

RURAL DEVELOPMENT
Telecommunications Program

*Community Connect
Broadband Program
Grant Application Guide
Fiscal Year 2009*



Committed to the future of rural communities

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**Rural Development Telecommunications Programs
Community-Oriented Connectivity Broadband Grant Program**

The Community-Oriented Connectivity Broadband Grant Program is designed to provide financial assistance to furnish broadband service in rural, economically-challenged communities where such service does not currently exist. Grant funds may be utilized to deploy broadband transmission service to critical community facilities, rural residents, and rural businesses and to construct, acquire, or expand, equip, and operate a community center that provides free access to broadband services to community residents for at least two years. Grants will be awarded, on a competitive basis, to entities serving communities of up to 20,000 inhabitants to ensure rural consumers enjoy the same quality and range of telecommunications service as are available in urban and suburban communities.

!! BEFORE YOU GET STARTED !!

You must read:

- ◆ *7 CFR 1739, Subpart A, published in the Federal Register on August 3, 2007.*

And

- ◆ *Notice of Funds Availability (NOFA) published in the Federal Register on April 20, 2009.*

The regulation **MUST** be used in conjunction with this application guide. Should any differences result in the interpretation of this Application Guide and the regulation, the regulation takes precedence over information contained in this Application Guide.

For additional information concerning this grant program, please contact:

Kenneth Kuchno, Director, Broadband Division, Telecommunications Program, (202) 690-4673 or Email: community.connect@wdc.usda.gov.

Further information and this application/guide can be retrieved *via the internet* at:

<http://www.usda.gov/rus/telecom/commconnect.htm>

When and Where to Submit your Application:

GRANT applications must be postmarked by:

June 19, 2009

An **original and two copies** of a **completed application** must be posted, shipped, or hand-delivered by the deadline date. **Applications must be submitted to:**

**Director, Broadband Division
Rural Development
STOP 1599, Room 2868
1400 Independence Ave., SW
Washington, D.C. 20250-1599**

Due to the possible disruptions in mail delivery service, applicants are strongly encouraged to submit applications via express mail or hand delivery to our office.

Applications Delivered by Mail:

Applications must show proof of shipping consisting of one of the following:

1. A legibly dated U.S. Postal Service (USPS) postmark;
2. A legible mail receipt with the date of mailing stamped by the USPS; or
3. A dated shipping label, invoice, or receipt from a commercial carrier.

If an application is sent through the USPS, neither of the following will be accepted as proof of mailing:

1. A private metered postmark; or
2. A mail receipt that is not dated by the USPS.

Applicants should note that the USPS does not uniformly provide a dated postmark. Before relying on this method, an applicant should check with its local post office.

Applications Delivered by Hand:

Applications delivered by hand will be accepted daily between 8:00 a.m. and 4:30 p.m. (Eastern Standard Time), except Saturdays, Sundays, and Federal holidays. Individuals delivering applications must provide proper identification to enter the building.

Late applicants will be notified that their applications will not be considered for funding and their applications will be returned.

Applications Submitted Electronically:

Electronic applications will only be accepted when submitted through the Grants.gov website. Applications will not be accepted via facsimile machine transmission or electronic mail.

www.grants.gov

If you want to submit an application on-line, Rural Development strongly encourages you to obtain all the necessary sign-ups, credentials and authorizations well in advance of the deadline.

You will need a Central Contractor Registry (CCR) registration before you can submit electronically.

In addition, Grants.gov requires some one-time credentialing and online authentication procedures. These procedures may take several business days to complete. Because several of Grants.gov's requirements call for an annual update, please ensure that your credentials and authorizations are up-to-date.

The Grants.gov website, like all web facilities, has finite capacity. If several federal grant programs have the same application deadline date, periods of site overloading can be experienced. Please plan accordingly.

Please follow the instructions at Grants.gov. If you experience a technical problem retrieving or submitting an electronic application, contact the Grants.gov customer support resources (click the "Customer Support" tab on any page of Grants.gov to get started). Rural Development staffers do not control the technical aspects of Grants.gov and won't be able to help you if you experience a problem. However, we are available to answer questions about the Program and the contents of an application.

Applying for a Grant

Grant Processing

Completed applications must be postmarked no later than, June 19, 2009, or be received by Grants.gov by that date to be considered for funding. Grant applications will be scored in accordance with the provisions of 7 CFR 1739.

Applicant Eligibility

To be eligible for a grant, the applicant must:

- ◆ Be legally organized as an incorporated organization, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b, a state or local unit of government, or other legal entity, including cooperatives or private corporations or limited liability companies organized on a for profit or not-for profit basis.
- ◆ Have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations.

Note: The applicant may not be an individual or partnership.

Project Eligibility

To be eligible for a grant, the Project must:

- ◆ Serve a Rural Area throughout which Broadband Transmission Service does not currently exist, to be verified by Rural Development prior to the award of the grant;
- ◆ Serve one and only one Community recognized in the latest decennial census as published by the Bureau of the Census or in the most recent edition of a Rand McNally Atlas; *The most recent edition of a Rand McNally Atlas must contain, at a minimum, communities recognized by a Rand McNally Commercial Atlas and Marketing Guide.* **If your application includes more than one community then it will be considered ineligible.**
- ◆ Deploy Basic Broadband Transmission Service, free of all charges for at least 2 years, to all Critical Community Facilities located within the proposed Service Area;
- ◆ Offer Basic Broadband Transmission Service to residential and business customers within the proposed Service Area; and
- ◆ Provide a Community Center with at least ten (10) Computer Access Points within the proposed Service Area, and make Broadband Transmission Service available therein, free of all charges to users for at least 2 years.

Rurality Requirement

The proposed project must provide broadband transmission service to a rural area that does not currently have such service anywhere in the proposed service area. A “Rurality Calculation Table” is provided for this computation (See Attachment 2), and should be based upon decennial Census Data contained in the US Census Bureau of the census at <http://factfinder.census.gov> or the most recent edition of a Rand McNally Atlas.

If population data is not listed for a community that is recognized in the Rand McNally Atlas, then that community is not eligible for this program.

Eligible Grant Purposes

Grants funds may be used to finance:

1. The construction, acquisition, or lease of facilities, including spectrum, to deploy broadband transmission services to all critical community facilities and to offer such service to all residential and business customers located within the proposed service area.
2. The improvement, expansion, construction, acquisition, or leasing of a community center that furnishes free access to broadband Internet service, provided that the community center is open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for the community center are limited to the greater of \$100,000 or 5% of the grant amount requested.
 - The costs of the computer access points, their installation, or connection to the broadband transmission system are not included in this limitation.
 - The acquisition or leasing of land for the community center is not included in this limitation..

Note: The total cost of the community center may exceed the maximum limit set forth in CFR 1739.12 (b), but it will be the responsibility of the applicant to finance those expenditures which exceed \$100,000. Furthermore, any amount in excess of \$100,000 cannot be used to satisfy the matching contribution requirement.

3. End-user equipment needed to carry out the project.

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4. All operating expenses incurred in providing broadband transmission service to critical community facilities and to provide training and instruction for the first two years of operation shall not exceed a combined total of \$250,000 in grant and/or matching funds. Further details on limitations of operating expenses can be found under “Scope of Work” on Page 19 of this guide.

Salary and administrative expenses will be subject to review, and may be limited, by Rural Development, for reasonableness in relation to the scope of the project.

5. The purchase of land and/or buildings, or building construction needed to carry out the project.

All equipment purchased with grant and/or matching funds must be new or non-depreciated.

Ineligible Grant Purposes

1. Grant Funds may not be used to finance the duplication of any existing broadband services provided by other entities; and
2. Facilities financed may not be used, in any way, to provide local exchange telecommunications service to any person or entity where it currently exists.

Matching Funds Requirement

The applicant’s minimum matching contribution must be for **eligible purposes** and should be equal to 15% of the grant amount requested. All matching funds must be eligible for funding under the grant program. Matching funds are subject to dollar amount limitations as provided for the Community Center and Operating Expenses. The aggregate total of grant funds and matching contributions can not exceed limitations set forth in regulation. For example, the total amount available to be used for grant and matching funds for the community center is \$100,000. The total amount available to be used for grant and matching funds for operating expenses is \$250,000

Matching funds shall be in the form of:

1. Cash for eligible grant purposes, and may include:
 - Bandwidth expenses used to provide Basic Broadband Transmission Services to the Community Center for the first 2 years of operation.
 - Salary expenses incurred in operating the Community Center for the first 2 years of operation.
2. In-kind contributions of eligible grant purposes;
 - Must be new or non-depreciated assets with established monetary values.

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The rental value of space provided within an existing building to be used as the Community Center, provided that the space is free of charge to the applicant, for the first 2 years of operation.

- The value of rental income for donated space in a community center must be calculated for the first two years of operation. Rental values *must* be supported by rental agreements documenting the cost of space of a similar size in a similar location.

Costs incurred by the applicant, or others on behalf of the applicant, for facilities or equipment installed, or other services rendered prior to submission of a completed application, shall not be considered as an eligible matching contribution.

Manufacturers' or service providers' discounts are not matching contributions.

Income generated from the proposed project *may not* be used to satisfy the matching contribution requirement.

The source and amount of matching funds must be identified in the application. All matching funds provided by the applicant or a third party, must be documented and the applicants or the third party's commitment must be included in the application.

Any financial assistance from Federal sources will not be considered as matching contributions unless there is a Federal statutory exception authorizing the Federal financial assistance to be considered as a matching contribution.

Completing the Grant Application

This section addresses all of the information that must be submitted for an application to be complete and considered for financing. Please include all the information requested under each section, even if repeated in another section.

- | | |
|--|--|
| A. <i>A Completed Application for Federal Assistance (Standard Form 424)</i> | G. <i>Financial Information and Sustainability</i> |
| B. <i>An Executive Summary of the Project</i> | H. <i>A Statement of Experience</i> |
| C. <i>Scoring Criteria Documentation</i> | I. <i>Evidence of Legal Authority and Existence</i> |
| D. <i>System Design</i> | J. <i>Funding Commitments from Other Sources</i> |
| E. <i>Scope of Work</i> | K. <i>Compliance with Other Federal Statutes and Regulations</i> |
| F. <i>Community-Oriented Connectivity Plan</i> | |

Tips:

- [Please double check your application to ensure it includes all requested items](#)
- [Place all of the information supporting a scoring criterion together in the section of the application that responds to that criterion](#)
- [Reviewers are unlikely to have first-hand knowledge regarding your specific locale or circumstances; always provide source documentation to substantiate your assertions](#)

A. A Completed Standard Form 424, “Application for Federal Assistance”

Use the Standard Form 424, Application for Federal Assistance (SF 424), to apply for Community Connect Broadband grants. You can find a copy of the form in the Federal Forms and Attachments section. It is important that you complete every relevant entry. Please use the following notes in conjunction with the SF-424 instruction page.

