

**2019 - SUPPORTING STATEMENT**  
**0572-0152**  
**ReConnect Program**

**A. JUSTIFICATION**

**1. Explain the circumstances that make the collection of information necessary.**

On March 23, 2018, Congress passed the Consolidated Appropriations Act 2018 (the FY2018 Appropriations) (Pub.L. 115–141) which established a broadband loan and grant pilot program, the Rural eConnectivity Pilot Program (hereinafter the ReConnect Program). One of the essential goals of the ReConnect Program is to expand broadband service to rural areas without sufficient access to broadband, defined as 10 megabits per second (Mbps) downstream and 1 Mbps upstream. For this purpose, Congress provided RUS with \$600 million and expanded its existing authority to make loans and grants. Loans and grants are limited to the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible communities. The FY2018 Appropriations also authorized technical assistance to assist the agency in expanding needed service to the most rural communities.

In facilitating the expansion of broadband services and infrastructure, the pilot will fuel long-term rural economic development and opportunities in rural America. One of those opportunities is precision agriculture. The use of this technology requires a robust broadband connection. The awards made under this program will bring high speed broadband to the farms which will allow them to increase productivity.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.**

Pursuant to the Pilot Program authorization in the Consolidated Appropriations Act, 2018, Pub. L. 115-141, § 779 (2018), RUS is to conduct a pilot broadband program under the RE Act. Under Section 601(d)(1) of the RE Act applicants are required to submit an application for loans and loan guarantees containing the information that the Secretary shall require, and that the project meet the minimum level of broadband in the service area. Section 601(d)(8) sets out the all of the reporting requirements, and the Pilot Program specifically requires that the Section 601(d)(8) reporting requirements be followed. Additionally, Section 601(h) requires that the Secretary ensure the security of any loan or guarantee.

In the broadband regulations implementing the RE Act broadband statute, 7 CFR 1738.202 contains almost all of the elements of the application intake that are required in the Pilot. Moreover, pursuant to 7 CFR 1738.154 adequate financial,

investment, operational, reporting, and managerial controls are also required in the loan documents. Lastly, all of the certifications asked for are required by 7 CFR 1738.156, most of which are already required by federal law.

Eligible entities applying for ReConnect loans, loan/grant and grants must submit an application which includes an application form, various other forms, certifications, and supplemental information. RUS will use the information collected from applicants, borrowers, legal counsel, and consultants to determine applicant eligibility, project feasibility, and the applicant's ability to meet the grant and regulatory requirements. The following entities eligible to apply for assistance are:

- a. States, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof;
- b. A territory or possession of the United States;
- c. An Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450b));
- f. Non-profit entities;
- g. For-profit corporations;
- h. Limited liability companies; and
- i. Cooperative or mutual organizations.

Failure to collect proper information could result in improper determinations of eligibility, improper use of funds, or hindrances in making awards authorized by the ReConnect Program.

### **Loan, Loan/Grant Combination, and Grant Applicants**

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

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

- a. **Funding Request.** This request includes general information on the applicant and project, such as a description of the project that will be made public and the estimated dollar amount of the funding request. Applicants must be registered in the System for Award Management and be able to supply a Commercial and Government Entity (CAGE) Code number and a Dun and Bradstreet Universal Numbering System (DUNS) number.
- b. **Executive Summary.** This summary shall include, but not be limited to, a detailed description of existing operations, discussion on key management, description of company's workforce, description of interactions between any parent, affiliated or subsidiary operation and a detailed description of the proposed project.

- c. **Legal Opinion.** This document addresses the applicant’s ability to enter into the award documents, describes all material pending litigation matters, addresses the applicant’s ability to pledge security as required by the award documents, and addresses the applicant’s ability to provide broadband service under state law.
- d. **Organizational Charts.** These charts show all parent organizations and/or holding companies (including parents of parents, etc.), and all subsidiaries and affiliates.
- e. **Resumes of Key Management Personnel.**
- f. **Broadband Operations Experience.** This narrative describes the organization’s readiness to manage a broadband services network.
- g. **Proposed Funded Service Area Description.** Description must include the number of premises passed.
- h. **Proposed Funded Service Area Map.** A map of the proposed funded service area(s) must be submitted via the RUS mapping tool located at <https://reconnect.usda.gov>. This map must identify the areas without sufficient access to broadband and any non-funded service areas of the applicant.
- i. **Subscriber Projections.** Subscriber projections must include the number of subscribers for broadband, video and voice services and any other service that may be offered; a description of the proposed service offerings and the associated pricing plans; and an explanation of how the proposed service offerings are affordable.
- j. **Competitive Analysis.** This analysis should identify the advertised prices of service offerings by competitors in the same area.
- k. **Network Design.** The network design includes a description of the proposed technology, a network diagram, a buildout timeline with milestones, and a capital investment schedule, all of which must be certified by a professional engineer who is certified in at least one of the states where there is project construction. The certification from the professional engineer must clearly state that the proposed network can deliver the broadband service to all premises in the proposed funded service area at the minimum required service level. The design must also demonstrate that the system can be built within five years.

