

ReConnect (Rural E-Connectivity) Program Guide for Fiscal Year 2024

**Rural Utilities Service
Telecommunications Program**

April 26, 2024

Executive Summary

The ReConnect (Rural E-Connectivity) Program Guide for Fiscal Year 2024 (Program Guide) describes the U.S. Department of Agriculture’s (USDA) Rural Utilities Service’s (RUS) implementation of the ReConnect program, including a detailed explanation of the materials and considerations required for your application. After reading the Program Guide, you should understand the programmatic requirements and characteristics of the ReConnect program.

Notes:

1. All references to figures and tables in the text of this program guide are **clickable links** to the relevant illustrations and tables.
2. This program guide contains **clickable links** to sections within the guide that provide additional details on program requirements.

Version	Change	Date
V1	Initial publication	February 21, 2024
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1 Program Summary

1.1 Statutory and Regulatory References

The ReConnect program was created by Congress as part of the Consolidated Appropriations Act of 2018. RUS has since published several announcements in the Federal Register related to the ReConnect program. On February 26, 2021, USDA published the ReConnect program regulation ([7 CFR 1740](#)), to codify the program's policies and procedures. You should refer to the latest [Notice of Funding Opportunity \(NOFO\)](#) for fiscal year 2024 (FY2024), published on February 21, 2024, which describes the policy and application procedures for the program, and establishes the deadlines for applying to the ReConnect program. These documents are provided on the [Forms and Resources page on the ReConnect website](#).

The application window will open on [March 22, 2024](#).

Applications are only accepted through the ReConnect Application Intake System (Intake System). RUS doesn't accept ReConnect applications delivered to the agency by any other method. Late or incomplete applications will not be accepted.

Application Deadline for FY2024:

[May 21, 2024, 11:59 a.m. Eastern](#)

1.2 Funding Categories

Table 1: ReConnect Funding Categories and Available Funding

Funding Category	Available Funding and Maximum Award	Key Requirements
100 Percent Loan	<ul style="list-style-type: none">\$200 million availableMaximum request: \$50 million	<ul style="list-style-type: none">Awards made on a rolling basisInterest rate: two percent fixedThree-year deferral on principal and interest payments
50 Percent Loan-50 Percent Grant Combination	<ul style="list-style-type: none">\$100 million for loans & \$100 million for grants availableMaximum request: \$25 million for the loan; \$25 million for the grantLoan and grant amounts will always be equal	<ul style="list-style-type: none">Competitive review based on scoring criteriaInterest rate set at the US Treasury rate at the time of each advance of fundsThree-year deferral on principal and interest payments
100 Percent Grant	<ul style="list-style-type: none">\$150 million availableMaximum request: \$25 million	<ul style="list-style-type: none">Competitive review based on scoring criteriaRequired match: 25 percent of total project costs; cash
100 Percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities	<ul style="list-style-type: none">\$150 million availableMaximum request: \$25 million	<ul style="list-style-type: none">Competitive review based on scoring criteriaNo match required

RUS may divert funds from one funding category to another or add additional available funding to one or multiple funding categories, as appropriate.

The minimum funding amount that can be requested in any funding category is \$100,000.

You may create as many applications under different funding categories as you need to, but you may only submit a SINGLE application. We recommend that you keep track of applications numbers and a few details about each if you create more than one application.

1.3 Eligible Entities

To be considered an eligible entity, your organization must meet the requirements of [7 CFR 1740.9](#). Eligible entity types are:

- State or local government, including any agency, subdivision, instrumentality, or political subdivision
- Territory or possession of the United States
- Indian tribe (as defined in section four of the Indian Self-Determination and Education Assistance Act)
- Corporation (either non-profit or for-profit)
- Limited liability company (LLC) or limited liability partnership (LLP)
- Cooperative or mutual organization

The following are not eligible entities:

- Individuals
- Legal general partnerships that are formed with individuals
- Co-Applicants
 - If you would like to partner with another entity, a single organization must take the lead on submitting the application. To account for revenues and expenses on your financial projects, you may include inter-company agreements. However, based on existing financial and security arrangements, RUS may require that all participants proposing to be co-applicants be included in the award documents or provide a guarantee agreement for the award.

1.4 Application Intake System

You will use the [ReConnect Application Intake System](#) (Intake System) to create and submit your application. The Intake System has built-in validations, links between different application components, and guidance tips to assist you through the creation and submission of an application.

When preparing your application, keep the following guidance in mind. Some of these requirements have changed from the previous rounds:

- You can submit only one application. You may start multiple applications in the Intake System but only one can be submitted

- A parent company that has subsidiaries applying for funding based on the parent's audited financials can only guarantee one application for funding. If multiple subsidiaries apply based on the same parent audited financial statements, at RUS's discretion, only one application can be funded
- Only applications that are electronically submitted through the Intake System will be considered. Applications and supporting documents will not be accepted through mail or courier delivery, in-person delivery, fax, or electronic mail

For instructions on how to navigate the Intake System, please refer to the ReConnect Application Intake System User Manual (User Manual). The User Manual can be found on the [Forms and Resources page on the ReConnect website](#) when the application window opens.

2 Pre-Application Requirements

The following sections provide an overview of important pre-application considerations and items for the ReConnect program. To ensure that your application is completed efficiently, address the following items ahead of time. For your reference, additional key program and application resources can be found on the [Forms and Resources](#) page on the ReConnect website.

2.1 Early Considerations

These considerations may affect your decision to apply. If applicable, you will have to commit to these options early in your application and these decisions cannot be changed in the Intake System once you have started, unless you start a new application. The considerations listed below will also affect the supporting documents you will need to prepare.

- **Third Party Commitments:** If you are applying for a 100 percent grant and your matching funds are provided by a third party, you must submit a commitment letter from the third party indicating that the funds will be available as needed to support the deposit of funds into the pledged deposit account (PDA).
- **Irrevocable Letter of Credit (ILOC):** If you are applying for a 100 percent grant, you may request that standard grant security arrangements be replaced with an ILOC, to ensure that the project is completed.
 - If you offer an ILOC as security, you will not be required to provide financial projections for Non-Funded Service Areas (NFSAs).
 - See section 4.4.2 for ILOC and grant security requirements.
- **Collateral Substitution:** The standard loan and grant documents require that you pledge all assets and revenues of your operations as collateral. However, you may propose certificates of deposit (with RUS named as the beneficiary on the certificate) or bonds (with a AAA rating from an accredited rating agency) as long as the amount of the collateral is equal to the full amount of the loan. You must pledge the collateral to RUS. All other conditions of the standard loan documents will apply.
- **Triple A Bond Rating (AAA):** If you are applying for a 100 percent grant and can demonstrate that your organization has received a AAA bond rating from either Fitch, Standard and Poor's, or Moody's, you do not have to submit the five-year pro forma financial projections of the NFSAs.
 - The date the rating is issued must be within one year from the date the application is submitted.
 - Evidence of the bond rating must be included in your application.
 - Please note that you still must submit audited financial statements
- **Tribal Guarantee:** If your organization is a Tribal entity applying for a 100 percent grant and is willing to guarantee that the proposed project will be constructed, you do not have to submit five-year pro forma financial projections or maps of the NFSAs.
 - However, you must submit audited financial statements that demonstrate your ability to guarantee the completion of the project.
 - Tribal entities that propose a guarantee will not be required to provide an ILOC; however an ILOC remains an option for Tribal entities that cannot provide the required lien on grant assets.

- Financial ratios: If you can demonstrate that your organization maintains all of the following financial ratios and measures, you will not be required to submit the five-year pro forma financial projections for NFSAs:
 - Current ratio of 2 or higher
 - Times interest earned ratio (TIER) of 2 or higher
 - Debt service coverage ratio (DSCR) of 2 or higher
 - Net worth of 45 percent or more for the two years previous the date the application is submitted,
 - The following requirements apply to the financial ratio tests:
 - Audited financial statements submitted with the application must support the current ratio, TIER, and DSCR ratios as well as the net worth percentage
 - If you have no outstanding debt, then only the current ratio and net worth requirements apply.
 - Net worth is defined as Total Assets minus Total Liabilities divided by Total Assets

- *Substantially Underserved Trust Area Considerations (SUTA)*: If your project will support a community in trust land which, according to the Secretary, has a high need for the benefits of this program, you may apply for SUTA consideration. For more details on the supporting documentation required for SUTA, see section 3.2.3. If you qualify for and request SUTA, RUS has the discretionary authority to offer:
 - For the loan-grant combinations, the interest rate may be set as low as 2 percent, independent of the Treasury Rate at the time of the advance
 - Extended loan repayment terms
 - Priority status to the project

2.2 System for Award Management (SAM)

Your organization must register at [SAM.gov](https://sam.gov). Your SAM registration must be current, active, and complete at all times, from before submitting your application throughout the active Federal award funding period. To maintain an active SAM registration, you must review and update the information in the SAM database annually from the date of initial registration or from the date of the last update.

RUS will not make an award until you have complied with all SAM requirements, including providing the Unique Entity Identifier (UEI). If you have not fully complied with the requirements by the time RUS is ready to make an award, RUS may determine that your organization is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant. See [2 CFR 25](#) for full requirements and details, including exemptions.

You must complete the “financial assistance representation and certification” at SAM.gov.


SAM.gov contains the question, “Does [Entity Name] wish to apply for a Federal financial assistance project or program, or is [Entity Name] currently the recipient of funding under any Federal financial assistance project or program?”

- The system default answer to this question is “No”.
- Change that answer to “Yes” to be eligible for the ReConnect program.
 - By changing the answer to “Yes,” your organization is making the representations and certifications required of entities applying for or receiving funding under any Federal financial assistance project or program. See Figure 1.

Figure 1: SAM.gov Representation and Certification

■ FINANCIAL ASSISTANCE REPRESENTATION AND CERTIFICATION

The Grants Certifications are a common set of certifications and representations required by Federal statutes or regulations in accordance with the grants guidance under Title 2 of the Code of Federal Regulations (2 CFR 200.208 Certifications and Representations). Those non-Federal entities who intend to apply for, or are already recipients of Federal grants or agreements, must read and agree to the corresponding certifications and representations. Registrants who reply yes to the following questions are required to keep these certifications and representations current, accurate, and complete as part of their entity registration.

Does [REDACTED] wish to apply for a Federal financial assistance project or program, or is [REDACTED] currently the recipient of funding under any Federal financial assistance project or program? No 

2.3 Unique Entity Identified (UEI)

You must provide a UEI when you apply for ReConnect funding, unless determined exempt under [2 CFR 25.110](#). Obtain your organization’s UEI when you create or update your SAM.gov entry. Instructions for obtaining your UEI can be found at [SAM - Entity Registration](#). You can obtain your UEI in SAM.gov even if you have no updates to your SAM.gov record. If your organization is currently registered in SAM.gov with either an active or inactive registration, you have already been assigned a UEI. Your UEI is viewable on your entity’s registration record in SAM.gov.

Your SAM.gov registration and UEI must remain active throughout the life of your award.

2.4 Audited Financial Statements

You must submit financial information acceptable to RUS that demonstrates that you have the financial capacity to fulfill the grant, loan, and loan-grant combination requirements in this part and to successfully complete the proposed project ([7 CFR 1740.63](#)).

While the application is designed to capture your financial information on a calendar year basis, your financial statements may be audited on a fiscal year basis.

If using fiscal year financials to populate the application, please express your financial position on a calendar year basis.

However, you can input your historical and projected financial information on a fiscal year basis, as long as the methodology is consistent across all years and the assumptions are clearly defined. In such cases, fiscal year financial statements will be accepted by RUS.

While audited financial statements are required to be provided for all funding and entity types, the requirement is different depending on your entity type, as described below:

Non-Federal entities subject to 2 CFR 200 are only required to submit a single audit. Non-federal entities include:

- State
- Local government
- Any agency, subdivision, instrumentality, or political subdivision thereof (such as municipalities)
- Indian tribe
- A territory or possession of the United States
- Non-profit entity

Note: For governmental entities, your financial statements must be accompanied with certifications indicating unrestricted cash that is available on a yearly basis.

Other entities must submit unqualified, comparative audited financial statements for the previous fiscal year from the date the application is submitted. However, if the most recent year-end audit has not been completed, you can submit the previous unqualified audit that has been completed, within the last two years prior. These entities include, but are not limited to:

- For-profit corporations
- LLCs or LLPs
- Cooperatives or mutual organizations

Your application will not be considered if you submit a qualified audit containing a disclaimer or adverse opinion.

2.5 Pro Forma Financials

Your application must include a financial projection (pro forma) that complies with U.S. Generally Accepted Accounting Principles (GAAP) and details all the committed sources of capital funding:

- Three interrelated financial statements for annual projections
- Supporting assumptions for a five-year forecast period
- Depreciation schedule for existing facilities

For pro forma projections, you must justify any deviation from your historical performance. The more information you can provide, the better application reviewer will understand your projections as they evaluate the reasonableness of your assumptions. Therefore, you should carefully consider your historical performance prior to entering your forecast performance. Even if there is not a document upload required for any specific portion of the application, you should consider including additional documentation, in addition to your detailed assumptions, to support future deviations.

Before starting your application, please review section 2.1 for early considerations regarding the application, some of which can affect pro forma projections.

2.5.1 Grant Recognition

When completing your pro forma, be mindful of how your organization’s entity type affects the way grant revenue is reported. The following four primary entity types adhere to unique accounting requirements, and each type reports the grant revenue in slightly different ways in their audited financial statements. Table 3 provides unique grant accounting guidance, depending on your entity type. Review this table in its entirety to ensure accuracy in your reporting.

Utility Cooperatives or Regulated Companies: Utility cooperatives that follow the respective electric and telecommunications RUS Uniform System of Accounts (USOA) and are tax-exempt under Internal Revenue Service Code 501(c)(12) would follow the guidance allowed under the USOA and GAAP for regulated entities (ASC 980). The USOA allows for the recognition of the grant as a “contribution in aid of construction (CIAC)” which reduces the amount of the asset capitalized and is not reported as income.

Governmental Entities, Indian Tribes, or Territories and Possession of the US: These entities are required to report under standards promulgated by the Government Accounting Standard Board (GASB) that recognize the grant as operating revenue at the time of receipt. GASB Statement 34 requires enterprise funds to record capital and operating grants as “program revenues”, which are revenues from the “program or from parties outside the reporting government’s taxpayers or citizenry, as a whole, that reduce the net costs of the function to be financed from the general government’s general revenues.” For governmental entities, grant revenue is typically treated as operating income.

Not-For-Profit Organizations: A not-for-profit organization, as defined in [2 CFR 200](#), means any corporation, trust, association, cooperative, or other organization, not including institutions of higher education (IHEs), that:

- Is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest
- Is not organized primarily for profit
- Uses net proceeds to maintain, improve, or expand the operations of the organization

These entities, along with governmental entities, are considered non-Federal entities under [2 CFR 200](#). Not-for-profit organizations, as defined by the Financial Accounting Standards Board (FASB), specifically exclude utility cooperatives. The primary accounting standards for these entities provide that the entity recognizes grant revenue as operating revenue but the assets (including cash) resulting from the grant may be classified as “temporarily restricted” until all grant requirements have been met.

For-Profit Entities: For-profit entities include all organizational types that are in the business of providing broadband or other services for a profit (such as LLCs, LLPs, Corporations, S Corporations, individually owned and publicly traded corporations). These entities report under FASB standards and are subject to the revenue recognition model. In recognizing revenue, the entity must determine whether each item is an exchange transaction or contribution. RUS grants are a contribution transaction. RUS compliance requires providing service for the economic life

of the loan and building out the entire project for the project service area to the specifications acceptable to RUS which would defer recognition of the grant. Based on the government’s ability to disallow or request grant funds be returned to Treasury, these entities would defer grant revenue and recognition throughout the economic life of the plant.

For each of the eligible entity types listed above, there are several line-items associated with grant accounting to consider. Certain line-items will have an impact on your ending cash position and others do not, so you should understand how each item will impact your application. Table 2 includes the line items associated with grant accounting that affect cash and do not affect cash, broken out by which entity types to which they apply.

Table 2: Grant Accounting

Key:			
Line Items that affect Cash			
Line Items that do not Affect Cash			
Line Item Location	For Profit and Non-Regulated Utilities: Deferred Revenue Recognition	Regulated Utilities and Cooperatives: CIAC	Not-for-profits, Govt. Entities, and Tribes: Immediate Revenue Recognition
Plant in Service: Less Grant Funded Expenses	Yes	Yes	Yes
Plant in Service: Less Grant Funded Assets	No	Yes	No
Depreciation Expense Summary: Less Grant Funded Plant	No	Yes	No
Income Statement: Amortized Grant Revenue	Yes	No	Yes
Balance Sheet: Deferred Grant Revenue	Yes	No	No
Statement of Cash Flows: Plant Constructed Using Grant Proceeds	Yes	Yes	Yes
Statement of Cash Flows: Proceeds from Grant Funds	Yes	Yes	Yes

Note: There should always be an offsetting entry for amortized grant revenue. You should incorporate the offsetting entry as an “other” financing cash flow activity or within proceeds from grant funds.

For instructions on how to enter grant accounting line-items in the Intake System, please refer to the Financials Tab of the User Manual.

Table 3 provides unique grant accounting guidance, depending on your entity type. Please review this table in its entirety to ensure accuracy in your reporting.