Block 1: Select “Application”

Block 2: Select “New”

Block 3: For Rural Development use - leave blank

Block 4: For Rural Development use - leave blank

Block 5: (a) and (b): For Rural Development use - leave blank

Block 6: Not Applicable

Block 7: Not Applicable

Block 8: There are multiple entries in this block. We will use the contact information provided in this box for all contact and correspondence. Please complete this in full and attach a sheet if you want to provide additional contacts. It is crucial that we have accurate information, including a reliable fax number for rapid correspondence. If you do not have a fax number, we will need a reliable e-mail address. Otherwise, correspondence will be sent by mail. You must provide full, accurate contact information for someone with the authority to answer any questions Rural Development staff may have about your application.

If you wish to supply a contact from outside your organization, attach a letter immediately behind the SF-424 listing these items: person's name, organization, contact information (phone, fax, e-mail, mailing address), relationship to your organization. Make sure the letter contains language granting authority to the person to answer our questions or provide additional information on your behalf, and any time limit you wish to apply to that person's authority. This letter must be signed by the signatory on the SF-424.

As required by the Office of Management and Budget, **all applicants for grants must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number.** Call Dun and Bradstreet (1-866-705-5711) to obtain a DUNS number. Please see this website for more information:

http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf

Block 9: Refer to Instructions; Select Appropriate Letter (A-X)

Block 10: The Name of the Federal Agency is Rural Utilities Service

Block 11: The Catalog of Federal Assistance Number is **10.863**

Block 12: Funding Opportunity Number is **RDUP-08-01-CC**
The Title is “**Community Connect Grant Program**”

Block 13: Not Applicable

Block 14: Please provide the name of the community, county, and state where the grant funds will be used.

Block 15: Brief descriptive title of project

Block 16: Please provide the Congressional District of the community you are in, and if different provide the Congressional District for the community you are proposing to service in your project.

Block 17: Self Explanatory

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Block 18: (Estimated Funding)

a. Federal Show the amount requested from Rural Development as grant

The minimum grant request amount is: \$50,000

The maximum grant request amount is: \$1,000,000

b. Applicant Show the total matching contribution amount.

c, d, e, & f. Leave Blank

g. TOTAL Show *Total Eligible Community Connect Grant + Matching Purposes* (this should be the sum of a. and b. above - and it should also equal the Total Eligible Grant and Matching Purposes shown in your budget under the Scope of Work Section E.)

Block 19: Please select "C" "Program is not covered by E.O. 12372". Per regulation 7 CFR 1739-Supplementary Information, this program is not subject to the requirements of Executive Order 12372.

Block 20: You must supply an explanation of the delinquency if you check "yes".

Block 21: Please be sure to check "I agree". The application must be signed by an authorized representative of the organization that will own and operate the project if a grant is awarded. If the signer is not a corporate officer, you must include evidence that the signer is authorized to obligate the organization.

Please note: Additional instructions can be found with the SF-424.

B. An Executive Summary of the Project

The Executive Summary of the project is one of the most important parts of the application. It gives reviewers their first overall view of the area to be served, what problems the residents face, and how the proposed project will help alleviate those problems, increase quality of life, and provide enhanced opportunities for rural residents. This is your opportunity to discuss the core aspects of the project. Be clear and provide convincing links between the project and the benefits to the community.

The Executive Summary must provide a general project overview covering the following six categories:

Number each paragraph as shown below:

1. A description of the community and why the project is needed;
2. A description of the applicant;
3. The goals of the project;
4. A general overview of the telecommunications system to be developed, including the types of equipment, technologies, and facilities used;
5. Documentation describing the procedures used to determine the unavailability of existing broadband service; and
6. A description of the participating community organizations and partners (such as schools, health care providers, police and fire departments, etc.).

C. Scoring Criteria Documentation

There are three scoring categories that must be addressed by the applicant in order to be considered for funding. They are:

1. The rurality of the community served by the project as determined by the population of the community, included in the U.S. Bureau of the Census, U.S. Department of Commerce, at <http://factfinder.census.gov>, or the most recent edition of a Rand McNally Atlas. Separate instructions for **Native American Indian Reservations** are included on page 14 of the Application Guide (up to 40 points);
2. The economic need of the project's service area as determined by median household income (MHI) of the community, included in the U.S. Bureau of the Census, U.S. Department of Commerce, at <http://factfinder.census.gov>. Separate instructions for **Native American Indian Reservations** are included on page 16 of the Application Guide (up to 30 points); and
3. The benefits derived from the proposed service area (up to 30 points).

The first two categories are objective criteria. The objective criteria are straightforward indicators that measure the rurality and economic need of the service area.

Note: It is not permitted to utilize the U.S. Bureau of the Census and the latest edition of the Rand McNally Atlas as multiple sources of information for the same community. The U.S. Bureau of the Census must be used if it recognizes the proposed community. Data obtained from the Rand McNally Atlas is only acceptable if the community can not be identified on U.S. Bureau of the Census Website. If utilizing the most recent edition of a Rand McNally Atlas to validate a community, only communities that include population data are permissible. Zip Code tabulations are not acceptable substitutes.

If an applicant submits scores based off of the Rand McNally Atlas and the Agency locates that community on the U.S. Census Bureau webpage, the score will then be recalculated using the data retrieved from <http://factfinder.census.gov>.

It is important that applicants include their method of acquiring population data on the rurality calculation table (Attachment 3).

1. Rurality of the Project Service Area:

A rurality table is provided in this application guide to assist you with this process (Attachment 3). An applicant must base this calculation on 2000 U.S. Census data contained in the US Census Bureau of the census at <http://factfinder.census.gov> and/or the most recent version of Rand McNally Atlas. Instructions for determining the correct census data:

U.S. Bureau of the Census:

1. Go to <http://factfinder.census.gov>
2. Locate the heading "Fast Access to Information" and the search box titled "Get a fact sheet for your community". Enter your community and select your state from the state list, then click on "go"
3. At the top of your community fact sheet, check to confirm that your community is: city, town, village, borough, or CDP
4. Select the year "2000" tab
5. The total population for your community is listed at the top in the first row of data of the fact sheet

Rand McNally Atlas:

1. Choose the most recent edition of a Rand McNally Atlas
2. Find the section of the atlas that includes Index of Places, with Statistics. This section will be categorized alphabetically by state
3. Go to the applicable page for your state. Only communities that display a population number will be considered eligible for this program. The total population should be listed for that community

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The following table outlines the definitions used in evaluating rurality:

Level	Community Having a Population:		Points
	Over	Not in Excess of	
1		499	40
2	499	1,000	35
3	1,000	2,000	30
4	2,000	3,000	25
5	3,000	4,000	20
6	4,000	5,000	15
7	5,000	10,000	10
8	10,000	20,000	5

Points are awarded based on the population of the community located within the service area:

For example, a project proposes to serve the town of Belle Haven, Virginia. In accordance with U.S. Bureau of the Census statistics, the town of Belle Haven, Virginia has a population of 480. A population of 480 is a Level 1 community eligible to receive 40 points, as follows:

U.S. Bureau of the Census

<u>Service Area Community</u>	<u>Population</u>	<u>Level</u>	<u>Points</u>
Belle Haven town, Virginia	480	1	40

In the next example, the community of Ransomville, North Carolina could not be located on the U.S. Census Bureau webpage, but was recognized using the Rand McNally Atlas.

The town of Ransomville, North Carolina has a population of 70. A population of 70 is a level 1 community eligible to receive 40 points, as follows:

Rand McNally Atlas

<u>Service Area Community</u>	<u>Population</u>	<u>Level</u>	<u>Points</u>
Ransomville, North Carolina	70	1	40

Instructions for Native American Indian Reservations: If your eligible community is an Indian Reservation, follow these instructions for determining the correct population:

1. Go to <http://factfinder.census.gov>
2. Scroll down the web page to find the "Special Interest" heading on the bottom and click on "American Indian and Alaska Native data and links"
3. Under the "Census 2000" heading, click on "Fast access to popular data"
4. Select the state where the reservation is located and type an asterisk "*" in the reservation box
5. Select your reservation from the list
6. The total population for your reservation is listed at the top in the first row of data of the fact sheet
7. Use the rurality evaluation table above to determine the correct points for your reservation's population

2. *Economic Need of the Project Service Area (up to 30 points):*

An "Economic Need Calculation Worksheet" is provided in this application guide to assist you in this calculation (Attachment 4). This criterion measures the economic need of the service area based upon the median household income (MHI) for the Community as a percentage of the state MHI, as determined by the U.S. Bureau of the Census at <http://factfinder.census.gov>. If the community is qualified using the Rand McNally Atlas, the applicant must use the MHI contained in the decennial census of the county in which the Community resides as the Community MHI.

U.S. Bureau of the Census

1. Go to <http://factfinder.census.gov>
2. Locate the heading "Fast Access to Information" and the search box titled "Get a fact sheet for your community". Enter your community and select your state from the state list, then click on "go"
3. Select the year "2000" tab
4. Scroll down to "Economic Characteristics" and look for "Median Household Income (dollars)" for your community
5. Next, retrieve a fact sheet for the state your community resides in and look for "Median Household Income (dollars)" listed for the entire state.
6. Now, use the community's MHI as a percentage of the state MHI using Attachment 4 of this guide

Rand McNally Atlas:

1. After the community has been chosen from the most recent edition of a Rand McNally Atlas, it is necessary to determine which county the community is located.
2. Go to <http://factfinder.census.gov>. Instead of retrieving a fact sheet for the community, retrieve a fact sheet for the county in which the community resides in.
3. Select the year "2000" tab
4. Scroll down to "Economic Characteristics" and look for "Median Household Income (dollars)" for the county

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5. Next, retrieve a fact sheet for the state the community resides in and look for “Median Household Income (dollars)” listed for the entire state.
6. Now, use the county's MHI as a percentage of the state MHI using Attachment 4 of this guide

Points are awarded for service provided in a Community where the MHI is less than 75 percent of the state median household income (SMHI). The following table outlines the definitions used in evaluating economic need:

Median Household Income (MHI) is:		Points Awarded
Percent (%) of MHI Less Than:	Percent (%) of MHI Greater Than or Equal To:	
	75	0
75	70	5
70	65	10
65	60	15
60	55	20
55	50	25
50		30

For example, a project proposes to serve the town of Belle Haven, Virginia. In accordance with U.S. Bureau of the Census statistics, the town of Belle Haven, Virginia has a MHI of \$33,500. The state of Virginia has a SMHI of \$46,677. Belle Haven as a percentage of the state of Virginia’s MHI is 72%, eligible to receive 5 points ($33,500 \div 46,677 = .717$ or 72%) as follows:

U.S. Bureau of the Census

Service Area Community or County	(a) Belle Haven town MHI in Dollars	(b) (VA)MHI in Dollars	(a) ÷ (b) MHI as % of (VA)MHI
Belle Haven town, Virginia	\$33,500	\$46,677	72%

Now, here is an example of a community that can not be located in the U.S. Bureau of the Census. The community of Ransomville has been located by the most recent edition of a Rand McNally Atlas. Ransomville is located in the County of Beaufort, North Carolina. In accordance with U.S. Bureau of the Census, the County of Beaufort, North Carolina has a MHI of \$31,066. The state of North Carolina has a SMHI of \$39,184. Beaufort County as a percentage of the state of North Carolina’s MHI is eligible to receive 0 points ($31,066 \div 39,184 = .792$ or 79%) as follows:

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Rand McNally Atlas

Service Area Community or County	(a) Beaufort County MHI in Dollars	(b) (NC)MHI in Dollars	(a) ÷ (b) MHI as % of (NC)MHI
Ransomville County of Beaufort, North Carolina	\$31,066	\$39,184	79%

Instructions for Native American Indian Reservations: If the eligible community is an Indian Reservation, follow these instructions for determining the correct median household income.

