

2014 Explanatory Notes
Rural Utilities Service

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RURAL UTILITIES SERVICE

Purpose Statement

Rural Utilities Service (RUS) programs enhance the quality of life and improve economic opportunity in rural communities by providing financing for the basic infrastructure of modern life. Electricity and telecommunications are essential services for individuals and businesses alike. Adequate water and wastewater treatment capacity are significant quality of life, environmental and economic development issues. Tighter environmental standards and the importance of accommodating business growth in a rapidly diversifying rural economy add significantly to program demand.

Authorization and Program Descriptions

RUS delivers electric and telecommunications programs authorized by the Rural Electrification Act of 1936, as amended, 7 U.S.C. 901 et seq., (RE Act). RUS also delivers water and wastewater programs authorized by Section 306 of the Consolidated Farm and Rural Development Act (CONACT), 7 U.S.C. 1926 et seq.

Electric Programs

The electric programs offer direct loans, guaranteed loans, and bond and note guarantees. The primary differences among the various electric loan programs are the statutory authority, qualifying criteria and the interest rate. The High Energy Cost Grant Program, which is appropriated under the water and waste program account, is also administered through the electric programs.

Direct loans under section 4 of the RE Act (7 U.S.C. 904) may be used to finance electric distribution, transmission, and generation systems, and for demand side management, energy efficiency and conservation programs, and renewable energy systems to serve rural areas.

Hardship rate direct loans are available to finance electric system improvements for qualified borrowers that meet thresholds for retail rate disparity and for customer per capita and household incomes, or that have suffered a severe, unavoidable hardship, such as a natural disaster. No private financing is required. Hardship rates loans at a fixed rate of 5 percent are offered under section 305 of the RE Act (7U.S.C. 935).

Municipal rate direct loans are authorized by section 305 of the RE Act (7 U.S.C. 935) to eligible distribution borrowers for electric system improvements. Interest rates are set quarterly based on municipal bond market rates for similar maturities and determined at time of each loan advance. Private financing of 30 percent is required for most loans.

Guaranteed loans are provided under section 306 of the RE Act (7 U.S.C. 936) for financing of electric distribution, transmission and generation systems (including renewable energy), headquarters facilities, and for energy efficiency, conservation and demand side management programs. No private financing is required. The Federal Financing Bank (FFB) is the primary source of guaranteed loans. FFB interest rates are fixed to the prevailing cost of money to the Treasury, plus an administrative fee of one-eighth of 1 percent. USDA-guaranteed private loans issued through National Rural Utilities Cooperative Financing Corporation, Co Bank or other lenders carry an interest rate negotiated between the lender and the borrower.

Bond and Note Guarantees for cooperative lenders under section 313A of the RE Act (7 U.S.C. 940c-1) USDA may guarantee payments on certain bonds or notes issued by qualified cooperative or other non-profit lenders. The note proceeds must be used for financing of eligible rural electrification or telephone purposes (excluding electric generation), and must be of investment grade. Notes have been obtained through the FFB. The interest rate is equal to the Treasury rate for notes of similar maturities plus an annual fee of 30 basis points on any unpaid principal balance.

Loans for electric generation from renewable energy resources are authorized by section 317 of the RE Act (7 U.S.C. 940g), as amended by the 2008 Farm Bill. Loans are available for facilities that generate electricity from solar, wind, hydropower, biomass, or geothermal source for resale to rural and nonrural residents. The interest rate

is set to be equal to the average tax-exempt municipal bond rate of similar maturities. Loans for electric generation from renewable energy resources are authorized by section 317 of the RE Act (7 U.S.C. 940g), as amended by the 2008 Farm Bill. Loans are available for facilities that generate electricity from solar, wind, hydropower, biomass, or geothermal source for resale to rural and nonrural residents. The interest rate is set to be equal to the average tax-exempt municipal bond rate of similar maturities. Loans for renewable generation projects serving eligible rural areas are also available under section 306 FFB loan guarantees.

High Energy Cost Grants under section 19 of the RE Act (7 U.S.C. 918a) are available for energy generation, transmission, and distribution facilities, including energy efficiency and conservation programs and renewable energy systems serving rural communities with average home energy costs exceeding 275 percent of the national average. Program funds may also be used for RUS grants to the Denali Commission to carry out eligible projects in small remote villages in Alaska and to eligible State entities to establish revolving funds for bulk fuel purchases for certain communities where fuel deliveries by surface transportation is not available year round.

Telecommunications Program

Infrastructure loans are made to furnish and improve telecommunications services, including a wide array of telecommunication related services, in rural areas.

Hardship (direct loans) loans bear interest at a fixed rate of 5 percent per year. These loans are intended only for borrowers with extremely high investment costs in terms of per subscriber service. These borrowers also have a very low number of subscribers for each mile of telecommunications line constructed. This low subscriber “density” inherently increases the cost to serve the most sparsely populated rural areas. Because of the high cost of the investment needed, these borrowers cannot typically afford higher interest rate loans.

Direct loans (or Treasury rate loans) bear interest at the government’s cost of money (or the current Treasury rate). Thus, the interest charged varies with the Treasury rate. As Treasury rates increase, so does the cost to the borrower for these loans.

Guaranteed loans are provided to borrowers of a non-government lender or from the FFB. The interest rate charged on FFB loans is the Treasury rate plus an administrative fee of one-eighth of 1 percent. The terms of these loans may vary significantly and allow borrowers more flexibility in meeting their financing needs.

All loans are based on extensive feasibility studies that determine a borrower’s ability to repay the loan. RD staffs monitor loan repayments that are secured through covenants in loan contracts, and mortgage documents with RD. The government holds a first lien position on all of the assets of the borrower.

Broadband loans were first authorized in the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) which established a new loan and loan guarantee program, “Access to Broadband Telecommunications Services in Rural Areas”, which was reauthorized and modified in the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). This program provides funding for the cost of constructing, improving, and acquiring facilities and equipment for broadband service in rural communities of 20,000 inhabitants or less. Direct loans are made at the cost of money to the Treasury for the life of the facilities financed. Loans may be made at 4 percent to rural communities where broadband service does not currently exist. Loan guarantees bear an interest rate set by the private lender consistent with the current applicable market rate for a loan of comparable maturity and are guaranteed for no more than 80 percent of the principal amount. The 2008 Farm Bill required changes to the loan program; an Interim Rule proposing changes to the program regulations was published in the Federal Register on March 14, 2011, and the final rule was published on February 6, 2013.

Distance learning and telemedicine (DLT) loans and grants are authorized by 7 U.S.C. 950aaa. This program assists rural schools and learning centers gain access to improved educational resources, and assists rural hospitals and health care centers gain access to improved medical resources. Building on advanced telecommunications infrastructure, telemedicine projects are providing new and improved health care services and benefits to rural residents, many in medically underserved areas, by linking to urban medical centers for clinical interactive video consultation, distance training of rural health care providers, and access to medical expertise and library resources.

Distance learning projects provide funding for Internet-based educational services in schools and libraries and promote confidence in, and understanding of, the world-wide-web and its benefits to students and young entrepreneurs. Loans, made at the Treasury rate of interest, and grants will encourage, improve, and make affordable the use of advanced telecommunications.

Water and Waste Disposal Loans and Grants

Direct Water and Waste Disposal Loans - Section 306 CONACT and 7 U.S.C. 1926. Direct loans may be made to develop water and wastewater systems, including solid waste disposal and storm drainage, in rural areas and in cities and towns with a population of 10,000 or less.

Guaranteed Water and Waste Disposal Loans - Section 306 CONACT and 7 U.S.C. 1926. Guaranteed loans may be made for the same purpose as direct loans. They are made and serviced by private lenders such as banks and savings and loan associations. The guarantee is 90 percent of the eligible loss incurred by the lender.

Water and Waste Disposal Grants - Section 306 CONACT and 7 U.S.C. 1926. Grants are available to reduce water and waste disposal costs to a reasonable level for users of the system. Grants may be made, in some instances, up to 75 percent of eligible project costs.

Water and Waste Facility Loans and Grants to alleviate health risks - Section 306C CONACT and 7 U.S.C. 1926. Section 306C loans and grants are available to low-income rural communities whose residents face significant health risks because they do not have access to water supply systems or waste disposal facilities. The grants are available to provide water or waste services to designated colonias in Arizona, California, New Mexico, and Texas. They are also available to Native American tribes with the funds specifically intended to be used for eligible projects benefiting members of federally recognized Native American tribes. Grants may be made in conjunction with loans and up to 100 percent of the eligible project cost.

Water and Waste System Grants for Alaskan Villages, incl. Technical Assistance Program. Section 306D CONACT and 7 U.S.C. 1926. Section 306D grants fund water and waste disposal systems in rural Alaskan Villages. Funds must be used for development and construction of water and wastewater systems to correct dire health and sanitation conditions in those villages.

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants - Section 306 CONACT and 7 U.S.C. 1926. Predevelopment planning grants are available for feasibility studies, design assistance, and technical assistance to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects.

Grants for the Construction, Refurbishment and Servicing of Low or Moderate Income Individual Household Water Well Systems (HWWS). Section 306E CONACT and 7 U.S.C. 1926. The HWWS Program provides funds to non-profit organizations to assist them in establishing loan programs from which homeowners may borrow money to construct or repair household water well systems.

Solid Waste Management Grants - Section 310B CONACT and 7 U.S.C. 1932. Grants are made available to eligible organizations to address solid waste management issues and threats to water resources from solid waste in rural communities. Assistance may be provided to enhance operator skills in operations and maintenance, identify threats to water resources, reduce or eliminate pollution of water resources, improve planning and management of solid waste disposal facilities in rural areas, and reduce the solid waste stream.

Technical Assistance and Training (TAT) Grants - Section 306 CONACT and 7 U.S.C. 1926. Grants are available to private non-profit organizations to provide technical assistance and training to communities and utility systems on issues relating to delivery of water and waste disposal service. For water and waste disposal facilities, eligible non-profit organizations help identify and evaluate solutions, improve the operation and maintenance of existing facilities, prepare loan and grant applications.

Geographic dispersion of offices and employees

Rural Development programs are administered by the three programs representing Rural Development: Housing and Community Facilities, Utilities, Business and Cooperative Development. Rural Development headquarters is located in Washington, D.C. As of September 30, 2012, there were 4,863 permanent full-time employees, including 1,439 in the headquarters and 3,424 in the field offices.

OIG Reports - Completed

#09703-0001-AT 07/24/12 Rural Utilities Service's Controls Over Water and Waste Disposal (WWD) Loan and Grant Program for the Recovery Act. The report found that RUS had effective controls in place to ensure that WWD loans and grants were provided to eligible program participants and that the participants complied with program requirements. In addition, the report concluded the WWD infrastructure improvements that were funded will most likely contribute to economic growth in the future, as emphasized under ARRA. RUS had addressed the two primary concerns raised through the audit and reached management decision on all accounts.

OIG Reports – In Progress

#09703-0001-22 Rural Utilities Service's Controls Over ARRA Water and Waste Disposal Loan and Grant Expenditures and Program Measures. OIG is beginning the next phase of the audit to review bidding, construction, and/or disbursement of funds for projects that have progressed to the construction and completion phases.

#09703-002-32-TE Broadband Initiatives Program (American Recovery and Reinvestment Act of 2009) pre and post-award controls. OIG has not yet submitted a formal draft to RUS.

GAO Reports - Completed

#GAO-12-338SP 04/24/12 Farm Bill Issues to Consider for Reauthorization and a Report to Congress. The report identified principles found to be significant to the integrity, efficiency, and effectiveness of programs to be considered in the Farm Bill. The principles used to evaluate programs were relevance, distinctiveness, targeting, affordability, effectiveness, and oversight. The report was addressed to Senator Debbie Stabenow, Congressman Frank Lucas, and Congressman Collin Peterson.

#GAO-12-79 11/02/11 Federal Initiatives for the Nonfederal Sector Could Benefit from More Interagency Collaboration. Report surveyed availability of Federal programs that can support various “green building” efforts, including Rural Utilities Service electric loans and high energy cost grants. Rural Development concurs with report recommendations.

#GAO-12-937 12/14/12 Broadband Programs are Ongoing, and Agencies’ Efforts Would Benefit from Improved Data Quality. GAO reviewed the Broadband Initiatives Program (BIP) under ARRA, focusing on the progress of 10 broadband projects and their effect on expanding access to and adoption of broadband. GAO found that data limitations make it difficult to fully measure the effect of BIP on expanding access to broadband and made recommendations to improve the data, which RUS was already in the process of implementing. GAO also noted some of the challenges facing awardees in completing projects.

#GAO-13-111 10/16/12 Rural Water Infrastructure Additional Coordination Can Help Avoid Potentially Duplicative Application. The report examined program overlap and possible duplication of effort when communities apply for funding from the Environmental Protection Agency's (EPA) Drinking Water and Clean Water State Revolving Fund (SRF) and the USDA's Rural Utilities Service (RUS) Water and Waste Disposal program. Rural Development neither agreed nor disagreed with the recommendations. However, RUS has been in a collaborative partnership with EPA and other agencies to develop guidelines to help States produce uniform preliminary engineering reports. RUS also has been collaborating with EPA and other agencies on environmental and sustainability issues for water and wastewater systems. The report was directed to Congressional Addressees.

GAO Reports – In Progress

#Unnumbered GAO Annual Report on Duplication in Federal Programs. This is a follow-up to GAO Report No. GAO-13-111. In January 2013, RUS responded to a GAO regarding GAO's 2013 Annual Report on Rural Water Infrastructure.

#GAO-12-938R The Distribution of Federal Economic Development Grants to Communities with High Rates of Poverty and Unemployment. GAO's objectives are to determine the amount of funding provided by Federal programs for economic development and describe the mechanisms for targeting these funds to communities. WEP responded to opening questions regarding Federal Economic Development Grants to Poverty Communities on March 29, 2012.

#GAO-13-136 Wind Energy: Additional actions could help insure effective use of Federal financial support.

