

115TH CONGRESS
1ST SESSION

H. R. 4232

To amend the Rural Electrification Act of 1936 to provide grants for access to broadband telecommunications services in rural areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 2, 2017

Mr. POCAN (for himself, Ms. STEFANIK, Mrs. BUSTOS, Mr. HUFFMAN, and Mr. ROGERS of Kentucky) 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

A BILL

To amend the Rural Electrification Act of 1936 to provide grants for access to broadband telecommunications services in rural areas, 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 Conne-
5 ctions for Rural Opportunities Program Act” or the “B-
6 CROP Act”.

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

3 Section 601 of the Rural Electrification Act of 1936
4 (7 U.S.C. 950bb) is amended—

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

7 (2) in subsection (c)—

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

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

13 (C) by striking paragraph (2) and insert-
14 ing the following:

15 “(2) PRIORITY.—

16 “(A) IN GENERAL.—In making grants,
17 loans, or loan guarantees under paragraph (1),
18 the Secretary shall—

19 “(i) give priority to grants, loans, and
20 loan guarantees to all or part of rural com-
21 munities that do not have residential
22 broadband service that meets the minimum
23 acceptable level of broadband service estab-
24 lished under subsection (e);

25 “(ii) give the highest priority to appli-
26 cations for projects to provide broadband

1 service to the greatest proportion of rural
2 households that are within unserved com-
3 munities, as identified by the Secretary in
4 accordance with subparagraph (C);

5 “(iii) provide equal consideration to
6 all eligible entities, including those that
7 have not previously received grants, loans,
8 or loan guarantees under paragraph (1);
9 and

10 “(iv) with respect to 2 or more appli-
11 cations that are given the same priority
12 under clause (ii), give priority to an appli-
13 cation that requests less grant funding
14 than loan funding.

15 “(B) OTHER.—After giving priority to the
16 applications described in subparagraph (A)(ii),
17 the Secretary shall then give priority to applica-
18 tions—

19 “(i) for projects to provide broadband
20 service to rural communities—

21 “(I) with a population of less
22 than 10,000 permanent residents;

23 “(II) that are experiencing out-
24 migration;

1 “(III) with a high percentage of
2 low income families or persons (as de-
3 fined in section 501(b) of the Housing
4 Act of 1949 (42 U.S.C. 1471(b))); or

5 “(IV) that are isolated from
6 other significant population centers;
7 and

8 “(ii) that were developed with the par-
9 ticipation of, and will receive a substantial
10 portion of the funding for the project from,
11 1 or more stakeholders, including—

12 “(I) State, local, and tribal gov-
13 ernments;

14 “(II) nonprofit institutions;

15 “(III) community anchor institu-
16 tions, such as—

17 “(aa) public libraries;

18 “(bb) elementary schools
19 and secondary schools (as defined
20 in section 8101 of the Elemen-
21 tary and Secondary Education
22 Act of 1965 (20 U.S.C. 7801));

23 “(cc) institutions of higher
24 education; and

25 “(dd) health care facilities;

1 “(IV) private entities; and

2 “(V) philanthropic organizations.

3 “(C) IDENTIFICATION OF UNSERVED COM-
4 MUNITIES.—

5 “(i) IN GENERAL.—The Secretary
6 shall identify unserved communities for
7 purposes of subparagraph (A)(ii) using
8 broadband coverage data that is—

9 “(I) collected by the Federal
10 Communications Commission; and

11 “(II) reviewed and refined by the
12 Secretary using a thorough evi-
13 dentiary review process.

14 “(ii) ADJUSTMENTS.—Not less often
15 than once every 2 years, the Secretary
16 shall review, and may adjust through no-
17 tice published in the Federal Register, the
18 unserved communities identified under
19 clause (i).

20 “(3) GRANT AMOUNTS.—

21 “(A) DEFINITION OF DEVELOPMENT
22 COSTS.—In this paragraph, the term ‘develop-
23 ment costs’ means costs of—

24 “(i) construction, including labor and
25 materials;

1 “(ii) project applications; and

2 “(iii) other development activities, as
3 determined by the Secretary.

4 “(B) ELIGIBILITY.—To be eligible for a
5 grant under this section, the project that is the
6 subject of the grant shall be carried out in a
7 rural area.

8 “(C) MAXIMUM.—Except as provided in
9 subparagraph (D), the amount of any grant
10 made under this section shall not exceed 50
11 percent of the development costs of the project
12 for which the grant is provided.

13 “(D) SECRETARIAL AUTHORITY TO AD-
14 JUST.—The Secretary may make grants of up
15 to 75 percent of the development costs of the
16 project for which the grant is provided to an el-
17 igible entity if the Secretary determines that
18 the project serves—

19 “(i) an area of rural households de-
20 scribed in paragraph (2)(A)(ii); and

21 “(ii) a rural community described in
22 any of subclauses (I) through (IV) of para-
23 graph (2)(B)(i).”;

24 (3) in subsection (d)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A)—

2 (I) in the matter preceding clause
3 (i), by striking “loan or” and insert-
4 ing “grant, loan, or”;

5 (II) in clause (ii), by striking “a
6 loan application” and inserting “an
7 application”; and

8 (III) in clause (iii)—

9 (aa) by striking “the loan
10 application” and inserting “the
11 application”; and

12 (bb) by striking “proceeds
13 from the loan made or guaran-
14 teed under this section are” and
15 inserting “assistance under this
16 section is”; and

17 (ii) by adding at the end the fol-
18 lowing:

