

USDA ReConnect Webinar

Preparing to Apply: Getting Started and Engaging Your Community

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Q&A Speakers:

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Transcript

Slide 1

Olivia Tuttle: Good morning, and welcome to the *Getting Started and Engaging your Community* presentation for round two of the ReConnect Program. My name is Olivia, and I am a member of the USDA RUS ReConnect Support Team. I will be your presenter for today's webinar.

Slide 2 – Preparing to Apply Presentation Overview

Olivia Tuttle: To begin, I'll briefly describe the agenda. This presentation will provide a high-level overview of key considerations when preparing to apply for the ReConnect program. We will begin by providing a few key terms and abbreviations. Then, we will discuss Engaging, Mapping and Assessing your community along with developing your application approach. The next section will start with an overview of the ReConnect rules and requirements. Then, we will learn about application set-up account information, and creating an application. And finally, we will provide some resources as you prepare to apply. We will also have some time at the end of the webinar to take live questions, so please feel free to submit questions throughout the presentation via the chat box, and we will answer as many as time allows. Please also keep in mind that the information provided during today's presentation is informed by the Funding Opportunity Announcement (or FOA), which was published on December 12 ,2019.

Slide 3 – Key Terms and Abbreviations

Olivia Tuttle: To start, here are some helpful terms and acronyms that applicants and interested parties will hear frequently when engaging with the ReConnect program:

- Funding Opportunity Announcement (or FOA): The FOA represents the governing provisions for the ReConnect Program. The second ReConnect program FOA was published on December 12, 2019 in the Federal Register.
- Proposed Funded Service Area (or PFSA): A PFSA is the geographic area where an applicant is requesting ReConnect Program funds to provide broadband service.
- And, ReConnect Online Application System: The Online Application System, found at <https://ReConnect.usda.gov>, is RUS's online platform where applicants can register, apply, and submit all relevant documentation. Please note, the Online Application System will be open between January 31, 2020 and March 16, 2020. This is the application window for all three funding categories.

Slide 4 – Engaging, Mapping, and Assessing Your Community

Olivia Tuttle: Now, let's move into the first section of the presentation – engaging, mapping, and assessing your community. Throughout this section, we will discuss strategies for engaging your communities.

Slide 5

Olivia Tuttle: Nearly 60 million Americans, or approximately 20% of the U.S. population, live in rural areas. Developing an understanding of the residents, businesses, and communities in the areas in which they intend to apply can help applicants better conceptualize their business and construction plans.

Slide 6 – Map Your Communities

Olivia Tuttle: Before starting their application, applicants should consider mapping the communities, or areas, they plan to serve. When mapping your communities, there are some key points to consider. Where do residents live? Can I develop a project that is able to serve households throughout the service area? Is there existing broadband service, and if so, where is it provided? And are there areas of the intended service area that may be ineligible based on criteria in the FOA? Applicants can use the Eligible Area Map available on the ReConnect website to view factors of ineligibility. The mapping tool shows areas that are ineligible for a variety of reasons, but keep in mind that applicants must do their own due diligence to ensure PFSAAs meet all eligibility criteria.

A few other considerations include plan developments, expansion, economic initiatives and others. Having an understanding of how the population and economic demographics of your planned areas may change in the coming years can help further inform your business plan. Taking these items into account can help applicants forecast demand, thus revenue and the ultimate success of a project.

Slide 7 – Assess Your Communities

Olivia Tuttle: Along with mapping your communities, it is important to gain an understanding of how well you are meeting stakeholder expectations. The following considerations assist applicants to refine their goals and strategic approach: to assess expectations and performance, ask yourself, what do the residents of the rural area you are proposing to serve expect from the applicant in this project? Consider: What is the level of need for broadband in this community? What does the community expect from the applicant to be successful when their grant and/or loan has been awarded? What level of support does the community expect? How well is the applicant currently meeting their consumer expectations with current projects? And - will an applicant need to do extensive marketing efforts to reach this market - how will residents know about their service?

Slide 8 – Develop Your Application Approach

Olivia Tuttle: After mapping and assessing their communities, applicants can begin developing an approach for completing their applications. There are some key considerations applicants should consider, which may require additional outreach to the areas and communities they plan to serve in order to complete their application. Key areas where an applicant may need to engage their communities include: network considerations, financial considerations, environmental considerations, evaluation criteria, and application documentation.

