ReConnect Program: Frequently Asked Questions

General Application Inquiries for Round 5 Funding Opportunities

Updated: March 26, 2024

Question: What is the ReConnect Program?

Answer: The ReConnect Program offers federal loans, grants, and loan-grant combinations to help get broadband to rural areas that lack sufficient broadband access (defined as 25 megabits per second (Mbps) downstream, and 3 Mbps upstream). ReConnect loans and grants can help cover costs associated with the construction, improvement, or acquisition of facilities and equipment.

Question: What types of assistance are available in the ReConnect program?

Answer: USDA offers loans and grants to build infrastructure and install equipment that provides modern, reliable, high-speed internet service in rural places. The ReConnect program offers five products:

- 100 percent loans
- 50-50 loan-grant combinations
- 100 percent grants
- 100 percent grants for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities

Question: How does the February 21, 2024 ReConnect NOFO define "sufficient access to broadband?"

Answer: "Sufficient access to broadband" is defined as any rural area in which premises have fixed, terrestrial broadband service defined as 25 megabits per second (Mbps) downstream and 3 Mbps upstream. Premises, as defined in the ReConnect Regulations, means households, farms, and businesses.

Question: What are the buildout speeds required for facilities proposed to be constructed with ReConnect funds?

Answer: Proposed facilities funded by ReConnect must be capable of delivering 100 Mbps symmetrical service to every premises in the Proposed Funded Service Area (PFSA) at the same time. Specifically, this means every premises within the PFSA can receive 100 Mbps downstream and 100 Mbps upstream service at the same time.

Question: What types of – and how much – ReConnect funding is provided under the February 21, 2024 ReConnect NOFO?

Answer: There are four funding categories available in the February 21, 2024 ReConnect NOFO:

- 100 Percent Loan. A total of up to $200 million is available for loans. The maximum amount that can be requested in an application is $50 million.
- 50 Percent Loan – 50 Percent Grant Combination. Up to $200 million is available for loan-grant combinations. The maximum amount that can be requested in an application is $25 million for the loan, and $25 million for the grant. Loan and grant amounts will always be equal.
- 100 Percent Grant. Up to $150 million is available for grants. The maximum amount of grant funds that can be requested in an application is $25 million.
- 100 Percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas or Socially-Vulnerable Communities. Up to $150 million is available for grants. The maximum amount of grant funds that can be requested in an application is $25 million.
- Note, the minimum amount that can be requested in any funding category is $100,000.

Question: What are the interest rates for loans allowed under the February 21, 2024 ReConnect NOFO?

Answer: The interest rate for 100 percent loans is fixed at 2 percent. The interest rate for the loan portion of loan-grant combinations is set at the U.S. Treasury rate for the remaining amortization period at the time of each advance of funds.

Question: What are the deferral periods for loans allowed under the February 21, 2024 ReConnect NOFO?

Answer: The deferral period for loans will be three years deferral of principal and interest. The deferral period begins on the date of the first advance of loan funds.

Question: How does the advance of funds process work under the ReConnect Program?

Answer: For this funding opportunity, the advance of funds for a 50/50 loan grant combination will be as follows: a) funds substituted for the loan component will be advanced first, b) loan funds will be advanced second and c) grant funds will be advanced third.

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.

Question: Which ReConnect funding categories do not require a match?

Answer: Currently, a match is not required for applications submitted under the 100 Percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities.

Question: What is the amortization period on which loan repayments (principal and interest) are based?

Answer: Unless the applicant requests a shorter repayment period, loans must be repaid with interest within a period that – rounded to the nearest whole year – is equal to the expected Composite Economic Life of the funded assets. This is determined by RUS using acceptable depreciation rates, plus three years. You can find the current acceptable depreciation rates table at this link: https://go.usa.gov/xexHF.

"Composite Economic Life" means the weighted (by dollar amount of each class of facility) average economic life of all classes of facilities necessary to complete construction of the broadband facilities in the proposed funded service area.

Question: How does an applicant determine what an affordable rate is for the Proposed Funded Service Area (PFSA)?

Answer: Review the median household income for the PFSA, identify any potential competition in the PFSA – including what rates they are proposing – and also review Federal Communications Commission (FCC) Urban Rate Survey Data and Resources (available at this link: https://go.usa.gov/xe35x). Use this information to demonstrate the affordability of your application's proposed rate packages. You also are free to provide additional supporting information on the low-cost option you propose.

Question: Are pole attachment fees eligible costs under the ReConnect Program?

