



United States
Department of
Agriculture

Rural Development



July 12, 2019

PCCA Mid-Year Meeting RUS UPDATE

Ken Kuchno



ReConnect Program

2018
Consolidated
Appropriations
Act

\$600 million
in funding



\$550 million
in funding

2019
Consolidated
Appropriations
Act

ReConnect Program

Pilot program that
provides loans and
grants to extend
broadband service
to rural areas.

Assist rural areas that do not have
sufficient access (10/1) to broadband.

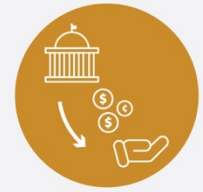
Minimum requirements:
25Mbps down/3Mbps up



LOAN



COMBO



GRANT

Buildout Speed

25/3 Mbps minimum

25/3 Mbps minimum,
incentive for higher speeds

25/3 Mbps minimum,
incentive for higher speeds

Terms

Max award: \$50 million
2% Interest Rate

Max award: \$50 million
50/50 Loan/Grant
UST Rate

Max award: \$25 million
25% match

Application Review

Open (non-competitive)

Competitive Scoring

Competitive Scoring

Round 1 Federal Funds

\$200 million

\$100 million grant +
\$100 million loan

\$200 million

100% LOAN

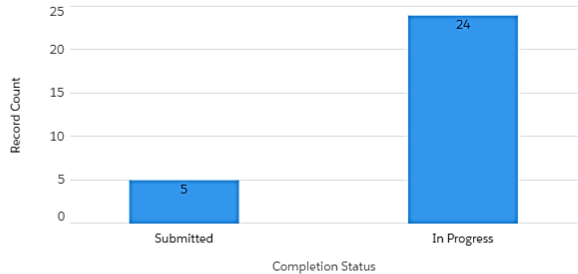
Dashboard Overview

TOTAL APPLICATIONS
 100% Loan

29

[View Report \(APPLICATIONS REPORT - 100% ...\)](#)

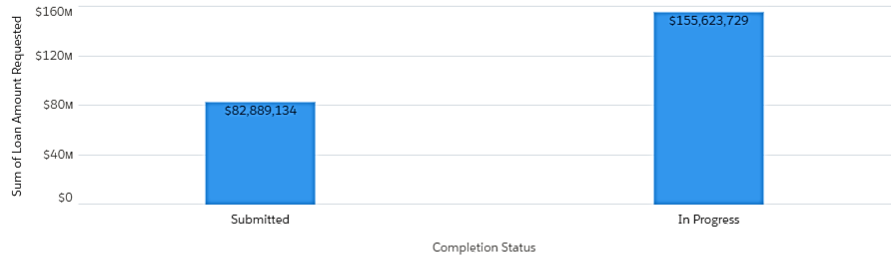
APPLICATIONS by Completion Status



[View Report \(APPLICATIONS REPORT - 100% LOAN\)](#)

LOAN AMOUNT REQUESTED

By Completion Status



[View Report \(APPLICATIONS REPORT - 100% LOAN\)](#)

TOTAL PROJECT COST

Applications with Non-Zero Project Cost

Funding Category ↑	Sum of Loan Amount Requested	Sum of Other Funds	Sum of Total Project Cost
100% Loan	\$238,512,863	\$19,419,856	\$257,932,719

[View Report \(Total Project Cost Non-zero value\)](#)

TECHNOLOGY TYPES OF APPLICATIONS

Project Technology Type ↑	Record Count
-	2
Fiber-to-the-Premises	20
Fiber-to-the-Premises; Fixed Wireless - Licensed	1
Fiber-to-the-Premises; Fixed Wireless - Licensed; Fixed Wireless - Unlicensed	1
Fiber-to-the-Premises; Fixed Wireless - Unlicensed	1
Fixed Wireless - Licensed	1
Fixed Wireless - Licensed; Fixed Wireless - Unlicensed	1
Fixed Wireless - Licensed; Fixed Wireless - Unlicensed; Other	1
Hybrid-Fiber-Coax; Other	1
Total	29