19 “(C) RELATION TO UNIVERSAL SERVICE
20 HIGH-COST SUPPORT.—The Secretary shall co-
21 ordinate with the Federal Communications
22 Commission to ensure that any grants, loans, or
23 loan guarantees made under this section com-
24 plement and do not conflict with universal serv-
25 ice high-cost support (as defined in section 54.5

1 of title 47, Code of Federal Regulations, or any
2 successor regulation) provided by the Commis-
3 sion.”;

4 (B) in paragraph (2)—

5 (i) in subparagraph (A)—

6 (I) in the matter preceding clause

7 (i)—

8 (aa) by striking “the pro-
9 ceeds of a loan made or guaran-
10 teed” and inserting “assistance”;

11 and

12 (bb) by striking “for the
13 loan or loan guarantee” and in-
14 serting “of the eligible entity”;

15 and

16 (II) in clause (ii), by striking “3”

17 and inserting “2”; and

18 (ii) in subparagraph (C), by striking
19 clause (ii) and inserting the following:

20 “(ii) EXCEPTIONS.—Clause (i) shall
21 not apply if the applicant is eligible for
22 funding under another title of this Act.”;

23 (C) in paragraph (3), in subparagraph (A),
24 by striking “loan or” and inserting “grant,
25 loan, or”;

1 (D) in paragraph (4), by striking “loan
2 or” and inserting “grant, loan, or”;

3 (E) in paragraph (5)(A), in the matter
4 preceding clause (i), by striking “loan or” and
5 inserting “grant, loan, or”;

6 (F) in paragraph (6), by striking “loan or”
7 and inserting “grant, loan, or”;

8 (G) by redesignating paragraph (7) as sub-
9 paragraph (B) and indenting appropriately;

10 (H) by inserting after paragraph (6) the
11 following:

12 “(7) APPLICATION PROCESS.—

13 “(A) IN GENERAL.—The Secretary shall
14 provide to an applicant of a grant, loan, or loan
15 guarantee under this section feedback and deci-
16 sions on funding in a timely manner.”;

17 (I) in paragraph (7)(B) (as so redesign-
18 nated), by striking “may seek a determination
19 of area eligibility prior to preparing a loan ap-
20 plication under this section.” and inserting the
21 following: “may, before preparing an applica-
22 tion under this section—

23 “(i) seek a determination of area eligi-
24 bility; and

1 “(ii) submit to the Secretary a pro-
2 posal for a project, on which the Secretary
3 shall provide feedback regarding how the
4 proposal could be changed to improve the
5 likelihood that the Secretary would approve
6 the application.”; and

7 (J) by adding at the end the following:

8 “(11) TECHNICAL ASSISTANCE AND TRAIN-
9 ING.—

10 “(A) IN GENERAL.—The Secretary shall
11 provide to eligible entities described in para-
12 graph (1) technical assistance and training—

13 “(i) to prepare reports and surveys
14 necessary to request grants, loans, and
15 loan guarantees under this section for
16 broadband deployment;

17 “(ii) to improve management, includ-
18 ing financial management, relating to the
19 proposed broadband deployment;

20 “(iii) to prepare applications for
21 grants, loans, and loan guarantees under
22 this section; or

23 “(iv) to assist with other areas of
24 need identified by the Secretary.

1 “(B) FUNDING.—Not less than 3 percent
2 and not more than 5 percent of amounts appro-
3 priated to carry out this section for a fiscal year
4 shall be used for technical assistance and train-
5 ing under this paragraph.”;

6 (4) in subsection (f), by striking “make a loan
7 or loan guarantee” and inserting “provide assist-
8 ance”;

9 (5) in subsection (j)—

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

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

14 (C) in paragraph (2)—

15 (i) in subparagraph (A), by striking
16 “loan”; and

17 (ii) in subparagraph (B), by striking
18 “loans and” and inserting “grants, loans,
19 and”;

20 (D) in paragraph (3), by striking “loan”;

21 (6) by redesignating subsections (k) and (l) as
22 subsections (l) and (m), respectively;

23 (7) by inserting after subsection (j) the fol-
24 lowing:

1 “(k) BROADBAND BUILDOUT DATA.—As a condition
2 of receiving a grant, loan, or loan guarantee under this
3 section, a recipient of assistance shall provide to the Sec-
4 retary complete, reliable, and precise geolocation informa-
5 tion that indicates the location of new broadband service
6 that is being provided or upgraded within the service terri-
7 tory supported by the grant, loan, or loan guarantee not
8 later than 30 days after the earlier of—

9 “(1) the date of completion of any project mile-
10 stone established by the Secretary; or

11 “(2) the date of completion of the project.”;

12 (8) subsection (l) (as redesignated by paragraph
13 (6))—

14 (A) in paragraph (1), by striking
15 “\$25,000,000” and inserting “\$50,000,000”;

16 and

17 (B) in paragraph (2)(A)—

18 (i) in clause (i), by striking “and” at
19 the end;

20 (ii) in clause (ii), by striking the pe-
21 riod at the end and inserting “; and”; and

22 (iii) by adding at the end the fol-
23 lowing:

24 “(iii) set aside at least 1 percent to be
25 used for—

1 “(I) conducting oversight under
2 this section; and

3 “(II) implementing accountability
4 measures and related activities au-
5 thorized under this section.”; and

6 (9) in subsection (m) (as redesignated by para-
7 graph (6)), by striking “loan or” and inserting
8 “grant, loan, or”.

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