IIJA FUNDING

USDA RECONNECT PROGRAM

ROUND 4

Organized by:
Widelity, Inc.

widelity.com
Fairfax, VA
The ReConnect Program facilitates 100/100 Mbps symmetrical 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, Colonia, Alaska Native Corporations, and projects serving persistent poverty counties and socially vulnerable communities may receive waivers of the matching funds requirement.

The IIJA 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, Colonia, and socially vulnerable communities: Up to $350M
- 100% Grant for areas 90% unserved: Up to $200M
- 100% Grant: Up to $150M
- 50/50 combination Grant/Loan: Up to $150M/$150M
- 100% loan: Up to $150M available
- Grants will be determined competitively
- Loans will be awarded on a rolling non-competitive basis until funds are expended
- Minimum application request is $100k
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.

USDA has now simplified the application process and expanded the program significantly. 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 & 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

- Following the notice and comment rulemaking procedures for 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

ROUND 4 CHANGES: OVERVIEW

- Speed requirement changed from 100/20 Mbps to 100/100 Mbps symmetrical
- New funding category added for Round 4
- Additional guidance has been added to scoring criteria
- Eligible pre-application expenses now include environmental review costs
- Eligibility: 50% of households lack sufficient access to broadband rather than 90%.
- Pole attachment fees are eligible costs
- Matching funds may be deposited in PDA on a rolling basis
- Repooling: Excess funds may be redirected to other rounds or categories
- Additional requirements:
  - Build America, Buy America
  - Cybersecurity Risk Management
  - Applicants must apply to participate in the ACP
ELIGIBLE LOCATIONS

- **50% 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 service at speeds of **100/100 Mbps symmetrical to every location in its proposed service area.**
- Parts of the build required to meet ReConnect standards can be funded by other sources (ie, State or Federal grants, such as MMGP) as long as the finances are tracked separately from the portion of the project proposed for ReConnect. This cannot be considered matching funds.
- Areas already receiving Federal funds (such as RDOF) may be eligible if they are not projected to meet the 100/20 Mbps standard of sufficient broadband access.

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 (RUS) programs
- Protected RUS Broadband Borrowers
- Service areas that received federal grant funds to provide broadband service at 100/20 Mbps

ReConnect has designated funds directly to certain broadband projects. **The PFSAs for these projects are not eligible for additional funding** through the grants & loans program.
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
- Areas rural in character

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 providers will be treated equally in the application process.

To have an area designated as "rural in character," stakeholders should submit a request to the Secretary of Agriculture.

PARTNERSHIPS

ReConnect will not allow co-applicants; if two entities form a partnership, only one applicant can be the primary/lead. Inter-company agreements can be used to account for revenues and expenses for financial projections. Based on existing financial and security arrangements, RUS may require both entities be parties to the award documents or guarantee the award.

TRIBAL, COLONIA, AND DISADVANTAGED GROUPS

RUS has set aside funds for Tribal governments, Colonia, and vulnerable communities. For this category, no matching funds are required. The following applicants are eligible:

- Alaska Native Corporations providing service on land owned by the corporation
- Tribal Governments providing service on land that they own or provide services to
- 75% of the PFSA is located in areas recognized as Colonia as of October 1, 1989
- 75% of the PFSA is located in persistent poverty counties, defined as any county with 20% or more of its population living in poverty over the past 30 years
- 75% of the PFSA consists of Socially Vulnerable Communities
- 90% of households lack sufficient access to broadband

These categories are identified in the RUS mapping tool.

CONSIDERATION FOR TRIBAL ENTITIES

The ReConnect program seeks to facilitate Tribal participation by:

- Providing increased flexibility for Tribal broadband applicants
- Enabling Tribal Governments to serve their own lands
- Allowing Tribes to certify whether they are served or under-served
- Requiring compliance with Tribal Government regulations
ELIGIBLE FUNDING USES

SOCIALLY VULNERABLE COMMUNITIES

The term Socially Vulnerable Community refers to an area identified in the CDC's Social Vulnerability Index with a score of .75 or higher. For the purposes of Round 4, the following areas are considered to be Socially Vulnerable Communities:

- Puerto Rico
- Guam
- America Samoa
- Northern Mariana Islands
- Palau
- Marshall Islands
- Federated States of Micronesia
- U.S. Virgin Islands
- Hawaiian Census Tribal areas

COLONIA

Colonia is defined as an identifiable community lacking such standards as a potable water supply, adequate sewage systems, decent, safe, and sanitary housing, and adequate roads and drainage. Colonia must be designated in writing by the State or county in which it is located and determined on objective criteria. It must also have been generally recognized as such before October 1, 1989.

