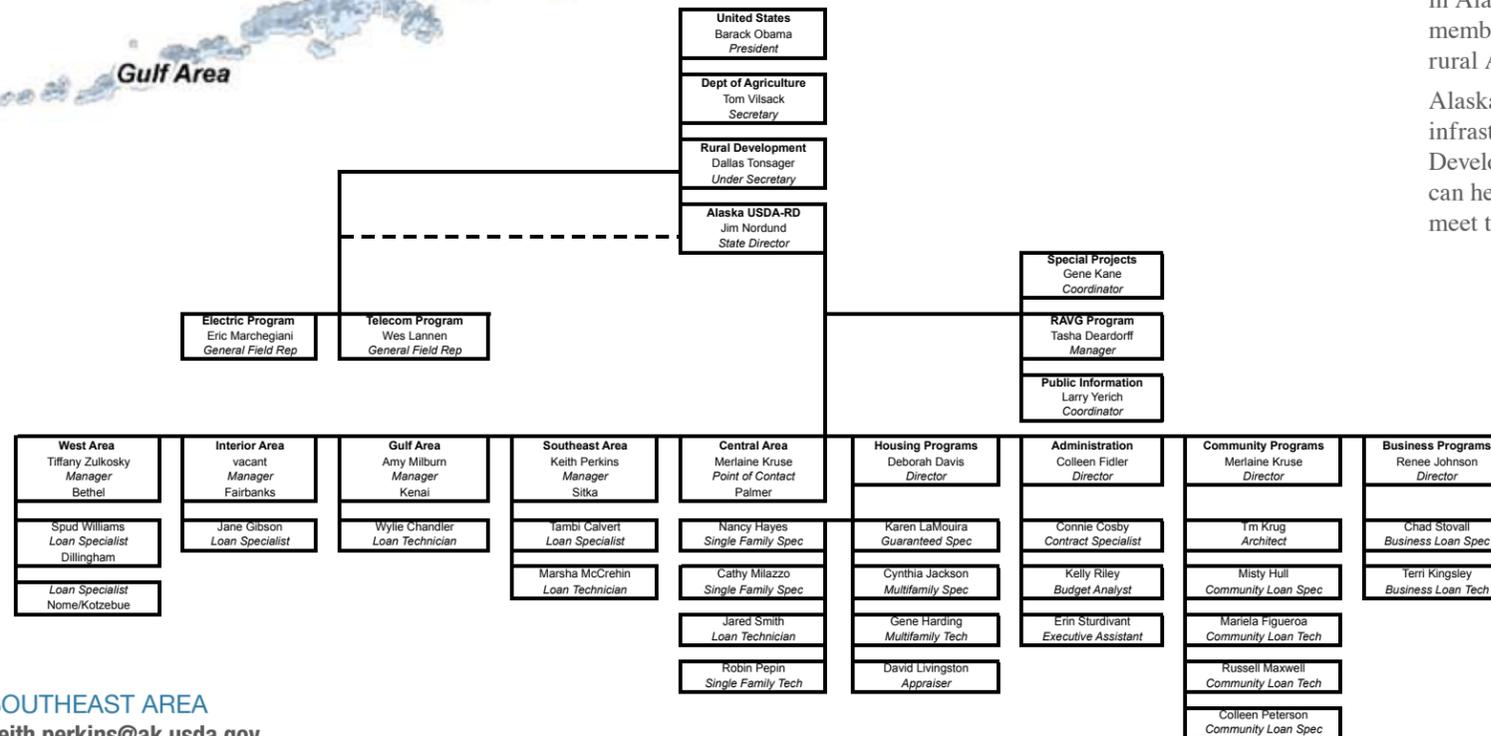
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USDA-RD Alaska Milestones 2009 - 2011

- January 2009 - President Barack Obama inaugurated.
- February 2009 – American Recovery and Reinvestment Act passes Congress.
- June 2009 – Deputy Under Secretary for RD Victor Vasquez addresses the “Global Food Alaska 2009 Conference” in Kenai.
- August 2009 – Jim Nordlund assumes position as Alaska State Director for RD.
- August 2009 – USDA Secretary Tom Vilsack visits Alaska with three other Cabinet secretaries, tour Bethel and Hooper Bay.
- September 2009 – Fiscal Year 2009 concludes with \$189 million RD investment in Alaska.
- October 2009 – RD Under Secretary Dallas Tonsager addresses the Alaska Federation of Natives Convention, tours Kotzebue, Kivalina, Noatak, Mat-Su, and Fairbanks.
- January 2010 – Job Forums conducted by RD and FSA in Kotzebue, Fairbanks, Juneau and Anchorage.
- February 2010- USDA agencies and EDA launch Investment Strategy for Jobs and Health Communities in Southeast Alaska.
- April 2010 – Rural Alaska Village Grant program Process Improvement Conference held in Anchorage.
- July 2010 – Denali Commission issues Sustainable Rural Communities report.
- September 2010 – Wrangell critical access hospital replacement approved for funding.
- September 2010 – Fiscal Year 2010 concludes with \$446 Million RD investment in Alaska.
- January 2011- Tribal consultation on RD’s Rural Utilities Service programs held in Anchorage.
- April 2011 – RD joins the State of Alaska Broadband Task Force.
- April 2011 - Southcentral Foundation groundbreaking in Wasilla for \$50 million Valley Primary Care Clinic, RD’s largest Community Facilities loan.
- June 2011- Ketchikan Indian Community opens Southern Southeast Technical Education Center with \$3 million loan from RD.
- June 2011 – Rural Alaska Village Grant program memorandum of understanding signed by RD, Alaska Native Tribal Health Consortium, State of Alaska and Indian Health Service.
- July 2011 – Alaska RD Cultural Transformation effort is initiated.
- August 2011 – RD conducts White House Business Roundtable meetings in Ketchikan and Fairbanks.
- August 2011 – RD Rural Utilities Service Administrator Jonathan Adelstein and other officials cut ribbon in Dillingham for GCI’s Terra SW Broadband Project with \$88 million RD investment.
- September 2011 – Fiscal Year 2011 concludes with \$319 million RD investment in Alaska.
- December 2011- USDA highlights \$153 million invested in Southeast Alaska from 2009 – 2011.



