

110TH CONGRESS  
1ST SESSION

# H. R. 2174

To amend the Rural Electrification Act of 1936 to establish an Office of Rural Broadband Initiatives in the Department of Agriculture, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2007

Mr. SALAZAR 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

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## A BILL

To amend the Rural Electrification Act of 1936 to establish an Office of Rural Broadband Initiatives in 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 “Rural Broadband Ini-  
5 tiative Act of 2007”.

6 **SEC. 2. OFFICE OF RURAL BROADBAND INITIATIVES.**

7 (a) IN GENERAL.—Title VI of the Rural Electrifica-  
8 tion Act of 1936 (7 U.S.C. 950bb) is amended—

1 (1) by redesignating section 601 as section 603;

2 and

3 (2) by inserting before section 603 the fol-

4 lowing:

5 **“SEC. 601. DEFINITIONS.**

6 “In this title:

7 “(1) OFFICE.—The term ‘Office’ means the Of-  
8 fice of Rural Broadband Initiatives established by  
9 section 602(a)(1).

10 “(2) UNDER SECRETARY.—The term ‘Under  
11 Secretary’ means the Under Secretary for Rural  
12 Broadband Initiatives appointed under section  
13 602(a)(2).

14 **“SEC. 602. OFFICE OF RURAL BROADBAND INITIATIVES.**

15 “(a) ESTABLISHMENT.—

16 “(1) IN GENERAL.—There is established in the  
17 Department of Agriculture an office to be known as  
18 the ‘Office of Rural Broadband Initiatives’.

19 “(2) UNDER SECRETARY.—The head of the Of-  
20 fice shall be the Under Secretary for Rural  
21 Broadband Initiatives, who shall—

22 “(A) be appointed by the President, by and  
23 with the advice and consent of the Senate; and

24 “(B) report directly to the Secretary.

25 “(b) RESPONSIBILITIES.—

1           “(1) IN GENERAL.—The Under Secretary  
2 shall—

3           “(A) as of the date of enactment of this  
4 section, administer all rural broadband-related  
5 grant and loan programs previously adminis-  
6 tered by the Administrator of the Rural Utili-  
7 ties Service, including—

8           “(i) the rural broadband access loan  
9 and loan guarantee program established  
10 under section 603; and

11           “(ii) the Community Connect Grant  
12 Program described in subpart A of part  
13 1739 of title 7, Code of Federal Regula-  
14 tions (or successor regulations).

15           “(2) REQUIREMENTS.—The Under Secretary  
16 shall—

17           “(A) conduct extensive, nationwide out-  
18 reach to rural areas;

19           “(B) foster the development of a com-  
20 prehensive rural broadband strategic vision;

21           “(C) plan coordination of Federal re-  
22 sources for State, regional, and local govern-  
23 ments to assist citizens living and working in  
24 rural areas;

1           “(D) assess all relevant technologies (in-  
2           cluding WiFi, WIMAX, DSL, cable, satellite,  
3           fiber, optical fiber, and broadband) over power  
4           lines, as the technologies are able to support in  
5           whole or in part rural broadband needs and re-  
6           quirements;

7           “(E) serve as a single information source  
8           for all rural broadband programs and services  
9           administered by Federal agencies; and

10           “(F) provide technical assistance to State,  
11           regional, and local governments to develop  
12           broadband deployment strategies.

13           “(c) COMPREHENSIVE RURAL BROADBAND STRAT-  
14 EGY.—

15           “(1) IN GENERAL.—Not later than 180 days  
16           after the appointment of the first Under Secretary,  
17           the Under Secretary shall submit to the President  
18           and Congress a report describing comprehensive  
19           rural broadband strategy that includes—

20           “(A) recommendations—

21           “(i) to promote interagency coordina-  
22           tion of Federal agencies in regards to poli-  
23           cies, procedures, and targeted resources,  
24           and to improve and streamline the polices,  
25           programs, and services;

1           “(ii) to coordinate among Federal  
2 agencies regarding existing rural  
3 broadband or rural initiatives that could be  
4 of value to rural broadband development;

5           “(iii) to address both short- and long-  
6 term solutions and needs assessments for a  
7 rapid build-out of rural broadband solu-  
8 tions and applications for Federal, State,  
9 regional, and local government policy mak-  
10 ers;

11           “(iv) to identify how specific Federal  
12 agency programs and resources can best  
13 respond to rural broadband requirements  
14 and overcome obstacles that currently im-  
15 pede rural broadband deployment; and

16           “(v) to promote successful model de-  
17 ployments and appropriate technologies  
18 being used in rural areas so that State, re-  
19 gional, and local governments can benefit  
20 from the cataloging and successes of other  
21 State, regional, and local governments; and

22           “(B) a description of goals and timeframes  
23 to achieve the strategic plans and visions identi-  
24 fied in the report.

