

IC List for
OMB Control No. 0572-0152
Reconnect Program

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 (ReConnect Program).

This is a pilot program and currently not codified in the Code of Federal Regulations.

Forms used to collect information associated with this pilot program are accounted for under other burden packages. Those forms have been uploaded into the Supplementary Document section in ROCIS and the respective OMB control numbers are identified in Question 2 of the supporting statement and summary burden spreadsheet.

Burden accounted for under this information collection package are non-forms as follows:

Loan, Loan/Grant Combination, and Grant Applicants

The following information is collected in the RUS Online application system and accounted for under this collection package:

Applicants must submit a complete application and provide all supporting documentation required for the application in the RUS Online application system. A complete application will include the following information:

- a. Funding Request. This request includes general information on the applicant and project, such as a description of the project that will be made public and the estimated dollar amount of the funding request. Applicants must be registered in the System for Award Management and be able to supply a Commercial and Government Entity (CAGE) Code number and a Dun and Bradstreet Universal Numbering System (DUNS) number.
- b. Executive Summary. This summary shall include, but not be limited to, a detailed description of existing operations, discussion on 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. Legal Opinion. This document addresses the applicant's ability to enter into the award documents, describes all material pending litigation matters, addresses the applicant's ability to pledge security as required by the award documents, and addresses the applicant's ability to provide broadband service under state law.
- d. Organizational Charts. These charts show all parent organizations and/or holding companies (including parents of parents, etc.), and all subsidiaries and affiliates.

- e. Resumes of Key Management Personnel.
- f. Broadband Operations Experience. This narrative describes the organization's readiness to manage a broadband services network.
- g. Proposed Funded Service Area Description. Description must include the number of premises passed.
- h. Proposed Funded Service Area Map. A map of the proposed funded service area(s) must be submitted via the RUS mapping tool located at <https://reconnect.usda.gov>. This map must identify the areas without sufficient access to broadband and any non-funded service areas of the applicant.
- i. Subscriber Projections. Subscriber projections must include 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 plans; and an explanation of how the proposed service offerings are affordable.
- j. Competitive Analysis. This analysis should identify the advertised prices of service offerings by competitors in the same area.
- k. Network Design. The network design includes a description of the proposed technology, a network diagram, a buildout timeline with milestones, and a capital investment schedule, 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. The design must also demonstrate that the system can be built within five years.

If the applicant is requesting 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.
- l. Licenses, Agreements, and Regulatory Approvals. Applicants must also submit a list of all required licenses, agreements, and regulatory approvals needed for the proposed project and identify how much the applicant will rely on contractors or vendors to deploy the network facilities.
- m. Summary and Itemized Budgets. Budget information should include the infrastructure costs of the proposed project, including if applicable, the ratio of loans to grants, and any other sources of outside funding.
- n. Pro Forma Financial Analysis (Pro Forma). 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.
- o. Sources of Other Funding. This narrative provides a detailed description of the applicant's working capital and the source of these funds.
- p. Matching Requirement (applicable to 100 percent grant requests only). This document must identify the source and amount of the applicant's matching contribution.

- q. List of Outstanding and Contingent Obligations. This list includes copies of existing notes; loan and security agreements; guarantees; any existing management or service agreements; and any other agreements with parents, subsidiaries, and/or affiliates, including but not limited to debt instruments that use the applicant's assets, revenues, or stock as collateral.
- r. Audited Financial Statements (CPA audits). These audited statements cover 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, CPA audits 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.
- s. Evaluation Criteria. This self-assessment calculates the number of points the applicants have earned based on the evaluation criteria. Pre-subscription forms for farms and businesses may be submitted to justify their evaluation.
- t. Historical Financial Statements. These statements cover the previous four years and consist of a balance sheet, income statement, and cash flow statement. If a company has not been operating for four years, then the applicant may submit historical statements for the years that the company has been in operation.
- u. Environmental Information. This section includes a questionnaire, other requested documentation, and required environmental authorizations and permits which is expected to be none or minimal. Project maps or site plans need to identify cable routes, building locations, tower locations, equipment locations, and all structures and facilities that are part of the project.
- v. State-funded Areas Certification. 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.
- w. Certification of Investor Compliance. This document certifies that the 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.
- x. Acquisition Agreement (applicable to 100 percent loan requests only). This contract governs the terms and conditions that bind the parties in an acquisition. For applications that propose to acquire facilities, provide satisfactory evidence for RUS to determine that the acquisition is necessary to providing broadband service.
- y. Certification of Tribal Support (if applicable). 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 is required.