Electric & Telecom Programs

In 1935, in midst of the Great Depression, President Franklin Roosevelt recognized that critical infrastructure in rural America was essential for the good of the country. Without electricity, business and health in rural America would languish, slowing hopes for economic recovery. FDR created the Rural Electrification Administration, which is the forerunner to USDA-Rural Development. The REA, now named the Rural Utilities Service (RUS), turned out to be a huge catalyst for private sector investment. Historians consider it perhaps the best example of a public/private partnership in the 20th century.

Most of the large electric utilities in Alaska have been REA/RUS borrowers. Currently they include Golden Valley, Homer, Kotzebue, Kodiak, AVEC, and Inside Passage Electric Companies. RUS has also provided grants to offset the high cost of electricity in rural Alaska, for wind, biomass, hydro, hydrogen and energy efficiency projects, as well as interties, diesel upgrades and bulk fuel facilities.

In 1949, the REA was expanded to include affordable telephone service for rural America and several Alaska telephone companies have become borrowers. Today, RUS plays a vital role in modernizing communications to rural America through the expansion of broadband and access to high-speed Internet.

Just as FDR recognized with electricity over 75 years ago, President Obama has taken the initiative with broadband to improve education, health, public safety and business in rural America. In Alaska, the flagship project is GCI's Terra SW project, but other projects include Cordova, McCarthy, Tanana and Kotzebue. Important Distance Learning and Telemedicine grants have improved service across the state from Barrow to Yakutat and Tok to Unalaska.



SUCCESS STORIES

TERRA Southwest (West Area): Imagine waking up to find you had absolutely no broadband Internet connection to friends, family, health/medical service, education or even shopping. That's what residents of most rural Alaska communities have dealt with until recently. Alaska-based GCI has announced the completion of TERRA-SW, a broadband project that will provide middle-mile terrestrial broadband service to 65 remote communities in Bristol Bay and the Yukon-Kuskokwim Delta including Bethel, Dillingham and King Salmon.

Broadband will be available to over 9,000 households and nearly 750 public, non-profit and private community institutions, including regional healthcare providers, school districts and businesses. The connection is a result of the installation of 400 miles of fiber optic cable and 13 microwave towers, including four towers installed on remote mountaintops.

TERRA-SW is funded with an \$88 million loan/grant combination from USDA-RD's Rural Utilities Service under the American Recovery and Reinvestment Act.



Kodiak Electric Association (Gulf Area): The community of Kodiak is the nation's third largest seafood port and home to the largest United States Coast Guard Station in the Pacific. The Kodiak Electric Association, Inc. (KEA) is the electric cooperative that generates and distributes electricity on Kodiak Island.

Thanks to abundant wind and hydro resources, KEA has been successful in shifting Kodiak from diesel fuel to fuel-free renewables to realize a lower and more stable cost of electricity. USDA-RD's Rural Utilities Service provided financing for the purchase of the Terror Lake hydro project.

Along with hydro power, KEA has been moving closer to 100 percent renewable energy with the construction of the Pillar Mountain Wind Project. Within two years of operation, this project has provided Kodiak a net savings of \$4.3 million by avoiding consumption of more than two million gallons of diesel fuel.

TELECOM & ELECTRIC PROGRAMS

Traditional Telecom Loans (TTL): Assists the private sector in developing, planning and financing the construction of telecommunications and broadband infrastructure in rural America. **\$13,150,000**

Broadband Initiatives Program (BIP): Special Recovery Act loans and grants for construction, acquisition and improvement of broadband transmission to rural communities. **\$81,796,600 grant, \$48,520,293 loan**

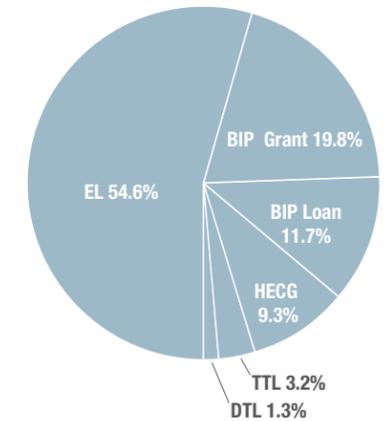
Distance Learning and Telemedicine (DLT): Grants and loans for enhanced learning and healthcare opportunities through advanced telecommunications technologies in rural areas. **\$5,554,221**

Community Connect Broadband Grants: For the deployment of new broadband transmission services for rural communities where no service is available.