Answer: Yes, pole attachment fees associated with the construction of the project throughout the five-year construction period are eligible costs. In addition, if the pole owner requires that a pole be replaced to support the broadband facilities, such costs shall be eligible under the current NOFO.

Question: How many applications can one entity submit for consideration under the February 21, 2024 ReConnect NOFO?

Answer: An entity can only submit one application for consideration. Although the application system will allow you to create more than one application in the system, only one application can be submitted for consideration.

Question: Must applicants for the 100 percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas or Socially Vulnerable Communities propose to serve all of these at the same time?

Answer: No. An Alaskan Native Corporation (ANC), Tribal Government, or a corporation wholly owned by a Tribal Government proposing to provide service on its own lands is eligible to apply under this funding category. Additionally, this funding category is available to any applicant proposing projects where 75 of the applicant's Proposed Funded Service Areas are located in areas recognized as Colonia as of October 1, 1989. Finally, this funding category is available to any applicant proposing to serve a geographic area that consists of at least 75 percent Persistent Poverty Areas or Socially Vulnerable Communities.

Question: We submitted a Tribal Resolution in the application associated with a previous round of funding. Do we need a new resolution for the current round of funding?

Answer: Yes, a new up-to-date Tribal resolution should be provided in a new ReConnect application.

Question: Can a non-Tribal applicant that is proposing a project impacting Tribal lands submit their Tribal resolution after the application is submitted?

Answer: No, a Tribal resolution must be included in the application submitted by a non-Tribal applicant at the time of submission if the proposed project impacts Tribal lands. Failure to include the resolution at time of submission makes your application ineligible for consideration. Tribal applicants are not affected by this requirement. https://www.usda.gov/reconnect

Question: **When can I apply through the online application system?**

Answer: The RUS online application system will open March 22, 2024 and remain open until 11:59 a.m. Eastern onMay 21, 2024 Applicants can access the application system at https://www.usda.gov/ReConnect.

Question: What is a Unique Entity Identifier (UEI) and where do we get it?

Answer: On April 4, 2022, the unique entity identifier used across the federal government changed from the DUNS Number to the UEI. The UEI is a 12-character alphanumeric ID assigned to an entity by SAM.gov.

Question: Can an applicant start an application if they do not have their System for Award Management (SAM) registration, or Unique Entity Identifier (UEI) yet?

Answer: No. Both UEI and a Taxpayer Identification Number (TIN) are required to start a ReConnect application.

It can take up to three weeks to register in the System for Award Management (SAM), get a UEI and a Commercial and Government Entity (CAGE) Code (if one is required for your organization). Information is available at this link: https://sam.gov/content/home) It is important to start these items as soon as possible.

Please keep in mind that entities creating new registrations in SAM and entities completing their annual registration renewals must review and complete financial assistance representations and certifications before their registration can be activated. All SAM registration certifications must be up-to-date and complete.

Question: What credentials do I need to access the Application Intake system?

Answer: USDA, in partnership with Login.gov, is upgrading its processes for user verification and access to customer-facing USDA systems including those developed and maintained by the RUS Telecommunications Program.

As of March 2024, you may access these systems – including Application Intake and Reporting and Compliance – using two different credentials depending on when you first registered for access. The two credentials are Level 2 eAuthentication (eAuth) and Login.gov, respectively.

Important Registration Information

- For those who first registered prior to September 11, 2023, users may login to RUS/Telecom systems using either their eAuth ID and password (if they have one) OR their Login.gov ID/password. This will change in October 2024.
- For those who first registered after September 11, 2023, users may login using only their Login.gov ID/password.
- Starting October 1, 2024, ALL users regardless of registration date must login using Login.gov credentials only. eAuth IDs will no longer be supported

For more information please visit the Login.gov & USDA eAuthentication User Aid available at https://www.rd.usda.gov/media/file/download/usda-rd-loginuseraid.pdf

Question: What types of IDs do we need to access the ReConnect Application System?

Answer: To access the application system, applicants need a USDA-verified (Level II) eAuthentication (eAuth) account, which can be obtained at www.eauth.usda.gov. All users working on an application must have their own Level II eAuth ID.

To create and submit an application – as well as manage users in the application system – you must also have an approved Authorized Representative Request (ARR). Instructions on how to submit a new ARR or how to update an existing ARR are in the System User Manuel, and will be made available before the application window opens at https://www.usda.gov/ReConnect under "Forms and Resources". Additionally, short "How-To" videos explaining the ARR process can be found on the ReConnect website under "Application Workshop and Webinar Materials".