1. Go to <http://factfinder.census.gov>
2. Scroll down the web page to find the "Special Interest" heading on the right and click on "American Indian and Alaska Native"
3. Under the "Census 2000" heading, click on "Fast access to popular data"
4. Select the state where the reservation is located and type an asterisk "*" in the box
5. Select your reservation from the list
6. Scroll down to page with the heading "Profile of Selected Economic Characteristics" (usually page 3 of the fact sheet) and locate the median household income (dollars) - usually on the lower right of the table. Use that figure to calculate the community's MHI as a percentage of the state using Attachment 4 of this guide.

3. *Benefits derived from the proposed service (up to 30 points):*

The “benefits derived from the proposed service area” is a subjective scoring category for which applicants may receive up to 30 points. This criterion will be scored based on the documentation in support of the need for services, benefits derived from the services proposed by the project, and local community involvement in planning and implementing the project.

Rural Development will consider:

1. The extent of the applicant’s documentation explaining the economic, educational, health care, and public safety issues and challenges facing the community and the applicant’s proposed plan to address these challenges on a community-oriented basis;
2. The extent of the project’s planning, development, and support by local residents, institutions, and community facilities. This includes evidence of community-oriented involvement, as exemplified in community meetings, public forums, and surveys. In addition, applicants should provide evidence of local residents’ participation in the project planning and development;

3. The extent to which the community center will be used for educational or instructional purposes; and
4. Web-based community resources enabled or provided by the applicant, such as community bulletin boards, directories, public web-hosting, notices, etc.

In addressing this scoring criterion, applicants must describe the unique circumstances involving their proposed project and how they propose to utilize Federal financing provided from this program in conjunction with any other resources to meet their community's needs. When addressing this criterion, applicants should specifically discuss all aspects of the application that contribute to the scoring criterion.

Applicants should attempt to quantify benefits in terms of outcomes from the project; that is, ways in which peoples' lives, or the community, will be improved. Try to provide estimates of the number of people affected by the benefits arising from the project.

Use as many pages as is necessary to address the subjective criterion.

D. System Design

The system design must contain the following information:

1. A narrative discussing the proposed community center and all costs of the project, all existing and proposed facilities that are a part of the project, the services to be provided by the project, and the proposed service area;
2. Engineering design studies providing an economical and practical engineering design of the project, including a detailed description of the facilities to be funded, technical specifications, data rates, and costs; and
3. A map of the proposed service area reflecting the proposed location of the community center and critical community facilities.

E. A Scope of Work

The scope of work must include, at a minimum:

1. The specific activities and services to be performed under the project;
2. Who will carry out the activities and services;
3. The time-frames for accomplishing the project objectives and activities; and
4. A **budget** for all capital and operating expenditures reflecting the line item costs for eligible purposes for the grant funds, the matching contributions, and other sources of funds necessary to complete the project.

Rural Development clarifies that in order to qualify as eligible costs for grant coverage or matching fund contributions, operating expenses incurred in providing Broadband Transmission Service to Critical Facilities for the first two (2) years of operation and in providing training and instruction must be for the following purposes subject to the specified maximum amounts:

- a. Salary for operations manager, not to exceed \$30,000 per year;
- b. Salary for technical support staff, not to exceed \$30,000 per year;
- c. Salary for community center staff, not to exceed \$25,000 per year;
- d. Bandwidth expenses, not to exceed \$25,000 per year; and
- e. Training courses on the use of the Internet, not to exceed \$15,000 per year.

The operating costs to be financed by grant funds and/or used as matching contributions **cannot exceed in the aggregate of \$250,000 for the first two years of operation**. Other operating expenses, such as utilities, are not be eligible for grant funding nor to be considered as an acceptable matching contribution.

Note: If any ineligible items are included under the Operating Expenses Category, they will not be considered for grant funding or as an eligible matching contribution. Grant application budgets will be reviewed to determine cost allowability. Review factors affecting allowability of costs will be determined by OMB Circulars A21, A87, A110, A122, A133 and FAR 31.2. These circulars are available at:

http://www.ut.nrcs.usda.gov/technical/grants_agreements.html#Regulations.

Other pertinent budgetary information:

For individual budget categories, matching contributions plus grant funds requested can not exceed the monetary limits of the specific category set forth in the regulation.

1. For the community center, the aggregate total of requested grant and matching funds are required to comply with the \$100,000 limit set forth in CFR 1739.12 (b)
2. For operating expenses, the aggregate total of requested grant plus matching funds cannot exceed \$250,000 and the aggregate total for the eligible operating expenses categories cannot exceed the amounts set forth in CFR 1739.12 (d)(1) and (2).

A sample budget has been provided on the following page. A fill in the blank budget sheet has been provided in the Application Guide as Attachment 5. We strongly recommend you provide the budget in this format. A brief description of each of the budget categories is supplied on the sample budget sheet to assist you in determining which items should fall under each category. It is important that the total grant and matching funds shown on the budget are the same as those listed on the SF 424.

Community Connect Broadband Grant Program, FY 2009

BUDGET	MATCH	GRANT	Description
<u>BROADBAND SYSTEM</u>			
Electronic Equipment (FTTH, wireless, etc.)		100,000	
Outside plant (fiber, coaxial, copper, etc.)		5,000	
Customer premises equipment		20,000	
Towers – new construction (monopole, lattice, etc.)		200,000	
Towers – lease	24,000		
Buildings – new construction			
Buildings – renovations/expansion			
Land for leasing towers/buildings	12,000		
Collocation costs			
Site preparation			
Engineering		25,000	
Project Management		10,000	
Miscellaneous (taxes, shipping, etc.)			
Total Broadband System	36,000	360,000	
	-	-	
<u>COMMUNITY CENTER</u>			
Construction of building			
Renovations/expansion of existing building		25,000	
Leasing of existing building	5,000		
Leasing of land			
Computers/software/printers		15,000	
Furniture		5,000	
Miscellaneous			
Total Community Center	5,000	45,000	
<u>OPERATING EXPENSES</u>			
Operations Manager		60,000	***Note grant and match funds must not exceed the limitations set***
Technical Support Staff		40,000	
Community Center Staff	50,000		
Bandwidth	24,000	24,000	
Training	15,000	15,000	
Total Operating Expenses	89,000	139,000	
SUMMARY OF EXPENDITURES	MATCH	GRANT	
Broadband System	36,000	360,000	
Community Center	5,000	45,000	
Operating Expenses	89,000	139,000	
TOTAL	130,000	544,000	

F. Community-Oriented Connectivity Plan

The provision of broadband service is vital to the economic development, education, health, and safety of rural Americans. To further this objective, Rural Development will provide financial assistance to eligible entities that propose, on a “community-oriented connectivity” basis, to provide broadband service that fosters economic growth and delivers enhanced educational, health care, and public safety services. The “community-oriented connectivity” concept integrates the deployment of broadband infrastructure with the practical, everyday uses and applications of the facilities.

Specifically, Rural Development will provide financial assistance to eligible entities that are proposing to deploy broadband transmission service in a rural community where such service does not currently exist; who will connect the critical community facilities including the local schools, libraries, hospitals, police, fire and rescue services; and who will operate a community center that provides free and open access to residents. A state-of-the-art community center will not only provide improved access but will aid rural residents in developing on-line businesses and will allow them to reap the benefits of Internet-based advanced placement courses, and continuing adult education. Priority will be given to rural areas that have the greatest need for broadband services. The applicant must provide a community-oriented connectivity plan consisting of the following:

1. A listing of all critical community facilities located in the service area, including public schools, public libraries, public medical clinics, public hospitals, community colleges, public universities, law enforcement, and fire and ambulance stations. The applicant must provide documentation of consultation with these groups, including commitments to participate in the proposed project;
2. A description of the services available to local residents through the use of the community center;
3. A listing of the proposed telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, interactive video equipment, computer hardware and software systems, and components that process data for transmission via telecommunications, computer network components, communication satellite ground station equipment, or any other elements of the telecommunications system designed to further the deployment and use of broadband services, that the applicant intends to build or fund using Rural Development grant funds and matching contributions; and
4. A description of the consultations with the appropriate telecommunications carriers (including inter-exchange carriers, cable television operators, enhanced service providers, providers of satellite services, and telecommunication equipment manufacturers and distributors) and the anticipated role of such providers in the proposed telecommunications system.

G. Financial Information and Sustainability

The applicant must provide a narrative description demonstrating sustainability of the project, including having sufficient resources and expertise necessary to undertake and complete the project and how the project will be sustained following completion. The following financial information is required:

1. Certified financial statements, if available; otherwise, the most current income statement and balance sheet for existing operations; and
2. 5 years of pro-forma financial information for the project including an income statement.. Applicants must include sufficient pro-forma financial data to demonstrate the financial capability of the project participants to continue a sustainable project for a minimum of 5 years after completion of the project. Applicants must also include a list of assumptions in support of the pro-forma.

A sample Income Statement and list of assumptions has been provided on the next page. A fill in the blank Income Statement and list of assumptions has been provided in the Application Guide as Attachment 6. We strongly recommend you use the Income Statement provided.

Community Connect Broadband Grant Program, FY 2009

Income Statement	Grantee's Name: Broadband Company
	City, State: Rural Town, USA

	Year 1	Year 2	Year 3	Year 4	Year 5
Data Subscriber Nos.	83	91	100	108	116
Revenues					
Data Revenues	\$ 30,000	\$ 33,000	\$ 36,000	\$ 39,000	\$ 42,000
Installation Revenues	\$ 3,750	\$ 375	\$ 375	\$ 375	\$ 375
Other Revenues	\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331	\$ 1,464
Uncollectible Revenues	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Total Revenues	\$ 34,250	\$ 33,975	\$ 37,085	\$ 40,206	\$ 43,339
Expenses					
Cost of Sales	\$ 4,000	\$ 4,400	\$ 4,840	\$ 5,324	\$ 5,856
(Amount paid with grant funds)	(\$3,400)	(\$3,740)			
Selling, General, and Administrative	\$ 6,000	\$ 6,600	\$ 6,930	\$ 7,277	\$ 7,640
(Amount paid with grant funds)	(\$5,100)	(\$5,610)			
Salaries	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000
(Amount paid with grant funds)	(\$18,700)	(\$18,700))
Community Center	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
(Amount paid with grant funds)	(\$1,530)	(\$1,530)			
Other Operating Expense	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
(Amount paid with grant funds)	(\$425)	(\$425)			
Total Operating Expenses	\$ 5,145	\$ 5,295	\$ 36,070	\$ 36,901	\$ 37,796
Net Income (Loss)	\$ 29,105	\$ 28,680	\$ 1,015	\$ 3,305	\$ 5,543

List of Assumptions:

1. Example Revenues

Data Revenues - \$30.00 per month per subscriber. 83 subscribers are projected for year one and 116 subscribers at the end of the financial pro-forma

Installation Revenues – One-time fee of \$46.00

Other Revenues – Charges (penalties) imposed by the Applicant for customer checks returned for nonpayment and late payment charges

Uncollectible Revenues – This account shall be charged with amounts concurrently credited to Accounts Receivable allowances

2. Example Expenses

Cost of Sales – Approximately 13% of all data revenues

Selling, General, and Administrative – Cost of procuring materials and costs incurred in planning, developing, and testing systems for general purpose computers

Salaries – Annual salaries for 2 Community Center personnel at \$11,000 each

Community Center – Bandwidth Expenses

(Amount paid with grant funds) – 85% of expenses paid during the first two years of operations

H. A Statement of Experience

An applicant must provide a written narrative describing its demonstrated capability and experience, if any, in operating a telecommunications system, or any project similar to the proposed project. The applicant must include the owner's and principal employees' relevant work experience that would ensure the success of the project.

