

114TH CONGRESS
2D SESSION

S. 3408

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 SENATE OF THE UNITED STATES

SEPTEMBER 28, 2016

Mrs. GILLIBRAND (for herself and Mrs. CAPITO) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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 Connec-
5 tions for Rural Opportunities Program Act of 2016” or
6 the “B–CROP Act of 2016”.

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) establish 1 ongoing evaluation pe-
 20 riod for each fiscal year to compare grant,
 21 loan, and loan guarantee applications and
 22 to prioritize grants, loans, and loan guar-
 23 antees to all or part of rural communities
 24 that do not have residential broadband
 25 service that meets the minimum acceptable

1 level of broadband service established
2 under subsection (e);

3 “(ii) give the highest priority to appli-
4 cants that offer to provide broadband serv-
5 ice to the greatest proportion of unserved
6 rural households or rural households that
7 do not have residential broadband service
8 that meets the minimum acceptable level of
9 broadband service established under sub-
10 section (e), as—

11 “(I) certified by the affected
12 community, city, county, or designee;
13 or

14 “(II) demonstrated on—

15 “(aa) the broadband map of
16 the affected State if the map con-
17 tains address-level data; or

18 “(bb) the National Broad-
19 band Map if address-level data is
20 unavailable; and

21 “(iii) provide equal consideration to
22 all qualified applicants, including those
23 that have not previously received grants,
24 loans, or loan guarantees under paragraph
25 (1).

1 “(B) OTHER.—After giving priority to the
2 applicants described in subparagraph (A), the
3 Secretary shall then give priority to projects
4 that serve rural communities—

5 “(i) with a population of less than
6 10,000 permanent residents;

7 “(ii) experiencing out-migration;

8 “(iii) with a high percentage of low-in-
9 come residents; and

10 “(iv) that are isolated from other sig-
11 nificant population centers.

12 “(3) GRANT AMOUNTS.—

13 “(A) ELIGIBILITY.—To be eligible for a
14 grant under this section, the project that is the
15 subject of the grant shall be carried out in a
16 rural area.

17 “(B) MAXIMUM.—Except as provided in
18 subparagraph (D), the amount of any grant
19 made under this section shall not exceed 50
20 percent of the development costs of the project
21 for which the grant is provided.

22 “(C) GRANT RATE.—The Secretary shall
23 establish the grant rate for each project in ac-
24 cordance with regulations issued by the Sec-
25 retary that shall provide for a graduated scale

of grant rates that establish higher rates for
projects in communities that have—

“(i) remote locations;

“(ii) low community populations;

“(iii) low income levels;

“(iv) developed the applications of the
communities with the participation of, and
will receive a portion of the funding for the
project from, combinations of stakeholders,
including—

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

“(II) nonprofit institutions;

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

“(aa) public libraries;

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

“(cc) institutions of higher
education; and

“(dd) health care facilities;

“(IV) private entities; and

1 “(V) philanthropic organizations;

2 and

3 “(v) targeted funding to provide the
4 minimum acceptable level of broadband
5 service established under subsection (e) in
6 all or part of an unserved community that
7 is below that minimum acceptable level of
8 broadband service.

9 “(D) SECRETARIAL AUTHORITY TO AD-
10 JUST.—The Secretary may make grants of up
11 to 75 percent of the development costs of the
12 project for which the grant is provided to an el-
13 igible entity if the Secretary determines that
14 the project serves a remote or low income area
15 that does not have access to broadband service
16 from any provider of broadband service (includ-
17 ing the applicant).”;

18 (3) in subsection (d)—

19 (A) in paragraph (1)(A)—

20 (i) in the matter preceding clause (i),
21 by striking “loan or” and inserting “grant,
22 loan, or”;

23 (ii) in clause (ii), by striking “a loan
24 application” and inserting “an applica-
25 tion”; and

1 (iii) in clause (iii)—

2 (I) by striking “the loan applica-
3 tion” and inserting “the application”;
4 and

5 (II) by striking “proceeds from
6 the loan made or guaranteed under
7 this section are” and inserting “as-
8 sistance under this section is”;

