

# USDA ReConnect Webinar

## Question & Answer Session

February 25, 2020

**Presenter:** Emma Benjamin

**Q&A Speaker:** Ken Kuchno

**EMMA BENJAMIN:** I will be moderating this live Q and A webinar today. Here to answer questions, we have Ken Kuchno. We will start with previously asked questions, and then we will take live questions from the audience next. To submit a question, please use the ask a question box on the bottom right side of your screen. Alright, we're going to go ahead and get started.

**EMMA BENJAMIN (Q):** First question. When will the PDF option to print the application be ready? Is it helpful with reviewing and referencing data that has been input into the system?

**KEN KUCHNO (A):** We are in the final stage of actually updating the PDF version of the application, so that should be live and ready to go within the next couple of weeks.

**EMMA BENJAMIN (Q):** Next question. What are the requirements on possible matching funds? Are there any restrictions on funding Internet services networks facilities?

**KEN KUCHNO (A):** Matching funds are only required for the 100% grant program. They are 25% of the overall project cost. And Emma, can you repeat the second part of the question?

**EMMA BENJAMIN (Q):** Yes, are there any restrictions on funding Internet services network facilities?

**KEN KUCHNO (A):** There's no restrictions on funding the facilities that are necessary to provide the broadband services.

**EMMA BENJAMIN (Q):** My organization is currently in the process of constructing a 300 mile fiber network. Can this grant be used to fund construction that is already in progress and can the value of the existing network be used for a match for this grant?

**KEN KUCHNO (A):** Anything that's already been started per the FOA is not eligible for funding. Only construction that has started after you receive an offer from RUS is eligible for funding. Existing assets cannot be used to satisfy any matching requirements for the hundred percent grants. All the matching has to be cash match.

**EMMA BENJAMIN (Q):** Next question. My company bit the bullet and took a 100% loan to build out our broadband before all this money was available. Is it possible to apply for a grant to help pay it back so we are not so far into debt?

**KEN KUCHNO (A):** No, as I said the earlier for the previous question, anything that has already been completed is not eligible to be applied for and receive funding for.

**EMMA BENJAMIN (Q):** Next question. It would be helpful to know if this funding opportunity allows for public, private cup partnership.

**KEN KUCHNO (A):** It really depends on how you are defining a public/private partnership. Co-applicants are ineligible. A public company and a private company could not submit a co-application. However, if you wanted to partner in the arrangements on providing the broadband

service through service agreements between the entity that actually does apply, then we do encourage that type of public/private partnership.

**EMMA BENJAMIN (Q):** Next question. In the service area mapping tool, the census window with population statistics says my coverage area has 100% households without sufficient broadband. But when I try to save, I get an error that says at least 90% has to be without sufficient broadband before saving. What do I do?

**KEN KUCHNO (A):** To start with, you have to understand nothing in the service area mapping tools identifies areas that do not have 10/1 service. The areas that are identified in there are really areas that are ineligible for funding. You're getting an error because what you'd really need to do on your overall polygon defining your service area is identify what 90% of the households in that service area do not have sufficient access with broadband. Once you draw that polygon on top of polygon, then you should be able to submit the application.

**EMMA BENJAMIN (Q):** Great. Next question. If an applicant asks for large amount -- for example \$50 million in a 50/50 application -- might RUS award it at a lower amount or is it all or nothing? And if the latter, should an applicant take this into account in deciding how much to ask for?

**KEN KUCHNO (A):** Applicant should always take into account in deciding how much to ask for the business decisions that they have to make. If you requested \$50 million, we would look at the application in its entirety and determine whether the application meets the eligibility requirements and it's financially and technically sound. We would not carveout a part of the application and only offer part of the request. It is really all or nothing.

**EMMA BENJAMIN (Q):** Next question, regarding the financials tab. We have purchased a number of fleet vehicles utilizing manufacturers financing offers. Do we need to list each of these individually, or can we group them all together as one line item in the debt detail?

**KEN KUCHNO (A):** You can include them as one line item in the debt detail, but your assumptions should clearly explain that this is for numerous vehicles. That's how you're in putting it in there. If you wanted to list each one individually, that's fine, but if you listed as an aggregate, as long as you explain it in the assumptions, that would be acceptable.

**EMMA BENJAMIN (Q):** For the documents, do we need to upload the individual financing agreement for each vehicle?

**KEN KUCHNO (A):** For vehicles, you do not need to. If you have other kinds of arrangements where the services are much more significant you need to, but for the vehicles, you do not need to submit each one of them.