Table 3: Grant Accounting Guidance

Topic	Applicable Entities	Non-Applicable Entities	Guidance or Comments
Grant Funded Plant Expenses	All Entities	None	You will account for all capitalized expenses which, under ReConnect, would normally be paid for with grant funds. However, this includes all other capital expenditure costs, not just other expenditure costs paid for with grant funds.
Grant Funded Plant Assets	Cooperatives Using CIAC	Cooperatives using Deferred Revenue Method, For-Profit Entities, Not-For-Profit, Government Entities	<p>If you are an applicable entity, you will account for projected plant assets to be constructed using grant funds.</p> <p>If you are not an applicable entity, you will not account for projected plant assets to be constructed using grant funds since the gross value of the plant assets will be recorded and depreciated over the economic life of the asset.</p>
Grant Income	All Entities	None	<p><i>For-Profit:</i> You should amortize grant income over the composite economic life of facilities constructed using grant funds.</p> <p><i>Cooperatives:</i> If you are electing to use the deferred revenue recognition method for grants, you should amortize the grant income over the composite economic life of the facilities constructed using grant funds.</p> <p><i>Cooperatives (CIAC):</i> If you elect to use the contribution in aid of construction method, this would not be applicable.</p> <p><i>Non-Profit or Governmental Entities:</i> You will need to record the full amount of grant revenue received in a fiscal year.</p>
Grant Income - Deferred	For-Profit	Cooperatives Not-For-Profit Government Entities	<p><i>For-Profit:</i> You will record grant revenue that has been deferred.</p> <p><i>Cooperatives:</i> If you elect to use the deferred revenue recognition accounting method for grants, you will record grant revenue that has been deferred.</p> <p><i>Cooperatives (CIAC), Not-For-Profit or Government Entities:</i> You do not need to account for grant revenue that has been deferred because grant revenue is recognized at the time it was received.</p>

Topic	Applicable Entities	Non-Applicable Entities	Guidance or Comments
Grant Related Cash Flow Activities	All Entities	None	For all entities, you will designate plant assets constructed using grant funds. This is the cash outflow from grant proceeds used for plant assets. For all entities, you will also account for grant funds received to construct plant assets. This excludes grant proceeds to reimburse pre-application expenses.
Grant-Funded Plant Related Depreciation	Cooperatives Using CIAC	Cooperatives using Deferred Revenue Method, For-Profit Entities, Not-For-Profit, Government Entities	<i>Cooperatives using the Contribution in Aid of Construction Method:</i> You will deduct depreciation calculations related to grant-funded plant. For all other entities, this is not applicable.

2.6 ReConnect Program Service Area Map

Before beginning an application, you are encouraged to use the Mapping Tool on the [ReConnect website](#) to help determine the eligibility of a proposed service area. Created in support of the ReConnect program, the service area map is designed to assist potential applicants in determining service area eligibility across the United States.

For instructions on how to navigate the ReConnect Program Service Area Map, please refer to the map’s section in the User Manual.

2.7 Eligibility Requirements

Your application for federal assistance under the ReConnect program must meet eligibility conditions for the following four categories:

- Entities (section 1.3)
- Projects (section 2.7.1)
- Eligible Service Areas (section 2.7.2)
- Eligible Cost Purposes (section 2.7.4)

If you receive an award, you must remain in compliance with all statutory requirements and the terms and conditions of the award documents.

2.7.1 Eligible Projects

ReConnect award funds, matching contributions, and cash substitution for loan funds may only be used to fund projects proposing to build facilities capable of delivering 100 megabits per second (Mbps) symmetrical service to every premises in the proposed funded service area (PFSA) at the same time. The eligibility requirements for the ReConnect program are published in [7 CFR 1740 Subpart B](#).

As a basic overview, to be eligible for funding assistance, your organization must:

- Submit a complete application and provide all supporting documentation including unqualified, audited financial statements from the date the application is submitted as detailed in [7 CFR 1740.63](#)
- Demonstrate that the project can be completely built out within five years from the date funds are first made available
- Demonstrate that the project is technically feasible by fully explaining and documenting the proposed network and its interconnections.
- Demonstrate that all project costs can be fully funded or accounted for as required in [7 CFR 1740.10\(d\)](#)
- Submit documentation which enables RUS to determine that the project is financially feasible and sustainable
- Demonstrate that the following service requirements will be met:
 - Facilities funded with grant funds will provide access to broadband service proposed in the application for the composite economic life of the facilities as provided in the award documents
 - Facilities funded with loan funds must provide access to broadband service for the amortization period of the loan

2.7.1.1 Financial Feasibility and Sustainability

You must demonstrate that your organization will be able to generate sufficient revenues to cover expenses and sufficient cash flows to service all debts and obligations as they come due. You must also demonstrate a positive ending cash balance for each year over the five-year forecast period. You must demonstrate that, by the end of the forecast period, your organization will meet at least two of the following requirements:

- Minimum times interest earned ratio (TIER) of 1.2
- Minimum debt service coverage ratio (DSCR) of 1.2
- Minimum current ratio of 1.2

If your organization is not proposing to borrow funds and has no current debt, only the current ratio requirement must be met. You also must demonstrate positive cash flow from operations at the end of the forecast period.

Fully Funded Requirement: The ReConnect program can only make funds available to projects that are fully funded at the time of the award. Your application must demonstrate the availability of matching funds for 100 percent grant awards, cash used in lieu of loan funds in a combination loan-grant application, and all funding sources required to complete the project if the requested award does not fully cover all project costs.

2.7.1.2 Technical Feasibility

Only projects that RUS determines to be technically feasible will be eligible for awards. To demonstrate technical feasibility in the application, you must submit the following requirements:

- Network design
- Diagram

- Project costs
- Build-out timeline and milestones for project implementation
- Capital investment schedule (CIS) evidencing complete build-out within five years

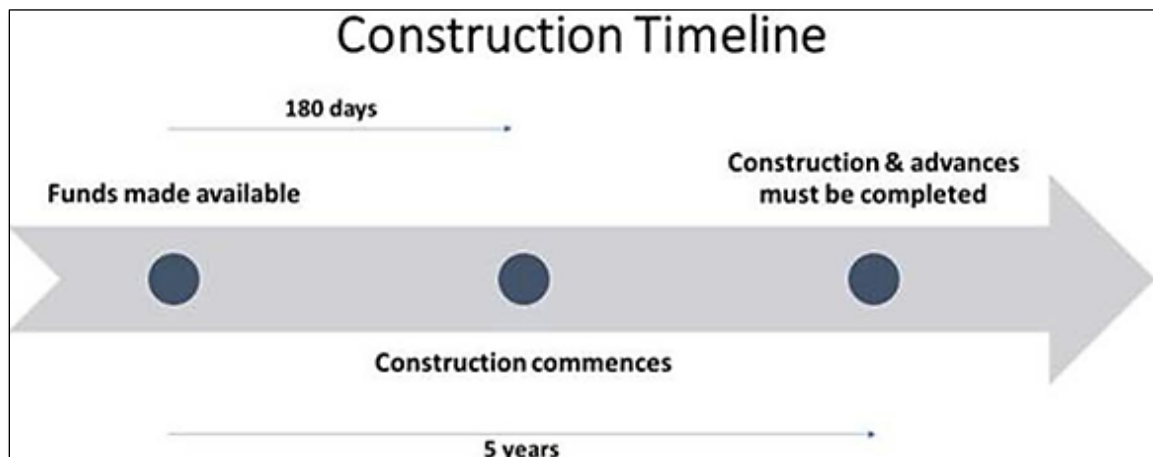
Service Requirements:

Facilities proposed to be constructed with ReConnect award funds must be capable of delivering 100 Mbps symmetrical service to every premises at the same time in the PFSA.

Facilities funded with grant funds must provide broadband service as proposed in the application for the composite economic life of the facilities. Facilities funded with loan funds must provide broadband service through the amortization period of the loan (composite economic life plus three years) or until the loan is repaid in full. Facilities funded with both loan and grant funds must provide service as proposed in the application for the longer of the composite economic life of the facilities or as long as the note is outstanding.

Timely Build-Out Initiation and Completion: Project construction must commence within 180 days of funds being made available (after all environmental review is complete), and construction must be completed within five years from the date funds are first made available (Figure 2).

Figure 2: Construction Timeline



2.7.2 Eligible Service Areas: Rural Areas

Your service area must be rural. The ReConnect program defines a rural area as a census-defined area which is not located within:

- A city, town, or incorporated area with a population of more than 20,000 inhabitants
- An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants as defined in the Mapping Tool

For purposes of the definition of rural area, an urbanized area means a densely populated territory as defined in the most recent decennial census. Because the Census Bureau no longer distinguishes between “urbanized areas” and “urban clusters”, all qualifying areas are now

designated as an urban area. Therefore, RUS will recognize any census-designated urban area with a population per the 2020 Decennial Census as an “urbanized area”. Additionally, non-contiguous parts of any urban area will be considered eligible for funding consideration.

2.7.2.1 Availability of Broadband Service

For a PFSA to be eligible for funding under the current NOFO, **at least 90 percent of the households in the PFSA** must lack sufficient access to broadband.

The NOFO defines sufficient access to broadband as wired or licensed terrestrial fixed wireless service providing 25 Mbps download, 3 Mbps upload (25/3 Mbps).

You must submit evidence that sufficient access to broadband does not exist for 90 percent of the households in the PFSA, identify all existing providers in the PFSA, and indicate what level of service is being provided. If these areas are found to have sufficient service beyond the threshold, your application may be rejected.

You must use the Federal Communications Commission’s (FCC) National Broadband Funding Map as part of determining whether sufficient access exists (map resources).

Multiple service areas within a single application will be treated as separate stand-alone service areas for the purpose of determining how much of the proposed funded service area lacks sufficient access to broadband.

Areas of RUS borrowers or awardees without sufficient access to broadband are eligible for ReConnect funding. Recently approved RUS projects that will be capable of offering sufficient access to broadband once construction of the project is complete, are not eligible for ReConnect funding.

2.7.2.2 Areas Associated with an Enforceable Commitment

An enforceable commitment is a legally enforceable obligation by any federal, state, or local agency, utilizing federal funds, to provide broadband service with speeds of at least 100 megabits per second (Mbps) downstream and 20 (Mbps).

Areas that have an enforceable commitment at the time of publication of the NOFO are ineligible for ReConnect funds. However, if you submit evidence that the entity that received the enforceable commitment has not deployed broadband service, as required by the awarding agency’s regulations or award documents, RUS may consider such an area eligible for funding after consultation with the awarding agency.

Areas with enforceable commitments are identified in a Geographic Information System (GIS) layer located on the Mapping Tool on the [ReConnect website](#) and on the [FCC’s National Broadband Funding Map](#). The layer will also be available on the service area map contained within the Intake System.

See section 4.4, Enforceable Commitment Review, for a discussion on how enforceable commitments will be handled during the ReConnect application review process.

2.7.2.3 Unlicensed Wireless Facilities

Areas with current broadband service from unlicensed wireless facilities, or have an enforceable commitment associated with unlicensed wireless facilities, are eligible for funding under the current NOFO.

“Unlicensed wireless facilities” refers to providers that use unlicensed spectrum to provide last-mile connections to end users.

Projects proposing to use unlicensed wireless facilities are ineligible for funding.

2.7.3 Ineligible Service Areas

2.7.3.1 Overlapping PFSA

RUS will not fund more than one project per geographic area, which means that the agency will resolve PFSA overlaps between separate applications. See section 4.3 for information on how applications which share overlapping PFSA are handled.

2.7.3.2 Previously Funded Service Areas

Previously funded service areas are ineligible for ReConnect funding unless a completed project’s service area does not have sufficient access to broadband, 25/3 Mbps, for 90 percent of the households in the PFSA. Prior funded service areas which may be considered are:

- Areas funded under previous rounds of ReConnect program
- Areas funded under the RUS Community Connect program
- Areas funded under the RUS Broadband Initiatives program grants (BIP)
- Areas funded under the RUS Rural Telecommunications Infrastructure Program
- Areas funded under the RUS Rural Broadband Program (also known as the Farm Bill program)

2.7.3.3 Pending Applications

Areas with pending applications are not eligible for new ReConnect awards. Pending applications include all Rural Broadband applications, Rural Telecommunications Infrastructure loan applications, Reconnect applications, and Community Connect applications submitted to RUS. The service area map has a layer which shows the pending applications.

If a Rural Broadband or Rural Telecommunications Infrastructure loan application is received prior to a ReConnect application and is approved for funding, its PFSA will become a protected area. The service area map will identify these pending applications if there is no ReConnect application covering the service area.

If a Reconnect application is submitted before a Rural Broadband, Community Connect or Rural Telecommunications Infrastructure loan application, then the ReConnect applicant will receive preference for award consideration.

2.7.4 Eligible Cost Purposes

Awarded funds, matching funds, and cash substitution for loan funds may only be used to pay for the eligible costs. Your costs must be reasonable, allocable, and necessary to the project. Your project costs must be consistent with the cost principles identified in [2 CFR 200, Subpart E, Cost Principles](#).

To be eligible, your costs must be incurred after submission of your application, except for approved pre-application expenses described below. RUS may reject your application if you propose to use any amount of award, matching funds, or cash substitution for loan funds for ineligible costs.

2.7.4.1 Eligible Award Costs

Award funds, matching funds, and cash substitution for loan funds may be used for the following purposes:

- **Facilities:** Funding the construction or improvement of facilities, including buildings and land, required to provide fixed terrestrial broadband service, including licensed fixed wireless service, and any other facilities required for providing other services over the same facilities, such as equipment required to comply with the Communications Assistance for Law Enforcement Act (CALEA). Such costs may include:
 - Permitting
 - Planning
 - Network design and engineering
 - Construction
 - Project management
 - Equipment purchases and lease
 - Construction contingencies
 - Acquisition of real property
 - Environmental mitigation
- **Pole attachment fees:** pole attachment fees associated with the construction funded under this notice are eligible for funding throughout the five-year construction period. In addition, if the pole owner requires that a pole be replaced to support the broadband facilities, the cost of the pole replacement is also an eligible expense
- **Pre-application expenses:** you may request funding for reasonable pre-application expenses not to exceed five percent of the award. Pre-application expenses are expenses incurred to prepare a round five application or to respond to RUS inquiries about a round five application. Additionally, pre-application expenses incurred from a round four application that benefit the round five application (such as engineering design, market survey, and subscriber projections) are eligible for reimbursement.
 - Such expenses may include procurement of financial advisors to prepare a financial pro forma, a professional engineer (PE) to prepare and certify a network design and diagram, or environmental experts to assist with the Environmental Questionnaires (EQs) and associated documentation and review requirements. Expenses may also include appropriate travel to obtain technical assistance and staff labor used to prepare the application.

- RUS reserves the sole right to accept or reject expenses associated with round four. **Otherwise, preapplication expenses may be reimbursed only if they are incurred after the publication date of the NOFO and are properly documented.**
- You must include pre-application expenses in the first request for award funds. If the funding category applied for has a grant component, then grant funds will be used for this purpose
- *Environmental review expenses:* The costs associated with satisfying the environmental review requirements are eligible for reimbursement as pre-application expenses. Up to three percent of the requested award funds can be used for this purpose. Please note that any environmental review expenses will count as part of the overall five percent of award funds allowable for pre-application expenses
- *Post-award monitoring costs:* In addition, up to three percent of the requested amount can be used to fund post-award monitoring expenses that are required to mitigate the environmental effects of the project as long as they are capitalized as part of the project. This cost must be specified in the professional services portion of capital investment workbook (CIW) included as part of the Intake System
- *Outside vendors:* If you are proposing to use a single outside vendor to both design and construct the proposed project, consider the following limitations:
 - If you are applying for grant funds, and the project has already been designed, then only the design costs will be eligible for that vendor. You will need to procure construction from a separate vendor to have the construction costs be an eligible purpose
 - If you are applying for a 100 percent loan, you must provide supporting documentation that demonstrates that this arrangement is the most economical way to construct broadband facilities. Note, however, that RUS reserves the right not to accept such documentation, and as a result, you must procure construction from another entity not related to the originally-proposed design/build vendor, for the construction costs to be considered an eligible purpose.
 - If you are applying for a loan, grant, or a combination loan-grant, you may use qualified in-house staff for both the design and construction of the broadband facilities
- *Acquisition costs:* For 100 percent loan applications **only**, up to 40 percent of the requested award may be used acquire an existing system that does not currently provide sufficient broadband access speeds (25/3 Mbps). The 40 percent limit includes any cost of the spectrum included as part of the acquisition. Acquisition costs exceeding 40 percent of the requested award must be covered by sources of funds unrelated to the ReConnect program

2.7.4.2 Ineligible Award Costs

Award funds may not be used to fund any of the following:

- Operating expenses
- Costs incurred prior to the date on which the application was submitted other than eligible preapplication expenses
- Acquisition of an affiliate, or the purchase or acquisition of any facilities or equipment of an affiliate. Note that if affiliated transactions are contemplated in the application, approval of the application does not constitute approval to enter into affiliated transactions, nor acceptance of affiliated arrangements that conflict with the obligations under the award documents

- Acquisition of a system previously funded by RUS without prior written approval of RUS before an application is submitted
- Purchase or lease of any vehicle other than those used primarily in construction or system improvements
- Broadband facilities leased under the terms of an operating lease or an indefeasible right of use (IRU) agreement
- Merger or consolidation of entities
- Costs incurred in acquiring spectrum as part of an FCC auction or in a secondary market acquisition. Spectrum that is part of a system acquisition may be considered
- Facilities that provide mobile services
- Facilities that provide satellite service including satellite backbone services
- Acquisition of a system that is providing sufficient access to broadband
- Refinance outstanding debt
- Costs of constructing a system or network that uses unlicensed fixed wireless technology.
- Certain costs proposed to fund design/build activities undertaken by a single vendor. **See the item addressing “outside vendors” in section 2.7.4.1** for a full discussion of eligible and ineligible cost aspects of design/build arrangements

2.8 Funding Categories Additional Considerations

2.8.1 100 Percent Grant

The maximum 100 percent grant request is \$25 million.

For a 100 percent grant, you must provide a matching contribution of at least **25 percent of the cost of the overall project**. All matching funds must be deposited into your organization’s operating account. RUS has agreed to modify the grant agreement to permit awardees to deposit the required matching and other required funds into the PDA on a rolling basis as needed.

You must clearly identify the source of the matching funds even if the source is your organization’s operating accounts. If you do not provide clear evidence of the matching funds, your application may be rejected. You can only use your matching contribution for eligible purposes.

If your matching funds are provided by a third party, you must submit a commitment letter from the third party indicating that the funds will be available at the closing of the award, if approved. If the commitment letter is not provided, then RUS may reject your application.

If you obtain a loan to meet the matching requirement, documentation explaining the terms and conditions and that the grant funded assets cannot be used as collateral for the matching funds loan, must be submitted with the application. The loan must be entered into, and funds transferred into your accounts by the closing of the award.

2.8.2 100 Percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities

The maximum grant request for this funding category is \$25 million.

