

**Coburn Amendment 1123 – To require the Rural Utilities Service of the Department of Agriculture to ensure that grants and loans to provide access to broadband telecommunications services in rural areas are made to rural areas that do not already have access to broadband.**

Over the years the Rural Broadband program has seen a large amount of federal funding. In 2009, the Department of Agriculture's broadband program received nearly \$2.5 billion from the American Recovery and Reinvestment Act, better known as the "stimulus."

In 2009, The Department of Agriculture Inspector General examined the Rural Utilities Service Broadband Loan and Loan Guarantee Program. The Inspector General found that a large majority of Rural Utilities Service program funds went to areas that *already* had broadband service.

The Agriculture Inspector General found that more than 90 percent of the loan applications the Department of Agriculture has approved since 2005 went to areas that *already* had broadband service.<sup>1</sup>

Specifically, the Inspector General found that 148 communities that received broadband service funded by Department of Agriculture loans were within 30 miles of cities with more than 200,000 people, including communities outside Chicago and Las Vegas.<sup>2</sup> Now to be clear, some of the federal funds going to broadband programs originate from the Department of Commerce; duplication is alive and well.

This issue is highlighted by the problems with the broadband program that occurred in West Virginia. Specifically, the state could not handle, nor had the use for the routers that were delivered.<sup>3</sup> Put simply, the libraries and schools did not have the need for such powerful systems. This cost the taxpayers approximately \$24 million.

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<sup>1</sup> Michael Grabell. "Rural Broadband Stimulus Program Slammed in Gov't Report." April 14, 2009. *ProPublica*. Accessed at: <http://www.propublica.org/article/rural-broadband-stimulus-program-slammed-in-govt-report-414>

<sup>2</sup> *Id.*

<sup>3</sup> Eric Eyre. "State paid \$22K each for Internet routers." May 5, 2012. *The Charleston Gazette*. Accessed at: <http://www.wvgazette.com/News/201205050057>

Taxpayer dollars must be spent in an efficient and effective manner. This amendment will ensure that tax dollars go to rural communities that do not have access to broadband instead of duplicating efforts in areas that already have access to broadband.