

USDA Executive Summary-Substantially Underserved Trust Areas (SUTA) Prepared for the 2011 IGIA Senior Plenary Session on Insular Areas

The Farm Bill Section 6105 in summary provides these authorizations:

- 1) The language amends the Rural Electrification Act of 1936 (REA) by inserting this provision making this applicable to most Rural Utilities Service (RUS) Programs for Electric, Telecommunications, Broadband, and our Water and Environmental Programs.
- 2) Definitions included all RUS programs from this Farm Bill, and the Consolidated Farm and Rural Development Act (CONACT – which includes our WEP programs).
 - a. Substantially underserved are trust lands which the Secretary determines have a high need for benefits of RUS Programs
 - b. Trust area means a community in “trust lands” (further defined in 3765 of title 38, USC)
 - i. This Title is a Department of Veteran’s Affairs (VA) Definition and provides that VA Secretary discretion on some determinations for islands in the Pacific
 1. Discretion is over lands by cultural tradition or communally-owned land

ii. Full Trust Land Definition from Title 38 Section 3765

For the purposes of this subchapter—

(1) The term “trust land” means any land that—

(A) is held in trust by the United States for Native Americans;

(B) is subject to restrictions on alienation imposed by the United States on Indian lands (including native Hawaiian homelands);

(C) is owned by a Regional Corporation or a Village Corporation, as such terms are defined in section 3(g) and 3(j) of the Alaska Native Claims Settlement Act, respectively (43 U.S.C. 1602(g), (j)); or

(D) is on any island in the Pacific Ocean if such land is, by cultural tradition, communally-owned land, as determined by the Secretary.

- 3) The Secretary may implement a SUTA initiative to identify trust lands and high needs and improve the availability of RUS programs when they are considered substantially underserved
 - a. The Secretary is directed to work in consultation with local governments and Federal agencies
 - i. We interpret this to include Tribal Consultations
- 4) The Authority of the Secretary for a SUTA initiative allows four options:
 - i. May make loans and guarantees with interest *as low as* 2 percent and with extended repayment terms
 - ii. May waive non-duplication restrictions, matching fund requirements, or credit support requirements from any loan or grant program to facilitate construction, acquisition or improvements of infrastructure
 - iii. May give highest priority to SUTA designated projects
 1. We interpret this to also include RUS Grant Programs
 - iv. Shall only make loans that are financially feasible and that provide eligible program benefits to the areas

Farm Bill Language

SEC. 6105. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

The Rural Electrification Act of 1936 is amended by inserting after section 306E (7 U.S.C. 936e) the following:

“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE PROGRAM.—The term ‘eligible program’ means a program administered by the Rural Utilities Service and authorized in—

“(A) this Act; or

“(B) paragraph (1), (2), (14), (22), or (24) of section 306(a) or section 306A, 306C, 306D, or 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a), 1926a, 1926c, 1926d, 1926e).

“(2) SUBSTANTIALLY UNDERSERVED TRUST AREA.—The term ‘substantially underserved trust area’ means a community in ‘trust land’ (as defined in section 3765 of title 38, United States Code) with respect to which the Secretary determines has a high need for the benefits of an eligible program.

“(b) INITIATIVE.—The Secretary, in consultation with local governments and Federal agencies, may implement an initiative to identify and improve the availability of eligible programs in communities in substantially underserved trust areas.

“(c) AUTHORITY OF SECRETARY.—In carrying out subsection (b), the Secretary—

“(1) may make available from loan or loan guarantee programs administered by the Rural Utilities Service to qualified utilities or applicants financing with an interest rate as low as 2 percent, and with extended repayment terms;

“(2) may waive non-duplication restrictions, matching fund requirements, or credit support requirements from any loan or grant program administered by the Rural Utilities Service to facilitate the construction, acquisition, or improvement of infrastructure;

“(3) may give the highest funding priority to designated projects in substantially underserved trust areas; and

“(4) shall only make loans or loan guarantees that are found to be financially feasible and that provide eligible program benefits to substantially underserved trust areas.

“(d) REPORT.—Not later than 1 year after the date of enactment of this section and annually thereafter, the Secretary shall submit to Congress a report that describes—

“(1) the progress of the initiative implemented under subsection (b); and

“(2) recommendations for any regulatory or legislative changes that would be appropriate to improve services to substantially underserved trust areas.”.

Trust Land Definition

Title 38

§ 3765. Definitions

For the purposes of this subchapter—

(1) The term “trust land” means any land that—

(A) is held in trust by the United States for Native Americans;

(B) is subject to restrictions on alienation imposed by the United States on Indian lands (including native Hawaiian homelands);

(C) is owned by a Regional Corporation or a Village Corporation, as such terms are defined in section 3(g) and 3(j) of the Alaska Native Claims Settlement Act, respectively (43 U.S.C. 1602(g), (j)); or

(D) is on any island in the Pacific Ocean if such land is, by cultural tradition, communally-owned land, as determined by the Secretary.