If the applicant is requesting points for providing a 100 Mbps symmetrical system, the certification must also state that the proposed system is capable of delivering this service to all premises.

- l. **Licenses, Agreements, and Regulatory Approvals.** Applicants must also submit a list of all required licenses, agreements, and regulatory approvals needed for the proposed project and identify how much the applicant will rely on contractors or vendors to deploy the network facilities.

- m. **Summary and Itemized Budgets.** Budget information should include the infrastructure costs of the proposed project, including if applicable, the ratio of loans to grants, and any other sources of outside funding.
- n. **Pro Forma Financial Analysis (Pro Forma).** The Pro Forma should validate the sustainability of the project by including subscriber estimates related to all proposed service offerings; annual financial projections with balance sheets, income statements, and cash flow statements; supporting assumptions for a five-year forecast period, and a depreciation schedule for existing facilities and those funded with federal assistance, matching, and other funds.
- o. **Sources of Other Funding.** This narrative provides a detailed description of the applicant's working capital and the source of these funds.
- p. **Matching Requirement (applicable to 100 percent grant requests only).** This document must identify the source and amount of the applicant's matching contribution.
- q. **List of Outstanding and Contingent Obligations.** This list includes copies of existing notes; loan and security agreements; guarantees; any existing management or service agreements; and any other agreements with parents, subsidiaries, and/or affiliates, including but not limited to debt instruments that use the applicant's assets, revenues, or stock as collateral.
- r. **Audited Financial Statements (CPA audits).** These audited statements cover the previous two calendar years. For governmental entities, financial statements must be accompanied with certifications as to unrestricted cash that may be available on a yearly basis to the applicant. For startup operations formed from partnerships of existing utility providers, CPA audits are required for the two previous years from each of the partners. In addition, the partners must guarantee any loan component of the requested funding.
- s. **Evaluation Criteria.** This self-assessment calculates the number of points the applicants have earned based on the evaluation criteria. Pre-subscription forms for farms and businesses may be submitted to justify their evaluation.
- t. **Historical Financial Statements.** These statements cover the previous four years and consist of a balance sheet, income statement, and cash flow statement. If a company has not been operating for four years, then the applicant may submit historical statements for the years that the company has been in operation.
- u. **Environmental Information.** This section includes a questionnaire, other requested documentation, and required environmental authorizations and permits which is expected to be none or minimal. Project maps or site plans need to identify cable

routes, building locations, tower locations, equipment locations, and all structures and facilities that are part of the project.

- v. **State-funded Areas Certification.** Applicants must provide a map of the proposed funded service area to the appropriate State office and the State office must certify that either funds have/have not been allotted for the area. Applicants must submit the map and the State certification as part of the application for funding. For applications that are proposing to provide service in multiple States, a map and certification will be required for each State.
- w. **Certification of Investor Compliance.** This document certifies that the agreements with or obligations to investors do not breach the obligations to the government under the draft Award Documents, especially distribution requirements, and that any such agreements will be amended so that such obligations are made contingent to compliance with the Award Documents.
- x. **Acquisition Agreement (applicable to 100 percent loan requests only).** This contract governs the terms and conditions that bind the parties in an acquisition. For applications that propose to acquire facilities, provide satisfactory evidence for RUS to determine that the acquisition is necessary to providing broadband service.
- y. **Certification of Tribal Support (if applicable).** If service is being proposed on tribal land, a certification from the proper tribal official that they are in support of the project and will allow construction to take place on tribal land is required.
- z. **Substantially Underserved Trust Area Application (if applicable).** See 7 CFR part 1700, subpart D for the application requirements. Not all discretionary provisions may be requested due to certain prohibitions in the ReConnect Program.
- aa. **Evidence of Legal Existence.** The applicant must provide evidence demonstrating that it is legally recognized under State and Federal law. Satisfactory documentation includes, but is not limited to, certificates from the Secretary of State, State statutes or laws establishing your organization.
- bb. **Certificate Regarding Architectural Barriers.** This information is required by the Architectural Barriers Act of 1968, as amended.
- cc. **Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions.** This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension (7 CFR 3017.510).
- dd. **Certificate Regarding Flood Hazard Area Precautions.** If the project is in an area subject to flooding, flood insurance must be provided to the extent available and required under the Flood Disaster Protection Act of 1973, as amended.