I. Evidence of Legal Authority and Existence

The applicant must provide evidence of its legal existence and authority to enter into a grant agreement with the Rural Development and perform the activities proposed under the grant application.

Satisfactory documentation of legal authority includes, but is not limited to: articles of incorporation, bylaws, board resolutions, excerpts from state statutes, or an attorney's opinion of counsel.

Satisfactory documentation of legal existence includes, but is not limited to, certificates from the Secretary of State, state statutes or laws establishing your organization. Letters from the IRS awarding tax-exempt status are not considered adequate evidence.

J. Funding Commitments from Other Sources

Grant applicants must provide evidence that funding agreements have been obtained to ensure completion of the project because applicants must contribute a Matching Contribution which is at least fifteen percent (15%) of the grant amount requested. These agreements shall be in the form of a letter from the organization providing the matching funds or in-kind contributions and sufficient to ensure:

1. Payment of all proposed expenditures for the project;
2. All required matching contributions;
3. Any additional matching funding; and
4. Any other funds necessary to complete the project.

In the case of in-kind contributions of equipment, the letter should include a description of the items, value, and date purchased. For donations of space for the community center, the letter should include the dimensions of the space and a calculation of the value of the foregone rental income, and a commitment to provide the space for a minimum of two (2) years. For donations of space, evidence of the value of the donation is required. For operating and administrative expenses of the community center, the letter should include detailed calculations of the individual expense line items used to determine the value.

K. Compliance with Other Federal Statutes and Regulations

The applicant is required to submit evidence that it is in compliance with other Federal statutes and regulations as follows:

- ◆ E.O. 11246, Equal Employment Opportunity, as amended by E.O. 11375 and as supplemented by regulations contained in 41 CFR part 60, Attachment 7;
- ◆ Architectural barriers, Attachment 8;
- ◆ Flood hazard area precautions, Attachment 9;
- ◆ Assistance and Real Property Acquisition Policies Act of 1970, Attachment 10;
- ◆ Drug-Free Workplace Act of 1998 (41 U.S.C. 701), Attachment 11;
- ◆ E.O.s 12549 and 12689, Debarment and Suspension; (**See 7 CFR 3017.510**), Attachment 12;
- ◆ Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), Attachment 13;
 - If the applicant is engaged in lobbying activities, the applicant must submit a completed disclosure form, “Disclosure of Lobbying Activities” (**See 7 CFR Part 3018**);
- ◆ Non Duplication of Services Certificate, Attachment 14;
- ◆ Federal Obligations Certification on Delinquent Debt, Attachment 15; and
- ◆ Environmental Impact Report, in accordance with 7 CFR 1794, Attachment 16.

Details of the project’s impact on the environment and historic preservation must be provided. The application must contain a separate section entitled “Environmental Impact of the Project.”

An “Environmental Questionnaire/Certification” (Attachment 16) may be used by applicants to assist in complying with the requirements of this section.

Putting It All Together

The GRANT application should be **assembled** and **tabbed** in the following order listed below. Material not located under the proper tab will not be considered by reviewers. If material is relevant under more than one tab, it should be repeated under each relevant tab. Any supplemental information that the applicant wants to submit should be included under the relevant tab. Numbered attachments are provided at the end of this guide for your use. Use only the applicable attachments listed below.

- A. An Application for Federal Assistance: Completed Standard Form 424, Attachment 1
 - A Survey Ensuring Equal Opportunity for Applicants, Attachment 2
- B. An Executive Summary of the Project
- C. Scoring Criteria Documentation
 - 1. Rurality Calculation Table, Attachment 3
 - 2. Economic Need Calculation Worksheet, Attachment 4
 - 3. The Benefits Derived from Services
- D. System Design
- E. Scope of Work
 - 1. Budget Worksheet, Attachment 5
- F. Community-Oriented Connectivity Plan
- G. Financial Information and Sustainability
 - 1. Certified Financial Statements, if available
 - 2. Pro-Forma Financial Statement, Attachment 6
- H. Statement of Experience
- I. Evidence of Legal Existence & Legal Authority to Contract with the Government
- J. Evidence of Funding Commitments from all sources, if applicable
- K. Compliance with Other Federal Statutes and Regulations
 - 1. Equal Opportunity and Nondiscrimination Certification, Attachment 7
 - 2. Certificate Regarding Architectural Barriers, Attachment 8
 - 3. Certificate Regarding Flood Hazard Area Precautions, Attachment 9
 - 4. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification, Attachment 10
 - 5. Certification Regarding Drug-Free Workplace Requirements, Alternative I – For Grantees Other than Individuals, Attachment 11
 - 6. Certification Regarding Debarment and Suspension, and Other Responsibility Matters – Primary Covered Transactions, Attachment 12
 - 7. Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements, Attachment 13
 - If the applicant is engaged in lobbying activities, the applicant must submit a completed disclosure form, “Disclosure of Lobbying Activities” (**See 7 CFR Part 3018**)”
 - 8. Non Duplication of Services Certificate, Attachment 14
 - 9. Federal Obligations Certification on Delinquent Debt, Attachment 15
 - 10. Environmental Questionnaire/Certification, Attachment 16

Sample certificates and forms are included at the end of this application for your use

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1739

RIN 0572-AC09

**Community Connect Broadband Grant
Program**

AGENCY: Rural Utilities Service, USDA.

ACTION: Direct final rule.

SUMMARY: The Rural Utilities Service, an agency delivering the United States Department of Agriculture (USDA) Rural Development Utilities Program, hereinafter referred to as Rural Development and/or the Agency, amends its regulations for the Community-Oriented Connectivity Broadband Grant Program (Community Connect Grant Program). Since the inception of the Community Connect Grant Program, the Agency has faced the challenge of identifying eligible rural communities. The Agency has reviewed its method of identifying eligible communities and has determined that modifications to the program regulations are required in order to expand the resource material used to identify eligible communities. The use of additional resources should increase the number of communities eligible for grant funding. Additionally, the Agency has changed the test for economic hardship. The current regulations compare an applicant community's per capita personal income to the national per capita personal income. Because of the varying costs of living among the states, it was determined that a better measure of economic distress would be a comparison of the applicant community's median household income to that of its state. This change is also expected to increase the number of eligible grant applicants. Lastly, this rule amends the current regulations by specifying operating expenses which the Agency has approved for grant funding. These changes have been determined to be non controversial and are being enacted as a direct final rule. This rule is not applicable to Community Connect grant applications filed for funding during fiscal year 2007.

DATES: *Effective Date:* This rule is effective September 17, 2007, without further action, unless the Agency receives adverse comments within September 4, 2007. If adverse comments are received, the Agency will publish a timely **Federal Register** document withdrawing this rule. *Comment Due Date:* Comments must be received on or before September 4, 2007.

ADDRESSES: Submit comments by either of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov> and, in the lower "Search Regulations and Federal Actions" box, select "Rural Utilities Service" from the agency drop-down menu, then click on "Submit." In the Docket ID column, select RUS-07-Telecom-0008 to submit or view public comments and to view supporting and related materials available electronically. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site's "User Tips" link.

- *Postal Mail/Commercial Delivery:* Please send your comment addressed to Michele Brooks, Acting Deputy Director, Program Development and Regulatory Analysis, USDA Rural Development, STOP 1522, Room 5159, 1400 Independence Avenue, Washington, DC 20250-1522. Please state that your comment refers to Docket No. RUS-07-Telecom-0008. Other Information: Additional information about Rural Development and its programs is available at <http://www.rurdev.usda.gov/index.html>.

FOR FURTHER INFORMATION CONTACT:

Kenneth Kuchno, Director, Broadband
Division, USDA Rural Development
Utilities Program, STOP 1599, 1400
Independence Avenue, SW.,
Washington, DC 20250-1599,
Telephone (202) 690-4673, Facsimile
(202) 690-4389. E-mail address:
kenneth.kuchno@usda.gov.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule has been determined to be not significant for purposes of Executive Order 12866, and therefore has not been reviewed by the Office of Management and Budget (OMB).

Catalog of Federal Domestic Assistance The Catalog of Federal Domestic Assistance (CFDA) Program number assigned to the Community Connect Grant Program is 10.863. The Catalog is available on a subscription basis from the Superintendent of Documents, the United States Government Printing Office, Washington, DC 20402-9325; telephone (202) 512-1800.

Executive Order 12372

This program is not subject to the requirements of Executive Order 12372, ‘‘Intergovernmental Review of Federal Programs,’’ as implemented under USDA’s regulations at 7 CFR part 3015.

Executive Order 12988

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. The Agency has determined that this rule meets the applicable standards provided in section 3 of the Executive Order. In addition, all state and local laws and regulations that are in conflict with this rule will be preempted, no retroactive effect will be given to this rule, and, in accordance with Sec 212(e) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912(e)), administrative appeal procedures, if any, must be exhausted before an action against the Department or its agencies may be initiated.

Executive Order 13132, Federalism

The policies contained in this rule do not have any substantial direct effect on states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. Nor does this final rule impose substantial direct compliance costs on state and local governments. Therefore, consultation with states is not required.

Regulatory Flexibility Certification

Pursuant to 5 U.S.C. 553(a)(2), this final rule related to grants is exempt from the rulemaking requirements of the Administrative Procedure Act (5 U.S.C. 551 *et seq.*), including the requirement to provide prior notice and an opportunity for public comment. Because this final rule is not subject to a requirement to provide prior notice and an opportunity for public comment pursuant to 5 U.S.C. 553, or any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are inapplicable.

Unfunded Mandates

This final rule contains no Federal mandates (under the regulatory provision of Title II of the Unfunded Mandates Reform Act of 1995) for State, local, and tribal governments or the private sector. Therefore, this final rule is not subject to the requirements of sections 202 and 205 of the Unfunded Mandates Reform Act of 1995.

Environmental Impact Statement

Community Connect Broadband Grant Program, FY 2009

This final rule has been examined under Agency environmental regulations at 7 CFR part 1794. The Administrator has determined that this action is not a major Federal action significantly affecting the environment. Therefore, in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), an Environmental Impact Statement or Assessment is not required.