RURAL UTILITIES SERVICE

The estimates include appropriation language for this item as follows:

Rural Water and Waste Disposal Program Account (including transfer of balances)

For the cost of direct loans and grants for the rural water, waste water, waste disposal, and solid waste management programs authorized by sections 306, 306A, 306C, 306D, 306E, and 310B and described in sections 306C(a)(2), 306D, 306E, and 381E(d)(2) of the Consolidated Farm and Rural Development Act, \$304,000,000, to remain available until expended: Provided, That not to exceed 12 percent of the amount appropriated under this heading shall be for loans and grants including water and waste disposal systems grants authorized by 306C(a)(2)(B) and 306D of the Consolidated Farm and Rural Development Act, Federally recognized Native American Tribes authorized by 306C(a)(1), and the Department of Hawaiian Home Lands (of the State of Hawaii): Provided further, That funding provided for section 306D of the Consolidated Farm and Rural Development Act may be provided to a consortium formed pursuant to section 325 of Public Law 105-83: Provided further, That not more than 2 percent of the funding provided for section 306D of the Consolidated Farm and Rural Development Act may be used by the State of Alaska for training and technical assistance programs and not more than 2 percent of the funding provided for the section 306D of the Consolidated Farm and Rural Development Act may be used by a consortium formed pursuant to section 325 of Public Law 105-83 for training and technical assistance programs: Provided further, That not to exceed 3 percent of the amount appropriated under this heading shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, unless the Secretary makes a determination of extreme need, of which not more than 30 percent shall be made available for a grant to a qualified non-profit multi-state regional technical assistance organization, with experience in working with small communities on water and waste water problems, the principal purpose of such grant shall be to assist rural communities with populations of 3,300 or less, in improving the planning, financing, development, operation, and management of water and waste water systems, and of which not more than 4 percent shall be for a qualified national Native American organization to provide technical assistance for rural water systems for tribal communities: Provided further, That not to exceed 2.5 percent of the amount appropriated under this heading shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: Provided further, That not to exceed \$4,000,000 shall be for solid waste management grants: Provided further, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a) shall be transferred to and merged with Rural Utilities Service, High Energy Costs Grants Account: Provided further, That Sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading.

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Lead-Off Tabular Statement

	Loan Level	Subsidy	Grants
2013 Estimate.....	\$967,636,000	\$71,435,000	\$435,147,000
Budget Estimate, 2014.....	<u>1,200,000,000</u>	<u>0</u>	<u>304,000,000</u>
Change in Appropriation.....	<u>+ 232,364,000</u>	<u>-71,435,000</u>	<u>-131,147,000</u>

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Summary of Increases and Decreases

(Dollars in thousands)

	2011	2012	2013	2014	2014
	Actual	Change	Change	Change	Estimate
Discretionary Appropriations:					
Direct rural water and waste disposal loans.....	\$76,917	-\$6,917	+\$428	-\$70,428	-
Guaranteed rural water and waste disposal loans.....	-	+1,000	+6	-1,006	-
Rural water and waste disposal grants.....	318,362	-3,195	+1,929	-70,297	\$246,799
Technical assistance grants for rural waste systems.....	19,461	-461	+116	-9,996	9,120
Circuit rider - technical assistance grants for rural water systems.....	14,970	+30	+92	-7,492	7,600
WWD grants, Alaskan villages.....	24,451	-1,176	+142	-10,649	12,768
WWD grants, native American tribes.....	15,968	-768	+93	-6,173	9,120
Water and waste disposal grants, colonias.....	24,451	-1,176	+142	-10,649	12,768
WWD grants, Hawaiian homelands.....	4,990	-240	+29	-2,954	1,825
Water well system grants.....	991	+2	+6	-999	-
Water and wastewater revolving funds.....	496	+1	+3	-500	-
Solid waste management grants.....	3,434	-34	+21	+579	4,000
Emergency and imminent community water assistance grants.....	11,477	+466	+73	-12,016	-
Subtotal.....	515,968	-12,468	+3,081	-202,581	304,000
Total, Appropriation or Change.....	515,968	-12,468	+3,081	-202,581	304,000

Note: Numbers may not add down due to rounding.

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Project Statement

(On basis of supportable loan levels and appropriated subsidies and grants)

(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Program Level	Budget Authority	Program Level	Budget Authority	Program Level	Budget Authority	Program Level	Budget Authority	Program Level	Budget Authority
Discretionary Appropriations:										
Direct rural water and waste disposal loans.....	\$896,467	\$76,917	\$730,689	\$70,000	\$872,719	\$70,428	+\$327,281 (1)	-\$70,428 (8)	\$1,200,000	-
Guaranteed rural water and waste disposal loans..... a/	75,000	-	62,893	1,000	94,917	1,006	-94,917 (2)	-1,006 (8)	-	-
Rural water and waste disposal grants.....	318,362	318,362	315,167	315,167	317,096	317,096	-70,297 (3)	-70,297 (3)	246,799	\$246,799
Rural water and waste disposal grants, 2008 disasters.....	-	-	-	-	-	-	-	-	-	-
Rural water and waste disposal grants, 2003/2004 Hurricanes.....	-	-	-	-	-	-	-	-	-	-
Technical assistance grants for rural waste systems.....	19,461	19,461	19,000	19,000	19,116	19,116	-9,996 (3)	-9,996 (3)	9,120	9,120
Circuit rider - technical assistance grants for rural water systems.....	14,970	14,970	15,000	15,000	15,092	15,092	-7,492 (3)	-7,492 (3)	7,600	7,600
WWD grants, Alaskan villages.....	24,451	24,451	23,275	23,275	23,417	23,417	-10,649 (3)	-10,649 (3)	12,768	12,768
WWD grants, native American tribes.....	15,968	15,968	15,200	15,200	15,293	15,293	-6,173 (3)	-6,173 (3)	9,120	9,120
Water and waste disposal grants, colonias.....	24,451	24,451	23,275	23,275	23,417	23,417	-10,649 (3)	-10,649 (3)	12,768	12,768
WWD grants, Hawaiian homelands.....	4,990	4,990	4,750	4,750	4,779	4,779	-2,954 (3)	-2,954 (3)	1,825	1,825
Water well system grants.....	991	991	993	993	999	999	-999 (4)	-999 (4)	-	-
Water and wastewater revolving funds.....	496	496	497	497	500	500	-500 (5)	-500 (5)	-	-
Solid waste management grants.....	3,434	3,434	3,400	3,400	3,421	3,421	+579 (6)	+579 (6)	4,000	4,000
Emergency and imminent community water assistance grants.....	11,477	11,477	11,943	11,943	12,016	12,016	-12,016 (7)	-12,016 (7)	-	-
Subtotal.....	1,410,518	515,968	1,226,082	503,500	1,402,783	506,581	+101,217	-202,581	1,504,000	304,000
Total Adjusted Approp.....	1,410,518	515,968	1,226,082	503,500	1,402,783	506,581	+101,217	-202,581	1,504,000	304,000
Rescissions and										
Transfers (Net).....	14,676	13,034	9,500	9,500	9,558	9,558	-9,558	-9,558	-	-
Total Appropriation.....	1,425,194	529,002	1,235,582	513,000	1,412,341	516,140	+91,659	-212,140	1,504,000	304,000
Transfers Out:										
High energy cost grants..... b/	-11,976	-11,976	-9,500	-9,500	-9,558	-9,558	+9,558	+9,558	-	-
Subtotal.....	-11,976	-11,976	-9,500	-9,500	-9,558	-9,558	+9,558	+9,558	-	-
Rescission..... d/	-2,700	-1,058	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	222,716	127,356	193,172	88,324	240,258	87,271	-84,206	-28,219	156,052	59,052
Recoveries, Other (Net).....	185,026	66,695	211,372	63,567	157,169	54,585	-157,169	-54,585	-	-
Total Available.....	1,818,260	710,019	1,630,626	655,391	1,800,210	648,437	-140,157	-285,385	1,660,052	363,052
Lapsing Balances.....	-43,077	-	-	-	-	-	-	-	-	-
Unobligated balances rescinded..... e/	-20,031	-20,031	-319	-319	-	-	-	-	-	-
Bal. Available, EOY.....	-206,686	-88,324	-200,621	-87,271	-161,637	-59,052	+161,637	+59,052	-	-
Total Obligations.....	1,548,466	601,664	1,429,686	567,801	1,638,573	589,385	+21,479	-226,333	1,660,052	363,052

Note: Numbers may not add down due to rounding.

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Project Statement
(On basis of obligations)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Program Level	Budget Authority								
Discretionary Obligations:										
Direct rural water and waste disposal loans.....	\$1,000,742	\$85,864	\$944,175	\$90,452	\$950,991	\$76,745	+\$249,009	-\$76,745	\$1,200,000	-
Guaranteed rural water and waste disposal loans..... a/	31,923	-	8,294	132	176,816	1,874	-79,122	-1,181	97,694	\$694
Rural water and waste disposal grants.....	378,698	378,698	362,497	362,497	357,002	357,002	-77,740	-77,740	279,262	279,262
Rural water and waste disposal grants, 2008 disasters.....	-	-	-	-	-	-	+931	+931	931	931
Rural water and waste disposal grants, 2003/2004 Hurricanes.....	-	-	-	-	-	-	+3,536	+3,536	3,536	3,536
Technical assistance grants for rural waste systems.....	19,554	19,554	19,074	19,074	19,116	19,116	-9,996	-9,996	9,120	9,120
Circuit rider - technical assistance grants for rural water systems.....	14,714	14,714	17,242	17,242	15,092	15,092	-6,748	-6,748	8,344	8,344
WWD grants, Alaskan villages.....	46,048	46,048	29,391	29,391	41,047	41,047	-16,011	-16,011	25,036	25,036
WWD grants, native American tribes.....	16,882	16,882	15,863	15,863	16,533	16,533	-6,927	-6,927	9,606	9,606
Water and waste disposal grants, colonias.....	32,080	32,080	25,328	25,328	27,034	27,034	-10,676	-10,676	16,358	16,358
WWD grants, Hawaiian homelands.....	1,513	1,513	-	-	18,006	18,006	-11,840	-11,840	6,166	6,166
Water well system grants.....	1,050	1,050	788	788	999	999	-999	-999	-	-
Water and wastewater revolving funds.....	496	496	497	497	500	500	-500	-500	-	-
Solid waste management grants.....	3,381	3,381	3,400	3,400	3,421	3,421	+579	+579	4,000	4,000
Emergency and imminent community water assistance grants.....	1,384	1,384	3,137	3,137	12,016	12,016	-12,016	-12,016	-	-
Subtotal.....	1,548,466	601,664	1,429,686	567,801	1,638,573	589,385	+21,479	-226,333	1,660,052	363,052
Total Obligations.....	1,548,466	601,664	1,429,686	567,801	1,638,573	589,385	+21,479	-226,333	1,660,052	363,052
Lapsing Balances.....	43,077	-	-	-	-	-	-	-	-	-
Unobligated balances rescinded..... c/	20,031	20,031	319	319	-	-	-	-	-	-
Bal. Available, EOY.....	206,686	88,324	200,621	87,271	161,637	59,052	-161,637	-59,052	-	-
Total Available.....	1,818,260	710,019	1,630,626	655,391	1,800,210	648,437	-140,158	-285,385	1,660,052	363,052
Transfers Out..... b/	11,976	11,976	9,500	9,500	9,558	9,558	-9,558	-9,558	-	-
Rescission..... d/	2,700	1,058	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	-222,716	-127,356	-193,172	-88,324	-240,258	-87,271	+84,206	+28,219	-156,052	-59,052
Other Adjustments (Net).....	-185,026	-66,695	-211,372	-63,567	-157,169	-54,585	+157,169	+54,585	-	-
Total Appropriation.....	1,425,194	529,002	1,235,582	513,000	1,412,341	516,140	+91,659	-212,140	1,504,000	304,000

Note: Numbers may not add down due to rounding.

Project Statement Footnotes

- a/ Negative subsidy rate of 0.85 percent was calculated for 2011. Therefore, corresponding budget authority is not required to support the loan levels of 2011.
- b/ This program was transferred to the Rural Utilities Service, High Energy Cost Grant Account in accordance with the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10, and the Consolidated and Further Continuing Appropriations Act, 2012, P.L. 112-55.
- c/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- d/ The amounts are rescinded pursuant to Division B, title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L.112-10.

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Project Statement
(On basis of Staff Years)

Program	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>Inc. or Dec.</u>	<u>2014 Estimate</u>
	Staff Years	Staff Years	Staff Years	Staff Years	Staff Years
Discretionary Appropriations:					
Direct rural water and waste disposal loans.....	-	-	-	-	-
Guaranteed rural water and waste disposal loans.....	-	-	-	-	-
Rural water and waste disposal grants.....	-	-	-	-	-
Rural water and waste disposal grants, 2008 disasters.....	-	-	-	-	-
Rural water and waste disposal grants, 2003/2004 Hurricanes.....	-	-	-	-	-
Technical assistance grants for rural waste systems.....	-	-	-	-	-
Circuit rider - technical assistance grants for rural water systems.....	-	-	-	-	-
WWD grants, Alaskan villages.....	-	-	-	-	-
WWD grants, native American tribes.....	-	-	-	-	-
Water and waste disposal grants, colonias.....	-	-	-	-	-
WWD grants, Hawaiian homelands.....	-	-	-	-	-
Water well system grants.....	-	-	-	-	-
Water and wastewater revolving funds.....	-	-	-	-	-
Solid waste management grants.....	-	-	-	-	-
Emergency and imminent community water assistance grants.....	-	-	-	-	-
Subtotal.....	565	469	452	+22	474
Total Adjusted Approp.....	565	469	452	+22	474
Total Available.....	565	469	452	+22	474
Total Obligations.....	565	469	452	+22	474

Justification of Increases and Decreases

- (1) An increase of \$327,281,000 for direct water and waste disposal loans (\$872,719,000 available in 2013).

