

112TH CONGRESS  
2D SESSION

# S. 2298

To amend the Rural Electrification Act of 1936 to improve the program of access to broadband telecommunications services in rural areas.

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IN THE SENATE OF THE UNITED STATES

APRIL 18, 2012

Mr. BROWN of Ohio introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To amend the Rural Electrification Act of 1936 to improve the program of access to broadband telecommunications services in rural areas.

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 “Connecting Rural  
5 America Act”.

6 **SEC. 2. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
7 **SERVICES IN RURAL AREAS.**

8 Section 601 of the Rural Electrification Act of 1936  
9 (7 U.S.C. 950bb) is amended—

1           (1) in subsection (a), by striking “loans and”  
2           and inserting “grants, loans, and”;

3           (2) in subsection (b)(2), by striking “5 percent”  
4           and inserting “15 percent”;

5           (3) in subsection (c)—

6                 (A) in the subsection heading, by striking  
7                 “LOANS AND” and inserting “GRANTS, LOANS,  
8                 AND”;

9                 (B) in paragraph (1), by inserting “make  
10                 grants and” after “Secretary shall”;

11                 (C) in paragraph (2)—

12                         (i) by inserting “making grants and”  
13                         after “In”; and

14                         (ii) by inserting “poor and remote”  
15                         after “priority to”; and

16                 (D) by adding at the end the following:

17                 “(3) GRANT AMOUNTS.—

18                         “(A) MAXIMUM.—Except as otherwise pro-  
19                         vided in subparagraph (C), the amount of any  
20                         grant made under this section shall not exceed  
21                         50 percent of the development costs of the  
22                         project for which the grant is provided.

23                         “(B) GRANT RATE.—The Secretary shall  
24                         establish the grant rate for each project in ac-  
25                         cordance with regulations issued by the Sec-

1           retary that shall provide for a graduated scale  
 2           of grant rates that establish higher rates for  
 3           projects in communities that have—

4                     “(i) remote locations;

5                     “(ii) low community populations;

6                     “(iii) low income levels; and

7                     “(iv) developed the applications of the  
 8           communities with the participation of com-  
 9           binations of stakeholders including—

10                    “(I) State, local, and tribal gov-  
 11                    ernments;

12                    “(II) nonprofit institutions;

13                    “(III) institutions of higher edu-  
 14                    cation;

15                    “(IV) private entities; and

16                    “(V) philanthropic organizations.

17                    “(C) WAIVER AUTHORITY.—The Secretary  
 18           may make grants of up to 75 percent of the de-  
 19           velopment costs of the project for which the  
 20           grant is provided to an eligible entity if the Sec-  
 21           retary determines that a waiver of subpara-  
 22           graph (A) would best serve the purpose of the  
 23           program under this section.”;

24           (4) in subsection (d)—

25                    (A) in paragraph (1)(A)—

1 (i) in the matter preceding clause (i),  
2 by striking “loan or” and inserting “grant,  
3 loan, or”;

4 (ii) by striking “a loan application”  
5 each place it appears in clauses (ii) and  
6 (iii) and inserting “an application”; and

7 (iii) in clause (iii), by striking “pro-  
8 ceeds from the loan made or guaranteed  
9 under this section are” and inserting “as-  
10 sistance under this section is”;

11 (B) in paragraph (2)(A), in the matter  
12 preceding clause (i)—

13 (i) by striking “the proceeds of a loan  
14 made or guaranteed” and inserting “as-  
15 sistance”; and

16 (ii) by striking “for the loan or loan  
17 guarantee” and inserting “of the eligible  
18 entity”;

19 (C) by striking “loan or” each place it ap-  
20 pears in paragraphs (2)(B), (3)(A), (4), (5),  
21 and (6) and inserting “grant, loan, or”;

22 (D) in paragraph (7), by striking “a loan  
23 application” and inserting “an application”;  
24 and

25 (E) by adding at the end the following:

1           “(8) TRANSPARENCY AND REPORTING.—The  
2 Secretary—

3           “(A) shall require any entity receiving as-  
4 sistance under this section to submit quarterly,  
5 in a format specified by the Secretary, a report  
6 that describes—

7           “(i) the use by the entity of the assist-  
8 ance; and

9           “(ii) the progress towards fulfilling  
10 the objectives for which the assistance was  
11 granted;

12           “(B) shall maintain a fully searchable  
13 database, accessible on the Internet at no cost  
14 to the public, that contains, at a minimum—

15           “(i) a list of each entity that has ap-  
16 plied for assistance under this section;

17           “(ii) a description of each application,  
18 including the status of each application;

19           “(iii) for each entity receiving assist-  
20 ance under this section—

21           “(I) the name of the entity;

22           “(II) the type of assistance being  
23 received;

24           “(III) the purpose for which the  
25 entity is receiving the assistance; and

1                   “(IV) each quarterly report sub-  
2                   mitted in accordance with subpara-  
3                   graph (A); and

4                   “(iv) such other information as is suf-  
5                   ficient to allow the public to understand  
6                   and monitor assistance provided under this  
7                   section;

8                   “(C) may, in addition to other authority  
9                   under applicable law, deobligate awards to  
10                  grantees that demonstrate an insufficient level  
11                  of performance, or wasteful or fraudulent  
12                  spending, as defined in advance by the Sec-  
13                  retary, and award those funds competitively to  
14                  new or existing applicants consistent with this  
15                  section; and

16                  “(D) may establish additional reporting  
17                  and information requirements for any recipient  
18                  of any assistance under this section so as to en-  
19                  sure compliance with this section.”;

20                  (5) in subsection (f), by striking “make a loan  
21                  or loan guarantee” and inserting “provide assist-  
22                  ance”;

23                  (6) in subsection (i)—

24                         (A) by inserting “grant or” after “pro-  
25                         ceeds of any”; and

1 (B) by inserting “grant or” after “recipi-  
2 ent of the”;

3 (7) in subsection (j)—

4 (A) in the matter preceding paragraph (1),  
5 by striking “loan and loan guarantee”;

6 (B) in paragraph (1), by inserting “grants  
7 and” after “number of”;

8 (C) in paragraph (2)—

9 (i) in subparagraph (A), by striking  
10 “loan”; and

11 (ii) in subparagraph (B), by striking  
12 “loans and” and inserting “grants, loans,  
13 and”;

14 (D) in paragraph (3), by striking “loan”;  
15 (8) in subsection (k)—

16 (A) by redesignating paragraphs (1) and  
17 (2) as paragraphs (2) and (3), respectively;

18 (B) by inserting before paragraph (1) the  
19 following:

20 “(1) MANDATORY FUNDING.—Of the funds of  
21 the Commodity Credit Corporation, the Secretary  
22 shall use for the cost of grants, loans, and loan  
23 guarantees to carry out this section \$20,000,000 for  
24 each of fiscal years 2013 through 2017, to remain  
25 available until expended.”; and

1 (C) in paragraph (2) (as redesignated by  
2 subparagraph (A))—

3 (i) by striking “There is” and insert-  
4 ing “In addition to funds otherwise made  
5 available under this subsection, there is”;  
6 and

7 (ii) by striking “2012” and inserting  
8 “2017”; and

9 (9) in subsection (l), by striking “2012” and in-  
10 sserting “2017”.

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