

learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

(Pub. L. 101-624, title XXIII, § 2331, as added Pub. L. 104-127, title VII, § 704, Apr. 4, 1996, 110 Stat. 1108.)

PRIOR PROVISIONS

A prior section 950aaa, Pub. L. 101-624, title XXIII, § 2331, Nov. 28, 1990, 104 Stat. 4017, provided purposes of chapter, prior to the general amendment of this chapter by Pub. L. 104-127.

TERMINATION OF CHAPTER

Pub. L. 102-551, § 1(b), Oct. 28, 1992, 106 Stat. 4100, provided that: “Notwithstanding any other provision of law, chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), including the amendments made by this section [enacting section 950aaa-5 of this title and amending section 950aaa-4 of this title], shall be effective until September 30, 1997.”

§ 950aaa-1. Definitions

In this chapter:

(1) Construct

The term “construct” means to construct, acquire, install, improve, or extend a facility or system.

(2) Cost of money loan

The term “cost of money loan” means a loan made under this chapter bearing interest at a rate equal to the then current cost to the Federal Government of loans of similar maturity.

(3) Secretary

The term “Secretary” means the Secretary of Agriculture.

(Pub. L. 101-624, title XXIII, § 2332, as added Pub. L. 104-127, title VII, § 704, Apr. 4, 1996, 110 Stat. 1108.)

PRIOR PROVISIONS

A prior section 950aaa-1, Pub. L. 101-624, title XXIII, § 2332, Nov. 28, 1990, 104 Stat. 4017; Pub. L. 102-237, title VII, § 702(g), Dec. 13, 1991, 105 Stat. 1880, provided goal of Federal Government to make affordable advanced telecommunications available to rural residents, prior to the general amendment of this chapter by Pub. L. 104-127.

§ 950aaa-2. Telemedicine and distance learning services in rural areas

(a) Services to rural areas

The Secretary may provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services in rural areas.

(b) Financial assistance

(1) In general

Financial assistance shall consist of grants or cost of money loans, or both.

(2) Form

The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and the portion that

consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

(c) Recipients

(1) In general

The Secretary may provide financial assistance under this chapter to—

(A) entities using telemedicine services or distance learning services; and

(B) entities providing or proposing to provide telemedicine service or distance learning service to other persons at rates calculated to ensure that the benefit of the financial assistance is passed through to the other persons.

(2) Electric or telecommunications borrowers

(A) Loans to borrowers

Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

(ii) use the funds provided to acquire, install, improve, or extend a system referred to in subsection (a) of this section; or

(iii) use the funds provided to install, improve, or extend a facility referred to in subsection (a) of this section.

(B) Limitations

A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 [7 U.S.C. 901 et seq.] shall—

(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan or making the system or facility available.

(3) Appeal

If the Secretary rejects the application of a borrower who applies for a cost of money loan or grant under this section, the borrower may appeal the decision to the Secretary not later than 10 days after the borrower is notified of the rejection.

(4) Assistance to provide or improve services

Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

(d) Priority

The Secretary shall establish procedures to prioritize financial assistance under this chapter considering—

- (1) the need for the assistance in the affected rural area;
- (2) the financial need of the applicant;
- (3) the population sparsity of the affected rural area;
- (4) the local involvement in the project serving the affected rural area;
- (5) geographic diversity among the recipients of financial assistance;
- (6) the utilization of the telecommunications facilities of any telecommunications provider serving the affected rural area;
- (7) the portion of total project financing provided by the applicant from the funds of the applicant;
- (8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;
- (9) the joint utilization of facilities financed by other financial assistance;
- (10) the coordination of the proposed project with regional projects or networks;
- (11) service to the greatest practical number of persons within the general geographic area covered by the financial assistance;
- (12) conformity with the State strategic plan as prepared under section 2009c of this title; and
- (13) other factors determined appropriate by the Secretary.

(e) Maximum amount of assistance to individual recipients

The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter, by publishing notice of the maximum amount in the Federal Register not more than 45 days after funds are made available for the fiscal year to carry out this chapter.

(f) Use of funds

Financial assistance provided under this chapter shall be used for—

- (1) the development and acquisition of instructional programming;
- (2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, or other facilities that would further telemedicine services or distance learning services;
- (3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or
- (4) other uses that are consistent with this chapter, as determined by the Secretary.

(g) Salaries and expenses

Notwithstanding subsection (f) of this section, financial assistance provided under this chapter shall not be used for paying salaries or administrative expenses.

(h) Expediting coordinated telephone loans

(1) In general

The Secretary may establish and carry out procedures to ensure that expedited consider-

ation and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services in rural areas in conjunction with any other projects carried out under this chapter.

(2) Deadline imposed on Secretary

Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall notify the applicant in writing of the decision of the Secretary regarding the application.

(i) Notification of local exchange carrier

(1) Applicants

Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

(2) Secretary

The Secretary shall—

- (A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and
- (B) make the applications available for inspection.

(Pub. L. 101-624, title XXIII, § 2333, as added Pub. L. 104-127, title VII, § 704, Apr. 4, 1996, 110 Stat. 1109.)

REFERENCES IN TEXT

The Rural Electrification Act of 1936, referred to in subsecs. (c)(2) and (h)(1), is act May 20, 1936, ch. 432, 49 Stat. 1363, as amended, which is classified generally to chapter 31 (§ 901 et seq.) of this title. For complete classification of this Act to the Code, see section 901 of this title and Tables.

PRIOR PROVISIONS

A prior section 950aaa-2, Pub. L. 101-624, title XXIII, § 2333, Nov. 28, 1990, 104 Stat. 4017; Pub. L. 103-354, title II, § 235(b)(4)(A), (C), Oct. 13, 1994, 108 Stat. 3221, 3222, provided definitions for chapter, prior to the general amendment of this chapter by Pub. L. 104-127.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 917 of this title.

§ 950aaa-3. Administration

(a) Nonduplication

The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

(b) Loan maturity

The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

(c) Loan security and feasibility

The Secretary shall make a cost of money loan only if the Secretary determines that the