Information Collection and Recordkeeping Requirements

This rule contains no new reporting or recordkeeping burdens under OMB control number 0572-0127 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

Background

Overview

The USDA Rural Development Utilities Programs (the Agency) improve the quality of life in rural America by providing investment capital, in the form of loans and grants, for the deployment of rural telecommunications infrastructure. Financial assistance is provided to rural utilities; municipalities; commercial corporations; limited liability companies; public utility districts; Indian tribes; and cooperative, nonprofit, limited dividend, or mutual associations. In order to achieve the goal of increasing economic opportunity in rural America, the Agency finances infrastructure that enables access to a seamless, nation-wide telecommunications network. With access to the same advanced telecommunications networks of its urban counterparts, especially broadband networks designed to accommodate distance learning, telework and telemedicine, rural America will see improving educational opportunities, health care, economies, safety and security, and ultimately higher employment. Of particular concern to the Agency are communities where broadband service is not available and where population densities are such that the cost of deployment to them is high and buildout of infrastructure is unlikely. The Agency is committed to ensuring rural communities will have access to affordable, reliable, advanced communications services, comparable to those available throughout the rest of the United States, to provide a healthy, safe and prosperous place to live and work. The Community Connect Grant Program was started as a Pilot Program with the Fiscal Year 2002 budget and has been funded ever since through the appropriations process. After administering the program as a pilot program for two years, the Agency proposed rules for the program, and on July 28, 2004, the current rules were published, and the program was formally implemented. Since then more than 670 requests for grant funds totaling over \$410 million were requested through Fiscal Year 2006. Of those requests, 129 were granted for \$57 million to bring broadband service to 129 communities in 26 states and Puerto Rico. While the Agency is proud of the results achieved in the Community Connect Grant Program thus far, it believes that the overall effectiveness of the program can be improved by modifying the existing rules. Through these changes, the Agency is increasing eligibility criteria to include communities that clearly meet the intent of the program. Specifically, this rule will: (1) Add the Rand McNally Atlas as a community locator; (2) change the income measure for eligibility from a national comparison to a state comparison; and (3) clarify the items that are eligible to be considered as operating expenses.

Discussion of Changes

1. Adding the Rand McNally Atlas as a community locator. Currently the regulation states that a project must serve an incorporated or unincorporated town, village, or borough recognized in the latest decennial census of the Bureau of the Census to be eligible for funding. While this program has been successful in reaching much of rural America, the Agency recognizes that areas not identified in the 2000 census are excluded from funding. It is advisable to add another resource, updated more frequently than the decennial census and including communities not found in the census, to identify rural communities. The Agency therefore adds the Rand McNally

Community Connect Broadband Grant Program, FY 2009

Atlas as a resource to identify rural communities. It is anticipated that the addition of the Rand McNally Atlas as a community locator will increase the number of communities eligible for funding.

2. Change the income measure from a national comparison to a state comparison. Rural communities that would otherwise be eligible for grant funding have been previously excluded because their per capita personal income is relatively high in comparison to the national average. However, using the communities median household income compared to their state's median household income, these communities would qualify as economically challenged. Given the variable cost of living among the states, the comparison of state statistics is a better indicator of economic distress. The intent of this program is to allow all rural communities without broadband service facing economic hardship to fairly compete for funding. By comparing a community's median household income to their state's median household income, all rural economically challenged communities may compete fairly for funding.

3. Clarify the items that are eligible to be considered as operating expenses. Currently the regulation states that operating expenses incurred in providing broadband transmission service to critical facilities is an eligible purpose and that the salaries and administrative costs associated with these expenses may be limited by the Agency. Through the course of this program, applicants have not clearly understood what operating expenses are eligible. Many applicants have requested funds for ineligible operating expenses and had to be eliminated from the grant competition. To assist the applicant with better understanding what operating expenses are considered eligible, the Agency is specifically defining the eligible operating expenses. Other corresponding changes were made throughout the regulation to reflect the addition of the Rand McNally Atlas and the change to state income measures.

List of Subjects in 7 CFR 1739

Broadband, Grant programs — Communications, Rural Areas, Telecommunications, and Telephone.

For reasons set forth in the preamble, the Rural Utilities Service amends Chapter XVII of title 7 of the Code of Federal Regulations by revising part 1739 as follows:

PART 1739—BROADBAND GRANT PROGRAM

Subpart A—Community Connect Grant Program

Sec.

1739.1 Purpose.

1739.2 Funding availability and application dates and addresses.

1739.3 Definitions.

1739.4–1739.9 [Reserved]

1739.10 Eligible applicant.

1739.11 Eligible project.

1739.12 Eligible grant purposes.

1739.13 Ineligible grant purposes.

1739.14 Matching contributions.

1739.15 Completed application.

1739.16 Review of grant applications.

1739.17 Scoring of applications.

1739.18 Grant documents.

1739.19 Reporting and oversight requirements.

1739.20 Audit requirements.

1739.21 OMB control number.

Subpart B—[Reserved]

Authority: Title III, Pub. L. 108–199, 118 Stat. 3.

Subpart A—Community Connect Grant Program

§ 1739.1 Purpose.

(a) The provision of broadband transmission service is vital to the economic development, education, health, and safety of rural Americans. The purpose of the Community Connect Grant Program is to provide financial assistance in the form of grants to eligible applicants that will provide, on a “community-oriented connectivity” basis, broadband transmission service that fosters economic growth and delivers enhanced educational, health care, and public safety services. The Agency will give priority to rural areas that it believes have the greatest need for broadband transmission services, based on the criteria contained herein. (b) Grant authority will be used for the deployment of broadband transmission service to extremely rural, lower-income communities on a “community-oriented connectivity” basis. The “community-oriented connectivity” concept will stimulate practical, everyday uses and applications of broadband by cultivating the deployment of new broadband transmission services that improve economic development and provide enhanced educational and health care opportunities in rural areas. Such an approach will also give rural communities the opportunity to benefit from the advanced technologies that are necessary to achieve these goals.

§ 1739.2 Funding availability and application dates and submission.

- (a) The Agency will publish, annually in the **Federal Register**, a Notice of Funds Availability (hereinafter “NOFA”) that will set forth the total amount of funding available; the maximum and minimum funding for each grant; the application submission dates; and the appropriate addresses and agency contact information. The NOFA will also outline and explain the procedures for submission of applications, including electronic submissions. The Agency may publish more than one NOFA should additional funding become available.
- (b) Notwithstanding paragraph (a) of this section, the Agency may, in response to a surplus of qualified eligible applications which could not be funded from the previous fiscal year, decline to publish a NOFA for the following fiscal year and fund said applications without further public notice.

§ 1739.3 Definitions.

As used in this subpart:

Agency shall mean the Rural Utilities Service, which administers the United States Department of Agriculture (USDA) Rural Development Utilities Programs.

Bandwidth means the capacity of the radio frequency band or physical facility needed to carry the Broadband Transmission Service.

Basic Broadband Transmission Service means the broadband transmission service level provided by the applicant at the lowest rate or service package level for residential or business customers, as appropriate, provided that such service meets the requirements of this part.

Broadband Transmission Service means providing an information-rate equivalent to at least 200 kilobits/ second in the consumer’s connection to the network, both from the provider to the consumer (downstream) and from the consumer to the provider (upstream).

Community Connect Broadband Grant Program, FY 2009

Community means any incorporated or unincorporated town, village, or borough recognized in the latest decennial census as published by the Bureau of the Census or in the most recent edition of a Rand McNally Atlas that is located in a Rural Area.

Community Center means a public building, or a section of a public building with at least ten (10) Computer Access Points, that is used for the purposes of providing free access to and/or instruction in the use of broadband Internet service, and is of the appropriate size to accommodate this purpose. The community center must be open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday.

Computer Access Point means a new computer terminal with access to Basic Broadband Transmission Service.

Critical Community Facilities means the Community Center and every public school or education center, public library, public medical clinic, public hospital, community college, public university, or law enforcement, fire and ambulance stations in the proposed Service Area.

Eligible Applicant shall have the meaning as set forth in § 1739.10.

Eligible Grant Purposes shall have the meaning as set forth in § 1739.12.

End-User Equipment means computer hardware and software, audio or video equipment, computer network components, telecommunications terminal equipment, inside wiring, interactive video equipment, or other facilities required for the provision and use of Broadband Transmission Service.

Matching Contribution means the applicant's qualified contribution to the Project, as outlined in § 1739.14 of this part.

Project means the applicant's proposed Basic Broadband Transmission Service financed by the grant and Matching Contribution for the proposed Service Area.

Rural Area means any area, as verified by the latest decennial census of the Bureau of the Census or the latest edition of the Rand McNally Atlas, which is not located within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 20,000 inhabitants.

Service Area means a single Community, and may include the unincorporated areas located outside and contiguous to the Community's boundaries, in which the applicant proposes to provide Broadband Transmission Service.

Spectrum means a defined band of frequencies that will accommodate the Broadband Transmission Service.

Telecommunications Terminal Equipment means the assembly of telecommunications equipment at the end of a circuit or path of a signal, including but not limited to facilities that receive or transmit over-the-air broadcast, satellite, and microwave, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode, or otherwise prepare signals to be transmitted via such telecommunications facilities, or that is used to modify, reconvert, or carry signals received from such facilities, the purpose of which is to accomplish the goal for which the circuit or signal was established.

§§ 1739.4–1739.9 [Reserved].

§ 1739.10 Eligible applicant.

To be eligible for a grant, the applicant must:

- (a) Be legally organized as an incorporated organization, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b (b) and (c), a state or local unit of government, or other legal

Community Connect Broadband Grant Program, FY 2009

entity, including cooperatives or private corporations or limited liability companies organized on a for-profit or not-for-profit basis.

- (b) Have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations.

§ 1739.11 Eligible project.

To be eligible for a grant, the Project must:

- (a) Serve a Rural Area where Broadband Transmission Service does not currently exist, to be verified by the Agency prior to the award of the grant;
- (b) Serve one Community recognized in the latest U.S. Census or the latest edition of the Rand McNally Atlas;
- (c) Deploy Basic Broadband Transmission Service, free of all charges for at least 2 years, to all Critical Community Facilities located within the proposed Service Area;
- (d) Offer Basic Broadband Transmission Service to residential and business customers within the proposed Service Area; and
- (e) Provide a Community Center with at least ten (10) Computer Access Points within the proposed Service Area, and make Broadband Transmission Service available therein, free of all charges to users for at least 2 years.

§ 1739.12 Eligible grant purposes.