Slide 9 – Network Considerations

Olivia Tuttle: First, let's discuss some network requirements of the application that are important to keep in mind while designing a project. The FOA requires that the applicant submit a network design certified by a professional engineer (or PE) stating that the proposed network can deliver broadband service at the required level of service to all premises in the PFSA. Ask yourself, "Does my network design match the needs of the community I'm proposing to serve?" Applicants will also need to describe their project as part of the executive summary in the application. The executive summary should include the solution overview, network speeds, type of service, premise type, and timelines. Applicants should consider, "Am I proposing reasonable and feasible solutions given the areas I plan to serve?"

Slide 10 – Financial Considerations

Olivia Tuttle: Next, we will take a look at some financial requirements of the application that are important to consider while designing a project. Only projects that USDA determines to be financially feasible and sustainable will be eligible for an award under this Program. A project is financially feasible when the applicant demonstrates that it will be able to satisfy the following conditions: Generate sufficient revenues to cover expenses; produce sufficient cash flow to service all debts and obligations as they come due; have a positive ending cash balance as reflected on the cash flow statement for each year of the five-year forecast period; and, depending on the funding type, the applicant must meet either a minimum Times Interest Earned Ratio (or TIER) of 1.2, a minimum Debt Service Coverage Ratio (or DSCR) of 1.2, or a minimum current ratio of 1.2. Additionally, applicants must demonstrate positive cash flow from operations at the end of the forecast period.

Some additional considerations include: What is your financial and operational status? – are you new to broadband or an experienced provider? Where is your PFSA? What kind of access do people already have in that area? Who are the other providers? What can customers afford to pay for broadband service? Are these financial projections reasonable given the demographics of the proposed service areas?

Slide 11 – Environmental Considerations

Olivia Tuttle: Next, let's review some environmental requirements for the application. Applicants will need to identify the service area of the proposed project and be aware of any environmental and historic resource areas the project will impact. Applicants should also consider whether the project will require new rights-of-way and whether the project service area will impact native tribal land, protected farmland, or federal land (land owned by Federal agencies other than USDA).

Slide 12 – Evaluation Criteria

Olivia Tuttle: Applicants should also consider the application evaluation criteria when developing their approach to the application. The criteria includes: the rurality of the proposed service area, any farms served, performance of offered service. Specifically, points can be achieved for providing 100 Mbps symmetrical service (meaning 100 Mbps downstream and 100 Mbps upstream). However, note that 25/3 Mbps is the minimum threshold, and no points will be awarded for meeting this requirement. Businesses, specifically, they will need to conduct outreach to businesses to get pre-subscriber forms if applying for the 100% grant or 50/50 combination funding types. Also consider, healthcare centers, educational facilities, essential

community facilities, opportunity zones, which is a new criterion since the first round of funding. And finally, state or tribal broadband activity. These points are broken up into 3 components: states with a State Broadband Plan, states that do not restrict utilities from providing broadband, and projects in states that expedite right-of-way and environmental requirements.

Slide 13 – Other Application Considerations

Olivia Tuttle: Other application considerations, in addition to the evaluation criteria, and network, financial, and environmental considerations, applicants must be aware of and be making progress on specific requirements that may be unique to their application. These requirements may include the following:

- Construction easements, licenses, and permits. Some projects may require local, state, and/or federal licenses, permits and/or rights of way, and easements.
- Application Support. Some applicants may consider procuring support for project development and application submission.
- And finally, local and state involvement. Applicants are encouraged to work with the Governor's office for the states where they are proposing to provide broadband service and submit information detailing where state funding has been provided.

And the last thing I want to touch on for this slide – it is important to begin collecting the documents that need to be submitted with the application sooner rather than later. The system requires many uploads related to organizational documentation. You can find a list of application materials on the ReConnect website under “Forms and Resources.”

All applications will once again be accepted through the RUS online application system. However, instead of closing at midnight, the application deadline will be at 6:00 p.m. (Eastern) on March 16th.

Slide 14 – Getting Started

Olivia Tuttle: This next section of today's webinar will dive deeper into preparing for the ReConnect Application.

Slide 15 – How Does USDA Define Applicant Success?

Olivia Tuttle: How does USDA define applicant success? First, a successful application will meet RUS's eligibility standards and propose a project to service as many rural customers that do not have sufficient access to broadband as possible. A successful application must also be submitted by the deadline, which is 6:00 p.m. Eastern time on March 16, 2020.

