# nrtc FUNDING ALERT!

Professional Assistance for Today's Unprecedented Funding Opportunities

## RUS ReConnect Round 4

## $1.15 billion

## Program Name

RUS ReConnect Round 4

## Background

- Administrator: United States Department of Agriculture (USDA) Rural Utility Service (RUS)
- Available Funds: $1.15 billion for FY 22 Rural eConnectivity Program (the ReConnect Program) funded by Infrastructure and Investment Jobs Act (IIJA)

## Categories & Amounts

- **100% Loan** - Up to $150M available; Max application request: $50M
- **50% Loan / 50 % Grant Combination** - Up to $150M available for loans, up to $150M available for grants. Max application request: $25M loan, $25M grant (loan and grant amounts always equal)
- **100% Grant (25% match required)** - Up to $150M available; Max application request: $25M
- **100% Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities (no match)** - Up to $350M available; Max application request: $25M
- **Projects serving areas where 90% of households lack sufficient access to broadband (no match)** - Up to $200M available for grants; Max application request: $25M

## Key Dates

- **August 4, 2022 –** Notice of Funding Opportunity Published
- **September 6, 2022 –** Application Window Opens
- **November 2, 2022 - Applications submitted through RUS online application portal until 11:59 AM ET**

## Eligible Entities

- Corporations, LLCs, local governments, Tribal entities, non-profits, cooperatives, etc.
- Scoring preference for local governments, non-profits, and cooperatives

## Eligible Areas

- 50% of households in the Proposed Funded Service Area (PFSA) must lack sufficient access to broadband defined as 100/20 Mbps
- PFSA must not be located in a city, town, or incorporated area with a pop. >20k or an urbanized area contiguous and adjacent to a city or town with a pop. >50k

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## Eligible Projects

- Proposed network must be capable of providing broadband service to every premise in PFSA
- Applicants must submit evidence for the following:
  - That 50% of households in PFSA do not have sufficient access to broadband (100/20 Mbps)
  - Identify all existing providers in PFSA
  - Indicate level of service being provided
- 100% Grant applicants must provide at least 25% match of overall project cost
- Awardees will be permitted to deposit required matching and other required funds into the Pledged Deposit Account (PDA) on a rolling basis

## Scoring Criteria

**1. Rurality of PFSA - 25 Points**
- Population densities of 6 or less/sq mile, or if PFSA is 100 miles from a city or town of 50k pop

**2. Level of Existing Service - 25 Points**
- Areas lacking 25/3 Mbps service are awarded points based on the number of served households
- Applicants must provide evidence of lack of service
- FCC Form 477 data is not considered dispositive of existing level of service

**3. Economic Need of the Community - 20 Points**
- Economic need based on the county poverty percentage of the PFSA determined by utilizing the Census Small Area Income and Poverty Estimates (SAIPE) Program
- If 75% of an applications PFSA(s) cover communities with a SAIPE score of 20% or higher (identified on ReConnect mapping tool) then full points awarded

**4. Affordability - 20 Points**
- Applicants include at least one low-cost option offered at speeds sufficient for a household with multiple users to simultaneously telework and engage in remote learning

**5. Labor Standards - 20 points**
- Description of strong labor standards, such as prevailing wage, safety training, professional certifications, workforce development, etc.
- If project is on Tribal lands, consistency with Tribal labor laws required

**6. Tribal Areas - 15 Points**
- Applicants that are Tribal entities with PFSAs that are at least 75% on tribal lands receive full points
- Non-tribal entities with PFSAs serving at least 50% of tribal lands receive 10 points

**7. Local Governments, Non-profits and Cooperatives - 15 Points**
- Applications submitted by local governments, non-profits or cooperatives (including for projects involving public-private partnerships where the local government, non-profit, or cooperative is the applicant)

**8. Socially Vulnerable Communities - 15 Points**
- Applications where at least 75% of the PFSA(s) propose to serve Socially Vulnerable Communities; i.e., a community or area identified in the Center for Disease Control's Social Vulnerability Index with a score of .75 or higher as identified on the ReConnect mapping tool

**9. Net Neutrality - 10 Points**
- Applicants that commit via board resolution or equivalent to net neutrality principles (i.e., will not block or impair/degrade lawful traffic or engage in paid prioritization)

**10. Wholesale Broadband Services - 10 Points**
- Applicants that propose to buy access on a wholesale basis with the intent to resell on the retail market to businesses and consumers, with terms that are reasonable and nondiscriminatory

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## Allowable Costs

- **Pre-application and Environmental Review Expenses** –
  - Environmental review requirement costs are eligible for pre-application expense reimbursement (up to 3% of the requested award funds can be used for this purpose)
  - Post-award monitoring expenses required to mitigate any environmental requirements (up to 3% of the requested award funds)
  - Pre-application expenses incurred under the previous round of ReConnect, but benefit an application for Round 4 (up to 5% of total award in this round)
- **Pole Attachment** - Pole attachment fees associated with the construction funded under this FOA are eligible for funding throughout 5-year construction period
  - If pole owner requires that a pole needs to be replaced to support the broadband facilities, the pole replacement cost is an eligible expense

## Ineligible Costs

- No use of loan or grant funds to support or oppose union organizing

## Build Out & Other Requirements

- **Tribal Government Resolution of Consent** - Pursuant to 7 CFR 1740.60(d)(19), Tribal Government Resolution of Consent required for any project involving a PFSA on Tribal Lands
- **Advance of Funds:**
  - Advance of funds for 100% grants with matching component will be prorated against the amount of matching funds required and amount of grant funds approved
  - For this FOA, the advance of funds for a 50/50 loan grant combination will be as follows:
    - · Funds substituted for the loan component will be advanced first
    - · Loan funds will be advanced second
    - · Grant funds will be advanced third
- **Community Project Funding/Congressionally Directed Spending** (i.e., Congressional Earmarks)– the 19 PFSAs for broadband projects included in the Consolidated Appropriations Act, 2022 are not eligible for funding under this FOA
- **Cybersecurity Risk Management** - Applicants must demonstrate 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
- **Audit Requirements** - Non-Federal entities are only required to submit a single audit in compliance with 2 CFR part 200
- **Affordability** – Applicant must participate in the Affordable Connectivity Program
- **Build Out** - Facilities must be capable of delivering 100/100 Mbps service to every location in the PFSA simultaneously
- Build out must be completed within 5 years

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## Links

**ReConnect Main Page:** https://www.usda.gov/reconnect
**ReConnect Mapping Tool:** ReConnect Program Service Map
**ReConnect Webinars:** https://www.usda.gov/reconnect/events
**ReConnect Resources:** https://www.usda.gov/reconnect/forms-and-resources
**ReConnect FAQ:** https://www.usda.gov/reconnect/frequently-asked-questions
**ReConnect Funding Opportunity Announcement (FOA):**
https://www.federalregister.gov/public-inspection/2022-16694/funding-opportunity-rural-econnectivity-program