Public TV and Weather Radio Grants: Funds installation of new transmitters to extend the coverage of NOAA Weather Radio in rural areas.

Electric Direct Loans (EL): Direct and guaranteed loans to rural utilities for the construction or improvement of electric distribution, transmission and generation facilities. **\$225,928,000**

High Energy Cost Grants (HECG): Grants for electrical facilities serving communities with home energy costs exceeding 275% of the national average. **\$38,582,090**



Total Funding FY 09 - 11
\$413,531,204

Direct Loans	\$288,375,127	69.7%
Grants	\$125,156,077	30.3%

USDA-RD HISTORICAL MILESTONES



On May 15, 1862, President Abraham Lincoln established the U.S. Department of Agriculture and called it the "people's department."



The origins of USDA Rural Development began with the establishment of the Rural Electrification Administration (REA) by President Franklin D. Roosevelt on May 11, 1935. REA brought affordable electricity to rural America.



Water & Environmental Programs

There is probably no government service more fundamental than providing citizens with clean water and sanitary waste disposal. In earlier years there was no guarantee as you traveled across America that water was safe to drink, or that diseases were not present due to unsanitary disposal of garbage or human waste.

Rural Development's Water and Environmental Programs were created to assist local governments with financing critical water, sewer and solid waste facilities so that national health and sanitation standards could be achieved. Today, it is taken for granted that we can "drink the water" in America—not true in most of the world. Water and Environmental Programs delivered by RD's Rural Utilities Service can claim a large part of this achievement.

In Alaska, water and sanitation conditions in some communities can best be described as third-world. Many villages, off the road system, do not have running water and dispose of human waste with "honey buckets". Sanitary landfills are rare. Villages have not had the means to afford the standards of the rest of America. This is why former Senator Ted Stevens created, and the Congress has supported, the Rural Alaska Village Grant (RAVG) program.

In the past three years the RAVG program has helped improve the lives of residents in 65 villages. The financial aspects of the program are administered by the Alaska RD staff, while construction management is done by two primary partners, the State of Alaska Department of Environmental Conservation, and the Alaska Native Tribal Health Consortium. Additional funding is provided by the State of Alaska.



SUCCESS STORIES

Pitkas Point (West Area): When you or I want a drink of water, it's as close as the nearest faucet. When we use the restroom, it's down the hall. Most Americans take this for granted.

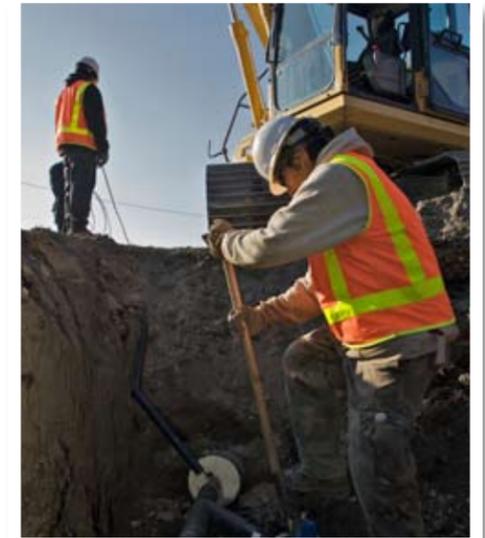
Residents of Pitkas Point had to deal with unhealthy water and wastewater conditions and were in dire need of a water supply, water treatment facilities and wastewater treatment and collection facilities. Drinking water was hauled from local watering points, which plainly did not meet safe drinking water standards. Wastewater was hauled in "honey buckets" along the same route children played on and where they traveled to and from school.

With funding from the Rural Alaska Village Grant program, the community was able to construct core sanitation facilities, water pipes and a wastewater system for 35 homes. The project became fully operational on September 8, 2011 and marked the end of a dire health and sanitation issue in the community.

City of Fort Yukon (Interior Area): Picture living where wastewater and sewage systems are now outdated and failing due to permafrost. Imagine those systems are utilized as holding tanks, a task for which they were clearly not designed.

Conditions require the septic tanks to be pumped sometimes twice a week which is very expensive for some residents who are forced to allow their tanks to overflow onto the ground. This creates an increase of disease-causing microorganisms and the potential for open sewage to come into contact with residents.

USDA-Rural Development funds are being used to construct a lift station and various mains and sewer service lines to connect 28 homes to the new system, including in-home plumbing. The project includes closure of the three existing community wastewater lagoons.