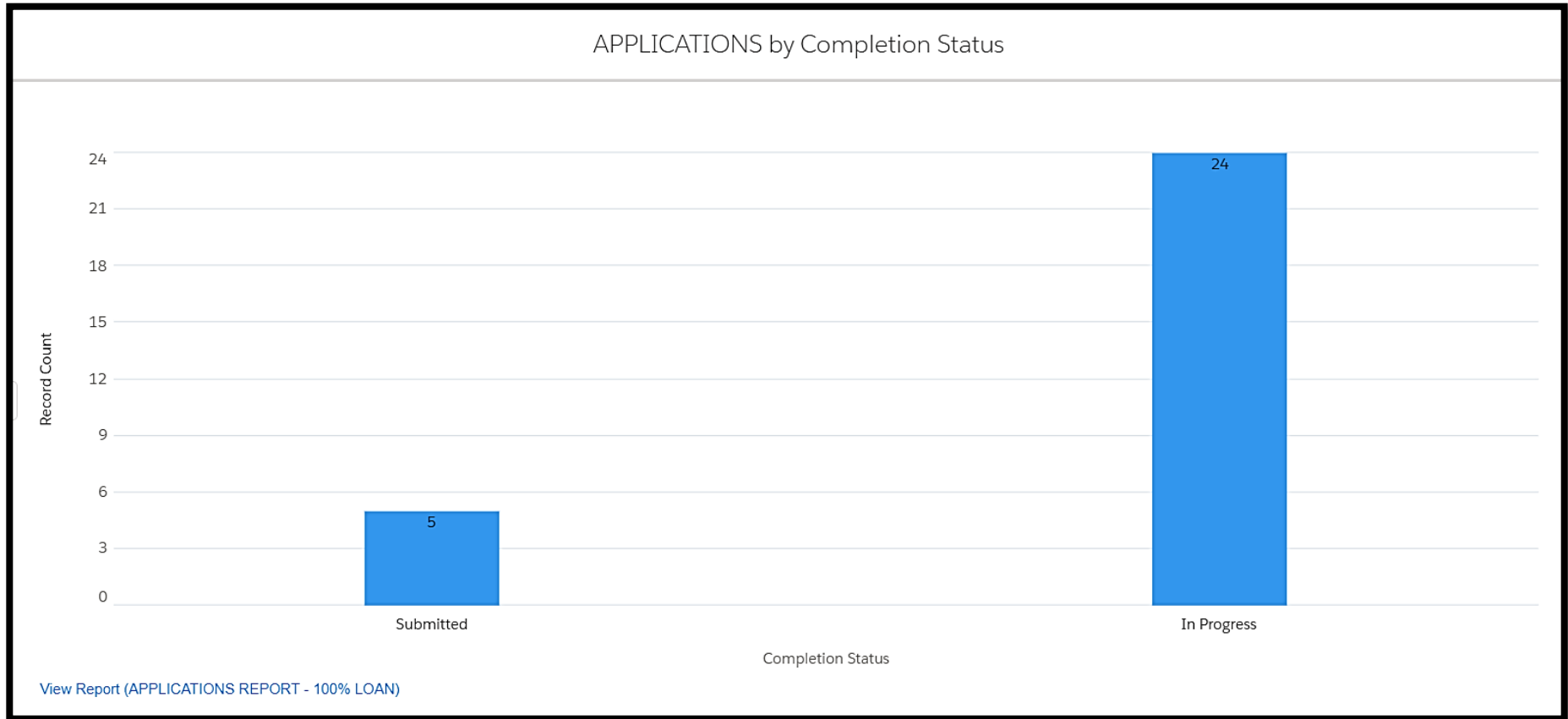
[View Report \(APPLICATIONS REPORT - 100% LOAN\)](#)

100% LOAN

Application Submission Rate

As of 09:43 A.M. on July 10, we have:

- 5 submitted applications
- 24 in-progress applications

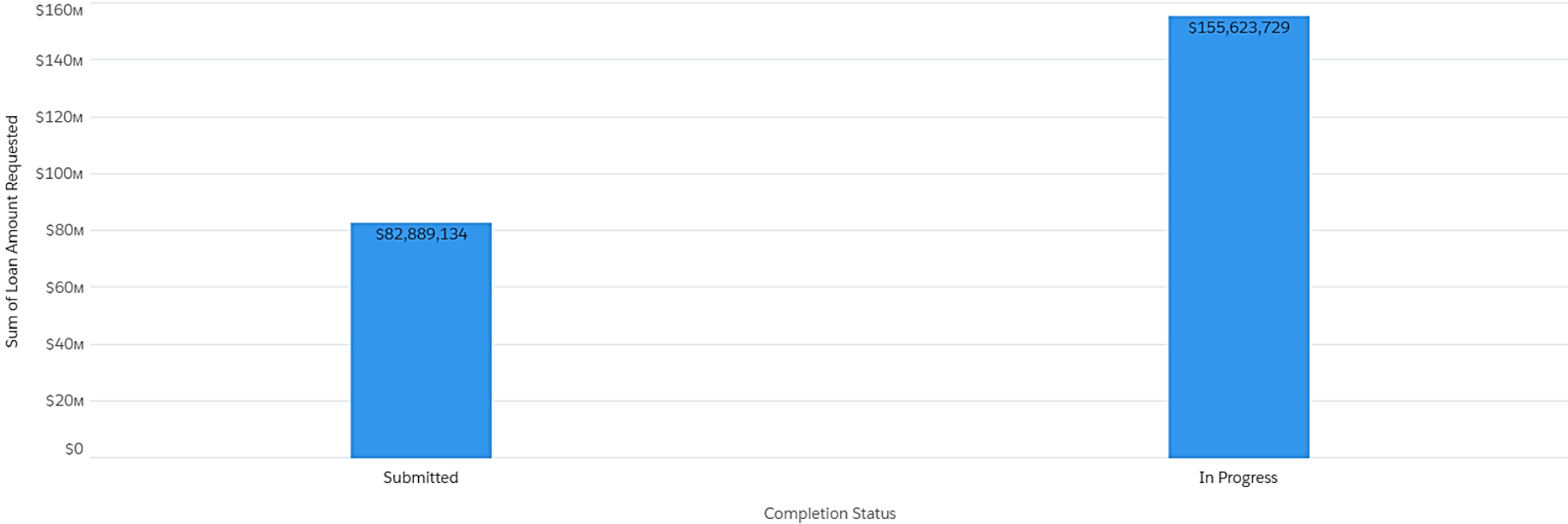


100% LOAN

Funding Amount Requested

LOAN AMOUNT REQUESTED

By Completion Status



[View Report \(APPLICATIONS REPORT - 100% LOAN\)](#)

100% LOAN

Technology Types

TECHNOLOGY TYPES OF APPLICATIONS

Project Technology Type ↑	Record Count
-	2
Fiber-to-the-Premises	20
Fiber-to-the-Premises; Fixed Wireless - Licensed	1
Fiber-to-the-Premises; Fixed Wireless - Licensed; Fixed Wireless - Unlicensed	1
Fiber-to-the-Premises; Fixed Wireless - Unlicensed	1
Fixed Wireless - Licensed	1
Fixed Wireless - Licensed; Fixed Wireless - Unlicensed	1
Fixed Wireless - Licensed; Fixed Wireless - Unlicensed; Other	1
Hybrid-Fiber-Coax; Other	1
Total	29

100% LOAN

Service Areas

TOTAL HOUSEHOLDS



382,755

[View Report \(**Service Area Report - 100% Loan\)](#)

TOTAL HOUSEHOLDS WITHOUT ACCESS



376,661

[View Report \(**Service Area Report - 100% Loan\)](#)

TOTAL POPULATION



994,030

[View Report \(**Service Area Report - 100% Loan\)](#)

TOTAL CRITICAL COMMUNITY FACILITIES



349

[View Report \(**Service Area Report - 100% Loan\)](#)

TOTAL EDUCATIONAL FACILITIES



436

[View Report \(**Service Area Report - 100% Loan\)](#)

TOTAL TRIBAL LAND SQUARE MILEAGE



4,224.5

[View Report \(**Service Area Report - 100% Loan\)](#)

100% GRANT

Dashboard Overview

DASHBOARD

APPLICATION REPORT - 100% GRANT

As of Jul 9, 2019 1:05 PM Viewing as Anh Le

Refresh Edit

TOTAL APPLICATIONS
100% Grant

78

View Report (APPLICATIONS REPORT - 100% GRANT only)

TOTAL GRANT AMOUNT REQUESTED
100% Grant

\$522,751,214

View Report (APPLICATIONS REPORT - 100% GRANT only)