Slide 16 – General Reminders

Olivia Tuttle: As you read the FOA and determine your PFSAs, please keep these key tips in mind: Understand the ReConnect program rules and requirements. Plan your application approach. Make sure you have enough time to complete all of the application components. Required information might not be readily available and may require some thought, research, or organizational decision-making. Keep in mind project considerations. We will discuss a few key items to remember as you prepare financial, engineering, and environmental documents. Engage your community. We just discussed this in the first portion of today's webinar. Become familiar with the online application system by attending a ReConnect workshop and/or webinar and by reviewing the online resource materials. Always refer to the FOA. The FOA should serve as your go-to document for questions, instructions, and guidance as you complete the

application. Apply only through the ReConnect online application system. RUS cannot consider applications submitted in another format. Select one funding category for your project: 100% loan, 50% loan/ 50% grant, or 100% grant.

If the applicant decides to change the ReConnect funding type, they must create a new application in the system. No information will transfer from one application to another. And finally, reach out with questions. You can submit any questions you might have after today's presentation through the Contact Us form on the ReConnect website. Additionally, applicants are able to submit questions using the Contact Us feature within the application system after starting their application.

Slide 17 – Understand ReConnect Program Rules and Requirements

Olivia Tuttle: Now let's discuss how to become more familiar with the Funding Opportunity Announcement, and highlight key decisions an applicant should make early on in the process.

Slide 18 – Become Familiar with the FOA

Olivia Tuttle: As previously mentioned, the 2019 FOA details the governing provisions for the program. Applicants should become very familiar with the FOA in advance of initiating ReConnect application activities. The full text of the FOA is available on the ReConnect website under "Forms and Resources." In addition to the FOA, the Forms and Resources page hosts a variety of other resources, including a webinar recording from December 2019 that provides an overview of the new FOA, as well as up-to-date frequently asked questions. These documents will continue to be updated and expanded upon as we continue to provide workshop and webinar events leading up to and throughout the application window.

As you review the FOA and other ReConnect Program resource materials, there are a few key program requirements to keep in mind. Applicants can only apply online through the online ReConnect application system. Applications submitted in any other format will not be considered. Applicants can only apply for one of the three funding categories. And, as previously mentioned, the online application system will be open between January 31, 2020 and March 16, 2020. The deadline for all three funding categories is 6:00 p.m. Eastern time on March 16th.

Slide 19 – Getting Started: Application Tips

Olivia Tuttle: As we've seen, there are many components and considerations throughout application process, and it may seem daunting to begin. To simplify the process, consider these tips. Conceptualize your project before beginning the online application. Applicant projects should be fully conceptualized and well vetted before completing the forms in the online application system. Obtain Level 2 eAuthentication as soon as possible. We will talk more about Level 2 eAuthorization later on in the presentation. Set up your account and submit an Authorized Representative Request (or ARR) as soon as the application window opens. We will cover ARR submission later in the presentation as well. Educate yourself on requirements that may be unique to your application. For example, required documentation varies by funding type, existence of unadvanced prior loan funds, or stage of environmental review. And finally, start collecting the documents that need to be submitted with the application as soon as possible. The system requires many uploads related to organizational documentation.

Slide 20 – Introduction to the ReConnect Application System

Olivia Tuttle: Once you have become familiar with the FOA, reviewed the ReConnect Program requirements, and conceptualized your project, it's time to start thinking about how to apply. All applications under this FOA must be submitted through the RUS Online Application System located at <https://ReConnect.usda.gov>.

As previously mentioned, the application system will be open between January 31, 2020 and March 16, 2020. Applications cannot be submitted until the system opens on January 31. However, there are some steps you can take to prepare for when the system opens, including gathering the correct documentation, which includes: Level 2 eAuthentication (or eAuth), your organization's Tax Identification Number (or TIN), your organization's legal name and state, the contact information for all persons who will interact with the online application, a current CAGE/DUNS number from SAM.gov, and key organizational documentation, which will depend on the type of organization that's applying.

Slide 21 – Tips for Using the Application System

Olivia Tuttle: A few tips related to using the online application system – First, the ReConnect application system allows information to be added gradually. The application does not need to be completed in one session. Remember to save work often. Saving your work on each page will allow an applicant to navigate between sections without risk of losing previous work. Be aware that some sub-sections do not have a save button on every page and only allow you to save when you reach the end of that sub-section. The system does not require completion of each layer or tab in sequence, but changes within layers or tabs can ripple throughout the application and impact overall eligibility or feasibility. While a specific order is not required, the system is designed to move from left to right and top to bottom within subsections. Finally, please make sure to use a compatible browser; Google Chrome, Mozilla Firefox, and Microsoft Edge are compatible browsers. Please do not use Internet Explorer. This is very important to remember as some organizations use Internet Explorer as their primary browser.

