

# USDA ReConnect Webinar

## Network Overview

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**Q&A Speakers:** Farwa Naqvi, Meredith Morrison

### Transcript

#### Slide 1

**Joan Keiser:** Hello, and welcome to the ReConnect Program Network Overview webinar. My name is Joan Keiser, and I'm a member of the USDA RUS ReConnect support team. I will be your presenter for this webinar. I am joined by Farwa Naqvi, Chief - Engineering Branch of the USDA Rural Development Broadband Division and Meredith Morrison, a member of the ReConnect support team. During the Q&A session at the end of the presentation, Meredith and Farwa will answer the submitted questions.

#### Slide 2 – Agenda

**JOAN KEISER:** Before we get started, I want to go over logistics for this webinar. We will have some time at the end of the webinar to answer live questions as I mentioned, so please feel free to submit questions throughout the presentation via the Q and A box on your screen. We'll answer the questions—again—as time permits.

The first section of this presentation provides a broad overview of the network components within the ReConnect application. This will include:

- An introduction to the Network section,
- Key changes from the Fiscal Year 2019 Funding Opportunity Announcement or FOA,
- The FOA requirements as they pertain to the Network
- A review of the grant and loan products and a description of the Proposed Funded Service Areas (or PFSAs) and Non-Funded Service Areas, (or NFSAs)
- And, a list of the post award requirements.

After that, we will walk through the network section of the application and provide an overview of how to design a network, upload a network diagram, and develop a build-out timeline with milestones.

Finally, we will dive deeper into the Capital Investment Workbook (Or CIW) and Capital Investment Schedule (Or CIS).

I'll begin by introducing the network section and review the key requirements outlined in the FOA.

#### Slide 3 – [Transition Slide] Network Overview Introduction

**JOAN KEISER:** In the network section, applicants will need to submit the following:

- A network **design** which includes a description of the technology proposed to deliver the broadband service,
- A network **diagram**,

- A build-out timeline and milestones for project, and
- A Capital Investment Workbook and Capital Investment Schedule showing that the system can be built within five years.

#### **Slide 4 - Network Overview Introduction**

**JOAN KEISER:** A few things to keep in mind when thinking through the network section include:

- The ReConnect program is technology neutral.
  - The only things that are off-limits are mobile and in some cases satellite service.
- Only technically feasible projects will be eligible for award.
- Any technology or combination of technologies must meet the minimum construction requirements of 25/3 Megabits per second to all premises.
- USDA will evaluate the technical feasibility of an application by using the requirements in the Funding Opportunity Announcement.

#### **Slide 5 – FOA Changes from FY2019 Funding Opportunity Announcement (FOA)**

**JOAN KEISER:** So, let's take a look at a couple of changes between the FY 2019 Funding Opportunity Announcement, and the FY 2020 Funding Opportunity Announcement. These changes clarify USDA's expectations with regards to the network components of the application:

- First, for a 100% grant application, the PFSA must demonstrate that 90% of the households do not have sufficient access to broadband. This is a change from the fiscal 2019 FOA that required that 100% of households lack sufficient access for a 100% grant application. This change makes the requirement for that percentage of households without sufficient access the same across all three products – grant, loan and combination loan/grant. Again, the requirement for all three products is now that 90% of households do not have sufficient access to broadband. The definition of sufficient access remains unchanged from the last time. It's 10 Megabits per second downstream and 1 Megabit per second upstream.
- And like round one, applicants must submit a network design, a diagram, and a build-out timeline, all certified by a professional engineer who is licensed in at least one state where project construction would take place. In a change from last year, this certification is now a requirement for eligibility as explicitly stated in the FOA.
- And finally, there is a newly added prohibition on funding requests for areas previously funded under the ReConnect Program. Those areas are not eligible for funding under the current Funding Opportunity Announcement.

#### **Slide 6 -- FOA 2 Requirements for Network**

**JOAN KEISER:** So, I'd like to highlight a few key requirements of the network section. Please keep in mind that this is not a comprehensive list of all requirements outlined in the Funding Opportunity Announcement.

The FOA requires that you submit a network design—again— certified by a professional engineer. And the network design must be developed to a level of maturity that would allow a cost estimate to be provided. Applicants must also submit a network diagram certified—again-- by the professional engineer.

And as previously mentioned, you must submit project costs and a build-out timeline—again--certified by the professional engineer.

I know I keep talking about the certification, but it's very important because this is an absolute eligibility requirement this year. The certification must state that the proposed network can deliver broadband services at the required level, which is 25/3 Mbps to all premises in the proposed funded service area. Please note, there is a sample template for the engineering certification online at the ReConnect website, in the Forms and Resources section.

