ReConnect Program Webinar for Tribal Applicants - FOA4

USDA RUS ReConnect Program

Housekeeping

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Attachments and messages from panelists will show here

3 **Q&A**
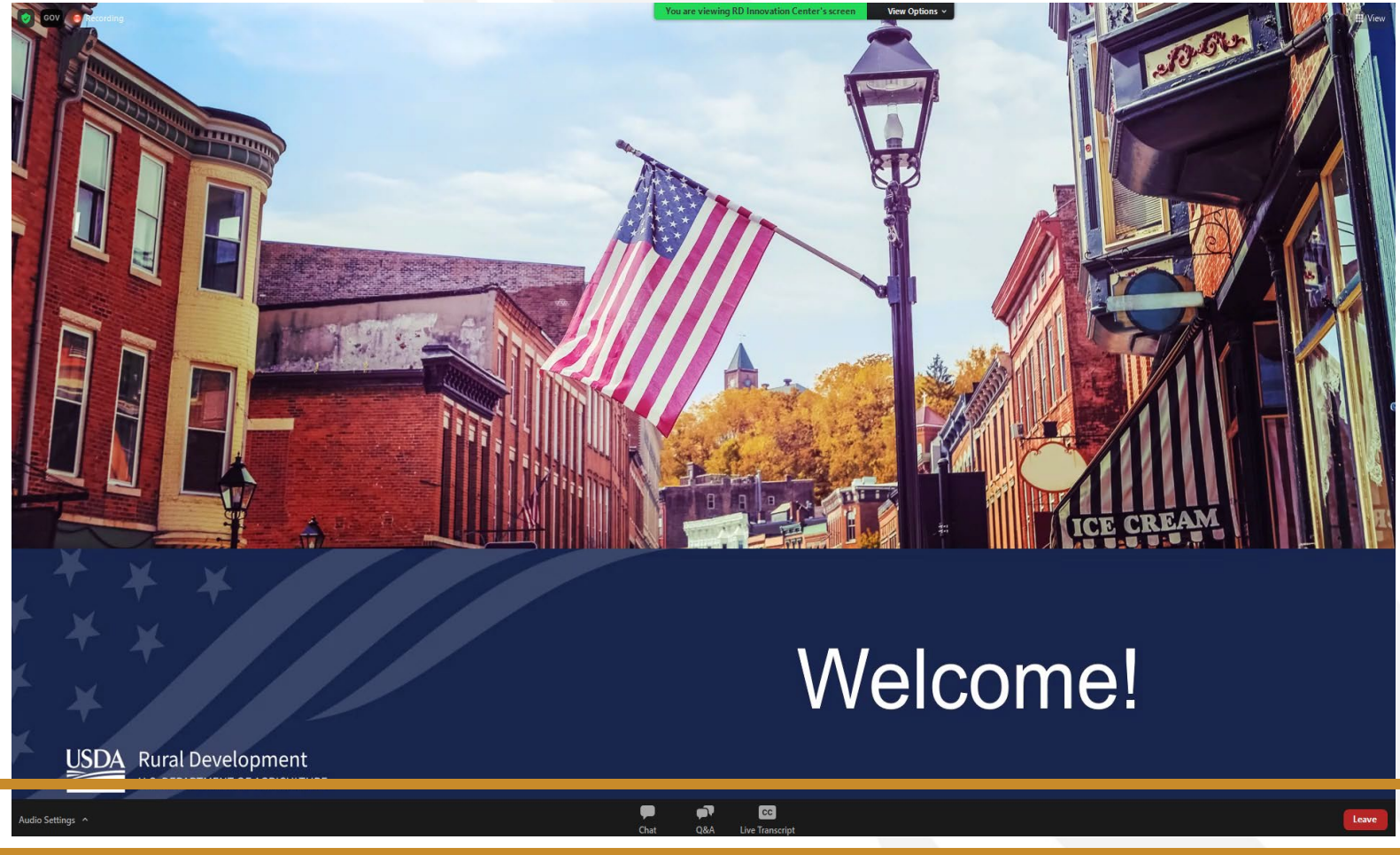Submit your questions to the presenters and panelists here