Base funds for direct water and waste disposal loans provides loan funds for water and waste projects serving the most financially needy communities. Water and waste disposal loans result in reasonable user costs for rural residence, rural businesses, and other rural users. Continuing the base funding is crucial to ensure the continued success of the program. Stoppages or cutbacks in the program will negatively affect the public health of rural communities and the rural environment. Adequate water and wastewater treatment capacity are significant for supporting quality of life issues, environmental sustainability, and economic development.

The program:

- provides residents in rural America with decent, safe, and sanitary water and waste service; and
- The mission to maintain sanitary water and waste disposal services in rural America typically receives very little funding or support when left up to the general public.

Base funding supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency's Strategic Goal of improving the quality of life in rural America by developing community infrastructure.

Funding in 2013 can support 576 loans that assist approximately 1,152,000 rural residents to obtain decent, safe, and sanitary water and wastewater services.

2014 funding is expected to support 792 loans that will assist approximately 1,584,000 rural residents in obtaining decent, safe, and sanitary water and wastewater services

- (2) A decrease of \$94,917,000 for guaranteed water and waste disposal loans (\$94,917,000 available in 2013).

Guaranteed water and waste disposal loan guarantees are for the construction or improvement of water and waste disposal projects serving the financially needy communities in rural areas. The guaranteed water and waste disposal loans result in reasonable user costs for rural residence, rural businesses, and other rural users.

The funding in 2013 for the guaranteed water and waste disposal loan program would support 44 loans that assist approximately 91,784 rural residents in obtaining decent, safe, and sanitary water and wastewater services. The guarantee water and wastewater loan program performance has been such that the subsidy cost has risen from being negative to being positive, beginning in 2012. Meanwhile, the historical demand for this program has been minimal. Because of minimal demand expected carryover funding, no new funding is proposed in 2014.

FY	# loans made	Total Guaranteed Loans
2009	3	\$ 1,996,100
2010	7	\$10,720,630
2011	9	\$31,923,200
2012	5	\$ 6,659,910

The anticipated carryover amount for 2014 for the guaranteed water and waste disposal loan program would support 45 loans that assist approximately 93,870 rural residents in obtaining decent, safe, and sanitary water and wastewater services.

(3) A decrease of \$118,210,000 for water and waste disposal grants (\$418,210,000 available in 2013).

Base funds for water and waste disposal grants provides grant funds in conjunction with loans for water and waste projects serving the most financially needy communities. In addition, Congressional set asides provide grant funds for targeted groups to develop and construct water and waste systems in disadvantaged communities. Water and waste grants help in providing reasonable user rates and costs for rural residences, rural businesses, and other rural users. Continuing the base funding is crucial to ensure the continued success of the program. Stoppages or cutbacks in the program will negatively affect the public health of rural communities and the rural environment. Fewer rural community water and waste disposal systems will be funded. Besides health and environmental concerns, the economic vitality of rural America will be negatively impacted. Adequate water and wastewater treatment capacity are significant for supporting quality of life issues, environmental sustainability, and economic development.

Continuation of the program is critical because:

- The program provides residents in rural America with decent, safe and sanitary water and waste service.
- The mission to maintain sanitary water and waste disposal services in rural America typically receives very little funding or support when left up to the general public.

	Decrease	Percent of 2014 Funds	Available in 2013
Regular WWD Grants	\$70,297,000	0.82	\$317,096,000
Technical Assistance and Training	\$9,996,000	0.03	\$19,116,000
Circuit Rider-Technical Assistance	\$7,492,000	0.03	\$15,092,000
Alaskan Villages	\$10,649,000	0.04	\$23,417,000
Native American Tribes	\$6,173,000	0.03	\$15,293,000
Colonias	\$10,649,000	0.04	\$23,417,000
Hawaiian Homelands	\$2,954,000	0.01	\$4,779,000
Total	\$118,210,000	1.00	\$418,210,000

Base funding supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency’s Strategic Goal of improving the quality of life in rural America by developing community infrastructure.

Funding in 2013 can support 397 grants that assist approximately 766,980 rural residents to obtain decent, safe, and sanitary water and wastewater services. Funding can support technical assistance grants 17 grants that assist rural residents in 50 states to obtain technical assistance for developing decent, safe, and sanitary water and waste water facilities.

The anticipated carryover amount of \$63,147,051 for 2014 can support 44 grants in the water and waste disposal grant program to assist approximately 80,455 rural residents in obtaining decent, safe, and sanitary water and wastewater services.

Funding in 2014 is expected to support 299 grants in the water and waste disposal grant program to assist approximately 584,320 rural residents in obtaining decent, safe, and sanitary water and waste water services. There is no carryover expected in 2014 for technical assistance grants. Funding in 2014 can support 7 grants.

The funding change requested in the water and waste disposal grants program would be offset by low-interest loans making more projects feasible with less grant funds required. The overall program should be able to operate at a higher loan to grant ratio.

- (4) A decrease of \$999,000 in individually-owned water well systems grants (\$999,000 available in 2013).

This program provides grants for private non-profit organizations to establish lending programs that provide low-cost loans to individuals living in eligible rural areas for the construction of water wells. In addition, these grants are to individuals rather than communities, so the cost/benefit of this funding is not as great as funding for the other loan and grant programs within USDA's environmental programs. With that in mind, no funding is provided for this program in 2014.

- (5) A decrease of \$500,000 in grants for water and wastewater revolving funds (\$500,000 available in 2013).

This program provides grants to private non-profit organizations to establish a lending program for entities eligible under the water and waste disposal loans (direct and guaranteed). A decrease of \$500,000 would eliminate annual funding to revolving loan fund recipients. However, two prior year recipients have operating loan funds with funds available and payments being made and returned to the fund. Further, applications for small capital improvements and pre-planning activities are eligible for loans through the water and waste disposal loan and grant programs, and the special evaluation assistance for rural communities grant program. Therefore, elimination of this program will not materially affect the potential grant recipients of this program.

- (6) An increase of \$579,000 for solid waste management grants (\$3,421,000 available in 2013).

Base funds for solid waste management grants will continue to provide funds to both public and private non-profit organizations to help communities identify threats to water resources and reduce the solid waste stream.

Continuation of the program is critical because communities receive assistance from eligible organizations to reduce or eliminate pollution of water resources, improve planning and management of solid waste disposal facilities in rural areas, and enhance operator skills in operations and maintenance.

Base funding supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the Agency's Strategic Goal of improving the quality of life in rural America by developing community infrastructure.

Funding in 2013 can support 34 grants that will help communities address water pollution issues and develop solid waste management strategies. There is no anticipated carryover of funds for 2014. Funding for 2014 will support 40 grants to eligible organizations.

- (7) A decrease of \$12,016,000 for emergency and imminent community water assistance grants (\$12,016,000 available in 2013).

The emergency and imminent community water assistance grants (ECWAG) program historically projects no funding request during the budget, but in accordance with the Consolidated Farm and Rural Development Act,

P.L. 111-10, USDA sets aside up to 3 percent of the funding for the water and waste disposal grant program through June 30th of the fiscal year to fund the ECWAG program.

- (8) A decrease of \$71,434,000 for water and waste disposal direct and guaranteed loan subsidy (\$71,434,000 available in 2013).

There is no requested subsidy for the water and waste disposal loan programs. In 2014, the water and waste disposal loan program has a negative subsidy rate of -0.87 percent. So, no request for subsidy BA is necessary in 2014.

RURAL UTILITIES SERVICE
Direct Water and Waste Disposal Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$27,059	\$19,278	-	-
Alaska.....	1,716	-	-	-
Arizona.....	6,721	5,647	-	-
Arkansas.....	47,899	9,009	-	-
California.....	29,113	56,754	-	-
Colorado.....	9,951	9,053	-	-
Connecticut.....	7,867	8,023	-	-
Delaware.....	7,127	24,042	-	-
Florida.....	21,996	20,212	-	-
Georgia.....	20,566	26,861	-	-
Hawaii.....	2,188	-	-	-
Idaho.....	8,962	15,753	-	-
Illinois.....	32,516	31,790	-	-
Indiana.....	26,103	23,146	-	-
Iowa.....	14,970	13,288	-	-
Kansas.....	12,263	42,581	-	-
Kentucky.....	41,844	31,849	-	-
Louisiana.....	21,285	17,448	-	-
Maine.....	9,285	8,059	-	-
Maryland.....	14,269	9,021	-	-
Massachusetts.....	8,772	9,275	-	-
Michigan.....	55,035	65,230	-	-
Minnesota.....	22,966	23,096	-	-
Mississippi.....	31,950	11,837	-	-
Missouri.....	28,363	34,626	-	-
Montana.....	7,537	9,107	-	-
Nebraska.....	11,500	11,275	-	-
Nevada.....	8,330	747	-	-
New Hampshire.....	4,558	6,616	-	-
New Jersey.....	11,355	12,953	-	-
New Mexico.....	9,154	4,843	-	-
New York.....	23,789	26,979	-	-
North Carolina.....	36,671	40,091	-	-
North Dakota.....	2,750	12,760	-	-
Ohio.....	25,705	25,875	-	-
Oklahoma.....	33,334	15,556	-	-
Oregon.....	8,018	2,797	-	-
Pennsylvania.....	44,824	25,304	-	-
Rhode Island.....	2,131	940	-	-
South Carolina.....	32,424	33,248	-	-
South Dakota.....	20,632	11,869	-	-
Tennessee.....	34,678	34,890	-	-
Texas.....	44,382	34,814	-	-
Utah.....	2,282	3,562	-	-
Vermont.....	8,945	3,563	-	-
Virginia.....	42,990	28,201	-	-
Washington.....	17,481	9,660	-	-
West Virginia.....	15,943	41,625	-	-
Wisconsin.....	30,379	21,869	-	-
Wyoming.....	872	407	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	9,292	8,747	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$950,991 ^{a/}	\$1,200,000 ^{a/}
Obligations.....	1,000,742	944,175	950,991	1,200,000

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Guaranteed Water and Waste Disposal Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	\$2,000	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	1,400	-	-
Montana.....	\$423	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	4,500	1,983	-	-
North Dakota.....	-	-	-	-
Ohio.....	11,000	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	2,911	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	16,000	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$176,816 <u>a/</u>	\$97,694 <u>a/</u>
Obligations.....	31,923	8,294	176,816	97,694

a/ Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Water and Waste Disposal Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$13,346	\$15,033	-	-
Alaska.....	2,788	2,646	-	-
Arizona.....	6,061	5,592	-	-
Arkansas.....	5,220	5,923	-	-
California.....	13,053	8,211	-	-
Colorado.....	3,901	4,064	-	-
Connecticut.....	2,906	2,645	-	-
Delaware.....	2,246	3,224	-	-
Florida.....	11,240	9,324	-	-
Georgia.....	15,030	13,659	-	-
Hawaii.....	-	-	-	-
Idaho.....	3,836	3,987	-	-
Illinois.....	9,255	11,013	-	-
Indiana.....	8,914	9,747	-	-
Iowa.....	9,257	10,868	-	-
Kansas.....	3,394	12,922	-	-
Kentucky.....	13,729	12,983	-	-
Louisiana.....	9,250	7,222	-	-
Maine.....	5,290	4,667	-	-
Maryland.....	4,606	3,604	-	-
Massachusetts.....	2,745	2,447	-	-
Michigan.....	10,073	9,224	-	-
Minnesota.....	8,227	13,635	-	-
Mississippi.....	18,439	5,530	-	-
Missouri.....	9,317	9,051	-	-
Montana.....	5,704	6,522	-	-
Nebraska.....	5,280	3,330	-	-
Nevada.....	2,907	-	-	-
New Hampshire.....	3,161	5,502	-	-
New Jersey.....	5,925	3,371	-	-
New Mexico.....	3,532	2,898	-	-
New York.....	16,638	9,228	-	-
North Carolina.....	14,066	11,561	-	-
North Dakota.....	3,195	5,694	-	-
Ohio.....	11,015	9,681	-	-
Oklahoma.....	5,723	5,587	-	-
Oregon.....	2,024	2,004	-	-
Pennsylvania.....	10,290	10,680	-	-
Rhode Island.....	1,754	1,264	-	-
South Carolina.....	12,138	12,426	-	-
South Dakota.....	18,876	24,310	-	-
Tennessee.....	12,860	10,051	-	-
Texas.....	14,462	13,335	-	-
Utah.....	2,546	5,891	-	-
Vermont.....	3,677	2,607	-	-
Virginia.....	10,763	8,001	-	-
Washington.....	5,160	907	-	-
West Virginia.....	4,839	9,829	-	-
Wisconsin.....	6,569	6,871	-	-
Wyoming.....	166	234	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	3,305	3,492	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$357,002 ^{a/}	\$279,262 ^{a/}
Obligations.....	378,698	362,497	357,002	279,262

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Water and Waste Disposal Grants - 2008 Disasters
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	-	\$931 ^{a/}
Obligations.....	-	-	-	931

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Water and Waste Disposal Grants - 2003/2004 Hurricanes
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	-	\$3,536 ^{a/}
Obligations.....	-	-	-	3,536

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
 Technical Assistance Grants for Rural Water Systems
Geographic Breakdown of Obligations
 (Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	\$919	\$919	-	-
Arizona.....	400	593	-	-
Arkansas.....	-	270	-	-
California.....	141	168	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	44	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	100	-	-
Louisiana.....	-	93	-	-
Maine.....	169	-	-	-
Maryland.....	5,988	5,750	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	100	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	798	-	-	-
New York.....	198	172	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	9,800	10,000	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	215	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	780	800	-	-
Wisconsin.....	-	208	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$19,116 ^{a/}	\$9,120 ^{a/}
Obligations.....	19,554	19,074	19,116	9,120

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
 Circuit Rider - Technical Assistance Grants for Rural Waste Systems
Geographic Breakdown of Obligations
 (Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	\$14,714	\$17,242	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$15,092 a/	\$8,344 a/
Obligations.....	14,714	17,242	15,092	8,344

a/ Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Water and Waste Disposal Grants - Alaskan Villages
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	\$46,026	\$29,356	\$40,997	\$24,986
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	22	36	50	50
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	-	-
Obligations.....	46,048	29,391	41,047	25,036