**EMMA BENJAMIN (Q):** Next question. Can you connect us with an experienced grant writer who would work pro bono or on a fee basis to help pull our application together by the deadline?

**KEN KUCHNO (A):** On that one, we do not identify grant writers. There are a number of grant writers out there. It's up to the applicant to find those. We don't endorse them or not endorse them. It's up to each applicant to find a grant writer that works best for them.

**EMMA BENJAMIN (Q):** Next question. Can multiple Bore Start/End XYs be submitted for a given route?

**KEN KUCHNO (A):** This question seems to be getting into the environmental section, where we

are drawing the route. What you really need to do is draw the route, and then in the description, provide adequate description on what that route really consists of.

**EMMA BENJAMIN (Q):** Next question. Can a nonprofit homeowners association in making an application for 100% grant, partner or work with broadband supplier, such as Century Link or Verizon, for technical expertise?

**KEN KUCHNO (A):** It would be possible to enter into that type of arrangement, keeping in mind if the homeowner association is the applicant, then the homeowner association has to support the award all on the financial, technical, environmental, and all other sides through operating agreements. You can work with other service providers to help operate and maintain the system.

**EMMA BENJAMIN (Q):** Next question. When will money be awarded, and what is the process if awarded?

**KEN KUCHNO (A):** Right now, it's hard to predict the exact time frame on when we will get through the review of the applications. A lot of that will be dependent on exactly how many applications are submitted. At this point, we are probably looking at starting to make announcements in late August, early September, maybe a little bit earlier than that. The way the process will work is that if you are lucky enough to make it through the process, then we will send out an offer letter and explain the terms. At that point, an applicant can decide to accept the award. If they accept the award, we will then obligate the award. And then a period of time after that, we will follow-up with closing documents that need to be executed to legally enter into the arrangement with RUS.

**EMMA BENJAMIN (Q):** Next question. What types of documentation are required to satisfy the real property question?

**KEN KUCHNO (A):** Real property question just needs the meat and bones description of the property that you have submitted for each piece of property, and that will give u sufficient information to include in the security arrangements and mortgage that will come out as part of the closing documents.

**EMMA BENJAMIN (Q):** The second part of the question. Would you be able to provide more clarification on eligibility of types of middle mile projects?

**KEN KUCHNO (A):** To start with, standalone middle mile projects are ineligible. So if you're looking at a standalone middle mile project, it will not fit into the requirements. If the middle mile is needed to support the last mile and a household in the PFSA, then we can fund the middle mile facilities that are located in the PFSAs, as well as any that are located outside the PFSA to get to a POP to bring the internet service into the company.

**EMMA BENJAMIN (Q):** Next question. The application guide and the FAQs both state 2019 financials are required. What should an applicant submit if their 2019 financials are not available at the time?

**KEN KUCHNO (A):** If you do not have the audited 2019 available, then we will except the audited 2018 and a copy of the engagement letter from the CPA to enter in to the 2019 audit.

**EMMA BENJAMIN (Q):** For a round one ReConnect recipient of a 100% grant funding, does the awardee need to indicate the award in a round two application and what all needs to be included?

**KEN KUCHNO (A):** It would need to indicate they got the round one in the appropriate places. They would need to spell out when that construction is going to be getting done, when the subscribers are going to be connected. So that all of that round one and anything in round two matchup for the financial statement in the construction parts of the application. It is important that you indicate that you got a round one and fill in all the appropriate information so that we can analyze revenues and expenses based on all the proposed subscribers of the round one application.

**EMMA BENJAMIN (Q):** Is there a minimum amount you can apply for on the 100% grant product?

**KEN KUCHNO (A):** I don't have the FOA in front of me, but I don't believe that there is a minimum amount. The maximum amount is obviously \$25 million. Keeping in mind, it's almost not worth it to put this application together for a very small amount, simply because this is a lot of work and resources required to complete an application.

**EMMA BENJAMIN (Q):** Do applicants have to obtain letters from farms in addition to the RUS validation via the 2017 Agricultural Census Review?

**KEN KUCHNO (A):** In round, one we did ask that we got the presubscription forms for the farms. Here for round two we have elected to go with the 2017 Ag. Census information, so you do not need to submit those letters of support. When you draw your polygon, the number of farms in an area will automatically be counted. Then, we will divide that by 10 and automatically generate the associated score.

