

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Broadband Pilot Program

AGENCY: Rural Utilities Service, Department of Agriculture.

ACTION: Funding Opportunity Announcement (FOA) and solicitation of applications.

SUMMARY: The Rural Utilities Service (RUS) announces its general policy and application procedures for funding under the broadband pilot program established pursuant to the Consolidated Appropriations Act, 2018 which provides loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas. In facilitating the expansion of broadband services and infrastructure, the pilot will fuel long-term rural economic development and opportunities in rural America. One of those opportunities is precision agriculture. The use of this technology requires a robust broadband connection. The awards made under this program will bring high speed broadband to the farms which will allow them to increase productivity.

DATES: The Agency will finalize the application window by notice in the Federal Register and Grants.gov on February 22, 2019. Please note there are three funding categories with each category having different application windows. Please refer to the specific funding category for the appropriate application deadline.

APPLICATION SUBMISSION: The application system for electronic submissions will be available at <https://reconnect.usda.gov>.

Electronic submissions: Electronic submissions of applications will allow for the expeditious review of an Applicant's proposal. As a result, all Applicants must file their application electronically.

CONTACT INFORMATION: For general inquiries, contact Chad Parker, Assistant Administrator Telecommunications Program, Rural Utilities Service, U.S. Department of Agriculture (USDA), email: chad.parker@wdc.usda.gov, telephone (202) 720-9554. You may obtain additional information regarding applications at <https://reconnect.usda.gov>.

AUTHORITY: This solicitation is issued pursuant to the Consolidated Appropriations Act, 2018, Pub. L. 115-141, and the Rural Electrification Act of 1936, 7 U.S.C. § 901 *et seq.*

Administrative Procedure Act Statement

This FOA is being issued without advance rulemaking or public comment. The Administrative Procedure Act of 1946, as amended (5 U.S.C. 553)(APA), has several exemptions to rulemaking requirements. Among them is an exception for a matter relating to "loans, grants, benefits, or contracts." Furthermore, the 30-day effective date policy is excepted for "good cause."

USDA has determined, consistent with the APA that making these funds available under this FOA for the Rural eConnectivity Pilot Program (ReConnect Program) is in the public interest since the Consolidated Appropriations Act, 2018, (Public Law No. 115-141) appropriated a

budget authority of \$600,000,000 to be used on an expedited basis. To do this, the Agency decided to move forward with developing procedures for the ReConnect Program within a FOA instead of rulemaking to meet the statutory mandate to implement this new program.

SUPPLEMENTARY INFORMATION:

Overview

Federal Agency: Rural Utilities Service, USDA.

Funding Opportunity Title: Rural eConnectivity Pilot Program (ReConnect Program).

Announcement Type: Funding Opportunity Announcement (FOA) and solicitation of applications.

Catalog of Federal Domestic Assistance (CFDA) Number: Rural eConnectivity Pilot Program (ReConnect Program) - 10.752.

Items in Supplementary Information

- I. *Overview*
- II. *Definitions*
- III. *Substantially Underserved Trust Areas*
- IV. *Funding Opportunity Description*
- V. *Eligibility Information*
- VI. *Application and Submission Information*

VII. Application Evaluation Criteria

VIII. Notice of Proposed Funded Service Areas

IX. Evaluation and Processing Procedures

X. Award Administration Information

XI. Other Information

I. Overview

On March 23, 2018, Congress passed the Consolidated Appropriations Act 2018 (the FY2018 Appropriations), which established a broadband loan and grant pilot program, the Rural eConnectivity Pilot Program (hereinafter the ReConnect Program). One of the essential goals of the ReConnect Program is to expand broadband service to rural areas without sufficient access to broadband, defined as 10 megabits per second (Mbps) downstream and 1 Mbps upstream. For this purpose, Congress provided RUS with \$600 million and expanded its existing authority to make loans and grants. Additionally, the FY2018 Appropriations specifically authorized technical assistance to assist the Agency in expanding needed service to the most rural communities where 90 percent of the households are without sufficient access to broadband service.

II. Definitions

The terms and conditions provided in this FOA are applicable to and for purposes of this FOA only. Unless otherwise provided in the award documents, all financial terms not defined herein shall have the meaning as defined by Generally Accepted Accounting Principles.

Administrator means the RUS Administrator, or the Administrator's designee.

Applicant means an entity requesting funding under this FOA.

Application means the Applicant's request for federal funding, which may be approved in whole or part by RUS.

Award documents mean, as applicable, all associated grant agreements, loan agreements, or loan/grant agreements.

Award means a grant, loan, or loan/grant combination made under this FOA.

Awardee means a grantee, borrower, or borrower/grantee that has applied and been awarded federal assistance under this FOA.

Broadband loan means, for purposes of this FOA, a loan that has been approved or is currently under review by RUS after the beginning of Fiscal Year 2000 in the Telecommunications Infrastructure Program, Farm Bill Broadband Program, or the Broadband Initiatives Program. Loans that were approved and then subsequently fully de-obligated are not included in this definition.

Broadband service means any technology as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics and video.

Business means a commercial or mercantile activity engaged in as a means of livelihood. For purposes of this FOA, farms will not be counted as businesses for scoring purposes.

CALEA means the Communications Assistance for Law Enforcement Act, 47 U.S.C. § 1001 *et seq.*

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

Critical community facilities means public facilities that provide community services essential for supporting the safety, health, and well-being of residents, including, but not limited

to, emergency response and other public safety activities, hospitals and clinics, libraries and schools.

Current ratio means the current assets divided by the current liabilities.

Debt service coverage ratio (DSCR) means $(\text{Total Net Income or Margins} + \text{Interest Expense} - \text{Allowance for Funds Used during Construction} + \text{Depreciation} + \text{Amortization}) / (\text{Interest on Funded Debt} + \text{Other Interest} + \text{Principal Payment on Debt and Capital Leases})$

Economic life means the estimated useful service life of an asset as determined by RUS.

Eligible service area means any proposed funded service area where 90 percent of the households to be served do not have sufficient access to broadband. For eligibility purposes, if an applicant is applying for multiple proposed funded service areas, each service area will be evaluated on a stand-alone basis.

Equity means total assets minus total liabilities as reflected on the Applicant's balance sheet.

Farm means any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year.

Forecast period means the five-year period of projections in an application, which shall be used by RUS to determine financial and technical feasibility of the application.

GAAP means generally accepted accounting principles.

Grant means any federal assistance in the form of a grant made under this FOA.