- ee. **Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements.** This certification is required by U.S.C. Title 31, Section 1352 for financial assistance in excess of \$100,000. If the applicant is engaged in lobbying activities, a completed disclosure form, Disclosure of Lobbying Activities, is also required (7 CFR Part 3018).
- ff. **Civil Rights Compliance Certification.** This information is required by U.S. Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and Executive Order 11246, Equal Employment Opportunity, as amended.
- gg. **Federal Collection Policies for Commercial Debt Certification.** The applicant must provide certification that it is not delinquent on any Federal debt and understands the actions the government may take if it fails to make scheduled payments.
- hh. **Lobbying Certification for Loan Guarantees and Loan Insurance.** This certification is required if any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan.
- ii. **Certificate of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification.** This certification assures that the recipient of financial assistance will comply with this act.
- ll. **Public Notices Responses.** To ensure transparency for the ReConnect Program, the Agency's mapping tool will include information for each application and approved applications which will be displayed for the public.  
**Note:** This is not part of the application, however, it does contribute to the collection of burden for the public.

**ReConnect Program Borrowers and Grantees (Funds Recipients)**

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

- a. **Updated Information for the Preparation of Legal Documents.** Awardees must provide RUS with any updates to their application if changes have occurred from the time of application submission to the receipt of the award notification letter.

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

**INFORMATION COLLECTION APPROVED UNDER OTHER OMB DOCKETS**

**Forms Approved Under OMB Docket No. 0505-0025**

- a. **Representations Regarding Felony Conviction (AD 3030).** This certification assures that the corporation recipient acknowledges that it does not have a Federal tax delinquency and that it has not been convicted of a felony criminal violation.
- b. **Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants (AD 3031).** This certification assures that the corporation recipient acknowledges that it does not have a Federal tax delinquency and that it has not been convicted of a felony criminal violation.

### **Forms Approved Under OMB Docket No. 0572-0142**

- a. Auditor's Report.** In accordance with the requirements of 7 CFR part 1773, awardees must submit a report on compliance and on internal control over financial reporting and a management letter.
- b. Selection of CPA.** The CPA conducting the annual audit is selected by the awardee and must be approved by RUS as set forth in 7 CFR 1773.4.0142.
- b. Plan of Corrective Action.**
- c. Submission of Peer Review Reports.**
- d. Scope Limitation.**
- e. Irregularities.**
- f. Quarterly Financial Reports.**

Awardees must submit to RUS 30 calendar days after the end of each calendar year quarter, balance sheets, income statements, statements of cash flow, rate package summaries, and the number of customers taking broadband service on a per community basis utilizing RUS' Broadband Collection and Analysis System (BCAS). BCAS is an electronic reporting system that is accessed through the Internet.

*NOTE:* (See approved OMB Dockets below.)

Compliance with Construction, Engineering, and Architectural Services Regulations. All project assets must comply with 7 CFR part 1788 and 7 CFR part 1970 located at <https://www.rd.usda.gov/publications/regulations-guidelines/regulations>, the ReConnect Program Construction Procedures located at <https://reconnect@usda.gov>, any successor regulations found on the Agency's website, and any other guidance from the Agency.

### **Forms Approved Under OMB Docket No. 0572-0059**

**Construction Certification Program and Engineering and Architectural Services Postloan Engineering Service Contract - Approval of Postloan Engineering Service Contract include using the following forms:**

- o **RUS Form 217a** - Project Design, Assistance and Coordination;
- o **RUS Form 217b** - Central Office Equipment Engineering Services;
- o **RUS Form 217c** - Transmission Facilities Engineering Services;
- o **RUS Form 217d** - Building Engineering Services;
- o **RUS Form 217e** - Outside Plant Staking Services;
- o **RUS Form 217f** - Outside Plant Contract Doc. Phase Engr. Servs.
- o **RUS Form 217g** - Outside Plant Construction Phase Engr. Servs.

- o **RUS Form 216** - Construction Change Order
- o **RUS Form 526** – Construction Contract Amendment
- o **RUS Form 270** - Equal Opportunity Addendum

**Miscellaneous Engineering Services Forms:**

**RUS Form 245- Engineering Service Contract - Special Services – Telephone.** Engineering services for minor construction may be contracted using Form 245 (This contract form does not require RUS approval).

**RUS Form 281 - Tabulation of Materials Furnished by Borrower.** Closeout of major outside plans construction by contract.

**RUS Form 282 - Subcontracts (Under Construction or Equipment).** Approval of subcontracts (per 1753.8(b)).

**RUS Form 284 - Certificate of Architect** - Approval of final statement of cost-architectural services.

**RUS Form 506 - Statement of Engineering Fees – Telecommunications.** Estimates / Final

**Major Outside Plant Construction:**

**RUS Form 515 - Telephone System Construction Contract (Labor and Materials).** Approval of plans and specifications for major outside plant construction by contract. Approval of the outside plant contract. *Owner-Furnished Materials -Info. Included under RUS Form 787 below.* Approval of negotiated contracts

**Miscellaneous Outside Plant Construction Forms**

**RUS Form 724 - Final Inventory, Telephone Construction Contract (Labor and Materials).** Closeout of major outside plant construction by contract

**RUS Form 724a - Final Inventory, Telephone Construction Contract (Labor and Materials) Detailed.** Tabulation of Assembly Units

**RUS Form 724b - Final Inventory, Telephone Construction Contract (Labor and Materials) – Detailed.** Removals

**RUS Form 756 - Contract Closeout Certification**

**RUS Form 771a - Summary of Work Order.** Inspection by licensed Engineer or Borrower's Staff Engineer

**RUS Form 773 - Miscellaneous Construction Work and Maintenance Service Contract.** Issued for minor construction by contract.