Slide 22 – Sign Up for a ReConnect Account – Obtain Level 2 eAuth

Olivia Tuttle: Applicants will need an account to create an application in the ReConnect Application System. The next few slides will walk through the process of signing up for an account and getting started in the System. There are several steps involved in getting access and creating an account in the ReConnect Application System. The first step is to obtain USDA Level 2 eAuthentication. All applicants must have a Level 2 eAuth to access the ReConnect Application System. Applicants can get to the USDA eAuth website by going to <https://www.eauth.usda.gov/>. Here you can see the link is shown on the left, in a red box. To get started, click "Create an Account." This link button is also boxed in red towards the bottom of the page on the screenshot. The screenshot here shows the eAuth login page. If an applicant already has Level 1 Access, this page will also let them log in to their account to obtain Level 2 access. Please keep in mind that this step is necessary because you are submitting official documentation to USDA, and an account with Level 2 authentication is essentially registering your digital signature.

Slide 23 – eAuthentication Login

Olivia Tuttle: After populating the required information to obtain eAuth Level 2 credentials, the user will be routed to a summary page. Be sure to review the information for accuracy, then click "submit." An email will be sent to your email address with additional instructions for

completing the process. Please keep in mind that the process for gaining a Level 2 account involves several steps, so be sure to start early and plan ahead.

Slide 24 – ReConnect Account Set-Up

Olivia Tuttle: Once the eAuth credentials have been obtained applicants will need to create their ReConnect accounts before preparing their application. We will discuss this next. Again, keep in mind the application system will not open until January 31, and applicants will not be able to set up their accounts until the application system opens.

Slide 25 – ReConnect Account Set-Up: ARR

The second step to creating an application is to submit an Authorized Representative Request (or ARR). This request ensures that the right people from the applicant's team have the Administrator and Representative-Signature-Certifier roles. The ARR is important because it signifies that the applying entity has the authority to enter into a legal agreement with USDA. The ARR designates the Representative-Signature-Certifier (abbreviated as Rep-Sign-Cert) and Administrators. The ARR can be submitted by either the Rep-Sign-Cert or Administrator, but it must at a minimum assign the Rep-Sign-Cert. Administrators and Representative-Signature-Certifiers must be employed by the applying entity. More than one person can be assigned the Administrator role, but only one person may be designated as the Rep-Sign-Cert. Both roles can interact with the application and connect other users to the applicant's account. However, only the Rep-Sign-Cert has the authority to provide signatures, authorize certifications, and submit the application.

Slide 26 – Sign Up for a ReConnect Account – Submit an ARR

Olivia Tuttle: To verify that the correct people are assigned to these roles, the Governing Body Resolution must be submitted. The instructions are on the ReConnect website and they provide two sample resolutions: corporation and LLC. If the applicant is an entity other than a corporation or LLC, then the content in the sample resolutions can be modified to reflect the applicant's legal structure. The screenshot on this slide shows where to find the ARR Resolution Instructions and Samples on the ReConnect website. If you start at <https://ReConnect.usda.gov>, these instructions will be found under "Forms and Resources," in the section labeled "Application and Award Materials." After preparing the governing body resolution, you are ready to submit your ARR in the system. Again, please note that ARRs will only be accepted once the Application System has opened on January 31st. Additionally, applicants who acquired an ARR during the first round of ReConnect funding will be able to use their existing ARR for the second round of funding.

Slide 27 – Application Security Roles

Olivia Tuttle: Next, only the people identified on the ARR (specifically, the Rep-Sign-Cert and/or Administrators) should enter the ReConnect Application System until others have been added and assigned a role. Other individuals must not enter the Application System until they receive an email indicating that they may do so. Otherwise, these individuals risk being locked out of the system. It is the responsibility of the users approved on the ARR to add other key contacts to their account. When the Rep-Sign-Cert or Administrator adds a key contact to an application, the system will automatically send an email notification to the new key contact explaining that they have been linked to the application and assigned a specific role.