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Agenda

- Coordination and Tribal Infrastructure Principles

- ReConnect Program Introduction and FOA4 Overview

- Service Area Map Demo

- Key Considerations for Tribal Applicants

- Q&A

Coordination and Tribal Infrastructure Principles
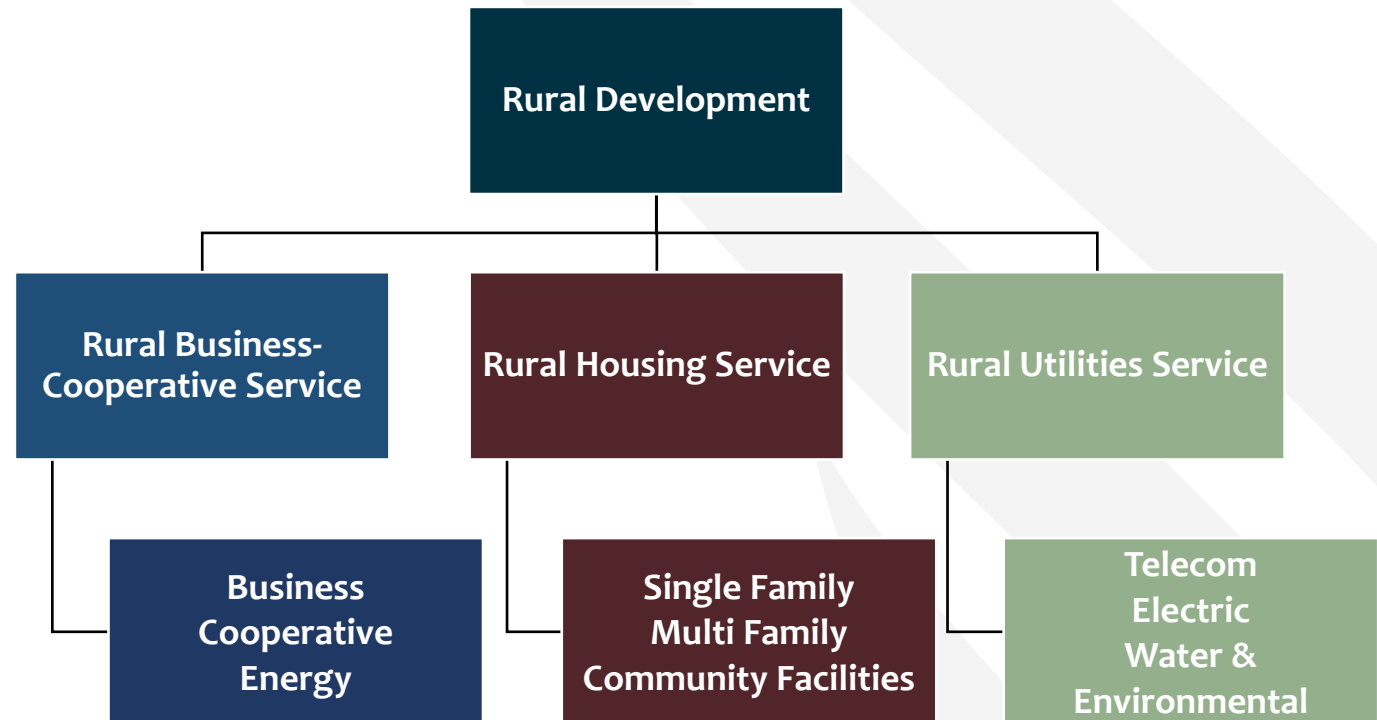
Introduction to RD: Structure and Roles

Leadership
- Under Secretary
- Deputy Under Secretary
- Administrators
- State Directors

Offices
- 47 State Offices
- 400 Area Offices
- National Office in DC

OneRD – Three Agencies

Rural Development
- Rural Business-Cooperative Service
  - Business
  - Cooperative
  - Energy
- Rural Housing Service
  - Single Family
  - Multi Family
  - Community Facilities
- Rural Utilities Service
  - Telecom
  - Electric
  - Water & Environmental

Guiding Principles: Federal Infrastructure Funding On Tribal Lands And In Indigenous Communities

1. **Tribal Self-certification Of "Served"**

2. **Tribal Government Resolutions Of Support**

3. **Compliance With Tribal Laws**

4. **Support Tribal Self-government.**

5. **Flexibility for Tribal Nations.**

6. **Fund Tribal Governments.**

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ReConnect Program Introduction and FOA4 Overview

ReConnect Program Introduction

- **Broadband program**
  - Federal loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas

  - Funds can be used for the costs of construction, improvement, or acquisition of facilities and equipment needed to provide broadband service in eligible rural areas

- **Mission**
  - To expand broadband service to rural areas without sufficient access to broadband, defined as **100 Mbps downstream and 20 Mbps upstream**.

