

ReConnect Program: Frequently Asked Questions

Eligibility Inquiries for Round 3 Funding Opportunities

Updated: February 10, 2022

Question: Who is eligible to receive ReConnect funds?

Answer: As defined in 7 CFR 1740.9 (available at this link: <https://go.usa.gov/xextf>) to be eligible for funding, an applicant can be either a nonprofit or for-profit organization, and must take one of the following forms:

- Corporation
- Limited Liability Companies and Limited Liability Partnerships
- Cooperative or mutual organizations
- States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof
- A territory or possession of the United States
- An Indian Tribe as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b – available at this link: <https://go.usa.gov/xexF9>)

Individuals and legal general partnerships are not eligible entities. In addition, co-applicants are not eligible. If two entities want to partner in delivering broadband to areas without sufficient access, one entity must take the lead on submitting an application. In this case, intercompany agreements can be used to account for revenues and expenses on the applicant's financial projections. However, based on the existing financial and security agreements, Rural Development can require that both – or other entities – be parties to the award documents, or to guarantee the award. **Note:** any proposed network to be funded with ReConnect funds must be a completely constructed and operational network. No fiber cable-only builds will be considered. The applicant must own and operate the complete network funded with ReConnect funds.

Question: What kinds of partnerships are eligible to apply for ReConnect funding?

Answer: Limited Liability Partnerships (LLP) can apply as eligible entities. An LLP has at least two partners in the relationship, and all partners are equally responsible for all considerations of the relationship including management, liability, and taxes, among other considerations. Co-applicants and

legal general partnerships formed with individuals are not eligible entities. See 7 CFR 1740.9(b) – available at this link: <https://go.usa.gov/xexFP> - for additional details on the eligibility of partnerships.

Question: I'm looking for help getting broadband internet at my residence. Is this program for me?

Answer: Individuals are not eligible to apply for funding under this program. We recommend you find an eligible provider in your area and work with them to apply.

Question: Is an applicant eligible if current network speeds are less than 100 Mbps downstream, 20 Mbps upstream, but more than 25 Mbps downstream, 3 Mbps upstream?

Answer: If you are not currently providing 100 Mbps downstream, 20 Mbps upstream in the proposed service area, and you meet all other program requirements, you are eligible to apply for the ReConnect program.

Question: If an applicant is proposing to place fiber facilities through an ineligible area to get to an eligible area, can the fiber facilities be used to provide service to the ineligible areas?

Answer: You may propose fiber facilities in an ineligible area in to serve both eligible and ineligible areas; however, you cannot use award funds or matching funds to fund the portion of the fiber facilities that serve the ineligible area. For example, if a 100-count fiber cable is proposed to pass through ineligible and eligible areas and 30 fibers will serve the ineligible area, then 30 percent of the total cost of the fiber facility (installation and materials) must be funded through non-ReConnect and non-matching funds.

Question: Is a Wireless Internet Service Provider eligible for ReConnect funds?

Answer: Technology which can deliver 100 Mbps downstream, 100 Mbps upstream service at the same time to every premises in the Proposed Funded Service Area (PFSA) is eligible for funding. However, if the wireless service is overlaid on top of a cellular network, it is not eligible for funding. More information about the ReConnect program can be found at: <https://www.usda.gov/reconnect>.

Question: What areas are eligible for ReConnect funding?

Answer: To be eligible for ReConnect funding, a Proposed Funded Service Area (PFSA) must be:

1. Rural

- According to 7 CFR 1740.2 (available at this link: <https://go.usa.gov/xexFF>), a rural area is any area not located within:

1. A city, town, or incorporated area with a population greater than 20,000
2. An urbanized area contiguous and adjacent to a city or town with a population greater than 50,000

2. Lack sufficient access to broadband service as defined in the Funding Opportunity Announcement (FOA)

- For all funding categories, 90 percent of households within each proposed service area must lack sufficient access to broadband. Sufficient access to broadband is defined in the October 25, 2021 FOA (available at this link: <https://go.usa.gov/xedWd>) as “any rural area in which households have fixed, terrestrial broadband service delivering at least 100 Mbps downstream, 20 Mbps upstream.”

In addition, 7 CFR 1740.2 (available at this link: <https://go.usa.gov/xexFt>) states that mobile or cellular and satellite services – including systems that use satellite backbone facilities to connect to the internet – will not be considered when determining whether sufficient access to broadband exists.

A PFSA cannot include areas considered ineligible for funding under the ReConnect program. The ReConnect Program Service Area Map identifies ineligible and potentially ineligible areas due to a protected broadband borrower currently providing sufficient access to broadband.