RURAL UTILITIES SERVICE
Water and Waste Disposal Grants - Native American Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	\$1,000	\$1,000	-	-
Arkansas.....	-	-	-	-
California.....	1,000	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	65	1,014	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	1,166	1,415	-	-
Minnesota.....	1,700	2,462	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	850	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	6,000	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	1,000	3,000	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	3,953	6,122	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	999	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$16,533 a/	\$9,606 a/
Obligations.....	16,882	15,863	16,533	9,606

a/ Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Water and Waste Disposal Grants - Colonias
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	\$6,355	\$6,381	-	-
Arkansas.....	-	-	-	-
California.....	3,516	2,453	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	8,300	8,000	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	13,910	8,494	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$27,034 ^{a/}	\$16,358 ^{a/}
Obligations.....	32,080	25,328	27,034	16,358

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Hawaiian Homelands
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	\$1,513	-	\$18,006	\$6,166
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	-	-
Obligations.....	1,513	-	18,006	6,166

RURAL UTILITIES SERVICE
Rural Water and Waste Individually-Owned Water Well System Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	\$150	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	100	\$100	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	50	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	300	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	300	481	-	-
Washington.....	-	-	-	-
West Virginia.....	150	-	-	-
Wisconsin.....	-	208	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$999 ^{a/}	-
Obligations.....	1,050	788	999	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Rural Water and Wastewater Revolving Fund Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	\$248	\$248	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	248	249	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$500 ^{a/}	-
Obligations.....	496	497	500	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Solid Waste Management Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	\$791	\$715	-	-
Arizona.....	187	121	-	-
Arkansas.....	-	67	-	-
California.....	209	161	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	26	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	15	-	-
Indiana.....	-	56	-	-
Iowa.....	-	-	-	-
Kansas.....	64	-	-	-
Kentucky.....	-	96	-	-
Louisiana.....	-	-	-	-
Maine.....	245	328	-	-
Maryland.....	-	-	-	-
Massachusetts.....	308	306	-	-
Michigan.....	89	73	-	-
Minnesota.....	-	95	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	88	76	-	-
Nebraska.....	191	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	151	279	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	296	-	-	-
North Carolina.....	96	109	-	-
North Dakota.....	21	202	-	-
Ohio.....	92	73	-	-
Oklahoma.....	-	82	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	285	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	98	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	217	-	-
Virginia.....	-	143	-	-
Washington.....	-	90	-	-
West Virginia.....	145	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	96	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$3,421 a/	\$4,000 a/
Obligations.....	3,381	3,400	3,421	4,000

a/ Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Emergency and Imminent Community Water Assistance Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	\$631	\$479	-	-
Illinois.....	-	-	-	-
Indiana.....	-	150	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	37	-	-
Mississippi.....	-	-	-	-
Missouri.....	104	150	-	-
Montana.....	-	-	-	-
Nebraska.....	-	500	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	495	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	149	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	500	826	-	-
Texas.....	-	500	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$12,016 ^{a/}	-
Obligations.....	1,384	3,137	12,016	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Classification by Objects

(Dollars in thousands)

	2011	2012	2013	2014
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
41.0 Grants, subsidies, and contributions.....	\$601,664	\$567,801	\$589,385	\$363,052
99.9 Total, new obligations.....	<u>601,664</u>	<u>567,801</u>	<u>589,385</u>	<u>363,052</u>

RURAL UTILITIES SERVICE

The estimates include appropriation language for this item as follows:

Rural Electrification and Telecommunications Loans Program Account (including transfer of funds)

The principal amount of guaranteed rural electric loans made under section 306 of the Rural Electrification Act of 1936 (7 U.S.C.936) shall be \$4,000,000,000, and the principal amount of cost of money rural telecommunications loans made under section 305 of such Act (7 U.S.C. 935) shall be \$690,000,000: Provided, That not less than \$3,000,000,000 shall be used for the construction, acquisition, or improvement of renewable energy plants or for construction, acquisition or improvement of fossil-fueled electric generating plants (whether new or existing) that utilize carbon sequestration systems: Provided further, That funding may be made available for fossil-fuel electric generating peaking units (new or existing) to the extent that the peaking unit operates in conjunction with an electric generating plant that produces electricity from solar, wind, or other intermittent sources of energy: Provided further, That not more than \$1,000,000,000 shall be available for environmental improvements to fossil-fuel electric generating plants that would reduce emission of air pollution including greenhouse gases.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$34,694,000, which shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM ACCOUNT

Lead-Off Tabular Statement

	Loan Level	Subsidy	Administrative Expenses
Budget Estimate 2013.....	\$7,714,286,000	\$598,000	\$36,605,000
Budget Estimate, 2014.....	<u>4,690,000,000</u>	<u>0</u>	<u>34,694,000</u>
Change in Appropriation.....	-3,024,286,000	-598,000	-1,911,000

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM ACCOUNT

Summary of Increases and Decreases

(Dollars in thousands)

	2011	2012	2013	2014	2014
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Discretionary Appropriations:					
Electric Underwriting Loans.....	\$699	-\$105	+\$4	-\$598	-
Administrative Expenses.....	38,297	-1,915	+223	-1,911	\$34,694
Subtotal.....	<u>+38,996</u>	<u>-2,020</u>	<u>+226</u>	<u>-2,508</u>	<u>34,694</u>
Total, Appropriation or Change.....	<u>+38,996</u>	<u>-2,020</u>	<u>+226</u>	<u>-2,508</u>	<u>34,694</u>

NOTE: Numbers may not add down due to rounding.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM ACCOUNT

Project Statement
(On basis of appropriations)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec		2014 Estimate		
	Program Level	Budget Authority									
Discretionary Appropriations:											
Electric Direct, 5%	a/	\$100,000	-	\$100,000	-	\$100,000	-	-\$100,000 (1)	-	-	-
Electric Direct, Treasury Rate		-	-	-	-	-	-	-	-	-	-
Electric Direct, FFB	b/	6,500,000	-	6,500,000	-	6,500,000	-	-2,500,000 (2)	-	\$4,000,000	-
Electric Underwriting Loans.....	c/	499,000	\$699	424,286	\$594	424,286	\$598	-424,286 (3)	-\$598 (7)	-	-
Electric - Treasury rate plus loans.....	g/	-	-	-	-	-	-	-	-	-	-
Telecommunications Direct, 5%	d/	145,000	-	145,000	-	145,000	-	-145,000 (4)	-	-	-
Telecommunications Direct, Treasury Rate	e/	250,000	-	250,000	-	250,000	-	+440,000 (5)	-	690,000	-
Telecommunications Direct, FFB.....	f/	295,000	-	295,000	-	295,000	-	-295,000 (6)	-	-	-
Administrative Expenses.....		-	38,297	-	36,382	-	36,605	-	-1,911	-	\$34,694
Subtotal.....		7,789,000	38,996	7,714,286	36,976	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Total Adjusted Approp.....		7,789,000	38,996	7,714,286	36,976	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Rescissions and											
Transfers (Net).....		1,000	78	-	-	-	-	-	-	-	-
Total Appropriation.....		7,790,000	39,074	7,714,286	36,976	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Transfers In:											
Direct Telecommunications, Treasury Rate Loans:		113,165	-	-	-	-	-	-	-	-	-
Subtotal.....		113,165	-	-	-	-	-	-	-	-	-
Transfers Out:											
Direct Telecommunications, Hardship Loans:		-113,165	-	-	-	-	-	-	-	-	-
Working Capital Fund		-	-	-	-594	-	-	-	-	-	-
Subtotal.....		-113,165	-	-	-594	-	-	-	-	-	-
Rescission.....	h/	-1,000	-78	-	-	-	-	-	-	-	-
Total Available.....		7,789,000	38,996	7,714,286	36,382	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Lapsing Balances.....		-2,327,144	-	-2,892,444	-	-	-	-	-	-	-
Total Obligations.....		5,461,856	38,996	4,821,842	36,382	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694

NOTE: Numbers may not add down due to rounding.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM ACCOUNT

Project Statement
 (On basis of obligations)
 (Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec		2014 Estimate		
	Program Level	Budget Authority									
Discretionary Obligations:											
Electric Direct, 5%	a/	\$39,610	-	-	-	\$100,000	-	-\$100,000	-	-	-
Electric Direct, Treasury Rate		-	-	-	-	-	-	-	-	-	-
Electric Direct, FFB	b/	4,233,247	-	\$4,317,791	-	6,500,000	-	-2,500,000	-	\$4,000,000	-
Electric Underwriting Loans.....	c/	499,000	\$699	424,286	-	424,286	\$598	-424,286	-\$598	-	-
Electric - Treasury rate plus loans.....	g/	-	-	-	-	-	-	-	-	-	-
Telecommunications Direct, 5%	d/	31,835	-	-	-	145,000	-	-145,000	-	-	-
Telecommunications Direct, Treasury Rate	e/	363,165	-	18,925	-	250,000	-	+440,000	-	690,000	-
Telecommunications Direct, FFB.....	f/	294,999	-	60,840	-	295,000	-	-295,000	-	-	-
Administrative Expenses.....		-	38,297	-	\$36,382	-	36,605	-	-1,911	-	\$34,694
Subtotal.....		5,461,856	38,996	4,821,842	36,382	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Total Obligations.....		5,461,856	38,996	4,821,842	36,382	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Lapsing Balances.....		2,327,144	-	2,892,444	-	-	-	-	-	-	-
Total Available.....		7,789,000	38,996	7,714,286	36,382	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694
Transfers In.....		-113,165	-	-	-	-	-	-	-	-	-
Transfers Out.....		113,165	-	-	594	-	-	-	-	-	-
Rescission.....	h/	1,000	78	-	-	-	-	-	-	-	-
Total Appropriation.....		7,790,000	39,074	7,714,286	36,976	7,714,286	37,202	-3,024,286	-2,508	4,690,000	34,694

NOTE: Numbers may not add down due to rounding.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM ACCOUNT

Project Statement
 (On basis of appropriations)
 (Dollars in thousands)

Program	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>Inc. or Dec.</u>	<u>2014 Estimate</u>
	Staff Years	Staff Years	Staff Years	Staff Years	Staff Years
Discretionary Appropriations:					
Telecommunications Subtotal.....	83	69	66	+4	70
Electric Subtotal.....	189	157	151	+7	158
Total Staff Years.....	<u>272</u>	<u>226</u>	<u>217</u>	<u>+11</u>	<u>228</u>
Total Appropriation.....	<u>272</u>	<u>226</u>	<u>217</u>	<u>+11</u>	<u>228</u>
Total Obligations.....	<u>272</u>	<u>226</u>	<u>217</u>	<u>+11</u>	<u>228</u>

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$100,000,000 in direct hardship electric loans (\$100,000,000 available in 2013).

Base funding for direct hardship electric loans provide financing at a fixed statutory rate of 5 percent for electric system improvements for qualified borrowers that meet thresholds for retail rate disparity and for customer per capita and household income, or that have suffered a severe, unavoidable hardship, such as a natural disaster. The financial assistance provided through this program and other rural electric loan programs helps electric borrowers provide reliable, affordable electric service for rural homes and businesses. This program supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency's Strategic Goal of improving the quality of life in rural America by developing community infrastructure.

The proposed decrease in funding reflects the absence of applications for these loans in 2012-2013 as the FFB loan guarantee program currently offers a lower interest rate. The elimination of 5 percent hardship loan availability in 2014 will not adversely impact the overall availability of electric loan funding or the ability of the program to meet its performance targets because all eligible borrowers will continue to have access to other program loan offerings at a lower interest rate..

- (2) A decrease of \$2,500,000,000 in electric Federal Financing Bank loans (\$6,500,000,000 available in 2013).

Base funds for electric Federal Financing Bank (FFB) loan guarantees provided under section 306 of the RE Act support improvements and additions to rural electric distribution, transmission, and generating facilities (including renewable energy systems), and the implementation of demand side management, energy efficiency and conservation programs. The long-term, low interest rate financing helps non-profit electric borrowers provide reliable, affordable electric service for rural homes and businesses.

Base funding of the program at \$4,000,000,000 is projected to provide improved electric facilities benefitting over 3.7 million rural consumers and continue to advance the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency's Strategic Goal of improving the quality of life in rural America by developing community infrastructure. The rural electrification loan programs have exceeded their overall performance target in each of the last four fiscal years.

Continuation of the program is critical to the continued success of the rural electrification program. FFB loan guarantees will be the sole source of USDA financing in 2014 for the more than 630 electric systems serving rural customers in 46 States.

The funding change will reduce the total amount of funding available in FFB loan guarantees in 2014 reflecting the decline in loan applications and approvals in 2011 and 2012. This decline in loan applications has resulted because borrowers are deferring capital investments due to lower electricity demand growth related to the slowdown in the economy. Funding at a 2014 program level of \$4,000,000,000 will be adequate to cover existing and anticipated loan requests.

- (3) A decrease of \$424,286,000 for guaranteed electric underwriting for bonds and notes (\$424,286,000 available in 2013).

Base funds for bond and note guarantees for private, non-profit cooperative lenders are authorized under section 313A of the Rural Electrification Act as extended under Title VII of Public Law 112-240. The bond or note proceeds must be used for eligible rural electrification or telephone purposes (excluding electric generation) and must be investment grade. All guarantees issued under this authority have been for loans made by the FFB at an interest rate equal to the Treasury rate for notes of similar maturities plus an annual fee of 30 basis points on any unpaid principal balance. The fee is deposited to the rural economic development subaccount and is available to fund the rural economic development loans and grant programs.

The program supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the Agency's Strategic Goal of improving the quality of life in rural America by developing community infrastructure by providing access to low-cost capital to non-profit cooperative lenders to rural electric and telephone systems. Since 2010, USDA has provided over \$1.4 billion to benefit rural communities through this program..

The funding change requested will not affect the overall availability of financing for rural electrification purposes as eligible electric and telephone borrowers will still be able to secure financing directly from USDA or from the non-profit lenders.

(4) A decrease of \$145,000,000 in direct telecommunications loans (\$145,000,000 available in 2013).