### **Slide 7 – FOA 2 Requirements for Network (Cont)**

**JOAN KEISER:** Finally, applicants must complete an executive summary which includes these items:

- A detailed description of existing operations
- A key management discussion
- A company's workforce description
- A description of interaction between any parent, subsidiary or affiliate operation
- A detailed description of the proposed project
- A description of proposed technology that will be used to deliver the broadband services
- A detailed description of the applicant's existing network, and a
- Detailed description of the applicant's proposed network

### **Slide 8 -- Key Network Considerations – Grant and Loan Products**

**JOAN KEISER:** Now let's take a look at the grant and loan products that are available under the ReConnect Program. There are three products that are offered. A 100% Loan, 100% grant, and a 50/50 combination loan and grant.

Again, across all three products, the minimum build-out speed requirement of 25 Mbps downstream and 3 Mbps upstream.

Eligible service area must be rural areas where 90 percent of the households do not have sufficient access to broadband—which again is defined as 10 Mbps downstream and 1 Mbps upstream.

To determine whether service areas meet eligibility requirements, USDA will conduct Service Area Validations on the applications to confirm the speeds of existing services in the areas and other aspects of the application.

USDA will also be evaluating the technical feasibility of an application pursuant to the FOA requirements.

And remember, only projects that RUS determines to be technically feasible will be eligible for an award.

### **Slide 9 - Key Network Considerations – Service Areas**

**JOAN KEISER:** Now let's take a look at some of the key network considerations. You must create service areas before moving on in the application. They are the foundations for the Network, Financials, Environmental and Evaluation Criteria portions of the application. There

are two types of service areas. Both service areas must either be drawn or uploaded using the Service Area Mapping Tool within the application system.

A proposed funded service area, or PFSA, is defined as the area, whether all or part of an existing or new service area, where the applicant is requesting funds under ReConnect to provide broadband service.

PFSAs will each be treated as separate stand-alone service areas for the purpose of determining how much of the PFSA does not have sufficient access to broadband. Each PFSA must meet the minimum requirements to be eligible.

The second type of service area is a non-funded service area, or NFSA, which is defined as any area in which the applicant offers service or intends to offer service during the forecast period but is not part of the applicant's PFSA.

For the agency to have a full picture of the proposed network, you must provide projected revenues for both the PFSAs and NFSAs in the Capital Investment Workbook. That's why it's important you draw those areas on the map, because. Because the map determines what you see, in part, on the Capital Investment Workbook. We'll discuss this in a little greater detail later on in the presentation.

#### **Slide 10 - Key Network Considerations – PFSA and NFSA**

**JOAN KEISER:** The screenshot on this slide shows two polygons. The larger polygon, which represents a PFSA and a darker shaded circle which represents a NFSA.

You can either use the drawing tools that are in the map to draw the service area polygons right on the map, or you can create shapefiles using your own mapping program and upload those shapefiles to the Service Area Mapping tool.

#### **Slide 11 – Post Award Requirements**

**JOAN KEISER:** Now we're going to talk a little bit about post-award requirements. Pursuant to the fiscal 2020 Funding Opportunity Announcement, applicants are required to adhere to the following post award requirements:

You must, if you are an awardee, submit annually updated service maps through the RUS mapping tool that would show the areas where construction has been completed and premises are receiving service until the entire PFSA can receive broadband service.

This tool is currently under construction but will be available by the time award offers are extended.

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

#### **Slide 12 - Post Award Requirements (Cont.)**

**JOAN KEISER:** Additionally, awardees must submit semi-annual reports for three years after the completion of construction. Those reports should include the following information:

- The number and location of residences and businesses that will receive service

- Types of facilities constructed and installed
- Speed of the data services being delivered
- The average price of the data services being delivered in each of the proposed service areas
- And the broadband adoption rate for each proposed service area

**Slide 13 - ReConnect Program - Designing your Network** [transition slide]

**JOAN KEISER:** Next, we'll discuss designing your network, including uploading a network diagram and developing a build-out timeline with milestones that are reasonable.

**Slide 14 - Network Design Introduction**

**JOAN KEISER:** Applicants must provide a network design that is technically feasible according to the requirements of the FOA. The network design must present the way that an entity plans to build their proposed network to meet the ReConnect program requirements. The network design should identify whether and how applicants are connecting to an existing network. And specifically, the network design must also include a description of the proposed technology that will be used to deliver the broadband services and detailed descriptions of the applicant's existing and proposed networks. And keep in mind, the ReConnect program is technology neutral.

The network design must also be developed to a level of maturity that facilitates creation of a cost estimate.

And keep in mind that applicants will be expected to cross reference their network design with items such as subscriber numbers and miles of service coverage. Finally, as mentioned previously, the network design must be certified by the professional engineer.

**Slide 15 - Build-out Network Design Introduction (Cont.)**

**JOAN KEISER:** The Network Design page displays three text boxes for the proposed technology, the existing network, and the proposed network. And we'll talk a little bit more detail on the boxes in the next few slides. Just keep in mind that each text box can hold over 30,000 characters, but if you need more room, you can upload longer documents in the Network Documents Section. So please provide full, detailed descriptions in each text box or supporting documents.

