



RUS Telecom Program Updates

2022 MATSS

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United States
Department of
Agriculture

Rural Development

Agenda

- Telecom Programs
- Round 1 & 2 Supplemental Funding Program
- ReConnect Update
 - Round 3 Results/Lessons learned
- ReConnect Moving Forward
 - RD3 to RD4
 - Buy American Provisions / Build America Buy America Act
- ReConnect SPA Questions
- Q&A

RUS Telecom Funding Programs

- Telecommunications Infrastructure Loan Program (\$690M annually)
- ReConnect Program
 - \$1.5 Billion in IIJA funding available
 - \$400-500M annually
- Community Connect Grant Program (~\$80M available for FY2023)
- Broadband Loan Program (~\$100M available for FY2023)
- Distance Learning and Telemedicine Grant Program (~\$90M available for FY23)

Supplemental Funding

Program Overview



ReConnect – RD1 & RD2 Supplement Funding Program

- Policy

- 100% Grant with No Match
- Up to 10% increase for all applicants
- Additional funds dependent on availability
- Additional Construction Year
- 60-day Window to apply

- Overview

- 180 Active Project
- 1.5 Billion in awards
- 260 Million Available

ReConnect Program Update

Round 3 lessons learned and
Updates



Lessons learned - Competitive Scoring

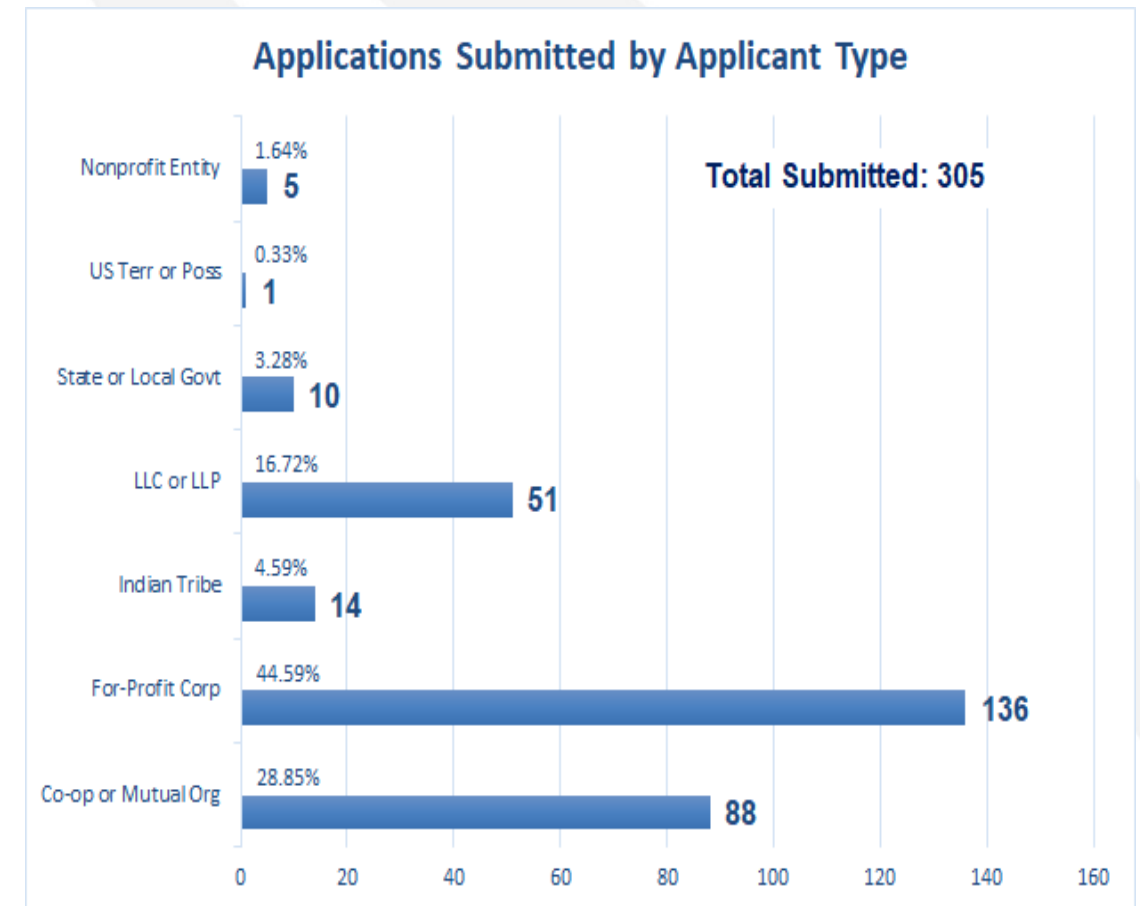
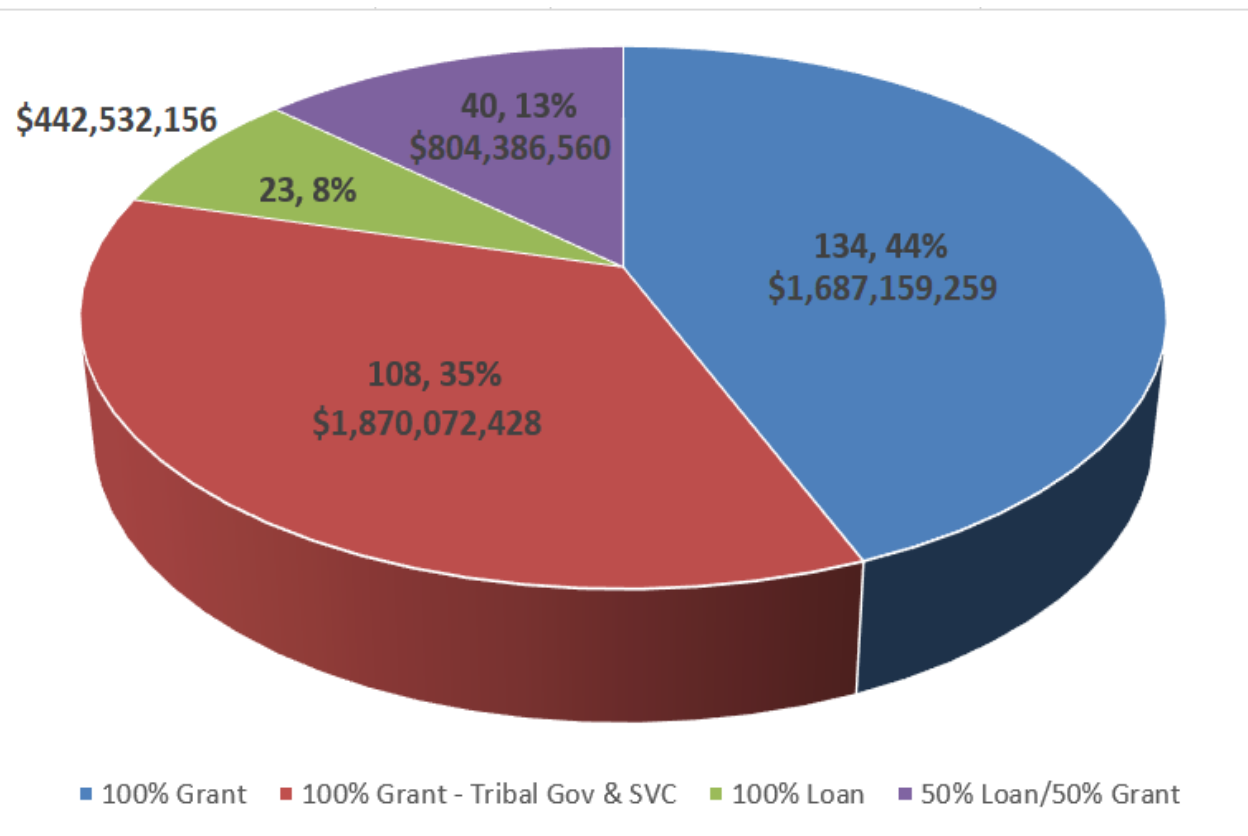
- Scoring Outcomes
 - Round 3 Score Cut Off
 - TG&SVC - 120
 - 100% Grant - 80
 - 50/50 - 50
 - 25/3 Criteria
 - 100% unserved

Lessons learned

- L1 Rejections
 - No Comparative Audit
 - Tribal certification
 - SAM.Gov
- L2 Rejections
 - Financial Clarification
 - SAV
- RDOF
 - Certification
- Mapping
 - Non-contiguous PFSA
- PNR Process