Grant agreement means the grant contract and security agreement between RUS and the Awardee securing the Grant awarded under this FOA, including any amendments thereto, available for review at <https://reconnect.usda.gov>.

Loan means any federal assistance in the form of a loan made under this FOA.

Loan agreement means the loan contract and security agreement between RUS and the Awardee securing the Loan, including all amendments thereto, available for review at <https://reconnect.usda.gov>.

Loan/grant means any federal assistance in the form of a loan/grant combination made under this FOA.

Loan/grant agreement means the loan/grant contract and security agreement between RUS and the Awardee securing the Loan/grant, including all amendments thereto available at <https://reconnect.usda.gov>.

Non-funded service area means any area in which the applicant offers service or intends to offer service during the forecast period but is not a part of its proposed funded service area.

Pre-application expenses means any reasonable expenses, as determined by RUS, incurred after the release of this FOA to prepare an Application or to respond to RUS inquiries about the Application.

Premises means households, farms and businesses.

Project means all of the work to be performed to bring broadband service to all premises in the proposed funded service area under the Application, including construction, the purchase and installation of equipment, and professional services including engineering and accountant/consultant fees, whether funded by federal assistance, matching, or other funds.

Proposed funded service area means the area (whether all or part of an existing or new service area) where the applicant is requesting funds to provide broadband service. Multiple service areas will be treated as separate stand-alone service areas for the purpose of determining how much of the proposed funded service area does not have sufficient access to broadband. Each

service area must meet the minimum requirements for the appropriate funding category to be an eligible area.

RE Act means the “Rural Electrification Act of 1936,” as amended (7 U.S.C. § 901 *et seq.*).

Rural area means any area which is not located within: (1) a city, town, or incorporated area that has a population of greater than 20,000 inhabitants; or (2) an urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants.

RUS Accounting Requirements shall mean compliance with U.S. GAAP, acceptable to RUS, the system of accounting prescribed by RUS Bulletin 1770B-1, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, found at 2 CFR part 200. For all Awardees the term “grant recipient” in 2 CFR 200 shall also be read to encompass “loan recipient” and “loan/grant recipient”, such that 2 CFR 200 shall be applicable to all Awardees under this FOA.

Sufficient access to broadband means any rural area that has fixed, terrestrial broadband service delivering at least 10 Mbps downstream and 1 Mbps upstream. Mobile and satellite services will not be considered in making the determination that households in the proposed funded service area do not have sufficient access to broadband.

Tangible equity means a measure of a company's capital, which is used by financial institutions to evaluate potential losses.

Tangible equity to total assets means tangible equity divided by total assets.

Times interest earned ratio (TIER) means (Total Net Income or Margins + Total Interest Expense - Allowance for Funds Used during Construction) divided by (Total Interest Expense - Allowance for Funds Used during Construction).

III. Substantially Underserved Trust Areas.

A. If the Administrator determines that a community within “trust land” (as defined in 38 U.S.C. 3765) has a high need for the benefits of the ReConnect Program, the Administrator may designate the community as a “substantially underserved trust area” (as defined in section 306F of the RE Act).

B. To receive consideration as a substantially underserved trust area, the applicant must submit to the Agency a completed application that includes all of the information requested in 7 CFR part 1700, subpart D. In addition, the application must identify the discretionary authorities within subpart D that it seeks to have applied to its application. Note, however, that given the prohibition on funding operating expenses in the ReConnect Program, requests for waiver of the equity requirements cannot be considered. In addition, due to the statutory requirements that established the ReConnect Program, waiver of the non-duplication requirements also cannot be considered.

IV. Funding Opportunity Descriptions

A. Funding Categories

1. 100 Percent Loan

The interest rate for a 100 percent loan will be set at a fixed 2 percent. The proposed funded service area for this category must be in an area where 90 percent of the households do not have sufficient access to broadband. Applicants must propose to build a network that is capable of providing service to every premise in the proposed funded service area at a speed of 25 Mbps downstream and 3 Mbps upstream. Tangible equity to total assets must be at least 20 percent at the end of the calendar year starting in the third year of the forecast period through the remainder of the forecast period.

The Agency anticipates that applications will be accepted on a rolling basis ending June 28, 2019. In the event two loan applications are received for the same proposed funded service area the application to arrive first will be considered first. The agency reserves the right to make funding offers or seek consultations to resolve partially overlapping applications. RUS may contact the applicant for additional information during the review process. If additional information is requested, the applicant will have up to 30 calendar days to submit the information. If such information is not timely submitted, RUS may reject the application. Once all funds for this category have been expended for the ReConnect program, all remaining applications will be returned.

2. 50 Percent Loan/50 Percent Grant Combination

The interest rate for the 50 percent loan component will be set at the Treasury rate for the remaining amortization period at the time of each advance of funds. The proposed funded service area for this category must be in an area where 90 percent of the households do not have sufficient access to broadband. Applicants must propose to build a network that is capable of providing service to every premises in the proposed funded service area at a speed of 25 Mbps downstream and 3 Mbps upstream. Applicants may propose substituting cash for the loan component at the time of application.

The Agency anticipates that applications will be accepted ending May 29, 2019. All eligible applications will be scored and, subject to Section V(C)(5)(b)(i) (overlapping applications) applications with the highest score will receive an award offer until all funds are expended for this category. RUS reserves the right to request additional information which would not affect scoring. If RUS requests additional information the applicant will have 30 calendar days to submit such information. If the information is not submitted, RUS may reject the application.

3. 100 Percent Grant

The proposed funded service area for this category must be in an area where 100 percent of the households do not have sufficient access to broadband. Applicants must propose to build a network that is capable of providing service to every premise in the proposed funded service area at a speed of 25 Mbps downstream and 3 Mbps upstream. Applicants must provide a matching contribution equal to 25 percent of the cost of the overall project. The matching contribution can only be used for eligible purposes.

The Agency anticipates that applications will be accepted ending April 29, 2019. All eligible applications will be scored, and subject to Section V(C)(5)(b)(i) (overlapping applications) applications with the highest score will receive an award offer until all funds are expended for this category. RUS reserves the right to request additional information which would not affect scoring. If RUS requests additional information the applicant will have 30 calendar days to submit such information. If the information is not submitted, RUS may reject the application.

B. Available Funds

1. General

Approximately \$600,000,000 in funding has been set aside for funding opportunities under this FOA.

