

IIJA FUNDING



# USDA RECONNECT PROGRAM

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Widely, Inc.

  
widely.com  
Fairfax, VA



# USDA RECONNECT

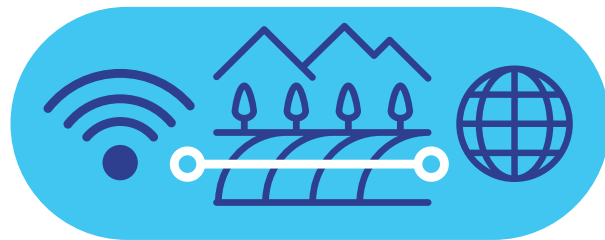
The ReConnect Program has been granted an additional **\$2.5B** in funding to build the necessary infrastructure and equipment for high-speed broadband in rural communities. It offers unique federal financing and funding options in the form of loans, grants, and loan/grant combinations.

## PROGRAM GOALS

The ReConnect Program facilitates 100/20 Mbps broadband deployment in rural communities that do not yet have sufficient access to broadband. The funds can be used to cover the cost of construction as well as improvement or acquisition of existing facilities and equipment.

ReConnect prioritizes projects based on:

- Rurality of the service area
- Economic need of the community
- Level of existing service



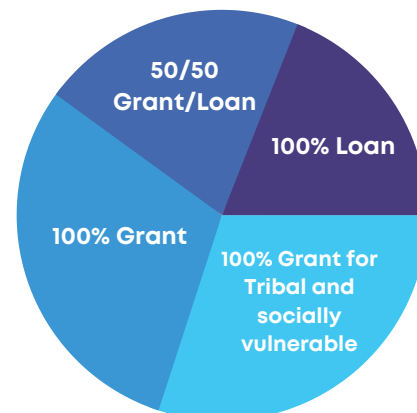
Tribes, Alaska Native Corporations, and projects serving persistent poverty counties and socially vulnerable communities may receive waivers of the matching funds requirement.

## NEW FUNDING SUMMARY

The IJJA has allocated \$2B to the existing ReConnect program, opening new opportunities for funding. The Consolidated Appropriations Act has allocated \$450 million. **Multiple rounds of funding will open throughout 2022.**

### Currently available funding:

- 100% Grant for tribal governments and socially vulnerable communities: Up to \$350M
- 100% Grant: Up to \$350M
- 50/50 combination Grant/Loan: Up to \$250M
- 100% loan: Up to \$200M available
- Grants will be determined on a competitive basis according to ReConnect criteria
- Loans will be awarded on a rolling non-competitive basis until funds are expended



## PROGRAM HISTORY

Originally authorized in 2018, the ReConnect program is used to build infrastructure for essential internet e-connectivity services to rural areas without sufficient access to broadband through loans and grants.

During the first round of funding, the application windows were open between April 23, 2019 and July 12, 2019. USDA received 146 applications, requesting \$1.4B in funding across all three ReConnect Program funding products: 100% loan, 100% grant, and loan/grant combinations. ReConnect has awarded \$663M in the first round and \$674M in the second, totaling \$1.3B in funds already distributed.

USDA has now simplified the application process and expanded the program significantly. For example, ReConnect will now offer 100% grants for certain projects on tribal lands and in socially vulnerable communities without requiring matching funds.

## PROGRAM CHANGES

The Consolidated Appropriations Act in 2022 directed RUS to adopt procedural changes in the ReConnect Program, including:

### HIGHER EFFICIENCY

- Working to promptly disburse ReConnect funds once grants and loans are awarded
- Examining and appropriately adjusting the collateral requirements to ensure greater program access
- Collaborating with the Rural Electric Division to ensure that all utilities and broadband technologies are treated equally in the application process

### INCREASED TRANSPARENCY

- Encouraging USDA to follow the notice and comment rulemaking procedures with respect to all administration and activities, including publishing a written decision on ReConnect's website
- Holding listening sessions prior to announcing the next round of funding availability, and addressing comments made during those sessions in the funding announcement
- Allowing entities of any structure, including partnerships and infrastructure applications, to apply for ReConnect support as long as broadband service will be provided to the subject area through contractual arrangements