We will now briefly review the application roles: The Rep-Sign-Cert must be identified and added as part of the ARR process. This security role is limited only to an employee of the applicant and allows the user to submit the ARR on behalf of the applicant; create, view, and update all account and application sections; add, edit, and delete users that will be working on any of the account or application sections; authorize certifications on behalf of the applicant; and submit the application. This is the highest security role of the application.

The Administrator can be identified as part of the ARR process or added in as a Key Contact by the Rep-Sign-Cert. Similar to the Rep-Sign-Cert role, this security role is limited only to an employee of the applicant. This role allows the user to submit the ARR on behalf of the applicant with a Rep-Sign-Cert identified; create, view, and update all Account and Application sections; and add, edit, and delete users, except for the Rep-Sign-Cert that will be working on any of the Account or Application sections. Compared to the Rep-Sign-Cert, this role cannot authorize certifications or submit the application.

Slide 28 – Application Security Roles Continued

Olivia Tuttle: This slide shows the additional security roles that are not part of the ARR process. The Representative – Update Data (or Application Rep Update Data) is for employees of the applicant who will be completing the application. This role allows the user to create, view, and update all account and application sections. The Consultant is for consultants who are hired by the applicant to complete the application. This role allows the user to create, view, and update all account and application sections.

Slide 29 – Account Information

Olivia Tuttle: Once the ARR request has been processed and approved, you can start entering account information into the ReConnect application system. To get started, enter and update the account information fields by selecting the account name hyperlink on the “Accounts” header tab. As you can see there are multiple tabs on the home page which allow applicants to manage account information, key contacts, documents, and RUS IDs.

Slide 30 – Account Information

Olivia Tuttle: Next, the user should navigate to the account information sub-header tab to populate the required account information.

Slide 31 – Accounts Home Page Information

Olivia Tuttle: The general account information required to submit an application, includes but is not limited to: the common name for the applicant; the CAGE/DUNS number; the address; and the borrowing entity type, to name a few. Please keep in mind that the CAGE code and DUNS number can take some time to obtain. Even if you decide not to submit an application, it is recommended to do this as soon as possible. There is no cost associated with either. Applications submitted without a CAGE code and DUNS number cannot be considered for an award. Under “account information,” applicants will also need to upload organizational documents, parent company information, affiliate information, subsidiary information; identify key contacts; upload account documents; and provide existing RUS IDs as applicable.

Slide 32 – Creating Your Application

Olivia Tuttle: In this final section of today’s presentation, we will briefly walk through the process of creating your application.

Slide 33 – Create a New Application

Olivia Tuttle: Once all account information has been provided, you can navigate to the applications home page by selecting the account name hyperlink on the authorizations page. To create a new application, select the certification button as shown. You will then be prompted to select the funding type (100% loan, 50/50 loan/ grant, or 100% grant) and application year. Once the user selects the funding type and application year, a blank application will be created. Please remember that this selection cannot be edited later down the application preparation process. Multiple applications may be activated simultaneously, however, the type of application cannot be changed after it has been created. For example, if you begin a 100% grant application and decide later on that you would like to switch to the 50/50 loan/ grant combination, you will not be able to easily switch funding type within the current application – you will have to start an entirely new application. The application year will automatically default to the current calendar year, 2020. Please also keep in mind, once again, only one application may be submitted per entity under this FOA.

Slide 34 – Application Home Screen

Olivia Tuttle: We are now ready to develop the application. As previously mentioned, the application system does not require completion of each layer or tab in sequence, but please remember changes within layers or tabs can ripple throughout the application. Depending on your preferred funding category, awardee type, project, and service area characteristics, the application will automatically filter out sections that are not required or applicable. Applicants should also be aware that specific answers to various application components will have downstream effects, prompting the applicant to prepare additional relevant forms.

Before we move on to the final section of today's webinar, I will spend a couple of minutes to briefly highlight the sections on the home screen seen here. The project section is where applicants complete the project information, required level of NEPA review and upload project documents. The service area(s) section is where applicants draw the service area polygons. The network section is where applicants provide the network design, identify key build out timeline and project milestones, prepare capital investment workbooks and schedules, and upload and manage network documents. In the financials section, applicants provide financial statements, revenues schedules, and existing amortization schedules for other sources of debt, to name just a few. The environmental section is where you will prepare construction maps identifying and describing sites and routes, complete EQ's, and upload environmental documents. The EQs are available outside of the application. You can view them now on the ReConnect website under "Forms and Resources." Other sections of the application include: evaluation criteria, licenses and agreements, certifications, and documents.