AVERAGE GRANT AMOUNT REQUESTED
100% Grant

\$6,701,939

View Report (APPLICATIONS REPORT - 100% GRANT only)

TOTAL MATCHING FUNDS
100% Grant

\$175,074,603

View Report (APPLICATIONS REPORT - 100% GRANT only)

TOTAL PROJECT COST
Applications with Non-Zero Project Cost

Funding Category ↑	Record Count	Sum of Total Project Cost	Average Total Project Cost
100% Grant	78	\$700,298,381.00	\$8,978,184.37

View Report (Project Cost Non-zero - 100% GRANT)

TECHNOLOGY TYPES OF APPLICATIONS
100% Grant

Project Technology Type ↑	Record Count
Fiber-to-the-Premises	64
Fiber-to-the-Premises; Fixed Wireless - Licensed; Fixed Wireless - Unlicensed	1
Fiber-to-the-Premises; Fixed Wireless - Unlicensed	2
Fiber-to-the-Premises; Hybrid-Fiber-Coax	2
Fiber-to-the-Premises; Hybrid-Fiber-Coax; Fixed Wireless - Unlicensed	1
Fiber-to-the-Premises; Other	1
Fixed Wireless - Licensed	2
Fixed Wireless - Unlicensed	2
Hybrid-Fiber-Coax; Other	1
Other	2
Total	78

View Report (APPLICATIONS REPORT - 100% GRANT only)

100% GRANT

Service Areas

<p>TOTAL HOUSEHOLDS ❖</p> <p>151,380</p> <p>View Report (**Service Area Report - 100% Grant)</p>	<p>TOTAL HOUSEHOLDS WITHOUT ACCESS ❖</p> <p>123,603</p> <p>View Report (**Service Area Report - 100% Grant)</p>	<p>TOTAL POPULATION ❖</p> <p>398,886</p> <p>View Report (**Service Area Report - 100% Grant)</p>
<p>TOTAL CRITICAL COMMUNITY FACILITIES ❖</p> <p>204</p> <p>View Report (**Service Area Report - 100% Grant)</p>	<p>TOTAL EDUCATIONAL FACILITIES ❖</p> <p>213</p> <p>View Report (**Service Area Report - 100% Grant)</p>	<p>TOTAL TRIBAL LAND SQUARE MILEAGE ❖</p> <p>2,534.3</p> <p>View Report (**Service Area Report - 100% Grant)</p>

50/50 COMBINATION

Dashboard Overview

DASHBOARD

APPLICATIONS REPORT - 50/50% Loan/Grant

As of Jun 26, 2019 2:56 PM-Viewing as Anh Le

Refresh Edit

TOTAL APPLICATIONS
50/50% Loan/Grant

53

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

TOTAL GRANT AMOUNT REQUESTED
50/50% Loan/Grant

\$342,087,492

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

TOTAL LOAN AMOUNT REQUESTED
50/50% Loan/Grant

\$294,888,000

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

TOTAL EQUITY SUBSTITUTION
50/50% Loan/Grant

\$47,199,492

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

AVERAGE GRANT AMOUNT REQUESTED
50/50% Loan/Grant

\$6,454,481

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

AVERAGE LOAN AMOUNT REQUESTED
50/50% Loan/Grant

\$5,563,924.5

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

TOTAL PROJECT COST
Applications with Non-Zero Project Cost

Funding Category ↑	Record Count	Sum of Total Project Cost	Average Total Project Cost
50/50% Loan/Grant	53	\$686,872,474.00	\$12,959,858.00

[View Report \(Total Project Cost 50/50% LG\)](#)

TECHNOLOGY TYPES OF APPLICATIONS
50/50% Loan/Grant

Project Technology Type ↑	Record Count
Fiber-to-the-Premises	49
Fiber-to-the-Premises; Fixed Wireless - Unlicensed	1
Fixed Wireless - Licensed; Fixed Wireless - Unlicensed	2
Fixed Wireless - Unlicensed	1
Total	53

[View Report \(APPLICATIONS REPORT 50% L/G\)](#)

12

50/50 COMBINATION

Service Areas

TOTAL HOUSEHOLDS

148,090

[View Report \(**Service Area Report - 50/50% LG\)](#)