**EMMA BENJAMIN (Q):** In a similar vein to that question, do applicants need to obtain letters of intent from healthcare, education, or essential community facilities, or opportunity zones or will such facilities be counted and evaluated using the map data only?

**KEN KUCHNO (A):** It will be counted using the map data only, and we realize that none of these layers are perfect, and you may have some facilities that you think should be counted but we are going by the locations that are identified in the different census layers.

**EMMA BENJAMIN (Q):** Do households include business and residential or just residential?

**KEN KUCHNO (A):** When we reference households, we are literally talking about the household. We are not talking about businesses, so it would just be on the residential side where you see household. Where you see the word premise, that would include all business and residence in a proposed service area.

**EMMA BENJAMIN (Q):** Our local phone company got CAF II funds covering a large portion of town, but the speeds we are experiencing are generally much lower than 10/1. Some people have been told by the company that they cannot get DSL at all. What are the restrictions on including parts of the town that despite CAF II are being woefully underserved?

**KEN KUCHNO (A):** To start with, understand there are different phases of CAF and CAF II. For the ReConnect Program, areas that receive the CAF II 903 auction award are only eligible to the entities that receive that. If you're talking about the earlier CAF II award, that might have gone to something like Verizon or AT&T or Frontier, as long as there's not 10/1 service in those areas, those areas can still apply to receive ReConnect funding.

**EMMA BENJAMIN (Q):** Is a legal opinion required each state in which we are operating or only in states where funds are requested?

**KEN KUCHNO (A):** It's only in the states where funds are requested. We ask that the attorney in question be licensed in at least one of those states.

**EMMA BENJAMIN (Q):** Are only published depreciation rates by states required to be downloaded or are you requesting individually approved depreciation rates within a state?

**KEN KUCHNO (A):** If you are in a state where the public utility commission or public service utility service approved the rates then we ask that you use those rates and submit those rates. A lot of states do not regulate those rates. There we just ask you to use the depreciation rates that you may currently be using in your operation.

**EMMA BENJAMIN (Q):** Are all construction wages subject to Davis-Bacon rules?

**KEN KUCHNO (A):** No, in the Broadband Initiative Program back in 2009 and 2010 Davis-Bacon was a factor. But for ReConnect Davis-Bacon is not a factor, so the wages do not require that we apply Davis-Bacon rules to them.

**EMMA BENJAMIN (Q):** If our application says we will cover 1000 residences but after years of building we find we can only cover 950, will you rescind 5% of the proceeds?

**KEN KUCHNO (A):** We would have to work with the applicant that falls into that situation. To start with, we are looking at the applicant proposes the service territory and draws that service territory, you would build out to every premise in that service territory. With that said, there is a five-year construction period. Things happen within those five years. So if extenuating circumstances came up where you could not meet the 100% buildout, then we will work with you to determine exactly what that means. In some instances, it may be a portion of the funds have to be returned.

**EMMA BENJAMIN (Q):** Will there be another round of ReConnect funding?

**KEN KUCHNO (A):** Right now, that question is open. Today we have plenty of funding. We don't have it all on the table in this round now. But if we were to receive sufficient applications to use up the funding that we have here, there might not be another round unless we received additional funding. It does look like some additional funding may be coming our way based on the president's budget that was recently released but any additional funding for any given fiscal year for the government is dependent on appropriation laws and appropriations being passed for the program. Right now, it looks like there may be some kind of next round after this one. But I just cannot guarantee or say what that might be at this point.

**EMMA BENJAMIN (Q):** May we share this webinar information with tribes?

**KEN KUCHNO (A):** Yes, we are looking to get this posted within the next few weeks. Once we get it up there, you are free to share it with anyone else. It's public information at that point.

**EMMA BENJAMIN:** We are finished with our pre-submitted questions. We will now transition to the live Q&A portion of the webinar. Please give us a moment while we pull up your questions.

**EMMA BENJAMIN (Q):** If we plan the project to complete in two years and it ends up taking us all five years, is that an issue?

**KEN KUCHNO (A):** It's only an issue in the case that the financials of the applicant may be

impacted by it. I can't answer that directly without having more information, but in general if it takes longer than you originally anticipated, as long as the company stays financially healthy, we will work with you on getting it done. But understand there is a five-year construction. And at the end of the five years all construction has to be completed.