Lastly, you will have the ability to review the summary and submit the application. The system will run a validation of your application and flag any areas that may need additional review. This validation is designed to help identify areas where applicants may be missing critical information. Keep in mind, at this point you will be able to submit the application with warnings, but you will not be able to submit with error messages. If needed, applicants can return to any section of the application to make any necessary revisions. However, keep in mind that changes to any part of the application could potentially trickle down and impact other sections of the application. Be sure to carefully review all information for accuracy and completeness before submitting the application.

Slide 35 - Resources

Olivia Tuttle: We just walked through the first steps of the application registration process and provided some key considerations when preparing to apply. Please remember you can submit any questions you might have after today's presentation through the Contact Us form on the ReConnect website. Additionally, applicants are able to submit questions using the Contact Us feature within the application system after starting their application. You can also reach out to your State Directors and local General Field Representatives (or GFRs) for more guidance related to your specific communities. And, finally, please use the ReConnect website to access the FOA, FAQs, forms, and other resources to help plan and submit your application.

Slide 36 - Q&A

Olivia Tuttle: This concludes the *Preparing to Apply: Getting Started and Engaging Your Community* presentation, and we will now I will hand it over to Meredith and Rebecca to answer any questions. Once again, please feel free to submit any questions through the chat box.

Meredith Morrison: Thank you, Olivia. I am Meredith Morrison, and I'm joined by Rebecca Fairchild-Lewis for the Q&A portion of this webinar. I'll ask the questions submitted through the platform, and Rebecca will answer them as time allows, so just give us a moment to work through the questions, and we'll start answering.

Meredith Morrison (Q): Rebecca, can we submit the ARR today?

Rebecca Fairchild-Lewis (A): No. You cannot submit your ARR until the system opens on January 31. Any ARR that is submitted prior to that date will be rejected and will need to be resubmitted once the application system opens on the 31st.

Meredith Morrison: Thank you.

Meredith Morrison (Q): Do we need to have our own utility or are we able to partner with a private service provider if grant funds are awarded?

Rebecca Fairchild-Lewis (A): So you do not need to have your own utility, and USDA does encourage partnerships. Within partnerships, the applying entity does need to own all grant funded assets, so that is something to keep in mind.

Meredith Morrison (Q): Can entities that have received state funding also receive ReConnect federal funding?

Rebecca Fairchild-Lewis (A): Per the FOA, state-funded areas are not eligible for ReConnect funding. It does not mean that if an entity has received state funding that their ineligible. It is just the areas for which they receive that funding, so an entity is able to apply for ReConnect funding in other areas to build out that 25/3.

Meredith Morrison (Q): The 2019 applicants with active awards are all fiber projects, will wireless projects be considered for the 2020 funding?

Rebecca Fairchild-Lewis (A): Yes, the ReConnect program is technology neutral. Therefore, any technology solution is possible, so wireless solutions are eligible for funding.

Meredith Morrison (Q): What is the definition of an opportunity zone?

Rebecca Fairchild-Lewis (A): So an opportunity is known as an economically distressed community where new investments under certain conditions may be eligible for preferential tax treatment. This is the definition per the IRS. If you go to the ReConnect website, you'll be able

to see a definition of the opportunity zone under “evaluation criteria.” There is also the data sets that you can download. These are areas that have been identified by the IRS as opportunity zones, and USDA is using those areas as a part of the evaluation criteria.

Meredith Morrison (Q): Can you explain how the population densities of six or less rurality points will work? Does the system take your boundary and calculate the density using population data for all census blocks and census tracts inside the boundaries, even if your boundary includes one corner of a census block or tract?

Rebecca Fairchild-Lewis (A): The answer is yes, that is how it works. In order to calculate the density, the system will automatically take the square mileage of all your PFSAs and the density is based on the census block that your PFSAs overlap or intersect and calculate your density that way. It will be an aggregate density across all PFSAs. I would like to note here that if you do not meet that criteria for the rurality points, there is another way to reach that criteria, which is if all your PFSAs is outside an 100 mile buffer of a population center of 50,000 or more. This information is on the ReConnect website, and you can read through how that is calculated. Additionally, on the eligible area map you can toggle on a layer that will show you where those buffers are.

Meredith Morrison (Q): I am very encouraged by your focus on community engagement. Thank you, Monica. Can you explain what evidence you will require about that engagement; community surveys or ask residents about affordability, maximum monthly rate, fee for tech, etc. And I can repeat that if it wasn't loud enough. Okay, so the question is: what evidence of the community engagement is required?