**RUS Form 787 - Supplement A to Construction Contract RUS Form 515.** Approval for the borrower to furnished materials for outside plant construction by contract.

**RUS Form 835 - Preloan Engineering Service Contract, Telephone System Design**

**Forms Approved Under OMB Docket No. 0572-0107**

**RUS Form 168b - Contractor's Bond**

**RUS Form 181 - Certificate of Completion - Contract Construction for Building Closeout of Contract Form 257 for Building Construction.**

**RUS Form 213 - Certificate ("Buy American")**

**RUS Form 224 -Waiver and Release of Lien**

**RUS Form 231 - Certificate of Contractor**

**RUS Form 238 - Construction or Equipment Contract Amendment**

**RUS Form 257 - Contract to Construct Building**

**RUS Form 307 - Bid Bond**

**RUS Form 743 – Certificate of Contractor and Indemnity Agreement**

**Form Approved Under OMB Docket No. 0572-0149**

**RUS Form 395 - Equipment Contract**

**RUS Form 395a - Certificate of Completion, Equipment Contract (Including Installation)**

**RUS Form 395b - Certificate of Completion, Equipment Contract (Not Including Installation)**

**Form Approved Under OMB Docket No. 0572-0023**

**RUS Form 481 - Financial Requirements Sheet.** Awardees submit this form to request advances in funds.

**Form Approved Under OMB Docket No. 0572-0074**

**RUS Form 675 - Certification of Authority**

**Form Approved Under OMB Docket No. 0572-0118**

**RUS Form 220 - Architectural Services Contract**

**Recordkeeping Collection**

Awardees must adopt a system of accounts for maintaining financial records acceptable to the Agency, as described in 7 CFR part 1770, subpart B. Records shall be retained and preserved in accordance with the provisions of 7 CFR part 1770, subpart A. In addition to complying with all reasonable Agency requests to support ongoing monitoring efforts, the awardee shall also provide RUS access to and the right to inspect: the Broadband System, any other property encumbered by the Award Documents, any and all books, records, accounts, invoices, contracts, leases, payrolls, timesheets, cancelled checks, statements, and other documents, electronic or paper of every kind belonging to or in the possession of the Awardee or in any way pertaining to its property or business, including its subsidiaries, if any, and to make copies or extracts therefore.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

RUS is committed to meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. The Agency requires the use of the RD Apply Online Application Intake System for submitting requests for financial assistance to provide increased opportunities and expediency for citizens to access federal government program information and services. Examples of documentation submitted electronically for this program include the Applicant's Funding Request, Executive Summary, Network Design, Sources of Other Funding and Audited Financial Statements (CPA audits). Forms used to collect information associated with this pilot program are accounted for under other burden packages and vary in their electronic capability.

**4. Describe efforts to identify duplication.**

RUS has reviewed all financial assistance programs it administers to determine which programs may be similar in intent and purpose. If applicants or borrowers are applying to or participating in more than one RUS program simultaneously, the Agency would make every effort to accommodate the requests within the same set of applications and processing forms. If applicants are applying for or receiving a loan or other financial assistance from another Federal agency, RUS would use the forms and documents furnished by the other agency as much as possible.

**5. If the collection of information impacts small businesses or other small entities, describe the methods used to minimize burden.**

Information to be collected is in a format designed to minimize the paperwork burden on small businesses and other small entities. The information collected is the minimum needed by the Agency to approve loans and monitor borrower performance. Approximately 245 of 500 respondents are considered small businesses according to the U. S. Small Business Administration Table of Small Business Size Standards under the categories of Wired Telecommunications Carriers (517311), Wireless Telecommunications Carriers (except Satellite)(517312), Telecommunications Resellers (517911) and All Other Telecommunications (517919).

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Much of the information collected under these programs is the minimum necessary to conform to the requirements of the program regulations established by law. In particular for the collections required by statute or regulations, the information is collected when needed and cannot be collected less frequently to meet the requirements of the programs. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds. For the remaining information collected as indicated, USDA has exercised discretion that the information is needed to appropriately award grants or loans for the program.