Base funds for direct telecommunications loans provide direct loans to finance the improvement or extension of telecommunications service in rural areas. All telecommunications facilities financed must be broadband capable. This program currently costs borrowers more than Treasury rate programs, although it is supposed to be a "hardship" program.

The funding change requested will not impact the program because the currently-funded activities will continue through the Treasury rate loan program with no impact on loan levels or number of rural residents served.

(5) An increase of \$440,000,000 in Treasury telecommunications loans (\$250,000,000 available in 2013).

Base funds for Treasury telecommunications loans provide Treasury rate loans to finance the improvement or extension of telecommunications service in rural areas. All telecommunications facilities financed must be broadband capable. This program supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving. This program also supports the agency's Strategic Goal of improving the quality of life in rural America by enhancing the ability of rural businesses to succeed by providing access to modern telecommunications and improved healthcare and educational opportunities.

Continuation of the program is critical because:

- The development of the Internet-based economy provides unique opportunities for rural America; and
- Broadband infrastructure greatly helps to mitigate the limitations on business development in rural areas caused by geographical distance and a limited customer base.

Base funds for Treasury telecommunications loans will continue to provide residents in rural America with access to modern telecommunications. Continuing the base funding is crucial to ensure the continued success of the program.

The funding change requested in the Treasury telecommunications loan program can support 25 loans that assist approximately 100,000 rural households and businesses in rural America to obtain modern broadband capable telecommunications services.

(6) A decrease of \$295,000,000 in Federal financing bank telecommunications loans (\$295,000,000 available in 2013).

Base funds for FFB telecommunications loans provide FFB telecommunications loan guarantees to finance the improvement or extension of telecommunications service in rural areas. The program level will be included in the Treasury telecommunications loans, with no impact on loan levels or number of rural residents served.

(7) A decrease of \$598,000 for subsidy for guaranteed electric underwriting of bonds and notes (\$598,000 available in 2012).

Elimination of lending for this program in 2014 will eliminate the associated required credit subsidy. Elimination of the program will not materially affect the overall availability of financing for rural electrification purposes as eligible electric systems will be continue to be able to borrow from the private, non-profit lenders or directly from USDA.

RURAL UTILITIES SERVICE
Direct Rural Electric 5 Percent Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	\$7,320	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	2,456	-	-	-
New York.....	-	-	-	-
North Carolina.....	25,000	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	4,834	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$100,000 a/	-
Obligations.....	39,610	-	100,000	-
Lapsing balances.....	60,390	100,000	-	-
Total, Adjust Approp.....	100,000	100,000	100,000	-

a/ Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Rural Electric Federal Financing Bank Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$108,686	\$46,990	-	-
Alaska.....	150,000	-	-	-
Arizona.....	49,329	34,028	-	-
Arkansas.....	203,568	410,400	-	-
California.....	-	50,000	-	-
Colorado.....	218,524	180,483	-	-
Connecticut.....	-	-	-	-
Delaware.....	28,300	-	-	-
Florida.....	132,264	32,004	-	-
Georgia.....	744,606	250,076	-	-
Hawaii.....	-	72,883	-	-
Idaho.....	-	13,524	-	-
Illinois.....	18,196	7,900	-	-
Indiana.....	530,226	12,000	-	-
Iowa.....	19,700	113,359	-	-
Kansas.....	88,960	106,972	-	-
Kentucky.....	43,992	73,228	-	-
Louisiana.....	44,577	83,191	-	-
Maine.....	1,763	-	-	-
Maryland.....	37,000	101,725	-	-
Massachusetts.....	-	-	-	-
Michigan.....	42,912	24,000	-	-
Minnesota.....	117,168	92,980	-	-
Mississippi.....	-	681,708	-	-
Missouri.....	205,480	98,390	-	-
Montana.....	31,583	-	-	-
Nebraska.....	-	27,619	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	90,879	-	-
New York.....	-	14,362	-	-
North Carolina.....	203,594	160,344	-	-
North Dakota.....	292,183	426,538	-	-
Ohio.....	36,115	25,820	-	-
Oklahoma.....	251,854	35,993	-	-
Oregon.....	21,244	-	-	-
Pennsylvania.....	20,000	40,000	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	25,000	44,347	-	-
South Dakota.....	29,723	161,454	-	-
Tennessee.....	23,000	6,912	-	-
Texas.....	376,602	276,669	-	-
Utah.....	-	-	-	-
Vermont.....	7,400	-	-	-
Virginia.....	94,400	86,567	-	-
Washington.....	10,167	153,909	-	-
West Virginia.....	3,000	-	-	-
Wisconsin.....	11,200	275,650	-	-
Wyoming.....	10,931	4,887	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$6,500,000 ^{a/}	\$4,000,000 ^{a/}
Obligations.....	4,233,247	4,317,791	6,500,000	4,000,000
Lapsing balances.....	2,266,753	2,182,209	-	-
Total, Adjust Approp.....	6,500,000	6,500,000	6,500,000	4,000,000

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Rural Electric Underwriter Loans for Notes and Bonds
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	\$499,000	\$424,286	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$424,286 ^{a/}	-
Obligations.....	499,000	424,286	424,286	-
Lapsing balances.....	-	-	-	-
Total, Adjust Approp.....	499,000	424,286	424,286	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Rural Telecommunication Direct 5 Percent Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	\$7,486	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	8,224	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	4,855	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	11,270	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$145,000 ^{a/}	-
Obligations.....	31,835	-	145,000	-
Lapsing balances.....	113,165	145,000	-	-
Total, Adjust Approp.....	145,000	145,000	145,000	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Rural Telecommunications Direct Treasury Rate Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	\$16,617	-	-
Colorado.....	\$18,725	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	67,395	-	-	-
Indiana.....	-	-	-	-
Iowa.....	41,488	-	-	-
Kansas.....	31,347	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	70,000	-	-	-
Nebraska.....	2,056	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	86,810	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	4,236	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	11,270	2,308	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	24,143	-	-	-
Wyoming.....	5,695	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$250,000 ^{a/}	\$690,000 ^{a/}
Obligations.....	363,165	18,925	250,000	690,000
Lapsing balances.....	-113,165	231,075	-	-
Total, Adjust Approp.....	250,000	250,000	250,000	690,000

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE
Rural Telecommunication Federal Financing Bank Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	\$11,954	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	17,075	-	-	-
Illinois.....	18,983	-	-	-
Indiana.....	29,139	-	-	-
Iowa.....	23,139	-	-	-
Kansas.....	15,729	\$28,661	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	12,358	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	9,870	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	22,500	2,865	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	5,930	-	-	-
South Dakota.....	-	19,162	-	-
Tennessee.....	27,069	-	-	-
Texas.....	-	282	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	55,622	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	49,805	-	-	-
Wyoming.....	5,696	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$295,000 ^{a/}	-
Obligations.....	294,999	60,840	295,000	-
Lapsing balances.....	1	234,160	-	-
Total, Adjust Approp.....	295,000	295,000	295,000	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM ACCOUNT

Classification by Objects

(Dollars in thousands)

		2011	2012	2013	2014
		<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
25.0	Administrative Expenses.....	\$38,297	\$36,382	\$36,605	\$34,694
41.0	Grants, subsidies, and contributions.....	699	-	598	-
99.9	Total, new obligations.....	<u>38,996</u>	<u>36,382</u>	<u>37,202</u>	<u>34,694</u>

RURAL UTILITIES SERVICE

The estimates include appropriation language for this item as follows:

Distance Learning, Telemedicine and Broadband Program

For the principal amount of broadband telecommunication loans, \$63,356,000.

For grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., \$24,950,000, to remain available until expended.

For the cost of broadband loans, as authorized by section 601 of the Rural Electrification Act, \$8,268,000, to remain available until expended: Provided, That the cost of direct loans shall be as defined in section 502 Congressional Budget Act of 1974.

In addition, \$10,372,000, to remain available until expended, for a grant program to finance broadband transmission in rural areas eligible for Distance Learning and Telemedicine Program benefits authorized by 7 U.S.C. 950aaa.

RURAL UTILITIES SERVICE

DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Lead-Off Tabular Statement

	Loan Level	Subsidy	Grants
2013 Estimate.....	\$63,746,000	\$6,037,000	\$31,564,000
Budget Estimate, 2014.....	<u>63,356,000</u>	<u>8,268,000</u>	<u>35,322,000</u>
Change in Appropriation.....	-390,000	+ 2,231,000	+ 3,758,000

RURAL UTILITIES SERVICE

DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Summary of Increases and Decreases

(Dollars in thousands)

	2011	2012	2013	2014	2014
	Actual	Change	Change	Change	Estimate
Discretionary Appropriations:					
DLT Grants.....	\$24,950	-\$9,950	+\$92	+\$9,858	\$24,950
DLT Health care services grants.....	2,994	+6	+18	-3,018	-
DLT Public broadcasting systems grants.....	4,491	-1,491	+18	-3,018	-
BB Direct, Treasury rate loans.....	22,275	-16,275	+37	+2,231	8,268
BB Grants.....	13,379	-3,007	+63	-63	10,372
Subtotal.....	+68,089	-30,717	+229	+5,989	43,590
Total, Appropriation or Change.....	+68,089	-30,717	+229	+5,989	43,590

RURAL UTILITIES SERVICE

DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Project Statement
(On basis of appropriations)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Program Level	Budget Authority								
Discretionary Appropriations:										
DLT Grants.....	\$24,950	\$24,950	\$15,000	\$15,000	\$15,092	\$15,092	+\$9,858 (1)	+\$9,858	\$24,950	\$24,950
DLT Health care services grants.....	2,994	2,994	3,000	3,000	3,018	3,018	-3,018 (2)	-3,018	-	-
DLT Public broadcasting systems grants.....	4,491	4,491	3,000	3,000	3,018	3,018	-3,018 (3)	-3,018	-	-
BB Direct, Treasury rate loans.....	325,663	22,275	169,014	6,000	63,746	6,037	-390 (4)	+2,231 (6)	63,356	8,268
BB Grants.....	13,379	13,379	10,372	10,372	10,435	10,435	-63 (5)	-63	10,372	10,372
Subtotal.....	371,477	68,089	200,386	37,372	95,310	37,601	+3,368	+5,989	98,678	43,590
Total Adjusted Approp.....	371,477	68,089	200,386	37,372	95,310	37,601	+3,368	+5,989	98,678	43,590
Rescissions and										
Transfers (Net).....	746	136	-	-	-	-	-	-	-	-
Total Appropriation.....	372,222	68,226	200,386	37,372	95,310	37,601	+3,368	+5,989	98,678	43,590
Rescission..... a/	-746	-136	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	769,908	103,975	571,685	25,057	276,678	45,325	-75,808	-12,443	200,870	32,882
Recoveries, Other (Net).....	8,495	8,495	24,041	9,716	-	-	-	-	-	-
Total Available.....	1,149,880	180,559	796,112	72,145	371,987	82,926	-72,439	-6,453	299,548	76,472
Lapsing Balances.....	-	-	-	-	-	-	-	-	-	-
Unobligated balances rescinded..... b/	-722,103	-64,000	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-301,181	-25,057	-702,841	-45,325	-273,907	-32,882	+273,907	+32,882	-	-
Total Obligations.....	126,596	91,503	93,271	26,820	98,081	50,043	+201,467	+26,429	299,548	76,472

RURAL UTILITIES SERVICE

DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Project Statement
(On basis of obligations)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Program Level	Budget Authority								
Discretionary Obligations:										
DLT Grants.....	\$64,894	\$64,894	\$15,620	\$15,620	\$21,455	\$21,455	+\$3,495	+\$3,495	\$24,950	\$24,950
DLT Health care services grants.....	5,994	5,994	-	-	3,018	3,018	-18	-18	3,000	3,000
DLT Public broadcasting systems grants.....	4,751	4,751	3,264	3,264	3,018	3,018	-3,018	-3,018	-	-
BB Direct, Treasury rate loans.....	37,431	2,337	68,898	2,446	53,062	5,025	+202,554	+28,333	255,617	33,358
BB Grants.....	13,527	13,527	5,489	5,489	17,527	17,527	-2,486	-2,486	15,041	15,041
Subtotal.....	126,596	91,503	93,271	26,819	98,081	50,043	+200,527	+26,306	298,608	76,349
Mandatory Obligations:										
Broadband Direct, Treasury rate loans.....	-	-	-	-	-	-	+940	+123	940	123
Subtotal.....	-	-	-	-	-	-	+940	+123	940	123
Total Obligations.....	126,596	91,503	93,271	26,819	98,081	50,043	+201,467	+26,429	299,548	76,472
Unobligated balances rescinded..... b/	722,103	64,000	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	301,181	25,057	702,841	45,325	273,907	32,882	-273,907	-32,882	-	-
Total Available.....	1,149,880	180,560	796,112	72,144	371,987	82,926	-72,439	-6,453	299,548	76,472
Rescission..... a/	746	136	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	-769,908	-103,975	-571,685	-25,057	-276,678	-45,325	+75,808	+12,443	-200,870	-32,882
Other Adjustments (Net).....	-8,495	-8,495	-24,041	-9,716	-	-	-	-	-	-
Total Appropriation.....	372,222	68,226	200,386	37,371	95,310	37,601	+3,368	+5,989	98,678	43,590

Project Statement Footnotes

- a The amounts are rescinded pursuant to Division B, Title I, Section 119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.
- b The amounts are rescinded pursuant to Division B, Title I, Sections 1290 and 1295 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.

RURAL UTILITIES SERVICE

DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Project Statement
 (On basis of appropriations)
 (Dollars in thousands)

Program	<u>2011 Actual</u> Staff Years	<u>2012 Actual</u> Staff Years	<u>2013 Estimate</u> Staff Years	<u>Inc. or Dec.</u> Staff Years	<u>2014 Estimate</u> Staff Years
Discretionary Appropriations:					
DLT Grants.....	18	15	14	+1	15
Broadband Subtotal.....	73	61	58	+3	61
Total Staff Years.....	91	76	72	+4	76
Total Appropriation.....	91	76	72	+4	76
Total Available.....	91	76	72	+4	76
Total Obligations.....	91	76	72	+4	76

Justification of Increases and Decreases

- (1) An increase of \$9,858,000 for distance learning and telemedicine grants (\$15,092,000 available in 2013).