**Slide 16 - Network Design – Proposed Technology**

**JOAN KEISER:** Let's take a look at the proposed technology. Applicants are required to provide a description of proposed technology that will be used to deliver broadband service in PFSA.

This description should include appropriate standards-based information concerning the proposed technology. If the technology is not typically found in existing market deployments, several references detailing the technology should also be included, like white papers and comprehensive internet sites.

- The types of technology applicants will be able to select include:
  - Fiber to the Premises
  - Hybrid Fiber Coax
  - Fixed Wireless – licensed
  - And Fixed Wireless – unlicensed

- You can also select an other technology, but if you select that, applicants will be required to insert a description of the technology or technologies they've chosen.
- Now keep in mind, you can mix and match these technologies or use more than one, as your local situation dictates.

### Slide 17 - Network Design – Existing Network

**JOAN KEISER:** The second description is a detailed description of the applicant's existing network:

- Here, you should be sure to list important considerations concerning how the existing network will be leveraged to support your proposed network. The detailed description should include the following:
  - The primary elements of the network layers, for example: Access, Distribution, and Core, as well as how each layer is fed and how it feeds into the next layer.
  - You should also include a description of how the existing network will be leveraged to support the proposed network, for example, speeds, coverages, services, subscriber counts, that includes existing load information and related considerations.
  - Also include a description of the interconnection with the proposed network, as well as other significant connections such as Internet Service Providers or ISPs.

### Slide 18 - Network Design – Proposed Network

**JOAN KEISER:** The final description in this section is for the applicant's proposed network:

- When describing your proposed network design, you should consider projected subscriber counts, and installation, and deployment factors.
- And again, similar to the description of the existing network, you want to describe your proposed network to include the primary elements of the network layers, like Access, Distribution, and Core. And you should indicate how each layer is fed and how it feeds into the next layer.
- You should also talk about how the proposed network will support requirements like speeds, subscriber counts, services, and coverages,
- And if applicable, you should include a description of the interconnection with an existing network and any other significant connections such as ISPs.
- Further, an application should provide location, construction and deployment information, as well as details on important design decisions like redundancy.
- Finally, you should also describe any specific design consideration that significantly affect costs and timelines.

### Slide 19 - Network Layers

**JOAN KEISER:** For a little bit of context I will now touch on a few components of the three network layers that I just discussed. Access, Distribution, and Core. Access layer components that you might want to consider include:

- Service Rings/Areas
- Technology
- Access Equipment
- And Licensing
- And some Components to consider in the Distribution Network layer include:
  - Technology

- And Transport
- Components to consider in the Core Network layer include:
  - Technology
  - Core equipment requirements
  - Facility requirements
  - Availability and redundancy
  - Interconnection
  - Data storage
  - And Licensing
- And finally, Components to consider in the Existing Network Integration include:
  - Type
  - Shared elements
  - Interoperability
  - And Licensing

### **Slide 20 - Network Document Uploads**

**JOAN KEISER:** After you've written and included all of your descriptions for the design of the network, you must upload a network diagram to supplement and illustrate the description.

- You should upload comprehensive documents depicting your network's design.
- The greater degree of accuracy and clarity that you provide in the application will help inform and facilitate the review process.

### **Slide 21 - Network Document Uploads – Existing Network Diagram**

**JOAN KEISER:** If you have an existing network, you need to upload an Existing Network Diagram. It will be required. This diagram should be prepared according to the guidance for the Proposed Network Diagram which I'll cover next. Existing network utilization rates should be indicated in the diagram.

- And again, this diagram will help USDA understand how the infrastructure will improve so that broadband service can be provided to all premises in the PFSA.

### **Slide 22 - Network Document Uploads – Proposed Network Diagram**

**JOAN KEISER:** Moving on to the proposed network diagram. This is the second upload that you will need to provide. Excuse me –this is also required.

- This will be a comprehensive diagram that should include the following items:
  - How traffic flows through the network.
  - The route miles between each network element, the bandwidth capacity between the network elements, including fiber or pair counts, and the type of facilities, like fiber, copper, or microwave that are or will be used to establish the connection between the network elements and the points-of-connection with connecting companies. As appropriate, the diagram should also include:
    - Any leased facilities and their locations
    - The providers from which the facilities are being leased
    - The connections to those facilities
    - And any existing network elements
  - Additionally, the proposed network diagram should provide basic equipment information about the nodes of the proposed network design
    - For example, this would include things like routers, switches and gateways that you plan to use.

- Finally, the diagram should indicate significant clusters of premises, and specifically identify multi-connection premises types such as schools, hospitals, and major farms.
- And again, the specifics I just discussed would apply to any existing network diagram as well as the proposed network diagram.

