

112TH CONGRESS
2D SESSION

S. 2275

To amend the Rural Electrification Act of 1936 to establish a grant program within the rural broadband program of the Department of Agriculture, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2012

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 a grant program within the rural broadband program of 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 “Broadband Con-
5 nections for Rural Opportunities Program Act of 2012” or
6 the “B-CROP Act of 2012”.

1 **SEC. 2. BROADBAND CONNECTIONS FOR RURAL OPPORTU-**
2 **NITIES PROGRAM.**

3 Title VI of the Rural Electrification Act of 1936 (7
4 U.S.C. 950bb et seq.) is amended by adding at the end
5 the following:

6 **“SEC. 603. BROADBAND CONNECTIONS FOR RURAL OPPOR-**
7 **TUNITIES PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) BROADBAND SERVICE.—The term
10 ‘broadband service’ has the meaning given the term
11 in section 601(b).

12 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
13 tity’ means an entity that is—

14 “(A) a private sector provider of
15 broadband telecommunications services; or

16 “(B) a State, local, or tribal government,
17 municipal provider, cooperative, institution of
18 higher education, nonprofit organization, or
19 public economic development organization.

20 “(3) ELIGIBLE RURAL COMMUNITY.—Unless
21 the Secretary makes a finding in writing that an
22 area is otherwise ‘rural in character’, the term ‘eligi-
23 ble rural community’ means any area of the United
24 States that is not—

1 “(A) included within the boundaries of any
2 incorporated city, village, borough, or town with
3 a population in excess of 50,000 inhabitants; or

4 “(B) the urbanized area contiguous and
5 adjacent to a city, village, borough, or town de-
6 scribed in subparagraph (A), as defined by the
7 Bureau of the Census using the latest available
8 decennial census of the United States.

9 “(b) PURPOSES.—The purposes of the grant program
10 under this section are—

11 “(1) to enhance the feasibility of providing
12 broadband service to eligible rural communities; and

13 “(2) to deploy broadband telecommunications
14 networks and capabilities to areas in which there is
15 not otherwise a business case for private investment
16 in a broadband network, with a focus on unserved
17 eligible rural communities.

18 “(c) GRANTS AUTHORIZED.—

19 “(1) IN GENERAL.—The Secretary shall award
20 grants to eligible entities for deployment, identifica-
21 tion, or adoption of broadband services within eligi-
22 ble rural communities.

23 “(2) AMOUNT.—A grant awarded to an eligible
24 entity under this section may not be made in excess

1 of 50 percent of the eligible project development
2 costs.

3 “(d) APPLICATION.—To be eligible to receive a grant
4 under this section, an eligible entity shall submit an appli-
5 cation to the Secretary at such time, in such manner, and
6 containing such information as the Secretary may require.

7 “(e) USE OF FUNDS.—A grant awarded to an eligible
8 entity under this section shall be—

9 “(1) used to facilitate the deployment of
10 broadband telecommunications networks and capa-
11 bilities to areas in which there is not otherwise a
12 business case for private investment in a broadband
13 network, with a focus on unserved eligible rural com-
14 munities; or

15 “(2) combined with loans to enhance economic
16 feasibility of projects serving high cost areas in
17 which there is not otherwise a business case for pri-
18 vate investment in a broadband network, with a
19 focus on unserved eligible rural communities.

20 “(f) PRIORITY.—In awarding grants under this sec-
21 tion, the Secretary shall give priority to project applica-
22 tions that—

23 “(1) as a percentage of the total applications,
24 provide service to the highest proportion of rural

1 residents that do not have access to broadband serv-
2 ice;

3 “(2) will use broadband services to stimulate
4 rural economic development, such as providing—

5 “(A) connections between and among busi-
6 nesses and business incubators located in eligi-
7 ble rural communities; and

8 “(B) connections that are integrated with
9 county and regional organization plans.