Note: An ARR requires a Taxpayer Identification Number (TIN), for which you can apply through the Internal Revenue Service website at this link: https://go.usa.gov/xMJnr, and a Unique Entity Identifier which can be obtained by visiting https://sam.gov/content/home.

Question: We have an approved Authorized Representative Request (ARR) from a previous round of the ReConnect Program. Do we need to submit a new ARR?

Answer: If your entity has an approved ARR from the first or second round of the ReConnect Program, then a new ARR is likely required. Users associated with an entity requiring a new ARR will receive an "Update ARR" pop-up message upon logging into the system.

Implemented during the third round of the ReConnect Program, an ARR, if approved, now grants all users listed on the ARR access to the entities account for the ReConnect Program Online Application System, Community Connect Program Online Application System, and the Reporting & Compliance System.

Users that are not assigned the Representative Signature Certifier or Administrator role at the time of this ARR will still need to be added separately.

Any entities who requested to only be granted access to the ReConnect Program Online Application System during the third round will need to submit an Updated Authorized Representative Request.

Question: How do I get a verified (Level II) eAuthentication (eAuth) account?

Answer: To create a new eAuth account, you will go to the eAuth website at www.eauth.usda.gov/eauth/b/usda/home, and Click the Create Account tab, select Customer and click Continue. You will be directed to Login.gov to complete your eAuth account setup.

After your eAuth account has been established, you will need to verify your identity to gain access. . To do this you will login to reporting-and-compliance.rd.usda.gov/s/ and select Verify my identity at Login.gov-Recommended and click Continue. You will be directed to Login.gov to complete the verification process and gain your Level II access. You will be required to provide some types of identification for this process to complete.

NOTE: RUS cannot retrieve your eAuth ID or password for you. Please visit the eAuth website to obtain this information.

Question: Can we begin working on the application before the Authorized Representative Request is approved?

Answer: No. Applicants cannot begin working on an application in the application system until the Authorized Representative Request (ARR) is approved. ARR approval typically takes about two business days. However, applicants are strongly encouraged to review the ARR process and obtain the necessary resolution ahead of time. In addition, applicants are encouraged to begin assembling necessary documents and information ahead of time.

Question: Will data from a previously submitted application be available in the ReConnect Online Application System?

Answer: Users will not be able to access any information previously inputted into a specific ReConnect application. This includes information related to the project, service area(s), network, financials, evaluation criteria, environmental, licenses and agreements, and certifications tabs.

Question: Will consultants, including consulting engineers, have access to the online application site for clients?

Answer: Yes. Applicants can grant consultants access to the online application system. Once assigned the role of "Consultant," they will then be able to access multiple applications within the system. NOTE: All individuals who log into the system must have a USDA verified (Level II) eAuth account.

Question: How do I start my application for ReConnect funds?

Answer: Begin by reviewing the February 21, 2024 ReConnect NOFO and the ReConnect program regulation (7 CFR 1740 as revised – information is available at this link: https://federalregister.gov/d/2024-03484) for current program and eligibility requirements. Th ReConnect NOFO, regulation, program guide, and other resources including program information, fact sheets, and technical assistance materials are available at https://www.usda.gov/ReConnect. All applications must be submitted through the RUS online application system, which will open on March 22, 2024, and remain open until 11:59 a.m. Eastern on May 21, 2024.

Question: My organization uses Internet Explorer, and I am having problems accessing the application system. What can I do to improve my access to the system?

Answer: We recommend that you do not use Internet Explorer or Safari when using the application system. Both can create technical hitches that result in incomplete applications. Google Chrome and Microsoft Edge are the recommended browsers to use when completing your application.

Question: My application timed out and I lost the information entered into the system. Can USDA recover this information?

Answer: USDA cannot recover any information lost from not saving your application. We recommend saving your application multiple times during the process. For security, the system times out after 15 minutes of inactivity, and you will receive a warning message at approximately 14 minutes and 30 seconds. If an application times out without being saved, you will lose all information entered since the last time you saved the application.

Question: When will USDA announce awards for the new round of funding?

Answer: For current award announcements, visit the ReConnect Program website at https://www.usda.gov/ReConnect and click "Subscribe" under the "Stay up to date" section at the bottom of the home page.

Question: What is considered an affiliate company? What is the ownership threshold for considering a company an affiliate?