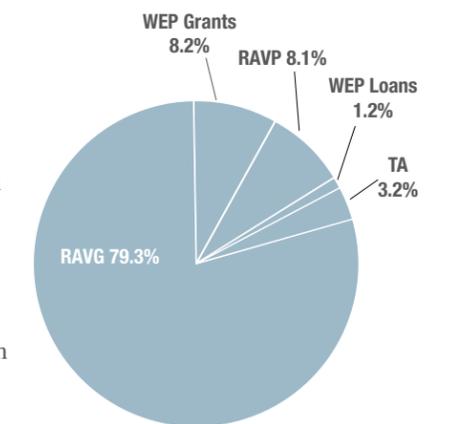
WATER & ENVIRONMENTAL PROGRAMS

Water and Environmental Program (WEP): Grants to communities for the planning, construction, or repair of water supply and waste collection and treatment systems.
\$11,451,073 grant, \$1,716,000 loan

Technical Assistance and Training (TA): Grants for technical assistance and solid waste management to identify and evaluate problems and to improve management of water and waste sites.
\$4,462,370

Rural Alaska Village Grant Program (RAVG): Grants for water and wastewater systems to improve health conditions in rural Alaska villages through removal of dire sanitation conditions.
\$111,320,084

RAVG Planning Grants (RAVP): Grants to assist in paying costs for developing a complete application for proposed rural sanitation projects.
\$11,344,123



Total Funding FY 09 - 11
\$140,293,650

Direct Loans	\$1,716,000	1.2%
Grants	\$138,577,650	98.8%



In 1935, President Roosevelt established another forerunner to Rural Development, the Resettlement Administration which made loans to Depression era farmers and established farm communities such as the Matanuska Colony in Alaska.



On September 1, 1937, the Farm Security Administration was created as the successor to the Resettlement Administration. The new agency increased farm credit to improve the country's food production capacity.

In 1937 as part of the Water Facilities Act, the Farm Security Administration was given responsibility for water facilities programs in 17 drought stricken western states.

Rural Housing Programs



Home ownership is the American dream. It is a belief in America that home ownership is not just for the rich, but should also be available to those of lesser means. Since the end of World War II, the percentage of Americans who own their own homes has risen dramatically. As cities and suburbs grew, the importance of maintaining quality housing in rural America came into sharper relief. The Housing Programs of Rural Development were developed to provide low-income rural residents the opportunity to buy a home, or quality rental units for those who cannot afford to buy.

Instituted in 1946, the housing programs have been a mainstay for Rural Development. The fundamental position in the agency is the “loan specialist” and typically those skills begin with housing loans. In Alaska, over the past three years, nearly \$250 million was invested in single family or multifamily homes through direct loans, guaranteed loans, subsidies or grants. These investments help build community economic stability by helping to create equity to finance education, business and retirement.

The direct and indirect impacts of housing development and rehabilitation reverberate throughout Alaska. Residential construction stimulates various manufacturing, trade and related professional services. Housing activity benefits the larger economy as wages are earned and spent by those directly involved in housing development.

SUCCESS STORIES

Single Family Housing (Interior Area): Paul Kirsteatter Sr. is an 88-year-old WW II veteran living in the remote village of Healy Lake. He is a pioneer Alaskan since 1946.

Paul built a homestead for his family and continued to improve on it over the years to include installing a full septic system and a well. The USDA-RD 504 Grant Program provided \$7,500 to install a complete bathroom, an on-demand water heater and a kitchen sink.

In true Alaskan pioneer fashion, the materials for this grant project were hauled up river to Paul’s home by small river boat in late fall just prior to when the rivers of the Interior freeze and become un-navigable.

Paul was very grateful for the assistance. For the first time in his life in Alaska, he has a fully operational indoor plumbing system. The grant has greatly improved his comfort, ease, and quality of living in his remote bush homestead setting.

Self Help Housing (Central Area): Tara Rosenlund and her husband, Cordaryl are a young working couple. They would not have been able to purchase a home through a conventional lender because of lack of a down payment and the income to afford a modest home. They decided to help build their own home with the help of Rural Development.

While Cordaryl had the technical expertise and skill, it was quite a learning curve for Tara, as she had never built a home before. It took about 14 months for the Rosenlunds and other families to complete all eight homes throughout the project. It was a great team effort and a lot of fun for all involved.

At the end of construction, the Roselund’s walked into their own home having earned \$44,000 in sweat equity and the home appraised at \$223,000.

HOUSING PROGRAMS

Single Family Direct Loans (502 DL): Loans to 100% of value for rural low-income individuals to purchase, build or renovate a home.
\$49,137,502

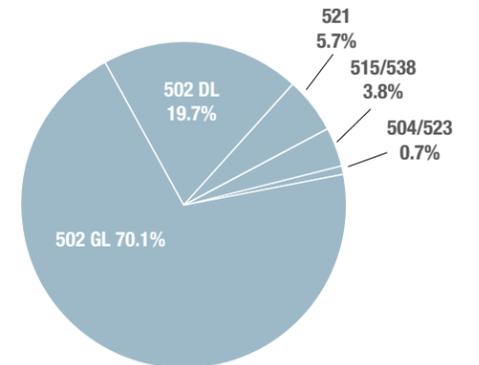
Single Family Guaranteed Loans (502GL): Loans guaranteed by Rural Development for purchase of a new or existing rural home.
\$174,980,554