1           “(2) UPDATES.—The Under Secretary shall up-  
2           date and evaluate the report described in paragraph  
3           (1) on an annual basis.

4           “(d) NATIONAL RURAL BROADBAND INNOVATION  
5 FUND.—

6           “(1) ESTABLISHMENT.—There is established in  
7           the Treasury of the United States a revolving fund,  
8           to be known as the ‘National Rural Broadband In-  
9           novation Fund’ (referred to in this subsection as the  
10          ‘Fund’), consisting of—

11                   “(A) such amounts as are appropriated to  
12                   the Fund under paragraph (5); and

13                   “(B) any interest earned on investment of  
14                   amounts in the Fund under paragraph (4).

15          “(2) USE OF FUND.—

16                   “(A) IN GENERAL.—The Under Secretary  
17                   shall use the amounts in the Fund to fund ex-  
18                   perimental and pilot rural broadband projects  
19                   and applications, including WiFi, WIMAX,  
20                   DSL, cable, satellite, fiber, optical fiber, and  
21                   broadband delivery over power lines.

22                   “(B) REPORT.—Not later than 90 days  
23                   after the date of appointment of the first Under  
24                   Secretary, the Under Secretary shall submit to  
25                   Congress a report that describes—

1 “(i) proposed rules for the administra-  
2 tion of the Fund; and

3 “(ii) proposed qualification guidelines  
4 for projects to receive funding under this  
5 subsection.

6 “(3) EXPENDITURES FROM FUND.—

7 “(A) IN GENERAL.—Subject to subpara-  
8 graph (B), on request by the Under Secretary,  
9 the Secretary of the Treasury shall transfer  
10 from the Fund to the Under Secretary such  
11 amounts as the Under Secretary determines are  
12 necessary to fund projects under paragraph (2).

13 “(B) ADMINISTRATIVE EXPENSES.—An  
14 amount not exceeding 10 percent of the  
15 amounts in the Fund shall be available for each  
16 fiscal year to pay the administrative expenses  
17 necessary to carry out this subsection.

18 “(4) INVESTMENT OF AMOUNTS.—

19 “(A) IN GENERAL.—The Secretary of the  
20 Treasury shall invest such portion of the Fund  
21 as is not, in the judgment of the Secretary of  
22 the Treasury, required to meet current with-  
23 drawals.

1           “(B) INTEREST-BEARING OBLIGATIONS.—  
2           Investments may be made only in interest-bear-  
3           ing obligations of the United States.

4           “(C) ACQUISITION OF OBLIGATIONS.—For  
5           the purpose of investments under subparagraph  
6           (A), obligations may be acquired—

7                   “(i) on original issue at the issue  
8                   price; or

9                   “(ii) by purchase of outstanding obli-  
10                  gations at the market price.

11           “(D) SALE OF OBLIGATIONS.—Any obliga-  
12           tion acquired by the Fund may be sold by the  
13           Secretary of the Treasury at the market price.

14           “(E) CREDITS TO FUND.—The interest on,  
15           and the proceeds from the sale or redemption  
16           of, any obligations held in the Fund shall be  
17           credited to, and form a part of, the Fund.

18           “(5) AUTHORIZATION OF APPROPRIATIONS.—  
19           There is authorized to be appropriated to the Fund  
20           \$20,000,000 for each of fiscal years 2008 through  
21           2012.

22           “(e) RURAL BROADBAND ADVISORY PANEL.—

23                   “(1) IN GENERAL.—Not later than 60 days  
24           after the date of appointment of the first Under Sec-  
25           retary, the Under Secretary shall submit to Con-

1       gress a plan to establish a Rural Broadband Advi-  
2       sory Panel (referred to in this subsection as the  
3       ‘Panel’).

4               “(2) CHAIRPERSON.—The Panel shall be  
5       chaired by the Under Secretary or a designee.