9 (B) in paragraph (2)—

10 (i) in subparagraph (A)—

11 (I) in the matter preceding clause
12 (i)—

13 (aa) by striking “the pro-
14 ceeds of a loan made or guaran-
15 teed” and inserting “assistance”;
16 and

17 (bb) by striking “for the
18 loan or loan guarantee” and in-
19 serting “of the eligible entity”;
20 and

21 (II) in clause (ii), by striking “3”
22 and inserting “2”; and

23 (ii) in subparagraph (C), by striking
24 clause (ii) and inserting the following:

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

4 (C) in paragraph (3), in subparagraph (A),
5 by striking “loan or” and inserting “grant,
6 loan, or”;

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

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

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

14 (G) in paragraph (7), by striking “a loan
15 application” and inserting “an application”;
16 and

17 (H) by adding at the end the following:

18 “(11) TECHNICAL ASSISTANCE AND TRAIN-
19 ING.—

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

23 “(i) to prepare reports and surveys
24 necessary to request grants, loans, and

1 loan guarantees under this section for
2 broadband deployment;

3 “(ii) to improve management, includ-
4 ing financial management, relating to the
5 proposed broadband deployment;

6 “(iii) to prepare applications for
7 grants, loans, and loan guarantees under
8 this section; or

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

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

16 (4) in subsection (f), by striking “make a loan
17 or loan guarantee” and inserting “provide assist-
18 ance”;

19 (5) in subsection (j)—

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

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

24 (C) in paragraph (2)—

1 (i) in subparagraph (A), by striking
2 “loan”; and

3 (ii) in subparagraph (B), by striking
4 “loans and” and inserting “grants, loans,
5 and”; and

6 (D) in paragraph (3), by striking “loan”;
7 (6) by redesignating subsections (k) and (l) as
8 subsections (l) and (m), respectively;

9 (7) by inserting after subsection (j) the fol-
10 lowing:

11 “(k) BROADBAND BUILDOUT DATA.—

12 “(1) IN GENERAL.—As a condition of receiving
13 a grant, loan, or loan guarantee under this section,
14 a recipient of assistance shall provide to the Sec-
15 retary address-level broadband buildout data that in-
16 dicates the location of new broadband service that is
17 being provided or upgraded within the service terri-
18 tory supported by the grant, loan, or loan guar-
19 antee—

20 “(A) for purposes of inclusion in the semi-
21 annual updates to the National Broadband Map
22 that is managed by the Federal Communica-
23 tions Commission (referred to in this subsection
24 as the ‘Commission’); and

1 “(B) not later than 30 days after the ear-
2 lier of—

3 “(i) the date of completion of any
4 project milestone established by the Sec-
5 retary; or

6 “(ii) the date of completion of the
7 project.

8 “(2) ADDRESS-LEVEL DATA.—Effective begin-
9 ning on the date the Commission receives data de-
10 scribed in paragraph (1), the Commission shall use
11 only address-level broadband buildout data for the
12 National Broadband Map.

13 “(3) CORRECTIONS.—

14 “(A) IN GENERAL.—The Secretary shall
15 submit to the Commission any correction to the
16 National Broadband Map that is based on the
17 actual level of broadband coverage within the
18 rural area, including any requests for a correc-
19 tion from an elected or economic development
20 official.

21 “(B) INCORPORATION.—Not later than 30
22 days after the date on which the Commission
23 receives a correction submitted under subpara-
24 graph (A), the Commission shall incorporate

1 the correction into the National Broadband
2 Map.

3 “(C) USE.—If the Secretary has submitted
4 a correction to the Commission under subpara-
5 graph (A), but the National Broadband Map
6 has not been updated to reflect the correction
7 by the date on which the Secretary is making
8 a grant or loan award decision under this sec-
9 tion, the Secretary may use the correction sub-
10 mitted under that subparagraph for purposes of
11 make the grant or loan award decision.”;

12 (8) in subsection (l) (as redesignated by para-
13 graph (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”.

○