Answer: "Affiliate" or "Affiliated Company" of any specified person or entity means any other person or entity directly or indirectly controlling of, controlled by, under direct or indirect common control with, or related to, such specified person or entity, or which exists for the sole purpose of providing any service to one company or exclusively to companies which otherwise meet the definition of affiliate. This definition includes Variable Interest Entities as described in Financial Accounting Standards Board Interpretation (FIN) No. 46(R), *Consolidation of Variable Interest Entities*.   For the purpose of this definition, "control" means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership voting of securities, common directors, officers, or stockholders, voting trust, holding trusts (other than money exchanged) for property or services.

Question: How does USDA know where broadband services at 25 Mbps down, 3 Mbps up speeds are currently provided?

Answer: Rural Development uses several methods to verify whether a particular Proposed Funded Service Area (PFSA) currently has 25 Mbps downstream, 3 Mbps upstream broadband service. We will post a Public Notice Filing (PNF) of the proposed service area on the ReConnect webpage under the "Public Notice Filings" tab at https://www.usda.gov/ReConnect, and service providers in those areas can submit a Public Notice Response (PNR) indicating whether they already provide 25 Mbps downstream, 3 Mbps upstream service. Then, USDA will conduct Service Area Validations (SAVs) within the areas of the PFSA(s) where a PNR is filed.

Service area validations also include desktop research using currently available data. Additionally, we will send subject matter experts (SMEs) to service area locations where a PNR is filed to oversee field tests

to determine if the area(s) meet eligibility requirements, to verify the availability of 25 Mbps downstream, 3 Mbps upstream service, and validate other aspects of the application.

Question: Does RUS require audited financial statements as part of the application?

Answer: Yes. Audited financial statements are required. The following types of entities must submit unqualified, comparative audited financial statements for the previous fiscal year from the date your application is submitted:

- Corporation
- Commercial business
- Limited Liability Company
- Cooperative

The following types of 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

If an application is submitted and the most recent year-end audit has not yet been completed, you can submit the most recent, completed, unqualified, comparative audit.

Additional Guidance:

- An applicant can use the consolidated audit of the parent as long as the parent fully guarantees the loan, or in the case of a grant, guarantees construction will be completed as approved in the application, or the parent will repay the grant to RUS. If the applicant has more than one parent, then each parent's audits must be submitted, and each parent must fully guarantee the award.

- A parent company that has subsidiaries applying for funding based on the parent's audited financials can only guarantee one application for funding under this notice. If multiple subsidiaries apply based on the same parent audited financial statement, at the agency's discretion, only one application can be funded.
  - However, if the audit of the parent company includes consolidating schedules of the parent and its subsidiary (or subsidiaries) along with eliminating entries that add up to the consolidated totals, more than one subsidiary may apply based on the same parent audited financial statement. In this scenario, the consolidated audit should also include supporting schedules of the subsidiary including a cash flow statement and any auditors notes regarding account balances, accounts receivables and/or payable and any intercompany transactions or agreements with the parent company.
- For government entities, financial statements must be accompanied with certifications regarding unrestricted cash that may be available to the applicant on a yearly basis.

Question: Can an applicant use fiscal year projections when completing the financials component of the application, or must they use calendar year projections?

Answer: You can submit your financial information using a calendar year or fiscal year basis for historical and forecasting, but the methodology must be consistent across all years. If you choose to provide financial information on a fiscal year basis, you must indicate the fiscal year in the assumptions. We recommend you use the same basis as the unqualified, comparative, audited financial statements submitted with the application.

Question: Would two entities owned by the same holding company be able to submit separate applications as separate entities proposing to serve different areas? Or is only one application allowed because both entities are owned by the same holding company?

Answer: As long as each entity is organized as a standalone company and can meet all other eligibility requirements as standalone entities, then each entity can submit its own application. However, if a consolidated unqualified, comparative audit containing each entity's financial information is not available from the parent holding company, each company must independently provide the unqualified, comparative audited financial statement for the previous fiscal year of the applicant from the date the application is submitted.

Question: Can a subsidiary use a parent company's financials when preparing the pro forma financial analysis?

Answer: Financial information and projections must be those of the applicant, and consolidated projections are not acceptable. Applicants must use their own standalone projections.

Question: What needs to be included for the real property question? (Example: Does the applicant own any real property? If so, upload all applicable copies of real estate deeds or any real property schedules). Do applicants need to upload documents for each property that they own, or can they use a real property schedule that lists all of their real property?