Round 3 Summary

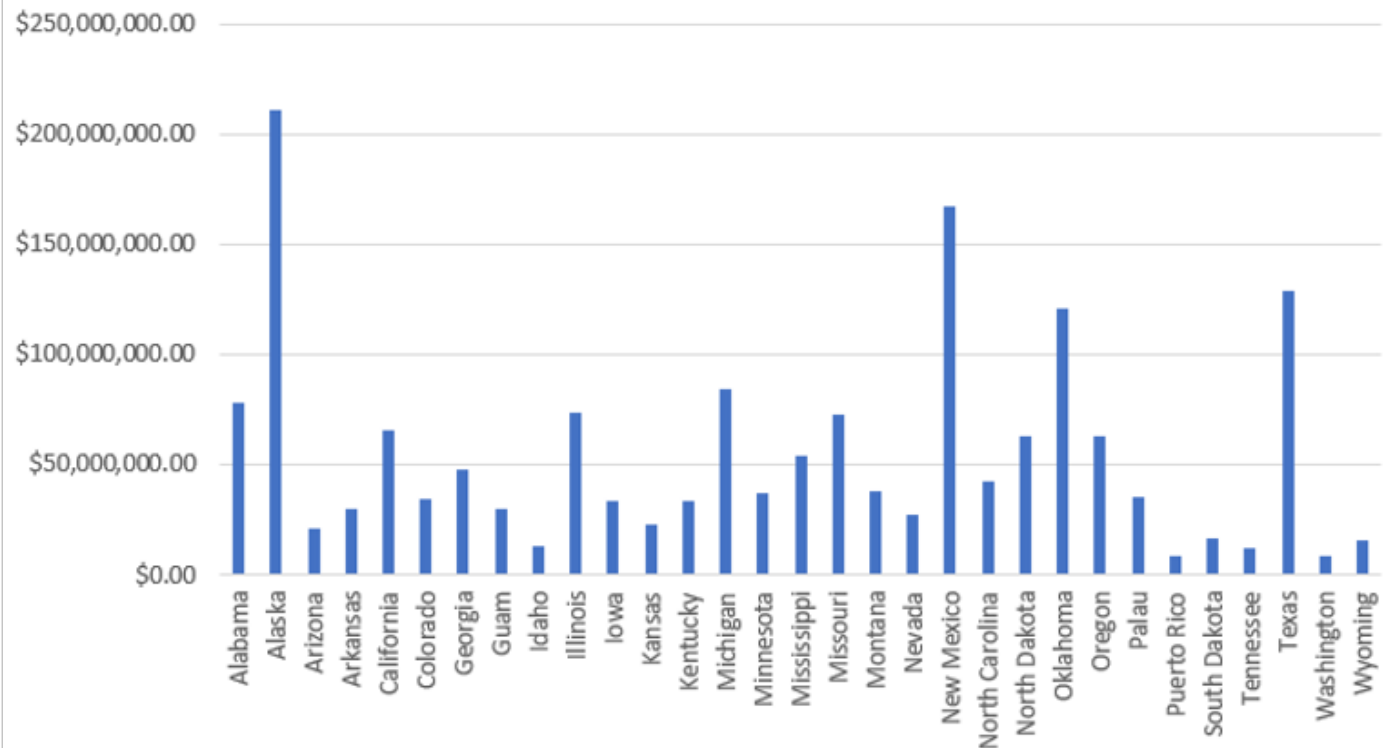
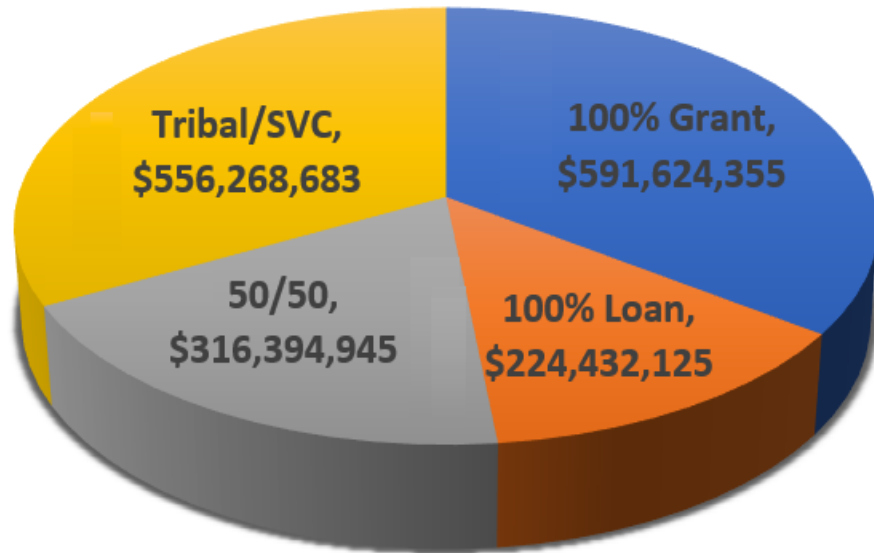
- **305 applications** received requesting **\$4.8B** in funding