No matching funds are required under this category for applications that conform to **one** of the following descriptions. Your application does not have to conform to all of the following descriptions; **one is sufficient**:

- *Alaska Native Corporations (ANC)*: ANCs proposing to provide service on land owned by the corporation
- *Tribal Governments*: Tribal Governments proposing to provide service on Tribal Lands; lands subject to restrictions on alienation imposed by the United States on Indian Lands; or land that they own, provide services to, or administer
 - You must submit documentation supporting land ownership, services, or administration
 - Tribal entities proposing broadband service on Tribal Lands may self-certify that sufficient access to broadband does not exist on Tribal Lands in the PFSA; however, the RUS will still perform a service area validation to determine whether sufficient access to broadband exists, as required by the ReConnect authorizing statute.
- *Colonias*: Projects where 75 percent of your PFSA's are located in areas recognized as Colonias as of October 1, 1989
- *Persistent Poverty Areas*: Projects where at least 75 percent of the PFSA's are located in persistent poverty counties. Persistent poverty counties are those with 20 percent or more of the county population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2007–2011 American Community Survey five-year average, or any territory or possession of the United States
- *Socially Vulnerable Communities (SVC)*: Project where 75 percent of the area of an applicant's PFSA(s) consists of Socially Vulnerable Communities. An SVC is a community or area identified in the Center for Disease Control's Social Vulnerability Index with a score of 0.75 or higher. For the purposes of the current NOFO, the following are considered as socially vulnerable communities:
 - Puerto Rico
 - Guam
 - American Samoa
 - The Northern Mariana Islands
 - Palau
 - The Marshall Islands
 - The Federated States of Micronesia
 - The U. S. Virgin Islands
 - Hawaiian Census Tribal areas

GIS layers identifying ANCs, tribal areas, colonias, persistent poverty areas, and socially vulnerable communities can be found on the Mapping Tool on the [ReConnect website](#).

2.8.3 Combination Loan-Grant

The maximum grant request under this funding category is \$25 million or 50 percent of total eligible costs, whichever is less. The remaining eligible costs may be covered by a loan (up to

\$25 million), cash substitution, or a combination thereof. Grant amounts and loan amounts (including cash substitutions) must always be equal. If you are proposing a cash substitution, it must be available in your operating accounts at the time of closing. The maximum loan request is \$25 million.

The interest rate for the loan component will be set at the [Treasury rate](#) for securities of comparable maturity for the remaining amortization period at the time of each advance of funds. If the maturity of an advance is not equal to the maturity of any Treasury rate, you can estimate the interest rate by calculating the average of the closest maturities that are greater and lower than the maturity of the advance. For example, for an advance with a maturity of 11 years, the interest rate can be estimated as the average of the 10-year and 20-year Treasury rates.

Principal and interest payments for the loan component will be deferred for three years. The amortization period will be based on the composite economic life of the assets funded plus three years. At the end of the deferral period, all accrued interest will be added to the outstanding principal balance. Interest does not capitalize or compound during the deferral period

2.8.4 100 Percent Loans

The maximum amount of a ReConnect loan request is \$50 million. The interest rate for a 100 percent loan is set at two percent.

Principal and interest payments for the loan will be deferred for three years. The amortization period will be based on the composite economic life of the assets funded plus three years. At the end of the deferral period, all accrued interest will be added to the outstanding principal balance. Interest does not capitalize or compound during the deferral period.

2.9 General Federal Requirements

Table 4 provides other general requirements applicable to ReConnect awards and awardees. This is not a comprehensive list and is provided for informational purposes only. Consult 7 CFR 1740 and the sample award documents on the [Forms and Resources page](#) of the ReConnect website for the implementation of the requirements.

Table 4: General Federal Requirements

Requirement	Description
2 CFR 200	This regulation establishes the administrative requirements, cost principles and audit requirements for federal financial assistance programs.
Communications Act of 1934	The Communications Act created the FCC to regulate interstate communications industries. It details all federal regulations of interstate communications and is amended regularly to account for each new form of communications technology.
The Telecommunications Act of 1996	The Telecommunications Act reduced the regulatory barriers in the broadcasting and telecommunications industries intending to promote increased competition and expansion of telecommunications services. It details the regulations regarding telecommunications services, broadcast services, and cable services.

Requirement	Description
Communications Assistance for Law Enforcement Act (CALEA)	CALEA requires providers and manufacturers of telecommunications services, equipment, and facilities to design or modify their products and services to include surveillance capabilities. It also requires telecommunications providers to allow law enforcement agencies to perform surveillance and intercept communications through their facilities.
Title VI of the Civil Rights Act of 1964	Federal agencies are responsible for ensuring that federal funding assistance does not contribute to programs that discriminate based on race, ethnicity, or national origin. If any recipient of federal funding is found to have discriminated based on race, ethnicity, or national origin, the responsible federal agency will take remedial action in accordance with Title VI of the Civil Rights Act.
Section 504 of the Rehabilitation Act	This section of the Rehabilitation Act stipulates that recipients of federal financial assistance may not discriminate against or deny benefits and services to individuals solely on the basis of their disabilities.
The Age Discrimination Act of 1975	The Age Discrimination Act stipulates that recipients of federal financial assistance may not discriminate against or deny benefits and services to individuals solely on the basis of age.
Executive Order 11375	This executive order stipulates that all recipients of federal financial assistance may not discriminate against or deny benefits and services to individuals solely on the basis of sex.
The Architectural Barriers Act of 1968	The Architectural Barriers Act requires that all facilities designed, constructed, altered, or leased with federal award funds must adhere to the accessibility guidelines stipulated in the Uniform Federal Accessibility Standards (UFAS). These guidelines are meant to ensure that individuals with physical handicaps are able to access all facilities designed, constructed, altered, or leased with federal award funds.
The Uniform Federal Accessibility Standards (Appendix A to 41 CFR subpart 101-19.6)	The UFAS provides standards for the design, construction, alteration, and leasing of facilities with federal award funds. These guidelines provide standards to ensure that all federally funded facilities are accessible to individuals with physical handicaps.
Environmental Policies and Procedures - 7 CFR 1970	The policies and procedures stipulated in 7 CFR 1970 are designed to ensure that recipients of federal financial assistance are in compliance with the National Environmental Policy Act of 1969 (NEPA) and any other environmental requirements. 7 CFR 1970 stipulates that recipients of federal financial assistance must avoid or minimize the adverse environmental impact of the federally funded program or activity.

3 Application Guidance

3.1 Account

If you have previously created an account to apply to the Reconnect Program, you should review your account information and documentation and update as needed. For guidance on how to review and update account information, please refer to the Account Creation section of the User Manual. Be sure to provide any updated documentation as necessary.

Ensure that your entity is active at SAM.gov, and that you've completed the financial assistance certifications at SAM.gov. See section 2.2.

3.2 Account and Project Document Guidance

For instructions on how to complete the Account and Project Tabs of the Application Intake System, please refer to the Account and Project Tabs in the User Manual.

3.2.1 Eligible Entity Supporting Documentation

To support your organization's eligibility when applying, you must provide acceptable evidence of legal existence. For entities that exist under law, rather than through incorporation or other action, a copy of the state statute, regulation, or other appropriate documentation must be provided to confirm the legal name of the entity.

Keep in mind:

- Evidence of tax status from the Internal Revenue Service (IRS) or a state department of taxation is not evidence of legal existence
- Your entity must be legally eligible to receive the award and take legal ownership of items acquired under the grant
- Applications that do not demonstrate both the applicant's legal existence as an entity that is eligible to apply for a grant and their legal authority to contract with the United States Government will be deemed as ineligible

Additionally, your organization must have a UEI number and be actively registered in SAM.gov. For more information, please refer to sections 2.2 and 2.3.

3.2.2 Tribal Government Resolution of Consent

Any non-tribal organization proposing to provide service over or on Tribal lands, must submit a Tribal Government Resolution of Consent certification signed by the Tribal Council of the Tribal Government with jurisdiction over the Tribal lands at issue showing their support for the proposed project, pursuant to [7 CFR 1740.60\(c\)\(19\)](#) and the NOFO. To locate applicable areas, please reference the Tribal layers on the Mapping Tool found on the [ReConnect website](#).

Early and continuing contact with Tribes is strongly encouraged, to facilitate the necessary relationships that will foster the feasibility of the project.

If you fail to provide a required certification to provide service on the Tribal lands identified in the PFSA, your project will not be considered for funding.

The intent of the Tribal consent is to ensure up front that Federally Recognized Tribes being served by a non-tribal applicant support the application in a legally-binding manner and the construction of broadband infrastructure on their lands if RUS makes a ReConnect award. It is not intended to limit participation of Tribes in other Federal broadband programs that complement a USDA funded project.

All environmental, permitting and rights of way requirements must still be completed, and adhered to by applicants prior to initiating construction on Tribal Lands. Therefore, ongoing communication and collaboration is required to ensure the timely and mutually agreeable build out of the funded infrastructure.

RUS staff may contact applicants and Tribes during the application review process to confirm Tribal consent.

Applicants and Tribes that have questions regarding this process are encouraged to contact Telecom Program staff, USDA Rural Development's Tribal Relations Team or USDA's Office of Tribal Relations.

If your organization is a Tribe that is applying to the ReConnect program, you do not need to provide a resolution of consent.

3.2.3 Substantially Underserved Trust Area Consideration (SUTA)

If your project includes one or more communities in trust lands as defined in 38 U. S. C. 3765, you may request that your application be considered under SUTA provisions. To receive such consideration, you must submit a completed application that includes all the information requested in [7 CFR 1700, subpart D](#). In addition, you must identify the discretionary authorities that you seek for your application. Under SUTA consideration, RUS has the discretionary authority to offer:

- For the loan-grant combinations, the interest rate may be set as low as two percent, independent of the Treasury Rate at the time of the advance
- Extended loan repayment terms
- Priority status for the project

Given the prohibition on funding operating expenses under the ReConnect program, requests for waiver of the equity requirements cannot be considered. Due to the statutory requirements that established the ReConnect program, waiver of the nonduplication requirements cannot be considered.

To be considered for the SUTA provisions, you must submit a written request along with your application detailing all the following information:

- A description of your entity, documenting eligibility for the ReConnect program
- A description of the community that is:
 - Located in a trust land
 - Eligible to be served by the ReConnect program
- An explanation and documentation of the high need for the benefits of the ReConnect program, which may include sources and data types specified at [7 CFR 1700.108\(a\)\(3\)\(iii\)](#)

- The specific SUTA authorities you seek for the application
- The impact of the specific authorities sought
- You must provide any additional information RUS may consider relevant to the application which is necessary to adequately evaluate the application

3.2.4 Acquisition Information

If you are proposing to acquire an existing system with award funding, you must provide the following information about the selling company:

- Company's name
- Physical address
- Relationship to your organization
- Proposed purchase price
 - Description of the system to be acquired
 - Appraisal of the physical status of the plant to be acquired

Please consult section 2.7.4.1 to make sure your proposed acquisition is an eligible project cost. If it is determined that your acquisition is an ineligible project cost, your application will be rejected.

Only a 100 percent loan may include an acquisition.

3.2.5 Executive Summary

You must provide the following information about your organization and your proposed project:

- Detailed description of existing operations: Include an overview of the existing solutions, network speeds and services, premise types, overall subscriber count, and a narrative of the existing coverage locations
- Discussion about key management: Describe the experience and qualifications of key management for undertaking this project, their experience undertaking projects of similar size and scope, recent and upcoming organizational changes, including mergers and acquisitions, and organizational policies such as dividends and distributions
- Description of company's workforce: Describe your workforce and contractors and their qualifications for maintaining service under the proposed plan. Also indicate information on your plans to use affiliated organizational workforce to maintain service
- Description of interactions between any parent, affiliated, or subsidiary operation: Provide information sufficient for RUS to understand the full organizational structure and relationships between your entity and related entities, including but not limited to services agreements, parent or subsidiary support, and liabilities
- Detailed description of the proposed project: Include an overview of the proposed solution, proposed network speeds and services, premise types, timelines, overall subscriber count, and a narrative of the proposed coverage locations. You should also provide a description of the existing infrastructure in the PFSA that will be used in conjunction with the proposed system

3.2.6 Account and Project Documents

Table 5 provides information on required documents. Please note, some of these documents are required regardless of your entity type. Other documents are only applicable for certain entities. Review the table in its entirety to make sure you have gathered the appropriate documentation for your entity type.

Table 5: Account and Project Documents

Document	Required Entities	Description
501(c)(3) - Tax-Exempt Status	Non-profit entities	A document providing evidence of your entity's tax-exempt status.
Affiliate Company's Historical Financial Statements	If your organization has any significant financial relationship or operational relationships with any other affiliated companies. These relationships could be in the form of the sharing of assets or staff or providing services to and/or relying on services from an affiliated company.	The affiliate's financial statements should be audited. If the affiliate's financial statements are included in your consolidated financial statement, you should upload an attachment describing that situation and a page number reference to your financial statements. The audited financial statements should be from the previous year.
Affiliate's Organizational Chart	If your organization has any significant financial relationship or operational relationships with any other affiliated companies. These relationships could be in the form of the sharing of assets or staff or providing services to and/or relying on services from an affiliated company.	Organizational chart(s) showing key personnel who manage the affiliate, and the number of employees in each division or department managed by those personnel. An affiliate's organizational chart(s) should reflect both the company structure and key staff.
Affiliate's Services Agreement	If your organization relies on services provided by an affiliate.	Services Agreements should describe the services to be provided, the costs associated with those services, and the duration of the agreement.
Amounts of Common and Preferred Stock Issued and Outstanding	For-profit corporations	Company record that details the amounts of common and preferred stock that are issued and are outstanding.
Articles of Incorporation	Non-profit entities For-profit corporations Cooperative or mutual organizations	A copy of your organization's articles of incorporation.
Articles of Organization	Limited Liability Company or Limited Liability Partnership	A copy of your organization's articles of organization.

Document	Required Entities	Description
Board of Directors	Non-profit entities For-profit corporations Cooperative or mutual organizations	A list of your organization's board members with brief biographies highlighting each member's professional experience and qualifications.
Broadband Operations Experience	All applicants	This document must include information on the key personnel who manage your organization and the proposed project. The document should describe the management team's experience and expertise within the broadband industry.
Bylaws	Non-profit entities For-profit corporations Limited Liability Companies or Limited Liability Partnerships Cooperative or mutual organizations	A copy of your organization's bylaws.
Copies of Real Property Schedules	If your organization owns real property	A copy of your organization's real property schedules.
Equal Employment Opportunity - EEO-1 Report	If your organization has 100 or more employees	Equal Employment Opportunity survey report. State or local governments may submit an EEO-4.
Evidence Commercial and Government Entity (CAGE) Code is not required	All applicants	A document providing evidence that a CAGE Code is not required for the applicant.
Evidence of Legal Existence	Local governments, or any agency, subdivision instrumentality, or political subdivision thereof An Indian tribe (as defined in section four of the Indian Self-Determination and Education Assistance Act)	A copy of your organization's evidence of legal existence.
Funding Request Resolution	All applicants	A document consisting of a statement from your organization's governing entity authorizing the application to be submitted and stating the application's funding category and maximum award amount. It is essential that the funding category and maximum award amount that is in your document matches with your application in the Intake System.

Document	Required Entities	Description
List of Members and Corresponding Membership Units	Limited Liability Company or Limited Liability Partnership	A document listing the members of your company and their corresponding ownership.
Managing Members	Limited Liability Company or Limited Liability Partnership	A list of managing members.
Operating Agreements	Limited Liability Company or Limited Liability Partnership	A copy of your company's operating agreements.
Organizational Chart	All applicants	A copy of your organizational chart.
Parent Company's Debt Instruments	If your organization has a parent company	A copy of your organization's parent company's debt instruments.
Parent Company's Historical Financial Statements	If your organization has a parent company	The audited financial statements should be from the previous year.
Parent Company's Organizational Chart	If your organization has a parent company	A copy of your organization's parent company's organizational chart.
Parent Company's Services Agreement with Applicant	If your organization relies on any services or employees of the parent company	Services agreements should describe the services to be provided, the costs associated with those services, and the duration of the agreement.
Partner's Guarantee for Loan of a Start-up Company	If your organization is a start-up operation formed from partnerships of existing utility providers	Upload any guarantee agreements or proposed terms and security of the guarantee that would be provided if your organization receives ReConnect program funding.
Partner's Historical Financial Statements	If your organization is a start-up operation formed from partnerships of existing utility providers	The audited financial statements should be from the previous year.
PUC-approved depreciation rates	If your organization is regulated by a Public Utilities Commission	Upload depreciation rates approved by the Public Utilities Commission (PUC) within the past five years. If not regulated by a PUC or you do not have documentation of approved rates within the past five years, use RUS depreciation rates.
Resolution of Utility Authority	An Indian tribe (as defined in section four of the Indian Self-Determination and Education Assistance Act)	A copy of your organization's resolution of utility authority.
Resumes of Key Management	All applicants	These resumes should explain how key management is qualified for undertaking the project and managing the network.

Document	Required Entities	Description
RUS Form 87 – Mail List Data	All applicants	Optional. Request for Mail List Data. If RUS does not have the information or if you need to update the contact information RUS has, submit this optional document.
Subsidiary’s Historical Financial Statements	If your organization has one or more subsidiaries	Financial Statements should be audited. If the subsidiary is included in your organization’s consolidated financial statements, upload an attachment to that effect and a page number reference to your financial statements. Under certain conditions, a subsidiary can use the unqualified, comparative, audited statements to meet certain eligibility requirements.
Subsidiary’s Organizational Chart	If your organization has one or more subsidiaries	A copy of the subsidiary’s organizational chart.
Subsidiary’s Services Agreement with Applicant	If your organization relies on any services or employees of the subsidiary	Services agreements should describe the services to be provided, the costs associated with those services, and the duration of the agreement.
Tribal Government Resolution of Consent	If your project proposes to provide service over or on Tribal lands	A certification signed by the appropriate Tribal land officer showing their support for the proposed project.

3.3 Network

For instructions on how to complete the Network tab of the Intake System, please refer to the Network Tab in the User Manual.

3.3.1 Network Design

You must provide a network design per the requirements of the NOFO and ReConnect regulation. Only projects that RUS determines to be technically feasible will be eligible for an award ([7 CFR 1740.64](#)). To be eligible, you must submit the following network documents:

- Network design
- Network diagram (Existing if any and Proposed)
- Project costs
- Build-out timeline

Network Design Certification: In addition, a PE who is licensed in at least one of the states where you propose to construct your project must certify relevant aspects of your project.

The PE must certify:

- that the proposed network can be built within five years

- that the proposed network deliver broadband service at the required 100 Mbps symmetrical speeds to all premises in the PFSA simultaneously
- the proposed build-out timeline, milestones, construction schedule, and cost estimate.