**7. Explain any special circumstances that would require an information collection to be conducted in a manner:**

- a. Requiring written responses in less than 30 days. If additional information is requested, the applicant will have up to 30 calendar days to submit the information so that the agency may make timely funding decisions. RUS cannot provide the borrower program benefits until it receives documentation

to support the borrower’s request. If such information is not timely submitted, RUS may reject the application. Once all funds for this category have been expended for the ReConnect program, all remaining applications will be returned.

- b. Requiring more than an original and two copies. There are no specific requirements.
- c. Requiring respondents to retain records for more than 3 years. There are no such requirements.
- d. Not utilizing statistical sampling. There are no such requirements.
- e. Requiring use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- f. Requiring a pledge of confidentiality. There are no such requirements.
- g. Requiring submission of proprietary trade secrets. There are no such requirements.

**8. Describe efforts to consult with persons outside the Agency to obtain their views on availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

The first round of the ReConnect Program opened on April 23, 2019 and closed on July 12, 2019. During this period, there were three application deadlines depending on the type of funding an applicant sought. See table below for each funding type’s deadline.

<b>Funding Type</b>	<b>App Window Opening</b>	<b>App Window Closing</b>	<b>Applications</b>
100% Grant	April 23,2019	May 31, 2019	78
50/50 Loan/Grant Combination	April 23,2019	June 21, 2019	53
100% Loan	April 23, 2019	July 12, 2019	15

During the two months that followed the first application deadline of the ReConnect Program, the Agency contacted and received direct feedback from five applicants. Four respondents had applied for the 100 percent grant funding, while one respondent had applied for the 50/50 loan/grant combination funding. Because the 100 percent loan window closed after we started reaching out to applicants for feedback, we do not have any responses for that funding type. The quantitative burden that was reported to the Agency is analyzed in the response to Question 13.

Respondents:

<b>Respondent Name</b>	<b>Respondent Organization</b>	<b>Organization Type</b>	<b>Respondent Location</b>	<b>Respondent Contact Information</b>
Sara Zimmerman	Yelcot Telephone Company	For-profit corporation	AR	sara.zimmerman@yelcot.com
Sara Zimmerman	Mountain View Telephone Company	For-profit corporation	AR	b.czeschin@yelcot.com
Jeffrey Loven	French Broad EMC	For-profit Corporation	NC/TN	jeff.loven@frenchbroademc.com
Erica Goff	Northern Michigan University	Educational Institution	MI	efranich@nmu.edu
Anthony Sampson	Pyramid Lake Paiute Tribe	Indian Tribe	NV	asampson@plpt.nsn.us

Respondent views on availability of data:

Regarding application requirements and system capability, respondents reported that finding and entering the data on competitive service offerings to be challenging and time-consuming. Three of the five respondents identified inaccurate mapping data as an issue that they either addressed with program staff during the application process or would like addressed in future rounds. Reported mapping issues included problematic overlap with the service areas of the CAF II Auction winners and incomplete business data. Additionally, one respondent found the requirement to collect business and farm forms challenging because the service area is not located near the applicant’s headquarters.

Regarding the steps necessary to get started in the ReConnect Program Portal, three respondents identified challenges in acquiring the information needed to create an account, specifically, acquiring the Level 2 e-Authentication account, a DUNS number, and the Authorized Representative Request (ARR) Resolution. Regarding the resolution requirements, the respondent also found the need to submit multiple resolutions time-consuming and confusing (e.g., both an ARR Resolution and a Funding Request Resolution).

Respondent views on frequency of collection: Consensus is that the frequency of collection is standard and reasonable.

Respondent views on the clarity of instructions:

While most respondents indicated that the instructions were reasonably clear, all respondents identified areas of the application that were confusing as well. One respondent perceived the application terminology, forms, and online system structure to be tailored to traditional telecommunications providers, rather than for a more general audience. This respondent reported feelings of stress because they were not confident that they were entering the correct information into the fields.

Three respondents reported uncertainty on the financial section. One encountered a technical issue in the financial tables, which was reported and corrected during the application period. Two found the phrasing of certain questions unclear, repetition in the questions confusing, and the guidance provided too ambiguous or sparse. These respondents specifically focused on challenges related to the non-funded service area (NFSA) projections and capital contributions subsections. They would have liked clearer instructions on how to reflect the Alternative Connect America Cost Model (ACAM) support in the NFSA financial projections.

Regarding help desk support, one respondent expressed some dissatisfaction with the timeliness of the technical assistance provided. However, most respondents were satisfied with the level of detail and support that ReConnect Program Staff provided through the help desk.

Respondent views on the data elements to be recorded, disclosed, or reported: One respondent said that the data being collected seem appropriate and not overly burdensome. Another respondent said that reporting on all service offerings is unnecessary.

Other feedback:

Respondents provided constructive and positive feedback about their experiences applying for the ReConnect Program. Constructive feedback includes:

- Forms were a problem and seemed like jumping through hoops.
- Only one contact for troubleshooting was not the best. More accessibility for troubleshooting.
- Workshop locations were terrible.
- PDF of the submitted application was not available for the applicant's records.
- Recommended that the eligibility speed be increased to 25 Mbps/3 Mbps.

