

111TH CONGRESS
1ST SESSION

S. 2880

To amend the Rural Electrification Act of 1936 to establish an Office of Rural Broadband Initiatives in the Department of Agriculture, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 14, 2009

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Rural Electrification Act of 1936 to establish an Office of Rural Broadband Initiatives in the Department of Agriculture, 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 Ini-
5 tiative Act of 2009”.

6 **SEC. 2. OFFICE OF RURAL BROADBAND INITIATIVES.**

7 (a) IN GENERAL.—Title VI of the Rural Electrifica-
8 tion Act of 1936 (7 U.S.C. 950bb et seq.) is amended—

1 (1) by redesignating sections 601 and 602 as
 2 sections 603 and 604, respectively; and

3 (2) by inserting before section 603 (as so redес-
 4 ignated) the following:

5 **“SEC. 601. DEFINITIONS.**

6 “In this title:

7 “(1) OFFICE.—The term ‘Office’ means the Of-
 8 fice of Rural Broadband Initiatives established by
 9 section 602(a)(1).

10 “(2) UNDER SECRETARY.—The term ‘Under
 11 Secretary’ means the Under Secretary for Rural
 12 Broadband Initiatives appointed under section
 13 602(a)(2).

14 **“SEC. 602. OFFICE OF RURAL BROADBAND INITIATIVES.**

15 “(a) ESTABLISHMENT.—

16 “(1) IN GENERAL.—There is established in the
 17 Department of Agriculture an office to be known as
 18 the ‘Office of Rural Broadband Initiatives’.

19 “(2) UNDER SECRETARY.—The head of the Of-
 20 fice shall be the Under Secretary for Rural
 21 Broadband Initiatives, who shall—

22 “(A) be appointed by the President, by and
 23 with the advice and consent of the Senate; and

24 “(B) report directly to the Secretary.

25 “(b) RESPONSIBILITIES.—

1 “(1) IN GENERAL.—The Under Secretary
2 shall—

3 “(A) as of the date of enactment of this
4 section, administer all rural broadband-related
5 grant and loan programs previously adminis-
6 tered by the Administrator of the Rural Utili-
7 ties Service, including—

8 “(i) the rural broadband access loan
9 and loan guarantee program established
10 under section 603; and

11 “(ii) the Community Connect Grant
12 Program described in subpart A of part
13 1739 of title 7, Code of Federal Regula-
14 tions (or successor regulations).

15 “(2) REQUIREMENTS.—The Under Secretary
16 shall—

17 “(A) conduct extensive, nationwide out-
18 reach to rural areas;

19 “(B) foster the development of a com-
20 prehensive rural broadband strategic vision;

21 “(C) plan coordination of Federal re-
22 sources for State, regional, and local govern-
23 ments to assist citizens living and working in
24 rural areas;

1 “(D) assess all relevant technologies (in-
 2 cluding WiFi, WIMAX, DSL, cable, satellite,
 3 fiber, optical fiber, and broadband) over power
 4 lines, as the technologies are able to support in
 5 whole or in part rural broadband needs and re-
 6 quirements;

7 “(E) serve as a single information source
 8 for all rural broadband programs and services
 9 administered by Federal agencies; and

10 “(F) provide technical assistance to State,
 11 regional, and local governments to develop
 12 broadband deployment strategies.

13 “(c) COMPREHENSIVE RURAL BROADBAND STRAT-
 14 EGY.—

15 “(1) IN GENERAL.—Not later than 180 days
 16 after the appointment of the first Under Secretary,
 17 the Under Secretary shall submit to the President
 18 and Congress a report describing comprehensive
 19 rural broadband strategy that includes—

20 “(A) recommendations—

21 “(i) to promote interagency coordina-
 22 tion of Federal agencies in regards to poli-
 23 cies, procedures, and targeted resources,
 24 and to improve and streamline the polices,
 25 programs, and services;

1 “(ii) to coordinate among Federal
2 agencies regarding existing rural broad-
3 band or rural initiatives that could be of
4 value to rural broadband development;

5 “(iii) to address both short- and long-
6 term solutions and needs assessments for a
7 rapid build-out of rural broadband solu-
8 tions and applications for Federal, State,
9 regional, and local government policy mak-
10 ers;

11 “(iv) to identify how specific Federal
12 agency programs and resources can best
13 respond to rural broadband requirements
14 and overcome obstacles that currently im-
15 pede rural broadband deployment; and

16 “(v) to promote successful model de-
17 ployments and appropriate technologies
18 being used in rural areas so that State, re-
19 gional, and local governments can benefit
20 from the cataloging and successes of other
21 State, regional, and local governments; and

22 “(B) a description of goals and timeframes
23 to achieve the strategic plans and visions identi-
24 fied in the report.