### Slide 23 - Network Document Uploads – PE Certification

**JOAN KEISER:** After you upload the network diagrams, you must upload a network design Professional Engineer certification.

- Again, this certification from the professional engineer must state that the proposed network can deliver broadband service at the required level of service to all premises in the PFSA. The document must also certify the proposed build-out timeline, milestones, construction schedule, and cost estimate.
  - And again, a template for this certification can be found at the ReConnect website under Forms and Resources.
- Keep in mind, if you are requesting additional scoring points for providing a 100 Megabits upstream and downstream, that is symmetrical service, the certification must also state that the proposed system is capable of delivering that service to all premises.
- And again, the professional engineer must be currently certified in at least one of the states where you expect project construction to take place.

### Slide 24 - Build-out Timeline and Milestones

**JOAN KEISER:** So, let's move on to the build-out timeline and milestones. You have to provide a timeline for the five-year build-out period.

- And this would include milestones which are defined as points throughout the project lifecycle that identify key project stages or development changes.
- Applicants must provide a build-out timeline to include the key milestones on a quarterly basis for wireless solutions or combination solutions, and annually for wired solutions or other solutions, for the lifespan—again-- of the proposed project.
  - The build-out of the project must be completed within five years from the date funds are made available. And build-out is considered complete when the network design has been fully implemented, the service operations and management systems infrastructure are operational, and the awardee is ready to support the activation and commissioning of individual customers to the new system.

### Slide 25 - Build-out Timeline and Milestones (Cont.)

**JOAN KEISER:** USDA will review an applicant's Build-out Timeline for feasibility and reasonableness given the technology and the resources that you estimated.

- Reasonableness refers to satisfying interdependencies which support desired requirements like speeds, coverages, things like that. Additional considerations for reasonableness include:
  - The Technology used
  - Equipment
  - Network element distances
  - The Type of backhaul involved
  - Coverages and coverage topography
  - Various construction and deployment expectations and issues

- Projected costs, timelines, and teams.
- You should consider a project lifecycle approach which includes four phases: Planning, Design, Deployment, and Operations. Activities within each of these phases and associated risks should be thought through very carefully. Key assumptions that you should consider include:
  - Personnel assumptions such as whether you intend to use existing employees or contractors.
  - Licensing and permitting timelines
  - And any elements that may have already been completed

### **Slide 26 - Build-out Timeline and Milestones – Application Walk Through**

**JOAN KEISER:** Now let's take a little walk-through through some of the basic steps required to complete your build-out timeline and milestones within the application system.

- And remember, you'll need to indicate the technologies that the project will use up in the Project Tab, before you can successfully complete these steps within the Network Tab.
- When you bring the Build-out Timeline and Milestones subsection up, a table will display listing the timeframe of the build-out.
  - And again, quarterly milestones are provided for fixed wireless – licensed or unlicensed or a combination of technologies.
  - And annual milestones are provided for fiber-to-the-premises, hybrid-fiber coax, or, any other type of technology.

### **Slide 27 - Build-out Timeline and Milestones – Application Walk Through (Cont.)**

**JOAN KEISER:** Next, you'll list all relevant build-out milestones for each chosen timeframe and provide support with reasonableness and data points for each milestone.

- Keep in mind, that if you change that technology type up front in the Project Information tab, the build-out timeline and milestones table will be deleted, and you'll have to redo it.

### **Slide 28 - Capital Investment Workbook & Capital Investment Schedule [transition Slide]**

**JOAN KEISER:** This final section of today's presentation will provide a closer look at the Capital Investment Workbook, or CIW, and the Capital Investment Schedule, or CIS.

- I'll start by explaining and taking a look at how to complete the Capital Investment Workbook within the application system.

### **Slide 29 - Capital Investment Workbook Introduction**

**JOAN KEISER:** By definition, the CIW, or Capital Investment Workbook, is a detailed list of costs of the project. This includes the costs, quantities, and descriptions of the equipment, materials, and facilities needed to build your project.

- Due to the comprehensive nature of the CIW, it is a time-intensive exercise for the applicant. You should plan ahead to ensure that the CIW is completed in time for the other sections of the application to also be completed before the applicable deadline.
- USDA will review the CIW in order to assess technical feasibility and to determine that applicants have thoroughly thought through the proposed network design.
- The CIW includes all costs and quantities within:
  - Each Proposed funded service areas
  - Each Non-funded Service Areas
  - And the Unadvanced Prior Loan Fund, if you intend to use it.

Keep in mind, that the NFSA and UPLF, or Unadvanced Prior Loan Fund, must be given up front, in the project information. If you check yes to either one of those, you should see those sections in the CIW.