6               “(3) MEMBERSHIP.—The Panel shall be com-  
7       posed of representatives of—

8                       “(A) State government;

9                       “(B) local government;

10                      “(C) communications equipment vendors  
11       (including broadband data service providers);

12                      “(D) public utility services;

13                      “(E) local exchange carriers;

14                      “(F) wireless carriers;

15                      “(G) satellite communications services; and

16                      “(H) other appropriate public or private  
17       sector entities, as determined by the Under Sec-  
18       retary.

19               “(4) MEETINGS.—The Panel shall meet not less  
20       than 4 times each year.

21               “(5) DUTIES.—The Advisory Panel shall—

22                      “(A) assist the Under Secretary in updat-  
23       ing the annual report described in subsection  
24       (c)(2);

1           “(B) evaluate the effectiveness of all Fed-  
2           eral broadband assistance programs and policies  
3           aimed at fostering broadband access in rural  
4           and underserved areas;

5           “(C) evaluate best practices employed at  
6           the State and local government level to foster  
7           broadband access in rural and underserved  
8           areas; and

9           “(D) cooperate with the Under Secretary  
10          in addressing and evaluating issues determined  
11          by the Under Secretary to be critical to fos-  
12          tering broadband access and connectivity in  
13          rural and underserved areas.

14          “(f) WEB-BASED CLEARINGHOUSE.—The Under  
15          Secretary shall establish a comprehensive and interactive  
16          rural broadband Web-based clearinghouse that describes  
17          options, opportunities, resources, successful public-private  
18          partnerships, comprehensive funding sources, and tech-  
19          nology tutorials for rural broadband, including—

20                 “(1) case studies;

21                 “(2) descriptions of best practices;

22                 “(3) assessments of various technology solu-  
23          tions;

24                 “(4) feasibility studies;

1           “(5) applications, including telework, telemedi-  
2           cine, distance learning, training, homeland security,  
3           senior citizen connectivity and program development,  
4           and business and economic development;

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

7           “(7) support for networks among rural commu-  
8           nities and economic development agencies.”.

9           (b) CONFORMING AMENDMENTS.—Section 603 of the  
10 Rural Electrification Act of 1936 (as redesignated by sub-  
11 section (a)(1)) is amended—

12           (1) in subsection (d)(2), by striking “Adminis-  
13           trator” and inserting “Under Secretary”; and

14           (2) in subsection (i)—

15           (A) by striking “Administrator” each place  
16           it appears and inserting “Under Secretary”;

17           (B) by redesignating paragraphs (1) and  
18           (2) as subparagraphs (A) and (B), respectively,  
19           and indenting appropriately;

20           (C) by striking “Not later than” and in-  
21           serting the following:

22           “(1) IN GENERAL.—Not later than”; and

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

24           “(2) RULES REVISION.—

1           “(A) IN GENERAL.—Not later than 60  
2 days after the date of appointment of the first  
3 Under Secretary, the Under Secretary shall  
4 submit to Congress a revision of the rules and  
5 qualification criteria for the loan and loan guar-  
6 antee program under this section.

7           “(B) REQUIREMENTS.—In preparing the  
8 revision, the Under Secretary shall—

9                   “(i) emphasize streamlining the appli-  
10 cation process and processing time;

11                   “(ii) ensure that the financial require-  
12 ments for applicants do not unduly dis-  
13 qualify applicants that have demonstrated  
14 a viable business plan; and

15                   “(iii) not diminish the mission of the  
16 program to deliver broadband service to  
17 underserved rural areas.”.

18 **SEC. 3. SUFFICIENCY OF RESOURCES.**

19           (a) IN GENERAL.—Not later than 60 days after the  
20 date of enactment of this Act, the Secretary of Agriculture  
21 shall submit to Congress a report describing the resources  
22 and staff necessary to carry out this Act and the amend-  
23 ments made by this Act.

1           (b) PREPARATION OF REPORT.—The Secretary shall  
2 provide the Office of Rural Broadband Initiatives the re-  
3 sources and staff necessary to carry out this section.

4           (c) COMPTROLLER GENERAL REVIEW.—

5                 (1) IN GENERAL.—The Comptroller General of  
6 the United States shall review the report submitted  
7 under subsection (a) for validity.

8                 (2) REPORT.—Not later than 30 days after the  
9 date on which the report is submitted under sub-  
10 section (a), the Comptroller General of the United  
11 States shall submit to Congress a report containing  
12 the findings of the review under paragraph (1).

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