ELIGIBLE FUNDING USES

PRE-APPLICATION

These must be eligible and included in the initial funding request. Eligible expenses include environmental review costs (up to 3% out of the total pre-application costs) and pre-application expenses from the previous round that benefit an application for this round. The pre-application expense limit is 5% of the total requested award. RUS reserves the right to accept or reject previous round expenses.

NEW INFRASTRUCTURE

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

While operating costs will not be eligible, pole attachment fees are eligible costs.

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

Terrestrial facilities that support the provision of satellite broadband service may be eligible to service remote areas, but satellite itself will not be considered for funding.
USDA RECONNECT PROGRAM - IIJA FUNDING

PROGRAM REQUIREMENTS

Any ReConnect program application must request a minimum amount of $100k.

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

TIMEFRAME
Project build-out activities must begin within 180 days of funds being made available. The project must be fully constructed and operational within 5 years.

TECHNICAL AND FINANCIAL FEASIBILITY
Applicants must demonstrate that the project is technically feasible and that all costs will be fully funded or accounted for.

CONTINUED BROADBAND SERVICE
Facilities funded with grant funds must provide the broadband service 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.

TRIBAL GOVERNMENT CONSENT
If service is proposed on or across tribal lands, the applicant must request a Tribal Government Resolution of Consent from the Tribal Council with jurisdiction. Any applicant that fails to provide this certification will not be considered for funding.

BUILD AMERICA, BUY AMERICA
Buy America incentivizes sourcing materials for construction within the United States. This applies only to infrastructure that is publicly-owned or serves a public function.

If the public nature of the project is unclear, USDA strongly recommends that applicants complete the application assuming that the requirements apply.

For projects that qualify, these materials must be fully produced in the United States or in an approved eligible country:

- All iron and steel
- All manufactured products
- At least 55% of the components
- All construction materials

The Buy America requirements do not apply to:

- Tools, temporary equipment, and supplies, such as scaffolding
- Equipment and furnishings such as movable chairs, desks, and portable computer gear that is not part of the structure
- Cement and cementing materials such as stone, sand, gravel, or aggregate binding materials

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PRIORITIZATION

The first priority for funding is providing broadband to **unserved** areas, followed by **underserved** areas, then serving **community anchor institutions**. Last-mile infrastructure will be prioritized in currently **unserved** areas.

USDA prioritizes applications for projects:
- In low-density rural areas lacking access to services at speeds of 25/3 Mbps
- In areas where 90% of households currently lack access to 25/3 Mbps service

If a provider already has a buildout obligation of 25/3 Mbps by another government entity, ReConnect will take that into account to prevent financing duplicate services.

**USDA will also prioritize projects that are financed through public-private partnerships, or where the Federal funding will not exceed 50% of the total cost.**

In some cases, USDA will consider grants or loans for satellite support and other middle mile technologies, if it serves a rural area and does not lead to overbuilding.

**KEY PRIORITIES FOR ROUND 4**

- Assisting rural communities to recover economically from the COVID-19 pandemic, particularly disadvantaged communities
- Ensuring all rural residents have equitable access and benefit from funded projects
- Reducing pollution and increasing climate change resilience through economic support to rural communities
## Types of Funding

<table>
<thead>
<tr>
<th>Type of Funding</th>
<th>Total Funding Available</th>
<th>Maximum Award</th>
<th>Funding Details</th>
</tr>
</thead>
</table>
| 100% Grant      | Up to $150M             | $25M*         | - Must meet 100/100 Mbps symmetrical minimum service in all proposed service areas  
- *FAR Level 4 areas may request $35M  
- 25% matching funds required  
- Applications are evaluated competitively |
| 50/50 Loan/Grant| Up to $300M             | $25M/ $25M    | - Must meet 100/100 Mbps symmetrical minimum service in all proposed service areas  
- Interest set at US Treasury Rate  
- Applications are scored competitively |
| 100% Loan       | Up to $150M             | $50M          | - Interest is set at a fixed rate of 2%  
- Applications are **non-competitive**, reviewed on a rolling basis until funds are exhausted |