Single Family Repair (504): Direct loans and grants to help very low-income homeowners remove health and safety hazards or to repair their homes.
\$688,522

Mutual Self-Help Housing (523): Grants to non-profits to supervise families in the construction of their own homes, and to qualify them for a 502 Direct Loan.
\$1,048,904

Rental Housing Loans (515, 538): Direct or commercial loans guaranteed by Rural Development to developers of rental housing for low to moderate-income individuals.
\$9,386,040

Rental Assistance (521): Rental subsidy for low income individuals living in Rural Development funded multi-family housing.
\$14,342,611



Total Funding FY 09 - 11
\$249,584,163

Guaranteed Loans	\$178,930,554	71.7%
Direct Loans	\$54,724,413	21.9%
Subsidies	\$14,342,611	5.7%
Grants	\$1,586,585	0.6%



Recognizing that the Farm Security Administration needed restructuring, on August 14, 1946 President Harry S. Truman signed the bill creating the Farmers Home Administration (FmHA), which took on additional farm credit and crop insurance programs.



The Housing Act of 1949 gave FmHA the authority to make housing loans to farmers. The Act included Sections 502, 504, 515, 523, and 533 creating housing programs still administered by Rural Development today.

In 1949 the Rural Electrification Act was amended to include the expansion of affordable telephone service into rural parts of America.

Community Facilities Programs

The quality of life in a community can be measured by adequacy of the health, safety, education, and transportation infrastructure. The Community Facilities programs of Rural Development provide loans and grants to rural communities so they continue to be good places to live, work and raise a family.

Improvements made through Community Facilities are the most visible in Rural Development. In Alaska over the past three years, several important projects have been funded, started or completed construction. At the top of the list are the health facilities. Other projects include funding for Code Blue, a program that has provided emergency medical equipment to over 140 Alaska communities. Additional health projects include:

- MRI for the South Peninsula Hospital in Kenai
- Sunshine Health Clinic in Willow
- Mt. Sanford Tribal Health Clinic in Chistochina
- Opportunity House for disabled adults in Ketchikan
- Copper River Native Assn health facility in Glennallen
- Counseling and treatment facility in Sitka

Education related facilities include:

- Library facilities in Petersburg
- Equipment for Illisagvik Tribal College in Barrow
- Debt payment for Sheldon Jackson Child Care in Sitka
- Training facility for Ketchikan Indian Community

Other community facilities funded in the past three years include:

- Food bank remodeling in Kenai
- Facilities for North Tongass Volunteer Fire Dept in Haines
- New community center buildings in Yakutat
- New vessel for North End Ferry Authority in Coffman Cove



SUCCESS STORIES

Wrangell Medical Center (Southeast area): The current Wrangell Medical Center is 43 years old and past its useful life. As with any individual, modern health care is a key component of a community's well being. The City and Borough of Wrangell and the Wrangell Medical Center, combined with robust community support, chose to construct a full replacement hospital and long term care facility with a USDA-RD Community Facilities Direct Loan of \$24,700,000.

The new hospital and nursing home will accommodate modern technological equipment such as MRI machines and X-ray units where the existing hospital could not, and provide enhanced services and modern rooms. The replacement nursing home includes six new beds, high-quality single rooms, increased patient privacy and a more home-like setting with larger windows.



Southcentral Foundation's Valley Native Primary Care Center (Central Area):

Visualize needing to see your doctor, but first having to drive 70 miles to get there. Alaska Natives living in Mat-Su face long drives to Anchorage to receive routine medical care.

Completing construction of the Valley Native Primary Care Center in Wasilla means Alaska Natives living along the Parks and Glenn Highways no longer cope with such a challenge. The project was made possible through a \$50 million combined direct and guaranteed loan from Rural Development and the American Recovery and Reinvestment Act (Recovery Act).

The facility will employ 200 healthcare and human service professionals. Services include primary medical care, dental, behavioral health, optometry, health education, wellness and traditional medicine.

COMMUNITY FACILITIES PROGRAMS

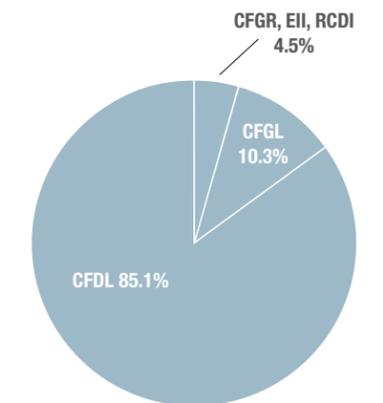
Community Facilities Direct Loans (CFDL): Loans for public safety, health, education, recreation, child and senior care, transportation, arts, food banks, community halls and other facilities.
\$83,941,200

Community Facilities Guaranteed Loans (CFGL): Commercial loans guaranteed up to 90% by Rural Development for community facilities.
\$10,200,000

Community Facilities Grants (CFGR): Grants for essential community facilities in low-income areas.
\$3,606,738

Economic Impact Initiative (EII): Grants to eligible communities to assist with projects that provide an economic stimulus.
\$797,297

Rural Community Development Initiatives (RCDI): Grants to develop the capacity of public, private and nonprofit community development organizations for community and economic development projects.
\$50,000



Total Funding FY 09 - 11
\$98,595,234

Guaranteed Loans	\$10,200,000	10.3%
Direct Loans	\$83,941,200	85.1%
Grants	\$4,454,034	4.5%

Laws passed in 1959 and 1961 expanded FmHA's authority to make water facility loans to rural communities in all states; and in 1962 to provide development loans for affordable apartments for senior citizens.



