

**§ 918a. Energy generation, transmission, and distribution facilities efficiency grants and loans in rural communities with extremely high energy costs**

**(a) In general**

The Secretary, acting through the Rural Utilities Service, may—

(1) in coordination with State rural development initiatives, make grants and loans to persons, States, political subdivisions of States, and other entities organized under the laws of States to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available);

(2) make grants and loans to the Denali Commission established by the Denali Commission Act of 1998 (42 U.S.C. 3121 note; Public Law 105-277) to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities described in paragraph (1); and

(3) make grants to State entities, in existence as of November 9, 2000, to establish and support a revolving fund to provide a more cost-effective means of purchasing fuel where the fuel cannot be shipped by means of surface transportation.

**(b) Authorization of appropriations**

**(1) In general**

There are authorized to be appropriated to carry out this section \$50,000,000 for fiscal year 2001 and such sums as are necessary for each subsequent fiscal year.

**(2) Limitation on planning and administrative expenses**

Not more than 4 percent of the amounts made available under paragraph (1) may be used for planning and administrative expenses.

(May 20, 1936, ch. 432, title I, § 19, as added Pub. L. 106-472, title III, § 301, Nov. 9, 2000, 114 Stat. 2069.)

REFERENCES IN TEXT

The Denali Commission Act of 1998, referred to in subsec. (a)(2), is title III of div. C of Pub. L. 105-277, Oct. 21, 1998, 112 Stat. 2681-637, which is set out as a note under section 3121 of Title 42, The Public Health and Welfare.

**§ 918b. Acquisition of existing systems in rural communities with high energy costs**

On and after November 28, 2001, notwithstanding any other provision of law, the Administrator of the Rural Utilities Service shall use the authorities provided in the Rural Electrification Act of 1936 [7 U.S.C. 901 et seq.] to finance the acquisition of existing generation, transmission and distribution systems and facilities serving high cost, predominantly rural areas by entities capable of and dedicated to providing or improving service in such areas in an efficient and cost effective manner.

(Pub. L. 107-76, title VII, § 748, Nov. 28, 2001, 115 Stat. 738.)

REFERENCES IN TEXT

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

CODIFICATION

Section was enacted as part of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, and not as part of the Rural Electrification Act of 1936 which comprises this chapter.

PRIOR PROVISIONS

Provisions similar to those in this section were contained in the following prior appropriation act:

Pub. L. 106-387, §1(a) [title I, §771], Oct. 28, 2000, 114 Stat. 1549, 1549A-45.

**§ 918c. Rural and remote communities electrification grants**

**(a) Definitions**

In this section:

(1) The term “eligible grantee” means a local government or municipality, peoples’ utility district, irrigation district, and cooperative, nonprofit, or limited-dividend association in a rural area.

(2) The term “incremental hydropower” means additional generation achieved from increased efficiency after January 1, 2005, at a hydroelectric dam that was placed in service before January 1, 2005.

(3) The term “renewable energy” means electricity generated from—

(A) a renewable energy source; or

(B) hydrogen, other than hydrogen produced from a fossil fuel, that is produced from a renewable energy source.

(4) The term “renewable energy source” means—

(A) wind;

(B) ocean waves;

(C) biomass;

(D) solar;

(E) landfill gas;

(F) incremental hydropower;

(G) livestock methane; or

(H) geothermal energy.

(5) The term “rural area” means a city, town, or unincorporated area that has a population of not more than 10,000 inhabitants.

**(b) Grants**

The Secretary, in consultation with the Secretary of Agriculture and the Secretary of the Interior, may provide grants under this section to eligible grantees for the purpose of—

(1) increasing energy efficiency, siting or upgrading transmission and distribution lines serving rural areas; or

(2) providing or modernizing electric generation facilities that serve rural areas.

**(c) Grant administration**

(1) The Secretary shall make grants under this section based on a determination of cost-effectiveness and the most effective use of the funds

to achieve the purposes described in subsection (b) of this section.

(2) For each fiscal year, the Secretary shall allocate grant funds under this section equally between the purposes described in paragraphs (1) and (2) of subsection (b) of this section.

(3) In making grants for the purposes described in subsection (b)(2) of this section, the Secretary shall give preference to renewable energy facilities.

**(d) Authorization of appropriations**

There is authorized to be appropriated to the Secretary to carry out this section \$20,000,000 for each of fiscal years 2006 through 2012.

