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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

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October 26, 2017

The Honorable Sonny Perdue  
Secretary  
U.S. Department of Agriculture  
1400 Independence Ave SW  
Washington, DC 20250

Dear Mr. Secretary:

I write to request information from the U.S. Department of Agriculture (USDA) related to its grant, loan, and loan guarantee programs that promote rural broadband deployment. In the U.S. today, too many people lack crucial access to broadband services. Internet access has become as vital as electricity in this increasingly global and interconnected world. Access to broadband in rural communities is critical to helping our small towns thrive—growing jobs and businesses, educating our children, and delivering essential health services. As a federal court recently ruled, broadband is an essential utility, and no longer a luxury.<sup>1</sup>

In rural areas, broadband internet is often inaccessible, slow, and prohibitively expensive. The 2016 Annual Broadband Progress Report by the Federal Communications Commission (FCC) concludes that “advanced telecommunications capability is not being deployed in a reasonable and timely fashion to all Americans.” The “persistent rural-urban divide” leaves 39% of rural Americans without access to fixed broadband. In Missouri, 20% of the state’s population – nearly 1.3 million people – do not have access to broadband. Rural Missourians are disproportionately disadvantaged, as 61% of the rural population is without access.<sup>2</sup>

Broadband internet and digital literacy play critical roles in U.S. businesses and the readiness of their workforce. U.S. businesses, large and small, depend on broadband services to run various facets of their businesses, including tracking inventory, monitoring consumer relations, and forecasting product sales. A recent study found that in 2015, the rural broadband industry supported almost 70,000 jobs, both through its own employment and the employment that its purchases of goods and services generated. The study also found that rural broadband companies contributed \$24.1 billion to the economies of the states in which they operated in

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<sup>1</sup> *United States Telecom Association v. Federal Communications Commission*, No. 15-1063 (DC Ct. App. 2016); *See also Court Backs Rules Treating Internet as Utility, Not Luxury*, The New York Times (June 14, 2016) ([www.nytimes.com/2016/06/15/technology/net-neutrality-fcc-appeals-court-ruling.html?mcubz=1](http://www.nytimes.com/2016/06/15/technology/net-neutrality-fcc-appeals-court-ruling.html?mcubz=1)).

<sup>2</sup> Federal Communications Commission, *Fact Sheet: 2016 Broadband Progress Report Chairman’s Draft* (Jan. 7, 2016) ([apps.fcc.gov/edocs\\_public/attachmatch/DOC-337173A1.pdf](http://apps.fcc.gov/edocs_public/attachmatch/DOC-337173A1.pdf)).

2015, and supported over \$100 billion in e-commerce. It estimated that “if broadband had the same reach in rural areas as it does in urban areas, sales would have been at least \$1 billion higher” than 2015 levels.<sup>3</sup>

*Forbes* recently named computer literacy as one of the seven most vital job skills.<sup>4</sup> It is troubling that rural schools often lack access to high-speed fiber and pay more than twice as much as urban schools for internet bandwidth.<sup>5</sup> Approximately 47% of America’s students attend schools where they do not have access to the FCC’s goal of 100Mbps internet per 1,000 students.<sup>6</sup>

In 2017, USDA Rural Development’s Telecommunications Program planned to make at least \$60 million in loans and loan guarantees for rural broadband available.<sup>7</sup> The Agricultural Act of 2014 made significant changes to the Rural Broadband Access Loan and Loan Guarantee program. The law directs the Rural Utilities Service to maintain a fully searchable database on the internet that contains a list of each entity that has applied for assistance, the status of each application, and a detailed description of each application. It also requires semiannual reports from loan recipients for three years after completion of the project describing in detail the use of the assistance, and the progress toward fulfilling project objectives.<sup>8</sup>

USDA programs provide an important source of funding for rural broadband. In order to ensure that the resources are used efficiently, it is vital that Congress and the American public have the information necessary to conduct oversight on this program. It is imperative that the information required in the Agricultural Act of 2014 continues to be publically available in order to ensure that essential rural broadband projects are funded, and that they use taxpayer money effectively and efficiently.

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<sup>3</sup> Hudson Institute, *The Economic Impact of Rural Broadband* (Apr. 2016) ([s3.amazonaws.com/media.hudson.org/files/publications/20160419KuttnerTheEconomicImpactofRuralBroadband.pdf](https://s3.amazonaws.com/media.hudson.org/files/publications/20160419KuttnerTheEconomicImpactofRuralBroadband.pdf)).

<sup>4</sup> *The Seven Most Universal Job Skills*, *Forbes* (Feb. 18, 2010) ([www.forbes.com/2010/02/18/most-important-job-skills-personal-finance-universal.html](http://www.forbes.com/2010/02/18/most-important-job-skills-personal-finance-universal.html)).

<sup>5</sup> Brookings Institute, *Rural and urban America divided by broadband access* (July 18, 2016) ([www.brookings.edu/blog/techtank/2016/07/18/rural-and-urban-america-divided-by-broadband-access/](http://www.brookings.edu/blog/techtank/2016/07/18/rural-and-urban-america-divided-by-broadband-access/)).

<sup>6</sup> Federal Communications Commission, *Fact Sheet: 2016 Broadband Progress Report Chairman’s Draft* (Jan. 7, 2016) ([apps.fcc.gov/edocs\\_public/attachmatch/DOC-337173A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-337173A1.pdf)).

<sup>7</sup> United States Department of Agriculture Rural Development, *Applications Sought for Loans to Provide Broadband in Rural Areas* (Aug. 2, 2017).

<sup>8</sup> Congressional Research Service, *Broadband Loan and Grant Programs in the USDA’s Rural Utilities Service* (RL33816) (Aug. 1, 2017).

To aid the Committee in understanding the challenges to rural broadband deployment and USDA grant, loan, and loan guarantee programs, please provide the following information and documents:

1. All annual reports required to be submitted to Congress pursuant to Section 6104 of the Agricultural Act of 2014;
2. Any survey data provided in compliance with Section 6104 of the Agricultural Act of 2014 and information about whether the required certifications were made;
3. A list of every entity that has applied for assistance, the status of each application, and a detailed description of each application, as well as any other information required to be in the searchable Internet database established by the Agricultural Act of 2014;
4. A list of applicants and projects for all loan and loan guarantees accepted and funded in the application cycle that ended September 30, 2017, when it becomes available. Include census area(s) covered, amount of loan or grant, the name of the awardee, and narrative information regarding services promised and any plans for implementation;
5. Any studies done or data collected in the last five years regarding the impact of USDA rural broadband programs on the surrounding areas; and,
6. Information regarding the status of public transparency in USDA reporting and any information about USDA's plans to make publically available the fully searchable database, on the Internet, that contains a list of each entity that has applied for assistance, the status of each application, and a detailed description of each application, as well as any other information required by Section 6104 of the Agricultural Act of 2014.

Please provide your responses as soon as possible, but in no event later than November 16, 2017. If you have any questions related to this request, please contact Charles Shaw or Lucy Balcezak of the Committee staff at (202) 224-2627. Please send any official correspondence relating to this request to [Lucy\\_Balcezak@hsgac.senate.gov](mailto:Lucy_Balcezak@hsgac.senate.gov).

Sincerely,



Claire McCaskill  
Ranking Member

The Honorable Sonny Perdue  
October 26, 2017  
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cc: Ron Johnson  
Chairman