2. Funding Limits

Award amounts under this FOA will be limited as follows:

a. 100 Percent Loan. Up to \$200,000,000 is available for loans. The maximum amount that can be requested in an application is \$50,000,000.

b. 50 Percent Loan – 50 Percent Grant. Up to \$200,000,000 is available for loan/grant combinations. The maximum amount that can be requested in an application is \$25,000,000 for the loan and \$25,000,000 for the grant. Loan and grant amounts will always be equal.

c. 100 Percent Grant. Up to \$200,000,000 is available for grants. The maximum amount that can be requested in an application is \$25,000,000.

d. Reserve. Up to \$213,000,000 of budget authority is available for a reserve, which may be used for loans or grants under this FOA, or may be included in additional FOAs. The agency reserves the right to increase funding utilizing the application queue under this FOA should additional appropriations become available for the same purposes.

3. Repooling

RUS retains the discretion to divert funds from one funding category to another.

4. Award Period

Awards can be made until all funds have been expended in any given funding category. While the completion time will vary depending on the complexity of the project, award recipients must complete their projects within 5 years from the date funds are first made available.

5. Type of Funding Instrument

The funding instruments will be grants, loans, and loan/grant combinations.

V. Eligibility Information

A. General

Applicants must satisfy the following eligibility requirements to qualify for funding.

B. Eligible Entities

The following entities are eligible to apply for assistance:

1. States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof;
2. A territory or possession of the United States;
3. An Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450b));
4. Non-profit entities;
5. For-profit corporations;
6. Limited liability companies; and
7. Cooperative or mutual organizations.

C. Application Eligibility Factors

The following requirements must be met by all applications to be eligible for an award.

Applications failing to comply with these requirements will be rejected.

1. Audited Financial Statement

Applicants must submit audited financial statements for the two previous years from the date the application is submitted. If an application is submitted in the first quarter of the calendar year and the most recent yearend audit has not been completed, the applicant can submit the two previous audits that have been completed;

2. Fully Completed Application

Applicants must submit a complete application and provide all supporting documentation required for the application.

3. Timely Buildout Completion

A project is eligible only if the application demonstrates that the project can be completely built out within 5 years from the date funds are first made available.

4. Technical Feasibility

Only projects that RUS determines to be technically feasible will be eligible for an award. Applicants will be required to submit a network design, network diagram, project costs and a buildout timeline, all certified by a professional engineer. The certification from the professional engineer must state that the proposed network can deliver broadband service at the required level of service to all premises in the proposed funded service area.

5. Service Areas

a. Eligible Service Areas

i. Applicants must propose to provide broadband service directly to the premises in the proposed funded service area that do not have sufficient access to broadband.

ii. If part or parts of the applicant's proposed funded service area are ineligible, RUS, in its sole discretion, may request that an applicant modify its application, if RUS believes the modification is feasible. Otherwise, RUS will reject the application.

b. Ineligible Service Areas

i. Overlapping Service Areas

RUS will not fund more than one project that serves any one given geographic area. Invariably, however, applicants will propose service areas that overlap, varying from small *de minimus* areas of the territory, but which may be significant with respect to households involved, to larger areas of the service territory, but which may contain few households or businesses, if any. As a result, devising a procedure which will cover every overlap circumstance cannot be done. Nevertheless, it is the agency's intent to make as many eligible applications viable for

consideration as possible. That may mean the agency may: (1) determine the overlap to be so insignificant that no agency action is necessary; (2) request one or more applications to be revised to eliminate the overlapping territory; (3) choose one application over another given the amount of assistance requested, the number of awards already chosen in the area or State, or the need for the project in the specific area due to other factors; or (4) simply choose the project that scores higher or in the judgement of the agency is more financially feasible.

ii. Prior Funded Service Areas

(A) RUS Broadband Loans. Service areas of borrowers that have RUS broadband loans, as defined in this FOA, are ineligible for all other applicants, and can be found at <https://reconnect.usda.gov>. However, RUS broadband borrowers that received funding to provide service in an area where the borrower is not currently providing sufficient access to broadband pursuant to this FOA would be eligible to apply for funding for these service areas if they have not defaulted on, and have materially complied with, in the sole discretion of RUS, their prior broadband loan requirements.

(B) RUS Community Connect Grants. Service areas that received grants under the RUS Community Connect Grant Program are eligible if they do not have sufficient access to broadband, except for those grants still under construction. Service areas still under construction can be found at <https://reconnect.usda.gov>.

(C) RUS BIP Grants. Service areas that received a 100 percent grant under the RUS Broadband Initiatives Program (BIP) are eligible if they do not have sufficient access to broadband. However, if the applicant is the same BIP grantee, then the applicant may only request a 100 percent loan.

(D) State-funded Areas. Areas that received State funding to deploy broadband at a speed of at least 10 Mbps downstream and 1 Mbps upstream are ineligible areas under this FOA. Applicants must provide a map of the proposed funded service area to the appropriate State office and the State office must certify that either funds have/have not been allotted for the area. Applicants must submit the map and the State certification as part of the application for funding. For applications that are proposing to provide service in multiple States, a map and certification will be required for each State. If the map(s) and certification(s) are not submitted, RUS may reject the application.

(E) Connect America Fund Phase II Auction -Auction 903 (CAF II)

Funding for service areas of CAF II recipients can only be requested by the entity that is receiving the CAF II support, and such funding is limited to a 100% loan. The CAF II service areas can be found at <https://reconnect@usda.gov> and may also be found on the FCC webpage.

6. Fully Funded

A project is eligible only if, all project costs can be fully funded or accounted for in the application. To demonstrate this, applications must include evidence of all funding, other than the RUS award, necessary to support the project, such as bank account statements, firm letters of commitment from equity participants, or outside loans, which must evidence the timely availability of funds. If outside loans are used, they may only be secured by assets other than those used for collateral under this FOA. Equity partners that are not specifically identified by name will not be considered in the financial analysis of the application.

7. Financial Feasibility and Sustainability

Only projects that RUS determines to be financially feasible and sustainable will be eligible for an award under this FOA. A project is financially feasible when the applicant demonstrates to the satisfaction of RUS that the company will be able to generate sufficient revenues to cover expenses; will have sufficient cash flow to service all debts and obligations as they come due; will have a positive ending cash balance as reflected on the cash flow statement for each year of the forecast period; and, by the end of the forecast period, will meet at least two of the following requirements: a minimum TIER requirement of 1.2, a minimum DSCR requirement of 1.2, and a minimum current ratio of 1.2. In addition, applicants must demonstrate positive cash flow from operations at the end of the forecast period.