### Tribal Governments, Colonia, Persistent Poverty & Socially Vulnerable Communities

<table>
<thead>
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| 100% Grant      | Up to $350M             | $25M*         | - Must meet 100/100 Mbps symmetrical minimum service in all proposed service areas  
- *FAR Level 4 areas may request $35M  
- Applications are evaluated competitively  
- **No matching funds required** |

### Projects Serving Areas where 90% Lack Broadband Access

<table>
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<tr>
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<th>Total Funding Available</th>
<th>Maximum Award</th>
<th>Funding Details</th>
</tr>
</thead>
</table>
| 100% Grant      | Up to $200M             | $25M          | - Must meet 100/100 Mbps symmetrical minimum service in all proposed service areas  
- Applications are evaluated competitively  
- **No matching funds required** |

## RePooling of Excess Funds

If a category does not receive sufficient eligible applications to expend all of its available funds, RUS may, at its discretion, redirect those funds to eligible applications not funded in Round 3, another funding category, or another round of funding.
FUNDING DETAILS

50% Loan/50% Grant

Loan and grant amounts will always be equal. Principal and interest payments will be deferred for 3 years. The amortization period will be based on the economic life of the assets funded plus 3 years. Applicants may propose substituting cash for the loan component at the time of application. Funds must be deposited into the applicant’s operating accounts at the closing of the award.

100% Loan

If two loan applications are received for the same PFSA, the application submitted first will be considered first. Principal and interest payments will be deferred for 3 years. The amortization period will be based on the economic life of the assets funded plus 3 years.

100% Grant for Tribal/Disadvantaged Groups

These areas can be identified using the ReConnect Mapping Tool. Colonias have been added to this category for Round 4. Applicants must submit documentation supporting their eligibility for this category.

FAR Level 4 Areas

The USDA Economic Research Service has classified some locations as a Frontier and Remote Area (FAR). FAR areas can be identified with the Reconnect mapping tool. An applicant that demonstrates the PFSA is 100% in a FAR Level 4 area may request $35M, above the $25M cap for the grant categories.

Matching Funds

25% matching funds are required for the 100% grant portion of this program. These funds must be a cash match and deposited into the Pledged Deposit Account (PDA). The matching contribution can only be used for eligible purposes.

For Round 4, RUS will now permit awardees to deposit the required funds into the PDA on a rolling basis. This can be coordinated with the receipt of grant funds and will allow for more financial flexibility for awardees.

If the matching funds are provided by a third party, a commitment letter from the third party must be submitted guaranteeing the funds.

If the applicant initiates a loan for the matching requirement, documentation of the terms and conditions must be included as part of the application. Grant funded assets cannot be used as collateral for a matching funds loan. The loan must be finalized and funds transferred into the applicant’s account by the close of the award.
APPLICATION

Applicants must submit a complete application with all required supporting documentation in order to be considered eligible. For a more detailed list of the documentation needed, please refer to Widelity’s Reconnect Application Checklist.

- Digital Registration and Forms
- General Project Description
- Applicant Information
- Executive Summary
- PFSA Map and Description
- Network Design
- Itemized Budget of Capital Costs
- Working Capital Sources
- Subscriber Projections
- Competitor Offerings
- Management Resumes
- Entity Organizational Chart
- Historical Financial Statements (past 4 yrs)
- Outstanding Financial Obligations
- Audited Financial Statements
- Pro Forma (5 yr forecast)
- Legal Opinion of Financial Capability
- ReConnect Criteria Scoring Sheet
- Environmental Information
- Tribal Government Resolution of Consent

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**
Priority to PFSA with 75% serving high poverty communities

**Affordability**
Affordable tiers and at least one low-cost option

**Labor Standards**
Strong labor standards, workplace safety & skilled labor

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

**Local Applicants**
Local governments, non-profits, and cooperatives

**Socially Vulnerable Communities**
Priority to PFSA where at least 75% of the area served is defined socially vulnerable

**Net Neutrality**
Commitment to net neutrality

**Wholesale Broadband Services**
Reasonable and nondiscriminatory rates

RUS may request additional information while evaluating the proposal. If the applicant does not reply with the requested information within 30 days, RUS will consider the application ineligible.
USDA RECONNECT PROGRAM - IIJA FUNDING

POST-APPLICATION

PUBLIC NOTICE FILING

A successful application submission begins the Public Notice Filing (PNF) period. PNFs are created from the application and the PFSA map. The following information will be included in a Pre-award Public Notice on the ReConnect Program website:

- Identity of the applicant
- Areas to be served
- Type of award requested
- Status of the application
- Number of households without sufficient access to broadband
- A list of census blocks to be served

Notices are posted on the website for 45 days to give existing service providers an opportunity to submit information regarding their service offerings. This is the primary means for USDA to consider the input of existing service providers.