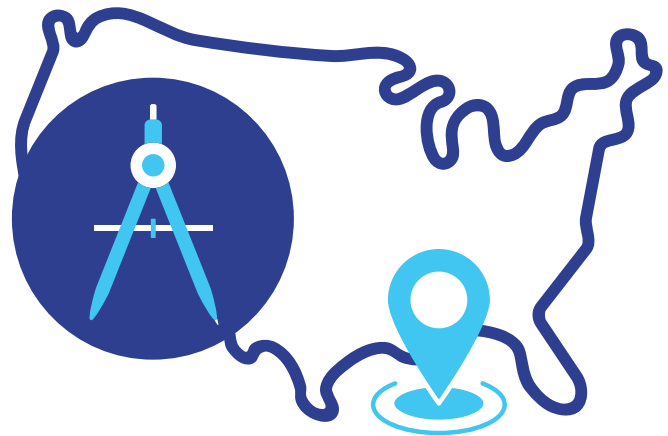
## ELIGIBLE LOCATIONS

- **90% of households in the area must lack sufficient access to broadband service.** Sufficient access to broadband is defined as fixed terrestrial broadband service at 100 megabits per second (Mbps) downstream and 20 Mbps upstream (100/20).
- **Service areas must be rural.** They cannot be located in a city, town, or incorporated area with a population greater than 20,000, or an urbanized area adjacent to a city or town with a population greater than 50,000. Eligible areas must be completely contained within a rural area or composed of multiple rural areas.
- The entity must commit to building facilities capable of providing broadband service at speeds of **100/20 Mbps to every location in its proposed service area.**
- USDA will prioritize projects that serve low-density rural areas with locations lacking internet access services at speeds of at least 25/3 Mbps .
- ReConnect may have **increased flexibility for tribal applicants**, including waiving matching fund requirements. Entities operating on tribal lands will require compliance with all tribal government regulations and standards.
- All utilities and broadband technologies should be treated equally in the application process.

### USDA RESOURCE: RECONNECT MAP TOOL

USDA has provided an interactive map representing areas that are rural and underserved, ineligible areas, and pending applications. This map is a good indicator of whether a proposed area will qualify for ReConnect funds.

[Check the map for your service area here.](#)



## INELIGIBLE AREAS

A Proposed Funded Service Area (PFSA) may not include areas that have been previously funded by other RUS telecommunications programs. Ineligible areas include:

- Overlapping service areas
- Areas where there are pending applications for USDA Rural Utilities Service programs
- Protected RUS Broadband Borrowers
- Service areas that received federal grant funds to provide broadband service at 100/20 Mbps



## ELIGIBLE ENTITIES

The entities considered eligible to apply to the ReConnect Program include:

- Cooperatives, non-profits, and mutual associations
- For-profit corporations, LLCs, and partnerships
- States and local governments, including any agency or subdivision
- Territories of the United States
- An Indian tribe

Entities of any structure may apply for ReConnect support as long as broadband service will be provided to the subject area through contractual arrangements. All utilities and broadband technologies will be treated equally in the application process.



## COLLABORATIVE EFFORTS

Entities with existing commitments for supported rural broadband deployment that are applying for Reconnect to bring service to the 100/20 Mbps speed requirement **will be given scoring preference by the USDA**. This includes areas pending FCC approval of a Rural Digital Opportunity Fund award for two years after the applicable FCC application deadline.

## ELIGIBLE FUNDING PURPOSES

ReConnect funds may be used for the following:

### PRE-APPLICATION

Reasonable pre-application expenses that are no more than 5% of total award funds; must be considered eligible and included in the initial funding request.

### NEW INFRASTRUCTURE

Construction or improvement of buildings, land, and other facilities required to provide broadband service, including acquiring equipment necessary for compliance

### EXISTING INFRASTRUCTURE

Acquisition and improvement of an existing system that is currently providing insufficient broadband service (100% loan requests only). May not exceed 40% of the award amount and must meet all program requirements for service and performance.

### SATELLITE SUPPORT

Funding terrestrial facilities that support the provision of satellite broadband service.



# PROGRAM REQUIREMENTS

The first priority for funding is providing broadband to unserved areas, followed by underserved areas, then serving community anchor institutions.

Supported projects must build networks that offer broadband at speeds of **at least 100/20 Mbps**, providing service to every premise in the proposed funded service area (PFSA). All premises in the proposed service area must be able to receive this service at the same time.

## PRIORITIZATION

Wherever possible, any funding to support the deployment of last-mile broadband infrastructure will be targeted to areas that are currently **unserved**.

In areas where a provider is already subject to a buildout obligation of 25/3+ Mbps for fixed terrestrial broadband by another government entity, ReConnect will take that funding into account to prevent the duplication of services financed by Federal support.

**ReConnect will prioritize projects financed through public-private partnerships and projects where Federal funding will not exceed 50% of the total cost.**

In some cases, USDA will consider grants or loans for satellite or other technologies, if such middle-mile infrastructure primarily serves an area with a population of 50,000 or fewer and does not lead to overbuilding.