On August 30, 1972, President Richard Nixon signed the Rural Development Act of 1972 which gave USDA primary responsibility for all rural development activities. Provisions included loans for essential community facilities and community planning grants.

The Rural Development Act of 1972 also established the Business and Industry Loan Guarantee program to encourage rural economic development and job creation.

Business Programs

In the mid 20th century, as cities and suburbs grew, the population in rural America declined. At the same time it became more difficult for rural businesses to access capital for start-up and expansion. Since the business climate in rural communities is important not only for the quality of life, but also for the economic health of the country, in 1972 Congress added business loans to the mission of Rural Development. Business Programs have become an important source of capital for rural businesses, including cooperatives. In recent years, Business Programs have added energy programs, especially renewables and energy efficiency.

In Alaska, businesses across the state and industry sectors have benefited from loans and incentive grants. The flagship Business and Industry Loan Guarantee Program has provided over \$46 million in loans in the past three years for enterprises such as fishing vessels, tourism and hospitality businesses, seafood processing, construction and engineering firms and transportation. Participating banks include:

- Wells Fargo
- Alaska Growth Capital
- Alaska USA Federal Credit Union
- Northrim Bank
- First National Bank Alaska
- Mt. McKinley Bank
- Alaska Pacific Bank

Grants have also assisted with small business consulting, energy audits, small manufacturing technical assistance, and the development of cooperatives, aquaculture and the biomass industry. Incentive grants have also promoted the development of renewable energy in Alaska, including wind, hydro, solar, tidal, geothermal, biomass and energy efficiency.



SUCCESS STORIES

The Auction Block Company (Gulf Area): The Auction Block Company has successfully been buying and selling local, wild Alaska seafood out of Homer since 1997. Since that time business continued to increase and needed to expand to meet the growing demand for their product.

Auction Block acquired a USDA-RD Business & Industry guaranteed loan to support the business expansion, bringing it to the next level while supporting the local economy and the commercial fishing industry in the region.

Equipment was purchased enabling the company to become a certified seafood processing facility that can now supply its customers an expanded offering of fresh and frozen local seafood in a variety of value added products.

The project ultimately created 20 new jobs and continues to bolster local food distribution systems, adds to the local economy's tax base and provides buyers for local commercial fishermen's products.

The Alaskan Brewing Company, LLC (Southeast Area): Barley is a critical raw material for making beer. Without malting barley, there would be no beer. The Alaskan Brewing Company (ABC) is the 12th largest craft brewery by sales volume in the U.S. and its beers have won numerous awards at beer competitions. ABC intends to install a prototype biomass steam boiler that is fueled by spent barley. A \$448,000 REAP grant from Rural Development is helping make this a reality.

The new boiler will eliminate the use of 65,000 gallons of fuel oil in the grain drying process. The system also does away with the need to ship the grain south to Seattle for disposal.



BUSINESS PROGRAMS

Business and Industry Guaranteed Loans (B&I): Commercial loan guarantees up to 90% of loan amount available to virtually any legally organized rural business entity. **\$46,828,839**

Intermediary Relending Program (IRP): Loans to intermediaries who provide loans to finance rural business facilities and community development projects. **\$159,000**

Rural Business Enterprise Grants (RBEG): Grants to eligible entities to finance and facilitate development of small and emerging businesses located in rural areas. **\$2,235,616**

Rural Business Opportunity Grants (RBOG): Grants for business development utilizing technical assistance and economic planning to improve economic conditions in rural areas. **\$70,262**

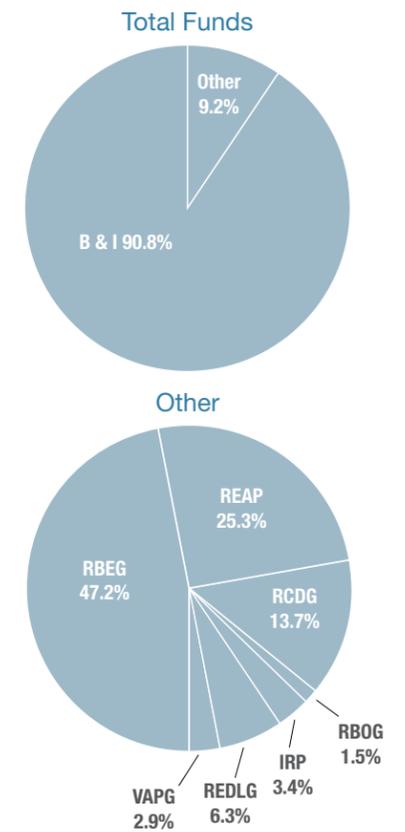
Value Added Producer Grants (VAPG): Grants to independent agricultural producers for adding value to their products and for farm-based renewable energy. **\$131,749**