Rebecca Fairchild-Lewis (A): There is no evidence required for community engagement. We wanted to run this webinar to help applicants with suggestions on how they can build a strong application, but you do not need to submit community surveys about affordability. But, we do encourage applicants to do due diligence when suggesting the prices and service offerings they are projecting.

Meredith Morrison (Q): Did you say 2018 applicants can or cannot review the 2018 ARR for 2019 application?

Rebecca Fairchild-Lewis (A): Applicants should be able to reuse their 2018 ARR given that all the information on the ARR is still valid. If you have a specific question about a specific account, I encourage you to submit a question through our contact us link on the website, and someone will reach out to give you some information that.

Meredith Morrison: It looks like we have gotten a few more. Give us a second to sort through them.

Rebecca Fairchild-Lewis (Q/A): Okay, so I have a question here. Do PFSAs need to be continuous? No, your PFSAs do not need to be continuous. In fact, every PFSAs must be one shape, so if you have multiple PFSAs, you can submit if for multiple different areas.

Meredith Morrison: We're taking a moment to review them.

Rebecca Fairchild-Lewis (Q/A): I've got one here. The network design is a narrative document. How is certification by a PE documented? On the ReConnect website of resources there is a sample of the PE certification. I encourage you to look at that including the sample of

the information required. The PE does need to certify that the network design can provide service at 25/3 to all premises within the PFSA or to be proposed in the application if you are proposing the 100/100 symmetrical solution.

Meredith Morrison: Just give us a moment folks to see what is in the queue.

Rebecca Fairchild-Lewis (Q/A): So, here is a question. Is there an agency we may contact to help with completing the application? We at the ReConnect support team do have a Help Desk. The USDA is providing a lot of assistance, so you can contact us through the "Contact Us." There is also the local General Field Representatives that will be able to answer questions as well.

Meredith Morrison: I have a question. Are the matching dollars required for the 100% grant portion of the ReConnect program?

Rebecca Fairchild-Lewis (A): Yes, the 100% grant applications do require a 25% match, and that match must be in cash.

Meredith Morrison (Q): Are round one expenses to prepare the application allowable if the Round one submission was unsuccessful?

Rebecca Fairchild-Lewis (A): Round one pre-application expenses are allowable under round two if those activities help support an application program for round two. RUS does reserve the right to review and reject any such expenses, and they cannot exceed 5% of the total project budget.

Meredith Morrison: We are taking a minute to see what is in the queue.

Rebecca Fairchild-Lewis (Q/A): I have a question -- the opportunity zone. Again, it's an area designated by the IRS as economically disadvantaged. You can review the definition and more information on the IRS website. Additionally, USDA is providing the shape files for that data set, and you can explore which areas are considered opportunity zones on the eligibility area map on the ReConnect website.

Rebecca Fairchild-Lewis (Q/A): Okay, so I actually have a question about eligible area map that I just discussed, so I can talk a little bit about that. On the ReConnect website, there is a map; it's called the eligible area map. This area shows . . . this map has a lot of different information on it. It shows areas that are considered ineligible per the FOA. So, it has the areas of the FOA, the Funding Opportunity Announcement, has indicated are ineligible. Those include non-rural areas. It includes CAF II Option 903 and where those overlap, protected broadband borrower, existing borrowers, and any pending applications. Additionally, it has the data sets and areas that are used as part of the evaluation criteria. You will be able to see the healthcare center, education facility, opportunity zones. It uses data to calculate farms served. We encourage you to take a look at that. We will also be doing future presentations both on evaluation criteria and on the mapping capabilities with the eligible area map and the map functionality within the application system.

Meredith Morrison (Q): There is a question. Will the application specify addresses and locations to be served?

Rebecca Fairchild-Lewis (A): You do not need to specify specific addresses, but you will need to draw your proposed service area. You will need to either draw or upload shape files of the areas you intend to provide service. As a reminder, you will need to provide at least 25/3 service for all premises of that service area.

Rebecca Fairchild-Lewis (Q/A): Here is a question. Will RUS provide shape files for the CAF II areas? Yes, CAF II auction 903, specifically, and that data set is available for download from the ReConnect website.

Meredith Morrison: Alright, we are just taking a moment to look through the queue.

Rebecca Fairchild-Lewis (Q/A): We have gotten this question a couple of times. This presentation will be posted on the website in the coming days along with the slide and a recording.

