

**Calendar No. 626**

115TH CONGRESS }  
*2d Session* }

SENATE

{ REPORT  
115-345

RURAL REASONABLE AND COMPARABLE  
WIRELESS ACCESS ACT OF 2018

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R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION

ON

S. 2418



OCTOBER 9, 2018.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

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### RURAL REASONABLE AND COMPARABLE WIRELESS ACCESS ACT OF 2018

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Mr. THUNE, from the Committee on Commerce, Science, and  
Transportation, submitted the following

### R E P O R T

[To accompany S. 2418]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2418) to direct the Federal Communications Commission to promulgate regulations that establish a national standard for determining whether mobile and broadband services available in rural areas are reasonably comparable to those services provided in urban areas, having considered the same, reports favorably thereon with an amendment (in the nature of a substitute) and recommends that the bill (as amended) do pass.

#### PURPOSE OF THE BILL

S. 2418 would require the Federal Communications Commission (“FCC” or “Commission”) to commence a rulemaking to establish a national standard for determining whether mobile broadband service available in rural areas is reasonably comparable to mobile broadband service provided in urban areas.

#### BACKGROUND AND NEEDS

It is a foundational principle of United States telecommunications law and policy that a “rapid, efficient, nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges” be available to “all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex,” and the FCC was created to pro-

mote such service.<sup>1</sup> Indeed, Congress requires that the FCC base policies for the advancement of universal service, among other things, on the principles that “quality services should be available at just, reasonable, and affordable rates”<sup>2</sup> and that “low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.”<sup>3</sup> What constitutes reasonable comparability for such services, however, is not clearly defined by the FCC.

#### LEGISLATIVE HISTORY

S. 2418 was introduced on February 13, 2018, by Senator Hassan (for herself and Senator Capito) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. Senators Klobuchar, Cortez Masto, and King are also cosponsors of the bill. On May 22, 2018, the Committee met in open Executive Session and by voice vote ordered S. 2418 to be reported favorably with an amendment (in the nature of a substitute).

On June 15, 2017, similar legislation to S. 2418, H.R. 2903, was introduced in the House of Representatives by Representative McKinley (for himself and Representative Welch). Representatives O’Halloran, Pocan, Soto, Meadows, Gibbs, Rosen, Kuster, Brooks (of Indiana), Khanna, Stefanik, and Griffith are also cosponsors. On June 16, 2017, that bill was referred to the Subcommittee on Communications and Technology, Energy and Commerce Committee of the House of Representatives, which held a legislative hearing on the bill on March 22, 2018.

#### ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

*S. 2418—Rural Reasonable and Comparable Wireless Access Act of 2018*

S. 2418 would direct the Federal Communications Commission (FCC) to conduct a rulemaking to establish a national standard for Universal Service Fund (USF) programs to use when determining whether mobile broadband service in rural areas is reasonably comparable to such service in urban areas.<sup>4</sup> Under current law, there is no national standard for comparing mobile broadband in rural and urban areas. The FCC also would be required to gather data on mobile broadband service and periodically report to the Congress on the status of the rulemaking.

Using information from the FCC, CBO estimates that implementing S. 2418 would cost \$1 million over the 2018–2023 period

<sup>1</sup> 47 U.S.C. §151.

<sup>2</sup> 47 U.S.C. §254(b)(1).

<sup>3</sup> 47 U.S.C. §254(b)(3).

<sup>4</sup> The Universal Service program is administered by the Federal Communications Commission (FCC) and is intended to promote the availability of telecommunications services at affordable rates.

for the agency to conduct a rulemaking and to produce the required reports. However, under current law, the FCC is authorized to collect fees sufficient to offset the costs of its regulatory activities each year; therefore, CBO estimates that the net cost to the FCC to implement the bill would be insignificant, assuming appropriation actions consistent with that authority.

The cash flows of the USF are recorded in the budget as direct spending (for amounts distributed from the fund) and as revenues (for receipts into the fund). Because S. 2418 could affect eligibility for USF programs, pay-as-you-go procedures apply. However, CBO has no basis for estimating the outcome of future FCC rulemakings that could affect the cost of USF programs to support broadband services in rural areas; costs could increase, decrease, or remain the same.

CBO estimates that enacting S. 2343 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2418 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

If the FCC increases annual fee collections to offset the costs of the rulemaking and analysis required by the bill, S. 2418 would increase the cost of an existing private-sector mandate on commercial entities required to pay those fees. Using information from the FCC, CBO estimates that the incremental cost of the mandate would be small—approximately \$1 million over the 2019–2023 period—and would fall well below the annual threshold established in UMRA for private-sector mandates (\$180 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

#### REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

##### NUMBER OF PERSONS COVERED

The bill would have no effect on the number or types of individuals and businesses regulated in the United States.

##### ECONOMIC IMPACT

S. 2418, as reported, is not expected to have a negative impact on the Nation's economy.

##### PRIVACY

S. 2418, as reported, is not expected to have an adverse impact on the personal privacy of individuals.

##### PAPERWORK

S. 2418, as reported, would not increase paperwork requirements for private individuals or businesses. The legislation would require

the Commission to submit a report to Congress on the progress of the Commission on establishing a standard not less frequently than every 180 days after commencing the rulemaking to create that standard.

#### CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title.*

This section provides that this bill may be cited as the “Rural Reasonable and Comparable Wireless Access Act of 2018.”

##### *Section 2. Availability of mobile broadband service in underserved rural areas.*

Subsection (a) of this section would provide definitions for the bill and would direct the Commission to define the term “mobile broadband service” as used in the legislation.

Subsection (b) of this section would direct the FCC to commence a rulemaking, not later than 180 days after enactment, to establish a national standard to determine, with respect to section 254(b)(3) of the Communications Act of 1934, whether mobile broadband service available in rural areas is reasonably comparable to mobile broadband service provided in urban areas. The subsection also would direct the FCC to provide Congress with progress reports on the rulemaking every 180 days after the commencement of the rulemaking.

Subsection (c) of this section would set out various things the FCC must consider as part of the rulemaking. These considerations would include the following: (1) defining as “rural” any area in which a school or library is designated as “rural” under specified Commission rules, or an area that is the service area served by a rural telephone company; (2) defining a rural area as “underserved” if mobile broadband service in that area does not meet or exceed the new standard; and (3) providing that a rural area is underserved if tests show that the average speed and signal strength of mobile broadband service available in the area do not meet or exceed the average speed and signal strength of mobile broadband service provided in the 20 most populous metropolitan statistical areas in the United States.

To help inform the standard created by this section, subsection (d) of this section would require the Commission to gather and periodically update data on mobile broadband service provided in the 20 most populous metropolitan statistical areas in the United States.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