Positive feedback from respondents include:

- Appreciated the requirement for two years of audited financials.
- Mapping tool was a vast improvement.

As the program develops, the Agency will continue to rely on input from the State Offices that have experience, outcomes data, and direct feedback from borrowers and grant recipients on similar grant programs that are currently in place. Additionally, RUS maintains close contact with borrowers through general field representatives and a headquarters staff. The Agency also conducts seminars for its borrowers and associated organizations.

**Efforts to consult with persons outside the Agency prior to the December 2018 publication of the Funding Opportunity Announcement:**

On July 27, 2018, the Agency published a Notice of Inquiry (NOI) and request for

Comments in the *Federal Register* at 83 FR 35609. The NOI was necessary to seek input on several questions concerning development of the e-Connectivity Pilot. Comments were sought from a broad range from stakeholders with an interest in rural broadband deployment, announcement of the application windows and provide information about the program, eligibility requirements, the application process, and selection criteria. The agency received 280 comments. To view the comments received by the Agency, the following link is provided: <https://www.regulations.gov/searchResults?rpp=25&po=0&s=RUS-18-Telecom-0004&fp=true&ns=true>

Specifically, RUS sought input from the public on several questions concerning development of the e-Connectivity Pilot such as: (1) Whether affordability of service should be included in evaluating whether an area already has “sufficient access” and how to benchmark affordability of internet services; (2) How data speeds are to be used or verified, given the limited availability of publicly-available information regarding accurate broadband speeds provided to rural households. Additionally, what other sources of data availability should be used for evaluation; and, (3) Effective methods that can measure leading indicators of potential project benefits for these sectors, using readily available public data. No comments were received related to the information collection.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors of grantees.**

RUS has not made any such decisions or payments.

**10. Describe any assurance of confidentiality provided to respondents, and the basis for the assurance in statute, regulation, or agency policy.**

No assurance of confidentiality is provided. Under the Freedom of Information Act, the public can request most data collected from respondents. The information collected under the provisions of these programs is not considered to be confidential. Organizations such as nonprofit entities and public bodies from which the information is collected ordinarily are required to make their activities available for public scrutiny.

The Privacy Act of 1974, as amended (5 U.S.C. 552a), requires agencies to publish in the *Federal Register* notice a new or revised system of records maintained by the agency. A system of records is a group of any records under the control of any agency, from which information is retrieved by the name of an individual or by some identifying number, symbol, or other identifying particular assigned to an individual. A system of record notice (SORN) titled “USDA/Rural Development-1 Applicant, Borrower, Grantee or Tenant File and other participants in RD Programs” was published in the *Federal Register* on April 28, 2016, Vol. 81, No. 82, located on pages 25369- 25374 discusses the terms of protections that will be provided to respondents.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

The information collected does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

**12. Provide estimates of the hour burden of the collection of information.**

The first funding opportunity announcement (FOA) was published in the *Federal Register*, December 14, 2018 at 83 FR 64315. In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the 60-day notice for public comment on this information collection was embedded in the FOA. No comments were received.

The Agency has revised the estimate of respondents from 2000 in the currently approved package to 500 respondents for the renewal. The original estimate of 2000 respondents in the previous package was the Agency’s best “pre-operational” program estimate. For a detailed breakdown of the new burden estimates for the forms and activities, please see the attached spreadsheet. The new collection information is summarized as follows:

<b>Total Annual Respondents</b>	<b>Total Annual Responses</b>	<b>Hours per Response</b>	<b>Total Annual Burden</b>	<b>Recordkeeping Burden</b>	<b>Total Burden Hours</b>
500	23,720	6.41	152,130	3,960	156,090

<b>Respondent Type</b>	<b>Estimated Hours Per Response</b>	<b>Total Hours (Respondents x Hours)</b>	<b>Cost per Hour Professional Time</b>	<b>Benefits <a href="https://www.bls.gov/news.Release/pdf/ecec.pdf">https://www.bls.gov/news.Release/pdf/ecec.pdf</a></b>	<b>Total Cost</b>
500 applicants	304.26	152,130	\$48.52	31.7%	\$9,721,234.80
500 public notice filings *	18	9,000	\$48.52	31.7%	\$575,107.56
165 award recipients	107	17,655	\$48.52	31.7%	\$1,128,169.33
<b>Record-keeping</b>	<b>Estimated Hours Per Response</b>	<b>Total Hours</b>	<b>Cost per Hour Professional Time</b>	<b>Benefits <a href="https://www.bls.gov/news.Release/pdf/ecec.pdf">https://www.bls.gov/news.Release/pdf/ecec.pdf</a></b>	<b>Total Cost</b>

165 recipients	24	3,960	\$48.52	31.7%	\$253,047.32
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**Cost Per Respondent Type**

Cost per applicant	\$19,442.47
Cost per public notice filing	\$1,150.22
Cost per award recipient	\$6,837.39
Total Cost per recipient respondent	\$27,430.08

**Summary of Total Costs**

<b>Total costs for respondents</b>	<b>\$11,424,511.69</b>
<b>Total recordkeeping for respondents</b>	<b>253,047.32</b>

\* A public filing will be posted for each of the approximate 500 applicants/respondents. The Agency estimates that on average each posting will have 3 responses for a total of 1500 responses.