A [template for this certification](#) is available for your reference.

Build-out Timeline and Milestones: You must provide a timeline of milestones for the five-year build-out period. Each proposed milestone must include an explanation that supports the reasonableness of the milestone, including any technical information or data points.

Reasonableness refers to satisfying interdependencies which support the desired requirements including:

- Expected capabilities and limitations of technology and equipment
- Network element distances
- Type of backhaul
- Coverages and coverage topography
- Construction and deployment expectations and issues
- Projected costs and timelines
- Teams

Description of Proposed Technology that will be used to Deliver the Proposed Services: Provide a thorough discussion of the chosen technologies, including why you chose them. Your description must be detailed and complete so RUS understands how the network investments will provide the required network capacity. You must include appropriate standards-based information concerning the proposed technology. If the technology is not typically found in existing market deployments, also provide several references detailing the technology. Examples of these references includes standards bodies, white papers, and Internet sites.

Note: Not all technology types are applicable for ReConnect. Confirm that you are applying for an eligible technology type before submitting your application. See Table 6 for a list of eligible and ineligible technologies.

Table 6: Eligible and Ineligible Technology Types

Eligible Technologies	Ineligible Technologies
<ul style="list-style-type: none"> • Fiber-to-the-premises • Hybrid-fiber-coax • Fixed wireless – licensed • Other technologies must be explained • Combinations of technologies 	<ul style="list-style-type: none"> • Wireless service overlaid on top of a cellular network • Unlicensed wireless facilities • Satellite (Terrestrial facilities) • Cellular (mobile)

Proposed Network Description: You must provide a description of the proposed network. The description should include the primary elements of the network layers, such as access, distribution, and core, and indicate how each layer is fed and how it feeds into the next layer. You should list important considerations concerning how the proposed network will support the proposed network requirements, including the following:

- Speeds
- Coverages
- Subscriber counts
- Services
- Premises

If applicable, include a description of the interconnection with the existing network and any other significant connections such as Internet Service Providers (ISPs). Further, list location, construction, and deployment considerations as well as details on important design decisions, such as redundancy. Also, describe any specific design considerations significantly affecting costs and timelines:

- Even if using an existing core, briefly describe the core and important elements comprising the core
- Verify at least one service offering of 100 Mbps upload x 100 Mbps download speed (100 Mbps symmetrical) is being offered to residential customers
- If the proposed system requires no license or agreement amendments, please state “No license amendments needed” vs “Not Required”. Many license and agreement types are required if a system is being operated. If an expansion is being undertaken with no agreement modifications required, state that and state no license amendments are needed

Proposed Network Diagram: You must provide a comprehensive network diagram that shows how the traffic flows through the network and include all physical locations where the major network elements are or will be located. These may be in the form of postal addresses or latitude and longitude.

Your diagram should display:

- The route miles between each network element
- The bandwidth capacity between the network elements, including fiber or pair counts
- The types of facilities, such as fiber, copper, and microwave, that are or will be used for establishing the connection between the network elements
- The points-of-connection with the connecting companies

As appropriate, your diagram should also include:

- Any leased facilities
- The locations of the leased facilities (postal addresses or latitude and longitude)
- The providers from which the facilities are being leased
- Connections to those facilities
- Any existing network or existing network elements

Additionally, the diagram should provide basic equipment information about the nodes of the proposed network design. Some examples of this include: descriptions of the routers, switches, optical network terminals (ONTs), and gateways that are being utilized.

Finally, your diagram should indicate significant clusters of premises as well as specifically identified multi-connection premise types such as schools, hospitals, office buildings, and major farms.

Existing Network: If you have an existing network, you must provide a description and network diagram for the existing network, **following the same guidelines listed above for the proposed network description and proposed network diagram**. Indicate existing network utilization rates.

3.3.2 Capital Investments

You must provide detailed information about all the capital assets to be constructed during the forecast period, including the costs, quantities, and descriptions of the equipment, materials, and facilities. Include a narrative description of the assets and cost justification, particularly when costs may deviate from industry standards due to project-specific circumstances.

Note: When considering capital investments for your NFSA(s) and PFSA(s), the yearly breakdown of capital investments must align throughout your application. Once you have determined your projected allocation of capital for broadband improvements, maintenance, or construction, ensure there is no variability in other applicable areas of the application.

You can provide additional documentation to support your forecast, when completing your application. Capital investments are an important facet as they impact both program ratios, ending cash requirements, and financial feasibility.

PFSA and NFSA telecommunications plant additions and non-telecommunications plant additions must be aligned with your capital expenditures totals.

Note: If you are a previous ReConnect awardee for any of the prior rounds, you may have received additional **cost overrun funding** for those projects. If applicable, the additional grant funding received must be implemented within your capital expenditures within the appropriate years, either historical or forecast period, during which you intend to use those funds. Additionally, provide a detailed explanation and documentation to support the amounts shown.

3.3.2.1 Service Area Costs

Most anticipated capital investments projected over the forecast period will come from service area costs. Therefore, you must list all the physical project assets required to deliver broadband access to the service area and their costs. For each asset, you must select the asset category and the specific asset type (see Table 7 for asset categories and types). The asset categories and asset types that identify service area costs apply to both PFSAs and NFSAs.

For each service area cost identified, you must provide:

- A detailed description on the make-up of that cost
- The quantity to be used
- The unit of measurement
- The cost per unit for each asset

Table 7: Service Area Costs Categories

Asset Category	Asset Types
Network & Access Equipment	Switching Equipment Routing Equipment Transport Equipment Access Equipment (including ONTs) Video Equipment Power Equipment Satellite Equipment Other (specify)
Outside Plant	Copper Cable – Aerial Copper Cable – Buried Copper Cable – Underground Coaxial Cable – Aerial Coaxial Cable – Buried Coaxial Cable – Underground Fiber Cable – Aerial Fiber Cable – Buried Fiber Cable – Underground Fiber – Submarine Cable Conduit Systems Ducts (Vacant) Drops Cabinets or underground vaults Poles Make-ready Other (specify)
Buildings	New Construction Pre-Fab Huts Improvements Other (specify)
Towers	Improvements Guyed Towers Lattice Towers Monopole/Self-Supporting Tower Wood Poles Other (specify)
Customer Premises Equipment	Video Set Top Boxes Modems and Routers Inside Wiring Multi-Terminal Adapter (VoIP) Smart Meters Other (specify)
Non-Depreciable Assets	Land Right-of-way Procurement Pole Attachment Other (specify)

3.3.2.2 Common Network Facilities Costs

While service area costs are exclusive to a specified service area, common network facilities costs cover assets that are used by two or more service areas. You must list all physical project assets that will be used in the construction of common network facilities and their costs.

For example, if fiber cable is routed to serve five different service areas, these costs are considered common network facility costs. Common network facilities costs are categorized in the same manner as service area costs.

3.3.2.3 Additional Costs

In addition to service area and common network facilities costs, you must also list all other costs required to construct the necessary facilities to deliver broadband to the service area(s).

Below are the remaining capital investments that you can include within the application:

- Support assets:
 - Construction vehicles
 - Construction equipment
 - Special purpose vehicles
 - Office equipment
 - Office furniture
 - Billing system
 - Test equipment
 - Portable generators
 - Tools
 - Other (specify)
- Other expenditures:
 - Pre-application Expenses
 - Acquisition
 - Other (Specify)
- Professional services
 - Engineering services
 - Architectural services
 - Environmental services
 - Project management services
 - Other (specify the type of service)

For each asset, you must specify the asset category and the specific asset type and provide:

- A detailed description
- The quantity to be used
- The unit of measurement
- The cost per unit

3.3.2.4 Depreciation Rates

Each asset must have an associated depreciation rate. Rates vary across asset group or type. As such, depreciation rates should align with deployment and retirement of plant and be consistent with the depreciation rates document on the [Forms and Resources](#) page.

There are two different sets of depreciation rates for telecommunication/broadband facilities that are acceptable to RUS:

- PUC-approved rates
- RUS-approved rates

Any deviations from published guidance for depreciation expenses requires additional documentation to support the deviations, unless due to compliance with PUC-approved rates.

The depreciation rates used for the purposes of the application must be reasonable and correct as the rates affect several areas of the application, such as income and determining the composite economic life of your proposed project.

Note: Depreciation rates for professional services must align with the depreciation rates for the asset category. For example, if a depreciation rate of five percent is used for all the assets in the outside plant category, then the depreciation rate of five percent should be used for any professional services provided for that asset category.

When using PUC-approved rates, the documentation provided must be no older than three years, must include the breakout of the depreciation rates used, and must be executed by the PUC. If the criteria cannot be met, you must use RUS-approved rates.

3.3.3 Capital Contributions

You must provide information for each capital contribution that you plan to leverage during the bridge and forecast years. This includes any required matching funds, cash substitution for some or all of the loan portion of a combination loan-grant, and other funds, which are any additional capital necessary to cover project costs.

The following are capital contribution sources identified in the Intake System:

- Owner/member capital
- Investor capital
- State grant
- Federal grant
- Matching contribution
- Other

For each capital contribution source, include a source name and provide supporting documentation for each capital contribution.

100 percent grant applications: You must support your matching contribution with sufficient documentation. When entering source name and assumptions within the application, be clear and detailed. In addition, you must consider how these sources were identified in other areas of the application, as your numbers must match and be accounted for within the correct financial statement.

50 percent loan-50 percent grant applications: No match is required. However, if you choose to substitute cash for all or part of the loan component, then you must identify the source of the capital contributions and provide supporting documentation.

Other funds: if your requested award doesn't cover 100 percent of the total project costs, you must provide identify the source of all other funded needed to fully fund the project, and provide supporting documentation

For additional information on matching fund requirements, refer to section 2.8.1.

3.3.3.1 Other Federal or State Funding

If you receive both ReConnect funding and other federal or state broadband funds, you must submit a statement certifying the following:

- The funds requested from ReConnect have not been and will not be reimbursed by another federal or state award
- The funds will not be used to reimburse another federal or state award
- The awardee will keep separate accounts for each source of funding to track the uses of the funding

If you are receiving E-ACAM funding, then you are only eligible to apply for a ReConnect 100 percent loan for the same area as the E-ACAM area.

Note: All E-ACAM funding should be captured under model-based support with a clear description and anticipated yearly distribution amounts within the assumptions.

RUS will determine the eligibility of applicants that receive other FCC Universal Service Fund High-Cost support programs on a case-by-case basis in accordance with the applicable High-Cost support program rules.

If your organization receives several model-based support revenues, you should indicate the breakdown of the sources of the funds on a yearly basis.

You can also provide additional documentation to supplement the information reflected within the application.

3.4 Service Offerings and Subscriber Data

You must provide data for all your service offerings, subscriber counts, and competitor service offerings in both your NFSA(s) and PFSA(s). The data you provide will be used by RUS to determine the financial feasibility of your application. Preparation of this information can be time consuming, and accuracy is essential.

If you anticipate having a subsidiary, affiliate, or third party operate the network in the PFSA (an open access network), reflect the corresponding subscriber projections with a price of \$0. You will reflect revenue from the open access network in "Other Revenues".

Additionally, you must provide documentation supporting the revenues received, the number of anticipated subscribers, and other helpful information regarding the network.

3.4.1 Service Offerings

Reflect every service offering that you currently provide within your NFSAs and every service offering you propose to offer within your PFSA(s), as well as any existing services you provide in your PFSA(s).

For each service offering, you must indicate:

- Whether the service offering is voice, data, video, or a combination of the three
- The status as either new or existing
- Download and upload speeds
- Customer type (residential or business)
- Monthly price

Note: Even if you have no subscribers for a service offering available within your service area, it should still be included within your application.

Clearly specify unique descriptions for each of your service offerings to differentiate them from similar offerings. Even if the download and upload speeds are unique, you should still clearly differentiate the service offering descriptions.

This information will be combined with your subscriber projections to inform operating revenue forecasts.

3.4.2 Subscriber Projections

For every service offering you currently provide or are proposing to provide, you must reflect subscriber projections for each PFSA and NFSAs.

For each service offering, you must provide:

- Number of existing subscribers
- Number of new subscribers
- Amount of subscription cancellations
- Pricing for historical, bridge, and forecast years

If you propose to upgrade technology within a PFSA network that has existing subscribers, those subscribers should be reflected within the historical count of the PFSA(s). In other words, the subscriber and household count for the PFSA(s) should include any new or existing service area(s) that you are proposing to construct or upgrade with round five ReConnect funds.

When you are inputting your subscriber base, you should include the appropriate counts for the associated service area. As such, if a PFSA encompasses an already existing service area, you must differentiate the historical and projected household and subscriber counts for each designated area. Therefore, you should reflect alternate households to avoid duplication and represent how many subscribers will be receiving upgraded services.

If you currently provide data-only services within your PFSA of 300 households and are planning to upgrade those data services offered through outdated DSL technology with Fiber-to-

the-Home (FTTH) technology for 100 of those households, split those non-upgrade households into an NFSA as described here:

Prepare a shape file that includes the 200 households that you are not proposing to upgrade with the requested round five Reconnect funds as the NFSA, and another 100-household shape file as your PFSA. In this scenario, you will reflect your existing data service and subscriber count(s) within the historical figures under the PFSA. Then, when inputting subscriber projections for those 100 households receiving the FTTH service, the projections would show the DSL data subscriber count decreasing and the new data service increasing by the anticipated yearly subscriber change.

Note: When upgrading technology for a designated service area, your PFSA should be labeled as “existing,” instead of “new” within the application. In addition, anytime alternate households are reflected, it must be accompanied by documentation supporting the counts shown.

Note: Subscriber projections should total PFSA and NFSA households projected to purchase service. It is critical that you ensure that there are no households captured within both the NFSA and PFSA subscriber counts and household subscribers do not exceed the number of households captured by the system or represented within alternate household counts for the PFSA or NFSA.

When entering historical subscriber counts for each service offering, you must consider the impacts the inputs have on your income. As such, validate that your Local Network Services Revenue (LNSR) is accurate and consistent across the application. The LNSR is a section of the Financial Information tab in the Intake System. If the information cannot be supported and application reviewers cannot determine the source of the revenue, it can directly impact your financial feasibility or result in a rejection.

A subscriber penetration rate that exceeds 100 percent is unreasonable. However, in this scenario, you must provide a detailed breakdown of the over-subscription in a supporting document.

Reflecting customers that sign-up for multiple services (for example, data only and voice only instead of a data/voice package) can result in an inflated subscriber penetration rate if packaged services are not offered. In these situations, projections must be accompanied with supporting documentation so that the reviewers can easily understand the projections. Nonetheless, a 100% penetration rate may not be accepted by RUS which may result in a change in your financial projections and impact your financial feasibility.

If you anticipate changing the price for any year within your projections, provide a description to explain the price change.

Ensure that your subscriber forecasts for each service offering are reasonable and accurate. Compare your Census household data, penetration rates, and alternate household data, if applicable, to ensure that they are consistent for each service area.

If you are using alternate household data, you must provide documentation that supports the accuracy of the data. You may use a publicly available source, such as broadband serviceable

location data from the FCC. However, whatever source you use, documentation must be verifiable by RUS. If the supporting documents do not provide sufficient justification for the alternate household data, RUS may not accept those values, which may affect the finding regarding your application's financial feasibility.

Note: You must clearly identify the use of alternate household data throughout your application (and not only in supporting documentation) to ensure consistent and accurate counts.

3.4.3 Competitor Service Offerings

You must provide information regarding competitor service offerings for each PFSA and NFSA in your application. You must, at minimum, answer the question of whether competitors exist in each service area.

You must list every competitor. For each offering, you must provide:

- The name of the service provider
- Whether the service offering is voice, data, video, or a combination of the three
- A service offering description
- The download and uploads speeds
- Customer type (residential or business)
- Monthly price

Note: A competitor is **any** other broadband operator providing broadband services within your PFSA.

3.5 Financial Information

For instructions on how to complete the Financials tab of the Intake System, please refer to the User Manual.

The way you reflect financial information within your application is critical in determining feasibility of the proposed project, if it can be completed in a timely and cost-effective way, and whether your organization can meet all of its financial obligations. Therefore, when entering your historical and projected financial performance, consider the way in which you populate the information in relation to your audited financial statements. Reviewers use the audited financial statements to validate accuracy of your historical figures, in addition to determining financial feasibility of your proposal. You must demonstrate to RUS that your organization has the financial capacity to fulfill the project and meet your organization's financial obligations.

In addition to historical data, which includes the years 2020-2023, you must provide the bridge year financials (2024 for round five), and the projected financials for the next five years (2025-2029), as described in the ReConnect regulation ([7 CFR 1470.63\(a\)\(6\)](#)).

RUS provides an Excel workbook for each funding type that mirror the functionality of the Network and Financial sections of the Intake System, You can use the models to assist in application preparation. The models will be found on the Forms and Resources page of the ReConnect website.

An income statement, a balance sheet, and a statement of cash flow are required for your application. If your organization has been in operation for four or more years, you must include information from historical financial statements for the last four years. However, if the organization has been in operation for less than four years, submit the historical statements for the years during which your organization has been in operation.

For any cash flow entry reflected on your audited financials that is not captured in a pre-defined fields in the Intake System, you can add a new “Other” item under the correct activity. You must include a detailed assumption that clearly explains the amounts listed for every “Other” activity. In addition, unless there is a clear reason for these sources to continue over the forecast period, do not include projected amounts.