If an applicant has no existing debt, is not proposing to borrow funds during the forecast period, and is applying only for grant funds, only the current ratio will be applied and not the TIER or DSCR. For this situation, applicants must meet the minimum current ratio requirement.

8. Service Requirements

Facilities funded with grant funds must provide broadband service proposed in the application for the composite economic life of the facilities, as approved by RUS, or as provided in the Award Documents.

9. Application Transparency

a. Pre-award Public Notice. To ensure transparency for the ReConnect Program, the Agency's mapping tool will include the following information from each application and be displayed for the public: (i) the identity of the applicant; (ii) the areas to be served; (iii) the type

of funding requested; (iv) the status of the application; (v) the number of households without sufficient access to broadband; and (vi) a list of the census blocks to be served.

b. Post-award Public Notice. For all approved applications, the agency will post on its website: the name of the company receiving funding, the type of funding received, the location of the proposed funded service area and the purposes of the funding.

c. Post-award Reporting. Awardees will be required to submit semi-annual reports for three years after the completion of construction on the following information:

(i) the number and location of residences and businesses that will receive service at or greater than the requirement for the appropriate funding category.

(ii) the types of facilities constructed and installed;

(iii) the speed of the data services being delivered;

(iv) the average price of the data services being delivered in each proposed service area;

and

(v) the broadband adoption rate for each proposed service territory, including the number of new subscribers generated from the facilities funded.

This information will be used to analyze the effectiveness of the funding provided and will allow the Agency to track adoption rates as new and improved broadband services are being provided.

D. Eligible Cost Purposes

1. General

Award and matching funds must be used only to pay for eligible costs incurred post award, except for approved pre-application expenses. Eligible costs must be consistent with the cost principles identified in the applicable OMB circulars. In addition, costs must be reasonable,

allocable, and necessary to the project. Any application that proposes to use any portion of the award or matching funds for any ineligible cost may be rejected.

2. Eligible and Ineligible Costs

a. Eligible award costs

Award funds may be used to pay for the following costs:

(i) To fund the construction or improvement of facilities, including buildings and land, required to provide broadband service, including facilities required for providing other services over the same facilities, such as equipment required to comply with CALEA;

(ii) To fund reasonable pre-application expenses in an amount not to exceed five percent of the award. Pre-application expenses may be reimbursed only if they are incurred after the publication date of this FOA, and properly documented. Pre-application expenses must be included in the first request for award funds, and will be funded with either grant or loan funds. If the funding category applied for has a grant component, then grant funds will be used for this purpose;

(iii) To fund the acquisition of an existing system that does not currently provide sufficient access to broadband for upgrading that system to meet the requirements of this FOA. The cost of the acquisition is limited to 40 percent of the amount requested. Acquisitions can only be considered in the 100 percent loan category.

(iv) To fund terrestrial based facilities for providing satellite broadband service.

(b) Ineligible Award Costs

Award funds may not be used for any of the following purposes:

(i) To fund operating expenses of the Awardee;

(ii) To fund costs incurred prior to the date on which the application was submitted, and with respect to eligible pre-application expenses, those costs incurred prior to the date of the publication date of this FOA;

(iii) To fund an acquisition of an affiliate, or the purchase or acquisition of any facilities or equipment of an affiliate. Note that if affiliated transactions are contemplated in the application, approval of the application does not constitute approval to enter into affiliated transactions, nor acceptance of the affiliated arrangements that conflict with the obligations under the award documents;

(iv) To fund the acquisition of a system previously funded by RUS;

(v) To fund the purchase or lease of any vehicle other than those used primarily in construction or system improvements;

(vi) To fund broadband facilities leased under the terms of an operating lease or an indefeasible right of use (IRU) agreement;

(vii) To fund the merger or consolidation of entities;

(viii) To fund costs incurred in acquiring spectrum as part of an FCC auction or in a secondary market acquisition. Spectrum that is part of an acquisition may be considered for loan funding;

(ix) To fund facilities that provide mobile services;

(x) To fund the acquisition of a system that is providing sufficient access to broadband;
nor

(xi) To refinance outstanding debt.

VI. Application and Submission Information

A. Online application system

All applications under this FOA must be submitted through the RUS Online Application System to be located through <https://reconnect.usda.gov>. Additional information can be found in the Application Guidelines found at the above location. This website will be updated regularly.

B. Registration

1. Dun and Bradstreet Universal Numbering System (DUNS) Number

All applicants must register for a DUNS number as part of the application. The applicant can obtain the DUNS number free of charge by calling Dun and Bradstreet. Go to <http://fedgov.dnb.com/webform> for more information on assignment of a DUNS number or confirmation.

2. System for Award Management (SAM)

Prior to submitting an application, the applicant must also register in SAM at <https://www.sam.gov/portal/SAM/#1> and supply a Commercial and Government Entity (CAGE) Code number as part of the application. SAM registration must be active with current data at all times, from the application review throughout the active Federal award funding period. To maintain active SAM registration, the applicant must review and update the information in the SAM database annually from the date of initial registration or from the date of the last update. The applicant must ensure that the information in the database is current, accurate, and complete.

C. Contents of the Application

1. Requirements for the Applications

Given the varying expected closing dates for each funding type, and the inability of the agency to announce awards for a funding window while applicants have other applications in

more than one funding type, applicants will be limited to ONE application for this FOA. A complete application will include the following information as requested in the RUS Online Application System:

- a. General information on the applicant and the project including:
 - (i) A description of the project that will be made public consistent with the requirements herein and
 - (ii) The estimated dollar amount of the funding request.
- b. An executive summary of the proposed project. This summary shall include, but not be limited to, a detailed description of existing operations, discussion about key management, description of company's workforce, description of interactions between any parent, affiliated or subsidiary operation and a detailed description of the proposed project.
- c. A description of the proposed funded service area including the number of premises passed.
- d. Subscriber projections including the number of subscribers for broadband, video and voice services and any other service that may be offered; A description of the proposed service offerings, and the associated pricing plan that the applicant proposes to offer; and an explanation of how the proposed service offerings are affordable.
- e. A map, utilizing the RUS mapping tool located at <https://reconnect.usda.gov> of the proposed funded service areas identifying the areas without sufficient access to broadband and any non-funded service areas of the applicant.
- f. A description of the advertised prices of service offerings by competitors in the same area.
- g. A network design which includes a description of the proposed technology used to deliver the broadband service demonstrating that all premises in the proposed funded service area can be

offered broadband service, a network diagram, a buildout timeline and milestones for implementation of the project, and a capital investment schedule showing that the system can be built within 5 years, all of which must be certified by a professional engineer who is certified in at least one of the states where there is project construction. The certification from the professional engineer must clearly state that the proposed network can deliver the broadband service to all premises in the proposed funded service area at the minimum required service level. In addition, if the applicant is requesting the points for providing a 100 Mbps symmetrical system, the certification must also state that the proposed system is capable of delivering this service to all premises; a list of all required licenses and regulatory approvals needed for the proposed project and how much the applicant will rely on contractors or vendors to deploy the network facilities. Note that in preparing budget costs for equipment and materials, RUS' Buy American requirements apply.