RUS estimates that a total of 500 applications will be submitted in future funding opportunity announcements (FOA) and solicitations of applications. Of these applications (i.e. respondents), approximately 200 awards composed of the available funding types are estimated to be approved. The Agency estimates the total annual hours required to comply with this collection of information as 304.26 hours for each applicant. Depending on the characteristics of the applicant or application (e.g., grant-only request, trust area serving, etc.), all application items may not be required for every applicant. Therefore, the numbers of hours presented are conservative estimates.

A breakdown of the reporting and recordkeeping requirements is provided on the attached Summary of Information Collection. Cost estimates are based on public interest, experience and discussion with program staff that operate the program. Primary individuals for a loan, combination loan/grant, and grant respondent would normally be a manager, earning \$48.52 per hour. Public notice respondents would also normally be managers, earning \$48.52 per hour.

**Wage Estimates Data Source:** May 2018 National Occupational Employment and Wage Estimates, United States; Bureau of Labor Statistics, [https://www.bls.gov/oes/current/oes\\_nat.htm/#11-0000](https://www.bls.gov/oes/current/oes_nat.htm/#11-0000). Find Occupation Code 11-1021, General and Operations Managers. Refer to Median hourly wage.

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no capital and start-up costs involved with this collection. There are no requirements for respondents to report information other than what is project specific and associated with specific funding applications. Once a request for financial assistance has been approved, no or minimal information is required of the applicant. Additional information is information the applicant would have available and would not be expected

to recreate and, only requested under limited situations where formal mitigations measures have been required.

There were, however, additional costs incurred by the applicants in the preparation of their applications. The Agency reached out to five (5) applicants on their experience with the ReConnect program application process which is documented below.

The original funding opportunity announcement (FOA) published in the *Federal Register* on December 14, 2018 at 83 FR 64315 estimated that an application would take approximately 237 hours.<sup>1</sup> This estimate was based on the Agency’s best “pre-operational” estimate of the program. The following tables show that the original burden estimate was “under-estimated” based on recently gathered respondent information and an analysis of their experiences with the first FOA:

<b>Respondent</b>	<b>Requested Funding Type</b>	<b>Entity Type</b>	<b>Applicant Labor (in Hours)</b>	<b>Cost of Consultants</b>	<b>Total Cost to Applicant</b>
Yelcot Telephone Company	50/50 Combination	For-profit corporation	254	\$11,385.00	\$24,866.88
Mountain View Telephone Company	Grant	For-profit corporation	339.5	\$14,696.88	\$31,298.28
French Broad EMC	Grant	For-profit corporation	350	\$17,500.00	\$52,500.00
Northern Michigan University	Grant	Nonprofit	375	\$6,000.00	\$22,166.67
Pyramid Lake Paiute Tribe	Grant	Indian Tribe	400	\$5,000.00 <sup>2</sup>	\$13,600

All Responses

<b>Median</b>	<b>350 hours</b>	<b>\$11,385.00</b>	<b>\$24,866.88</b>
<b>Average</b>	<b>343.7 hours</b>	<b>\$10,916.38</b>	<b>\$28,886.37</b>

The same organization of individuals facilitated the submission of applications from two of the featured respondents, Yelcot Telephone Company and Mountain View Telephone Company. The individual with whom the Agency spoke pointed out that the reduction in hours and cost for the 50/50 combination application is largely due to the fact that the

<sup>1</sup>

<sup>21</sup> This estimate is calculated from numbers provided in the Funding Opportunity Announcement (dated December 14, 2018). The FOA states that the public reporting burden is estimated to average 6.77 hours per response. The estimated number of responses per respondent is 34.96.

The consulting fee for ReConnect application submitted on behalf of Respondent 5 was lower than average because most of the engineering work had already been completed.

<sup>3</sup> The primary type of Consultants supporting respondents were legal and engineering.

team was already familiar with the application process, since they had already worked on the grant application. The individual noted that had the team not worked on the grant first, the labor and cost to submit 50/50 combination application would have been higher. If Yelcot Telephone Company is removed from the calculations above, there is an increase in hours and total costs, but a slight decrease in the cost of consultants, as seen below:

Grant-only	<b>Median</b>	<b>362.5 hours</b>	<b>\$10,348.44</b>	<b>\$26,732.48</b>
Reponses	<b>Average</b>	<b>366 hours</b>	<b>\$10,799.22</b>	<b>\$29,891.24</b>

**14. Provide estimates of annualized cost to the Federal Government.**

The cost to the Federal Government in the following tables are estimated to be \$5,308,270.04 based on the agency’s new estimate of 500 respondents (i.e. number of applications) instead of the original 2000 respondents. See tables below.

