



RURAL UTILITIES SERVICE

Satellite Awards

BROADBAND INITIATIVES PROGRAM

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Homeowners, businesses or public institutions should contact the company (via telephone or website) in their area for information about participating in this program.

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). The legislation provides funding to the Department of Agriculture and Department of Commerce to expand broadband access to rural and unserved areas of the country. This document explains how Rural Development's Rural Utilities Service (RUS) is implementing the broadband provisions of the Recovery Act.

Funding

The Recovery Act authorized USDA budget authority of \$2.5 billion to provide loans, grants and loan/grant combinations to expand broadband access in rural America. By September 30, 2010, 320 awards were obligated for a total of \$3.5 billion to projects in 45 states and one territory. More than 2.8 million households and 364,000 businesses will have access to broadband, and more than 32,000 anchor institutions such as schools, libraries, public safety, health, and other public services will benefit.

The Broadband Initiatives Program (BIP) *This was a one-time program that is now closed.*

The Recovery Act established the rapid disbursement of the funds as an important priority for the BIP program to create jobs and stimulate the economy. The program was administered judiciously to ensure responsible use of public funds. To balance these objectives, RUS favored projects that commenced construction promptly and demonstrated technical and financial feasibility, organizational capacity, and the furtherance of other Administration priorities. A commitment to transparency in the award process and rigorous reporting requirements will help ensure accountability.

BIP Priorities

The Recovery Act required that at least 75 percent of a BIP-funded area be rural and "without sufficient access to high speed broadband service to facilitate rural economic development." The Recovery Act also mandated that priority be given for projects which: (1) give end users a choice of providers; (2) serve the highest proportion of rural residents that lack access to broadband service; (3) are projects of current or former RUS borrowers (Title II borrowers); and, (4) are fully funded and ready to start once funding is received. BIP application scoring criteria target projects that met these priorities.

On May 7, 2010 RUS published a Request for Proposals (RFP) announcing \$100 million in grant funds for satellite service. For the satellite program, the country was broken into 8 regions. The satellite projects awarded will bring broadband services to areas in rural America where traditional terrestrial broadband is not physically practical or economically feasible. Satellite equipment, installation and activation of service must be at no cost to the end user and the cost of service must not exceed \$50 per month for at least one year.

On August 18th, Vice President Biden announced four RUS satellite awards totaling \$100 million.

Spacenet, Inc., AK and HI, \$7,530,000

This award will allow Spacenet, Inc. to offer satellite broadband service to rural residential subscribers in Alaska and Hawaii. Approximately 12,550 people stand to benefit.

Echostar XI Operating LLC. Eastern and Midwest Regions, \$14,159,250

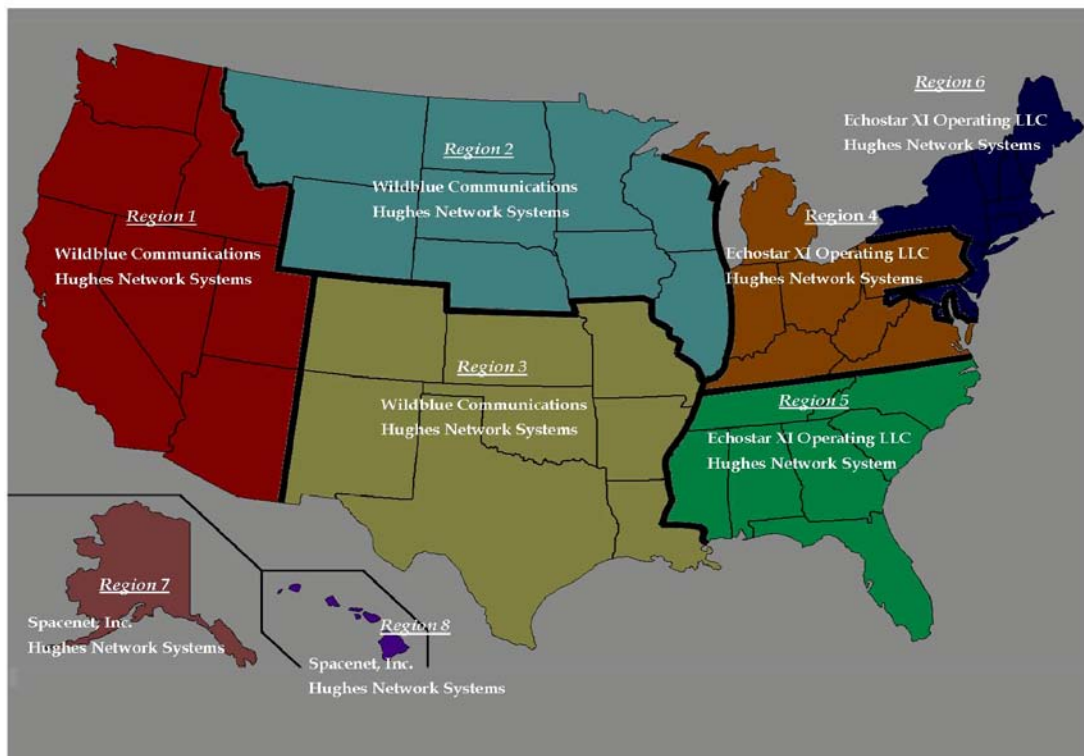
This award will allow Echostar XI Operating LLC to offer satellite broadband service to rural residential and commercial subscribers in regions 4, 5, and 6. Approximately 42,478 people stand to benefit, as do roughly 1,888 businesses.

Hughes Network Systems, Nationwide, \$58,777,306

This award will allow Hughes Network Systems to offer satellite broadband service to rural residential and commercial subscribers nationwide. Approximately 258,685 people stand to benefit, as do roughly 3,200 businesses.

Wildblue Communications, Western and Midwest Regions, \$19,533,444

This award will allow Wildblue Communications to offer satellite broadband service to rural residential and commercial subscribers in regions 1, 2, and 3. Approximately 110,150 people stand to benefit, as do roughly 4,896 businesses. In addition to the jobs this project will support upfront, it will provide a foundation for economic growth and job creation for decades to come.



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Effective October 20, 2010

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