Grant funds may be used to finance:

- (a) The construction, acquisition, or leasing of facilities, including spectrum, to deploy Broadband Transmission Service to all participating Critical Community Facilities and all required facilities needed to offer such service to residential and business customers located within the proposed Service Area;
- (b) The improvement, expansion, construction, or acquisition of a Community Center that furnishes free access to broadband Internet service, provided that the Community Center is open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for such costs shall not exceed the greater of five percent (5%) of the grant amount requested or \$100,000;
- (c) End-User Equipment needed to carry out the Project;
- (d) (1) Operating expenses incurred in providing Broadband Transmission Service to Critical Community Facilities for the first 2 years of operation and in providing training and instruction. In order to qualify as eligible costs for grant coverage or as matching fund contributions, operating expenses for providing broadband transmission service to Critical Community Facilities must:
 - (i) Be incurred for the purpose of providing broadband service to the Critical Community Facilities and be for costs incurred during the first two years of operation; and
 - (ii) Be for the following purposes subject to the specified maximum amounts:
 - (A) Salary for operations manager, not to exceed \$30,000 per year.
 - (B) Salary for technical support staff, not to exceed \$30,000 per year.
 - (C) Salary for community center staff, not to exceed \$25,000 per year.
 - (D) Bandwidth expenses, not to exceed \$25,000 per year.
 - (E) Training courses on the use of the Internet, not to exceed \$15,000 per year.
- (2) The operating costs to be funded by the grant or used as matching contributions cannot exceed in the aggregate \$250,000. No other operating expenses are eligible for grant funding or to be considered as matching funds; and

Community Connect Broadband Grant Program, FY 2009

(e) The purchase of land, buildings, or building construction needed to carry out the Project.

§ 1739.13 Ineligible grant purposes.

- (a) Grant funds may not be used to finance the duplication of any existing Broadband Transmission Service provided by another entity.
- (b) Facilities financed with grant funds cannot be utilized, in any way, to provide local exchange telecommunications service to any person or entity already receiving such service.

§ 1739.14 Matching contributions.

- (a) The grant applicant must contribute a Matching Contribution which is at least fifteen percent (15%) of the grant amount requested and shall be in the form of:
 - (1) Cash for eligible grant purposes.
 - (2) In-kind contributions for purposes that could have been financed with grant funds under this part. In-kind contributions must be new or nondepreciated assets with established monetary values. Manufacturers' or service providers' discounts shall not be considered as a Matching Contribution.
 - (3) The rental value of space provided within an existing building to be used as the Community Center, provided that the space is free of charge to the applicant, for the first 2 years of operation.
- (b) Costs incurred by the applicant, or by others on behalf of the applicant, for facilities, installed equipment, or other services rendered prior to submission of a completed application shall not be considered as an Eligible Grant Purpose or Matching Contribution.
- (c) Rental values of space provided must be substantiated by rental agreements documenting the cost of space of a similar size in a similar location.
- (d) Any financial assistance from federal sources shall not be considered as a Matching Contribution unless there is a federal statutory exception specifically authorizing the federal financial assistance to be considered as such.

§ 1739.15 Completed application.

A completed application must include the following documentation, studies, reports and information in form satisfactory to the Agency. Applications should be prepared in conformance with the provisions of this part and applicable USDA regulations including 7 CFR parts 3015, 3016, and 3019. Applicants must use the Agency's Application Guide for this program, found at <http://www.usda.gov/rus/telecom/> containing instructions and all necessary forms, as well as other important information, in preparing their application. Paper copies of the application guide can be requested by contacting the Director, Broadband Division at the following address: Stop 1599, South Agriculture Building, Room 2868, Washington, DC 20250. Completed applications must include the following:

- (a) *An Application for Federal Assistance.* A completed Standard Form 424.
- (b) *An executive summary of the Project.* The applicant must provide the Agency with a general project overview that addresses the following categories:
 - (1) A description of why the Project is needed;
 - (2) A description of the applicant;
 - (3) An explanation of the total Project cost;
 - (4) A general overview of the broadband telecommunications system to be developed, including the types of equipment, technologies, and facilities to be used;
 - (5) Documentation describing the procedures used to determine the unavailability of existing Broadband Transmission Service; and
 - (6) A description of the participating Critical Community Facilities.

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- (c) *Scoring criteria documentation.* Each grant applicant must address and provide documentation on how it meets each of the scoring criteria detailed in § 1739.17.
- (d) *System design.* The applicant must submit a system design that contains the following, satisfactory to the Agency:
 - (1) A narrative discussing the proposed Community Center, all costs of the Project, all existing and proposed facilities that are a part of the Project, the services to be provided by the Project, and the proposed Service Area;
 - (2) Engineering design studies providing an economical and practical engineering design of the Project, including a detailed description of the facilities to be funded, technical specifications, data rates, and costs; and
 - (3) A map of the proposed Service Area reflecting the proposed location of the Community Center and all participating Critical Community Facilities.
- (e) *Scope of work.* The scope of work must include, at a minimum:
 - (1) The specific activities and services to be performed under the Project;
 - (2) Who will carry out the activities and services;
 - (3) The time-frames for accomplishing the Project objectives and activities; and
 - (4) A budget for all capital and administrative expenditures reflecting the line item costs for Eligible Grant Purposes, the Matching Contribution, and other sources of funds necessary to complete the Project.
- (f) *Community-Oriented Connectivity Plan.* The applicant must provide a Community-Oriented Connectivity Plan consisting of the following:
 - (1) A listing of all participating Critical Community Facilities to be connected. For those Critical Community Facilities in the Service Area which will not be included in the Project, an explanation of why they are not being included should be provided. The applicant must also provide documentation that it has consulted with agents of all Critical Community Facilities in the Service Area, and must provide statements as to their willingness to participate, or not to participate, in the proposed Project;
 - (2) A description of the services available to local residents through the use of the Community Center;
 - (3) A listing of the proposed Telecommunications Terminal Equipment, telecommunications transmission facilities, data terminal equipment, interactive video equipment, computer hardware and software systems, and components that process data for transmission via telecommunications, computer network components, communication satellite ground station equipment, or any other elements of the Project designed to further the deployment and use of Broadband Transmission Service, that the applicant intends to build or fund using the Agency's grant funds and the Matching Contribution; and
 - (4) If other telecommunications carriers (including interexchange carriers, cable television operators, enhanced service providers, providers of satellite services and telecommunications equipment manufacturers and distributors) are participating in the delivery of services, a description of the consultations and the anticipated role of such providers in the proposed Project.
- (g) *Financial information and sustainability.* The applicant must provide a narrative description demonstrating the sustainability of the Project during the first two years and after completion and the sufficiency of resources and expertise necessary to undertake and complete the Project. The following financial information is required:
 - (1) Certified financial statements, if available; otherwise, the most current income statement and balance sheet for existing operations; and
 - (2) Pro-forma financial information for 5 years, evidencing the sustainability of the Project.
- (h) *A statement of experience.* Information on the owners' and principal employees' relevant work experience that would ensure the success of the Project. The applicant must provide a

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written narrative describing its demonstrated capability and experience, if any, in operating a broadband telecommunications system.

- (i) *Evidence of legal authority and existence.* The applicant must provide evidence of its legal existence and authority to enter into a grant agreement with the Agency and to perform the activities proposed under the grant application.
- (j) *Funding commitment from other sources.* If the Project requires additional funding from other sources in addition to the Agency's grant, the applicant must provide evidence that funding agreements have been obtained to ensure completion of the Project.
- (k) *Compliance with other federal statutes.* The applicant must provide evidence of compliance with other federal statutes and regulations, including, but not limited to the following:
 - (1) 7 CFR part 15, subpart A—Nondiscrimination in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964.
 - (2) 7 CFR part 3015—Uniform Federal Assistance Regulations.
 - (3) 7 CFR part 3017— Governmentwide Debarment and Suspension (Non-procurement).
 - (4) 7 CFR part 3018—New Restrictions on Lobbying.
 - (5) 7 CFR part 3021— Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
 - (6) Certification regarding Architectural Barriers.
 - (7) Certification regarding Flood Hazard Precautions.
 - (8) An environmental report, in accordance with 7 CFR 1794.
 - (9) Certification that grant funds will not be used to duplicate lines, facilities, or systems providing Broadband Transmission Service.
 - (10) Federal Obligation Certification on Delinquent Debt.

§ 1739.16 Review of grant applications.

- (a) All applications for grants must be delivered to the Agency at the address and by the date specified in the NOFA (see § 1739.2) to be eligible for funding. The Agency will review each application for conformance with the provisions of this part. The Agency may contact the applicant for additional information or clarification.
- (b) Incomplete applications as of the deadline for submission will not be considered. If an application is determined to be incomplete, the applicant will be notified in writing and the application will be returned with no further action.
- (c) Applications conforming with this part will then be evaluated competitively by a panel of the Agency's employees selected by the Administrator of the Agency, and will be awarded points as described in the scoring criteria in § 1739.17. Applications will be ranked and grants awarded in rank order until all grant funds are expended.
- (d) Regardless of the score an application receives, if the Agency determines that the Project is technically or financially infeasible, the Agency will notify the applicant, in writing, and the application will be returned with no further action.

§ 1739.17 Scoring of applications.

- (a) All eligible applications will receive points for the following scoring criteria:
 - (1) The rurality of the Project (up to 40 points);
 - (2) The economic need of the Project's Service Area (up to 30 points); and
 - (3) The "community-oriented connectivity" benefits derived from the proposed service (up to 30 points).
- (b) Scoring criteria:
 - (1) *The rurality of the project*—up to 40 points.
 - (i) This criterion will be used to evaluate the rurality of the Community served by the Project, in accordance with the following method of scoring. If a Community is

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identified in the latest decennial Census, the applicant must use the Census information. If a Community is not identified in the Census but is identified in the latest edition of the Rand McNally Atlas, the applicant will use the Rand McNally Atlas information.

Rurality shall be determined by the following criteria:

(A) The 2000 population data contained in the U.S. Bureau of the Census at <http://factfinder.census.gov>:

or

(B) The population data contained in the latest edition of the Rand McNally Atlas. If no population data is contained in the Rand McNally Atlas for a community that is recognized in the Atlas, then that community is not eligible for a grant.

(ii) The following categories are used in the evaluation of rurality:

(A) Level 1 means any Community having a population of less than 500 inhabitants.

(B) Level 2 means any Community having a population of at least 500 and not in excess of 1,000 inhabitants.

(C) Level 3 means any Community having a population over 1,000 and not in excess of 2,000 inhabitants.

(D) Level 4 means any Community having a population over 2,000 and not in excess of 3,000 inhabitants.

(E) Level 5 means any Community having a population over 3,000 and not in excess of 4,000 inhabitants.

(F) Level 6 means any Community having a population over 4,000 and not in excess of 5,000 inhabitants.

(G) Level 7 means any Community having a population over 5,000 and not in excess of 10,000 inhabitants.

(H) Level 8 means any Community having a population over 10,000 and not in excess of 20,000 inhabitants.

(iii) Each application will receive points based on the location of the facilities financed using the definitions in paragraphs (b)(1)(i) and (b)(1)(ii) of this section.

(A) For a Service Area that includes a Level 1 Community, it will receive 40 points.

(B) For a Service Area that includes a Level 2 Community, it will receive 35 points.

(C) For a Service Area that includes a Level 3 Community, it will receive 30 points.

(D) For a Service Area that includes a Level 4 Community, it will receive 25 points.

(E) For a Service Area that includes a Level 5 Community, it will receive 20 points.

(F) For a Service Area that includes a Level 6 Community, it will receive 15 points.