Answer: The question regarding real property is intended to determine whether or not a mortgage would be required if the project is awarded. To satisfy this requirement, upload a copy of the company's real estate deeds and real property schedule. Real estate deeds are not required at the time of the application submission. However, RUS may request copies of real estate deeds if an award is made. NOTE: Applicants for any 100 percent grant product must select "no" in response to this question in the application system.

Question: Do we need to upload all lease agreements in our ReConnect application? What about leases that would be contingent on receiving an award?

Answer: Yes, all lease agreements, regardless of status, must be uploaded into the application. The ReConnect Online Application System allows applicants to select the "Agreement Status" to indicate whether the agreement is not required, a draft, an existing agreement, pending approval, contingent upon award, or contingent upon availability of funds.

Question: Will ReConnect fund middle-mile only projects?

Answer: The intent of the ReConnect program is to bring high-speed broadband service to rural residences and businesses. Therefore, stand-alone, middle-mile projects are not eligible. However, middle-mile facilities are eligible if they are necessary to bring sufficient broadband service to all premises in the Proposed Funded Service Area.

Question: Can an applicant apply for Community Connect and ReConnect funds for different Proposed Funded Service Areas (PFSA)?

Answer: Yes. You can apply for funds from both programs if the projects serve different Proposed Funded Service Areas .

Question: Can one applicant request funding from all five funding categories?

Answer: No. You must choose one type of funding (100 percent loan, loan-grant combination, 100 percent grant, 100 percent grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas, and Socially-Vulnerable Communities,) from which to apply, and you can submit only one application. You can, however, begin multiple applications in the application system. NOTE: if you decide to change to another funding type, you must start a new application from the beginning. The system will not transmit data from one application to another.

Question: If an applicant applies for but does not receive a 100 percent grant, will they be considered for the 50 – 50 percent combination loan-grant category?

Answer: No. You can submit only one application within the application window specified in the February 21, 2024 ReConnect NOFO. An application submitted for one funding category is not eligible for any of the other funding categories.

Question: Does USDA have sample language for the Authorized Representative Request (ARR)? To whom and to where should the ARR and board resolution be submitted?

Answer: Authorized Representative Request (ARR) instructions and sample board resolution language are available on the ReConnect website at https://www.usda.gov/ReConnect under "Forms and Resources." The instructions provide two sample resolutions featuring a corporation, and a Limited Liability Company (LLC). If the applicant is an entity other than a corporation or LLC, the content of the sample resolutions can be modified to reflect the applicant's legal structure. Once completed, the board approved resolution must be uploaded within the online application system as a part of the AAR.

Question: Can I use my RD Apply or eAuth login for access to ReConnect?

Answer: No. Although both use verified (Level II) eAuthentication for logins, the ReConnect program does not use the RD Apply system. To use the ReConnect online application system, you must have an approved ARR in ReConnect. The RUS ReConnect online application system can be found at https://www.usda.gov/ReConnect.

Question: Are there any application fees required in the ReConnect application?

Answer: No application fees are required to submit an application to USDA. However, you may incur pre-application expenses related to the creation and submission of an application.Pre-application expenses must fund eligible costs and be budgeted within the application in order to be reimbursed by Rural Development. Funding for pre-application expenses may not exceed five percent of the award. Pre-application expenses must be included in the first request for advance of award funds and will be funded with either grant or loan funds. If the funding category applied for has a grant component, then grant funds will be used for this purpose. If pre-application expenses are not included in the first request for advance of award funds, they will become an ineligible purpose. Costs associated with satisfying the environmental review requirements are eligible for reimbursement under this category. Up to 3% three percent of the total award can be used to cover costs associated with satisfying the environmental review requirements. The environmental review costs count as part of the overall 5% percent allowable for pre-application expenses. If an applicant applied for funding in ReConnect Round Four, preapplication expenses may be eligible for reimbursement if these expenses support the application in response to this notice, such as engineering design, market survey, and subscriber projections. Note, however, that RUS, in its sole discretion, reserves the right to accept or reject expenses associated with round four. Otherwise, preapplication expenses may only be reimbursed if they are incurred after the publication date of the Notice of Funding Opportunity published February 21, 2024 and are properly documented. Additional details concerning pre-application expenses can be found in the Notice of Funding Opportunity.

Question: Can expenses incurred under the previous round of ReConnect be eligible for reimbursement under the current round?

Answer: Yes, pre-application expenses that were incurred under the previous round of ReConnect, but benefit an application for this round, may be funded. For round 5, the previous ReConnect round is round 4. Pre-application expenses are limited to up to the five percent of the total award amount.

Question: Do applicants need to submit a legal opinion?