When entering your financial information, there are several line-items that flow into the financial statements from information you previously provided on other pages in the application. Listed below are those pre-populated line-items for which you will manually enter the historical years' financial information:

- *Plant-in-Service*: Populated from the Plant-In-Service tab
- *Current Maturities Long-Term Debt - RUS, Rural Telephone Bank (RTB), and Federal Financing Bank (FFB) Notes*: Populated from the RUS, RTB, and FFB Amortization Schedule(s)
- *Current Maturities Long-Term Debt - Funded Debt – Other*: Populated from the Funded Debt - Other Amortization Schedule
- *Current Maturities Long-Term Debt - Funded Debt - Rural Development Loan*: Populated from the Funded Debt - Rural Development Amortization Schedule
- *Current Maturities Other Long-Term Debt*: Populated from the Other Long-Term Debt Amortization Schedule
- *Current Maturities - Capital Leases*: Populated from the Capital Leases Amortization Schedule
- *Funded Debt - RUS, RTB, and FFB Notes*: Populated from the RUS, RTB, and FFB Amortization Schedule(s)
- *Funded Debt – Other*: Populated from the Funded Debt - Other Amortization Schedule
- *Funded Debt - Rural Development Loan*: Populated from the Funded Debt - Rural Development Amortization Schedule
- *Obligations Under Capital Lease*: Populated from the Capital Leases Amortization Schedule
- *Other Long-Term Debt*: Populated from the Other Long-Term Debt Amortization Schedule
- *Local Network Services Revenue*: Populated from the Local Network Services Revenue tab
- *Network Access Services Revenue*: Both the historical and forecast years data are populated from the Network Access Services Revenue tab
- *Depreciation Expense*: Populated from the Local Network Services Revenue tab
- *Non-operating Net Income (NONI)*: Both the historical and forecast years data are populated from the non-operating net income tab
- *Interest on Funded Debt*: Populated from the RUS, RTB, and FFB Amortization Schedule(s).
- *Other Interest Expense*: Populated from the Amortization Schedule(s)

- *Principal Payments on Long-Term Debt and Capital Leases:* Populated from all of the Amortization Schedule(s)

For instructions on how to enter these line-items in the Intake System, please refer to the Financials Tab in the User Manual.

3.5.1 Income

As noted above in section 3.4, you're asked to provide a lot of detail about telecommunications services you intend to offer, services you currently offer and projected and existing subscribers for those services. All of that information is used by the Intake System to calculate projected revenues and the revenues flow into the financial statements, which provide the space for the historical and pro forma financial information.

Your revenue projections, and the clarity and completeness of the assumptions you provide have an impact on how your application's financial feasibility will be determined. Remember, you can always attach additional supporting documents within the application to fully explain the assumptions. Just be sure to reference any such documents within the assumptions themselves.

When categorizing multiple line-items from your audited financials, clearly identify and explain the line-items used as historical financial information. They should always match and correspond to the amounts on your audited financials. For example, when reflecting miscellaneous revenues and rent income as one revenue, provide the dollar amounts and a description within the assumptions, breaking down the line-items.

Note: If an income source's year-to-year projected performance deviates from its historical performance, provide a detailed explanation.

Note: The more descriptive you are, the better a reviewer can understand the amounts shown. Within the assumptions, you should specify the source name according to the audited financials, so it is clear what revenues were included. If the amounts cannot be validated and the projections are variable without sufficient explanation, it may result in a rejection. You can also provide documentation to support your figures.

3.5.1.1 Other Revenues

The Intake System provides a place to record other revenues associated with service areas that are not a direct result of providing service to subscribers, such revenues include installation fees, monthly cable box rentals, and broadcast network fees. It's called, "Other Revenues." You'll need to provide historical, bridge year and pro forma projections for these revenues:

- One-time set up/installation fees
- Broadcast network fees
- Monthly cable modem rental fees
- Video conferencing fees
- Other revenue such as revenue from ISPs

This is also where you'll record revenue from an open access network if you anticipate having a subsidiary, affiliate, or third party operate the network in the PFSA.

3.5.1.2 Non-Operating Net Income

You must provide data for non-operating net income (NONI), along with assumptions. When describing assumptions, provide comprehensive justifications for the amount entered in these line-items, especially when they deviate from historical trends. You are encouraged to provide any relevant supporting documentation.

Examples of NONI include, but are not limited to:

- Gains or losses on the sale of equipment
- Capital gains or losses
- Dividend income
- Interest earnings
- Foreign exchange gains

Note: The description for each non-operating income or expense must clearly describe the amounts so a reviewer understands the values. If unsupported, it could impact your application's financial feasibility. In addition, the historical NONI values shown should match and be easily located on the audited financials.

If you are applying as a stand-alone entity and are including applicable operating income from the subsidiaries associated with the project, it should be reflected as NONI.

If you are applying as a consolidated entity that includes subsidiary operating income received, then this should be reflected as operating income, not NONI.

3.5.1.3 Network Access Services Revenue

You must provide information related to network access services revenues. Network access services revenues are derived from the provision of telecommunications services, such as various types of state and federal universal service support.

For example, you will need to provide historical, bridge, and forecast years' financial information if you have revenue related to carrier interstate switched access charges. Provide any descriptions in the assumptions.

If you are receiving revenues directly assigned on the basis of telecommunications rate analyses and studies, then you likely have network access services revenue to report.

If you are applying on a stand-alone basis using subsidiary income, then any applicable network access services revenue associated with the subsidiary should be reflected as NONI. See section 3.5.1.2.

3.5.2 Long-Term Debt

You must provide information related to long-term debt and equivalents that are outstanding during the forecast period.

When entering your long-term debt information, provide relevant documentation for any long-term debt, and clearly substantiate whether the debts are secured by the assets of the company or organization. Include any applicable mortgage documents.

Note: Supporting documentation is required for each source of long-term debt. This documentation should be executed and clearly disclose the payment, the interest rate, and the terms of the agreement. If a debt has been extended or modified, you must provide the updated documentation.

You will be required to provide an intercreditor agreement (in the Project Information section of the Intake System) for the following situations:

- For 100 percent loan and loan-grant combination awardees, if you have long-term debt that is 100 percent secured against real property, you will be required to execute a shared mortgage. You must also provide a letter from the lender certifying shared first lien status. If the long-term debt is not secured by real property and is secured by your personal property, you will be required to execute an intercreditor agreement.
- For 100 percent grant applications, if you have long-term debt, you must provide evidence that the lender has given consent for you to enter into this agreement with RUS and has released or subordinated its lien on all grant assets funded under the award, as well as on the matching funds required, if applicable.
- For any long-term debt that is held by a third party, such as your parent company, that is 100 percent secured against your assets, you, the lender, and the third party will also be required to execute a shared mortgage, in addition to a letter from the lender certifying shared first lien status within the application. If the long-term debt is not secured by real property and is secured by your personal property, you will be required to execute an intercreditor agreement.

See Table 8 for further information on long-term debt.

Table 8: Funded Debt

Funded Debt Type	Description	Guidance
Funded Debt - Existing RUS, RTB, or Federal Financing Bank (FFB) Notes	You must provide information related to outstanding amounts of Funded Debt – Existing RUS, RTB, or FFB Notes.	Existing RUS notes, including all Telecom and Electric loans should be described. Ensure that you provide the RUS Obligation ID and the Primary Borrower ID. You are required to reflect all RUS, RTB, or FFB debt, existing or new, with the corresponding accurate terms.

Funded Debt Type	Description	Guidance
Funded Debt – Other	You must provide information related to outstanding amounts of other debt. This encompasses all non-RUS, non-RTB, and non-FFB debt, made up of fixed-maturity types of borrowings that are funded by interest payments. Examples would include CoBank or Rural Telephone Finance Cooperative (RTFC) debt, and similar debt from other third-party institutions.	The outstanding principal balance is the balance that will be outstanding as of the end of the bridge year.
Rural Development	You must provide information related to outstanding amounts of other funded debt from Rural Development. This encompasses any debt from USDA RD that is not from RUS.	The outstanding principal balance should be the balance that will be outstanding as of the end of the bridge year.
Other Long-Term Debt	You must provide information related to outstanding amounts of other long-term debt. This encompasses all long-term debt that is not includable in the previously covered long-term debt types.	Other Long-Term Debt is distinguished from Funded Debt-Other in that it may not have all the characteristics of funded debt, such as regularly scheduled principal and interest payments. The outstanding principal balance should be the balance that will be outstanding as of the end of the bridge year.
Obligations Under Capital Lease	You must provide information related to obligations under capital lease. Payments must be accurately reflected for all years, including historical, especially on the income statement.	N/A

You must provide a list of all outstanding obligations by parents, subsidiaries, and affiliates and must also provide any debt instruments that use your assets, revenues, or stock as collateral and any existing affiliate agreements.

3.6 Environmental Information

For instructions on how to complete the Environmental tab of the Intake System, please refer to the Environmental Tab in the User Manual.

3.6.1 Environmental Policies and Procedures

The policies and procedures stipulated in [7 CFR 1970](#) are meant to ensure that RUS and its awardees comply with the National Environmental Policy Act of 1969 (NEPA) and any other

environmental requirements in the administration of Federal programs. You must also comply with the procedures of Section 106 ([36 CFR 800](#)) of the National Historic Preservation Act (NHPA) and Section 7 ([50 CFR 402](#)) of the Endangered Species Act (ESA). In accordance with [7 CFR 1970](#), you must propose projects that avoid or minimize negative environmental impacts. To determine the environmental impact of proposed projects, you must complete all environmental review requirements. Further information on environmental policies and procedures can be found at [USDA Resources - Environmental Guidance](#).

If you believe you need to start Section 106, you should reach out to RUS through the [Contact Us](#) page. RUS will not make funds available to your organization until the environmental review is completed. You should anticipate the pre-application costs associated with completing an environmental review as well as any post-award monitoring costs and include them in your budget. See section 2.7.4.1 for information on pre-application and post-award monitoring costs.

To begin addressing environmental requirements for your project, you must:

- Identify the exact location of all proposed network sites and routes for your proposed project
- Provide a detailed description of each site and route, including information on all facilities and construction activities at each location
- Complete a series of EQs to evaluate the potential environmental impact of your proposed project, which requires you to:
 - Determine whether the project's construction assets overlap with any federally regulated areas and address potential impacts as instructed. (These areas will be provided for your reference in the Intake System)
 - Generate and provide an Official Species List (OSL) for each site and route for your entire project, as this is necessary prior to the obligation of funds
 - Complete a Threatened and Endangered Species (TES) table to evaluate potential impacts to special status species due to construction type and location

RUS will use this information and either complete the environmental review process or determine the appropriate level of additional impact analyses needed, in accordance with [7 CFR 1970: Environmental Policies and Procedures](#). Additional environmental documentation, such as heritage reviews or desktop surveys, may be included as well. While these items are not required at the time of application, you should make sure to include them in budgets as they may be required for final approval.

Since construction cannot commence until after the completion of environmental reviews, any environmental information that can be prepared in advance and submitted with the application will reduce delays in the review process, should your application be awarded. As previously stated, if uncertain of the level of review on your project, submit a question through the [Contact Us](#) link in the blue bar at the top of the Intake System.

If awarded, the agreement will be subject to the completion of all necessary environmental procedures required by federal law, and funds may not be disbursed until successful completion of such procedures.

You may not engage in any work on the project until you have received written notice from RUS. Unauthorized work will result in the termination of the agreement.

3.6.2 Sites and Routes

You must provide the location for your project's sites and routes on a map, specifying the appropriate size and location as accurately as possible. Since these locations will be used to assess your environmental impact when reviewed by RUS and other stakeholders, the accuracy is essential and should not be considered easily changeable once awarded. Your environmental review will be based on what you have submitted in the Intake System.

Location Guidance: You should consider how your construction locations will affect your level of environmental review. For example, constructing in new, undisturbed right-of-way is likely to require greater levels of consultation and review than constructing in an existing, disturbed right-of-way. Construction that overlaps formally classified lands will require outreach with land managers and appropriate approvals and permitting. Consider what state and tribal stakeholders might have to be consulted to ensure that your construction has no potential to adversely affect cultural and historical resources. Consider how your construction type and location might affect wetlands or other water resources in the area. Accuracy of your shapefiles for sites and routes allows RUS to notify you of the required steps for environmental clearance early and accurately, which will improve your timeline and outcomes, if awarded.

Description Guidance: Once you have identified the locations for your sites and routes, you must provide a description for each site and route. Project site and route descriptions specify the types of facilities to be built or upgraded at each location and the estimated environmental and regulatory impact from construction or installation activity. Consider what type of construction method you will use for your routes and the expected ground disturbance and the number of miles. Consider the size of your site, the kind of equipment needed, and the area of ground disturbance. Construction methods or installation activities that would cause greater disturbance may require more in-depth consultation, surveying, and assessments, which may extend the environmental review process, so be sure that your proposed plans are practical for your construction timeline expectations.

The description requirements differ based on the type of assets. All routes and sites should follow a distinct naming convention to avoid confusion with other routes during review. You must describe your sites and routes accurately, as inaccurate inputs may indicate a higher level of environmental review than would actually be required and may cause significant delays to your environmental review process.

As part of your application submission, you should provide the exact details of your proposed construction locations and descriptions. Note that this information can be and is likely to be shared with other interested parties to enable them to understand how great an impact the project may have on their areas of interest. A project's construction techniques, location, and other characteristics can directly affect what these interested parties may ask for in the form of additional surveys and information.

The Intake System includes different assets to consider when describing your sites:

- Access Roads/Parking Lots
- Buildings
- Towers
- Large Enclosure Cabinets

Guidelines to avoid common mistakes when describing your assets:

- A new asset (such as a tower or building) will be constructed during the project, and an existing asset is one that is already built. If the asset is already constructed, but new to you, it is still existing
- The building asset type is an attended structure that is either existing or new. A prefabricated building, or huts where only equipment will be placed, is not considered a building
- If a prefabricated building or hut is going to be unattended, it is defined as a large enclosure cabinet, not a building
- When considering the limits of disturbance of your construction, length, width, and depth dimensions would refer to the disturbance limit, not the asset dimensions

Guidelines to avoid common mistakes when describing your routes:

- A new route is a route in a previously undisturbed area or a new right-of-way, not an existing right-of-way or previously disturbed corridor
- A new right-of-way or easement refers to ground disturbance, not ownership. If you are constructing in existing right-of-way that is new to you, it would still be classified as existing
- If your route involves aerial cables on existing poles, existing poles can be any existing poles, regardless of whether the poles are owned by your organization
- If your route is bored, describe what will be bored under (for example, a street or a river)
- If your route involves aerial cables on new poles, “new” refers to ground disturbance. You must describe pole diameters, pole depths, pole spans and pole heights as a range or maximum. Poles that are new to you but are existing poles (whether in the right-of-way or owned by someone else) are not new poles

3.6.3 Environmental Questionnaire (EQ)

You must complete up to three types of EQs:

- Site or route questionnaires. One EQ for **each** site or route in the project
- Project questionnaire
- Section 106 project questionnaire

Completing the EQs does not represent the completion of your environmental requirements. You may be contacted for additional information regarding the environmental compliance of the proposed project. Please follow all instructions carefully.

3.6.3.1 Site and Route EQs

For **each** site and route, discuss the following information concerning the potential impact of your project. You will also have to prepare a TES table for each site and route, which is discussed in Section 3.6.3.6.

Floodplains: Use the Flood Hazard Zones (FEMA) layer available in the Construction Map to determine potential impact to a floodplain. If the site or route falls within a community not participating in the National Flood Insurance Program (NFIP) or an area of undetermined flood hazard (Zone D), use the Flood Frequency (NRCS) layer available in the Construction Map to determine the flooding frequency of the area. Detailed guidance related to evaluating impacts to and from floodplains can be found in [RD Instruction 1970 - Subpart F - Floodplain Management](#).

Note: The minimum floodplain of concern is the 500-year floodplain. If your project is located in the 500- or 100-year floodplain, it should be considered within a floodplain for environmental analysis. The frequency of “rare,” “occasional,” or “frequent” should be considered within a floodplain for environmental analysis.

You should be able to answer the following:

- Is your proposed action located in a floodplain?
- Does your proposed action in the floodplain consist of more than buried and/or aerial utilities lines?
- Does your proposed action have the potential to affect a floodplain?
- Does your proposed action have the potential to be affected by a floodplain?

Wetlands: Use the National Wetland Inventory (NWI) layer available in the Construction Map to determine the potential impact to a wetland. If the site or route overlaps with a wetland but you believe the Area of Interest (AOI) is not located within a wetland, use the Soil Hydric Class (NRCS) (Wetlands Subpart G) to determine the predominance of hydric soils in an area. Be advised, if any part of the AOI lists a Soil Hydric Class of “Partially Hydric (1 – 95 percent)” or “All Hydric” (96 – 100 percent), the AOI will be considered to be located in a wetland. Detailed guidance related to evaluating impacts to wetlands can be found in [RD Instruction 1970 - Subpart G - Wetland Protection](#). Additional information on the USACE Nationwide Permit Program can be found on the [Nationwide Permits webpage](#).

You should be able to answer the following:

- Is your proposed action located in a wetland?
- Does your project’s interaction with wetlands consist entirely of avoiding wetlands via directional boring?
- Does your proposed action have the potential to affect a wetland?
- Does your proposed action have the potential to be affected by a wetland?

Farmland Protection Policy Act (FPPA): Use the Farmland Class (NRCS) (FFPA) layer available under the Land Use (Subpart L) category in the Construction Map to determine potential impact to farmland. Detailed guidance related to evaluating impacts to farmlands can be found in [RD Instruction 1970 - Subpart F - Land Use and Formally Classified Land](#).

Note: For the purpose of FPPA, farmland includes, "All areas are prime farmland", "Farmland of unique importance", "Farmland of statewide importance" or "Farmland of local importance". Be advised, farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forest land, pastureland, cropland, or other land, but not water or urban built-up land.

Transportation (Site EQ Only):

- *Air:* If required by the Federal Aviation Administration (FAA), or if you propose any of the following types of construction or alteration, your organization must file a notice with the FAA. [FAA Notice Criteria Tool](#) to help determine whether your project construction requires filing with the FAA for proposed structures.

- If you are required to file a notice with the FAA, Identify the reason(s) why a notice must be filed and file the notice through the [FAA portal](#). The following are possible reasons:
 - Required by the FAA
 - Proposed construction or alteration that is more than 200 feet above ground level at its site
 - Proposed construction or alteration that exceeds an imaginary surface extending outward and upward at any of the following slopes:
 - 100 to 1 for a horizontal distance of 20,000 feet from the nearest point of the nearest runway of an airport with its longest runway more than 3,200 feet in actual length, excluding heliports.
 - 50 to 1 for a horizontal distance of 10,000 feet from the nearest point of the nearest runway of an airport with its longest runway no more than 3,200 feet in actual length, excluding heliports.
 - 25 to 1 for a horizontal distance of 5,000 feet from the nearest point of the nearest landing and takeoff area of a heliport.
- Note: Airports/heliports include:
 - A public use airport listed in the Airport/Facility Directory, Alaska Supplement, or Pacific Chart Supplement of the U.S. Government Flight Information Publications
 - A military airport under construction or an airport under construction that will be available for public use
 - An airport operated by a federal agency or the DOD
 - An airport or heliport with at least one FAA-approved instrument approach procedure
- *On-road:* You should be able to answer the following:
 - Has a Traffic Impact Study (TIS) been completed?
 - Will your project cause an increase in traffic in the surrounding area during construction and/or operation?
 - Will hazardous materials be involved?
 - Will you be able to obtain all proper permissions and permits from any applicable federal, state, or local agencies?