1 “(2) UPDATES.—The Under Secretary shall up-
 2 date and evaluate the report described in paragraph
 3 (1) on an annual basis.

4 “(d) NATIONAL RURAL BROADBAND INNOVATION
 5 FUND.—

6 “(1) ESTABLISHMENT.—There is established in
 7 the Treasury of the United States a revolving fund,
 8 to be known as the ‘National Rural Broadband In-
 9 novation Fund’ (referred to in this subsection as the
 10 ‘Fund’), consisting of—

11 “(A) such amounts as are appropriated to
 12 the Fund under paragraph (5); and

13 “(B) any interest earned on investment of
 14 amounts in the Fund under paragraph (4).

15 “(2) USE OF FUND.—

16 “(A) IN GENERAL.—The Under Secretary
 17 shall use the amounts in the Fund to fund ex-
 18 perimental and pilot rural broadband projects
 19 and applications, including WiFi, WIMAX,
 20 DSL, cable, satellite, fiber, optical fiber, and
 21 broadband delivery over power lines.

22 “(B) REPORT.—Not later than 90 days
 23 after the date of appointment of the first Under
 24 Secretary, the Under Secretary shall submit to
 25 Congress a report that describes—

1 “(i) proposed rules for the administra-
2 tion of the Fund; and

3 “(ii) proposed qualification guidelines
4 for projects to receive funding under this
5 subsection.

6 “(3) EXPENDITURES FROM FUND.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B), on request by the Under Secretary,
9 the Secretary of the Treasury shall transfer
10 from the Fund to the Under Secretary such
11 amounts as the Under Secretary determines are
12 necessary to fund projects under paragraph (2).

13 “(B) ADMINISTRATIVE EXPENSES.—An
14 amount not exceeding 10 percent of the
15 amounts in the Fund shall be available for each
16 fiscal year to pay the administrative expenses
17 necessary to carry out this subsection.

18 “(4) INVESTMENT OF AMOUNTS.—

19 “(A) IN GENERAL.—The Secretary of the
20 Treasury shall invest such portion of the Fund
21 as is not, in the judgment of the Secretary of
22 the Treasury, required to meet current with-
23 drawals.

1 “(B) INTEREST-BEARING OBLIGATIONS.—

2 Investments may be made only in interest-bear-
3 ing obligations of the United States.

4 “(C) ACQUISITION OF OBLIGATIONS.—For
5 the purpose of investments under subparagraph
6 (A), obligations may be acquired—

7 “(i) on original issue at the issue
8 price; or

9 “(ii) by purchase of outstanding obli-
10 gations at the market price.

11 “(D) SALE OF OBLIGATIONS.—Any obliga-
12 tion acquired by the Fund may be sold by the
13 Secretary of the Treasury at the market price.

14 “(E) CREDITS TO FUND.—The interest on,
15 and the proceeds from the sale or redemption
16 of, any obligations held in the Fund shall be
17 credited to, and form a part of, the Fund.

18 “(5) AUTHORIZATION OF APPROPRIATIONS.—
19 There is authorized to be appropriated to the Fund
20 \$20,000,000 for each of fiscal years 2008 through
21 2012.

22 “(e) RURAL BROADBAND ADVISORY PANEL.—

23 “(1) IN GENERAL.—Not later than 60 days
24 after the date of appointment of the first Under Sec-
25 retary, the Under Secretary shall submit to Con-

gress a plan to establish a Rural Broadband Advisory Panel (referred to in this subsection as the ‘Panel’).

“(2) CHAIRPERSON.—The Panel shall be chaired by the Under Secretary or a designee.