Answer: Applicants are required to submit a legal opinion. However, for this round only, applicants are not required to submit a legal opinion as part of the application. Applicants that receive an award must still provide the legal opinion as part of closing the award. The document must address your ability to enter into the award documents, describe all material pending litigation matters, address your ability to pledge security as required by the award documents, and address your ability to provide broadband service

under state law. Legal opinions submitted under prior ReConnect rounds should not be resubmitted. Applicants should provide a new legal opinion for the current round of funding.

NOTE: We recommend the legal opinion be prepared according to the sample format available under "Forms and Resources" at this link: https://www.usda.gov/ReConnect. This sample can be modified to meet your needs. Additionally, we recommend all such modifications be reviewed with RUS staff prior to final submission. Additional details on legal opinions required for the ReConnect program can be found in 7 CFR 1740.60(d)(9), available at this link: https://go.usa.gov/xex6t.

Question: Are the evaluation criteria datasets available for download?

Answer: Yes.

More information about ReConnect Program Service Area Map Datasets can be found at this link: https://go.usa.gov/xe3GH.

Question: What datasets are available to the public as they relate to the ReConnect Program Service Area Map?

Answer: The ReConnect Program Service Area Map Datasets can all be viewed at this link: https://www.usda.gov/ReConnect.

Question: Can other federal funds be used to meet the ReConnect Program matching requirement for 100 percent grants?

Answer: Typically, federal funds from other programs cannot be used as match for ReConnect funds unless the program under which the non-ReConnect funds were awarded has specific statutory authorization allowing that program's funds to be used as match for other federal programs.

Question: Can federal funds received by my State be used as a match for the ReConnect Program?

Answer: Federal funds administered to municipalities are still considered federal funding. Typically, federal funds from other programs cannot be used as match for ReConnect funds unless the program under which the non-ReConnect funds were awarded has specific statutory authorization allowing that program's funds to be used as match for other federal programs.

Question: Can ReConnect funds be used for monitoring expenses associated with National Historic Preservation Act (Section 106) reviews?

Answer: Yes, as long as the costs of the monitors are considered part of construction costs and are capitalized. Monitoring expenses are considered professional costs and are eligible to be funded using up to 3 percent of the total award amount (as part of the maximum of 5 percent which can cover pre-application expenses). Awardees are required to submit associated invoices, along with a copy of the agreement with their state or Tribal historic preservation office.

Question: What areas are eligible for ReConnect funding?

Answer: To be eligible for ReConnect funding, a Proposed Funded Service Area (PFSA) must be:

1. Rural. According to 7 CFR 1740.2 (available at this link: https://go.usa.gov/xexFF), a rural area is any area not located within:
   - A city, town, or incorporated area with a population greater than 20,000
   - An urbanized area contiguous and adjacent to a city or town with a population greater than 50,000
2. Lack sufficient access to broadband service as defined in the ReConnect NOFO
   - For For this round of funding, 90 percent of households within each proposed service area must lack sufficient access to broadband. Sufficient access to broadband is defined in the February21, 2024 ReConnect NOFO as "any rural area in which households have fixed, terrestrial broadband service delivering at least 25 Mbps downstream, 3 Mbps upstream.

In addition, 7 CFR 1740.2 (available at this link: https://go.usa.gov/xexFt) states that mobile or cellular and satellite services – including systems that use satellite backbone facilities to connect to the internet – will not be considered when determining whether sufficient access to broadband exists. Additionally, areas with current broadband service from unlicensed wireless facilities, or those that have an enforceable commitment associated with unlicensed wireless facilities, are eligible for funding under this notice.

A PFSA cannot include areas considered ineligible for funding under the ReConnect program. The ReConnect Program Service Area Map identifies ineligible and potentially ineligible areas due to a protected broadband borrower currently providing sufficient access to broadband.

Both the regulation and ReConnect NOFO provide information on this issue. The ReConnect Program Service Area Map (available at this link: https://www.usda.gov/ReConnect) does **not** provide information on where sufficient access to broadband currently exists.

Question: What is an Enforceable Commitment and how will they impact the ReConnect Program?

Answer: As noted in the February 21, 2024, ReConnect NOFO, an Enforceable Commitment is a legally enforceable obligation by any federal, state, or local agency, utilizing Federal Funds, to fund a broadband project that will provide to all households in the service area at least 100 megabits per second (Mbps) downstream and 20 Mbps upstream.