z. Substantially Underserved Trust Area Application (if applicable). See 7 CFR part 1700, subpart D for the application requirements. Not all discretionary provisions may be requested due to certain prohibitions in the ReConnect Program.

aa. Evidence of Legal Existence. The applicant must provide evidence demonstrating that it is legally recognized under State and Federal law. Satisfactory documentation includes, but is not limited to, certificates from the Secretary of State, State statutes or laws establishing your organization.

bb. Certificate Regarding Architectural Barriers. This information is required by the Architectural Barriers Act of 1968, as amended.

cc. 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 3017.510).

dd. Certificate Regarding Flood Hazard Area Precautions. If the project is in an area subject to flooding, flood insurance must be provided to the extent available and required under the Flood Disaster Protection Act of 1973, as amended.

ee. Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements. This certification is required by U.S.C. Title 31, Section 1352 for financial assistance in excess of \$100,000. If the applicant is engaged in lobbying activities, a completed disclosure form, Disclosure of Lobbying Activities, is also required (7 CFR Part 3018).

ff. Civil Rights Compliance Certification. This information is required by U.S. Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and Executive Order 11246, Equal Employment Opportunity, as amended.

gg. Federal Collection Policies for Commercial Debt Certification. The applicant must provide certification that it is not delinquent on any Federal debt and understands the actions the government may take if it fails to make scheduled payments.

hh. Lobbying Certification for Loan Guarantees and Loan Insurance. This certification is required if any 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 commitment providing for the United States to insure or guarantee a loan.

ii. Certificate of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification. This certification assures that the recipient of financial assistance will comply with this act.

II. Public Notices Responses. To ensure transparency for the ReConnect Program, the Agency's mapping tool will include information for each application and approved applications which will be displayed for the public.

Note: This is not part of the application, however, it does contribute to the collection of burden for the public.

ReConnect Program Borrowers and Grantees (Funds Recipients)

After an applicant has been selected for funding, the Agency will prepare a Grant and Security Agreement, a Combination Loan/Grant and Security Agreement, a Loan Agreement with Mortgage and Combination Loan/Grant Agreement with Mortgage or, a Loan and Security Agreement, outlining any agreement, certifications, legal opinions, and terms and conditions for the award. The Agency will require the following from the awardee:

- a. Updated Information for the Preparation of Legal Documents. Awardees must provide RUS with any updates to their application if changes have occurred from the time of application submission to the receipt of the award notification letter.
- b. Execution of Award Documents. Awardees must return signed copies of the legal documents and comply with all terms, conditions, affirmative covenants, and negative covenants contained in the Award Documents.
- c. Evidence of Fidelity Bond Coverage. Fidelity bonds for an amount equal to 15 percent of the award amount are required. This is to ensure that if funds are somehow lost, stolen, or misappropriated that the actual loss to the recipient of financial assistance will be mitigated and that the awardee will continue implementing the project. The fidelity bond must be obtained as a condition of award closing.
- d. Evidence of First Lien. Awardees must certify that prior lenders or lienholders on any Awardee assets have already agreed to sign the RUS' standard intercreditor agreement or co-mortgage found at <https://reconnect.usda.gov>.
- e. Semiannual Performance Reports. For three years after project completion, awardees must submit reports that describe new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers and the progress towards fulfilling the objectives for which the assistance was granted.
- f. Annual Audited Financial Statements. In accordance with the requirements of 7 CFR part 1773, awardees must submit annual comparable audited financial statements.
- g. Annual Service Area Maps and Progress Reports.
- h. Final Service Area Map and Accomplishments.