(Pub. L. 95-617, title VI, § 609, as added Pub. L. 109-58, title II, § 209, Aug. 8, 2005, 119 Stat. 657.)

CODIFICATION

Section was enacted as part of the Public Utility Regulatory Policies Act of 1978, and not as part of the Rural Electrification Act of 1936 which comprises this chapter.

DEFINITIONS

Secretary means the Secretary of Energy, see section 2602(14) of Title 16, Conservation.

SUBCHAPTER II—RURAL TELEPHONE SERVICE

**§ 921. Congressional declaration of policy**

It is declared to be the policy of the Congress that adequate telephone service be made generally available in rural areas through the improvement and expansion of existing telephone facilities and the construction and operation of such additional facilities as are required to assure the availability of adequate telephone service to the widest practicable number of rural users of such service.

(Oct. 28, 1949, ch. 776, § 1, 63 Stat. 948.)

CODIFICATION

Section is composed of the first sentence of section 1 of act Oct. 28, 1949. The second sentence of section 1 of that act, which provided that: "In order to effectuate this policy, the Rural Electrification Act of 1936 [this chapter] is amended as hereinafter provided", is omitted from the Code.

Section was not enacted as part of title II of the Rural Electrification Act of 1936 which comprises subchapter II of this chapter.

**§ 921a. Policy of financing of rural telephone program**

It is hereby declared to be the policy of the Congress that the growing capital needs of the rural telephone systems require the establishment of a rural telephone bank which will furnish assured and viable sources of supplementary financing with the objective that said bank will become an entirely privately owned, operated, and financed corporation. The Congress further finds that many rural telephone systems require financing under the terms and conditions provided in this subchapter.

(Pub. L. 92-12, § 1, May 7, 1971, 85 Stat. 29.)

CODIFICATION

The last sentence of section 1 of Pub. L. 92-12 provided that: "In order to effectuate this policy, the

Rural Electrification Act of 1936, as amended (7 U.S.C. 921-924), is amended as hereinafter provided."

Section was not enacted as part of title II of the Rural Electrification Act of 1936 which comprises this subchapter.

EFFECTIVE DATE

Section 7 of Pub. L. 92-12 provided that: "This Act [enacting sections 921a, 931, 932, and 941 to 950b of this title and amending sections 903(f) and 922 of this title] shall take effect upon enactment [May 7, 1971]."

RESERVATION OF RIGHT TO REPEAL, ALTER, OR AMEND  
PUB. L. 92-12

Section 6 of Pub. L. 92-12 provided that: "The right to repeal, alter, or amend this Act [enacting sections 921a, 931, 932, and 941 to 950b of this title, amending sections 903 and 922 of this title and sections 856 and 868 of former Title 31, and enacting provisions set out as notes under sections 856 and 868 of former Title 31] is expressly reserved."

**§ 921b. Policy of expansion of markets for debentures**

It is hereby declared to be the policy of the Congress that the Rural Telephone Bank should have the capability of obtaining adequate funds for its supplementary financing program at the lowest possible costs. In order to effectuate this policy, it will be necessary to expand the market for debentures to be issued by the Telephone Bank.

(Pub. L. 92-324, § 1, June 30, 1972, 86 Stat. 390.)

CODIFICATION

The last sentence of section 1 of Pub. L. 92-324 provided that: "The Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), is therefore further amended as hereinafter provided."

Section was not enacted as part of the title II of the Rural Electrification Act of 1936 which comprises this subchapter.

EFFECTIVE DATE

Section 4 of Pub. L. 92-324 provided that: "This Act [enacting this section and amending section 947 of this title] shall take effect upon enactment [June 30, 1972]."

RESERVATION OF RIGHT TO REPEAL, ALTER, OR AMEND  
PUB. L. 92-324

Section 3 of Pub. L. 92-324 provided that: "The right to repeal, alter, or amend this Act [enacting this section and amending section 947 of this title] is expressly reserved."

**§ 922. Loans for rural telephone service**

From such sums as are from time to time made available by the Congress to the Secretary for such purpose, pursuant to section 903 of this title, the Secretary is authorized and empowered to make loans to persons now providing or who may hereafter provide telephone service in rural areas, to public bodies now providing telephone service in rural areas and to cooperative, nonprofit, limited dividend, or mutual associations. Except as otherwise provided by this subchapter, such loans shall be made under the same terms and conditions as are provided in section 904 of this title, for the purpose of financing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas: *Provided*,