

§§ 1703.69–1703.79

obligations as possible. The Administrator will allow full credit to the Borrower for the Federal share of unfulfilled contractual obligations which were incurred in good faith by the Borrower prior to grant termination.

[59 FR 11712, Mar. 14, 1994]

§§ 1703.69–1703.79 [Reserved]

Subpart C—Rural Business Incubator Program [Reserved]

§§ 1703.80–1703.99 [Reserved]

Subpart D—Distance Learning and Telemedicine Loan and Grant Program—General

SOURCE: 64 FR 14357, Mar. 25, 1999, unless otherwise noted.

§ 1703.100 Purpose.

The purpose of the Distance Learning and Telemedicine (DLT) Loan and Grant Program is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents. This subpart describes the general policies for administering the DLT program. Subpart E contains the policies and procedures related to grants; subpart F contains the policies and procedures related to a combination loan and grant; and subpart G contains the policies and procedures related to loans.

§ 1703.101 Policy.

(a) The transmission of information is vital to the economic development, education, and health of rural Americans. To further this objective, RUS will provide financial assistance to distance learning and telemedicine projects that will improve the access of people residing in rural areas to educational, learning, training, and health care services.

(b) In providing financial assistance, RUS will give priority to rural areas that it believes have the greatest need for distance learning and telemedicine

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services. RUS believes that generally the need is greatest in areas that are economically challenged, costly to serve, and experiencing outward migration. This program is consistent with the provisions of the Telecommunications Act of 1996 that designate telecommunications service discounts for schools, libraries, and rural health care centers. RUS will take into consideration the community's involvement in the proposed project and the applicant's ability to leverage grant funds.

(c) In administering this subpart, RUS will not favor or mandate the use of one particular technology over another.

(d) Rural institutions are encouraged to cooperate with each other, with applicants, and with end-users to promote the program being implemented under this subpart.

(e) RUS staff will make diligent efforts to inform potential applicants in rural areas of the programs being implemented under this subpart.

(f) The Administrator will provide only loans under this subpart to any entity that has received a telecommunications or electric loan under the Rural Electrification Act of 1936. Telecommunications and Electric borrowers are encouraged to seek a loan under this subpart to bolster educational and health care opportunities in the rural communities they serve. A borrower receiving a loan shall:

(1) Make the loan available to entities that qualify as distance learning or telemedicine projects satisfying the requirements of this subpart, under any terms it so chooses as long as the terms are no more stringent than the terms under which it received the financial assistance.

(2) Use the loan to acquire, install, improve, or extend a distance learning or telemedicine system referred to in this subpart.

(g) The Administrator will allocate funds that are appropriated each fiscal year for the subparts E, F, and G, of this part respectively. Not more than 30 days before the end of the fiscal year, the Administrator may transfer any funds not committed to grants in the combination loan and grant program to the grant program.

(h) Financial assistance may be provided for end user sites. Financial assistance may also be provided for hubs located in rural or non-rural areas if they are necessary to provide distance learning or telemedicine services to rural residents at end user sites.

(i) The Administrator will publish, at the end of each fiscal year, a notice in the FEDERAL REGISTER of all applications receiving financial assistance under this subpart. Subject to the provisions of the Freedom of Information Act, (5 U.S.C. 552), applications will be available for public inspection at the U.S. Department of Agriculture, 1400 Independence Avenue, SW., Washington, DC, 20250.

§ 1703.102 Definitions.

1996 Act means the Federal Agriculture Improvement Act of 1996.

Act means the Rural Electrification Act of 1936 (7 U.S.C. 901 *et seq.*).

Administrator means the Administrator of the Rural Utilities Service, or designee or successor.

Applicant means an eligible organization that applies for financial assistance under this subpart.

Approved purposes means project purposes for which grant, loan, or combination loan and grant financial assistance may be expended.

Champion community means any community that submitted a valid application to become a USDA Empowerment Zone/Enterprise Community (EZ/EC) area, that met the requirements to be designated an EZ/EC area, but not chosen because their score was not high enough to be selected.

Combination loan and grant means a grant in combination with a loan made under the DLT program.

Completed application means an application that includes all those items specified in §§ 1703.125, 1703.134, and 1703.144 in form and substance satisfactory to the Administrator.

Computer networks mean computer hardware and software, terminals, signal conversion equipment including both modulators and demodulators, or related devices, used to communicate with other computers to process and exchange data through a telecommunication network in which signals are generated, modified, or prepared for

transmission, or received, via telecommunications terminal equipment and telecommunications transmission facilities.

Consortium means a combination or group of eligible entities formed to undertake the purposes for which the distance learning and telemedicine financial assistance is provided. Each consortium shall be composed of a minimum of one eligible organization that meets the requirements of § 1703.103.

Construct means to acquire, construct, extend, improve, or install a facility or system.

Data terminal equipment means equipment that converts user information into data signals for transmission, or reconverts the received data signals into user information, and is normally found on the terminal of a circuit and on the premises of the end user.

Distance learning means a telecommunications link to an end user through the use of eligible equipment to:

(1) Provide educational programs, instruction, or information originating in one area, whether rural or not, to students and teachers who are located in rural areas; or

(2) Connect teachers and students, located in one rural area with teachers and students that are located in a different rural area.

DLT borrower means an entity that has an outstanding loan under the provisions of the DLT program.

DLT program means the Distance Learning and Telemedicine Loan and Grant Program administered by RUS.

Economic useful life as applied to equipment and facilities financed under the DLT program means the number of years resulting from dividing 100 percent by the depreciation rate (expressed as a percent) based on Internal Revenue Service depreciation rules or recognized telecommunications industry guidelines.

Eligible equipment means computer hardware and software, audio or video equipment, computer network components, telecommunications terminal equipment, data terminal equipment, inside wiring, interactive video equipment, or other facilities that would further telemedicine services or distance learning services.