Rural Energy for America Program (REAP): Grants for energy audits, renewable energy feasibility studies, energy efficiency and renewable energy systems for rural small businesses. **\$1,194,253**

Rural Cooperative Development Grants (RCDG): Grants to establish and operate development centers supporting rural business cooperatives. **\$647,783**

Rural Economic Development Loan and Grant (REDLG): Zero interest loans and grants to a local utility intermediary for local community and economic development and job creation. **\$300,000**

Guaranteed Loan	\$47,286,833	91.7%
Grants	\$4,279,663	8.3%



Total Funding FY 09 - 11
\$51,566,502



October 13, 1994, the Department of Agriculture Reorganization Act created Rural Development to administer the former FmHA's non-farm programs. The REA's utility programs were consolidated within RD and renamed the Rural Utilities Service. Farm programs went to the newly created Farm Service Agency.



The American Recovery and Reinvestment Act of 2009 was signed into law on February 17, 2009 by President Barack Obama. The primary objective for ARRA was to save and create jobs; provide temporary relief programs for those most impacted by the recession and invest in infrastructure, education, health and clean energy.

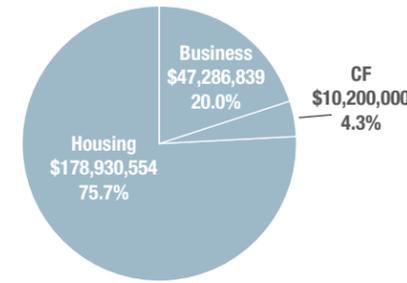
USDA - Rural Development Alaska

Communities that received a loan or grant - FY09, FY10 and FY11 (205 total)

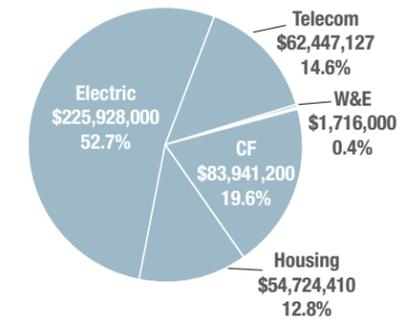
Adak	False Pass	Levelock	Salcha
Akhiok	Fort Yukon	Lower Kalskag	Sand Point
Akiachak	Galena	Manly Hot Springs	Savoonga
Akiak	Gambell	Marshall	Saxman
Alakanuk	Glenallen	McCarthy	Scammon Bay
Alatna	Golovin	Mekoryuk	Selawik
Aleknagik	Goodnews Bay	Metakatla	Seldovia
Allakaket	Grayling	Minto	Seward
Ambler	Gulkana	Mountain Village	Shageluk
Anaktuvuk Pass	Gustavus	Naknek	Shaktoolik
Anchor Point	Haines	Nanwalek	Shishmaref
Anderson	Healy	Napaskiak	Shungnak
Angoon	Healy Lake	Napiakiak	Sitka
Aniak	Holy Cross	Nelson Lagoon	Skagway
Anvik	Homer	Nenana	Slana
Arctic Circle	Hoonah	Newhalen	Sleetmute
Atmautluak	Hooper Bay	Newtok	Soldotna
Atkasuk	Houston	Nightmute	St. Michael
Barrow	Hughes	Nikiski	St. Paul
Beaver	Huslia	Nikolai	Stebbins
Bethel	Igiugig	Ninilchik	Steelmute
Big Lake	Iliamna	Noatak	Sterling
Brevig Mission	Juneau	Nome	Steven's Village
Buckland	Kachemak	Nondalton	Stony River
Chaulkyitsk	Kake	Noorvik	Sutton
Chefornak	Kaktovik	North Pole	Talkeetna
Chefornak	Kaltag	Nuiqsut	Tanana
Chenega	Karluk	Nulato	Tatitlek
Chenega Bay	Kasaan	Nunam Iqua	Teller
Chevak	Kasigluk	Nunapitchuk	Tetlin
Chicken	Kasilof	Old Harbor	Thorne Bay
Chignik	Kenai	Old Kasigluk	Togiak
Chignik Lake	Kenny Lake	Oscarville	Tok
Chistochina	Ketchikan	Ouzinkie	Toksook Bay
Chuathbaluk	Kiana	Palmer	Tuluksak
Coffman Cove	King Cove	Perryville	Tuntutuliak
Cooper Landing	King Salmon	Petersburg	Tununak
Copper Center	Kipnuk	Pilot Point	Unalakleet
Cordova	Kivalina	Pilot Station	Unalaska
Craig	Klawock	Pitkas Point	Upper Kalskag
Crooked Creek	Kobuk	Platinum	Valdez
Deering	Kodiak	Point Baker	Venetie
Delta Junction	Kokhanok	Point Hope	Wainwright
Dillingham	Koliganek	Port Graham	Wales
Diomedea	Kongiganak	Port Lay	Wasilla
Eagle River	Kotlik	Port Lions	White Mountain
Eek	Kotzebue	Port Moller	Willow
Ekwok	Koyuk	Quinhagak	Wrangell
Elim	Koyukuk	Rampart	Yakutat
Emmonak	Kwethluk	Ruby	
Ester	Kwigillingok	Russian Mission	
Fairbanks	Larsen Bay	Saint Mary's	