ReConnect Program

Provides loans, grants, and loan-grant combinations to extend high-speed broadband service to rural areas lacking sufficient access.

Established as a pilot program in 2018

Codified in 7 CFR 1740 in 2021

Announced by Funding Opportunity Announcement (FOA) in the Federal Register

Application Timeline

- Funding Opportunity Announcement
    - Published August 4, 2022

- Application System Opens
    - September 6, 2022

- Application Submission Deadline
    - November 2, 2022 at 11:59 AM ET

ReConnect Eligibility

FOA 4 Eligibility

- Proposed Funded Service Area (PFSA) - Area where the applicant is requesting funds to provide broadband service

- **At least 50% of households** within a PFSA must lack sufficient access to broadband, defined as 100 Mbps downstream and 20 Mbps upstream.

- Applicants must submit evidence that sufficient access to broadband does not exist for 50 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, the application may be rejected.

- Multiple service areas will be treated as separate standalone service areas

- Tribes may self-certify whether Tribal Lands are served or unserved

- Facilities proposed to be constructed with award funds must be capable of delivering **100 Mbps symmetrical service to every premises** in the PFSA.

- Individuals and Co-applicants are not eligible to apply

Funding Types

Funding Types

	100% Loan	50% Loan-50% Grant Combination	100% Grant
Terms	Max Award: $50 million Minimum Award: $100,000 2% Interest Rate	Max Award: $50 million Minimum Award: $100,000 UST Interest Rate**	Max Award: $25 million* Minimum Award: $100,000 25% matching funds***
Application Review	Conducted on a rolling basis	Competitive	Competitive
Round 4 Federal Funds	$150 million	$300 million	$150 million
Buildout Speed	100 Mbps **symmetrical service** to every premise in the PFSA.		

*Applicants may request up to $35 million by providing supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4

** Loans in the 50/50 funding category bear interest equal to the cost of borrowing to the Department of Treasury for obligations of comparable maturity.

*** Awardees may deposit matching funds into the Pledged Deposit Account on a rolling basis
Symmetrical service means same download and upload speeds

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Funding Types (continued)

	100% Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities	100% Grant for Projects where 90 percent of households lack sufficient access to broadband.
Terms	Max Award: $25 million* Minimum Award: $100,000 No matching fund requirement	Max Award: $25 million Minimum Award: $100,000 No matching fund requirement
Application Review	Competitive	Competitive
Round 4 Federal Funds	$350 million	$200 million
Buildout Speed	100 Mbps **symmetrical service** to every premise in the PFSA.	

*Applicants may request up to $35 million by providing supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4

Symmetrical service means same download and upload speeds

Scoring Criteria

FOA 4 Scoring Criteria

Points	Criteria
25 Points	Rurality of the Proposed Service Area
25 Points	Level of Existing Service
20 Points	Economic Need of the Community
20 Points	Affordability
20 Points	Labor Standards
15 Points	Tribal Areas
15 Points	Local Governments, Non-Profits, and Cooperatives
15 Points	Socially Vulnerable Communities
10 Points	Net Neutrality
10 Points	Wholesale Broadband Services
Total: 175 Points	

Rurality of the PFSA(s) – 25 Points

- 25 points will be awarded for population densities of 6 or less as measured by the population of the PFSA(s) per square mile **OR** if each 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.

- A GIS layer identifying rurality can be found in the RUS mapping tool located at https://www.usda.gov/reconnect

Level of Existing Service – 25 Points

- Projects that are proposing to build in areas where **at least 50 percent of households** in each PFSA are not receiving service of at least 25 Mbps downstream and 3 Mbps upstream **will receive 25 points**

- Applicants must **provide supporting evidence that 25/3 service does not exist** for those households.

- To the extent possible, applicants must **identify all existing providers in the PFSA** and **indicate what level of service is actually being provided.**

Economic Need of the Community – 20 Points

- Economic need is based on the **county poverty percentage** of the PFSA in the application.