Base funds for distance learning and telemedicine grants will continue to support the educational and health care needs of rural America by funding advanced telecommunications technologies to provide enhanced learning and health care opportunities for rural residents. Continuing the base funding is crucial to ensure the continued success of the program. Stoppages or cutbacks in the program will lessen opportunities to improve healthcare and educational opportunities in rural communities.

Continuation of the program is critical because:

- Telemedicine and distance learning are critical services in rural America, where education performance lags and many residents live in medically underserved counties.

Base funding supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency's Strategic Goal of improving the quality of life in rural America by enhancing the ability of rural businesses to succeed by providing access to modern telecommunications. By the end of 2013, RUS projects that 569 rural educational or healthcare facilities in 380 rural counties will receive access to distance learning or telemedicine services

The funding change requested in 2014 will be used to support 20 additional grants that will provide funding for critical telemedicine and distance learning services.

- (2) A decrease of \$3,018,000 for Delta healthcare grants (\$3,018,000 available in 2013).

This program provides grant funds for developing health care services, health care cooperatives, health education programs, and public health-related facilities in the Delta Region. These grants are targeted to a consortia of regional institutions of higher education, academic health and research institutes, and economic development entities in the region that have experience in addressing the health care issues. In 2013, the program level is \$3,000,000 and the awards will be made in FY 2014. In 2014, there will be no additional funding for this program.

Base funds for Delta healthcare grants will continue to meet the educational and health care needs of rural America by funding advanced telecommunications technologies to provide enhanced learning and health care opportunities for rural residents.

An anticipated carryover funding amount for this program of \$3,000,000 will enable the program to remain basically unchanged for 2014.

- (3) A decrease of \$3,018,000 for public broadcasting system grants (\$3,018,000 available in 2013).

Base funds for public broadcasting systems grants will continue to assist public television stations serving substantial rural populations in transitioning to digital broadcast television transmission. These grants are targeted to public television stations which serve rural areas. Funding for this program is not needed as the transition was finished in 2012.

- (4) A decrease of \$390,000 for direct broadband telecommunications treasury rate loans program level (\$63,746,000 available in 2013).

The appropriation level and the anticipated carryover funds available are basically unchanged. At the end of 2013, RUS expects to fund approximately 5 broadband treasury rate loans if anticipated carryover funds are available. RUS has already obligated one broadband treasury rate loan in 2013 for \$62,832,000 so without the anticipated carryover funds, RUS will be unable to obligate additional loans. These funds will facilitate providing new or improved broadband service to 40,000 rural households, businesses and critical community facilities. Base funds for broadband telecommunications treasury rate loans will continue to fund on a technology neutral basis (meaning any technology that meets the performance requirements can be funded and no technology is given preference over another), for the costs of construction, improvement, and acquisition of facilities and equipment to provide broadband service to eligible rural communities. These loans are available to cooperative, nonprofit, limited dividend or mutual associations, limited liability companies, Indian tribes and tribal organizations, and commercial organizations. Continuing the base funding is crucial to ensure the continued success of the program. Stoppages or cutbacks in the program will result in fewer rural residents, businesses and community institutions receiving access to broadband infrastructure necessary for economic development and improved quality of life.

Continuation of the program is critical because:

- Projects provide residents of rural America with access to high-speed internet services; and
- Internet service is essential for the economic and social development of rural communities.

Base funding supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency's Strategic Goal of improving the quality of life in rural America by enhancing the ability of rural businesses to succeed by providing access to modern telecommunications.

The funding change requested will provide a program level that is consistent with historical annual demand for this program.

- (5) A decrease of \$63,000 for broadband telecommunications grants (\$10,435,000 available in 2013).

Funding for 2014 is basically unchanged. Base funds for broadband telecommunications grants will continue to support rural communities where broadband service is least likely to be available, but where it can make a tremendous difference in the quality of life for citizens. Continuing the base funding is crucial to ensure the continued success of the program. Stoppages or cutbacks in the program will result in fewer rural residents, businesses and community institutions receiving access to broadband infrastructure necessary for economic development and improved quality of life.

Continuation of the program is critical because:

- Projects funded by these grants will be used in areas that will never have access if grant funds are not available; and
- Targeting unserved communities that lack traditional investment opportunities with grant funds is the only way to ensure these economically challenged rural communities are served.

Base funding supports the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the agency's Strategic Goal of

improving the quality of life in rural America by enhancing the ability of rural businesses to succeed by providing access to modern telecommunications.

By the end of 2013, RUS expects to award approximately 10 broadband grants providing broadband access to unserved rural communities. RUS expects to award approximately the same number of grants for 2014.

- (6) An increase of \$2,231,000 for broadband telecommunications treasury rate loan subsidy (\$6,037,000 available in 2013).

The subsidy amount is necessary to support the estimated loan obligations associated with the requested 2014 loan levels for the broadband telecommunications treasury rate loan program. The change in the subsidy is due to an increase in the cumulative principal write-off rate for this program, causing the subsidy rate to increase from 9.47percent in 2013 to 13.05 percent in 2014. The agency continues its rigorous monitoring and oversight of the broadband loan program. Borrowers are required to file quarterly reports that detail financial and operational results which staff reviews and compares to the approved project budget.

RURAL UTILITIES SERVICE
Distance Learning and Telemedicine Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$2,227	\$406	-	-
Alaska.....	3,998	423	-	-
Arizona.....	1,117	988	-	-
Arkansas.....	763	960	-	-
California.....	418	201	-	-
Colorado.....	878	558	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	123	-	-	-
Georgia.....	840	168	-	-
Hawaii.....	-	-	-	-
Idaho.....	422	-	-	-
Illinois.....	170	-	-	-
Indiana.....	315	362	-	-
Iowa.....	1,049	-	-	-
Kansas.....	-	609	-	-
Kentucky.....	1,557	363	-	-
Louisiana.....	498	-	-	-
Maine.....	7,251	810	-	-
Maryland.....	-	-	-	-
Massachusetts.....	500	-	-	-
Michigan.....	93	791	-	-
Minnesota.....	2,216	354	-	-
Mississippi.....	1,016	184	-	-
Missouri.....	3,156	691	-	-
Montana.....	1,672	295	-	-
Nebraska.....	2,025	969	-	-
Nevada.....	-	-	-	-
New Hampshire.....	720	-	-	-
New Jersey.....	143	-	-	-
New Mexico.....	975	-	-	-
New York.....	3,715	888	-	-
North Carolina.....	1,771	520	-	-
North Dakota.....	694	387	-	-
Ohio.....	1,073	322	-	-
Oklahoma.....	4,486	322	-	-
Oregon.....	1,444	545	-	-
Pennsylvania.....	866	259	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	451	495	-	-
South Dakota.....	1,596	850	-	-
Tennessee.....	3,461	-	-	-
Texas.....	3,175	323	-	-
Utah.....	1,751	388	-	-
Vermont.....	1,068	-	-	-
Virginia.....	345	355	-	-
Washington.....	1,440	-	-	-
West Virginia.....	110	298	-	-
Wisconsin.....	1,717	539	-	-
Wyoming.....	1,437	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	148	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$21,455 a/	\$24,950 a/
Obligations.....	64,894	15,620	21,455	24,950

a/ Total cannot be distributed at this time.

RURAL UTILITIES SERVICE
Delta Healthcare Services
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$385	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	465	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	520	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	233	-	-	-
Louisiana.....	698	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	3,693	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$3,018 a/	\$3,000 a/
Obligations.....	5,994	-	3,018	3,000

a/ Total cannot be distributed at this time.

RURAL UTILITIES SERVICE
Public Broadcasting Systems Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	\$483	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	230	-	-
Colorado.....	\$417	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	73	48	-	-
Illinois.....	-	-	-	-
Indiana.....	-	355	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	577	690	-	-
Louisiana.....	-	-	-	-
Maine.....	289	750	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	512	224	-	-
Mississippi.....	145	-	-	-
Missouri.....	682	269	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	256	-	-	-
New York.....	-	-	-	-
North Carolina.....	357	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	750	-	-	-
Tennessee.....	667	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	26	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	211	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	4	-	-
Undistributed.....	-	-	\$3,018 ^{a/}	-
Obligations.....	4,751	3,264	3,018	-

^{a/} Total cannot be distributed at this time.

RURAL UTILITIES SERVICE
Direct Broadband Treasury Rate Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$6,157	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	19,749	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	2,114	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	\$68,898	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	9,411	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$53,062 a/	\$255,617 a/
Obligations.....	37,431	68,898	53,062	255,617

a/ Total cannot be distributed at this time.

RURAL UTILITIES SERVICE
Broadband Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	\$554	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	\$1,142	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	2,873	-	-	-
Indiana.....	-	782	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	993	1,060	-	-
Louisiana.....	2,233	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	1,047	-	-	-
New Hampshire.....	1,142	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	1,455	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	289	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	571	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	2,071	1,500	-	-
Washington.....	-	1,304	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	\$17,527 a/	\$15,041 a/
Obligations.....	13,527	5,489	17,527	15,041

a/ Total cannot be distributed at this time.

RURAL UTILITIES SERVICE
Direct Broadband Treasury Rate Loans - Mandatory
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	-	-	-	-
Arizona.....	-	-	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	-	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	-	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	-	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	-	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	-	-	-
Undistributed.....	-	-	-	\$940 a/
Obligations.....	-	-	-	940

a/ Total cannot be distributed at this time.

RURAL UTILITIES SERVICE

DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Classification by Objects

(Dollars in thousands)

	2011	2012	2013	2014
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
41.0 Grants, subsidies, and contributions.....	\$91,503	\$26,819	\$50,043	\$76,349
99.9 Total, new obligations.....	<u>91,503</u>	<u>26,819</u>	<u>50,043</u>	<u>76,349</u>

RURAL UTILITIES SERVICE

HIGH ENERGY COST GRANTS

Project Statement

(On basis of appropriations)

(Dollars in thousands)

Program	2011	2012	2013	Inc. or Dec.	2014
	Actual	Actual	Estimate		Estimate
Discretionary Appropriations:					
High Energy Cost grants..... a/	-	-	-	-	-
Subtotal.....	-	-	-	-	-
Rescissions and					
Transfers (Net).....	-\$11,976	-\$9,500	-\$9,558	+\$9,558	-
Total Appropriation.....	-11,976	-9,500	-9,558	+9,558	-
Bal. Available, SOY.....	17,179	21,705	19,391	-9,832	\$9,558
Recovery of prior year obligations.....	-	30	-	-	-
Total Available.....	29,155	31,235	28,949	-19,391	9,558
Bal. Available, EOY.....	-21,705	-19,391	-9,558	+9,558	-
Total Obligations.....	7,450	11,845	19,391	-9,832	9,558

a/ In FY 2011, FY 2012, and FY 2013, \$11,976,000, \$9,500,000, and \$9,588,000, respectively, was provided for this program in the Rural Water and Waste Disposal Program account and transferred to this account. In FY 2014 no funds are proposed for this program.

RURAL UTILITIES SERVICE

HIGH ENERGY COST GRANTS

Project Statement

(On basis of obligations under available funds)

(Dollars in thousands)

Program	2011	2012	2013	Inc. or Dec.	2014
	Actual	Actual	Estimate		Estimate
Discretionary Obligations:					
High Energy Cost grants..... a/	\$7,450	\$11,845	\$19,391	-\$9,832	\$9,558
Subtotal.....	7,450	11,845	19,391	-9,832	9,558
Total Obligations.....	7,450	11,845	19,391	-9,832	9,558
Recovery of prior year obligations.....	-	-30	-	-	-
Bal. Available, EOY.....	21,705	19,391	9,558	-9,558	-
Total Available.....	29,155	31,205	28,949	-19,391	9,558
Transfers In.....	-11,976	-9,500	-9,558	+9,558	-
Bal. Available, SOY.....	-17,179	-21,705	-19,391	+9,832	-9,558
Total Appropriation.....	-	-	-	-	-

a/ In FY 2011, FY 2012, and FY 2013, \$11,976,000, \$9,500,000, and \$9,588,000, respectively, was provided for this program in the Rural Water and Waste Disposal Program account and transferred to this account. In FY 2014 no funds are proposed for this program.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$9,558,000 in high energy cost grants (\$9,558,000 available in 2013).

Base funds for the High Energy Cost Grant Program provide financial assistance for energy generation, transmission, and distribution facilities including energy efficiency improvements and renewable energy systems for rural communities with extremely high energy costs. Eligible communities have average home energy costs that are over 275 percent of the national average. In 2012, the program approved grants totaling over \$11.8 million. In 2013 the program will continue to use funding of \$9,558,000 and \$19.3 million in carryover of prior year funds to complete awards of previously selected projects now undergoing required environmental reviews and to made additional competitive grant awards. Existing grants support diverse projects in rural and remote areas of 16 States and 2 eligible insular areas. The program advances the USDA Strategic Goal of assisting rural communities to create prosperity so that they are self sustaining, repopulating and economically thriving and also supports the Agency's Strategic Goal of improving the quality of life in rural America by developing community infrastructure. There are no program-specific performance targets for this program.

No funding is being requested for this program for 2014. A base program level of \$9,558,000 would support the opportunity to make additional grants for other eligible communities. Carryover of prior year balances would allow the completion of awards to previously selected projects undergoing required environmental reviews. The communities served by the grants may be able to qualify for assistance under other Federal programs, including some in USDA, Rural Development.