USDA Rural Development - Alaska - Program Funding Summary for FY09 - FY11

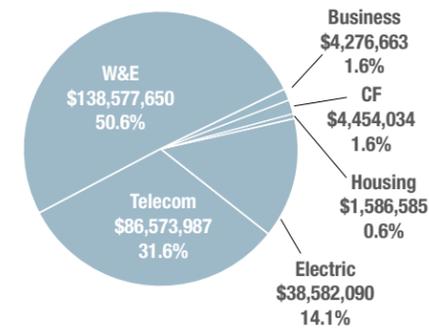
Guaranteed Loans (\$236,417,393)



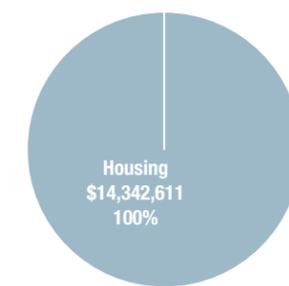
Direct Loans (\$428,756,740)



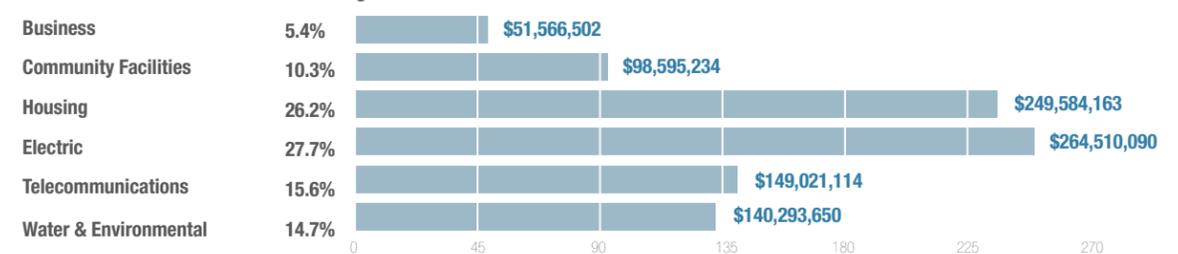
Grants (\$274,054,009)



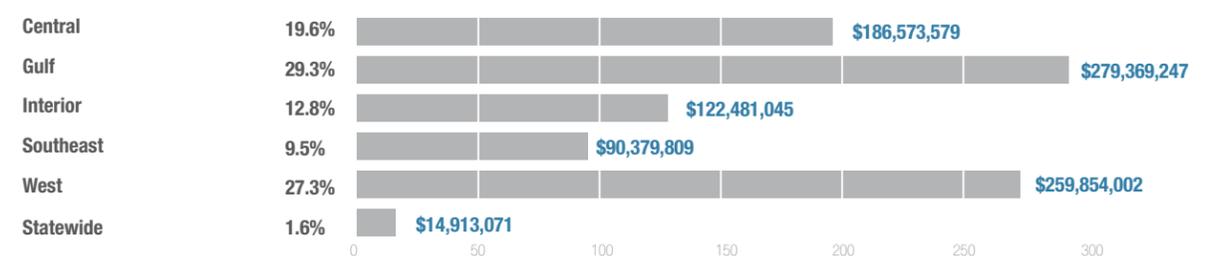
Subsidies (\$14,342,611)



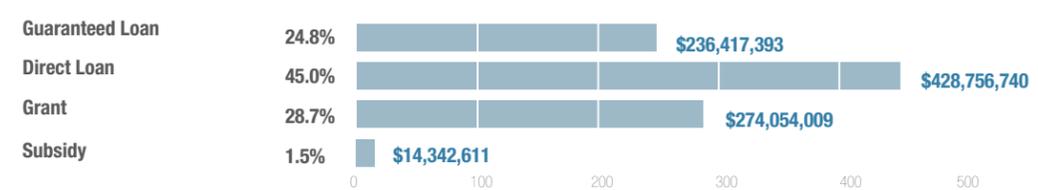
PROGRAM (\$953,570,753)



AREA (\$953,570,753)

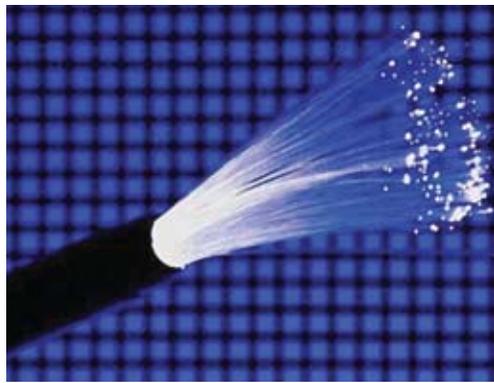


TYPE (\$953,570,753)



FUND SOURCE (\$953,570,753)





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