**EMMA BENJAMIN (Q):** Is a not-for-profit considered a business?

**KEN KUCHNO (A):** I would really have to understand more about what that not-for-profit does. There are different flavors out there. If the person asked that question can drop something in and it goes to the bottom of the queue, sorry to say, but we will try to get to it and give you a better answer. But I'll need to know more about what the not-for-profit does. It could be a business, and, in some cases, it may not be a business.

**EMMA BENJAMIN (Q):** Do you have to go step-by-step in the application or can you move ahead?

**KEN KUCHNO (A):** We recommend you go step-by-step in the application, from left to right if you will. You can move around and work on different sections at different times without going down that order, but please understand that there are a lot of interdependencies on the different sections. If you are jumping ahead, something that you put in section—I'll just make up a name, section F, could affect section A if you already completed that. You want to always do one final check across the board that all your numbers are the way they are supposed to be, but you can move around in the application.

**EMMA BENJAMIN (Q):** How many years of historical financial statements are required?

**KEN KUCHNO (A):** We asked for four, but at a minimum we need to have at least two years of historical financials.

**EMMA BENJAMIN (Q):** We have an existing ARR and the Rep-Sign-Cert from round one. The account we created in round one still exists. How can the Rep-Sign-Cert create a second account for a different company in round two?

**KEN KUCHNO (A):** For a different company in round two, to create a separate one you would need a different email address. If you're using the same email address you would not be able to create another one. If you're going in for another company and you're using that company's email address, then it would be the same process you used the first time around.

**EMMA BENJAMIN (Q):** If a central office is inside an ineligible zone, can the necessary fiber coming out of the central office still be funded?

**KEN KUCHNO (A):** As long as the fiber facilities are needed to provide service in an eligible service area. If that fiber coming out of the CO is used for both non-funded service area and proposed funded service area, then you would have to prorate that accordingly and split the cost between the different service areas.

**EMMA BENJAMIN (Q):** Would a round one applicant who is applying for round two, need a funding request resolution given that first resolution authorized awards of \$25 million. We do not expect combined round one and round two to exceed this amount.

**KEN KUCHNO (A):** We would need the second resolution. The round one resolution was

specific to the round one application. We would ask that the board authorize permission of a second application in round two.

**EMMA BENJAMIN (Q):** When I start the application, why does it mention my computer may be subject to seizure because the data is being transmitted over the USDA network?

**KEN KUCHNO (A):** You got me on that because to my knowledge, I don't have that kind of statement anywhere, so I don't know where that is being picked up at. If the person asking that question can identify where they are reading it and what document, I'll be glad to track it down for you. It to my knowledge that statement is not included in any of the ReConnect language.

**EMMA BENJAMIN (Q):** Are counties eligible for grants?

**KEN KUCHNO (A):** As long as the county has no laws or regulations in place to stop it, counties can submit grants. Understand that the county will be on the hook to complete everything and they need to be ready for that.

**EMMA BENJAMIN (Q):** What if we are a startup with no 2018 or 2019 financials?

**KEN KUCHNO (A):** According to the requirements in the FOA, if you do not have those financials available, then you are not eligible to apply.

**EMMA BENJAMIN (Q):** Where would you input an overall strategic plan for deploying broadband capabilities within a city or county in application if the executive summary focused on proposed projects and workforce in the organization?

**KEN KUCHNO (A):** Considering the size of the executive summary in the application itself, I would include an attachment in those project documents that would fully explain that. You can submit that kind of information there.

**EMMA BENJAMIN (Q):** Working with landowners on gaining building and cabinet easement and land, if a cabinet falls slightly out of our proposed grant-approved location but on the same parcel do we have to resubmit environmental for that site?

**KEN KUCHNO (A):** Environmental information has to be included for the entire site whether inside or outside a proposed funded service area. Initially as you're putting the application together, include all the site no matter where it is located.

**EMMA BENJAMIN (Q):** Is a church considered a business?

**KEN KUCHNO (A):** I will have to get back on that one. I need to reeducate myself on the definition of a business and see how it applies to the church. I would look at our definition in the definitions section of the FOA. If the church meets those requirements, it could be counted. If it doesn't meet the requirements, it won't be counted. Again, we have to go back to the definition.