## APPLICATION CRITERIA

After all eligibility requirements are met, applications will be weighted by:

### **Rurality**

Low population per square mile

### **Level of Existing Service**

Areas without at least 25/3 Mbps

### **Economic Need**

75% will serve high poverty communities

### **Affordability**

Affordable tiers and at least one low-cost option

### **Labor Standards**

Strong labor standards, workplace safety & skilled labor

### **Tribal Lands**

A minimum of 50% of the proposed area is on tribal lands

### **Local Applicants**

Local governments, non-profits, and cooperatives

### **Socially Vulnerable Communities**

At least 75% of the area served

### **Net Neutrality**

Commitment to net neutrality

### **Wholesale Broadband Services**

Reasonable and nondiscriminatory rates



# TYPES OF FUNDING

Type of Funding	Total Funding Available	Maximum Award	Funding Details
100% Grant	Up to \$350M	\$35M	<ul style="list-style-type: none"> <li>• Must meet 100/20 Mbps minimum service in all proposed service areas</li> <li>• 25% matching funds required</li> <li>• Applications are evaluated competitively</li> </ul>
50/50 Loan/Grant	Up to \$250M	\$25M/ \$25M	<ul style="list-style-type: none"> <li>• Must meet 100/20 Mbps minimum service in all proposed service areas</li> <li>• Interest set at US Treasury Rate</li> <li>• Applications are evaluated competitively</li> </ul>
100% Loan	Up to \$200M	\$50M	<ul style="list-style-type: none"> <li>• Interest is set at a fixed rate of 2%</li> <li>• Applications are <b>non-competitive</b>, reviewed on a rolling basis until funds are exhausted</li> </ul>
<b>For Tribal Governments and Socially Vulnerable Communities</b>			
100% Grant	Up to \$350M	\$25M- \$35M	<ul style="list-style-type: none"> <li>• Must meet 100/20 Mbps minimum service in all proposed service areas</li> <li>• Applications are evaluated competitively</li> <li>• No matching funds required</li> </ul>

# POST-AWARD REPORTING

Report	Due	Recurring
Financial and Compliance	30 days after each quarter	Throughout the loan period or economic life of grant-funded facilities
Service Area: Ongoing	Annually based on construction completion date	Updated Annually for the duration of the project
Effectiveness and Adoption Rates	After the completion of construction	3 years annually after completion
Service Area: Final	End of the project	Final Report

# USDA RECONNECT PROGRAM - IJJA FUNDING

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## FINANCIAL AND COMPLIANCE

30 days after each quarter, awardees must submit a report on financial and compliance:

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

**These reports must be submitted throughout the loan amortization period or for the economic life of the facilities funded with a 100% grant.**

## EFFECTIVENESS AND ADOPTION RATES

Awardees will be required to submit semi-annual reports for 3 years after completion on:

- Number and type of locations that will receive the required level of broadband service
- Types of facilities constructed and installed
- Speed of the data services being delivered
- Average price of data services being delivered in each proposed service area
- Broadband adoption rate for each proposed service territory
- Number of new subscribers generated from the facilities funded

## SERVICE AREA: ONGOING AND FINAL REPORT

Awardees will be required to submit annually-updated service area maps, showing where construction has been completed and which premises are receiving service until the entire proposed funded service area can receive the broadband service.

At the end of the project, Awardees must submit a service area map indicating that all construction has been completed as proposed in the application. **If parts have not been constructed, ReConnect may require a portion of the award to be returned.**

## TIMELINE



### NEW FUNDING ADDED TO PROGRAM

- Nov 15, 2021 - IJJA adds additional \$2B in funding
- Mar 15, 2022 - Consolidated Appropriations Act allocates \$450 million

### FUNDING OPPORTUNITIES

- Late June 2022 - Funding Opportunity 3 awards announced
- Late June/early July 2022 - Funding Opportunity 4 rules released
- Late Q4 2022 - Funding Opportunity Announcements 5 and 6 expected
- ReConnect funds will be available until expended