h. Resumes of key management personnel, a description of the organization's readiness to manage a broadband services network, and an organizational chart showing all parent organizations and/or holding companies (including parents of parents, etc.), and all subsidiaries and affiliates.

i. A legal opinion that: (1) addresses the applicant's ability to enter into the award documents; (2) describes all material pending litigation matters; (3) addresses the applicant's ability to pledge security as required by the award documents and (4) addresses the applicant's ability to provide broadband service under state law.

j. Summary and itemized budgets of the infrastructure costs of the proposed project, including if applicable, the ratio of loans to grants, and any other sources of outside funding.

k. A detailed description of working capital requirements and the source of these funds.

l. Historical financial statements for the last four years consisting of a balance sheet, income statement, and cash flow statement. If a company has not been operating for four years, historical statements for the period of time the company has been operating.

m. Audited financial statements for the previous two calendar years. For governmental entities financial statements must be accompanied with certifications as to unrestricted cash that may be available on a yearly basis to the applicant. For startup operations formed from partnerships of existing utility providers, audited financial statements are required for the two previous years from each of the partners. In addition, the partners must guarantee any loan component of the requested funding.

n. Pro Forma financial analysis, prepared in conformity with U.S. GAAP and the Agency's guidance on grant accounting found at

<https://www.rd.usda.gov/files/AccountingGuidance10.pdf>.

The Pro Forma should validate the sustainability of the project by including subscriber estimates related to all proposed service offerings; annual financial projections with balance sheets, income statements, and cash flow statements; supporting assumptions for a five-year forecast period and a depreciation schedule for existing facilities and those funded with federal assistance, matching, and other funds. This pro forma should indicate the committed sources of capital funding and include a bridge year prior to the start of the forecast period. This bridge year shall be used as a buffer between the historical financial information and the forecast period and is the year in which the application is submitted.

o. All attachments required in the RUS Online application system;

p. A scoring sheet, analyzing the scoring criteria set forth in this FOA;

q. A list of all the applicant's outstanding and contingent obligations, including copies of existing notes, loan and security agreements, guarantees, any existing management or service agreements, and any other agreements with parents, subsidiaries and affiliates, including but not limited to debt instruments that use the applicant's assets, revenues or stock as collateral;

r. A completed Environmental Questionnaire, other documentation requests, and required environmental authorizations and permits, including those required by the National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321 *et seq.*) (NEPA), the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470 *et seq.*) (NHPA), and the Endangered Species Act of 1973, as amended (16 U.S.C. § 1534 *et seq.*) (ESA) as applicable. Project maps or site plans will also need to identify cable routes, building locations, tower locations, equipment locations and all structures and facilities that are part of the project. This information is needed to assist with an efficient and timely review of the environmental requirements;

s. Certification from the applicant that agreements with, or obligations to, investors do not breach the obligations to the government under the draft Award Documents, especially distribution requirements, and that any such agreements will be amended so that such obligations are made contingent to compliance with the Award Documents. Such certification should also specifically identify which, if any, provisions would need to be amended; and

t. If service is being proposed on tribal land, a certification from the proper tribal official that they are in support of the project and will allow construction to take place on tribal land. If no certification is provided, then this area will be ineligible for funding.

u. Any other information requested in the online application system.

D. Material Representations

The application, including certifications, and all forms submitted as part of the application will be treated as material representations upon which RUS will rely in awarding grants and loans.

VII. Application Evaluation Criteria

A. Evaluation Criteria

Applications in the same funding category will be scored and ranked against the following criteria, and not against each other. However, applications for 50/50 loan/grant combos and 100 percent grants that cover the same proposed service area will be evaluated as described in Section V(C)(5)(b)(i) above.

1. **Rurality of proposed funded service area. (25 points)**

Points will be awarded for serving the least dense rural areas as measured by the population of the area per square mile. If multiple service areas are proposed, the density calculation will be made on the combined areas as if they were a single area, and not the average densities. For population densities of 6 or less, 25 points will be awarded.

2. **Farms served. (20 points)**

Applicants will receive 1 point for each farm that pre-subscribes for broadband service up to a maximum of 20 points. Applicants must have the head of the farm sign the pre-subscription form provided in the application system and submit them as part of their application.

3. **Performance of the offered service (20 points)**

For projects that are proposing to build a network that is capable of providing at least 100 Mbps symmetrical service to all premises, 20 points will be awarded. The certification from the Professional Engineer must certify that the proposed system can deliver these speeds to every premises in the proposed funded service area.

4. Businesses (15 points)

Applicants will receive 1 point for each business that pre-subscribes for broadband service up to a maximum of 15 points. Applicants must have the owner of the business sign the pre-subscription form provided in the application system and submit them as part of their application.

5. Healthcare centers (15 points)

For every healthcare center served 1 point will be awarded up to a maximum of 15 points. Healthcare centers will be counted using the GIS layer located in the RUS mapping tool at <https://reconnect.usda.gov>.

6. Educational Facilities (15 points)

For every school served 1 point will be awarded up to a maximum of 15 points. Schools will be counted using the GIS layer provided in the RUS mapping tool located at <https://reconnect.usda.gov>.

7. Critical Community Facilities (15 points)

For every critical community facility served 1 point will be awarded up to a maximum of 15 points. Critical community facilities will be counted using the GIS layer located in the RUS mapping tool at <https://reconnect.usda.gov>.

8. Tribal lands (5 points)

For applications where, at a minimum, 50 percent of the geographical area of the proposed funded service area(s) is to provide service on tribal lands, 5 points shall be awarded. Tribal lands will be analyzed using the GIS layer located at <https://www.census.gov/geo/maps-data/data/cbf/cbf>. This layer is included in the RUS mapping tool.

9. State Broadband Activity (20 points)

For projects that are in a State that has a broadband plan that has been updated within five years of the date of publication of this FOA, 10 points will be awarded. An additional 5 points will be awarded for projects located in states that do not restrict utilities from delivering broadband service, and 5 more points for projects located in states that expedite right-of-way and environmental requirements.