**EMMA BENJAMIN (Q):** If applicants did not apply for round one, can they apply for round two?

**KEN KUCHNO (A):** Sure, applicants can apply for round two. There is no requirement that they had to apply for round one. Looking at who started applications and submitting new ARR request, there are a lot of people that received round one that are reapplying. There are a lot of applicants that did not receive round one but reapplying and a bunch of new applicants that are applying.

**EMMA BENJAMIN (Q):** We've answered a similar question a few times, but just to reiterate we are getting it again. We are new company and have only one year of financials. We do have our

audited financials for 2019 but nothing for 2018, does that disqualify us?

**KEN KUCHNO (A):** If the 2019 is a comparative audit and we understand that would be tough without having operations in 2018, but that would be something you would have to work with your CPA to meet the requirement for.

**EMMA BENJAMIN (Q):** If a wireless solution is being proposed can service areas filling two areas not part of the application, recognizing those areas cannot be part of the evaluation scoring process?

**KEN KUCHNO (A):** We will take a look at the proposed engineering of the system. Obviously, fringe areas on a wireless system may stretch into an ineligible area. We will take that into account. But, if we can tell that that wireless tower and access point is covering an entire large area that is not eligible for funding, then that will come into question whether we can allow that or not. Again, we would have to look at the overall engineering design to make that determination.

**EMMA BENJAMIN (Q):** We have a multitude of census blocks that will become part of our PSA. These census blocks are not connected are contiguous. We would like to connect all the census blocks with thin pathways approximately the size of right-of-way through NFSA areas to create a large single PFSA. We understand these pathways will be considered part of the PFSA. Is the applicant required to serve all households in the census blocks that these thin pathways cross, even though the census blocks would be considered NFSAs?

**KEN KUCHNO (A):** One, I recommend you do not try to draw those thin pathways that would cause issues in our review and analysis of the application. The system will allow you to draw those pathways. Any premise located in those pathways must be proposed to have service, and at the end of the day must receive service or you will not meet the requirements of your brand. If those thin pathways actually go through an ineligible area, then that PFSA will be ineligible. I do not recommend you draw those thin pathways. That is not how we design the system. I understand putting in information for one service area versus putting them in for five different service areas is a bit more work but that will allow us to do a much better evaluation. And also, I think, will give you a better opportunity for being eligible.

**EMMA BENJAMIN (Q):** When defining an NFSA, is the applicant required to serve all homes in an NFSA census block?

**KEN KUCHNO (A):** When you're in an NFSA, it's really up to you as to what you are proposing. Keeping in mind that we will look at facilities you may need to construct outside of the award in an NFSA and we will look at how you are counting households and customers in an NFSA through the financial projection and they really need to match up. A lot of it just depends on how you structured your business plan. There is no technical requirement that 100% of the household in an NFSA would be served although I'm not sure why you would be expanding and NFSA to parts of a service area that you do not plan on serving.

**EMMA BENJAMIN (Q):** Have there been any changes in the deadline for filing?

**KEN KUCHNO (A):** Right now, the deadline for filing is still March 16.

**EMMA BENJAMIN (Q):** If a prior BIP awardee received partial grant partial loan funding, can that awardee apply for ReConnect grant funding?

**KEN KUCHNO (A):** They can apply for the ReConnect grant funding as long as they have not taken out a loan component and still working on paying the principal down out of that. If this was

an applicant that substituted equity or cash reserves for the loan component and only received 100% grant, then they could only apply for a loan.

**EMMA BENJAMIN (Q):** If the chairman of the board is also an employee, like the CEO, can the chairman sign the funding request resolution?

**KEN KUCHNO (A):** Who signs the resolution request is really up to the bylaws of the company or the organizational documents of the company. I would refer you back to how your organization is legally established and set up.

**EMMA BENJAMIN (Q):** If the applicant is a county and there are other projects being proposed in contiguous or overlapping areas, how would eligibility be determined? Which applicant would be favored?

**KEN KUCHNO (A):** You want to read that one again?

**EMMA BENJAMIN (Q):** If an applicant is a county and there are other projects being proposed in contiguous or overlapping areas, how is eligibility determined?

**KEN KUCHNO (A):** We look at each application individually. If we have multiple applications proposing to serve the same area, then we would look at that. First, we would go to scoring, and then we would look at what each one of those applications is truly proposing to do. If we are exactly in the same area, then we would have to take a look at where this is falling out in the scheme of things. Obviously, we will only make one award so it would come down to what applicant is proposing the best service for the customers out there. If you are aware of competing applicants, you probably want to put some extra effort into identifying how your application is going to support the area in question.