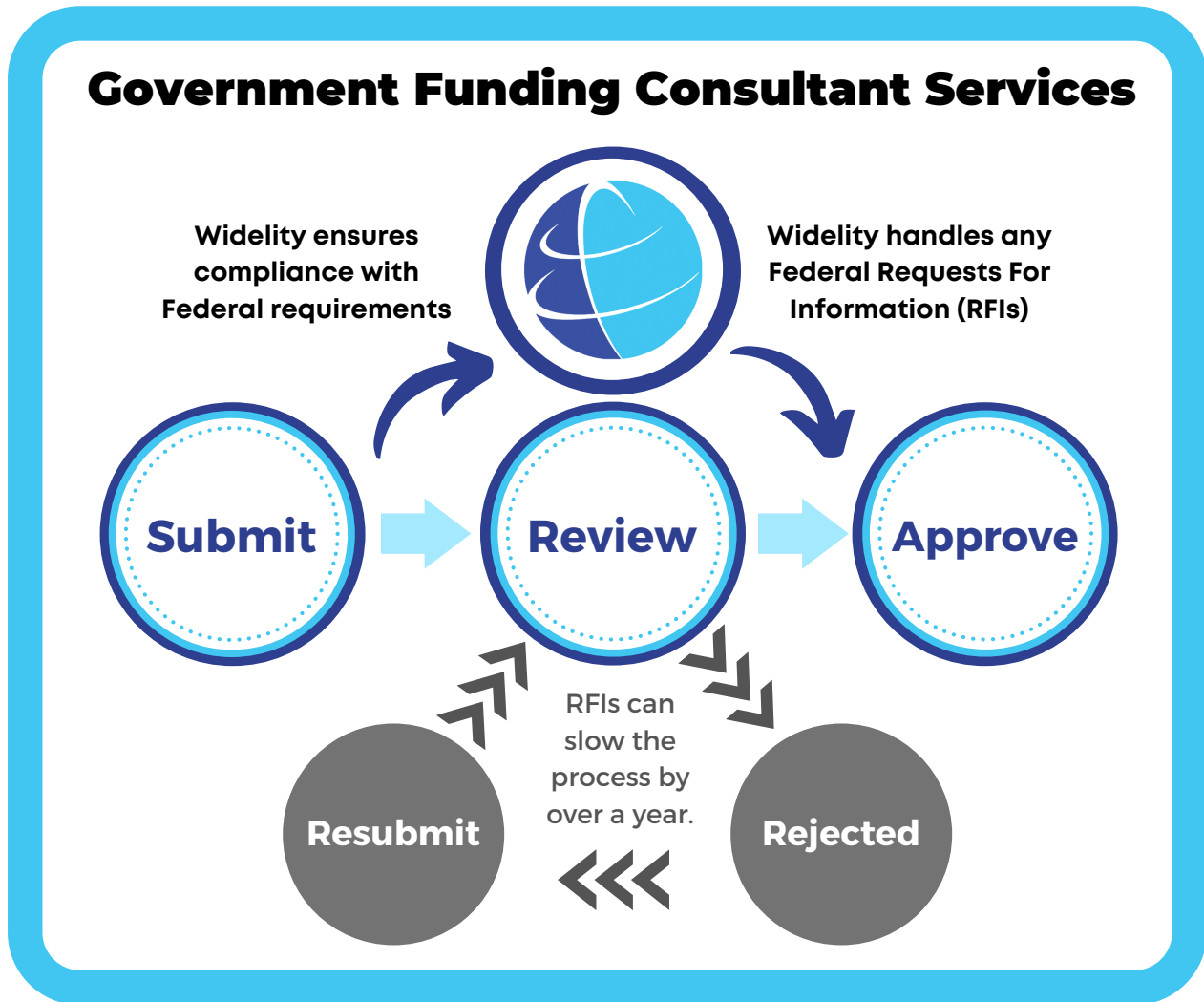
**This timeline will be updated as more information is released.**





# VALUE WIDELITY PROVIDES

Widely specializes in program and project management. We have provided services to clients seeking funding from multiple jurisdictions and agencies. Our experience in deployment strategy, technology, and supply chain management uniquely qualify us to meet your needs.



## READY TO ASSIST YOU

- Determine your eligibility
- Organize application materials
- Identify potential issues
- Submit the application
- Support for all post-award compliance and reporting

## REIMBURSABLE WITH GRANT FUNDS

Up to 5% of ReConnect grant funds can be put toward pre-application expenses, including project management.



## WHO WE ARE

Widely is a Small Business that provides eligible entities Government Funding Consulting Services (GFCS). We write and submit the application, complete any reporting and compliance documentation requirements and support clients to navigate all aspects of government funding programs.

## COMPANY DATA & METRICS

- Founded in 2006
- 100+ Personnel
- Processed over 150k documents
- Successfully completed 6k+ RFIs
- Nationwide team and client base
- \$390M+ in client reimbursements to date
- Clients on track for \$2B+ in reimbursements
- Excellent relationship with federally approved program administrators

## PAST PERFORMANCE

### Successful Government Contracts:

- Report and Catalog of Installation and Replacement Costs for the Wireless Competition Bureau (FCC) (2020 - 2021)
  - Exceptional CPARS evaluation rating
- Report and Catalog for the Media Bureau for the Broadcast Incentive Auction (FCC) (2013 - 2014)

### Successful client-focused initiatives:

- FCC Broadcast Incentive Auction
- FCC Secure and Trusted Communications Networks Reimbursement
- SBA Shuttered Venue Operators Grant (SVOG) Program
- NTIA Connecting Minority Communities (CMC) Program

## CONTACT US

We are experts in fulfilling all government regulatory requirements and look forward to supporting you. Please reach out to us today at [compliance.info@widely.com](mailto:compliance.info@widely.com) and let's work together to ensure you are in full compliance.