Applicants will be required to submit evidence from the appropriate State official that a broadband plan has been implemented and updated, that there are no restrictions on utilities providing broadband service, and that procedures are in place for expediting right-of-way and environmental requirements. If service is proposed in multiple states, then evidence must be submitted from each state to get the appropriate points.

VIII. Notice of Proposed Funded Service Areas

A. The Agency will publish a public notice of each application

The application must provide a summary of the information required for such public notice including the following:

1. The identity of the applicant;
2. A map of each proposed funded service area showing the rural area boundaries and the areas without sufficient access to broadband using the Agency's Mapping Tool;

3. The amount and type of support requested;
4. The status of the review of the application;
5. The estimated number of households without sufficient access to broadband in each service area exclusive of satellite and mobile broadband service;
6. A description of all the types of services that the applicant proposes to offer in each service area; and

B. Notification after the application has been received

The Agency will publish the public notice on an Agency webpage after the application has been submitted through the online application system and will remain on the webpage for a period of 30 calendar days.

The notice will ask existing service providers to submit to the Agency, within this notice period, the following information:

1. The number of residential and business customers within the applicant's service area currently purchasing broadband service, defined as at a minimum speed of 10 Mbps downstream and 1 Mbps upstream, the rates of data transmission being offered, and the cost of each level of broadband service charged by the existing service provider;
2. The number of residential and business customers within the applicant's service area receiving voice and video services and the associated rates for these other services;
3. A map showing where the existing service provider's services coincide with the applicant's service area using the Agency's Mapping Tool.

C. Agency Determination of Sufficient Access to Broadband in Proposed Funded Service Area

The Agency will use the information submitted to determine if there is sufficient access to broadband in any part of the proposed funded service area. Notwithstanding non-responses by actual and potential providers, the Agency will use all information available in evaluating the feasibility of the project.

D. Treatment of Submitted Information

The information submitted by an existing service provider will be treated as proprietary and confidential to the extent permitted under applicable law.

E. Notice of Application is approved

If an application is approved, an additional notice will be published on the agency's website that will include the following information:

1. The name of the entity receiving the financial assistance;
2. The type of assistance being received; and
3. The purpose of the assistance and the location of the proposed funded service area.
4. The semiannual reports submitted under Section VII (5) of this FOA.

IX. Evaluation and Processing Procedures

A. Review of Application

Applications will be evaluated using the criteria stated in Section IV.C of this FOA. Public comments received with respect to an application's proposed funded service area will be reviewed and evaluated. Eligibility of proposed funded service areas will be verified by the Agency.

RUS also reserves the right to ask applicants for clarifying information and additional verification of assertions in the application. For those applications that RUS has selected for funding, RUS will send award documents.

B. Review of Awardee Operations

1. Entities that Receive Funding under this FOA

For all entities that receive funding under this FOA, RUS may send a team to the awardee's facilities to complete a Management Analysis Profile (MAP) of the entire operation. MAPs are used by RUS as a means of evaluating an Awardee's strengths and weaknesses and ensuring that awardees are prepared to fulfil the terms of the award. Once an applicant accepts an award offer, RUS may schedule a site visit as soon as possible.

2. Agency Right Not to Advance Funds

RUS reserves the right not to advance funds until the MAP has been completed. If the MAP identifies issues that can affect the operation and completion of the project, those issues must be addressed to the satisfaction of RUS before funds can be advanced. Funding may be rescinded if following a MAP the agency determines that the awardee will be unable to meet the requirements of the award.

X. Award Administration Information

A. Award Notices

Successful applicants will receive an offer letter and award documents from RUS following award notification. Applicants may view sample award documents at <https://reconnect.usda.gov>.

B. Administrative Requirements

1. Pre-award conditions

No funds will be disbursed under this program until all other sources of funding have been obtained and any other pre-award conditions have been met. Failure to obtain one or more sources of funding committed to in the Application or to fulfill any other pre-award condition within 90 days of award announcement may result in withdrawal of the award.

2. Failure to Comply with Award Requirements

If an Awardee fails to comply with the terms of the award as specified in the award documents, RUS may exercise rights and remedies.

3. Advance Procedures

RUS loan and grant advances are made at the request of the Awardee according to the procedures stipulated in the Award Documents. ALL MATCHING FUNDS OR CASH PROVIDED IN LIEU OF LOAN FUNDS MUST BE EXPENDED FIRST, FOLLOWED BY LOAN FUNDS, AND THEN BY GRANT FUNDS, EXCEPT FOR RUS APPROVED PRE-APPLICATION EXPENSES. Grant funds, if any, will be used for eligible pre-application expenses only on the first advance request. Accordingly, applications that do not account for such advance procedures in the Pro Forma five-year forecast may be rejected.

4. Construction

a. All project assets must comply with 7 CFR part 1788, and 7 CFR part 1970 located at <https://www.rd.usda.gov/publications/regulations-guidelines/regulations>, the ReConnect Program Construction Procedures located at <https://reconnect@usda.gov>, any successor regulations found on the agency's website, and any other guidance from the Agency.

b. The build-out of the project must be completed within five years from the date funds are made available. Build-out is considered complete when the network design has been fully implemented, the service operations and management systems infrastructure is operational, and the awardee is ready to support the activation and commissioning of individual customers to the new system

5. Servicing

a. Awardees must make payments on the loan as required in the note and Award Documents.

b. Awardees must comply with all terms, conditions, affirmative covenants, and negative covenants contained in the Award Documents.

c. In the event of default of the Award Documents:

(i) A late charge may be charged on any payment not made in accordance with the terms of the loan.

(ii) The Agency may exercise any and all remedies provided in the Award Documents.