- The types of costs included in the NFSA and UPLF are:
  - Service Area Costs
  - Common Network Costs
  - Other Costs
  - And, then there will be a summary that aggregates all costs of each in the CIW.

### **Slide 30 - CIW – Service Area Costs**

**JOAN KEISER:** Now, we're going to walk through the different types of costs that you need to input into the CIW. And first we're going to discuss Service Area Costs

- Service Area Costs include all physical project assets required to deliver broadband to the PFSA and their costs.
- For each asset, applicants select the asset category and the specific asset type.
- Then you provide a description, the quantity of the item to be used, the unit of measurement of the quantity, and the cost per unit.
- The system will automatically calculate a total cost for each capital asset.
- And again, for each capital asset you expect fund during the forecast period, you must create a new entry and enter the required information.
- And for the PFSA Capital Investment Workbook, all costs must be eligible.

### **Slide 31 - CIW – Table of Asset Categories for Service Area and Common Network Facilities Costs**

**JOAN KEISER:** This slide that we're looking at here, shows all of the asset categories and specific asset types built into the drop-down menus of the Service Area Cost Subsection of the CIW

- For example, the asset category for power equipment would fall under "Network & Access Equipment."
- Please note that these categories apply to both service area costs and the common network facilities costs, which I'm going to talk about next.

### **Slide 32 - CIW – Common Network Facilities Costs**

**JOAN KEISER:** While service area costs—either for PFSA or NFSAs—are exclusive to each specified service area, common network facilities costs are shared between two or more service areas.

- For example, if a fiber cable was routed to five different service areas, even if it includes the PFSA, those costs are considered common network facilities costs.
- CNF Costs must be completed for each PFSA and NFSAs, but they are not applicable to Unadvanced Prior Loan Fund.
- And again, you'll take the same steps to input CNF data that you did for completing service area costs.
- For Common Network Facilities costs, you should only include the portion of the costs allocable to each of the service areas.
  - For example, if 50% of a common network facility is allocable to the PFSA in your application, then 50% of the cost should be included in the Capital Investment Workbook for that PFSA in the Common Network Facility section. The other 50% of the cost then should be included in the NFSAs' CIW under Common Network Facility.

### Slide 33 - CIW Diagram

**JOAN KEISER:** The diagram on the next slide is a sample network diagram for which the applicant has common network facilities, NFSAs, PFSA, and their associated costs.

- And keep in mind, you're expected to itemize planned investment by service area and type, and then distribute the volume of the anticipated expenditure over time from the bridge year through the end of the 5-year build-out period.
- Breaking down the proposed costs by service area and type will inform USDA of:
  - Which costs will be reimbursed by ReConnect versus other sources of capital
  - When the investment is expected to occur
  - And to demonstrate that the build is completed by the end of the 5-year period and the network is capable of delivering the proposed build-out speeds.
- Now, let's take a closer look at the diagram to understand how this particular applicant should record their investments in the ReConnect application system.
  - Starting from the far right, backhaul will run from the Point-of-Presence, or POP, to drops in a specific geography. The applicant wants the backhaul, drops, and other network assets associated with this segment of the network to be funded by ReConnect. So therefore, the backhaul will be recorded as a common network facility asset for the PFSA. Everything located within the polygon boundaries which are shown in gold should be recorded as assets in the CIW for "PFSA – 3".
  - Moving to the second Point-of-Presence, or POP, backhaul will be installed to deliver service to both NFSAs and PFSA. The cost of the backhaul segment running from the POP to the gold star should be distributed on a pro-rata between PFSA and NFSAs Common Network Facility workbook pages.
  - The cost associated with the backhaul segment running from the gold star to the NFSAs, that's NFSAs -1 and 2, would be recorded as common network facilities for both of those NFSAs.
  - Every asset within the polygon boundaries of NFSAs-1 would be recorded as assets in the CIW for "NFSAs – 1".
  - Every asset within the polygon boundaries of NFSAs-2 should be recorded as assets in the CIW for "NFSAs – 2".
  - The cost of the backhaul segment running from the gold star to the boundaries of PFSA -1 and PFSA – 2 should be recorded as common network facilities for each of those PFSA.
  - And again, every asset within the polygon boundaries of PFSA-1 should be recorded as an asset for that PFSA in the Capital Investment Workbook.
  - And finally, every asset within the polygon boundaries of PFSA-2 would be recorded as assets asset for that PFSA in the Capital Investment Workbook.
- You only include the asset categories and types that pertain to your project. You are not required to address all asset categories and types if they do apply to your proposed project.

### Slide 34 - CIW – Other Costs

**JOAN KEISER:** Now we'll move on and take a quick look at other costs. This section includes all other costs not previously identified but that are required to construct the necessary facilities to deliver broadband service to the service area.