Both the regulation and FOA provide information on this issue. The ReConnect Program Service Area Map (available at this link: <https://tinyurl.com/bdccjhap>) does **not** provide information on where sufficient access to broadband currently exists.

Question: Can areas under consideration for Rural Digital Opportunity Fund money be eligible for ReConnect?

Answer: Yes. Areas receiving, or under consideration for, a Rural Digital Opportunity Fund (RDOF) award are eligible for ReConnect funding as long as the areas in question do not have existing service at the minimum level of sufficient access to broadband, (100/20 Mbps for FOA 3) or as long as an entity has

not already received other federal funding to construct facilities providing at least 100/20 Mbps service in those areas. Applicants submitting a project to serve an area in which an entity has already received, or will be receiving, RDOF funding should explain in the application why ReConnect funding is being requested and why Rural Utilities Service should provide additional funding. (For example, will the applicant commit to an accelerated deployment schedule if it receives RUS funding?) RDOF awards may fund both operational and capital expenses, while ReConnect awards may only fund capital expenses, as such, RUS also will require all ReConnect awardees receiving or under consideration for RDOF funding to submit a statement certifying that the funds requested from ReConnect have not been – and will not be – reimbursed by the RDOF award. Therefore, funding recipients cannot claim that both RDOF and ReConnect funds were used to pay for the same labor or materials used to deploy broadband to specific locations, or to procure the same unit of network equipment. Recipients that receive both RDOF and ReConnect funding must keep separate accounts to track the sources and uses of funding to support the certification statement submitted with the ReConnect application.

Question: How will RUS decide between two or more ReConnect applications that propose to serve the same Tribal Lands when one or more of the applicants is also under consideration for an RDOF award?

Answer: If two or more applications are submitted proposing to serve the same Tribal Lands either under consideration for – or receiving – an RDOF award, RUS will give preference to the applicant that has a Resolution from the Tribal Government in support of the proposed project. If the application having an RDOF award also has a tribal resolution in support of the project, then the RDOF application will have priority with respect to areas covering those Tribal Lands. Please note that for Tribal Lands to be eligible for funding, as with any other service area, existing service at the minimum level of sufficient access to broadband, (100/20 Mbps for FOA 3) must not exist.

Question: Can I apply for ReConnect funding to serve an area where I have received funding from another federal program to serve?

Answer: Yes, as long as the area in question does not have existing service at the minimum level of sufficient access to broadband, (100/20 Mbps for FOA 3) or as long as an entity has not already received other federal funding to construct facilities providing at least 100/20 Mbps service in that area. If you have applied for or are receiving other federal funds to deploy broadband in all or part of the Proposed Funding Service Area (PFSA) you propose to serve with ReConnect funds, you must explain why additional funding is necessary, why RUS should provide that funding, and how RUS funding will not be duplicative

of the other funding. ReConnect awardees are required to submit a statement certifying that the funds requested from ReConnect have not been – and will not be – reimbursed by any other federal funding mechanism.

Question: If a company applies for the 100 percent grant product and USDA finds households with 100 Mbps downstream, 20 Mbps upstream service, will the entire application be thrown out, or can the applicant modify its Proposed Funded Service Area (PFSA) in the application?

Answer: No. You cannot modify your application to remove one or more PFSAs found ineligible by USDA. Multiple Proposed Funded Service Areas (PFSAs) are treated as separate, standalone service areas when determining what percentage of a PFSA lacks sufficient access to broadband. This means each individual PFSA must meet the eligibility requirement (90 percent of the households in a PFSA cannot have access to broadband service at a speed of 100 Mbps downstream, 20 Mbps upstream). If any service area in a competitive application does not meet these eligibility requirements, the entire application will be disqualified.

Question: How will USDA staff judge applications which propose service to the same Proposed Funded Service Area (PFSA)?

Answer: We will not fund more than one project that serves a sole geographic area. Invariably, applicants do propose service areas that overlap – varying from minor areas of the territory that can be significant with respect to households involved – to larger areas of the service territory that contain few, if any, households or businesses. As a result, accounting for every overlap circumstance is not possible. Nevertheless, it is Rural Development’s intent to make as many eligible applications viable for consideration as possible. This means we can:

- Determine the overlap to be so insignificant that no action by RUS is necessary
- Request one or more of the applications be revised to eliminate the overlapping territory
- Choose one application over another, considering factors such as:
 - the amount of assistance requested
 - the number of awards already selected in the region or state
 - an assessment of area needs
- Simply choose the project that scores higher – or in the judgement of Rural Development – is more financially feasible

We reserve the right to request additional information from you concerning any part of your application, including the Proposed Funded Service Area. The applicant has 30 days to return the requested information. Failure to do so can result in application rejection.