6. Accounting, Monitoring, and Reporting Requirements

a. Awardees must adopt a system of accounts for maintaining financial records acceptable to the Agency, as described in 7 CFR part 1770, subpart B.

b. Awardees must submit annual comparable audited financial statements along with a report on compliance and on internal control over financial reporting, and management letter in accordance with the requirements of 7 CFR part 1773. The Certified Public Accountant (CPA) conducting the annual audit is selected by the borrower and must be satisfactory to RUS as set forth in 7 CFR 1773.4.

c. Awardees must comply with all reasonable Agency requests to support ongoing monitoring efforts. The Awardee shall afford RUS, through its representatives, reasonable opportunity, at all times during business hours and upon prior notice, to have access to and the right to inspect: the Broadband System, any other property encumbered by the Award Documents, any and all books, records, accounts, invoices, contracts, leases, payrolls, timesheets, cancelled checks, statements, and other documents, electronic or paper of every kind belonging to or in the possession of the Awardee or in any way pertaining to its property or business, including its subsidiaries, if any, and to make copies or extracts therefore.

d. Awardee records shall be retained and preserved in accordance with the provisions of 7 CFR part 1770, subpart A.

e. Awardees must submit semiannual reports for 3 years after completion of the project, which must include the following:

(1) The purpose of the financing, including new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers (including the estimated number of end users who are currently using or forecasted to use the new or upgraded infrastructure);

(2) The progress towards fulfilling the objectives for which the assistance was granted, including:

- (i) The number of residences and businesses that will receive service equal to or greater than the speed required for the appropriate funding category;
- (ii) The types of facilities constructed and installed;
- (iii) The speed of the broadband services being delivered;
- (iv) The average price of the broadband services being delivered in each proposed service area;
- (v) The broadband adoption rate for each proposed service territory, including the number of new subscribers generated from the facilities funded; and

7. Assistance Instruments

- a. Terms and conditions of loans, grants, or loan/grant combinations are set forth in the non-negotiable standard loan, grant, or loan/grant agreements and the corresponding note, and/or mortgage, if applicable, which may be found at <https://reconnect.usda.gov>.
- b. Award Documents must be executed prior to any advance of funds.
- c. Sample Award Documents can be found at <https://reconnect.usda.gov>.

8. Loan and Loan/Grant Terms and Conditions

Among others, the following terms shall apply to the loans:

a. Interest Rate

If an applicant is applying for a 100% loan, the interest rate shall be fixed at 2%. If an applicant is applying for a 50/50 loan/grant combination, the loan shall bear interest at a rate equal to the cost of borrowing to the Department of Treasury for obligations, as determined by the government, of comparable maturity. The applicable interest rate will be set at the time of each advance.

b. Repayment Period

Unless the Applicant requests a shorter repayment period, loans must be repaid with interest within a period that, rounded to the nearest whole year, is equal to the expected Composite Economic Life of the project assets, as determined by RUS based upon acceptable depreciation rates, plus three years. Acceptable depreciation rates can be found in the ReConnect Program Constructions Procedures found at <https://reconnect@usda.gov>.

c. Amortization Period

Interest begins accruing on the date of each loan advance. All interest and principle payments will be deferred for a three-year period starting when funds are made available to be drawn by the Awardee. At the end of the three-year deferral period, accrued interest will be capitalized and added to the outstanding principal, and monthly payments will be established in an amount that amortizes the outstanding balance in equal payments over the remaining term of the loan.

d. Build-out Period

All proposed construction (including construction with matching and other funds) and all advance of funds must be completed no later than five years from the time funds are made available.

e. Fidelity Bonding

Applicants must agree to obtain a fidelity bond for 15 percent of the award amount. The fidelity bond must be obtained as a condition of award closing. RUS may reduce the percentage required if it determines that 15 percent is not commensurate with the risk involved.

f. Loan Security. The loan portion of the award must be adequately secured, as determined by RUS.

(i) For Corporations and LLC's, the loan and loan/grant combinations must be secured by all assets of the Awardee. RUS must be given an exclusive first lien, in form and substance satisfactory to RUS, on all assets of the Awardee, including all revenues. RUS may share its first lien position with one or more lenders on a *pari passu* basis, except with respect to grant funds, if security arrangements are acceptable to RUS. Applicants must submit a certification that their prior lender or lienholder on any Awardee assets has already agreed to sign the RUS' standard intercreditor agreement or co-mortgage found at <https://reconnect.usda.gov>. Note that RUS will not consider sharing assets with any related party or affiliate of the Awardee. Moreover, given that RUS cannot renegotiate these standard agreements, Awardees that are unable to obtain sign-off on the security arrangements may have their awards rescinded within 60 days of the date the Awardee is made aware of the approval of its application.

(ii) For Tribal entities and municipalities, RUS will develop appropriate security arrangements.

(iii) Unless otherwise approved by RUS in writing, all property and facilities purchased with award funds must be owned by the Awardee.

g. Grant Security. The grant portion of the award must also be adequately secured, as determined by RUS.

(i) The government must be provided an exclusive first lien on all grant assets during the service obligation of the grant, and thereafter any sale or disposition of grant assets must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 C.F.R. part 200. Note that this part will apply to ALL grant funds of an Awardee, regardless of the entity status or type of organization.

(ii) All Awardees must repay the grant if the project is sold or transferred without RUS approval during the service obligation of the grant.

9. Award Terms and Conditions

a. Scope

Awardees are required to comply with the requirements established herein. Any obligation that applies to the Awardee shall extend for the life of the award-funded facilities.

b. Sale or Lease of Project Assets

The sale or lease of any portion of the Awardee's facilities must be approved in writing by RUS.

c. Certifications

(i) The Applicant must certify that it is authorized to submit the application on behalf of the eligible entity(ies) listed in the Application; that the Applicant has examined the Application; that all information in the Application, including certifications and forms submitted, are, at the time furnished, true and correct in all material respects; that the entity requesting funding will comply with the terms, conditions, purposes, and federal requirements of the program; that no kickbacks were paid; and that a false, fictitious, or fraudulent statement or claim on the Application is grounds for denial or termination of an award, and/or possible punishment by a fine or imprisonment as provided in 18 U.S.C. § 1001 and civil violations of the False Claims Act (31 U.S.C. § 3729 *et seq.*);

(ii) The Applicant must certify that it will comply with all applicable Federal, state, and local laws, rules, regulations, ordinances, codes, orders, and programmatic rules and requirements relating to the project, and acknowledges that failure to do so may result in

rejection or de-obligation of the award, as well as civil or criminal prosecution, if applicable, by the appropriate law enforcement authorities.

10. Financial and Compliance Reporting Requirements

Awardees must submit to RUS 30 calendar days after the end of each calendar year quarter, balance sheets, income statements, statements of cash flow, rate package summaries, and the number of customers taking broadband service on a per community basis utilizing RUS' on-line reporting system. These reports must be submitted throughout the loan amortization period or for the economic life of the facilities funded with a 100 percent grant.

In addition, Awardees will be required to submit annually update service area maps through the RUS mapping tool showing the areas where construction has been completed and premises are receiving service until the entire proposed funded service area can receive the broadband service.