10 “(g) PROCESSING PERIOD.—

11 “(1) IN GENERAL.—Not later than 180 days
12 after the date on which funds are appropriated to
13 carry out this section, the Secretary shall publish a
14 notice of funds availability.

15 “(2) AWARDS.—Not later than the end of the
16 fiscal year following the date on which a notice is
17 published under paragraph (1), the Secretary shall
18 announce grant awards under this section.

19 “(h) REPORT.—

20 “(1) IN GENERAL.—Each recipient of a grant
21 under this section shall submit to the Secretary a re-
22 port describing the use of the funds provided by the
23 grant.

24 “(2) SECRETARIAL REPORT.—Not later than
25 180 days after the date of enactment of this Act,

1 and biannually thereafter until all funds are obli-
2 gated, the Secretary shall submit a report to the
3 Committees on Appropriations of the House of Rep-
4 resentatives and the Senate that describes planned
5 spending and actual obligations of the funds made
6 available to carry out this section.

7 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 such sums as are necessary for each of fiscal years 2012
10 through 2014.”.

11 **SEC. 3. IMPROVING THE APPLICATION PROCESS FOR THE**
12 **RURAL BROADBAND PROGRAM.**

13 (a) IN GENERAL.—Section 601 of the Rural Elec-
14 trification Act of 1936 (7 U.S.C. 950bb) is amended—

15 (1) in subsection (c), by adding at the end the
16 following:

17 “(3) PAPERWORK REDUCTION.—The Secretary
18 shall take such steps as are necessary to reduce the
19 paperwork required of applicants under this section.

20 “(4) PROCESSING PERIOD.—

21 “(A) IN GENERAL.—Not later than 180
22 days after the date on which funds are appro-
23 priated to carry out this section, the Secretary
24 shall publish a notice of funds availability.

1 “(B) AWARDS.—Not later than the end of
2 the end of the fiscal year following the date on
3 which a notice is published under subparagraph
4 (A), the Secretary shall announce grant awards
5 under this section.”;

6 (2) by redesignating subsections (i) through (l)
7 as subsections (k) through (n), respectively; and

8 (3) by inserting after subsection (h) the fol-
9 lowing:

10 “(i) OUTREACH.—The Secretary shall conduct out-
11 reach designed to inform the population of areas in which
12 there is no or limited broadband service of the program
13 carried out under this section.

14 “(j) ADDITIONAL STAFF.—The Secretary, in the dis-
15 cretion of the Secretary, may use up to 20 percent of the
16 budget authority appropriated to carry out this section to
17 hire such additional administrative personnel, including
18 general field representatives and legal staff, as are nec-
19 essary to carry out the administrative duties under this
20 section.”.

21 (b) SIMPLIFICATION OF THE APPLICATION PROCESS
22 AND POST-APPLICATION AUDIT REQUIREMENTS.—

23 (1) DEFINITION OF SUBSIDIARY.—In this sub-
24 section, the term “subsidiary” means a business en-

1 tity controlled, directly or indirectly, by another
2 business entity or person.

3 (2) REQUIREMENTS.—In carrying out title VI
4 of the Rural Electrification Act of 1936 (7 U.S.C.
5 950bb et seq.), the Secretary of Agriculture, in con-
6 sultation with the Administrator of the Rural Utili-
7 ties Service, shall, to the maximum extent prac-
8 ticable—

9 (A) remove any duplicative or unnecessary
10 application or audit requirements under that
11 title;

12 (B) reduce the cost and paperwork associ-
13 ated with the application and audit require-
14 ments, including allowing parent companies,
15 and the wholly owned subsidiaries of parent
16 companies, to file a single consolidated applica-
17 tion or audit report, if the application or report
18 includes all relevant financial information con-
19 cerning the project that is the subject of the
20 grant, loan, or loan guarantee;

21 (C) ensure that the Secretary examines—

22 (i) the total business plan of each ap-
23 plicant for a grant, loan, or loan guarantee
24 under that title, including the revenue the
25 applicant generated from sources unrelated