**EMMA BENJAMIN (Q):** Is the RUS Form 87 required as part of the application upload, and is it required for 100% grant?

**KEN KUCHNO (A):** Not required for the uploads but will be required for the closing documents. That form actually identifies who is responsible for certain things like advance request and different items as we go through the servicing of it. Form 87 is not required as part of the application.

**EMMA BENJAMIN (Q):** In the service offering section of the application, it asks what kind of service you are offering. We deliver video and data and we can deliver voice. Therefore, do we check the box that the service is voice, video, or data?

**KEN KUCHNO (A):** Whatever service you are providing, you would check that box. Keeping in mind, we have to have data service being provided. Data service has to be provided in the proposed service area. The other services are ancillary. We are just looking for the monthly rate to calculate what the proposed revenues would be for the service area for the local services.

**EMMA BENJAMIN (Q):** Someone asking the same question again still not clear if we not a business in 2018 and only have financials for 2019, are we still eligible?

**KEN KUCHNO (A):** The requirement is a comparative audit be submitted. Every state is a little different. I would work with your CPA and ask them is this a comparative audit if I only have one year of information in there. Comparative audits are usually two years of information. A lot of it will depend on when the operation got started and can a comparative audit be completed by the CPA.

**EMMA BENJAMIN (Q):** If an applicant has selected EA or EIS as a selected compliance method in consultation with RUS as required, how do we get a consultation set up with RUS?

**KEN KUCHNO (A):** I believe there is contact information in the application. You would immediately reach out to RUS and ask for the consultation. Keeping in mind, if you are in an EA or EIS situation, you probably need to be well along the way of getting that completed. Those are long, drawn out processes. That would need to be done in front of the application being submitted or well along the way, so if you fall into that category I would immediately reach out to RUS and we will connect you with specialist.

**EMMA BENJAMIN (Q):** This is similar to a question we received earlier, but to reiterate, can a cabinet or building feeding a funded area be placed in a non-funded area?

**KEN KUCHNO (A):** Yes, facilities can be placed in a non-funded area as long as the facility is providing service to the proposed funded service area. If the facility is a combination of proposed funded and non-funded it would have to be prorated accordingly.

**EMMA BENJAMIN (Q):** We have the following from ReConnect round one: The state broadband certification of no duplicate funding and letters from the governor's office certifying that we have a broadband plan as well as no restrictions of right away and expediting easements. Do we need to obtain new letters for round 2.

**KEN KUCHNO (A):** The requirement was the letters had to be within the last five years. As long as the round one information has not exceeded that five years, you can resubmit that same information in the round two application.

**EMMA BENJAMIN (Q):** In the CIW, will you explain the difference between outside plant conduit system and outside plant duct asset types.

**KEN KUCHNO (A):** I'll have to take a look at that. To me, it's the same facility. A duct is a conduit. There are differences in that generally a duct system can be much bigger than a conduit, but they are essentially the same thing.

**EMMA BENJAMIN (Q):** Is it okay to use thin lines going down road centerlines which represent our middle mile fiber on the map that we upload of our non-funded existing service areas to make it contiguous?

**KEN KUCHNO (A):** If that middle mile is just providing service to the funded service area, then that would be a common facility, and I would put that in the common facility section of the application.

**EMMA BENJAMIN (Q):** Will RUS provide guarantee for outside funding?

**KEN KUCHNO (A):** We can share our lien arrangements with outside funding, but you would need to fully explain that in the application, and you would need to include a letter from the other financial institution indicating that they are willing to enter into a shared security arrangement with our RUS.

**EMMA BENJAMIN (Q):** I thought that ReConnect as for residences only. Why are we talking about businesses and churches?

**KEN KUCHNO (A):** ReConnect is to provide broadband service into a proposed funded service area. In that proposed funded service area, you will have a lot of different anchor institutions, businesses, and residents. We build a lot of things around the household for eligibility, but when

we go into the area it's a much better business plan to serve all the facilities in the proposed funded service area.

**EMMA BENJAMIN (Q):** Follow-up question regarding the second account creation requiring a second email account -- Does this mean that the rep-sign-cert needs to apply for a second level 2 eAuth account using a different email than the existing level 2 eAuth account?