Round 3 Award Summary

- **\$1.15B** Available plus an additional ~**\$500M** in IIJA funding due to high demand

Total Award Amount by Funding Type
Total: \$1,688,720,108



ReConnect Moving Forward

Round 4 and More



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**
 - **100% Grant w/Match Prorated Draw!**

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

Key Considerations

- **Sufficient Access to Broadband** for any rural area in which households have fixed, terrestrial broadband service is defined as **100 megabits per second (Mbps) downstream and 20 Mbps upstream**
- **Buildout Speed:** Facilities proposed for construction with award funds must be capable of delivering **100 Mbps symmetrical service** to every premises in the proposed funded service area (PFSA) at the same time
- **Scoring criteria** includes the following items: Rurality of PFSA, Level of Existing Service, Economic Need of the Community, Affordability, Labor Standards, Tribal Lands, Socially Vulnerable Communities, Net Neutrality, Wholesale Broadband Services, and Local Governments, Non-profits, and Cooperatives

Eligibility Requirements: Service Areas

- 50% of the Proposed Funded Service Area (PFSA) must lack sufficient access to broadband service, defined as at least 100 Mbps downstream and 20 Mbps upstream
- Applicants must propose a network that can provide 100 Mbps symmetrical service to every premises within the PFSA simultaneously
- Service areas of existing RUS borrowers **without sufficient access to broadband**
- Service areas that have received other federal funds but do not offer service at the minimum required speeds stated in the current FOA
 - May not include areas receiving funds to improve current speeds that match the minimum required speeds stated in the current FOA

Eligibility Requirements: Service Areas (cont.)

- Applications proposing service over or on tribal lands must submit 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

FY 2022 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 Lands
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	

Buy American Provisions / Build America Buy America Act



“RUS Buy American”: Origin of the Preference

- Rural Electrification Act of 1936
- “...to the extent practicable and the cost of which is not unreasonable, that RUS awardees use loan funds only for such manufactured articles, materials, and supplies as have been manufactured in the United States or in any eligible country, substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States or any eligible country.”
- In certain cases, waivers may be granted

“RUS Buy American”: Origin of the Preference

When can waivers be granted?

- Cost differential: Non-domestic product price is at least 6% lower than the lowest comparable domestic product
- Non-availability or shortages of material
- Public Interest or Practicality

IIJA Build America Buy America Act

RUS grant, loan, and loan guarantee applications in the telecommunications program will be evaluated and determine whether:

1. the applicant is a non-Federal entity,
 2. the project to be funded is an infrastructure project, and
 3. the activity is a defined project activity.
- If the application meets all three criteria, then the project is subject to Build America Buy America Act.

What is a Non-Federal Entity?

Non- Federal Entities defined in 2 CFR 200.1:

“State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.”

“Non-profit” excludes telecom and electric cooperatives.

How IIJA BABAA changes handling of waiver requests for non-Federal entities

- Cost differential raised from 6% to 25% for a waiver.
- Raises component content of manufactured products from 50% to 55%. Higher in later years.
- After RUS determines waiver request is eligible, the request and justification are posted on RUS and Made in America Office (MIAO) website for 15 days for public comment.
- Request & reply comments are submitted to MIAO (OMB) for review.

Decision rests with RUS to reject or grant waivers!

ReConnect Senior Policy Advisor

- New Position in the Assistant Administrator Office
- Focused on the effectiveness and efficiency of the Program
- Looking at how are policies impact our customers across division

QUESTIONS FOR THE GROUP!

What aspect of the ReConnect program would you change to reduce your costs?

What aspect of the ReConnect Program is the most burdensome?

Available Resources for Application Help

- **Technical Assistance**

- Register for upcoming workshops/webinars <https://www.usda.gov/reconnect/events>
- Subscribe to receive updates about upcoming events on the ReConnect website

- **Resources**

- ReConnect website <https://www.usda.gov/reconnect>
- FOA: <https://www.federalregister.gov/d/2022-16694>
- Regulation: <https://www.govinfo.gov/content/pkg/FR-2021-02-26/pdf/2021-03443.pdf>
- Updated Application Guide
- Updated Frequently Asked Questions (published once the FOA is released)

- **Contact Us**

- When working **inside** the application, use the “contact us” button on your screen.
- **Outside** of the application system, use <https://www.usda.gov/reconnect/contact-us>
- Contact your General Field Representative (GFR): <https://www.rd.usda.gov/contact-us/telecom-gfr/all>





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