- And just like the CIW – Service Area Costs section, you provide a description, the quantity to be used, the unit of measurement, and the cost per unit for each asset. And again, the total costs of the asset will be automatically calculated and populated.
- And keep in mind that the CIW must be completed for each and every PFSA, NFSA, and UPLF to be expended during the project's build-out period.

### Slide 35 - CIW – Table of Possible Other Costs

**JOAN KEISER:** This table lists possible additional costs but is not an exhaustive list.

- Some additional costs may include construction vehicles, office equipment, pre-application expenses, or professional services that may be used for sections like the environmental components in the application.

### Slide 35 - CIW – Summary

**JOAN KEISER:** The CIW Summary displays the Project Cost information which was entered within other CIW pages.

The PFSA CIW Summary page performs an additional validation to ensure that pre-application expenses are limited to 5% of the requested award amount, and that not more than 40% of the loan is allocated to any proposed system acquisition.

- On the CIW – Summary page for the PFSA, you must enter the requested award amounts as follows:
  - For a 100% Loan, enter the value in the Loan amount requested field. The loan amount requested cannot exceed total project costs, or \$50M, whichever is less.
  - For a 100% Grant, enter the value in the Grant amount requested field. And the system will calculate the matching funds, plus 25 percent of total project costs based on the CIW. The requested grant amount cannot exceed 75% of total project costs, or \$25M, whichever is less.
  - For the 50/50 combination Loan/Grant, values in the Grant amount requested, Loan amount requested and the Cash substitution Amount for the Loan Portion. The grant amount requested cannot exceed 50 percent of the funding request, the sum of requested loan and cash substitution amount, or \$25M, whichever is less.
  - And keep in mind that other funds is the difference between "Total Project Costs" and the sum of loan funds, grant funds, matching funds, and cash substitution.

### Slide 36 - Capital Investment Schedule

**JOAN KEISER:** The Capital Investment Schedule shows whether the proposed system can be built within 5 years.

- Not all applicants will have to input costs for the entire 5-year projection if your projected build-out isn't 5 years in duration its ok to be a little bit shorter.
- When projecting the project costs, applicants should keep their project timeline very much front of mind because the CIS should align with the financial forecast.
- And again, the Capital Investment Schedule captures the timing of capital investments. And the CIW informs the CIS.
- And like the CIW, the subsections available to applicants will vary depending on the information entered in the Project Tab and the Service Area sections of the application.
- For each CIS table, only the line items entered in the Capital Investment Workbook will appear in the table. And each table includes a validation in the "Amounts Fully

Distributed” column that ensures that the amounts in the CIW are fully distributed in the CIS.

- That table is by default set to “No” with a red background. And once the total amounts reconcile within the CIS and the CIW, it will change to “Yes” with a white background.
- And because this table is populated based on the entries in the CIW, you must complete the Capital Investment Workbook before beginning the Capital Investment Schedule.

### Slide 37 - Available Resources

**JOAN KEISER:** In closing, I want to mention that some resources are available for applicants.

- USDA is providing resources and technical assistance to applicants as they prepare to apply for the ReConnect Program.
- The ReConnect Support Team will conduct workshops and webinars throughout the Application window. In fact, the second workshop will be held in Denver, Colorado, on Wednesday and Thursday of this week. The third workshop will be in Atlanta, Georgia on February 19<sup>th</sup> and 20<sup>th</sup>. Registration is free and currently open. You can find the registration link on the USDA ReConnect website's Events page.
- We also anticipate several more webinars this month, including one on February 25. Like the workshops, you can register for webinars through the ReConnect events page.
- To stay up to date on all upcoming events, subscribe on the ReConnect website by clicking the "Subscribe" button under "Stay up to date" at the bottom of the home page.
- The ReConnect website is also a great resource. It contains program information, fact sheets, and technical assistance materials that can be used when developing your application. Materials are currently being updated for the FY 2020 FOA.
- USDA also maintains a Help Desk to respond to questions submitted through the ReConnect website. If you have questions after today's webinar, please be sure to use the Contact Us resource on the ReConnect website to get your question answered.
- Finally, I would also like to mention the Rural Development eConnectivity toolkit, which came out of the Rural Prosperity Taskforce. You can find this full toolkit on USDA's Broadband homepage under Resources.

### Slide 38 - Q&A

**JOAN KEISER:** This concludes the Network Overview webinar and we will now turn to Q&A. Please feel free to submit your questions through the chat box and we will answer as many as possible in the time remaining. Please give us a couple of minutes to transition before Farwa and Meredith begin the Q&A.

**MEREDITH MORRISON:** Hi, I'm Meredith, and joined with Farwa. We will be taking over the Q&A session for the remainder of the webinar. We may need a few minutes to sort the questions so bear with us. Farwa, are you ready? We can go ahead and answer a few of these.

**MEREDITH MORRISON (Q):** So, is the Funding Opportunity Announcement for 2019 different from the one published in 2018?