TOTAL HOUSEHOLDS WITHOUT ACCESS

142,052

[View Report \(**Service Area Report - 50/50% LG\)](#)

TOTAL POPULATION

392,178

[View Report \(**Service Area Report - 50/50% LG\)](#)

TOTAL CRITICAL COMMUNITY FACILITIES

245

[View Report \(**Service Area Report - 50/50% LG\)](#)

TOTAL EDUCATIONAL FACILITIES

302

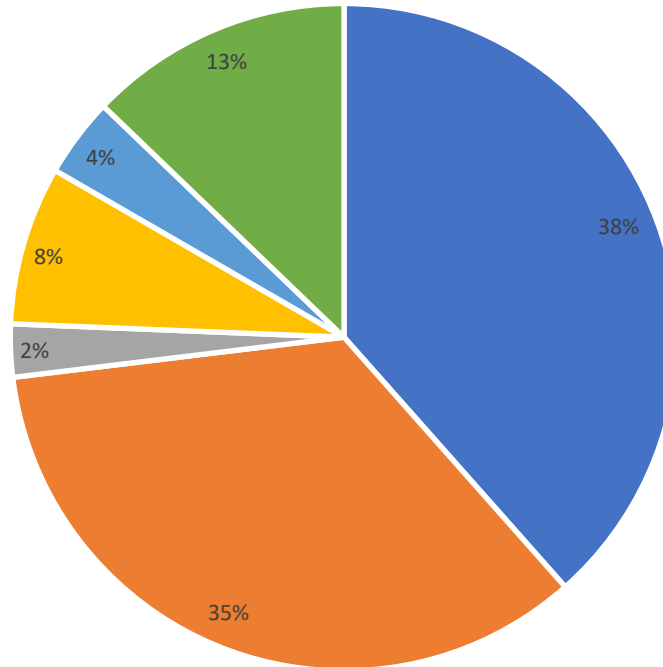
[View Report \(**Service Area Report - 50/50% LG\)](#)

TOTAL TRIBAL LAND SQUARE MILEAGE

2,654.9

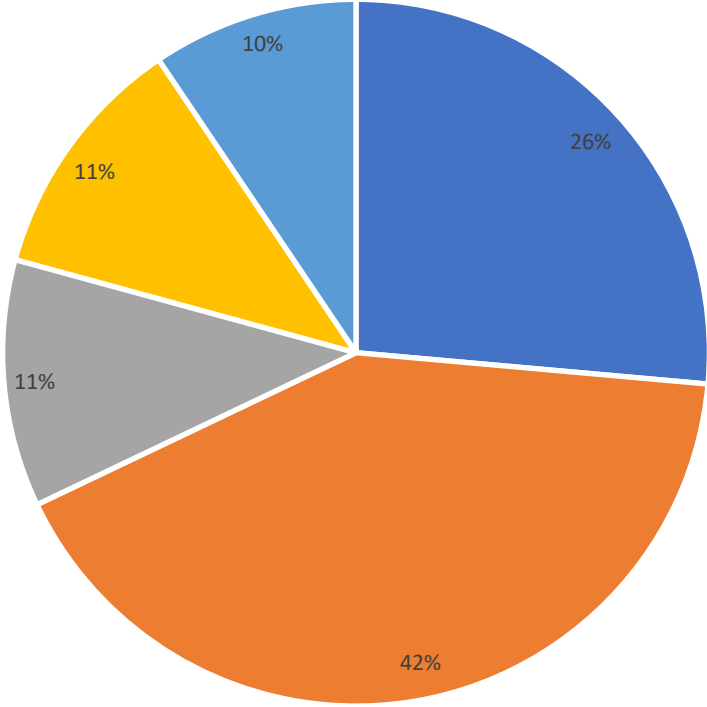
[View Report \(**Service Area Report - 50/50% LG\)](#)

Summary of Entity Types for 100% Grants



- Cooperative or mutual organizations
- Forprofit corporations
- Indian Tribe
- Limited liability companies
- Nonprofit entities
- States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof

Summary of Entity Types for 50/50 Combinations



- Cooperative or mutual organizations
- Forprofit corporations
- Limited liability companies
- Nonprofit entities
- States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof

ReConnect Construction Procedures

Main Changes to Procedures:

- Non-Standard Contract Forms may be used
 - Prior approval of forms is not required
- **Small-scale OSP Construction limit is increased to \$1M**
- Rus Form 773 can be used for Tower Construction
 - Funds can be Encumbered and Advanced

Subcontracting

- Non-standard subcontract forms can be used with non-standard contract forms
- RUS Form 282 should be used with contract forms 257, 395, and 515
 - Minor modifications to Form 282 is permissible providing they do not change the terms and conditions of the primary contract per guidelines.
 - RUS approval is not required per guidelines

Affiliated Transactions

- Require written consent of RUS
- Advanced funds are limited to smaller of cost or market rate

Record Keeping

- Records for all RUS funded assets must be retained until audited and approved by RUS.

Buy American

- Compliance with 7 CFR 1787

Insurance

- Compliance with 7 CFR 1788 Subpart C and http://www.usda.gov/rus/telecom/publications/pdf_files/Contractors-Bond-Requirement7-28-09.pdf.

Outside Plant Construction:

- General
 - Sealed competitive bidding shall be used for projects estimated at costing over \$1M
 - Awardees shall use RUS Form 515 or a non-standard form for projects costing over \$1M, including all labor and materials
 - For projects costing \$1M or less, either RUS Form 515, a non-standard contract, or the Small-Scale Construction procedures may be used.

2018 Farm Bill Updates

Farm Bill Highlights

- **Section 6201: Access to broadband service in rural areas –**
 - Adds Grant Funding and Payment Assistance
 - Requires Guarantee Program
 - Modifies Required “unserved” HH percentage from 15% to 50% for loans and 90% for grants
 - Establishes New Priorities
 - Increases Authorized Funding Level from \$25 million to \$350 million
 - Establishes new “broadband buildout” standards associated with the life of the loan
 - Requires additional communication and coordination with NTIA and FCC
- **Section 6202: Expansion of Middle Mile Infrastructure –** authorizes the agency to provide funding for stand alone middle mile projects

Farm Bill Highlights Continued

- **Section 6203: Innovative Broadband Advancement Program** – Authorizes the development of a new program to provide grants and loans to eligible entities demonstrating innovative broadband technologies or methods (Replaced the Gigabit Grant Program)
- **Section 6204: Community Connect Grant Program** – Codifies the Community Connect Program
- **Sections 6209 and 6211: Use of Loan Proceeds for Refinancing** – Removes the 40% cap that was in place on the amount of project funding that can be used for refinancing and expands the agency's authority for the types of loans which can be refinanced
- **Section 6214: Rural broadband integration working group** – Establishes a rural broadband working group across Federal agencies to identify, assess, and determine possible actions relating to barriers and opportunities for broadband deployment in rural areas

Farm Bill Highlight Continued

- **Section 6207: Public Notice, Assessments and Reporting Requirements**
 - Expands the Searchable Database and Public Notice Filing/Existing Service Provider Response Process for “Retail Broadband” projects provided assistance through a loan, grant or loan guarantee program administered by the USDA
 - For Telecom, this expands this process across the Community Connect and the Infrastructure Loan Program
 - PNF/PNR not required when the project is within an area where the entity receives federal universal support
 - Requires USDA to confer with NTIA and the FCC when determining the areas that are “unserved
 - Requires awardees of funding for “Retail Broadband” projects to submit an annual report for 3 years after completion of the project regarding the use of the assistance and progress towards fulfilling the objectives for which the funding was provided

Infrastructure Loans – FY 19

LOANS APPROVED		7/3/2019
Name	States Served	Total
Logan Telephone Cooperative, Inc.	KY	34,453,000
Flat Rock Telephone Co-Op, Inc.	IL	4,494,000
Egyptian Telephone Cooperative Association	IL	13,827,000
Ben Lomand Rural Telephone Cooperative, Inc.	TN	24,879,000
Roosevelt County Rural Telephone Cooperative, Inc.	NM	15,000,000
Palmetto Rural Telephone Cooperative, Inc.	SC	19,999,000
Baldwin Telecom, Inc.	WI	8,020,000
Washington County Rural Telephone Cooperative, Inc.	IN	14,359,000
		135,031,000



QUESTIONS