Responses will be used in determining the eligibility of the proposed project.

Once awards have been made, ReConnect will announce the recipients in a public notice on the ReConnect Program website.

SERVICE AREA VALIDATIONS (SAV)

USDA will conduct Service Area Validations (SAV) on all PFSA that receive a Public Notice Response (PNR). PFSA that do not receive a PNR will be considered eligible, assuming they meet all other eligibility standards. SAVs will:

- Check for 100/20 Mbps service in the PFSA
- Validate other information submitted in the application
- Consider any public notice responses

MANAGEMENT ANALYSIS PROFILE

Once an applicant accepts an offer, RUS may send a team to the awardee’s facilities to complete a Management Analysis Profile (MAP). MAPs are used to evaluate strengths and weaknesses, ensuring that awardees are prepared to fulfill the terms of the award.

If the MAP identifies issues that can affect the operation and completion of the project, they must be addressed before funds can be advanced. Funding may be rescinded if a MAP determines that the Awardee will be unable to meet the award requirements.

MONITORING/RECORDS

Awardees must allow RUS representatives access to inspect the broadband system and any other property involving award funds. They must also allow access to any and all records and documents, with the ability to make copies or extracts.

Awardees must maintain financial records to USDA standards, including the Certified Public Accountant (CPA) conducting the annual audit.
USDA RECONNECT PROGRAM - IIJA FUNDING

POST-AWARD REPORTING

<table>
<thead>
<tr>
<th>Report</th>
<th>Due</th>
<th>Recurring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial and Compliance</td>
<td>30 days after each quarter</td>
<td>Throughout the loan period or economic life of grant-funded facilities</td>
</tr>
<tr>
<td>Post-Award Audits</td>
<td>120 days after audit date</td>
<td>Annually for the duration of the project</td>
</tr>
<tr>
<td>Service Area: Ongoing</td>
<td>Annually based on construction completion date</td>
<td>Updated Annually for the duration of the project</td>
</tr>
<tr>
<td>Service Area: Final</td>
<td>End of the project</td>
<td>Once</td>
</tr>
<tr>
<td>Service Reporting</td>
<td>End of the project</td>
<td>Annually for 3 years</td>
</tr>
</tbody>
</table>

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.

ANNUAL POST-AWARD AUDITS

Awardees that are non-Federal entities must submit an audit according to USDA standards. Federal entities must submit an audit with additional reporting on compliance, financial, and regulatory aspects.

These must be submitted each year **120 days after the audit date**. Each auditee must notify RUS of the audit date at least 90 days before the audit.

Until all loans are repaid, awardees must continue to provide annual audited financial statements. Grantees must furnish annual audited financial statements in the year of the first advance and until all funds have been expended or returned.

This section will be updated as more information becomes available.
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.**

SERVICE REPORTING

Awardees will be required to provide annual reports for **3 years after the completion of construction** so that RUS can track the effectiveness of the funding provided. At minimum, the reports must include:

- Existing network service improvements and facility upgrades
- New equipment & capacity increases that support high-speed broadband access for educational institutions, health care providers, & public safety service providers
- Estimated number of end users who are currently or forecasted to use the new or upgraded infrastructure
- Progress toward fulfilling the project objectives
- Number & location of residences & businesses that will receive new broadband service
- Speed and price of the awardee’s broadband service
- Average price of broadband service in the project service area

TIMELINE

NEW FUNDING ADDED TO PROGRAM

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

FUNDING OPPORTUNITIES

- Late June 2022 - Funding Opportunity 3 awards announced
- August 4 2022 - Funding Opportunity 4 rules released
- Sept 6 - Nov 2, 2022 - FOA 4 Application Window
- 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

Widelity 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.

**Government Funding Consultant Services**

- Widelity ensures compliance with Federal requirements
- Widelity handles any Federal Requests For Information (RFIs)

**Submit** ➔ **Review** ➔ **Approve**

- RFIs can slow the process by over a year.

**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

Widelity 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@widelity.com and let’s work together to ensure you are in full compliance.

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