RURAL UTILITIES SERVICE
High Energy Cost Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	-	-	-
Alaska.....	\$5,775	\$1,444	-	-
Arizona.....	-	1,352	-	-
Arkansas.....	-	-	-	-
California.....	-	-	-	-
Colorado.....	-	-	-	-
Connecticut.....	-	-	-	-
Delaware.....	-	-	-	-
Florida.....	-	-	-	-
Georgia.....	-	-	-	-
Hawaii.....	-	1,219	-	-
Idaho.....	-	-	-	-
Illinois.....	-	-	-	-
Indiana.....	-	-	-	-
Iowa.....	-	-	-	-
Kansas.....	-	-	-	-
Kentucky.....	-	-	-	-
Louisiana.....	-	-	-	-
Maine.....	-	2,618	-	-
Maryland.....	-	-	-	-
Massachusetts.....	-	-	-	-
Michigan.....	-	-	-	-
Minnesota.....	-	-	-	-
Mississippi.....	-	-	-	-
Missouri.....	-	-	-	-
Montana.....	-	-	-	-
Nebraska.....	-	-	-	-
Nevada.....	-	-	-	-
New Hampshire.....	-	-	-	-
New Jersey.....	-	-	-	-
New Mexico.....	-	2,895	-	-
New York.....	-	-	-	-
North Carolina.....	-	-	-	-
North Dakota.....	-	-	-	-
Ohio.....	-	-	-	-
Oklahoma.....	-	-	-	-
Oregon.....	-	-	-	-
Pennsylvania.....	-	-	-	-
Rhode Island.....	-	-	-	-
South Carolina.....	-	-	-	-
South Dakota.....	-	-	-	-
Tennessee.....	-	-	-	-
Texas.....	-	-	-	-
Utah.....	-	-	-	-
Vermont.....	-	-	-	-
Virginia.....	-	-	-	-
Washington.....	1,675	-	-	-
West Virginia.....	-	-	-	-
Wisconsin.....	-	-	-	-
Wyoming.....	-	-	-	-
American Samoa.....	-	-	-	-
District of Columbia.....	-	-	-	-
Guam.....	-	-	-	-
Midway Islands.....	-	-	-	-
N. Mariana Islands.....	-	-	-	-
Puerto Rico.....	-	-	-	-
Virgin Islands.....	-	-	-	-
Other Countries.....	-	2,317	-	-
Undistributed.....	-	-	\$19,391 ^{a/}	\$9,558 ^{a/}
Obligations.....	7,450	11,845	19,391	9,558
Bal. Available, SOY.....	-17,179	-21,705	-19,391	-9,558
Transfers In.....	-11,976	-9,500	-9,558	-
Bal. Available, EOY.....	21,705	19,391	9,558	-
Total, Adjust Approp.....	-	-	-	-

^{a/} Totals cannot be distributed at this time.

RURAL UTILITIES SERVICE

HIGH ENERGY COST GRANTS

Classification by Objects

(Dollars in thousands)

	2011	2012	2013	2014
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
41.0 Loans, subsidies, and contributions.....	\$7,450	\$11,845	\$19,391	\$9,558
99.9 Total, new obligations.....	<u>7,450</u>	<u>11,845</u>	<u>19,391</u>	<u>9,558</u>

RURAL UTILITIES SERVICE

STATUS OF PROGRAMS

Utility services are the foundation of rural infrastructure. Rural Utilities Service (RUS) provides financing for reliable and affordable water, waste treatment, electric power and telecommunications services that can help rural areas expand economic opportunities and improve the quality of life for rural residents.

Rural Electrification and Telecommunications Loans Programs:

Current Activities: The RUS provides electric and telecommunications financing through direct loans and loan guarantee programs. The rural electric direct loan and loan guarantee programs provide financing for electric generation, transmission, and distribution facilities. The telecommunications loan program provides direct loans for construction, expansion, and operation of telecommunications facilities.

Specific areas being addressed currently include:

1. Financing projects to improve electric service in rural areas. Providing reliable, affordable electricity is essential to the economic well-being and quality of life for all of the Nation's rural residents. The electric programs provide leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure.
2. Financing projects to improve telecommunication service in rural areas. The program priorities are to ensure that rural communities have access to advanced telecommunications services, such as high-speed Internet services and advanced communications services such as distance learning and telemedicine. Program outreach efforts are focused on identifying rural areas that do not have access to these services, which are essential for economic development and improved health and education services.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below by program:

Electric Programs:

The electric programs make direct loans and loan guarantees to finance electric generation, transmission, and distribution facilities, including system improvements and replacements required for electric service in rural areas, and for demand side management, energy efficiency and conservation programs, and on-grid/off-grid renewable energy systems. Loans are made to corporations, states, territories, subdivisions and agencies such as municipalities, utility districts, cooperatives, tribal utilities, nonprofits, limited-dividends, or mutual associations that provide retail electric service needs to rural areas or power supply needs of distribution borrowers in rural areas. The electric programs serve over 665 active electric borrowers in 46 States, and American Samoa and the Republic of the Marshall Islands.

In 2012, the electric programs approved 119 direct loans and loan guarantees totaling \$4.3 billion. The distribution of funding is as follows: 100 FFB loan guarantees totaling over \$2.06 billion for distribution borrowers; and 19 power supply (generation and transmission) FFB loan guarantees totaling \$2.26 billion. In addition, USDA approved one non-profit lender bond and note guarantee of \$424.3 million for relending for eligible electric and telephone purposes. Rural electric infrastructure loans approved in 2012 provided over \$1.7 billion for new or improved distribution system facilities, almost \$1.2 billion for transmission facilities, and almost \$1.4 billion for generation plant upgrades and additions. Generation investments included over \$278 million for renewable generation, over \$175 million for environmental improvements to existing plants, and a \$480 million loan to South Mississippi Electric Power Association to purchase a 15 percent share of a new advanced integrated gas combined cycle coal plant with carbon capture and sequestration. In 2012, electric program loans also financed \$246 million

in smart grid investments bringing the two year total to over \$396 million, far exceeding the Department's goal of supporting \$250 million in new smart grid investment in rural communities.

The over \$4.7 billion in financing provided new or improved electric service to almost 8.26 million retail customers in rural America. This USDA investment advances the Administration's grid modernization commitment with funding for over 20,341 miles of new and/or improved transmission and distribution facilities.

In 2012, the electric programs continued the commitment to finance renewable energy projects in support of USDA goals with four loan guarantees totaling over \$278 million. These loans will support three new renewable generation plants using woody biomass fuel in Colorado, Hawaii, and Texas that will serve local rural electric cooperative customers. An RUS loan of \$14.565 million to SMECO Solar LLC to build a 5.5 megawatt solar farm will enable its owner Southern Maryland Electric Cooperative, Inc. meet its state Renewable Energy Portfolio Standard with locally-generated, customer-owned solar power. Construction is expected to be completed in December 2012.

Telecommunications Program:

The telecommunications program makes direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems. Rural Development continues to fund the development of advanced telecommunications facilities in rural America. The program makes new or improved services available to borrowers' subscribers, including rural residents and businesses. Performance measures directly measure the impact of the programs on rural communities.

In 2012, the telecommunications program approved 7 infrastructure program loans for \$79.7 million. This funding allowed rural telecommunications providers to deploy new or improved service to 44,055 rural subscribers. In the last several years, the majority of the loans financed have been for Fiber-To-The-Home (FTTH) projects to provide fiber-optic service to rural homes and businesses. Triangle Communications in Montana has received a total of over \$126 million in telecommunications loans from RUS. In 2009 and 2010, Triangle received funding for FTTH projects in rural Montana counties. In Benton, MT, Benton Pharmacy was able to expand and to connect to a second pharmacy through a virtual connection made possible by the broadband infrastructure.

Distance Learning, Telemedicine and Broadband Program:

Current Activities: The distance learning, telemedicine and broadband program provides loans and grants for the deployment of equipment utilized in providing distance learning and telemedicine services to rural schools, educational institutions and health care providers. This program also finances advanced telecommunications networks capable of delivering broadband service to rural residents and businesses.

Specific areas being addressed currently include:

1. Financing projects to provide rural access to adequate medical and educational services. The program focuses on serving medically underserved areas identified by the Department of Health and Human Services, and on encouraging growth in the number of rural schools which offer distance learning classes to rural residents.
2. Financing projects to provide rural access to high-speed internet services. Priority is given to providing financing for rural communities that do not have access to broadband services. These services are essential for the economic and social development of rural communities.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below by program:

Distance Learning and Telemedicine Program:

The distance learning and telemedicine program awarded 58 grants for \$15.6 million in grant funds in 2012. For example, 2012 funding included a \$422,521 award to the Eastern Aleutian Tribes to fund an expansion and upgrade of its telemedicine equipment to better enable direct real-time visual diagnosis, provider-to-patient communication and medical staff consultation. The organization is the only health care safety net provider in the 80,000-square mile Eastern Aleutian region and the communities of Adak and Whittier in Alaska.

Broadband Program:

Broadband access is crucial to rural communities and the loan program provides funding for infrastructure in communities with populations of 20,000 or less. The program is still a major source of funding for rural broadband infrastructure. In 2012, loan application levels and processing were affected by two major issues: (1) New regulations for the broadband loan program published in March 2011; and (2) The Federal Communications Commission (FCC) adopted new rules governing Universal Service Fund and inter-carrier compensation distributions to rural carriers in 2012. These rules have resulted in reductions in Federal support to existing telecommunications providers serving rural communities and tribal lands. One loan was obligated in 2012, for \$68.9 million, to Consolidated Enterprises, Inc. This funding will support the deployment of FTTH to provide new or improved service to 19,844 rural subscribers near Dickinson and the adjacent rural areas in Stark County, ND. USDA continues to work with the FCC on the Universal Service Fund issue.

Water and Environmental Programs:

The water and environmental programs (WEP) have a leading role in providing rural communities with modern, affordable water and waste disposal (WWD) services. The water program directs technical and financial program resources to rural communities with the greatest need. These communities may be poverty-stricken as a result of out-migration, natural disasters or economic stress. However, rural communities can sustain economic development and improve the quality of life for their residents with dependable water and waste services and infrastructure.

Specific areas being addressed currently include:

1. Building leveraging partnerships to expand resources going to rural areas,
2. Directing resources to the neediest projects and communities,
3. Working with local communities and other borrowers to ensure funds are invested wisely,
4. Focusing on maintaining sustainable water systems in rural communities,
5. Improving the loan to grant mix so that more loan dollars are used by systems that can afford maximum debt capacity, and
6. Limiting grant funds to the most financially needy systems.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below:

In 2012, Rural Development invested \$1.42 billion in direct and guaranteed loans and grants to help rural communities develop water and waste disposal facilities. For example, in 2012 water and environmental programs approved \$3.7 million in loan and grant funding to expand the sewer system of White, Georgia. The expansion will decrease the risk of groundwater contamination and surface water pollution from the use of septic tank systems.

The goal to provide service to 1,394,000 borrowers/customers was exceeded for 2012 and the program served 2,455,997 borrowers/customers (population served). Examples of loans and grants approved include:

- \$1.3 billion in WWD direct loans and grants made to develop 662 projects, including \$221 million for 109 projects in persistent poverty counties in 21 states,

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- \$72.6 million assisted 86 projects in disadvantaged communities:
 - \$28 million for Alaskan natives and villages
 - \$24.93 million for Colonias
 - \$15.86 million for Native Americans
 - \$305,075 for Predevelopment Planning Grants to assist in preparing applications for WEP funds
 - \$633,707 for 26 Special Evaluation Assistance for Rural Communities and Household program
 - \$788,340 million for Individually-Owned Water Well Systems Grants
 - \$497,000 for Water and Wastewater Revolving Fund Grant
 - \$1.6 million for nine Predevelopment Planning Grants to assist in preparing applications for WEP funds
- \$3.14 million for 12 projects in communities qualifying for emergency assistance,
- \$38.5 million for 51 grants to technical assistance providers,
- 94,286 technical assistance calls completed by Drinking Water and Wastewater Circuit Riders,
- \$8.3 million in WWD guaranteed loans, and
- 28 projects administered for partner organizations.

The Rural Development national and state offices regularly monitor the national and individual state performance goals to evaluate program delivery and services to customers. In 2012, the water program met or exceeded goals for two of its three annual measures:

1. Population served receiving new or improved water or waste disposal service—2,455,997.
2. Sustainable Systems—92.32 percent of systems.

The loan to grant mix was set at 70/30, but the program ratio actually achieved was 72 percent loans and 28 percent grants. The program is designed to maximize and leverage the budget authority as it also balances the needs and affordability of the systems, and adjusts more grants to accommodate higher needs and affordability. The Rural Development national and state offices continue to coordinate their strategies to strengthen relationships with partner agencies and organizations.

RURAL UTILITIES PROGRAMS

Summary of Budget and Performance Statement of Department Goals and Objectives

Mission: USDA Rural Utilities Service (RUS) enhances the quality of life and improves economic opportunity in rural communities by providing the basic infrastructure of modern life. Electricity, telecommunications, and water and waste systems are essential services for individuals and businesses alike that assist communities with creating wealth, supporting self-sustaining and repopulating communities, and thriving economically.

RUS has one strategic goal and two strategic objectives that contribute to one of the Secretary’s Strategic Goals and one Agency Priority Goal.

USDA Strategic Goal: USDA will assist rural communities to create prosperity so they are self sustaining, repopulating and economically thriving.

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
Improve the quality of life in Rural America	<u>1:</u> Enhance the ability of rural businesses to succeed by providing access to modern telecommunications	<u>Telecommunications Program</u> Direct Telecommunications Loans Treasury Telecommunications Loans FFB Telecommunications Loans Distance Learning and Telemedicine Grants Broadband Loans and Grants	<u>1:</u> Provide access to modern telecommunications
	<u>2:</u> Develop community infrastructure	<u>Electric Program</u> Direct (Hardship) Electric Loans Direct Electric Loans FFB Electric Loans Direct Electric Loans	<u>2:</u> Modernize and improve community infrastructure
		<u>Water and Environmental Programs</u> Direct Water and Waste Disposal Loans Guaranteed Water and Waste Disposal Loans Water and Waste Disposal Grants Solid Waste Management Grants Emergency & Imminent Community Water Assistance Grants	

Key Outcome 1: Provide access to modern telecommunications

Key Performance Measures and Targets: To meet the annual target for the number of telecommunication programs' borrowers' subscribers receiving new or improved service.