**Application Processing**

<b>Processing Step</b>	<b>Hours</b>	<b>Number of Applications</b>	<b>Wage</b>	<b>Benefits</b>	<b>Total</b>
Initial engineering review	40	500	\$41.29	36.25%	\$1,125,152.50
Initial financial review	40	500	\$41.29	36.25%	\$1,125,152.50
Initial recommendation	1.5	500	\$56.15	36.25%	\$57,378.28
Engineering analysis	120	135	\$41.29	36.25%	\$911,373.53
Financial analysis	120	135	\$41.29	36.25%	\$911,373.53
Spatial analysis	20	135	\$41.29	36.25%	\$151,895.59
Management Analysis Profile	32	165	\$41.29	36.25%	\$297,040.26
Loan closing (analyst)	2	165	\$41.29	36.25%	\$18,565.02
Loan closing (attorney)	1	165	\$56.15	36.25%	\$12,623.00
Clerical assistance	2	500	\$22.53	36.25%	\$30,697.13
<b>Total</b>					<b>\$4,641,251.34</b>

The salary of \$41.29 per hour is based on the base rate of a D.C. area – engineer or loan specialist (GS 12 - 2) in FY 2019.

The salary of \$56.15 per hour is based on the base rate of a D.C. area – branch chief or attorney (GS 14 - 1) in FY 2019.

The salary of \$22.53 per hour is based on the base rate of a D.C. area – administrative assistant (GS 7 - 1) in FY 2019.

**Post-Award Servicing**

<b>Processing Step</b>	<b>Hours</b>	<b>Times Per Year</b>	<b>Wage</b>	<b>Benefits</b>	<b>Total</b>
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Advance of funds	2	495	\$28.28	36.25%	\$38,146.19
Engineering Documents Servicing	40	165	\$28.28	36.25%	\$254,307.90
Semiannual review	2	165	\$41.29	36.25%	\$18,565.02
Audit review (accountant)	6	165	\$53.85	36.25%	\$72,636.92
Audit review (analyst)	6	165	\$49.10	36.25%	\$66,229.76
BCAS review	4	660	\$49.10	36.25%	\$176,612.70
Clerical assistance	8	165	\$22.53	36.25%	\$40,520.21
<b>Total</b>					<b>\$667,018.70</b>

The salary of \$28.28 per hour is based on the base rate of a D.C. area – loan and grant technician (GS 8 - 5) in FY 2019.

The salary of \$49.10 per hour is based on the base rate of a D.C. area – engineer or business specialist (GS 13 - 2) in FY 2019.

The salary of \$53.85 per hour is based on the base rate of a D.C. area – accountant (GS 13 - 5) in FY 2019.

The salary of \$22.53 per hour is based on the base rate of a D.C. area – administrative assistant (GS 7 - 1) in FY 2019.

**15. Explain the reasons for any program change or adjustments reported in items 13 or 14 of the OMB Form 83-I.**

The initial burden estimates for the previous collection package were based on the “pre-operational” status of the program prior to the first funding opportunity announcement (FOA) published in the *Federal Register*, December 14, 2018 at 83 FR 64315. In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the 60-day notice for public comment on this information collection was embedded in the FOA. No comments were received.

The annual burden hours in the previous collection package of 473,020 has been revised to 152,130 which is a decrease of 320,890 burden hours for this collection package. The decrease of annual burden hours from the previous package can be attributed to the Agency’s revised estimate of respondents of 2,000 respondents in the previous package to 500 respondents in the current collection package. The revised estimate of 500 respondents in the current collection package is based on the Agency’s experience of having completed its first FOA and application process.

Since the first FOA, the Agency has gained experience and obtained input from applicants which has been considered in the new burden numbers. The Agency has employed additional outreach to stakeholders such as application training modules (i.e. financial, environmental and technical), webinars, workshops and reviewing ways to streamline the application process.

**16. For collection of information whose results will be published, outline plans for tabulation and publication.**

RUS has no plans to publish the information collected under the provisions of this program.

**17. If seeking approval to not display the expiration date for OMB approval of the information collected, explain the reasons that display would be inappropriate.**

RUS does not control the printing of the forms cleared in the other information collection packages, so therefore, no such approval is requested.

**18. Explain each exception to the certification statement identified in item 19 on OMB 83-I.**

There are no exceptions requested.

**19. Collection of Information Employing Statistical Methods.**

This collection does not employ statistical methods.