

106TH CONGRESS  
2D SESSION

# H. R. 4122

To amend the Communications Act of 1934 to encourage broadband deployment to rural America, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2000

Mr. STUPAK (for himself and Mr. POMEROY) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Agriculture, 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

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## A BILL

To amend the Communications Act of 1934 to encourage broadband deployment to rural America, 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 En-  
5       hancement Act”.

1 **SEC. 2. FEDERAL COMMUNICATIONS COMMISSION TO PRO-**  
2 **VIDE SUPPORT FROM UNIVERSAL SERVICE**  
3 **FUND.**

4 Section 254(c) of the Communications Act of 1934  
5 (47 U.S.C. 254(e)) is amended—

6 (1) by redesignating so much of the text of such  
7 subsection as follows “(e) UNIVERSAL SERVICE SUP-  
8 PORT.—” as paragraph (1);

9 (2) by inserting before “After” the following  
10 heading: “(1) IN GENERAL.”; and

11 (3) by adding at the end the following:

12 “(2) RURAL AREA BROADBAND SUPPORT.—In  
13 addition to any other support provided under para-  
14 graph (1), the Commission shall, within 90 days  
15 after the date of enactment of the Rural Broadband  
16 Enhancement Act, initiate a proceeding to provide  
17 Federal universal service support for the deployment  
18 of broadband service (as defined in section 156(e)(1)  
19 of the National Telecommunications and Informa-  
20 tion Administration Organization Act) to eligible  
21 rural communities (as defined in section 156(e)(2)  
22 of that Act). The proceeding shall be completed  
23 within 240 days. Federal universal service support  
24 provided as a result of that proceeding shall be de-  
25 termined without cost averaging of any above-aver-  
26 age cost areas with any lower cost areas, such as

1 would occur in statewide or study averaging, and  
2 may be used for the deployment of—

3 “(A) loop treatment and digital subscriber  
4 line access multiplexers;

5 “(B) cable modems;

6 “(C) wireless technology; and

7 “(D) satellite technology.”.

8 **SEC. 3. RURAL UTILITIES SERVICE LOAN PROGRAM.**

9 Part C of title I of the National Telecommunications  
10 and Information Administration Organization Act (47  
11 U.S.C. 901 et seq.) is amended by adding at the end there-  
12 of the following:

13 **“SEC. 156. BROADBAND TELECOMMUNICATIONS SERVICES.**

14 “(a) IN GENERAL.—The Rural Utilities Service of  
15 the Department of Agriculture, after consultation with the  
16 NTIA, shall make loans or other extensions of credit to  
17 companies certified as eligible telecommunications carriers  
18 providers, or that accept the obligations of an eligible tele-  
19 communications carrier, in accordance with the provisions  
20 of this section to finance the deployment of broadband  
21 telecommunications services to eligible rural communities.

22 “(b) ELIGIBILITY REQUIREMENTS.—To be eligible  
23 for a loan or other extension of credit under this section,  
24 a project shall—

25 “(1) be capable of delivering broadband service;

1           “(2) be for the purpose of making access to  
2           broadband service available to an eligible rural com-  
3           munity where broadband service is not otherwise  
4           generally available throughout that community; and

5           “(3) be subject to the standards for service and  
6           area wide coverage applicable to other projects ad-  
7           ministered by the Rural Utilities Service.

8           “(c) TERMS AND CONDITIONS.—Loans made under  
9           this section—

10           “(1) shall be made available in accordance with  
11           the requirements of the Federal Credit Reform Act  
12           of 1990 (2 U.S.C. 661);

13           “(2) shall bear interest at an annual rate of not  
14           more than 2 percent per annum; and

15           “(3) shall be made for the longer of—

16                   “(A) a term of 30 years; or

17                   “(B) the useful life of the assets con-  
18           structed, reconstructed, or acquired.

19           “(d) LIMITATIONS.—

20           “(1) TECHNOLOGY NEUTRALITY.—In making  
21           loans under this section, the Rural Utilities Service  
22           may not take into consideration the technology pro-  
23           posed to be employed.

24           “(2) SECURITY INTEREST.—The Rural Utilities  
25           Service may take a security interest in assets or rev-

1        enue streams, in connection with a loan or other ex-  
2        tension of credit made under this section, of not  
3        more than the amount sufficient to cover the assets  
4        financed by that loan or extension of credit.

5        “(e) DEFINITIONS.—In this section:

6                “(1)    BROADBAND    SERVICE.—The    term  
7        ‘broadband service’ includes, without regard to any  
8        particular transmission medium or technology, high-  
9        speed, switched, broadband telecommunications ca-  
10       pable of delivering not less than 1.0 megabits of  
11       data per second to the user and 0.5 megabits of  
12       data per second from the user that enables users to  
13       originate and receive high-quality voice, data, graph-  
14       ics, and video telecommunications. The Commission  
15       shall, from time-to-time as circumstances warrant,  
16       revise the rate-of-data-transmission criteria stated in  
17       the preceding sentence upward to reflect techno-  
18       logical advances, and the criteria, as so revised, shall  
19       be applied under the preceding sentence in lieu of  
20       the rate-of-data-transmission criteria stated or pre-  
21       viously revised by the Commission under this sen-  
22       tence.

23               “(2)    ELIGIBLE RURAL COMMUNITY.—The term  
24        ‘eligible rural community’ means any incorporated or  
25        unincorporated place that—

1           “(A) has not more than 20,000 inhab-  
2           itants, based on the most recent available popu-  
3           lation statistics of the Bureau of the Census;  
4           and

5           “(B) is not located in an area designated  
6           as a Metropolitan Area by the Office of Man-  
7           agement and Budget.”.

8   **SEC. 4. FUNDING.**

9           There are authorized to be appropriated to the Sec-  
10   retary of Agriculture to carry out the provisions of section  
11   156 of the National Telecommunications and Information  
12   Administration Organization Act \$3,000,000,000 for fis-  
13   cal years 2001, 2002, 2003, 2004, through 2005, such  
14   amount to remain available until expended.

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