**KEN KUCHNO (A):** If it's for a different company, they need to submit a second request for that second company.

**EMMA BENJAMIN (Q):** Great. On the round one award, what time period is expected when responding to environmental questions?

**KEN KUCHNO (A):** A lot of that depends on where you were at the time of submitting your application. I believe we now have notified all the round one awardees if you will, where they fall in completing their environmental requirements. So, I would refer you back to that letter to get more specific. Some of it is a few months, some of it can be quite a while, and you can have a significant amount of time to finish the requirement. I would refer back to the letters. They were literally just sent the end of last week early this week. If you have not seen it, I would check your mail to see what you might have gotten recently.

**EMMA BENJAMIN (Q):** Regarding the performance of offered service, the 20 points, does this mean they need to be able to deliver 100 megabits simultaneously to every premise or 100% of those who want it, recognizing that maybe there are only a few at a given time who want it.

**KEN KUCHNO (A):** To get the points, you have to demonstrate that the system is capable of delivering 100/100 service to every premises in the proposed funded area. At the same time, we understand that bringing in the backbone facilities, you are not going to spend that level of funds bringing in backbone for everyone at the same time, but you have to demonstrate that the system is capable of delivering that and that the backbone facility would essentially with today's technology, almost have to be fiber to provide that.

**EMMA BENJAMIN (Q):** As a follow-up, if the network is capable but there are some customers at the edge of the service area that cannot get it currently but the company commits to serve them if they want it, can they apply?

**KEN KUCHNO (A):** I'm not fully understanding the question. To be eligible, essentially all of the households would not be able to receive that service today. If you are drawing the proposed funded person service area, then all of the premises and households and businesses in that service area would have to be capable of receiving 100/100 service.

**EMMA BENJAMIN (Q):** Can projects be funded in multiple U.S. markets?

**KEN KUCHNO (A):** We can have individual PFSA's located in different jurisdictions, even in different states. Technically you can have a PFSA in California and one in Pennsylvania. Understanding the logistical and financial requirements for doing that. You would need to fully explain and support how you are going to accomplish that.

**EMMA BENJAMIN (Q):** It's understood that the grant will fund capital spent to provide service in a PFSA. However, the links that connect PFSA's also have capital cost. Can you clarify how USDA wants us to allocate the cost of shared facilities and equipment?

**KEN KUCHNO (A):** Shared facilities should go into the common network equipment category inside the CIW, and that's where it should be listed and explained.

**EMMA BENJAMIN (Q):** How do you determine the amount of funding. Is it by the number of homes passed, or is there a formula?

**KEN KUCHNO (A):** There's no specific formula. Each applicant needs to take a look at what type of technology they are proposing. If you're looking at fiber, estimate how many miles of fiber you need, how many fiber terminals, how many ONTs, how many NIDs. And work with coming up with the cost estimate for each one of those. We have general ranges that we look at, but that changes constantly. We need to be in the ballpark. There is no set formula for calculating that. You really have to do a high-level design that gives you sufficient information for estimating those costs.

**EMMA BENJAMIN (Q):** For new applicants submitting their access requests, how do we specify the utilization of contractors and consultants and assigning those roles to contractors in preparing the application?

**KEN KUCHNO (A):** Where you go into do your ARR certification. You can add consultants there who can work on your application. You have to add them as a consultant in the ARR process or after the ARR process and identify who can have access to your application.

**EMMA BENJAMIN (Q):** When the PDF of the application is available where will it be posted?

**KEN KUCHNO (A):** The PDF will not be posted per se. At the end of the application process, there is a summary and submit button when you click that button it will open up and ask you if you want to print a PDF.

**EMMA BENJAMIN (Q):** We answered this question earlier, but it's been asked again. So again, if a prior BIP awardee received partial grant and partial loan funding, can that awardee apply for the ReConnect grant funding?

**KEN KUCHNO (A):** Read that again.

**EMMA BENJAMIN (Q):** If a prior BIP awardee received partial grant and partial loan funding, can that BIP awardee apply for ReConnect grant funding?

**KEN KUCHNO (A):** If they receive a partial loan and partial grant? If they did not take out the grant component in the beginning, then they would be eligible to apply for a grant again.

**EMMA BENJAMIN:** We've been told this slow down a little bit. Give us one moment. Again, if you see or ask a question button in the bottom right-hand of your screen, please submit a question. We will move to a few frequently asked questions while we are waiting for more questions to come in.