(G) For a Service Area that includes a Level 7 Community, it will receive 10 points.

(H) For a Service Area that includes a Level 8 Community, it will receive 5 points.

(2) *The economic need of the Project Service Area*—up to 30 points. This criterion will be used to evaluate the economic need of the Service Area. Applicants must utilize the median household income (MHI) for the Community serviced and the state in which the Community is located, as determined by the U.S. Bureau of the Census at <http://factfinder.census.gov>. If the community was qualified using the Rand McNally Atlas, the applicant must use the MHI, contained in the decennial census, of the county in which the Community resides as the Community MHI. Applicants will be awarded points as outlined below for service provided in the Community where the MHI is less than 75 percent of the state MHI:

(i) MHI is 75 percent or greater of state MHI; 0 points;

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- (ii) MHI is less than 75 percent and greater than or equal to 70 percent of state MHI; 5 points;
 - (iii) MHI is less than 70 percent and greater than or equal to 65 percent of state MHI; 10 points;
 - (iv) MHI is less than 65 percent and greater than or equal to 60 percent of the state MHI; 15 points;
 - (v) MHI is less than 60 percent and greater than or equal to 55 percent of the state MHI; 20 points;
 - (vi) MHI is less than 55 percent and greater than or equal to 50 percent of the state MHI; 25 points;
 - (vii) MHI is less than 50 percent of the state MHI; 30 points;
- (3) *The “community-oriented connectivity” benefits derived from the proposed service*—up to 30 points.
- (i) This criterion will be used to score applications based on the documentation in support of the need for services, benefits derived from the services proposed by the Project, and local community involvement in planning and implementation of the Project. Applicants may receive up to 30 points for documenting the need for services and benefits derived from service as explained in this section.
 - (ii) The Agency will consider:
 - (A) The extent of the applicant’s documentation explaining the economic, education, health care, and public safety issues facing the community and the applicant’s proposed plan to address these challenges on a community-wide basis;
 - (B) The extent of the Project’s planning, development, and support by local residents, institutions, and community facilities will be considered. This includes evidence of communitywide involvement, as exemplified in community meetings, public forums, and surveys. In addition, applicants should provide evidence of local residents’ participation in the Project planning and development;
 - (C) The extent to which the Community Center will be used for instructional purposes including Internet usage, Web-based curricula, and Web page development; and
 - (D) Web-based community resources enabled or provided by the applicant, such as community bulletin boards, directories, and public web-hosting.

§ 1739.18 Grant documents.

The terms and conditions of grants shall be set forth in grant documents prepared by the Agency. The documents shall require the applicant to own all equipment and facilities financed by the grant. Among other matters, the Agency may prescribe conditions to the advance of funds that address concerns regarding the Project feasibility and sustainability. The Agency may also prescribe terms and conditions applicable to the construction and operation of the Project and the delivery of Broadband Transmission Service to Rural Areas, as well as other terms and conditions applicable to the individual Project.

§ 1739.19 Reporting and oversight requirements.

- (a) A project performance activity report will be required of all recipients on an annual basis until the Project is complete and the funds are expended by the applicant. Recipients are to submit an original and one copy of all project performance reports, including, but not limited to, the following:
 - (1) A comparison of actual accomplishments to the objectives established for that period;
 - (2) A description of any problems, delays, or adverse conditions which have occurred, or are anticipated, and which may affect the attainment of overall Project objectives, prevent the

Community Connect Broadband Grant Program, FY 2009

meeting of time schedules or objectives, or preclude the attainment of particular Project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and

- (3) Objectives and timetable established for the next reporting period.
- (b) A final project performance report must be provided by the recipient. It must provide an evaluation of the success of the Project in meeting the objectives of the program. The final report may serve as the last annual report.
- (c) The Agency will monitor recipients, as it determines necessary, to assure that Projects are completed in accordance with the approved scope of work and that the grant is expended for Eligible Grant Purposes.
- (d) Recipients shall diligently monitor performance to ensure that time schedules are being met, projected work within designated time periods is being accomplished, and other performance objectives are being achieved.

§ 1739.20 Audit requirements.

A grant recipient shall provide the Agency with an audit for each year, beginning with the year in which a portion of the financial assistance is expended, in accordance with the following:

- (a) If the recipient is a for-profit entity, an existing Telecommunications or Electric Borrower with the Agency, or any other entity not covered by the following paragraph, the recipient shall provide an independent audit report in accordance with 7 CFR part 1773, ‘‘Policy on Audits of the Agency’s Borrowers.’’
- (b) If the recipient is a State or local government, or non-profit organization, the recipient shall provide an audit in accordance with 7 CFR part 3052, ‘‘Audits of States, Local Governments, and Non-Profit Organizations.’’

§ 1739.21 OMB Control Number.

The information collection requirements in this part are approved by the Office of Management and Budget (OMB) and assigned OMB control number 0572–0127.

Subpart B—[Reserved]

Dated: July 19, 2007.

James M. Andrew,

Administrator, Rural Utilities Service.

[FR Doc. E7–15106 Filed 8–2–07; 8:45 am]

BILLING CODE 3410–15–P

Rural Development

Community Connect Broadband Grant Program Federal Forms and Attachments Fiscal Year 2009

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Placeholder for SF424 Instructions Page

(The official version of the SF424 is only available as a PDF document. Please see The PDF version of this application guide for a copy. The SF424 is six pages in length

Survey on Ensuring Equal Opportunity for Applicants

OMB No. 1890-0014 Exp. 02/28/09

Purpose: The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

Instructions for Submitting the Survey: If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name:

Applicant's DUNS Number:

Federal Program: _____ **CFDA Number:**

1. Has the applicant ever received a grant or contract from the Federal government?

Yes No

2. Is the applicant a faith-based organization?

Yes No

3. Is the applicant a secular organization?

Yes No

4. Does the applicant have 501(c)(3) status?

Yes No

5. Is the applicant a local affiliate of a national organization?

Yes No

6. How many full-time equivalent employees does the applicant have? *(Check only one box.)*

3 or Fewer 15-50
 4-5 51-100
 6-14 over 100

7. What is the size of the applicant's annual budget?

(Check only one box.)

Less Than \$150,000
 \$150,000 - \$299,999
 \$300,000 - \$499,999
 \$500,000 - \$999,999
 \$1,000,000 - \$4,999,999
 \$5,000,000 or more

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

SURVEY INSTRUCTIONS ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

**PROVIDE THE APPLICANT'S (ORGANIZATION) NAME
AND DUNS NUMBER AND THE GRANT NAME AND
CFDA NUMBER.**

1. Self-explanatory.
2. Self-identify.
3. Self-identify.
4. 501(c)(3) status is a legal designation provided on application to the Internal Revenue Service by eligible organizations. Some grant programs may require nonprofit applicants to have 501(c)(3) status. Other grant programs do not.
5. Self-explanatory.
6. For example, two part-time employees who each work half-time equal one full-time equivalent employee. If the applicant is a local affiliate of a national organization, the responses to survey questions 2 and 3 should reflect the staff and budget size of the local affiliate.
7. Annual budget means the amount of money your organization spends each year on all of its activities.

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1890-0014. The time required to complete this information collection is estimated to average five (5) minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** The Agency Contact listed in this grant application package.

OMB No. 1890-0014 Exp. 02/28/09

Attachment 2

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

**U.S. Department of Agriculture
Rural Development**

Rurality Calculation Table

Please list the proposed Community to be served with the proceeds of the Community Connect Broadband Grant, its population based upon 2000 Census data, and its rurality level.

<u>Service Area Community</u>	<u>Population</u>	<u>Level*</u>	<u>Points</u>

* Denote Level based on the following table:

Level	Community Having a Population:		Points
	Over	Not in Excess of	
1		499	40
2	499	1,000	35
3	1,000	2,000	30
4	2,000	3,000	25
5	3,000	4,000	20
6	4,000	5,000	15
7	5,000	10,000	10
8	10,000	20,000	5

Source of Information: _____

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

**U.S. Department of Agriculture
Rural Development**

Economic Need Calculation Worksheet

Applicants are awarded points for providing service in a Community where the Median Household Income (MHI) is less than 75% of the State Median Household Income (SMHI). Enter the Community name (County name if applicable) and it's MHI in dollars and calculate the percentage of the SMHI in the table below.

Service Area Community or County	(a) Community or County MHI in Dollars	(b) (S)MHI in Dollars	(a) ÷ (b) MHI as % of (S)MHI
	\$ _____	\$ _____	_____ %

Using the scale below, award the appropriate number of points in the box below for the community on MHI as a percent of (S)MHI:

- 0 pts.** if $\geq 75\%$
- 5 pts.** If $\geq 70\%$ but $< 75\%$
- 10 pts.** if $\geq 65\%$ but $< 70\%$;
- 15 pts.** if $\geq 60\%$ but $< 65\%$;
- 20 pts.** if $\geq 55\%$ but $< 60\%$;
- 25 pts.** if $\geq 50\%$ but $< 55\%$;
- 30 pts.** if $< 50\%$.

<p>POINTS:</p> <p>_____</p>

Source of Information: _____

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

BUDGET	MATCH	GRANT	Description
<u>BROADBAND SYSTEM</u>			
Electronic Equipment (FTTH, wireless, etc.)			
Outside plant (fiber, coaxial, copper, etc.)			
Customer premises equipment			
Towers – new construction (monopole, lattice, etc.)			
Towers – lease			
Buildings – new construction			
Buildings – renovations/expansion			
Land for leasing towers/buildings			
Collocation costs			
Site preparation			
Engineering			
Project Management			
Miscellaneous (taxes, shipping, etc.)			
Total Broadband System			
	-	-	
<u>COMMUNITY CENTER</u>			
Construction of building			
Renovations/expansion of existing building			
Leasing of existing building			
Leasing of land			
Computers/software/printers			
Furniture			
Miscellaneous			
Total Community Center			
<u>OPERATING EXPENSES</u>			
Operations Manager			***Note grant and match funds must not exceed the limitations set***
Technical Support Staff			
Community Center Staff			
Bandwidth			
Training			
Total Operating Expenses			
SUMMARY OF EXPENDITURES	MATCH	GRANT	
Broadband System			
Community Center			
Operating Expenses			
TOTAL			

**Community Connect Broadband Grant Program
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Income Statement	Grantee's Name: Broadband Company
	City, State: Rural Town, USA

	Year 1	Year 2	Year 3	Year 4	Year 5
Data Subscriber Nos.					
Revenues					
Data Revenues					
Installation Revenues					
Other Revenues					
Uncollectible Revenues					
Total Revenues					
Expenses					
Cost of Sales					
(Amount paid with grant funds)					
Selling, General, and Administrative					
(Amount paid with grant funds)					
Salaries					
(Amount paid with grant funds)					
Community Center					
(Amount paid with grant funds)					
Other Operating Expense					
(Amount paid with grant funds)					
Total Operating Expenses					
Net Income (Loss)					

List of Assumptions:

1. Revenues

Data Revenues -

Installation Revenues -

Other Revenues -

Uncollectible Revenues -

2. Expenses

Cost of Sales -

Selling, General, and Administrative -

Salaries -

Community Center -

Other Operating Expense -

(Amount paid with grant funds) - % of total expense paid during the first two years of operations

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

**U.S. Department of Agriculture
Rural Development**

Equal Opportunity and Nondiscrimination Certification

All grants made under the Community-Oriented Connectivity Broadband Grant Program are subject to the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, as amended, (7 CFR Part 15); Section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 901 *et seq.*; 7 CFR Part 15b); and Age Discrimination of 1975, as amended (42 U.S.C. 6101 *et seq.*; 45 CFR Part 90); and as amended by Executive Order 11375 Amending Executive Order 11246, Relating to Equal Employment Opportunity (3 CFR, 1966, 1970 Comp., p. 684).