The Telecommunications Program: In order to meet the goal of increasing economic opportunity in rural America, RUS annually finances new construction and upgrades to telecommunications infrastructure. Access to high-speed Internet services and other quality telecommunications services increases educational opportunities, improved availability of health care, job creation, retention and growth of businesses and other economic growth and is crucial to the development of regional economies. The telecommunications program has developed specific annual short-term performance measures which demonstrate progress towards the creation of strong rural broadband-based economies. The program tracks the number of borrowers' subscribers that have received new or improved service. The program improves processes and meets challenges by maintaining detailed records of annual lending activity and applying the information collected towards expansion of services.

The Distance Learning and Broadband Program: The distance learning and telemedicine program provides loans and grants for distance learning and telemedicine initiatives in rural areas. Utilizing advanced telecommunications services, these programs provide the Administration with a powerful tool in building strong rural economies and increasing educational and health care services in rural communities across the U.S. The distance learning and telemedicine program provides financing for videoconferencing and other telecommunications equipment to enable rural communities, schools and businesses, allowing them to provide distance education classes, remote job training, remote medical services, telemedicine, and other services that improve rural residents' access to educational and medical services. Matching funds from loan and grant participants provide leveraging of the Federal funding with private financial resources.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Number of borrowers/subscribers receiving new or improved telecommunication services.	775,341	187,399	136,694	180,597	63,899	90,000	145,000
Program Dollars (thousands)	\$1,163,272	761,979	768,895	810,602	\$173,036	\$782,292	788,678

Selected Past Accomplishments toward Achievement of the Key Outcome:

Since 2009, RUS has provided more than \$2.5 billion in financing for improving telecommunications in rural America. In 2012, the program approved 8 telecommunications loans and 18 grants for broadband infrastructure, public TV digital transition and emergency weather radios. All telecommunications facilities financed by RUS must be broadband capable. The development of the Internet-based economy provides unique opportunities for rural America. Broadband infrastructure greatly helps to mitigate the limitations on business development in rural areas caused by geographical distance and a limited customer base. RUS has provided capital to finance access to broadband service for rural communities. This access is critical to enable rural businesses to participate in the developing global economy.

Selected Accomplishments Expected at the FY 2014 Proposed Resource Level:

- 145,000 borrowers' subscribers will receive new or improved telecommunication services. 380 rural counties will receive access to distance learning or telemedicine services.

Key Outcome 2: Develop community infrastructure.

Key Performance Measures and Targets: To meet annual targets for 1) number of electric programs' borrowers' consumers receiving new or upgraded electric service; and 2) number of water programs' borrowers' subscribers (or customers) receiving new or improved water and/or improved waste disposal service.

The electric program makes loans and loan guarantees to provide and improve electric service in rural areas by financing electric generation, transmission, and distribution facilities including generation renewable energy sources and the implementation of energy efficiency and conservation measures. The program's goal of improving the quality of life of rural residents is accomplished by promoting and providing access to capital and credit for the development and delivery of modern, affordable and reliable electric utility services. The program tracks the number of borrowers' consumers that receive new or improved electric services and estimates the number of jobs created or saved by electric and renewable energy related investments.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Number of borrowers' consumers receiving new or improved electric facilities.	8,102,637	9,759,417	9,420,832	7,073,428	8,256,476	6,125,000	3,700,000
Program Dollars (thousands)	\$6,599,300	\$6,598,477	\$6,600,000	\$4,272,857	\$4,317,791	\$6,600,000	\$4,000,000

Selected Past Accomplishments toward Achievement of the Key Outcome:

Since 2009, the electric loan programs have provided over \$21.8 billion in financing for rural electric systems. In 2012, the program approved 119 loans totaling over \$4.3 billion. The funds were used by rural utilities to construct new or improved electric distribution, transmission and generation facilities to provide electric service in rural areas benefitting over 8.25 million consumers and supporting economic development and modernizing community infrastructure. The investment of the electric loan funds creates and maintains jobs in rural communities. In addition, USDA approved a bond and note guarantee of \$424.3 million for a non-profit lender relending for eligible electric and telephone purposes. Interest in financing cleaner electricity, renewable energy and energy efficiency programs through the electric programs remains strong. Within the \$4.3 billion in obligation, in 2012, the program approved over \$278 million in loan guarantees for four new renewable electric generation projects. Generation investments also provided over \$175 million for environmental improvements to existing plants, and a \$480 million to acquire a share of a new advanced integrated gas combined cycle (IGCC) plant with carbon capture and sequestration. The electric programs have adopted a progressive management approach by enhancing use of automated systems to support loan and grant management and innovating new products and procedures to support renewable energy initiatives. The program continues its commitment to, maintaining a workplace that values employees, and provides high-quality service to its customers.

Selected Accomplishments Expected at the 2014 Proposed Resource Level:

- 3,700,000 rural electric customers receiving new or upgraded service.

The water and environmental program has been addressing several areas to target resources to rural areas:

- Building leveraging partnerships to expand resources going to rural areas. Working groups have included regional planning commissions, regional councils of developments, and other State agencies to explore funding opportunities for projects in rural communities and areas;
- Directing resources to the neediest projects and communities;
- Working with local communities and other borrowers to ensure funds are invested wisely;
- Focusing on maintaining sustainable water systems in rural communities;
- Improving the loan to grant mix so that more loan dollars are used by systems that can afford maximum debt capacity; and
- Limiting grant funds to the most financially needy systems.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Population receiving new or improved services from agency-funded water and wastewater facilities or projects.	3,428,372	1,929,571	3,354,890	2,913,885	2,455,997	2,012,000	2,168,000
Program Dollars (thousands)	\$1,822,949	\$886,872	\$1,671,053	\$1,548,466	\$1,429,686	\$1,412,341	\$1,504,000

Selected Past Accomplishments toward Achievement of the Key Outcome:

In 2012, the program obligated \$1.43 billion in program level. Rural Development committed to target funding to smaller, more economically-challenged communities, investing \$221 million for 109 projects in persistent poverty counties in 21 States. Through the 2012 funding, RD delivered new and improved services to 2,455,997 rural residents.

Some of the funding activities are:

- \$1.3 billion in WWD direct loans and grants were made to develop 662 projects.
- \$72 million assisted 86 projects in disadvantaged communities.
- \$3.14 million funded 12 projects in communities qualifying for emergency assistance.
- \$633,707 for 26 grants from the Special Evaluation Assistance for Rural Communities and Household Program.
- \$38.5 million for 51 grants to technical assistance providers.
- 94,286 technical assistance calls were completed by Drinking Water and Wastewater Circuit Riders.
- \$8.3 million in guaranteed loans were made to fund 6 projects.
- 28 projects were administered for partner organizations.
- \$788,340 in Individually-Owned Water Well Systems Grants was awarded to non-profit organizations.
- \$497,000 in Water and Wastewater Revolving Fund Grants was awarded.
- \$1.6 million for 19 Predevelopment Planning Grants was awarded to assist in preparing applications for WEP funds.
- 15 percent of funding helped projects located in persistent poverty counties.

Overall obligations for the water and waste loan and grant program for 2012 were 72 percent loan and 28 percent grant for regular funding. The 2013 obligations are expected to meet the goal of 70 percent loan and 30 percent grant (the annual efficiency measure goal for 2013).

As a result of Rural Development's investment in water and waste facilities, communities are able to save or create jobs; leverage funds with the private sector, local agencies, and State agencies; attract Federal funds from other agencies; and enlarge the economic and property tax base. Through September 2012, USDA had leveraged \$554.92 million from other sources with over \$1.43 billion of water program loan and grant funds.

The debt service ratio (DSR) and current ratio (CR) are used to indicate the feasibility and sustainability of facilities.

The sustainability criteria are based on industry standards of a DSR of 1.10 percent or more and a CR of 1.50 percent or more. Of systems reporting, 92.32 percent were classified as sustainable.

Selected Accomplishments Expected at the 2014 Proposed Resource Level:

- Provide new or improved water and/or waste disposal service to 2.2 million rural residents with \$1.5 billion of program funds, which includes carryover funds.
- Produce a loan to grant ratio of 70/30 so that more dollars are used by systems that can afford maximum debt capacity.
- Limit grant funds to the most financially needy systems.
- Increase leveraged funds to 30 percent of total project costs from non-agency sources for USDA funded projects.

RURAL UTILITIES SERVICE
Strategic Goal Funding Matrix
(Dollars in thousands)

Program / Program Items	2011 Actual	2012 Actual	2013 Estimate	Increase or Decrease	2014 Estimate
USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.					
Program Level.....	7,144,369	6,356,704	9,221,937	-2,929,259	6,292,678
Staff Years.....	928	771	742	+36	778
Total Costs, Strategic Goal.....	7,144,369	6,356,704	9,221,937	-2,929,259	6,292,678
Total Staff Years, Strategic Goal.....	928	771	742	36	778

UTILITIES PROGRAMS
Full Cost by Department Strategic Goal
(Dollars in Thousands)

Strategic Goal: Assist Rural Communities to Create Prosperity so They Are Self-Sustaining, Repopulating and Economically Thriving.

PROGRAM	PROGRAM ITEMS	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE
Direct Telecommunications Loans, Treasury Telecommunications Loans, and FFB Telecommunications Loans, Telecommunications Treasury Plus Loans					
	Program Level	\$689,999	\$79,825	\$690,000	\$690,000
	Budget Authority	0	0	0	0
	Administrative Costs (Direct)	6,195	5,885	5,921	6,241
	Administrative Costs (Indirect)	2,915	2,769	2,786	2,937
	Total Costs	9,110	8,654	8,707	9,178
	FTEs	83	69	66	70
	Performance measure:				
	Number of borrowers' subscribers receiving new/improved service				
	Target:	176,965	44,055	50,000	100,000
	Cost per Measure (unit cost)	0.05	0.20	0.17	0.09
Treasury Distance Learning Loans, Distance Learning and Telemedicine Grants					
	Program Level	\$64,894	\$15,620	\$15,092	\$24,950
	Budget Authority	64,894	15,620	15,092	24,950
	Administrative Costs (Direct)	1,376	1,307	1,315	1,386
	Administrative Costs (Indirect)	648	616	619	653
	Total Costs	66,918	17,543	17,027	26,989
	FTEs	18	15	14	15
	Performance measure:				
	Counties served				
	Target:	660	407	380	380
	Cost per Measure (unit cost)	101.39	43.10	44.81	71.02
Con Farm & RD Act, Sec 379G Health Care Services Grant					
	Program Level	\$5,994	\$0	\$3,018	0
	Budget Authority	5,994	0	3,018	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	5,994	0	3,018	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	0	0	0	0
	Cost per Measure (unit cost)	0.00	0.00	0.00	0.00
Broadband Telecommunication Loans and Grants, and Public Broadcasting System Grants					
	Program Level	\$55,709	\$77,651	\$77,200	\$73,728
	Budget Authority	20,615	11,199	19,491	18,640
	Administrative Costs (Direct)	5,431	5,159	5,190	5,471
	Administrative Costs (Indirect)	2,556	2,428	2,443	2,575
	Total Costs	28,602	18,787	27,124	26,686
	FTEs	73	61	58	61
	Performance measure:				
	Number of borrowers' subscribers receiving new/improved service				
	Target:	3,632	19,844	40,000	45,000
	Cost per Measure (unit cost)	7.88	0.95	0.68	0.59

PROGRAM	PROGRAM ITEMS	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE
Direct Electric Loans, Treasury Electric Loans, Municipal Electric Loans, FFB Electric Loans, Guaranteed Electric Loans, Electric Underwriting Loans for Bonds and Notes and Electric Treasury Plus					
	Program Level	\$4,771,857	\$4,742,077	\$7,024,286	\$4,000,000
	Budget Authority	699	0	598	0
	Administrative Costs (Direct)	14,172	13,463	13,546	14,277
	Administrative Costs (Indirect)	6,669	6,335	6,374	6,719
	Total Costs	21,540	19,799	20,518	20,996
	FTEs	189	157	151	158
	Performance measure:				
	Subscribers served				
	Target:	7,073,428	8,256,476	6,125,000	3,700,000
	Cost per Measure (unit cost)	0.00	0.00	0.00	0.01
Direct Water & Waste Disposal Loans, Guaranteed Water & Waste Disposal Loans, Water & Disposal Grants, Individually-Owned Water Well System Grants, Grants for Water and Wastewater Revolving Funds, Solid Waste Management Grants, and Emergency & Imminent Community Water Asst. Grants					
	Program Level	\$1,548,466	\$1,429,686	\$1,402,783	\$1,504,000
	Budget Authority	601,664	567,801	506,581	304,000
	Administrative Costs (Direct)	42,298	40,183	40,429	42,613
	Administrative Costs (Indirect)	19,905	18,910	19,025	20,053
	Total Costs	663,867	626,893	566,035	366,666
	FTEs	565	469	452	474
	Performance measure: # of				
	subscribers receiving new and/or				
	improved water and/or waste				
	disposal service				
	Target:	2,913,885	2,455,997	2,012,000	2,168,000
	Cost per Measure (unit cost)	0.23	0.26	0.28	0.17
High Energy Cost Grants					
	Program Level	7,450	11,845	9,558	0
	Budget Authority	7,450	11,845	9,558	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	7,450	11,845	9,558	0
	FTEs	0	0	0	0
	Performance measure: New/				
	Upgraded Subscribers				
	Target:	0	0	0	0
	Cost per Measure (unit cost)	0.00	0.00	0.00	0.00
Total for Secretary's Priorities					
	Program Level	\$7,144,369	\$6,356,704	\$9,221,937	\$6,292,678
	Budget Authority	701,316	606,465	554,338	347,590
	Administrative Costs (Direct)	69,472	65,998	66,401	69,989
	Administrative Costs (Indirect)	32,693	31,058	31,248	32,936
	Total Costs	803,481	703,521	651,987	450,515
	FTEs	928	771	742	778
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A

* S&E and FTE figures for each program are estimates. Actual staff time by program is not available at this time.

Totals may not balance due to rounding.