Areas that have an Enforceable Commitment at the time of publication of the February 21, 2024, ReConnect NOFO are ineligible for ReConnect funds. However, if an applicant submits evidence that the entity that received the Enforceable Commitment has not deployed broadband service as required by the awarding Agency's regulations or award documents, the Agency may consider such area eligible for funding after consultation with the awarding agency. Areas with Enforceable Commitments are identified in a GIS layer located in the RUS mapping tool.

Question: The RUS Service Area Map does not differentiate between "Protected Broadband Borrowers" that have built to 25/3 Mbps (therefore ineligible) and those that have not. Does RUS intend to differentiate them on the tool, or is it up to applicants to determine which Protected Broadband Borrower areas are eligible, and which are not?

Answer: RUS currently does not list broadband download and upload speeds on either the Protected Broadband Borrower or Pending Applications layers of the Service Area Map (available at this link: https://www.usda.gov/ReConnect). You must exercise your own due diligence in determining broadband speeds in potential Proposed Funded Service Area(s). RUS will review all submitted application information and will contact the RUS borrower to determine if sufficient access to broadband exists.

Question: What are the requirements for a Pledged Deposit Account?

Answer: RUS has modified the grant agreement to permit awardees to deposit the required matching and other required funds into the Pledged Deposit Account (PDA) on a rolling basis. If the matching funds are provided by a third party, a commitment letter from the third party must be submitted indicating that the funds will be available as needed to support the deposit of funds into the PDA. If the commitment letter is not provided, then the application may be rejected. The matching contribution can be used only for eligible purposes. If the applicant elects to initiate a loan to satisfy the matching requirement, documentation must be included as part of the application indicating the terms and conditions for the loan and that the grant funded assets cannot be used as collateral for the matching funds loan. The loan must be entered into, and funds transferred into the applicant's accounts by the closing of the award.

Question: Must all matching funds be deposited into the Pledged Deposit Account (PDA) in order to receive an award?

Answer: No; RUS has agreed to modify the grant agreement to permit awardees to deposit the required matching and other required funds into the PDA on a rolling basis.

If the matching funds are provided by a third party, a commitment letter from the third party must be submitted as part of the application indicating that the funds will be available as needed to support the deposit of funds into the PDA. If the commitment letter is not provided, then the application may be rejected. If the applicant elects to initiate a loan to satisfy the matching requirement, documentation must be included as part of the application indicating the terms and conditions for the loan and that the grant funded assets cannot be used as collateral for the matching funds loan. The loan must be entered into, and funds transferred into the applicant's accounts by the closing of the award.

Question: If an applicant wants to use the ILOC option, is an unqualified comparative audit required in the application?

Answer: Yes. The audit requirement remains if an applicant intends to replace the standard grant security agreement with an ILOC.NOTE: Non-federal entities are only required to submit a single audit, pursuant to 2 CFR 200.

Question: Are the expenses associated with the Irrevocable Letter of Credit (ILOC) considered a pre-application expense that can be reimbursed?

Answer: ILOC expenses are considered operating costs of the applicant and are not reimbursable by the ReConnect Program. The ILOC must be for the full amount of funding requested and must remain in

place at that level until the completion of the project. The ILOC should be secured outside the operation that is being awarded a grant.

Question: Our entity has applied for a Unique Entity Identifier (UEI) but we have not received it. How do we submit our Authorized Representative Request (ARR) if we do not have a UEI?

Answer: USDA is aware of delays related to obtaining a UEI through SAM.gov. USDA will use an alternative identifier on a temporary basis to allow entities to begin an application for the ReConnect Program while they await their UEI. Applicants who are assigned a temporary identifier will provide this information during the ARR process and this temporary identifier will be replaced when the entities UEI has been issued. To request a temporary identifier, please use the Contact Us form available at: https://usda.gov/ReConnect.

Entities with an existing UEI will not be issued a temporary identifier.

NOTE: The temporary identifier assigned cannot be used with any other program, either within USDA or at any other federal agencies. This temporary identifier is only intended to be used for the ReConnect Program.

Question: Can I account for installation labor costs as a professional service?

Answer: No, installation labor costs are not considered a professional service. Professional services may include, but are not limited to, costs associated with environmental reviews, post-award monitoring expenses, architectural services, and engineering services.

Question: Can ReConnect loan funds be used as matching funds for a BEAD project?