Question: Are service areas covered by RUS Broadband Loan borrowers eligible for ReConnect funding?

Answer: As detailed in the Consolidated Appropriations Act, 2021 (Public Law 116-260 – available at this link: <https://go.usa.gov/xexM2>) the service areas of existing RUS borrowers without sufficient access to broadband (as defined in the October 25, 2021 Funding Opportunity Announcement) are eligible for ReConnect funding. However, current RUS Broadband Borrowers that have received funding to provide sufficient access to broadband but have not yet built-out their system are ineligible to apply for funding for these service areas.

Question: Are areas that received grants under the RUS Community Connect Grant Program eligible for ReConnect funding?

Answer: Service areas that received grants under the RUS Community Connect Grant Program are eligible if they do not have sufficient access to broadband, except for those grants still under construction and proposing a service speed of at least 100 Mbps downstream, 20 Mbps upstream. The ReConnect Program Service Area Map (located at this link: <https://tinyurl.com/bdcccjhap>) offers a layer that illustrates current RUS borrowers and projects still under construction.

Question: Are service areas that received 100 percent grants under the RUS Broadband Initiatives Program (BIP) eligible for ReConnect funding?

Answer: Service areas that received a 100 percent BIP grant are eligible if they do not have sufficient access to broadband.

Question: Are areas that received smart grid funding under an RUS Electric Program loan eligible for ReConnect Funding?

Answer: Areas that receive smart grid funding from the RUS Electric Program can be eligible for ReConnect funding as long as the smart grid facilities are not leveraged into providing sufficient access to broadband.

Question: What is the definition of a “Broadband Loan” for the purposes of the ReConnect Program?

Answer: For the ReConnect Program only, an RUS broadband loan is defined as “any loan that has been approved or is currently under review by RUS after the beginning of fiscal year 2000 in the Telecommunications Infrastructure Program, Farm Bill Broadband Program, Broadband Initiatives Program, or the ReConnect Program.”

Notes:

- Broadband loans that were rescinded, are in default, or upon which loan terms and conditions were not met, are not included in the ReConnect definition of a “broadband loan” as long as the entity under consideration for ReConnect funding **has not previously** defaulted on, failed to meet the terms and conditions of, or had rescinded, an RUS broadband loan.
- If the project funded by such a broadband loan does not provide sufficient access to broadband as defined in the October 25, 2021 Funding Opportunity Announcement, then those areas covered by the broadband loan are open to any provider that wants to submit an application.

Question: How can we successfully challenge FCC Form 477 data?

Answer: To the extent possible, you must identify all existing providers in the PFSA and indicate what level of service is actually being provided. You are not required to treat current, publicly-available FCC Form 477 data (additional information is available at this link: <https://go.usa.gov/xeqdX>) as unquestionable proof of what speed service currently exists. FCC Form 477 data can be used as one source of data regarding sufficient access to broadband.

Question: Can a competitive local exchange carrier (CLEC) apply for funding?

Answer: A Competitive Local Exchange Carrier (CLEC) is an eligible entity as long as it meets all eligibility requirements as outlined in the October 25, 2021 Funding Opportunity Announcement (FOA).

Question: Can applicants apply for more than one service area?

Answer: A single application can propose multiple service areas. For eligibility purposes, if you are applying for multiple Proposed Funded Service Areas (PFSAs), each service area will be evaluated on a standalone basis when determining whether a PFSA has sufficient access to broadband. If any service

area in a competitive application does not meet the eligibility requirements, the entire application will be disqualified.

When an application is evaluated for **technical feasibility**, the proposed PFSA's are evaluated together. The determination of technical feasibility is based on the entire network proposed for construction with ReConnect funds.

Question: The Funding Opportunity Announcement defines "Tribal Government" using The Federally-Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a). However, the ReConnect regulation defines "Tribe" using the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b). Do Tribal applicants need to meet both definitions in order to apply for the program?

Answer: No, a Tribe can be eligible for ReConnect funding by meeting either of the definitions referenced in the Funding Opportunity Announcement (FOA) and regulation.

Question: What is a Socially-Vulnerable Community?

Answer: Socially-Vulnerable Community means a community or area identified in the Center for Disease Control's Social Vulnerability Index with a score of .75 or higher. For the purposes of this FOA, Puerto Rico, Guam, American Samoa, Northern Mariana Island, Palau, Marshall Islands, the Federated States of Micronesia, and the U.S. Virgin Islands are considered Socially-Vulnerable Communities. A GIS layer identifying Socially-Vulnerable Communities is available at this link: <https://www.usda.gov/reconnect>.