- The percentages must be determined by utilizing the United States Census Small Area Income and Poverty Estimates (SAIPE) Program. The points associated with this scoring criterion will be automatically calculated by the RUS mapping tool using the SAIPE layer.

- For applications where **75 percent of the PFSA(s)** are proposing to serve communities with a **SAIPE score of 20 percent or higher**, **20 points will be awarded**.

- PFSAs located in geographic areas for which **no SAIPE data exist will be determined to have an average SAIPE poverty percentage of 30 percent.** Such geographic areas may include territories of the United States or other locations eligible for funding through the ReConnect Program.

- A GIS layer identifying SAIPE areas can be found in the RUS mapping tool located at https://www.usda.gov/reconnect

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Affordability – 20 Points

- Applications can receive 20 points by :
  - Including 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

- Applicants requesting these points must include in their application a description of whether how the project will incorporate each of the three categories of labor standards and protections:

  1. Strong labor standards

  2. Demonstrated compliance with and plans for future compliance with labor and employment laws

  3. A plan to recruit and support an appropriately skilled, trained and credentialed workforce (including by contractors and subcontractors)

- Additional details on what must be included in the plan are outlined in the FOA.

Labor Standards – 20 points (continued)

- For applicants that commit to strong labor standards, consistent with Tribal Laws when the project proposes to build infrastructure on Tribal Lands, 20 points will be awarded.

- Recipients are encouraged to ensure that broadband projects use strong labor standards, consistent with Tribal laws when projects propose to build infrastructure on Tribal Lands.

- Projects that propose to build infrastructure on Tribal Lands 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.

Tribal Areas – 15 points

- **15 points** will be awarded to **Tribal governments and Tribal Government wholly-owned entities** where at least 75 percent of the geographic area of the PFSA(s) is on Tribal Lands.

- **10 points** will be awarded for **non-tribal governmental entities** where at least 50 percent of the geographic area of the PFSA(s) is on Tribal Lands.

- A certification from the appropriate tribal official is **required** if service is being proposed over or on Tribal Lands.

- 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 RUS mapping tool located at https://www.usda.gov/reconnect.

Tribal Areas – 15 points (continued)

- **15 points** will be awarded to **ANCs or Alaska Native Tribal Governments** where at least **50 percent** of the geographical area of the PFSA(s) is on Census Tribal areas in Alaska

- **10 points** will be awarded to **non-ANC or non-Alaska Native Tribal Government entities** where at least **50 percent** of the geographical area of the PFSA(s) is on Census Tribal areas in Alaska

- Census Tribal areas in Alaska will be analyzed using the GIS layer (Alaska Census Tribal Areas) layer in the RUS mapping tool located at https://www.usda.gov/reconnect

- The maximum number of points an applicant can receive for Tribal Areas is **15 points**.

Local Governments, Non-Profits, and Cooperatives – 15 points

- 15 points will be awarded for applications submitted by:
    - local governments

    - non-profits

    - cooperatives

- This includes projects involving public-private partnerships where the local government, non-profit, or cooperative is the applicant

Socially Vulnerable Communities – 15 points

- For applications where at least **75 percent of the geographic area of the PFSA(s) is proposing to serve Socially Vulnerable Communities,** as defined in this FOA, 15 points will be awarded.

- A GIS layer identifying the Socially Vulnerable Communities can be found at https://www.usda.gov/reconnect.

Net Neutrality – 10 points

- For applicants that **commit to net neutrality principles, 10 points will be awarded**.

- A board resolution or its equivalent must be submitted in the application committing that the applicant's 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; and

  - engage in paid prioritization, meaning the management of a broadband provider's network to directly or indirectly favor some traffic over other traffic, including through use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either (a) in exchange for consideration (monetary or otherwise) from a third party, or (b) to benefit an affiliated entity.

Wholesale Broadband Service – 10 points

- Recipients that **commit to offering wholesale broadband** services at rates and terms that are **reasonable and nondiscriminatory will receive 10 points.**

- Companies that propose to buy market access, bandwidth, functionality and servicing on a wholesale basis with the intent of reselling their purchased "capacity" on the retail market to businesses and consumers.