Answer: Yes, ReConnect loan funds may be used as match on a BEAD project as long as the items purchased with such funds for the ReConnect award can also be used for the BEAD project (i.e., the items are common facilities to both projects). Loan funds may not be used as matching to pay for professional services for both projects. Additionally, loan funds may not be used for expenditures not already in the RUS-approved budget for the award. Loan recipients must make sure that they comply with all BEAD Program requirements as well as ReConnect requirements if using loan funds as match. For specific questions on matching eligibility for BEAD, applicants should contact NTIA.

Question: Are applicants receiving Enhanced Alternative Connect America Cost Model (E-ACAM) funding eligible for Reconnect 100% grant or loan-grant combinations?

Answer: Yes. E-ACAM applicants can apply for ReConnect grants or loan-grant combinations if the ReConnect PFSA is located outside of the incumbent local exchange carrier (ILEC) territory. E-ACAM support is only for the applicant's study area boundary of the ILEC territory.

Question: What documentation are you required to submit if you have existing long term debt?

Answer:

- For 100 percent loan and loan-grant combination awardees, if you have long-term debt that is 100 percent secured against real property, you will be required to execute a shared mortgage. You must also provide a letter from the lender certifying shared first lien status. If the long-term debt is not secured by real property and is secured by your personal property, you will be required to execute an intercreditor agreement.
- For 100 percent grant applications, if you have long-term debt, you must provide evidence that the lender has given consent for you to enter into this agreement with RUS and has released or subordinated its lien on all grant assets funded under the award, as well as on the matching funds required, if applicable.
- For any long-term debt that is held by a third party, such as your parent company, that is 100 percent secured against your assets, you, the lender, and the third party will also be required to execute a shared mortgage, in addition to a letter from the lender certifying shared first lien status within the application. If the long-term debt is not secured by real property and is secured by your personal property, you will be required to execute an intercreditor agreement

Question: May a refurbished and restored communication equipment shelter be used on a ReConnect project in lieu of a new communication equipment shelter?

Answer: Refurbished and restored communication equipment shelters may be used under the ReConnect program meeting the following requirements:

- Awardees must document the cost is less for refurbished and restored than for new communication equipment shelters.

- Communication equipment shelter has a warranty approved by awardee's in-house RUS approved engineer or Consultant Engineer.
- Communication equipment shelter is refurbished and restored by qualified restoration crews for RUS projects and approved by awardee's in-house RUS approved engineer or Consultant Engineer.
- When determining the reliability for deployment, the awardee's in-house RUS approved engineer or Consultant Engineer considered the date of refurbishment and restoration and the economic life of the project.
- Copies of the architectural drawings by the original manufacturer must be included with the purchase when required.
- All refurbished and restored communication equipment shelters in RUS projects must meet the RUS Buy American Requirements (7 CFR 1787 or BABAA).

Question: Who may qualify to refurbish and restore the communication equipment shelter?

Answer: A restoration crew may be approved by the in-house RUS approved engineer or Consultant Engineer to refurbish and restore the communication equipment shelter. The awardee shall ensure that the selected restoration crew meets all federal, state, and local licensing requirements.

Question: May we use new construction materials that were purchased and placed in inventory but never installed (new old stock or NOS) for our ReConnect Project?

Answer: NOS construction materials may be used for the ReConnect project when the following requirements are met:

- NOS construction materials must be in their original packaging and have never been previously installed.
- NOS construction materials must have minimal deterioration due to age or exposure. If there is any deterioration, it must not be critical to the functionality of the NOS construction materials.
- It must be documented that the cost is less for NOS construction materials than for new.
- When determining the reliability for employment of NOS construction materials, the awardee's in-house RUS approved engineer or Consultant Engineer considered the economic life of the project.

- All NOS construction materials in RUS projects must meet the RUS Buy American Requirements (7 CFR 1787 or BABAA).

Question: Does utilizing refurbished and restored communication equipment shelters or NOS construction materials impact the composite economic life of the ReConnect Project?

Answer: When the reliability is determined by the awardee's in-house RUS approved engineer or Consultant Engineer, the economic life of the project is considered when approving the use of these materials. It is the responsibility of the Awardee to ensure the composite economic life of the ReConnect Project remains unchanged.

Question: What are some examples of NOS construction materials we may use for the ReConnect project?

Answer: Materials directly used in the construction of the ReConnect broadband network may be used as NOS materials including but not limited to the following items: fiber optic cable, conduit, pedestals, handholes, line cards, network interface device, fiber patch panels, etc. It is the responsibility of the awardee's in-house RUS approved engineer or Consultant Engineer to ensure the service provided by the ReConnect project is reliable, that it conforms to the latest technical standards, and that it offers the longest service life reasonably possible.