

Rural Utilities Service, USDA

§ 1739.12

Telecommunications Terminal Equipment means the assembly of telecommunications equipment at the end of a circuit or path of a signal, including but not limited to facilities that receive or transmit over-the-air broadcast, satellite, and microwave, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode, or otherwise prepare signals to be transmitted via such telecommunications facilities, or that is used to modify, reconvert, or carry signals received from such facilities, the purpose of which is to accomplish the goal for which the circuit or signal was established.

§§ 1739.4–1739.9 [Reserved]

§ 1739.10 Eligible applicant.

To be eligible for a grant, the applicant must:

(a) Be legally organized as an incorporated organization, an Indian tribe or tribal organization, as defined in *25 U.S.C. 450b(b) and (c)*, a state or local unit of government, or other legal entity, including cooperatives or private corporations or limited liability companies organized on a for-profit or not-for-profit basis.

(b) Have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations.

§ 1739.11 Eligible project.

To be eligible for a grant, the Project must:

(a) Serve a Rural Area where Broadband Transmission Service does not currently exist, to be verified by the Agency prior to the award of the grant;

(b) Serve one Community recognized in the latest U.S. Census or the latest edition of the Rand McNally Atlas;

(c) Deploy Basic Broadband Transmission Service, free of all charges for at least 2 years, to all Critical Community Facilities located within the proposed Service Area;

(d) Offer Basic Broadband Transmission Service to residential and busi-

ness customers within the proposed Service Area; and

(e) Provide a Community Center with at least ten (10) Computer Access Points within the proposed Service Area, and make Broadband Transmission Service available therein, free of all charges to users for at least 2 years.

§ 1739.12 Eligible grant purposes.

Grant funds may be used to finance:

(a) The construction, acquisition, or leasing of facilities, including spectrum, to deploy Broadband Transmission Service to all participating Critical Community Facilities and all required facilities needed to offer such service to residential and business customers located within the proposed Service Area;

(b) The improvement, expansion, construction, or acquisition of a Community Center that furnishes free access to broadband Internet service, provided that the Community Center is open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for such costs shall not exceed the greater of five percent (5%) of the grant amount requested or \$100,000;

(c) End-User Equipment needed to carry out the Project;

(d) (1) Operating expenses incurred in providing Broadband Transmission Service to Critical Community Facilities for the first 2 years of operation and in providing training and instruction. In order to qualify as eligible costs for grant coverage or as matching fund contributions, operating expenses for providing broadband transmission service to Critical Community Facilities must:

(i) Be incurred for the purpose of providing broadband service to the Critical Community Facilities and be for costs incurred during the first two years of operation; and

(ii) Be for the following purposes subject to the specified maximum amounts:

(A) Salary for operations manager, not to exceed \$30,000 per year.

(B) Salary for technical support staff, not to exceed \$30,000 per year.

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(C) Salary for community center staff, not to exceed \$25,000 per year.

(D) Bandwidth expenses, not to exceed \$25,000 per year.

(E) Training courses on the use of the Internet, not to exceed \$15,000 per year.

(2) The operating costs to be funded by the grant or used as matching contributions cannot exceed in the aggregate \$250,000. No other operating expenses are eligible for grant funding or to be considered as matching funds; and

(e) The purchase of land, buildings, or building construction needed to carry out the Project.

§ 1739.13 Ineligible grant purposes.

(a) Grant funds may not be used to finance the duplication of any existing Broadband Transmission Service provided by another entity.

(b) Facilities financed with grant funds cannot be utilized, in any way, to provide local exchange telecommunications service to any person or entity already receiving such service.

§ 1739.14 Matching contributions.

(a) The grant applicant must contribute a Matching Contribution which is at least fifteen percent (15%) of the grant amount requested and shall be in the form of:

(1) Cash for eligible grant purposes.

(2) In-kind contributions for purposes that could have been financed with grant funds under this part. In-kind contributions must be new or non-depreciated assets with established monetary values. Manufacturers' or service providers' discounts shall not be considered as a Matching Contribution.

(3) The rental value of space provided within an existing building to be used as the Community Center, provided that the space is free of charge to the applicant, for the first 2 years of operation.

(b) Costs incurred by the applicant, or by others on behalf of the applicant, for facilities, installed equipment, or other services rendered prior to submission of a completed application shall not be considered as an Eligible Grant Purpose or Matching Contribution.

(c) Rental values of space provided must be substantiated by rental agree-

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ments documenting the cost of space of a similar size in a similar location.

(d) Any financial assistance from federal sources shall not be considered as a Matching Contribution unless there is a federal statutory exception specifically authorizing the federal financial assistance to be considered as such.

§ 1739.15 Completed application.

A completed application must include the following documentation, studies, reports and information in form satisfactory to the Agency. Applications should be prepared in conformance with the provisions of this part and applicable USDA regulations including 7 CFR parts 3015, 3016, and 3019. Applicants must use the Agency's Application Guide for this program, found at <http://www.usda.gov/rus/telecom/> containing instructions and all necessary forms, as well as other important information, in preparing their application. Paper copies of the application guide can be requested by contacting the Director, Broadband Division at the following address: Stop 1599, South Agriculture Building, Room 2868, Washington, DC 20250. Completed applications must include the following:

(a) *An Application for Federal Assistance.* A completed Standard Form 424.

(b) *An executive summary of the Project.* The applicant must provide the Agency with a general project overview that addresses the following categories:

(1) A description of why the Project is needed;

(2) A description of the applicant;

(3) An explanation of the total Project cost;

(4) A general overview of the broadband telecommunications system to be developed, including the types of equipment, technologies, and facilities to be used;

(5) Documentation describing the procedures used to determine the unavailability of existing Broadband Transmission Service; and

(6) A description of the participating Critical Community Facilities.

(c) *Scoring criteria documentation.* Each grant applicant must address and provide documentation on how it meets each of the scoring criteria detailed in § 1739.17.