At the end of the project, Awardees must submit a service area map indicating that all construction has been completed as proposed in the application. If parts of the proposed funded service area have not been constructed, RUS may require a portion of the award to be rescinded or paid back.

XI. Other Information

A. Discretionary Awards

The government is not obligated to make any award as a result of this announcement and will fund only projects that are deemed likely to achieve the program's goals and for which funds are available.

B. Environmental and National Historic Preservation Requirements

Federal Agencies are required to analyze the potential environmental impacts, as required by the NEPA and the NHPA for Applicant projects or proposals seeking funding. All Applicants are required to complete the Environmental Questionnaire, provide a description of program activities and to submit all other required environmental documentation with the application.

It is the Applicant's responsibility to obtain all necessary federal, state, and local governmental permits and approvals necessary for the proposed work to be conducted. Applicants are expected to design their projects so that they minimize the potential for adverse impacts to the environment. Applicants also will be required to cooperate with the granting agencies in identifying feasible measures to reduce or avoid any identified adverse environmental impacts of their proposed projects. The failure to do so may be grounds for not making an award.

Applications will be reviewed to ensure that they contain sufficient information to allow Agency staff to conduct a NEPA analysis so that appropriate NEPA documentation can be submitted to the appropriate federal and state agencies, along with the recommendation that the proposal is in compliance with applicable environmental and historic preservations laws. Applicants proposing activities that cannot be covered by existing environmental compliance procedures will be informed after the technical review stage whether NEPA compliance and other environmental requirements can otherwise be expeditiously met so that a project can proceed within the timeframes anticipated under the ReConnect Program.

If additional information is required after an application is accepted for funding, funds can be withheld by the agency under a special award condition requiring the Awardee to submit

additional environmental compliance information sufficient for the Agency to assess any impacts that a project may have on the environment.

C. De-obligation

The RUS reserves the right to de-obligate awards to Awardees under this FOA that demonstrate an insufficient level of performance, wasteful or fraudulent spending, or noncompliance with environmental and historic preservation requirements.

D. Confidentiality of Applicant Information

Applicants are encouraged to identify and label any confidential and proprietary information contained in their applications. The Agency will protect confidential and proprietary information from public disclosure to the fullest extent authorized by applicable law, including the Freedom of Information Act, as amended (5 U.S.C. § 552), the Trade Secrets Act, as amended (18 U.S.C. § 1905), the Economic Espionage Act of 1996 (18 U.S.C. § 1831 *et seq.*), and CALEA (47 U.S.C. § 1001 *et seq.*). Applicants should be aware, however, that the Consolidated Appropriations Act requires substantial transparency. For example, RUS is required to make publicly available on the Internet a list of each entity that has applied for a loan or grant, a description of each application, the status of each application, the name of each entity receiving funds, and the purpose for which the entity is receiving the funds.

E. Compliance with Applicable Laws

Any recipient of funds under this FOA shall be required to comply with all applicable federal and state laws, including but not limited to:

1. The nondiscrimination and equal employment opportunity requirements of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e *et seq.*, 7 CFR pt. 15);
2. Section 504 of the Rehabilitation Act (29 U.S.C. § 794 *et seq.*; 7 CFR pt. 15b);
3. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq.*; 45 CFR pt. 90);
4. Executive Order 11375, amending Executive Order 11246, Relating to Equal Employment Opportunity (3 CFR pt. 102). *See* 7 CFR pts. 15 and 15b and 45 CFR pt. 90, RUS Bulletin 1790-1 (“Nondiscrimination among Beneficiaries of RUS Programs”), and RUS Bulletin 20-15:320-15 (“Equal Employment Opportunity in Construction Financed with RUS Loans”);
5. The Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151 *et seq.*);
6. The Uniform Federal Accessibility Standards (UFAS) (Appendix A to 41 CFR subpart 101-19.6); and
7. The Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA and certain related federal environmental laws, statutes, regulations, and Executive Orders found in 7 CFR 1970.

A more complete list of such requirements can be found in the applicable Award Documents.

F. Communications Laws

Awardees will be required to comply with all applicable federal and state communications laws and regulations, including, for example, the Communications Act of 1934, as amended, (47 U.S.C. § 151 *et seq.*) the Telecommunications Act of 1996, as amended (Pub. L. 104-104, 110 Stat. 56 (1996), and CALEA. For further information, see <http://www.fcc.gov>.

G. Executive Order 13132

It has been determined that this notice does not contain policies with federalism implications as that term is defined in Executive Order 13132.

H. Administrative Procedure Act Statement

This FOA is being issued without advance rulemaking or public comment. The Administrative Procedure Act of 1946 exempts from proposed rulemaking loan and grant programs (5 U.S.C. 553(a)(2)). Additionally, Congress specifically instructed the agency to expedite implementation of this pilot.

I. Authorized Signatories

Only authorized grant and loan officers can bind the Government to the expenditure of funds.

J. Paperwork Reduction Act and Recordkeeping Requirements

Copies of all forms, regulations, and instructions referenced in this FOA may be obtained from RUS. Data furnished by the Applicants will be used to determine eligibility for program benefits. Furnishing the data is voluntary; however, the failure to provide data could result in program benefits being withheld or denied.

The Information Collection and Recordkeeping requirements contained in this FOA have been approved by an emergency clearance under **OMB Control Number 0572-XXXX**. In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), RUS invites comments on this information collection for which the Agency intends to request approval from the Office of Management and Budget (OMB).

Comments on this notice must be received by (**Insert date 60 days from date of publication in the *Federal Register***). Comments are invited on (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of burden including the validity of the methodology and assumption used; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments may be sent to Michele Brooks, Team Lead, Rural Development Innovation Center – Regulations Management Team, U.S. Department of Agriculture, 1400 Independence Ave., SW., Stop 1522, Room 5162 South Building, Washington, DC 20250–1522.

Title: Rural eConnectivity Pilot Program (ReConnect Program)

Type of Request: New collection.

Estimate of Burden: Public reporting burden for this collection of information is estimated to average 6.77 hours per response.

Respondents: Businesses and other for-profits.

Estimated Number of Respondents: 2000.

Estimated Number of Responses per Respondent: 34.96.

Estimated Total Annual Burden and Record Keeping Hours on Respondents: 477,820 hours.

Copies of this information collection can be obtained from MaryPat Daskal, Rural Development Innovation Center- Regulations Management Team, at (202) 720-7853 or email: marypat.daskal@wdc.usda.gov.

All responses to this information collection and recordkeeping notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Dated: _____

Christopher A. McLean,
Acting Administrator, Rural Utilities Service