Just a question on pre-award expenses. Are pre-awards reimbursable if an award is made? Pre-application expenses are ineligible cost. Pre-award expenses are not. If there are specific questions about specific cost, I encourage you to submit those questions through the "contact us," and we will get a specific answer for you.

Meredith Morrison: Sometimes there is a lag, so it takes a minute for the questions to come through.

Rebecca Fairchild-Lewis (Q): Alright, I have one more question about eligible area map. I will say it one more time; there will be a mapping presentation next week. Give me a second to look at the map to answer on the three layers that are greyed out.

Meredith Morrison (Q/A): So while Rebecca is pulling that up, I can go through common questions that we've seen frequently through the few webinars that we've done. Here's one -- our company is less than 1-year-old, and ineligible to apply since they cannot submit an audit. Okay, so the answer to this -- all applicants must be able to provide unqualified comparative audit bids, financials statements from the previous year from the date the application has been submitted in order to qualify.

Rebecca Fairchild-Lewis (A): So to answer your question, those top three layers, they are grayed out at the level, and they will un-grey as you zoom in closer. So those top three layers -- I believe you were talking about that in the question are evaluation criteria for essential communities, education facilities, healthcare facilities. Those will only appear once you zoom into locality at a closer level. Levels on the map render when you first open it, they do not appear.

Rebecca Fairchild-Lewis (Q/A): Here is a question. Is there a match requirement for the 50-50 applications. No, there is not a match requirement for the 50/50 loan/ grant combination product type.

Meredith Morrison (Q): Can an applicant reuse their round 1 application and materials without re-submitting through the round two application system?

Rebecca Fairchild-Lewis (A): Unfortunately, the current system doesn't allow for round one applicants to use the same application in round two. While all previous ReConnect applicants receive the PDF file, they will need to start a new application to submit the required documentation for round two.

Meredith Morrison (Q): Is the funding announcement from 2018 different than the one posted in 2019?

Rebecca Fairchild-Lewis (A): Yes, there are a number of notable changes between the funding opportunity announcement in 2018 and in 2019. You can find a high-level summary of the changes at the beginning of the FOA, which is located on the "Forms & Resources" page. Additionally you can watch a recording of our Program Overview webinar, which is located on the same page that goes over the changes in detail. RUS also encourages you to review the entire FOA before applying. There are other small changes that are not highlighted at the beginning of FOA.

Rebecca Fairchild-Lewis (Q/A): There's a question about what RUS IDs are. These are IDs assigned if you are an existing RUS borrower. You should have that information in your documentation from your other funding that you received from RUS.

Meredith Morrison (Q): What counts as an essential community facility?

Rebecca Fairchild-Lewis (A): Essential community facilities -- this definition that I am going to read through, is on the ReConnect webpage. They are defined as "public facilities that provide support for the safety, health, and well-being of residents including but not limited to emergency response activities." That is what essential communities are, and that data is taken from the homeland infrastructure data set. You'll have information on what that data set is and where you can download it for your reference.

Meredith Morrison (Q): What data is used to calculate the rurality of a proposed funded service area?

Rebecca Fairchild-Lewis (A): This data is based on the 2010 Census data. It is based on the 2010 census data.

Meredith Morrison (Q): Is there a limit on the number of applications an entity may submit?

Rebecca Fairchild-Lewis (A): Yes. Applicants can only submit one application per funding round, so you can only submit one application, and that can only be a 100% grant, a 50/50, or 100% loan.

Meredith Morrison (Q): Can round one awardees submit an application for a different PFSA?

Rebecca Fairchild-Lewis (A): Yes, round one awardees can submit an application to propose to serve a different area.

Rebecca Fairchild-Lewis (Q/A): I think we have time for one last question. What is the minimum speed offered by current providers that permits us from going into that area. Provided, it is less than 10%. An area is considered eligible if the speed available is less than 10/1. This is if 90% of the household in the service area do not have access to 10/1 speed. So this is a change from the first round, its 90% across all three funding types. But, it would be 10% or more of the household receiving 10/1, so it would be considered ineligible.

Meredith Morrison: We are running up against the hour, so time to bring the webinar to a close. Thank you for tuning in this morning. If you have additional questions or if we were unable to address your questions, submit to our Help Desk. As a reminder the webinar slides, recording, and transcript will be posted on the ReConnect website in the coming days. That concludes our webinar. Thank you.

[Event Concluded/ Final Slide]