“(3) MEMBERSHIP.—The Panel shall be composed of representatives of—

“(A) State government;

“(B) local government;

“(C) communications equipment vendors (including broadband data service providers);

“(D) public utility services;

“(E) local exchange carriers;

“(F) wireless carriers;

“(G) satellite communications services; and

“(H) other appropriate public or private sector entities, as determined by the Under Secretary.

“(4) MEETINGS.—The Panel shall meet not less than 4 times each year.

“(5) DUTIES.—The Advisory Panel shall—

“(A) assist the Under Secretary in updating the annual report described in subsection (c)(2);

1 “(B) evaluate the effectiveness of all Fed-
 2 eral broadband assistance programs and policies
 3 aimed at fostering broadband access in rural
 4 and underserved areas;

5 “(C) evaluate best practices employed at
 6 the State and local government level to foster
 7 broadband access in rural and underserved
 8 areas; and

9 “(D) cooperate with the Under Secretary
 10 in addressing and evaluating issues determined
 11 by the Under Secretary to be critical to fos-
 12 tering broadband access and connectivity in
 13 rural and underserved areas.

14 “(f) WEB-BASED CLEARINGHOUSE.—The Under
 15 Secretary shall establish a comprehensive and interactive
 16 rural broadband Web-based clearinghouse that describes
 17 options, opportunities, resources, successful public-private
 18 partnerships, comprehensive funding sources, and tech-
 19 nology tutorials for rural broadband, including—

20 “(1) case studies;

21 “(2) descriptions of best practices;

22 “(3) assessments of various technology solu-
 23 tions;

24 “(4) feasibility studies;

1 “(5) applications, including telework, telemedi-
 2 cine, distance learning, training, homeland security,
 3 senior citizen connectivity and program development,
 4 and business and economic development;

5 “(6) rural broadband options and policies anal-
 6 ysis; and

7 “(7) support for networks among rural commu-
 8 nities and economic development agencies.”.

9 (b) CONFORMING AMENDMENTS.—Section 603 of the
 10 Rural Electrification Act of 1936 (as redesignated by sub-
 11 section (a)(1)) is amended—

12 (1) in subsection (d)(1)(B), by striking “sub-
 13 section (k)” and inserting “subsection (l)”;

14 (2) in subsection (j), by striking “Adminis-
 15 trator” and inserting “Under Secretary”;

16 (3) by redesignating subsections (k) and (l) as
 17 subsections (l) and (m), respectively; and

18 (4) by inserting after subsection (j) the fol-
 19 lowing :

20 “(k) RULES REVISION.—

21 “(1) IN GENERAL.—Not later than 60 days
 22 after the date of appointment of the first Under Sec-
 23 retary, the Under Secretary shall submit to Con-
 24 gress a revision of the rules and qualification criteria

1 for the loan and loan guarantee program under this
2 section.

3 “(2) REQUIREMENTS.—In preparing the revi-
4 sion, the Under Secretary shall—

5 “(A) emphasize streamlining the applica-
6 tion process and processing time;

7 “(B) ensure that the financial require-
8 ments for applicants do not unduly disqualify
9 applicants that have demonstrated a viable
10 business plan; and

11 “(C) not diminish the mission of the pro-
12 gram to deliver broadband service to under-
13 served rural areas.”.

14 **SEC. 3. SUFFICIENCY OF RESOURCES.**

15 (a) IN GENERAL.—Not later than 60 days after the
16 date of enactment of this Act, the Secretary of Agriculture
17 shall submit to Congress a report describing the resources
18 and staff necessary to carry out this Act and the amend-
19 ments made by this Act.

20 (b) PREPARATION OF REPORT.—The Secretary shall
21 provide the Office of Rural Broadband Initiatives the re-
22 sources and staff necessary to carry out this section.

23 (c) COMPTROLLER GENERAL REVIEW.—

1 (1) IN GENERAL.—The Comptroller General of
2 the United States shall review the report submitted
3 under subsection (a) for validity.

4 (2) REPORT.—Not later than 30 days after the
5 date on which the report is submitted under sub-
6 section (a), the Comptroller General of the United
7 States shall submit to Congress a report containing
8 the findings of the review under paragraph (1).

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