3.6.3.2 Project EQ

The Project EQ can be completed only after **all** site and route EQs are complete, since information from those will inform several components of the Project EQ. Be prepared to discuss the following information concerning the potential impact of your project, in addition to expanding on the potential impact on the resources discussed above. You will also have to prepare a TES table for the project, which is discussed in Section 3.6.3.6.

Floodplains (only required if indicated in site or route EQ): Provide considerable information about the impacts of your construction environmentally, socially, economically, and legally, as well as establish alternatives or mitigation measures. You will be required to publish preliminary, public, and final notices and provide that documentation to RUS.

Wetlands (only required if indicated in site or route EQ): Provide considerable information about permitting and about the impacts of your construction environmentally, socially, economically,

and legally, as well as establish alternatives or mitigation measures. You will be required to publish preliminary, public, and final notices and provide that documentation to RUS.

Compliance with Applicable Laws and Regulations: Does the proposed project threaten a violation of local, state, or federal statutory, regulatory, or permitting requirements and have all necessary permits been identified? If yes, describe any violation and provide supporting documentation.

Hazardous Materials: Will the proposed project result in production or handling of hazardous substances, pollutants, contaminants, or petroleum and natural gas products? If yes, describe any potential releases of hazardous substances, pollutants, contaminants, or petroleum and natural gas products along with any permits associated with hazardous substances, pollutants, contaminants, or petroleum and natural gas products and provide supporting documentation.

Resource Conservation and Recovery Act: Does the proposed project involve siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities including incinerators permitted by the Resource Conservation and Recovery Act (RCRA)? If yes, describe the siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities including incinerators permitted by the Resource Conservation and Recovery Act and provide supporting documentation.

Formally Classified Lands: Use the Formally Classified Lands layer in conjunction with the Protected Lands layer in the Construction Map, and local resources or maps that indicate state and local municipally managed lands to determine overlap with formally classified or protected lands. A detailed list of areas considered formally classified lands can be found in [RD Instruction 1970 – Subpart L – Land Use and Formally Classified Land](#). Will the proposed action occur within or adjacent to any Formally Classified Lands or protected lands? If yes, identify whether you already have a special use permit and provide correspondence from the managing agencies.

If awarded, any overlap between your sites or routes and Formally Classified Lands (FCL) – including federal, state, local, and private lands – will require outreach and proper approval from the land manager before completion of the environmental review process. RUS will provide guidance on handling these overlaps and the contacts with the relevant land managers. Please do not initiate these contacts until you receive the RUS guidance.

Coral Reefs: Use the Coral Reef Ecosystem group layer available in the Construction Map to determine overlap with a coral reef ecosystem. Is any part of the proposed project located in an area designated as habitat boundary as identified by the Coral Reef Ecosystem group layer on the Construction Map? If yes, explain whether your proposal has the potential to impact coral reefs. This consideration only applies to the following:

- American Samoa
- Florida
- Guam
- Hawaii
- Northern Marianna Islands
- Puerto Rico
- U.S. Virgin Islands

Invasive Species: Under [Executive Order \(EO\) 13112](#), RUS cannot authorize, fund, or carry out actions that are likely to cause or promote the introduction or spread of invasive species in the United States or elsewhere unless all reasonable measures to minimize risk of harm have been analyzed and considered. Complying with EO 13112 means that federal assistance cannot be used for construction, re-vegetation, or landscaping of project areas that purposely includes the use of known invasive plant species. Will the proposed project include construction, re-vegetation, or landscaping of project areas that includes the use of known invasive plant species?

Bald and Golden Eagle Protection Act and Migratory Bird Treaty Act: The [Bald and Golden Eagle Protection Act \(BGEPA\)](#) and the [Migratory Bird Treaty Act \(MBTA\)](#) apply to actions taken by your organization when implementing your ReConnect project. You must understand and comply with MBTA and BGEPA. The unauthorized taking of migratory birds or bald and golden eagles is a strict liability criminal offense which does not require knowledge or specific intent on the part of the offender. As such, even when engaged in an otherwise legal activity where the intent is not to kill or injure migratory birds or eagles, violations can occur if bird death or injury results. Proposals involving the construction of overhead utility lines, wind turbines, or telecommunications towers may require pre-construction and post-construction monitoring, development of an avian protection plan that identifies measures to avoid or minimize impacts as well as other best practices to limit potential takings, or other mitigation measures to eliminate or minimize takings of birds protected under MBTA or BGEPA. You must acknowledge that you are aware of your responsibilities under MBTA and BGEPA.

Air Quality: Use the Air Quality group layer in the Construction Map to determine overlap with any non-attainment or maintenance areas. Detailed guidance related to evaluating impacts to air quality and general conformity can be found in [RD Instruction 1970 – Subpart O – Miscellaneous Resources](#). If any part of the proposed project is located in a non-attainment or maintenance area as identified by the Air Quality group layer on the Construction Map, identify whether your proposal is exempt from conformity determination per [40 CFR 93.153\(c\)\(2\)](#), and explain the exemption. If not exempt, you must develop and provide an emissions inventory to verify if the emissions from your project exceed the Environmental Protection Agency's (EPA's) de minimis levels for criteria pollutants per [40 CFR 93.153\(c\)\(1\)](#).

Coastal Barriers: Use the Coastal Barriers (CBRS) layer available in the Construction Map to determine overlap with an otherwise protected area or system unit. Detailed guidance related to evaluating impacts to Coastal Barriers can be found in [RD Instruction 1970 – Subpart O – Miscellaneous Resources](#). If any part of the proposed project is located in an area designated as an otherwise protected area or system unit as identified by the Coastal Barriers (CBRS) layer on the Construction Map, identify whether your project is [excepted](#) under Section 6 of the Coastal Barrier Resources Act (CBRA) ([16 USC 3505\(a\)\(6\)](#)). If your project is excepted under Section 6 of the CBRA, you must initiate consultation with USFWS using the [Subpart O Template for Inter-Agency CBRA Consultations](#).

Coastal Zones: Use the Coastal Zone layer available in the Construction Map to determine overlap with coastal zones. Detailed guidance related to evaluating impacts to coastal areas can be found in [RD Instruction 1970 – Subpart O – Miscellaneous Resources](#). If any part of the proposed project is located in an area designated as a coastal zone as identified by the Coastal Zone layer on the Construction Map, explain whether the proposal is subject to federal consistency review by the appropriate state agency. You can find guidance and activity lists at the Office for Coastal Management, National Oceanic and Atmospheric Administration (NOAA),

[State Federal Consistency Lists](#). You will be required to submit the required package to the appropriate [Coastal Zone Management Program](#) and provide the review documents and correspondence as part of your application.

Sole Source Aquifers (SSA): Use the Sole Source Aquifer layer available in the Construction Map to determine overlap with SSAs. Detailed guidance related to evaluating impacts to SSA can be found in [RD Instruction 1970 – Subpart O – Miscellaneous Resources](#). If any part of the proposed project is located in an area designated as a SSA as identified by the SSA layer on the Construction Map, explain whether the proposal has the potential to contaminate the designated SSA or adversely affect an SSA recharge area. You will have to initiate contact with the appropriate EPA regional office and upload the EPA review and correspondence with your application.

Depending on the level of potential impact, you may be prompted to publish and upload public notices or evidence of agency contact prior to submitting your application. Make sure you plan enough time to complete these activities and the Environmental tab in the Intake System.

3.6.3.3 NHPA Section 106 EQ

You may not be required to complete the Section 106 EQ, depending on your project's construction type and assets. Specifically, the Section 106 EQ is required by the Intake System under the following circumstances:

- Project includes sites or routes requiring an FCC license
- Project includes sites including a new building
- Project includes sites involving improvements to existing buildings
- Project includes actions on Tribal lands
- Project includes actions on federal lands
- Project includes routes that do not involve new construction or upgrading, or rebuilding existing facilities
- Project includes routes that involve new construction or upgrading, or rebuilding existing facilities except for:
 - Aerial cables on existing poles occurring in previously developed rights-of-way or in an urbanized area, with the vaults or cabinets, if any, being installed in previously disturbed or developed land.
- No information is saved on the construction map
- Not all site and route descriptions are complete

You should use the [Contact Us](#) link to reach out to RUS prior to initiating any Section 106 process.

Regardless of whether you are asked to complete a Section 106 EQ or not, please keep in mind, this does not constitute an official determination for the purposes of your environmental review. If awarded, the project will be reviewed by RUS, and you will be given guidance on the steps and documentation required to make an official determination.

3.6.3.4 Section 106 Consultation Guidance

Whether or not you are asked to complete a Section 106 EQ, you should not initiate consultation on the Section 106 process at this time.

Be advised that, once you initiate consultation for Section 106 process with the State Historic Preservation Officer (SHPO), Tribal Historic Preservation Officer (THPO), or other interested parties, you must complete consultation even if the RUS determines the type of construction activity has “no potential to cause effects”.

You will be informed during the application process whether the Section 106 EQ is required. If so, be prepared to discuss the following information concerning the potential impact of your project:

SHPO/THPO Initiation: Since you should not initiate the Section 106 process at this time, if you have not contacted the SHPO, your Section 106 EQ will be considered complete. If you have contacted the SHPO, you will be asked to provide copies of your notification letters to any SHPOs or THPOs as well as identify the presence of historic properties and evaluate whether there is an adverse effect to them.

Please note that the National Register of Historic Properties (NRHP) database is not an exhaustive list of cultural resources near your project. Sources for this information may include databases maintained by the SHPO, literature searches, and cultural resource surveys. This information is restricted to archaeologists, anthropologists, and historians qualified by the Secretary of Interior. If your project is awarded, you may be asked by RUS to consult with SHPOs and THPOs as well as consult a qualified contractor to compile a class I literature review (also known as a “desktop study”), or conduct cultural resources surveys in order to identify the presence of historic properties and the likelihood of adverse effects to them.

3.6.3.5 Official Species List (OSL)

An OSL must be submitted for **each site and route** (not for a PFSA as a whole), as part of your application. The OSL is a letter from the local U.S. Fish & Wildlife Service (USFWS) office with information that assists in the evaluation of potential impacts of this project. An electronic copy of this list is available to download upon completion of the USFWS [Information for Planning and Consultation \(IPaC\)](#) process.

Listed marine species are managed by the National Oceanic and Atmospheric Administration (NOAA) Fisheries. Projects occurring in water or in proximity to water should obtain lists from the appropriate [Fisheries office](#).

The list(s) obtained from the USFWS and NOAA should be used to complete the [Subpart N Special Status Plant and Wildlife Species Table](#).

3.6.3.6 Threatened and Endangered Species (TES) Table

You must complete your sites and routes and generate your OSLs before completing your TES Table, also referred to as a Special Status Plant and Wildlife Table, for your EQs.

Follow the guidance below to properly complete the TES Table. Fill out each cell, including complete explanations with sources, and do not amend the structure of the table. If your application receives a ReConnect award, this table will be evaluated by RUS who will instruct you on any required corrections or informal consultation with USFWS. This table must be filled

out thoroughly and correctly in order to fulfill environmental review requirements, so please follow these instructions carefully to avoid delays in the review process.

Suitable habitat means habitat featuring ecological characteristics that may provide for the breeding, feeding, resting, or sheltering of any threatened and/or endangered species. All critical habitat is suitable habitat, but suitable habitat does not have to be a designated critical habitat. The absence of critical habitat is not a basis to determine the absence of suitable habitat.

Research each species identified on the OSL(s) to complete the Description of Suitable Habitat column. Cross-reference the species information gained through your research, with your knowledge of the project site/route, to identify the “Potential for Occurrence”:

- If critical habitat is present or a survey indicates species are present, select “Documented” and explain your reasoning
- If suitable habitat is present, and no other data indicate species or critical habitat are absent, select "Likely" and explain your reasoning
- If suitable habitat is present but based on your knowledge of the site/route, is unlikely for species to occur, select “Unlikely” and explain your reasoning
- If suitable habitat is present, but data (for example, surveys) indicate species and critical habitat are absent from the action area, select “None” and cite the survey
- If suitable habitat is not present in the action area, select "None" and explain your reasoning

Next, “Propose a Finding of Effect”:

- If species are not present, conclude "No Effect" and explain your finding
- If species are identified, “Lack of critical habitat” and/or “Familiarity with the proposed area” are not sufficient reasonings for a finding of “No Effect”
- If species may be present in the action area but will not be exposed directly or indirectly to the proposed action or any resulting environmental changes, conclude "No Effect" and explain your finding
- If species may be present in the action area, will be exposed to the action but will not respond in any manner, conclude "No Effect" and explain your finding

If species may be present in the action area and will respond upon exposure to the action but effects will be wholly beneficial, insignificant, or discountable, conclude “May affect, not likely to adversely affect”

If you cannot conclude that the response will be wholly beneficial or insignificant, or that the exposure or response is discountable, conclude “May Affect - Likely to Adversely Affect”

Beneficial effects are positive responses without any negative response. This analysis is done at the individual level. If an action will have beneficial effects for the species overall, but adversely impacts one or more individuals in the process, "Likely to Adversely Affect" is the appropriate conclusion.

Insignificant effects are responses that are incapable of being detected, measured, or evaluated. This analysis relates to the amount or extent of the impact. If the impact will likely be negative but the consequences are so minute that a person could not measure nor detect such responses, then it is appropriate to conclude insignificant effects.

Discountable means extremely unlikely to occur.

Critical habitat - for listed species consists of:

- Specific areas within the geographical area occupied by the species, at the time it is listed in accordance with the provisions of section four of the Act, on which are found those physical or biological features (constituent elements)
 - Essential to the conservation of the species
 - Which may require special management considerations or protection; and
- Specific areas outside the geographical area occupied by the species at the time it is listed in accordance with the provisions of section four of the Act, upon a determination by the Secretary that such areas are essential for the conservation of the species. [ESA §3 (5)(A)] Designated critical habitats are described in [50 CFR 17](#) and [50 CFR 226](#)

Please note: a Proposed Finding of Effect of “*May Affect*,” “*Not Likely to Adversely Affect*,” or “*May Affect – Likely to Adversely Affect*” for species Identified in the OSL will require consultation with the USFWS. However, you should not contact USFWS until directed by RUS. Detailed guidance related to evaluating impacts to biological resources can be found in [RD Instruction 1970 - Subpart N – Biological Resources](#).

After RUS receives the OSL and TES table and consultation with the USFWS is either completed or not required, the Section Seven review under the ESA will be complete.

3.7 Licenses and Agreements

For instructions on how to complete the Licenses and Agreements tab of the Intake System, refer to the Licenses and Agreements Tab in the User Manual.

You must address and upload all licenses and agreements necessary to support the project.

An agreement status must be provided for each of the following agreement types, and if one of these agreement types applies to your project, an upload is required:

- Video Franchise Agreement
- Internet Services Agreement
- Pole Attachment Agreement
- Spectrum Lease Agreement
- Tower Lease Agreement
- Building Lease Agreement
- Video Services Agreement
- Fiber Lease Agreement
- Certificate of Public Convenience and Necessity (CPCN)
- Wireless Spectrum License(s) for Backhaul
- Wireless Spectrum License(s)
- Special Permits (Federal, highway, bridge, and so on)
- Network Management Agreement

The Intake System provides numerous other types of agreements that you can add to the application if the list above doesn't include all agreement or permit types you need.

3.8 Certifications

For instructions on how to complete the Certifications tab of the Intake System, refer to the Certifications Tab in the User Manual.

As part of your application, your Representative Signature Certifier (Rep-Sign-Cert) will be required to read and certify statements concerning the following topics:

Certification Regarding Debarment, Suspension, and Other Responsibility Matters: Your Rep-Sign-Cert will certify that your organization's principals:

- Are not presently debarred, suspended, or proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency
- Have not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against you for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
- Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated above
- Have not, within a three-year period preceding this application/proposal, had one or more public transactions (federal, state or local) terminated for cause or default

If your Rep-Sign-Cert is unable to certify this, they will have to upload a document with an explanation.

Certification Regarding Architectural Barriers: Your Rep-Sign-Cert will certify that your organization is in compliance, or will be in compliance upon completion of the project, with the following requirements:

- All facilities financed with RUS loans and/or grants that are open to the public, or in which persons with physical disabilities may be employed or reside, must be designed, constructed, and/or altered to be readily accessible to, and usable by, handicapped persons. Standards for these facilities must comply with the Architectural Barriers Act of 1968, as amended, (42 U.S.C. 4151 et seq.) and with the Uniform Federal Accessibility Standards (UFAS), (Appendix A to 41 C.F.R. subpart 101-19.6).

Certificate Regarding Flood Hazard Area Precautions: Your Rep-Sign-Cert will identify whether your project is located in a 100-year flood plain. If so, you must provide the name of the flood insurance provider:

- If the project is located in an area subject to flooding, flood insurance must be provided to the extent available and required under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 through 4128). If applicable, the insurance must cover, in addition to the buildings, any machinery, equipment, fixtures, and furnishings contained in the buildings. RUS will comply with Executive Order 11988, Floodplain Management (3 CFR, 1977 Comp., p.117), and 7 CFR 1970, of this chapter in considering the application for this project.

Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements: Your Rep-Sign-Cert will certify to the best of his or her knowledge and belief that:

- No federal appropriated funds have been paid or will be paid, by or on our behalf, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with the awarding of any federal contract, the making of any federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this federal contract, grant, loan, or cooperative agreement, you shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions. See [GSA - Disclosure Lobbying Activities](#) for disclosure instructions.
- You shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this commitment providing for the United States to insure or guarantee a loan, you shall complete and submit Standard Form-LLL, Disclosure of Lobbying Activities, in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Civil Rights Compliance Assurance: Your Rep-Sign-Cert will acknowledge familiarity with and assure full compliance with the Civil Rights Act, defined as the following:

- Title VI of the Civil Rights Act of 1964, as amended (42 U.S. C. 2000d et seq.) (Title VI of the Civil Rights Act), Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794) (Section 504 of the Rehabilitation Act), the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.) (the Age Discrimination Act), the rules and regulations of the U.S. Department of Agriculture implementing Title VI of the Civil Rights Act (7 CFR 15) and implementing Section 504 of the Rehabilitation Act (7 CFR 15b), the government-wide rules and regulations of the U.S. Department of Health and Human Services implementing the Age Discrimination Act (45 CFR 90) under which the U.S. Department of Agriculture is operating until such time as it adopts its own implementing regulations (7 CFR 15, 7 CFR 15b and 45 CFR 90 being hereinafter collectively called the “Departmental rules and regulations”), and the rules and regulations of the Rural Utilities Service implementing Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, the Age Discrimination Act and the departmental rules and regulations (7 CFR 1786) (the RUS Regulations)
- All requirements imposed by or pursuant to such departmental rules and regulations and the RUS regulations which require that no person, on the basis of race, color, national origin,

age, or handicap, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities

- In the event of its violation of or failure to comply with any of the requirements imposed by or pursuant to such Departmental rules and regulations, the United States may seek judicial enforcement of compliance with such requirements

Federal Collection Policies for Commercial Debt Certification: Your Rep-Sign-Cert will indicate whether your organization is delinquent on any federal debt. Example of debts include, but are not limited to, delinquent taxes, guaranteed or direct government loans (more than 31 days past due) and other administrative debts.

- If your organization is delinquent on federal debt, your Rep-Sign-Cert must upload a document with an explanation.
 - The federal government is authorized by law to take any or all of the following actions in the event that a borrower's loan payments become delinquent or the borrower defaults on its loan:
 - Report the borrower's delinquent account to a credit bureau
 - Assess additional interest and penalty charges for the period of time that payment is not made
 - Assess charges to cover additional administrative costs incurred by the government to service the borrower's account
 - Offset amounts owed to the borrower under other federal programs
 - Refer the borrower's debt to the Internal Revenue Service for offset against any amount owed to the borrower as an income tax refund
 - Refer the borrower's account to a private collection agency to collect the amount due
 - Refer the borrower's account to the Department of Justice for litigation in the courts

All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the government to do so.

Representations Regarding Felony Conviction (AD 3030) – For Corporations Only: If your organization is a non-profit entity, for-profit corporation, or a cooperative or mutual organization, your Rep-Sign-Cert must answer the following:

- Have you been convicted of a felony criminal violation under federal or state law in the 24 months preceding the date of application?
- Have any of your officers or agents been convicted of a felony criminal violation for actions taken on your behalf under federal or state law in the 24 months preceding the date of application?
- Do you have any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability?

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970: Your Rep-Sign-Cert must assure the U.S. government that your organization will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42

U.S.C. 4601 et seq., and with implementing federal regulations in 49 C.F.R. Part 24 and 7 C.F.R. Part 21.

Specifically, your Rep-Sign-Cert must assure, through acknowledgement, that whenever federal financial assistance is used to pay for any part of the cost of a program or project which will result in the displacement of any person:

- Fair and reasonable relocation payments and assistance shall be provided to or for displaced persons in accordance with sections 202, 203, and 204 of the Uniform Act
- Relocation assistance programs offering the services described in section 205 of the Uniform Act shall be provided to displaced persons
- Within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with section 205(c) (3) of the Uniform Act

Compliance with RUS Award Documents: Your Rep-Sign-Cert must certify, to the best of his or her knowledge and belief, that: existing agreements with, or obligations to investors, will not breach the obligations to the U.S. federal government under the RUS award documents, when entered into, including distribution requirements. In addition, any such agreements that conflict with the award documents will be amended before execution, so that such obligations are made contingent to compliance with the RUS award documents.

Your Rep-Sign-Cert must indicate whether provision(s) within existing agreement(s) need to be amended so that such obligations will be in compliance with the RUS award documents. If so, you must list the agreement(s) and provision(s) within each agreement that will need to be amended.

Your Rep-Sign-Cert will acknowledge the certifications and provide any required supporting documentation to fully address a certification. Table 11 provides additional information for completing the Certifications.

Only the Rep-Sign-Cert can complete the Certifications.

Table 9: Certifications Document Uploads

Document	Requirement	Description
Compliance with RUS Award Documents	Required if you have any existing agreements that require amendment to comply with RUS award documents	Upload the agreements that need to be amended.
Outstanding Federal Debt	Required if your entity is delinquent on any federal debt.	Explain currently outstanding Federal Debt, including delinquent taxes, guaranteed or direct government loans, and other administrative debts.
Debarment and Suspension Uncertified Explanation	Required if you are unable to certify requirements regarding debarment, suspension, and other responsibility matters	Upload an explanation as to why you are unable to certify the prompted statement.

4 Application Review Process

4.1 Public Notice Filing/Response

Submitting an application triggers the start of the Public Notice Filing (PNF) period. This step is an important part of RUS's commitment to exercise due diligence before awarding funds. PNFs and Public Notice Responses (PNRs) help RUS determine the eligibility of service areas. PNFs are created from the information received in an application.

The following information will be included in a notice on the [PNF/PNR website](#):

- Applicant
- PFSAs in the project
- Requested award
- Application status
- Number of households without sufficient access to broadband
- List of census blocks propose for access to broadband

Notices are posted on the website for 45 days, allowing existing service providers an opportunity to submit information regarding their service offerings. RUS will post PNFs for competitive awards (loan-grant combination and 100 percent grants) as soon as possible after the time of the application window closing. For 100 percent loan applications, PNFs will be posted on a rolling basis as applications are successfully submitted. Responses from existing service providers are voluntary; however, this is the primary method RUS uses to obtain the input of existing service providers before determining the eligibility of the PFSAs identified in application submissions.

PNRs will be treated as proprietary information and will only be used in determining the eligibility of the proposed ReConnect project. Any information in the submitted responses that requires further consultation will be flagged for the service area validation reviewers for follow-up.

Service area validation: RUS may contact service providers that submit a PNR to validate their submissions. Service providers who submitted PNRs should be prepared to:

- Provide additional information supporting that the area in question has sufficient access to broadband service
- Have a technician on site during the field validation by RUS staff
- Run on-site tests with RUS personnel being present, if requested
- Provide copies of test results that have been conducted in the last six months

4.2 Application Review

Upon submission, RUS will assess each application to determine whether it meets the requirements articulated in [7 CFR 1740](#) and the NOFO, and whether it has a reasonable prospect of complying with all other applicable requirements. All applications must demonstrate that proposed projects are technically and financially feasible. In addition, RUS will evaluate the eligibility of PFSAs.

RUS may require adjusting the PFSA and the amount requested in funding if the Agency determines that the PFSA or a portion of it has sufficient access to broadband.

Applications for the competitive awards (100 percent grants and loan-grant combinations) will be evaluated according to the criteria for scoring and ranking as described in section 4.4.1.

Applications for 100 percent loans will be evaluated on a rolling basis in the order in which they are received. In the event two loan applications are received for the same PFSA, the application submitted first will be considered first.

RUS may reach out to you during the review period to request additional, clarifying or updated information. You have up to 30 days to submit the information. RUS could reject the application if the response isn't timely.

4.3 Overlapping Service Areas Between Applications

RUS will not fund more than one project that serves a specific geographic area. Invariably, some applications propose PFSA's that overlap with other applications, varying from de minimis areas of the territory but which may be significant with respect to households involved, to larger areas of the service territory but which may contain few households or businesses, if any. As a result, devising a procedure that will cover every overlap circumstance is not practicable. Nevertheless, RUS intends to make as many eligible applications viable for consideration as possible. Therefore, RUS may:

- Determine the overlap to be so insignificant that no RUS action is necessary
- Request one or more applications to be revised to eliminate the overlapping territory
- Choose one application over another given the amount of assistance requested, the number of awards already chosen in the area or state, or the need for the project in the specific area due to other factors
- Simply choose the project that scores higher or in RUS' assessment is more financially feasible

4.4 Enforceable Commitments Review

RUS will coordinate and communicate with federal partners before extending a ReConnect award offer to ensure awards made under the current NOFO do not duplicate awards made by other federal and state partners.

RUS, may require adjusting the PFSA and the amount requested in funding if the Agency determines that:

- the PFSA or a portion of it has an enforceable commitment in place, which was not identified on the application mapping tool or on the FCC's Broadband Funding Map at the time the application was submitted
- relevant information regarding the service area is provided to RUS by a federal, FCC, state, or Tribal entity

RUS will coordinate with the National Telecommunications and Information Administration (NTIA), states, and awardees to ensure that ReConnect and the Broadband Equity, Access, and Deployment (BEAD) Program complement one another.

RUS will notify NTIA and the state at least 30 days in advance of any award in that state, and request that the state notify RUS of an objection based on any of the state's pending

subawardees. If the objection is not resolved, it may result in the rejection of the ReConnect application to avoid duplication of federal broadband funding.

RUS is committed to work with ReConnect applicants and federal and state partners to ensure awards can still be made as part of this coordinated effort, and expects that ReConnect funds will largely be directed to those states and territories in which there is the greatest need.

4.5 Evaluation Criteria

For instructions on how to complete the Evaluation Criteria tab of the Intake System, please refer to the Evaluation Criteria Tab in the User Manual.

100 percent loan applications are not scored nor ranked competitively.

100 percent grant applications and combination loan-grant applications will be scored based on the criteria below.

Rurality of PFSA (25 Points): Applications receive points for serving population densities (population per square mile) of six or less **OR** if your PFSA is located at least one hundred miles from a city or town that has a population of greater than 50,000 inhabitants. If multiple service areas are proposed, the density calculation will be made on the combined areas as if they were a single area and not the average densities.

Economic need of the community (20 Points): Applications receive points if at least 75 percent of your PFSA(s) are proposing to serve communities with a United States Census Small Area Income and Poverty Estimates (SAIPE) score of 20 percent or higher.

- If your organization is a Tribal applicant, you can request alternative scoring consideration by submitting more granular Tribal specific census data using the [Census Tribal Tool](#).
- If your PFSA is located in geographic areas for which no SAIPE data exist, the PFSA is deemed to have an average SAIPE percentage of 30 percent. Such geographic areas may include territories of the United States or other locations eligible for funding through the ReConnect program. You can find a GIS layer identifying SAIPE areas in the Mapping Tool found on the [ReConnect website](#).

Affordability (20 Points): Applications receive points if your service offerings include at least one low-cost option offered at speeds that are sufficient for a household with multiple users to simultaneously telework and engage in remote learning.

Labor Standards (20 points): Applications receive points if you commit to strong labor standards, consistent with Tribal Laws when the project proposes to build infrastructure on Tribal Lands. To receive these points, you must incorporate components from each of the bulleted categories below. If you propose to build infrastructure on Tribal Lands, you must follow Tribal Laws, such as Tribal Employment Rights Ordinances, to be in compliance with a ReConnect award, regardless of receiving points under this standard. RUS reserves the right to adjust award amounts for unforeseen circumstances.

Include a description of whether and, if so, how the project will incorporate three categories of strong labor standards and protections:

- *Strong labor standards:*

- You will pay workers (including employees of contractors and subcontractors) wages at or above the prevailing rate
- Your project will be covered by a project labor agreement
- Your project will use a unionized project workforce
- *Demonstrated compliance with and plans for future compliance with labor and employment laws:*
 - You do not have any violations of tribal, state or federal labor, workplace safety and health, or employment laws within the last five years
 - You, your contractors, or your subcontractors will commit to union neutrality
 - You, your contractors, or your subcontractors will commit to permitting workers to create worker-led health and safety committees that management will meet with upon reasonable request
- *A plan to recruit and support an appropriately skilled, trained and credentialed workforce (including by contractors and subcontractors):*
 - Work will be performed by a directly employed workforce or the employer has policies and practices in place to ensure employees of contractors and subcontractors are qualified
 - How you will ensure use of an appropriately skilled workforce (for example, through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded)
 - How you will ensure use of an appropriately credentialed workforce (that is, satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure)
 - You will use a locally-based workforce
 - Your plan should include whether there are any partnerships with training providers, unions, or community colleges to support the recruitment and training of the workforce

Tribal areas (10 or 15 Points): An application receives 10 or 15 points if its project is located on Tribal Land. Please refer to the Table 9 for the point allocations.

Table 10: Points Available for Entities Constructing on Tribal Land

Entity Type	Area Covered	Points Awarded
Tribal Government or a Tribal Government wholly owned entity	At least 75 percent of the geographical area of your PFSA(s) is on Tribal Lands	15
Non-Tribal Governmental entity	At least 50 percent of the geographical area of the PFSA(s) is on Tribal Lands	10
An ANC or Alaska Native Tribal Government	At least 50 percent of the geographical area of the PFSA(s) is on Census Tribal areas in Alaska	15

Entity Type	Area Covered	Points Awarded
Non-ANC or non-Alaska Native Tribal Government entity	At least 50 percent of the geographical area of the PFSA(s) is on Census Tribal areas in Alaska	10

Tribal Lands will be analyzed using the GIS layers (Tribal Area (BIA LAR); Tribal Supplemental Area (BIA LAR); and Tribal Statistical Area (BIA)) in the Mapping Tool on the [ReConnect website](#). Census Tribal areas in Alaska will be analyzed using the GIS layer (Alaska Census Tribal Areas) layer in the Mapping Tool.

Local governments, non-profits, and cooperatives (15 points): Applications receive points if your organization is a local government, non-profit, or cooperative (including if you are involved in public-private partnerships as long as the local government, non-profit, or cooperative is the applicant).

Socially Vulnerable Communities (15 points): Applications receive points if at least 75 percent of the PFSA is proposing to serve socially vulnerable communities.

Net Neutrality (10 points): Applications receive points if your organization commits to net neutrality principles. You must submit a board resolution committing that your networks shall not:

- Block lawful content, applications, services, or non-harmful devices, subject to reasonable network management
- Impair or degrade lawful Internet traffic on the basis of Internet content, application, or service, or use of a non-harmful device, subject to reasonable network management
- Engage in paid prioritization, meaning the management of a broadband provider's network to directly or indirectly favor some traffic over other traffic, including use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management either:
 - In exchange for consideration (monetary or otherwise) from a third party
 - To benefit an affiliated entity

Most Unserved Locations Per Square Mile (5 or 10 points): Applications receive points if your project is located in one of the ten states which have the highest concentrations of Unserved Broadband Serviceable Locations (UBSLs) (by percentage and area).

- UBLS are Broadband Serviceable Locations contained in the FCC's Broadband Serviceable Location Fabric that do not have access to a wired or licensed terrestrial fixed wireless broadband service at speeds of at least 25 Mbps downstream and 3 Mbps upstream.
- The states eligible for these points were determined by ranking states based upon the following criteria:
 - The state percentage of UBLSs
 - The average area per UBLS in each state in each state in square miles
-

- Projects in which at least 75% of the PFSA is located in at least one of the following states ranked one through five will receive 10 points:
 - Alaska
 - Idaho
 - Montana
 - New Mexico
 - Wyoming
- Projects in which at least 75% of the PFSA is located in at least one of the following states ranked six through ten will receive 5 points:
 - Arkansas
 - Mississippi
 - Nevada
 - South Dakota
 - West Virginia
- For projects in which 75% of the PFSA is located in more than one of these states, the application will receive the points associated with the highest scoring state.

Table 10 describes the evaluation criteria documents required for submission.

Table 11: Evaluation Criteria Documents

Document	Requirement	Description
Evidence of Low-Cost Option	If you pledge to demonstrate low-cost options to all households within the PFSA	You must provide evidence that the low-cost broadband service offerings are sufficient for a household with multiple users to simultaneously telework and engage in remote learning.
Evidence that Applicant Commits to Net Neutrality	If you pledge to demonstrate your commitment to net neutrality	You must submit a board resolution committing that your networks shall not engage in any of the activities or processes outlined above in the subsection that describes this criterion
Evidence of Applicant Commitment to Strong Labor Standards	If you pledge to demonstrate strong labor standards	Your documentation should demonstrate how your project will incorporate strong labor standards, including whether personnel (including contractors and subcontractors) will be paid wages at or above the prevailing rate, demonstrate compliance with plans for future compliance with labor and employment laws, and include a plan to recruit and support an appropriately skilled, trained, and credentialed workforce (including by contractors and subcontractors).

4.6 Award

If selected for an award, your organization will receive an offer letter and award documents from RUS staff. Any additional terms and conditions specific to the award deemed necessary as a result of the review process will be included in the award documents. You must execute all award documents and legal agreements before funds are advanced (and all environmental requirements must be satisfied). The terms and conditions stipulated for each award are not negotiable. Award materials and templates, including ReConnect program legal agreements can be found on the [ReConnect Forms and Resources](#) page.

RUS reserves the right to offer applicants less than the funding requested.

If your application is selected for federal funding, your organization must apply to the FCC's Affordable Connectivity Program (ACP) or its successor program before award funds are disbursed. The ACP helps households afford the broadband service they need for work, school, healthcare, civic engagement, and economic opportunity. To make the ACP benefit available to eligible households, internet providers also need to participate in the program

Please note, award funding will not be available to your organization until all other sources of funding have been obtained and any other award conditions have been met.

Unless otherwise approved by RUS in writing, all property and facilities purchased with award funds must be owned by the awardee. If the awardee is a Tribal entity or municipality, RUS will develop appropriate security arrangements.

4.6.1 Loan Security

The loan portion of your organization's award must be adequately secured, as determined by RUS.

If the awardee is a corporation or limited liability entity, loans and loan-grant combinations must be secured by all of the entity's assets. RUS must be given an exclusive first lien, in form and substance satisfactory to RUS, on all your assets, including all revenues.

RUS may share its first lien position with one or more lenders unrelated to the awardee, on a pari passu basis (equal footing), except with respect to grant funds, if security arrangements are acceptable to RUS. RUS will not share a lien position on assets with any of your related parties or affiliates.

For any award with a loan component, you may propose other forms of collateral, provided the amount of such collateral is equal to the full amount of the loan and the collateral is pledged to RUS. Acceptable forms of substitute collateral are Certificates of Deposit, with RUS named as the beneficiary on the certificate, and Bonds with a AAA rating from an accredited rating agency. If your organization is a Tribal entity or municipality, RUS will develop appropriate security arrangements.

4.6.2 Grant Security

The grant portion of your organization's award must be adequately secured, as determined by RUS.

The government must be provided an exclusive first lien on all grant funded assets during the service obligation of the grant, and thereafter any sale or disposition of grant assets must

comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 CFR 200.

