

110TH CONGRESS  
1ST SESSION

# H. R. 2953

To amend the Rural Electrification Act of 1936 to improve the application process for the rural broadband program of the Department of Agriculture.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2007

Mr. SPACE introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Energy and Commerce, 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

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## A BILL

To amend the Rural Electrification Act of 1936 to improve the application process for the rural broadband program of the Department of Agriculture.

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 Ac-  
5 cess Enhancement Act”.

1 **SEC. 2. DEFINITION OF ELIGIBLE RURAL COMMUNITY.**

2 Section 601(b)(2) of the Rural Electrification Act of  
3 1936 (7 U.S.C. 950bb(b)(2)) is amended to read as fol-  
4 lows:

5 “(2) ELIGIBLE RURAL COMMUNITY.—The term  
6 ‘eligible rural community’ means any area of the  
7 United States—

8 “(A) which is not included within the  
9 boundaries of any city, town, borough, or vil-  
10 lage, whether incorporated or unincorporated,  
11 with a population of more than 20,000 inhab-  
12 itants;

13 “(B) which is not in the urbanized area  
14 contiguous and adjacent to such a city, town,  
15 borough, or village; and

16 “(C) the average median household income  
17 of which is not more than 80 percent of the na-  
18 tional average median household income.”.

19 **SEC. 3. IMPROVEMENTS TO APPLICATION PROCESS.**

20 (a) EQUITY REQUIREMENTS.—Section 601(c) of the  
21 Rural Electrification Act of 1936 (7 U.S.C. 950bb(c)) is  
22 amended by adding at the end the following:

23 “(3) EQUITY REQUIREMENTS.—The Secretary  
24 shall not approve an application submitted pursuant  
25 to this section to serve—

1           “(A) an area in which at least 40 percent  
2           of the population does not have access to  
3           broadband service, unless the value of the as-  
4           sets of the applicant not pledged or hypoth-  
5           ecated for any other purpose equals at least 10  
6           percent of the principal amount of the loan  
7           which is the subject of the application; or

8           “(B) any other area, unless value of the  
9           assets referred to in subparagraph (A) equals  
10          at least 15 percent of the principal amount of  
11          the loan involved.”.

12          (b) REDUCTION IN APPLICATION PAPERWORK.—Sec-  
13          tion 601(c) of such Act (7 U.S.C. 950bb(c)), as amended  
14          by subsection (a) of this section, is amended by adding  
15          at the end the following:

16                 “(4) PAPERWORK REDUCTION.—The Secretary  
17                 shall take such steps as are necessary to reduce the  
18                 paperwork required of applicants under this sec-  
19                 tion.”.

20          (c) OUTREACH.—Section 601 of such Act (7 U.S.C.  
21          950bb) is amended by redesignating subsections (i)  
22          through (k) as subsection (j) through (l), respectively, and  
23          inserting after subsection (h) the following:

24                 “(i) OUTREACH.—The Secretary shall conduct out-  
25                 reach designed to inform the population of areas in which

1 there is no or limited broadband service of the program  
2 carried out under this section.”.

3 **SEC. 4. BAN ON LOAN OR LOAN GUARANTEE FOR NEW**  
4 **BROADBAND SERVICE IN COMMUNITY WITH**  
5 **SEVERAL SERVICE PROVIDERS.**

6 Section 601(c) of the Rural Electrification Act of  
7 1936 (7 U.S.C. 950bb(c)), as amended by section 3 of this  
8 Act, is amended by adding at the end the following:

9 “(5) BAN ON LOAN OR LOAN GUARANTEE FOR  
10 NEW BROADBAND SERVICE IN COMMUNITY WITH 3  
11 OR MORE SERVICE PROVIDERS.—The Secretary shall  
12 not approve an application for a loan or loan guar-  
13 antee under this section for the provision of new  
14 broadband service to an eligible rural community in  
15 which the service is provided by 3 or more entities.”.

16 **SEC. 5. ELIMINATION OF LIMITATION ON ELIGIBILITY**  
17 **BASED ON NUMBER OF SUBSCRIBER LINES.**

18 (a) IN GENERAL.—Section 601(d) of the Rural Elec-  
19 trification Act of 1936 (7 U.S.C. 950bb(d)) is amended  
20 by striking paragraph (3).

21 (b) LIMITATIONS ON AMOUNTS MADE AVAILABLE  
22 FOR ENTITIES WITH VARIOUS SHARES OF INSTALLED  
23 TELEPHONE SUBSCRIBER LINES.—Section 601(k) of such  
24 Act (7 U.S.C. 950bb(k)), as so redesignated by section

1 3(c) of this Act, is amended by adding at the end the fol-  
2 lowing:

3 “(5) LIMITATIONS ON AMOUNTS MADE AVAIL-  
4 ABLE FOR ENTITIES WITH VARIOUS SHARES OF IN-  
5 STALLED TELEPHONE SUSCRIBER LINES.—

6 “(A) Not more than 10 percent of the  
7 amounts made available for each fiscal year  
8 under this subsection may be used to provide  
9 loans or loan guarantees to entities with more  
10 than 10 percent of the telephone subscriber  
11 lines installed in the aggregate in the United  
12 States.

13 “(B) Not more than 40 percent of the  
14 amounts made available for each fiscal year  
15 under this subsection may be used to provide  
16 loans or loan guarantees to entities with not  
17 less than 2 percent and not more than 10 per-  
18 cent of the telephone subscriber lines installed  
19 in the aggregate in the United States.”.

20 **SEC. 6. LIMITATION ON TERM OF LOANS AND LOAN GUAR-**  
21 **ANTEES.**

22 Section 601(g)(2) of the Rural Electrification Act of  
23 1936 (7 U.S.C. 950bb(g)(2)) is amended by striking “the  
24 useful life of the assets constructed, improved, or acquired

1 with the proceeds of the loan or extension of credit” and  
2 inserting “35 years”.

3 **SEC. 7. REPORTING REQUIREMENTS.**

4 Section 601 of the Rural Electrification Act of 1936  
5 (7 U.S.C. 950bb), as amended by section 3(c) of this Act,  
6 is amended by redesignating subsections (k) and (l) as  
7 subsection (l) and (m), respectively, and inserting after  
8 subsection (j) the following:

9 “(k) ANNUAL REPORTS.—Not later than October 1  
10 of each year, the Secretary shall submit to the Committee  
11 on Agriculture of the House of Representatives and the  
12 Committee on Agriculture, Nutrition, and Forestry of the  
13 Senate a report on the status of the program under this  
14 section, which shall include, with respect to the period cov-  
15 ered by the report—

16 “(1) the number of applications submitted pur-  
17 suant to this section;

18 “(2) the number of the applications that were  
19 approved;

20 “(3) the identity of the communities served by  
21 the applicants with approved applications;

22 “(4) the type of services offered by applicants  
23 for, and recipients of, loans or loan guarantees  
24 under this section;

1           “(5) the speed of the broadband service offered  
2           by the applicants and recipients;

3           “(6) how long it took to respond to the appli-  
4           cants; and

5           “(7) the outreach efforts conducted by the Sec-  
6           retary under subsection (i).”.

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