

106TH CONGRESS
2D SESSION

S. 2307

To amend the Communications Act of 1934 to encourage broadband deployment to rural America, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 28, 2000

Mr. DORGAN (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. JOHNSON, and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To amend the Communications Act of 1934 to encourage broadband deployment to rural America, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Broadband En-
5 hancement Act”.

1 **SEC. 2. FEDERAL COMMUNICATIONS COMMISSION TO PRO-**
2 **VIDE SUPPORT FROM UNIVERSAL SERVICE**
3 **FUND.**

4 Section 254(e) of the Communications Act of 1934
5 (47 U.S.C. 254(e)) is amended—

6 (1) by redesignating so much of the text of such
7 subsection as follows “(e) UNIVERSAL SERVICE SUP-
8 PORT.—” as paragraph (1);

9 (2) by inserting before “After” the following
10 heading: “(1) IN GENERAL.—”; and

11 (3) by adding at the end the following:

12 “(2) RURAL AREA BROADBAND SUPPORT.—In
13 addition to any other support provided under para-
14 graph (1), the Commission shall, within 90 days
15 after the date of enactment of the Rural Broadband
16 Enhancement Act, initiate a proceeding to provide
17 Federal universal service support for the deployment
18 of broadband service (as defined in section 156(e)(1)
19 of the National Telecommunications and Informa-
20 tion Administration Organization Act) to eligible
21 rural communities (as defined in section 156(e)(2)
22 of that Act). The proceeding shall be completed
23 within 240 days. Federal universal service support
24 provided as a result of that proceeding shall be de-
25 termined without cost averaging of any above-aver-
26 age cost areas with any lower cost areas, such as

1 would occur in statewide or study averaging, and
 2 may be used for the deployment of—

3 “(A) loop treatments and digital subscriber
 4 line access multiplexers;

5 “(B) cable modems;

6 “(C) wireless technology; and

7 “(D) satellite technology.”.

8 **SEC. 3. RURAL UTILITIES SERVICE LOAN PROGRAM.**

9 Part C of title I of the National Telecommunications
 10 and Information Administration Organization Act (47
 11 U.S.C. 901 et seq.) is amended by adding at the end there-
 12 of the following:

13 **“SEC. 156. BROADBAND TELECOMMUNICATIONS SERVICES.**

14 “(a) IN GENERAL.—The Rural Utilities Service of
 15 the Department of Agriculture, after consultation with the
 16 NTIA, shall make loans or other extensions of credit to
 17 companies certified as eligible telecommunications carriers
 18 providers, or that accept the obligations of an eligible tele-
 19 communications carrier, in accordance with the provisions
 20 of this section to finance the deployment of broadband
 21 telecommunications services to eligible rural communities.

22 “(b) ELIGIBILITY REQUIREMENTS.—To be eligible
 23 for a loan or other extension of credit under this section,
 24 a project shall—

25 “(1) be capable of delivering broadband service;

1 “(2) be for the purpose of making access to
2 broadband service available to an eligible rural com-
3 munity where broadband service is not otherwise
4 generally available throughout that community; and

5 “(3) be subject to the standards for service and
6 area wide coverage applicable to other projects ad-
7 ministered by the Rural Utilities Service.

8 “(c) TERMS AND CONDITIONS.—Loans made under
9 this section—

10 “(1) shall be made available in accordance with
11 the requirements of the Federal Credit Reform Act
12 of 1990 (2 U.S.C. 661);

13 “(2) shall bear interest at an annual rate of not
14 more than 2 percent per annum; and

15 “(3) shall be made for the longer of—

16 “(A) a term of 30 years; or

17 “(B) the useful life of the assets con-
18 structed, reconstructed, or acquired.

19 “(d) LIMITATIONS.—

20 “(1) TECHNOLOGY NEUTRALITY.—In making
21 loans under this section, the Rural Utilities Service
22 may not take into consideration the technology pro-
23 posed to be employed.

24 “(2) SECURITY INTEREST.—The Rural Utilities
25 Service may take a security interest in assets or rev-

1 enue streams, in connection with a loan or other ex-
2 tension of credit made under this section, of not
3 more than the amount sufficient to cover the assets
4 financed by that loan or extension of credit.

5 “(e) DEFINITIONS.—In this section:

6 “(1) BROADBAND SERVICE.—The term
7 ‘broadband service’ includes, without regard to any
8 particular transmission medium or technology, high-
9 speed, switched, broadband telecommunications ca-
10 pable of delivering not less than 1.0 megabits of
11 data per second to the user and 0.5 megabits of
12 data per second from the user that enables users to
13 originate and receive high-quality voice, data, graph-
14 ics, and video telecommunications. The Commission
15 shall, from time-to-time as circumstances warrant,
16 revise the rate-of-data-transmission criteria stated in
17 the preceding sentence upward to reflect techno-
18 logical advances, and the criteria, as so revised, shall
19 be applied under the preceding sentence in lieu of
20 the rate-of-data-transmission criteria stated or pre-
21 viously revised by the Commission under this sen-
22 tence.

23 “(2) ELIGIBLE RURAL COMMUNITY.—The term
24 ‘eligible rural community’ means any incorporated or
25 unincorporated place that—

1 “(A) has not more than 20,000 inhab-
2 itants, based on the most recent available popu-
3 lation statistics of the Bureau of the Census;
4 and

5 “(B) is not located in an area designated
6 as a Metropolitan Area by the Office of Man-
7 agement and Budget.”.

8 **SEC. 4. FUNDING.**

9 There are authorized to be appropriated to the Sec-
10 retary of Agriculture to carry out the provisions of section
11 156 of the National Telecommunications and Information
12 Administration Organization Act \$3,000,000,000 for fis-
13 cal years 2001, 2002, 2003, 2004, through 2005, such
14 amount to remain available until expended.

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