1 to the broadband service of the applicant,
2 but connected or otherwise related to the
3 facilities financed by the grant, loan, or
4 loan guarantee; and

5 (ii) the requested information and
6 projections provided by each applicant to
7 ensure that there is no conflict with the
8 regulatory obligations of the applicant to
9 other Federal agencies including, at a min-
10 imum, to the Securities and Exchange
11 Commission, the Federal Communications
12 Commission, and the Federal Trade Com-
13 mission; and

14 (D) require that any recipient of a grant,
15 loan, or loan guarantee under that title uses the
16 funds from the grant, loan, or loan guarantee
17 not later than 5 years after date of receipt of
18 the funds to complete the project for which the
19 funds were approved, unless the Secretary de-
20 termines that the recipient was unable to ex-
21 pend the funds due to circumstances beyond the
22 control of the recipient.

1 **SEC. 4. RURAL BROADBAND PROGRAM COORDINATION.**

2 Title VI of the Rural Electrification Act of 1936 (7
3 U.S.C. 950bb et seq.) (as amended by section 3) is amend-
4 ed by adding at the end the following:

5 **“SEC. 604. CLEARINGHOUSE WEBSITE.**

6 “The Secretary may use up to 5 percent of the budg-
7 et authority made available to carry out this section for
8 a national competition to create and maintain a com-
9 prehensive and interactive rural broadband clearinghouse
10 accessible on the Internet at no cost to the public that
11 describes options, opportunities, resources, successful pub-
12 lic-private partnerships, comprehensive funding sources,
13 and technology tutorials for rural broadband, including—

14 “(1) case studies;

15 “(2) descriptions of best practices;

16 “(3) assessments of various technology solu-
17 tions;

18 “(4) feasibility studies;

19 “(5) applications, including telework, telemedi-
20 cine, distance learning, training, homeland security,
21 senior citizen connectivity and program development,
22 and business and economic development;

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

25 “(7) support for networks among rural commu-
26 nities and economic development agencies; and

1 “(8) a comprehensive list of municipal, non-
2 profit, and private sector providers.

3 **“SEC. 605. REPORT TO CONGRESS.**

4 “Not later than 540 days after the date of enactment
5 of this section and subsequently not later than the date
6 that is 3 years after the date of the submission of initial
7 report, the Comptroller General of the United States shall
8 submit to the Committee on Agriculture of the House of
9 Representatives and the Committee on Agriculture, Nutri-
10 tion, and Forestry of the Senate a report that includes—

11 “(1) an evaluation of the effectiveness of all
12 Federal broadband assistance programs and policies
13 aimed at fostering broadband access in rural and
14 unserved areas, such as identifying and tracking—

15 “(A) rural areas in each State that do not
16 have broadband service;

17 “(B) the rate at which residential and
18 business end users adopt broadband service
19 when infrastructure is made available;

20 “(C) possible suppliers of broadband serv-
21 ice;

22 “(D) the speed of broadband service of-
23 fered in rural areas that do have access;

24 “(E) barriers to the adoption of broadband
25 service, including whether—

1 “(i) the demand for broadband service
2 is absent; and

3 “(ii) the supply for broadband service
4 is capable of meeting the demand for the
5 service;

6 “(F) proposals for promoting interagency
7 coordination of Federal agencies in regards to
8 policies, procedures, and targeted resources,
9 and means to improve and streamline the poli-
10 cies, programs and services; and

11 “(G) the adequacy of Federal and State
12 universal service support programs and policies;

13 “(2) an assessment of best practices employed
14 at the State and local government level to foster
15 broadband access in rural and underserved areas;
16 and

17 “(3) an evaluation of methods to coordinate and
18 harmonize, to the maximum extent practicable, the
19 efforts of the Department of Agriculture, the De-
20 partment of Commerce, and the Federal Commu-
21 nications Commission to advance broadband deploy-
22 ment in rural areas throughout the United States.”.

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