**EMMA BENJAMIN (Q):** Does the funding opportunity announcement published in 2019 differ from the one published in 2018?

**KEN KUCHNO (A):** There are basic requirements that have changed. Essentially, most of it is the same. Financial engineering is the same. There was a couple of the scoring criteria, and maybe one or two of the eligibility requirements that changed. I would not tell you to rely on the FOA 1; I would rely on FOA 2.

**EMMA BENJAMIN (Q):** Great. Does the applicant need to obtain new business subscription forms if they already submitted signed 2019 forms in round one?

**KEN KUCHNO (A):** You would need to get new forms only because businesses come and go, and we need to make sure the business is still in existence.

**EMMA BENJAMIN (Q):** What counts as an essential community facility?

**KEN KUCHNO (A):** They are identified on a GIS layer in the mapping tool. That is really where to go to find out what the essential community facilities are in your proposed service territory. That is a calculation that is automatically done once you draw your service area.

**EMMA BENJAMIN (Q):** Is the entire blank application available anywhere to review?

**KEN KUCHNO (A):** No, you have to go online, unfortunately, right now. We are working on that for future rounds. Today you can only access the application itself online.

**EMMA BENJAMIN (Q):** We got this question a couple times, but to repeat, is the second ARR required if we still have access to the application systems in the round one application? Is the second ARR required if we still have access to the application system?

**KEN KUCHNO (A):** If it's the same company, then you can use your existing ARR.

**EMMA BENJAMIN (Q):** What projection do we create our map on for submission?

**KEN KUCHNO (A):** I'm not really understanding that question. You would draw your proposed funded service area in the mapping tool. If that's not the answer you were looking for, please try to clarify that question for us.

**EMMA BENJAMIN (Q):** What data is used to calculate the rurality of PFSAs?

**KEN KUCHNO (A):** The rurality of PFSAs -- there are two calculations in the round two. One, we look at are you 100 miles from a city or town, or we would take the total proposed households in the service area and look at the amount of square miles and then divide it and turn it into a subscribers per square mile projection.

**EMMA BENJAMIN (Q):** Is there a limit on the number of applications an entity may submit?

**KEN KUCHNO (A):** An entity may only submit a single application in this round. They can work on multiple applications. If they weren't sure if they wanted to do 100% grant or 50-50, they can start both of those applications, but once an application is submitted then that person will be stopped from submitting a second application.

**EMMA BENJAMIN (Q):** A clarification for drawing the map -- I was told that we could drag and drop shape files into the map. What projection do we create the shape files on, NID-83, Mercury 84?

**KEN KUCHNO (A):** I can take that one back. I don't know that you'd drag and drop. I know you can import a shape file into the mapping tool. I don't know if it's a drag and drop; I'm not personally familiar with all the GIS technical requirements, so that one I would ask you, and I hate doing this, I would ask you to put it in the Contact Us question portal, so I can get technical people to give you the right answer on that question.

**EMMA BENJAMIN (Q):** Where's the application located online, and can it be downloaded?

**KEN KUCHNO (A):** It cannot be downloaded. If you go to [reconnect.usda.gov](https://reconnect.usda.gov), you can see buttons that will take you to the application.

**EMMA BENJAMIN (Q):** Can round one awardees submit applications for a different PFSA?

**KEN KUCHNO (A):** Yes, round one awardees can submit an application for a different PFSA. Keep in mind you need to spell out that you've got the round one and take it into account in all the sections of the application.

**EMMA BENJAMIN (Q):** In regard to RUS form 87 we are an Electric Cooperative, do we use senior staff to populate that form or our board of directors?

**KEN KUCHNO (A):** I don't have it in front of me, but I believe it's a combination of Board of Directors and senior staff depending on who is doing what function for you.

**EMMA BENJAMIN:** Alright, give us one moment. Alright, well thank you everyone for attending today's webinar and asking those great question. To stay up to date on all ReConnect events, please subscribe to the ReConnect events page. Our final workshop will be held tomorrow, Thursday in Arlington, Virginia. We will be holding more webinars like this throughout the application window as well, including an environmental overview on March 2<sup>nd</sup> and another live Q&A webinar on March 4<sup>th</sup>. If we did not get to your question today, please go through the Contact Us button on the ReConnect website as well at [ReConnect.USDA.gov](https://ReConnect.USDA.gov). Thank you so much.

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*End of Webinar*