- To receive these points, applicants should **submit evidence that they are proposing an open access network**.
  - Include an explanation as part of the application executive summary
  - Should be supported by the Local Network Services Revenue – Other Revenue section of the application

ReConnect Program: Network Requirements

ReConnect Regulation: Network Requirements

- **Applicants will need to submit the following:**
  - o A network design which includes a description of the proposed technology used to deliver the broadband service
  - o A network diagram
  - o A buildout timeline and milestones for implementation of the project
  - o A Capital Investment Workbook/Capital Investment Schedule showing that the system can be built within 5 years

Network Requirements (continued)

- Professional Engineer (PE) Requirements
  - PE must be certified in at least one of the states where there is project construction
  - Certification must state that the proposed network can deliver broadband service to all premises in the PFSA at the minimum required service level

- Technology neutral
  - Facilities proposed to be constructed with award funds must be capable of meeting the minimum construction requirements of 100 Mbps symmetrical service to every premises in the PFSA.

- Review the regulation (7 CFR 1740.64) for more information

ReConnect Program: Financial Requirements

Financial Requirements

Applicants will need to submit the following:

- Audited financial statements

- Detailed information for all outstanding and contingent obligations

- Evidence of all other funding necessary to support the project

- A financial pro forma to include four years of historical data, the current (bridge) year, and five years of projections.
  - **Publicly traded companies with an investment grade bond rating from Moody's, Standard and Poor's, or Fitch do not need to submit NFSAs or complete the pro forma financial projections.**

  - **100% grant applicants who provide an Irrevocable Letter of Credit (ILOC) do not need to submit NFSAs or complete the pro forma financial projections.**

Audited Financials – 2 CFR 200

- The following entities (non-Federal entities) are subject to 2 CFR 200 and must have a single audit conducted:
  - Authority
  - Municipality
  - Public Body
  - Public Power or Utilities District
  - Indian Tribe
  - Tribal Government
  - Higher Education
  - Non-Profit
  - Territory or Possession of the United States
  - A State or Local Government

- Non-Federal entities should review 2 CFR 200.501 for additional information
  - All Non-Federal entities that meet this requirement must file with the Federal Audit Clearinghouse (FAC) as specified under 2 CFR 200.512

Award Terms

Award Terms

- Review the ReConnect regulation, 7 CFR 1740 Subpart D and the FOA for award terms including:
  - Interest Rates
  - Terms and Conditions
  - Security
  - Advance of Funds
  - Build America, Buy America
  - Cybersecurity Risk Management
  - Affordable Connectivity Program

- Build America, Buy American Requirements
  - Funding to Non-Federal entities (defined in 2 CFR 200.1) is governed by the requirements of Section 70914 of the Build America, Buy America Act (BABA) within the IIJA.
  - Funding to entities that are not Non-Federal is governed by the Agency's Buy American requirement at 7 CFR 1787.

Award Terms – Cybersecurity Risk Management

- New for round 4

- Applicants selected for ReConnect funding must demonstrate, prior to the signing of the grant award agreement, effort to consider and address cybersecurity risks 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)
  - This can be found at https://www.cisa.gov/control-systems-goals-and-objectives

Award Terms – Affordable Connectivity Program

- New for round 4

- The Affordable Connectivity Program (ACP), established by the IIJA, is a benefit program that helps households afford the broadband service they need for work, school, healthcare, civic engagement, and economic opportunity.

- To ensure that rural households can take advantage of the ACP benefit, applicants selected for ReConnect funding will be required to **apply to participate** in the ACP before award funds are disbursed.

- This does not mean you must apply to participate before you can submit your ReConnect application, but you should start thinking about this now.

ReConnect Round 4: Summary of Changes

Summary of Changes from FOA 3 to FOA 4

- Two new funding categories added to FOA 4

- Additional guidance added to scoring criteria

- Eligible pre-application expenses includes environmental review costs. Pre-application expenses that were incurred under the previous round of ReConnect, but benefit an application for this round, may be funded up to the five percent of the total award in this round. The total allowable pre-application expense is still 5% of the total requested award.

- For a project to be eligible in FOA 4, **50% of households** must lack sufficient access to broadband
  - Change from 90% in FOA 3

- Matching funds may be deposited in PDA on a **rolling basis**

- Updated Tribal Lands layer

Summary of Changes (continued)

- Language was added in FOA 4 to clarify that pole attachment fees are eligible costs

- Advance of funds guidance was added to FOA 4

- Repooling
  - For categories that do not receive applications that request the full amount of allocated funds, excess funds may be directed to another funding category at RUS's discretion, including but not limited to eligible applications not funded in Round 3. Additionally, if RUS does not make awards in the full amount allocated to a category, RUS may, at its discretion, direct such excess funds to another category or round of funding.