All recipients of financial assistance from Rural Development, the prospective primary participant commits to carry out Rural Development established policy to comply with the requirements of the above laws and executive orders to the effect that no person in the United States shall, “on the basis of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Community-Oriented Connectivity Broadband Grant Program.

The _____ (Grantee)
hereby certifies that, as a prospective recipient under the said Community-Oriented Connectivity Broadband Grant Program, it will comply with the above reference laws and executive orders.

(Date)

(Authorized Representative’s Signature)

(Name Typed or Printed)

(Title)

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

Attachment 7

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

**U.S. Department of Agriculture
Rural Development**

Certificate Regarding Architectural Barriers

All facilities financed with Rural Development grants that are open to the public, or in which physically handicapped persons may be employed or reside, must be designed, constructed, and/or altered to be readily accessible to, and usable by handicapped persons. Standards for these facilities must comply with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. 4151 *et seq.*) and with the Uniform Federal Accessibility Standards (UFAS), (Appendix A to 41 CFR subpart 101-19.6).

As a prospective primary participant recipient of financial assistance from Rural Development, this organization commits to carry out Rural Development established policy to comply with the requirements of the above referenced law to the effect that all facilities must be readily accessible to and usable by handicapped persons.

The _____ (Grantee) hereby certifies, that, as a prospective recipient under the Community-Oriented Connectivity Broadband Grant Program, it is in compliance, or will be in compliance upon completion of the project, with the above referenced law.

(Date)

(Authorized Representative's Signature)

(Name Typed or Printed)

(Title)

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

**Community Connect Broadband Grant Program
Federal Forms and Attachments, FY 2009**

**U.S. Department of Agriculture
Rural Development**

Certificate Regarding Flood Hazard Area Precautions

If the project is located in an area subject to flooding, flood insurance must be provided to the extent available and required under the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 through 4128). If applicable, the insurance must cover, in addition to the buildings, any machinery, equipment, fixtures, and furnishings contained in the buildings. Rural Development will comply with Executive Order 11988, Floodplain Management (3 CFR, 1977 Comp., p. 117), and 7 CFR 1794.41, of this chapter in considering the application for the project.

Please check the appropriate line below:

- a) The project is not located in a 100 year flood plain; therefore, no Flood Insurance is required.
- b) The project is located in a 100 year flood plain and the required insurance is or will be provided by:

The _____ (Grantee) hereby certifies, that, as a prospective recipient under the Community-Oriented Connectivity Broadband Grant Program, it is in compliance, or will be in compliance during construction and/or installation of equipment and upon completion of the project, with the above referenced law.

(Date)

(Authorized Representative's Signature)

(Name Typed or Printed)

(Title)

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

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Rural Development**

***Uniform Relocation Assistance and Real Property Acquisition
Policies Act of 1970 Certification***

The _____ (Grantee) assures that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act), 42 U.S.C. 4601-4655, and with implementing Federal regulations in 49 CFR Part 24 and 7 CFR Part 21.

Specifically, the _____ (Grantee) assures that:

Whenever Federal financial assistance is used to pay for any part of the cost of a program or project which will result in the displacement of any person:

- (a) Fair and reasonable relocation payments and assistance shall be provided to or for displaced persons in accordance with sections 202, 203, and 204 of the Uniform Act;
- (b) Relocation assistance programs offering the services described in section 205 of the Uniform Act shall be provided to displaced persons; and
- (c) Within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with section 205(c) (3) of the Uniform Act.

Date

(Authorized Representative's Signature)

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Attachment 10

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**U.S. Department of Agriculture
Rural Development**

***Certification Regarding Drug-Free Workplace Requirements
Alternative I – For Grantees Other than Individuals***

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (P.L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 *et seq.*), 7 CFR Part 3017, Subpart F, Section 3017.600, Purpose. The January 31, 1989, regulations were amended and published as Part II of the May 25, 1990, Federal Register (pages 21681-21691). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the grant.

ALTERNATIVE I

A. The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about:
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than 5 calendar days after such conviction;
- (e) Notifying the Agency in writing, within 10 calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

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- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance:

Street Address

City

County

State

Zip Code

Check if there are workplaces on file that are not identified here.

Organization Name

Authorized Representative's Signature

Date

Name Typed or Printed

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

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***Certification Regarding Debarment, Suspension, and Other
Responsibility Matters – Primary Covered Transactions***

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' Responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed transaction.

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for Debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Organization Name

Authorized Representative's Signature

Date

Name Typed or Printed

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Attachment 12

**Community Connect Broadband Grant Program
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**U.S. Department of Agriculture
Rural Development**

***Certification Regarding Lobbying for Contracts, Grants,
Loans and Cooperative Agreements***

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. (Copies of this form may be obtained from Rural Development.)
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Organization Name

Authorized Representative's Signature

Date

Name Typed or Printed

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.)

Attachment 13

**Community Connect Broadband Grant Program
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**U.S. Department of Agriculture
Rural Development**

Non Duplication of Services Certificate

As a prospective primary participant recipient of assistance from Rural Development, this organization certifies that facilities financed under the Community-Oriented Connectivity Broadband Grant Program will provide broadband service only in areas where it does not currently exist.

The _____ (Grantee/Borrower) hereby certifies that as a prospective recipient under the said Community-Oriented Connectivity Broadband Grant Program, that it will not use Rural Development grant funds to duplicate any established broadband services or facilities as referenced above.

(Date)

(Signature)

(Name Typed or Printed)

(Title)

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**U.S. Department of Agriculture
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Federal Obligations Certification on Delinquent Debt

IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? _____ YES _____ NO

Note: Example of debts include, but are not limited to, delinquent taxes, guaranteed or direct government loans (more than 31 days past due) and other administrative debts.

If Yes, provide explanatory information.

**APPLICANT CERTIFICATION
FEDERAL COLLECTION POLICIES FOR COMMERCIAL DEBT**

The Federal Government is authorized by law to take any or all of the following actions in the event that a borrower's loan payments become delinquent or the borrower defaults on its loan: (1) Report the borrower's delinquent account to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service the borrower's account; (4) Offset amounts owed to the borrower under other Federal programs; (5) Refer the borrower's debt to the Internal Revenue Service for offset against any amount owed to the borrower as an income tax refund; (6) Refer the borrower's account to a private collection agency to collect the amount due; and (7) Refer the borrower's account to the Department of Justice for litigation in the courts.

All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

Certification

I have read and understand the actions the Federal Government can take in the event that I fail to meet my scheduled payments in accordance with the terms and conditions of my agreements.

Signed: _____

Title: _____

Company: _____

Date: _____

(This is not an official Government form. It has been prepared to assist and expedite the application process and is only intended for use in the Community-Oriented Connectivity Broadband Grant Program.

Attachment 15

**Community Connect Broadband Grant Program
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**U.S. Department of Agriculture
Rural Development**

***Community-Oriented Connectivity Broadband Grant Program
Environmental Questionnaire/Certification***

Environmental Project Summary:

(This description should encompass all construction in the project, no matter the source of funding. It should provide details of how the project will impact the environment (wetlands, farmlands, floodplain, cultural environment, endangered species, environmental quality, and historic preservation). If additional space is needed, continue on white bond paper and insert between the first and second pages.)

If the construction proposed in this application, as described above, will not impact the environment or historic preservation, you may sign the certification indicating that no adverse impact and skip filling out the questionnaire.

CERTIFICATION

I hereby certify that the construction proposed in this application will not adversely impact the environment or historic preservation.

(Signature and Date)

(Print or Type Title)

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QUESTIONNAIRE

Note: It is extremely important to respond to all questions completely to ensure expeditious processing of the Community-Oriented Connectivity Broadband Grant Program application. The information herein is required by Federal law.

Important: Any activity related to the project that may adversely affect the environment or limit the choice of reasonable development alternatives shall not be undertaken prior to the completion of Rural Utilities Service's environmental review process.

Legal Name of Applicant _____

Signature (Type, sign, & date) _____

The applicant's representative certifies to the best of his/her knowledge and belief that the information contained herein is accurate. Any false information may result in disqualification for consideration of financial assistance or the rescission of financial assistance.

I. Project Description - Detailing construction, including, but not limited to internal modifications of existing structures, and/or installation of telecommunications transmission facilities including satellite uplinks or downlinks, microwave transmission towers, and cabling.

1. Describe the portion of the project, and site locations (including legal ownership of real property), involving internal modifications, or equipment additions to buildings or other structures (e.g., relocating interior walls or adding computer facilities) for each site.

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2. Describe the portion of the project, and site locations (including legal ownership or real property), involving construction of transmission facilities, including cabling, microwave towers, satellite dishes, or disturbance of property of .99 acres or greater for each project site.

3. Describe the nature of the proposed use of the facilities and whether any hazardous materials, air emissions, wastewater discharge, or solid waste will result.

4. State whether or not any project site(s) contain or are near properties listed or eligible for listing in the National Register of Historic Places, and identify any historic properties. (The applicant must supply evidence that the State Historic Preservation Officer (SHPO) has cleared development regarding any historical properties).

5. Provide information whether or not any facility(ies) or site(s) are located in a 100-year floodplain. A National Flood Insurance Map should be included reflecting the location of the project site(s).

II. For projects that involve construction of transmission facilities, including cabling, microwave towers, satellite dishes, or physical disturbance of real property of .99 acres or greater, the following information must be submitted.

1. A map (*preferably a U.S. Geological Survey map*) of the area for each site affected by construction (include as an attachment).
2. A description of the amount of property to be cleared, excavated, fenced, or otherwise disturbed by the project and a description of the current land use and zoning and any vegetation for each project site affected by construction.

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3. A description of buildings or other structures (i.e., transmission facilities), including dimensions, to be constructed or modified.

4. A description of the presence of wetlands or existing agricultural operations and/or threatened or endangered species or critical habitats on or near the project site(s) affected by construction.

5. Describe any actions taken to mitigate any environmental impacts resulting from the proposed project (use attachment if necessary).

Note: The applicant may submit a copy of any environmental review, study assessment, report or other document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from State, local or other Federal bodies. Such material, to the extent relevant, may be used to meet the requirements herein.

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The U.S. Department of Agriculture prohibits discrimination in its programs on the basis of race, color, National origin, sex, religion, age disability, political beliefs, and marital or family status. (Not all bases apply to all programs.) Persons with disabilities who require alternative means for communications of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center on (202) 720-1127 (TDD). USDA is an equal opportunity employer.