

ANALYST UPDATE

FROM THE OFFICE OF Ms. TERESA MASTERANGELO, PRINCIPAL ANALYST AT BROADBAND TRENDS

Broadbandtrends.com is a service of The Windsor Oaks Group LLC. Broadbandtrends.com is an independent market research and consulting firm specializing in the coverage of fixed and mobile broadband infrastructure, services and Smart Grid.

JUNE 10, 2010 - RUS Highlights Impact of Round 1 Broadband Loans and Grants

Agriculture Secretary Tom Vilsack highlighted the release of a report that details how broadband deployment funded through the American Recovery and Reinvestment Act (Recovery Act) will improve the quality of life of over half a million rural American households. The report also states that broadband awards announced to date will create about 5,000 immediate and direct jobs.

In the first of two scheduled funding rounds, RUS awarded \$1.068 billion for 68 broadband projects in 31 states and one territory. Three types of projects received awards:

- Last-mile remote projects, which will provide broadband service to households and other users in rural areas located at least 50 miles from the nearest non-rural area.
- Last-mile non-remote projects, which will provide broadband service to households and other users located less than 50 miles from the nearest non-rural area.
- Middle-mile projects, which will provide necessary "backbone" services such as interoffice transport, backhaul, Internet connectivity, or special access to rural areas.

The projects will bring broadband service to an estimated 529,249 households, 92,754 businesses and 3,332 anchor institutions across more than 172,000 square miles – a geographic area approximately the size of the state of California. Community anchors, such as schools, libraries, health care providers, colleges, and critical community facilities, provide essential services for safety, health, education and well-being for area residents. These projects will also provide services to 19 Tribal lands. A second round of successful applicants will be announced later in the 2010 fiscal year.