

107TH CONGRESS
1ST SESSION

H. R. 2038

To amend the National Telecommunications and Information Administration Organization Act to encourage deployment of broadband service to rural America.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2001

Mr. STUPAK (for himself and Mr. POMEROY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the National Telecommunications and Information Administration Organization Act to encourage deployment of broadband service to rural America.

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. LOAN PROGRAM FOR DEPLOYMENT OF**
2 **BROADBAND SERVICE IN RURAL AREAS.**

3 (a) IN GENERAL.—Part C of title I of the National
4 Telecommunications and Information Administration Or-
5 ganization Act (47 U.S.C. 901 et seq.) is amended by add-
6 ing at the end the following new section:

7 **“SEC. 156. BROADBAND TELECOMMUNICATIONS SERVICE.**

8 “(a) PURPOSE.—The purpose of this section is to
9 make loans and other extensions of credit to provide funds
10 for the costs of the construction, improvement, and acqui-
11 sition of facilities and equipment for the provision of
12 broadband service in eligible rural communities.

13 “(b) REQUIREMENT TO MAKE LOANS AND OTHER
14 EXTENSIONS OF CREDIT.—The Rural Utilities Service of
15 the Department of Agriculture shall, in consultation with
16 the NTIA, make loans or other extensions of credit to eli-
17 gible entities to provide funds for the construction, im-
18 provement, or acquisition of facilities and equipment (in-
19 cluding consumer equipment) for the provision of
20 broadband service in eligible rural communities.

21 “(c) ELIGIBLE ENTITIES.—An entity eligible for a
22 loan or other extension of credit under this section is any
23 non-Federal public or private entity, including an incor-
24 porated or limited liability entity, cooperative, non-profit
25 organization, or limited dividend or mutual association,

1 that submits a plan for a project meeting the requirements
2 of subsection (e).

3 “(d) BROADBAND SERVICE.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion, broadband service is any technology identified
6 by the Rural Utilities Service, in consultation with
7 the NTIA, as having the capacity to transmit data
8 so as to enable a subscriber to such service to origi-
9 nate and receive high-quality voice, data, graphics,
10 or video.

11 “(2) MODIFICATION.—The NTIA shall, from
12 time to time as advances in technology so warrant,
13 review and recommend modifications of rate-of-data
14 transmission criteria for purposes of the identifica-
15 tion of technologies under paragraph (1).

16 “(e) PROJECT REQUIREMENTS.—

17 “(1) IN GENERAL.—A project meeting the re-
18 quirements of this subsection is any project deter-
19 mined to have the capability—

20 “(A) to deliver broadband service; and

21 “(B) to make access to broadband service
22 generally available throughout an eligible rural
23 community.

24 “(2) ADDITIONAL CONSIDERATIONS.—For pur-
25 poses of determining whether or not to make a loan

1 or other extension of credit for a project under this
2 section, the following matters shall also be taken
3 into consideration:

4 “(A) The extent to which the area to be
5 served by the project is unserved or underserved
6 by broadband service.

7 “(B) The size of the area to be served by
8 the project.

9 “(C) The potential number of subscribers
10 to the broadband service available through the
11 project.

12 “(3) TECHNOLOGICAL NEUTRALITY.—For pur-
13 poses of determining whether or not to make a loan
14 or other extension of credit for a project under this
15 section, the type of technology proposed to be em-
16 ployed under the project may not be taken into con-
17 sideration.

18 “(f) TERMS AND CONDITIONS.—A loan or other ex-
19 tension of credit under this section shall—

20 “(1) be made available in accordance with the
21 requirements of the Federal Credit Reform Act of
22 1990 (2 U.S.C. 661 et seq.);

23 “(2) bear interest at an annual rate of not
24 more than 2 percent per annum; and

1 “(3) have a term not to exceed the useful life
2 of the assets constructed, improved, or acquired with
3 the proceeds of the loan or extension of credit.

4 “(g) LIMITATION ON VALUE OF LOANS AND CRED-
5 IT.—The aggregate value of all loans and other extensions
6 of credit made under this section shall not exceed
7 \$3,000,000,000.

8 “(h) ELIGIBLE RURAL COMMUNITY DEFINED.—In
9 this section, the term ‘eligible rural community’ means any
10 incorporated or unincorporated place that—

11 “(1) has not more than 20,000 inhabitants,
12 based on the most recent available population statis-
13 tics of the Bureau of the Census; and

14 “(2) is not located in an area designated as a
15 Metropolitan Area by the Office of Management and
16 Budget.

17 “(i) SUNSET.—

18 “(1) IN GENERAL.—No loan or other extension
19 of credit may be made under this section after Sep-
20 tember 30, 2006.

21 “(2) CONSTRUCTION.—Paragraph (1) shall not
22 affect the validity of any loan or extension of credit
23 made under this section before the date specified in
24 that paragraph.”.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
2 hereby authorized to be appropriated for the Department
3 of Commerce such sums as may be necessary to cover the
4 cost, as defined in section 502 of the Federal Credit Re-
5 form Act of 1990 (2 U.S.C. 661a), of loans and other ex-
6 tensions of credit made under section 156 of the National
7 Telecommunications and Information Administration Or-
8 ganization Act, as added by subsection (a).

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