**MEREDITH MORRISON (A):** Yes, so Joan went over some of the changes, there were a number of them having to do with facility definitions, scoring criteria, and since we discussed some of these changes in the overview webinars, I won't go over all of them. I suggest you refer to our website under forms and resources to find more of our webinars and then I'd also say the second Funding Opportunity Announcement outlined some of those changes so be sure to refer to that.

**MEREDITH MORRISON (Q):** Here's one. Is there a limit on the number of applications and entities you can submit?

**MM (A)** Yes. An entity may submit only one application even though the online application will allow you to create multiple. You can only submit one.

**MEREDITH MORRISON (Q):** So, here's one. If an applicant asks for a large amount, might RUS award it at a lower amount, or is it all or nothing? The applicant either gets the full request, or they are rejected. If it's the latter, should the applicant take into account how much they ask for?

**FARWA NAQVI (A):** Yes, the applicant should certainly take this into account asking for the—and preparing the budget—and asking for the loan amount. Because the application is evaluated and reviewed based on what was included in the application so during that review if we determine that additional equity is required then the applicant will be notified of this at the time that the offer is made to the applicant. And at that point in time the applicant can either accept the offer or reject the offer. That is how it is for the 100% grant and 50/50. However, for the 100% loans there's a little bit more—you know—flexibility as to what you will be [inaudible].

**MEREDITH MORRISON (Q):** Alright, here's one: How does that work for small businesses? When we plan our network, we don't design networks all the time, so who pays for the certification?

**FARWA NAQVI (A):** In the application, specifically in the CIW, the applicant can include eligible applications costs and this would be one of the eligible preapplication costs if you go ahead and hire an engineering firm because it is necessary and they can go ahead and issue their certification and put it in the application. And then when an award is made, and the funds are available, these funds can be reimbursed.

**MEREDITH MORRISON (Q):** Is the 90% unserved counted per PFSA or as a combination of all PFSAs in a given application?

**FARWA NAQVI (A):** The 90% rule of the 10/1 service applies to each PFSA. So if an applicant has 10 PFSAs, that rule would apply to each one of those ten PFSAs. However, if during our review, we find that at least one of the PFSAs has 10/1 service that is in excess of 90% service territory, that application will be deemed ineligible.

**MEREDITH MORRISON (Q):** Our client is a county government municipality that will be applying for a 100% grant to service unserved areas within the municipality. They plan to work with our ISP to deliver services, but the county will retain ownership of the fiber infrastructure. Does the applicant need to include information of the ISP in the application?

**FARWA NAQVI (A):** Yes. It is very beneficial to include that information in the application. In fact, if the county has already executed an agreement with the ISP, to include that as well as to have a draft agreement that they would like us to look at before being executed if an award is made. That would also be beneficial to include in the application.

**MEREDITH MORRISON (Q):** Is it possible to view or download the application forms for satisfying the registration requirements?

**FARWA NAQVI (A):** The only way you can see the actual online system prior to getting an Authorized Representative Request—you know—approved and having access to the system would be through one of our webinars. And Joan, if you can just tell them when the next walking

through the application webinar will be, after the question and answer session that would help tremendously.

**MEREDITH MORRISON (A):** I'll have to check the calendar.

**JOAN KEISER (A):** We did actually do two webinars last week walking through the entire application system. And if you are available to go to any of the upcoming workshops there is an application walkthrough at each workshop. And we are actually in the process of incorporating live demos into these now that the application system is open.

**MEREDITH MORRISON (A):** Yeah, and, we may have already mentioned, but the webinars are posted on the ReConnect website. Sometimes it does take a little while to get it uploaded to the site, but the application walkthrough should be uploaded relatively soon.

**MEREDITH MORRISON (Q):** If a middle mile provider designs their network to include a tribal area that is not in our PFSA, but is designed to build to decrease routes for deployments to our PFSA does it count for a full twenty points in the scoring criteria for tribal areas?

**FARWA NAQVI (A):** For FOA number 2, the evaluation criteria don't include any points for crossing tribal areas.

**MEREDITH MORRISON (Q):** What type of engineering firm needs to sign off on the network design?

**FARWA NAQVI (A):** The requirement is that the network design included in the application must be certified by a professional engineer that is licensed in at least one of the states where the project will be constructed. We strongly recommend that applicants hire engineers who have experience in building telecommunications of broadband systems. Because they will also ultimately be responsible for making sure that the build-out occurs, if the award is made.

**MEREDITH MORRISON (Q):** Are there state-by-state allocations?

**FARWA NAQVI (A):** No, there are no state-by-state allocations under the ReConnect program.

**MEREDITH MORRISON (Q): Will applicants be allowed to upload shapefiles for the PFSA. If so, what are the perimeters?**

**FARWA NAQVI (A):** Yes, applicants will be allowed to upload shapefiles and as far as the parameters go, you refer to the application guide that is on our website. You can see what those parameters are and how you can upload them.