An awardee must repay the grant if the project is sold or transferred without receiving written approval from RUS during the service obligation of the grant.

For grant-only applications, applicants may request that standard grant security arrangements be replaced with an Irrevocable Letter of Credit (ILOC), to ensure that the project is completed. The ILOC must be for the full amount of funding requested and must remain in place until project completion. Although the ILOC will replace security for the grant security arrangements, all other requirements of the standard grant agreement will remain the same.

4.6.3 Legal Opinion

If awarded, your organization must provide a current legal opinion from your counsel that:

- Addresses your ability to enter into award agreements
- Describes all material pending litigation matters
- Addresses your ability to pledge security as required
- Addresses your ability to provide broadband service under state or Tribal law

A copy of the legal opinion template can be found on the [ReConnect Forms and Resources](#) page.

4.6.4 Cybersecurity

If your application is selected for award and prior to signing the award documents, you must demonstrate a concerted effort to consider and address cybersecurity risks. That effort must be consistent with the cybersecurity performance goals for critical infrastructure and control systems directed by the National Security Presidential Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems, or the current draft of these goals, found at [Cross-Sector Cybersecurity Performance Goals](#).

In addition, use of ReConnect funds must comply with requirements in the Secure and Trusted Communications Networks Act of 2019 (P.L. 116-124). Listed equipment and services covered by Section 2 of Act are prohibited. See the FCC's [List of Equipment and Services Covered By Section 2 of The Secure Networks Act](#) for details.

4.6.5 Build America, Buy America Requirements

If your organization is a non-federal entity (such as a state, local government, Indian tribe, institution of higher education, or nonprofit organization) you must follow the domestic procurement requirements of Section 70914 of the Build America, Buy America Act (BABAA) provided by the Infrastructure Investment and Jobs Act (IIJA).

If your organization is not a non-federal entity, you must follow the Buy American RUS domestic procurement requirement at [7 CFR 1787](#).

Buy American requirements focus on maximizing the federal government's use of services, goods, products and materials produced and offered in the United States. Awardees are

required to ensure that all iron, steel, manufactured products and construction materials used in federally funded projects are produced in the United States.

If your application is awarded, you are required to purchase materials, equipment, and supplies manufactured in the United States. Refer to the [BABAA web page](#) or [7 CFR 1787](#) as appropriate, for important information about the requirements, applicability and guidance documents on the waiver and comment process.

USDA funds obligated on or after May 14, 2022, can only be used for an infrastructure project if the following requirements are met:

- All iron and steel used in the project are produced in the United States
- All manufactured products used in the project are produced in the United States
- All construction materials are manufactured in the United States

Note for Non-Federal entities: Sample language for inclusion in recipient contracts is available in the [BABAA Sample Language for Inclusion Into Contracts](#).

4.6.5.1 “Buy American” Waiver

The Buy American requirements for awardees that are not non-Federal entities may be waived under certain circumstances. There are three defined paths to request a waiver:

- The bid or offered price of a non-domestic product is at least six percent below the lowest bid or offered price of an equivalent domestic product.
- The types of iron, steel, manufactured products or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality
- It is not in the public interest or impractical for you, the RUS awardee, to purchase a domestic product

All requests for waivers must be approved by RUS prior to the start of construction. Further details on the requirements can be found in [7 CFR 1787](#). For instructions on how to submit a USDA Build America, Buy America waiver, please refer to the following guidance provided on the [USDA Buy America Waivers web page](#).

4.7 Advance Procedures

Loan and grant advances are made at an awardee’s request according to the procedures stipulated in the award documents. Funds will only be advanced after RUS notifies an awardee that funds are available (all award closing requirements and environmental requirements are satisfied). Requisitions may be submitted as often as once per month.

The advance of funds for 100 percent grants with a matching component will require the expenditure of a prorated amount of matching funds with respect to the amount of the advance request. As an example, a request for ten percent of the grant funds will require evidence of the expenditure of ten percent of the matching requirement.

Under the current NOFO, the advance of funds for a 50/50 loan-grant combination will be as follows: funds substituted for the loan component, if any, will be advanced first; loan funds will be advanced second; and grant funds will be advanced third.

Preapplication expenses must be included in the first request for award funds and will be funded with either grant or loan funds. If the funding category applied for has a grant component, then grant funds will be used for this purpose.

Each loan advance will be amortized to begin repayment no later than end of the deferral period. For advances made after the end of the deferral period, repayments will be scheduled to begin the month following the advance. Each advance will be amortized on a monthly basis so that accrued interest and principal are fully repaid on the date of final repayment. The sum of the principal and interest payment amounts remains level for each repayment for a given advance.

4.8 Post-Award Public Notice

In order to maintain public transparency on awards, the ReConnect program will publish the following information in a post-award public notice on the ReConnect program website:

- Name of the organization receiving funding
- Type of funding received
- Location of the PFSA
- Purposes of the funding

4.9 Post-Award Requirements

If your application receives a ReConnect award, your organization must comply with certain post-award requirements. Please review the following considerations.

Awardees must report their broadband availability data to the FCC's Broadband Data Collection once the awarded project begins to offer service.

Award Document Terms: Awardees must comply with all terms, conditions, affirmative covenants, and negative covenants listed in the award agreement until loans are fully repaid or the service life of grant assets has been reached. Failure to comply with the terms of the award as specified in the award documents may result in RUS exercising rights and remedies.

Negative Covenants: Awards will include negative covenants to ensure that your incentives are aligned with the ReConnect program's mission. Such covenants may include restrictions on changes to the organizational legal structure, incurring additional debt, salaries, and equity distributions or withdrawals. Additional detailed examples of such covenants can be found within the grant and loan agreements.

Construction: Awardees must comply with [7 CFR 1788](#) (insurance requirements) and [7 CFR 1970](#) (environmental requirements), and the ReConnect Program Construction Procedures guide that will be made part of the loan or grant security agreement. Project build-out must start within 180 days from the date that RUS notifies in writing that the environmental review process has been concluded. The project must be completely constructed and operational within five years of the date funds are made available. **Build-out is considered complete** when the network design has been fully implemented, the service operations and management systems infrastructure is operational, and you are ready to support the activation and commissioning of individual customers to the new system.

Loan Servicing: Awardees must make payments on the loan as required in the award documents. Failure to make payments in accordance with the terms of the loan may result in a late charge, or RUS may exercise any and all remedies specified in the award documents.

Sale/Lease Approval: The sale or lease of any portion of your organization's facilities must be approved in writing by RUS prior to initiating the sale or lease.

Specific Terms for Sale or Lease of Grant Assets: Any sale or disposition of grant assets following the service obligation must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 CFR 200. Note: This part will apply to ALL of your grant funds, regardless of your entity status or organization type. Your organization must repay the grant if the project is sold or transferred without prior written approval from RUS during the service obligation of the grant.

Monitoring: If awarded, your organization must comply with all reasonable RUS requests to support ongoing monitoring efforts. You must afford RUS representatives reasonable opportunity, at all times during business hours and upon prior notice, to have access to and the right to inspect, and make copies of:

- The broadband system and any other property encumbered by the award documents
- Books
- Records
- Accounts
- Invoices
- Contracts
- Leases
- Payrolls
- Timesheets
- Cancelled checks
- Statements
- Other documents (electronic or paper, of every kind) belonging to your organization or in your possession, or in any way pertaining to its property or business (including subsidiaries, if any)

Note: your organization's records must be retained and preserved in accordance with the provisions of [7 CFR 1770, subpart A](#).

Annual Audit: If your organization is a non-federal entity, you must submit annual audited financial statements pursuant to [2 CFR 200, Subpart F](#) (audit requirements) including a report on compliance and on internal control over financial reporting. If your organization is a for-profit entity, an electric or telecommunications cooperative, or any other entity not covered by the definition of non-federal entity in [2 CFR 200.1](#), you must provide an independent audit report in accordance with RUS guidelines and the award agreement. These must be submitted through RUS' online reporting system.

Your organization will select the certified public accountant (CPA) conducting the required annual audit but must be satisfactory to RUS as set forth in [7 CFR 1773 subpart B](#).

Accounting Requirements: The requirements include compliance with U.S. GAAP in a manner acceptable to RUS, implementing the system of accounting prescribed by RUS Bulletin 1770B-1, and compliance with the uniform administrative requirements, cost principles, and audit requirements for federal awards, found in 2 CFR 200. For all awardees, the term “grant recipient” in 2 CFR 200 shall also be read to encompass “loan recipient” and “loan-grant recipient”, such that 2 CFR 200 shall be applicable to all awardees.

Service Reporting: Your organization must provide annual reports for three years after the completion of construction so that RUS can track the effectiveness of the funding provided. At a minimum, the reports will include:

- Existing network service improvements and facility upgrades, as well as new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers
- Estimated number of end users who are currently using or forecasted to use the new or upgraded infrastructure
- Progress towards fulfilling the objectives for which your organization received the ReConnect award
- Number and geospatial locations of residences and businesses that will receive new broadband service
- Speed and price of your broadband service offerings
- Average price of broadband service in the project’s service area

Service Area Maps: Your organization must submit annually updated service area maps through the RUS Service Area Map showing the areas where construction has been completed and premises are receiving service until the entire PFSA can receive the broadband service. At the end of the project, you as the awardee must submit a service area map indicating that all construction has been completed, as proposed, in the application. If parts of the PFSA have not been constructed, RUS may require a portion of the award to be rescinded or paid back.

Quarterly Reporting: 30 calendar days after the end of each calendar year quarter, throughout the loan amortization period or for the economic life of the facilities funded with a grant, your organization must submit to RUS, using RUS’ online reporting system:

- Balance sheets
- Income statements
- Statements of cash flow
- Rate package summaries
- Number of customers taking broadband service on a per community basis

De-obligation: RUS reserves the right to de-obligate your organization’s award if it demonstrates an insufficient level of performance, wasteful or fraudulent spending, or non-compliance with environmental and historic preservation requirements.

Post-award change in scope: After an award is made, any changes to the method or geographic scope of the construction, as proposed in the application, must be approved by RUS (including any required environmental approval) prior to the initiation of physical construction.

Prepayment: Any outstanding obligations for awards made under the ReConnect Program may be prepaid in whole or in part without penalty at any time.

Appendix A: ReConnect History

USDA's RUS (a Rural Development agency) administers federal programs that support the development and improvement of necessary infrastructure in rural areas. To further the mission of expanding economic opportunities and improving the quality of life for rural residents, RUS invests across a broad range of sectors. RUS investment areas include waste and water treatment, electric power, and telecommunications services.

The ReConnect program, administered by RUS, provides funding in the form of loans, grants, and loan-grant combinations for the costs of construction, improvement, or acquisition of facilities and equipment needed to facilitate broadband deployment in rural areas.

The purpose of the ReConnect program is to encourage the expansion of broadband services to rural areas by awarding grants and low-interest loans to eligible broadband service providers in areas without sufficient access to broadband. The ReConnect program represents one of USDA's largest current investments to bring reliable and affordable high-speed electronic connectivity to rural areas.

Since its inception, the ReConnect program has made 488 investments totaling more than \$5.6 billion to increase access to high-speed internet in rural areas. By the end of FY 2022, these investments were made across 40 states and three U.S. territories in the form of loans, grants, loan-/grant combinations, and grants. These investments will result in the availability of broadband service to nearly 400,000 households with over 200,000 subscribers projected to enroll in the services offered. Additionally, over 30,000 farms, 16,000 businesses, 800 education facilities, and 100 healthcare facilities are projected to receive service from these 280 projects.

Appendix B: Glossary and Acronyms

Glossary

Alaska Native Corporation (ANC): An Alaska Native Regional Corporation or an Alaska Native Village Corporation pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. 1602(g) and (j).

Broadband Service: Any technology with the capacity to transmit data that enables a subscriber to the service to originate and receive high-quality voice, data, graphics, and video.

CALEA: The Communications Assistance for Law Enforcement Act, 47 U. S. C. 1001 et seq.

Composite Economic Life: The weighted average economic life of all classes of facilities necessary to complete construction of the broadband facilities in the PFSA. The economic life is weighted by dollar amount of each class of facility.

Current Ratio: The current assets divided by the current liabilities.

Customer Premises Equipment (CPE): In the context of network services, CPE means any network-related equipment used by a customer to connect to a service provider's network.

Debt Service Coverage Ratio (DSCR): (Total Net Income or Margins + Interest Expense – Allowance for Funds Used during Construction + Depreciation + Amortization) divided by (Interest on Funded Debt + Other Interest + Principal Payment on Debt and Capital Leases)

Economic Life: The estimated useful service life of an asset as determined by RUS.

Enforceable Commitment : A legally enforceable obligation by any federal, state, or local agency, utilizing federal funds, to provide broadband service with speeds of at least 100 megabits per second (Mbps) downstream and 20 (Mbps).

Equity: Total assets minus total liabilities, as reflected on your balance sheet.

Federal Funds: Any federally appropriated funds, and subsidies and fees managed by the FCC, to promote universal access and any Federal Broadband Support Program, as defined by the ACCESS BROADBAND Act.

Forecast Period: The five-year period of projections in an application used by RUS to determine financial and technical feasibility of the application.

Generally Accepted Accounting Principles (GAAP): Accounting principles generally accepted in the United States of America.

Grant: A grant is a form of federal assistance, that transfers anything of value (in cash or in kind) for a specified public purpose of support or stimulation authorized by law.

Local Government: The administration of a particular town, county, or district, with representatives elected by those who live there.

Non-Funded Service Area (NFSA): Any area in which the applicant offers broadband service or intends to offer service during the forecast period but is not a part of its PFSA.

Pre-Application Expenses: Any reasonable expenses, as determined by RUS, incurred after the release of the NOFO to prepare an application or to respond to RUS inquiries about an application, not to exceed 5 percent of requested award funds.

Premises: means households, farms, and businesses. See 7 CFR 1740.2(a).

Project: All of the work to be performed to bring broadband access to all premises in the PFSA under the application, including construction, the purchase and installation of equipment, and professional services including engineering and accountant or consultant fees, whether funded by Federal assistance, matching, or other funds.

Proposed Funded Service Area (PFSA): The area (whether all or part of an existing or new service area) where the applicant is requesting funds to provide broadband service.

RE Act: The Rural Electrification Act of 1936, as amended.

Rural Area: Any census-defined area which is not located within: (1) a city, town, or incorporated area that has a population of more than 20,000 inhabitants; or (2) an urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants.

For purposes of the definition of rural area, an urbanized area means a densely populated territory as defined in the most recent decennial Census. Because the Census Bureau no longer distinguishes between “urbanized areas” and “urban clusters”, all qualifying areas are now designated as an “urban area; therefore, RUS will recognize any Census-designated “urban” area with a population per the 2020 Decennial Census as an “urbanized area”.

Tangible Equity: A measure of a company’s capital, which is used by financial institutions to evaluate potential losses by eliminating intangible assets, goodwill, and preferred stock from total equity.

Tangible Equity to Total Assets: Tangible equity divided by total assets.

Times Interest Earned Ratio (TIER): (Total Net Income or Margins + Total Interest Expense – Allowance for Funds Used during Construction) divided by (Total Interest Expense – Allowance for Funds Used during Construction)

Tribal Government: The governing body of an Alaska Native tribe, band, nation, pueblo, village, or community listed pursuant to the Federally Recognized Indian Tribe List Act of 1994, 25 U.S.C. 5130.

Tribal Land: Any area identified by the United States Department of Interior as tribal land over which a Tribal Government exercises jurisdiction. GIS layers of most Tribal Lands can be found in the Mapping Tool located on the [ReConnect website](#).

Acronyms

Table 12: Acronyms

Abbreviation	Definition
AIANNHA	American Indian, Alaska Native, and Native Hawaiian
ANC	Alaska Native Corporation
AOI	Area of Interest
ARR	Authorized Representative Request
BABAA	Build America, Buy America Act
BGEPA	Bald and Golden Eagle Protection Act
BIP	Broadband Initiatives Program
BSL	Broadband Service Location
CAGE	Commercial and Government Entity
CALEA	Communications Assistance for Law Enforcement Act
CFR	Code of Federal Regulations
CIAC	Contribution in Aid of Construction
CIS	Capital Investment Schedule
CIW	Capital Investment Workbook
CPA	Certified Public Accountant
CPCN	Certificate of Public Convenience and Necessity
CPE	Customer Premises Equipment
DSCR	Debt Service Coverage Ratio
EEO	Equal Employment Opportunity
EQ	Environmental Questionnaire
EPA	Environmental Protection Agency
ESA	Endangered Species Act of 1973
FAA	Federal Aviation Administration
FCC	Federal Communications Commission
FFB	Federal Financing Bank
FPPA	Farmland Protection Policy Act
FTTH	Fiber-to-the-Home
GAAP	Generally Accepted Accounting Principles
GIS	Geographic Information Systems
IJA	Infrastructure Investment and Jobs Act
ILOC	Irrevocable Letter of Credit
IRU	Indefeasible Right of Use
LLC	Limited Liability Company
LLP	Limited Liability Partnership

Abbreviation	Definition
Mbps	Megabits per second
MBTA	Migratory Bird Treaty Act
MHI	Median Household Income
NEPA	National Environmental Policy of 1969
NFSA	Non-Funded Service Area
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NOFO	Notice of Funding Opportunity
NONI	Non-operating Net Income
ONT	Optical Network Terminal
OSL	Official Species List
PDA	Pledged Deposit Account
PE	Professional Engineer
PFSA	Proposed Funded Service Area
PNF	Public Notice Filing
PNR	Public Notice Responses
PPE	Plant, Property, and Equipment
PUC	Public Utilities Commission
RCRA	Resource Conservation and Recovery Act
RD	Rural Development
RTB	Rural Telephone Bank
RUS	Rural Utilities Service
SAIPE	Small Area Income and Poverty Estimates
SAM	System for Awards Management
SHPO	State Historic Preservation Officer
SSA	Sole Source Aquifers
SUTA	Substantially Underserved Trust Area
TES	Threatened and Endangered Species
THPO	Tribal Historic Preservation Officer
TIER	Times Interest Earned Ratio
TIN	Taxpayer Identification Number
TIS	Traffic Impact Study
UEI	Unique Entity Identifier
UFAS	Uniform Federal Accessibility Standards
USDA	United States Department of Agriculture
USFWS	United States Fish and Wildlife Service