- Build America, Buy America requirements were added in round 4

- Cybersecurity Risk Management requirements were added in round 4

- Requirement of awardees to apply to participate in the ACP

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Service Area Map Live Demo

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Key Considerations for Tribal Applicants

ReConnect Program Tribal Considerations

- 100 Percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities
    - If the applicant is a Tribal Government proposing to provide service on Tribal land, lands held in trust by the United States for Native Americans; lands subject to restrictions on alienation imposed by the United States on Indian Lands; or land that they own, provide services to, or administer, there is no matching fund requirement and applicants may apply for grant funds to construct the broadband facilities.
    - If an applicant provides supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4, the applicant may request up to $35,000,000.

ReConnect Program Tribal Considerations

Scoring Criteria - Tribal lands and Labor Standards

- For applicants that are Tribal Governments and tribal entities and, at a minimum, 75 percent of the geographical area of the PFSA(s) is to provide service on tribal lands, 15 points shall be awarded. For non-tribal entities where at least 50 percent of the geographic area of the PFSA(s) is to provide service on tribal lands, 10 points shall be awarded. Tribal lands will be analyzed using the GIS layer in the RUS mapping tool located at https://reconnect.usda.gov.

- For applicants that commit to strong labor standards, consistent with Tribal Laws when the project proposes to build infrastructure on Tribal Lands, 20 points will be awarded. Projects that propose to build infrastructure on Tribal Lands 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. The Agency reserves the right to adjust award amounts for unforeseen circumstances.

ReConnect Program Tribal Considerations

Operating Agreements

- Must contain specific Rules concerning Payment

- Specific Roles/activities spelled out

- Operations/administrative only – No Construction

- Construction activities must be with the awardee

- Invoices must be made to the applicant

ReConnect Program Tribal Considerations

Budgets

- *Pre-application expenses*
- *Engineering*
- *Environmental*
- *Electronics*
- *Outside Plant*

Do you have enough?

ReConnect Program Tribal Considerations

- **Vital to coordinate with Tribes early in the application process in order to ensure ample time to obtain the appropriate tribal certification.**

- If service is being proposed on **or** crossing tribal land, a certification from the proper tribal official stating that they are in support of the project and will allow construction to take place on tribal land **is required**. The certification must:
  - Include a description of the land proposed for use as part of the proposed project;
  - Identify whether the land is owned, held in Trust, land held in fee simple by the Tribe, or land under a long-term lease by the Tribe;
  - If owned, identify the landowner; and
  - Provide a commitment in writing from the landowner authorizing the applicant's use of that land for the proposed project

- Any application that does not provide a certification to provide service on the tribal lands identified in the PFSA will not be considered for funding.

ReConnect Program Tribal Considerations

Tribal Government Resolution of Consent/Certification

- Pursuant to 7 CFR 1740.60(d)(19), a certification from the appropriate tribal official is required if service is being proposed over or on tribal lands. The appropriate certification is a Tribal Government Resolution of Consent. The appropriate tribal official is the Tribal Council of the Tribal Government with jurisdiction over the tribal lands at issue.

- Any applicant that fails to provide a certification to provide service on the tribal lands identified in the PFSA will not be considered for funding.

Streamlined Requirements for Grants with Match

- Matching funds may be deposited on a **rolling basis**

- The advance of funds for 100 percent grants that require a matching component will be prorated against the amount of matching funds that are required and the amount of the grant funds approved.

Available Resources

- Register for upcoming events: https://www.usda.gov/reconnect/events

- Application Guide: https://www.rd.usda.gov/files/ReConnect_Program_Application_Guide.pdf

- ReConnect website: https://usda.gov/reconnect
  - Fact Sheets & Frequently Asked Questions

- Contact Us: https://www.usda.gov/reconnect/contact-us

- FY 22 Funding Opportunity Announcement: https://www.federalregister.gov/documents/2021/10/25/2021-23128/rural-econnectivity-program

- Regulation: https://www.govinfo.gov/content/pkg/FR-2021-02-26/pdf/2021-03443.pdf

- General Field Representatives (GFRs): https://www.rd.usda.gov/contact-us/telecom-gfr/all

Q&A