**MEREDITH MORRISON (Q):** Let's see here. What data is used to capture the rurality of a proposed funded service area?

**MEREDITH MORRISON (A):** The data is based on a distance from a city in the GIS mapping tool as well as in the 2020 census.

**MEREDITH MORRISON (Q):** We've got one here about when the next workshops are planned.

**MEREDITH MORRISON (A):** We have an upcoming workshop in Atlanta. And registration is still open for that. And that is February 19-20. You can find the registration page on the ReConnect website And of course our other webinars are posted there. You can also sign up for email alerts as well.

**MEREDITH MORRISON (Q):** I see a link to apply now but when I log in it just shows a public notice box. And no application. Where do you begin the actual application?

**FARWA NAQVI (A):** To begin you need to have a level 2 access and actually that is now called verified access on the USDA eAuthentication system. If you don't have level 2 access, the only thing that you would be able to see would be the public notice sign. If you have level 2 access, and you still can't access the application system, then send us a question through the community portal and we'll be happy to look into it. Include contact information including phone number and we can have one of our team members get back to you.

**MEREDITH MORRISON (Q):** We have level 2 access yet are unable to make progress with the application. We contact support, but they just send us back to logon documents. How do we talk to support one-on-one?

**FARWA NAQVI (A):** We recommend that you send an email to [reconnect@usda.gov](mailto:reconnect@usda.gov) and please include your name and contact number as well as a phone number and we'll get back to you shortly.

**MEREDITH MORRISON (Q):** What is covered in the workshop?

**MEREDITH MORRISON (A):** The workshop includes sessions on everything that we've covered in the webinars, so everything from the application system through the overview to engaging your rural areas, and then also, what's a little bit different about the workshops is that there are office hours, where you can talk one-on-one to anybody there who can answer questions and help you with the application system.

**MEREDITH MORRISON (Q):** When do you think the next round of grant funding will be?

**FARWA NAQVI (A):** At this point in time we do not have that information. As soon as we get that information it will be posted on our website.

**MEREDITH MORRISON (Q):** Do the workshops cover environmental reviews?

**MEREDITH MORRISON (A):** Yes, they do have an environmental presentation at the workshop.

**MEREDITH MORRISON (Q):** The name of the person answering questions?

**MEREDITH MORRISON (A):** I'm Meredith Morrison.

**FARWA NAQVI (A):** My name is Farwa Naqvi. Of the ReConnect Program team.

**MEREDITH MORRISON (Q):** What is the deadline to have all of the application materials submitted?

**FARWA NAQVI (A):** The application deadline for all three funding types is March 16<sup>th</sup> at 6:00 PM Eastern time.

**MEREDITH MORRISON (A):** And I will note that that is a little bit different from the last FOA. The time was midnight. So it's a little bit earlier this year.

**MEREDITH MORRISON (Q):** What counts as an essential community facility?

**MEREDITH MORRISON (A):** The first essential community facility is one of nine evaluation criteria in scoring the application. The applicant can use the system's mapping tool. And mapping is also covered in a past webinar and also covered in the workshops so they can use the mapping tool to determine service area eligibility. And what counts for their eligibility score. And then to answer the original question the mapping tool includes the GIS layer with essential community facilities so for the facilities in that layer it is considered a community facility. And then the website also includes definitions in the description of the data.

**MEREDITH MORRISON (Q):** Will the application include any financial audits?

**FARWA NAQVI (A):** Yes, the application will require that a financial audit be included. And further requirements on what comprises a financial audit can be found in the FOA and the application guide.

**MEREDITH MORRISON:** And we'll take just one more minute to sort through questions that are coming in.

**MEREDITH MORRISON (Q):** We've got one more. When are workshops?

**MEREDITH MORRISON (A):** So the next workshop will be in Atlanta and that is February 19-20. And registration is open. You can visit the events page on the ReConnect website to view all upcoming workshops and webinars.

**MEREDITH MORRISON:** We're taking a second to let the questions load.

**MEREDITH MORRISON (Q):** Someone asked about where they can contact with questions.

**MEREDITH MORRISON (A):** The help desk is a great resource and it's on the ReConnect website. So, click Contact Us and we do have someone answering help desk questions every day. So be sure to use that as a resource.

**MEREDITH MORRISON (Q):** Will this webinar be available and when?

**MEREDITH MORRISON (A):** This webinar will be uploaded under forms and resources on the ReConnect website. It does take. Minute to make sure that the presentations are complete. So, it will be a few days. But go ahead and I would check that in the next week. So, sign up for event notifications on the events page.

**MEREDITH MORRISON:** Alright so, it looks like we are running out of time. So, we'll go ahead and bring the webinar to a close. Thank you for tuning in today.

*[Event Concluded/ Final Slide]*