

118TH CONGRESS  
1ST SESSION

# H. R. 3216

To amend the Rural Electrification Act of 1936 to reauthorize and improve the ReConnect loan and grant program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2023

Mrs. CAMMACK (for herself, Mr. SOTO, Mr. JACKSON of Texas, and Ms. PEREZ) 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 reauthorize and improve the ReConnect loan and grant program, 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 Internet Im-  
5 provement Act of 2023”.

6 **SEC. 2. STREAMLINING BROADBAND AUTHORITIES.**

7 (a) IN GENERAL.—Section 601 of the Rural Elec-  
8 trification Act of 1936 (7 U.S.C. 950bb) is amended—

1 (1) by striking the section heading and insert-  
2 ing “**RECONNECT PROGRAM**”;

3 (2) in subsection (b)—

4 (A) by redesignating paragraph (3) as  
5 paragraph (4); and

6 (B) by inserting after paragraph (2) the  
7 following:

8 “(3) **RECONNECT PROGRAM**.—The term ‘Re-  
9 Connect Program’ means the program established  
10 under this section.”;

11 (3) in subsection (c)—

12 (A) in paragraph (2)(A)—

13 (i) in clause (i)—

14 (I) in subclause (I), by striking

15 “10-Mbps” and inserting “25-Mbps”;

16 and

17 (II) in subclause (II), by striking

18 “1-Mbps” and inserting “3-Mbps”;

19 and

20 (ii) by striking clause (iv) and insert-

21 ing the following:

22 “(iv) give priority to applications from  
23 applicants that have demonstrated the  
24 technical and financial experience required

1 to construct and operate broadband net-  
2 works.”; and

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

4 “(5) APPLICATIONS.—The Secretary shall es-  
5 tablish an application process for grants, loans, and  
6 loan guarantees under this section that—

7 “(A) reduces the amount of data required  
8 to apply by limiting the required data to only—

9 “(i) the entity applying, excluding any  
10 parent or affiliate entity that is not a party  
11 to the application, to the greatest extent  
12 practicable; and

13 “(ii) the geographic area affected by  
14 the application, if a parent or affiliate is  
15 not a party to the application;

16 “(B) simplifies the data interfaces for sub-  
17 mission to the greatest extent practicable; and

18 “(C) allows all applicants, regardless of  
19 whether an applicant is publicly traded, to rely  
20 on a bond rating of at least investment grade  
21 (when bond ratings are available) in place of fi-  
22 nancial documentation.

23 “(6) USE OF BROADBAND MAP.—In making  
24 any determination to award a loan, loan guarantee,  
25 or grant under this section, the Secretary shall uti-

1 lize the map created by the Federal Communications  
2 Commission under section 802(c)(1)(A) of the Com-  
3 munications Act of 1934.”;

4 (4) in subsection (d)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (B), by striking  
7 “subsection (j)” and inserting “subsection  
8 (l)”; and

9 (ii) by adding at the end the fol-  
10 lowing:

11 “(C) GRANT REQUIREMENTS.—The Sec-  
12 retary—

13 “(i) shall not restrict the eligibility of  
14 an entity for a grant under this section  
15 based on the legal structure of the entity;

16 “(ii) shall allow entities to apply for a  
17 grant under this section without regard to,  
18 or preference for, the legal structure of an  
19 entity;

20 “(iii) in determining the financial abil-  
21 ity of an entity to carry out a project using  
22 a grant under this section, shall allow the  
23 entity to demonstrate that financial ability  
24 by methods that—

1                   “(I) the Secretary determines to  
2                   be the least burdensome; and

3                   “(II) subject to clause (v), are  
4                   not limited to providing the Federal  
5                   Government an exclusive first lien on  
6                   all grant-funded assets during the  
7                   service obligation of the grant;

8                   “(iv) subject to clause (v), in deter-  
9                   mining the required collateral to secure  
10                  grant funds or to secure performance dur-  
11                  ing the service obligation of a grant, shall  
12                  allow an awardee to offer alternative secu-  
13                  rity, such as a letter of credit, in lieu of  
14                  providing the Federal Government an ex-  
15                  clusive first lien on all grant-funded assets;  
16                  and

17                  “(v) if the Secretary reasonably deter-  
18                  mines that alternative methods or alter-  
19                  native security established under clause  
20                  (iii)(II) or (iv) are insufficient to secure  
21                  performance with respect to a project  
22                  under this section—

23                  “(I) may require an entity to  
24                  provide the Federal Government an  
25                  exclusive first lien all grant-funded as-

1 sets during the service obligation of  
2 the grant; and

3 “(II) shall release that lien after  
4 the Secretary determines that the en-  
5 tity is performing to the satisfaction  
6 of the Secretary.”; and

7 (B) in paragraph (2)—

8 (i) in subparagraph (A)(i), by striking  
9 “50” and inserting “90”; and

10 (ii) by adding at the end the fol-  
11 lowing:

12 “(D) OBLIGATIONS TO PROVIDE  
13 BROADBAND SERVICE IN THE SAME SERVICE  
14 TERRITORY.—

15 “(i) DEFINITION OF BROADBAND IN-  
16 FRASTRUCTURE.—In this subparagraph,  
17 the term ‘broadband infrastructure’ means  
18 any cables, fiber optics, wiring, or other  
19 permanent infrastructure that is integral  
20 to the structure, including fixed wireless  
21 infrastructure, that—

22 “(I) is capable of providing ac-  
23 cess to internet connections in indi-  
24 vidual locations; and

1           “(II) offers an advanced tele-  
2           communications capability (as defined  
3           in section 706(d) of the Telecommuni-  
4           cations Act of 1996 (47 U.S.C.  
5           1302(d))).

6           “(ii) OTHER PROVIDERS.—The Sec-  
7           retary shall consider a proposed service  
8           territory with respect to which an eligible  
9           entity submits an application to carry out  
10          a project under this section to be served by  
11          broadband service if a broadband service  
12          provider other than that eligible entity is  
13          subject to an obligation by a Federal,  
14          State, or local government entity to build  
15          broadband infrastructure and offer  
16          broadband service in that service territory,  
17          subject to conditions—

18                  “(I) under a Federal, State, or  
19                  local funding award program; or

20                  “(II) otherwise required by the  
21                  Federal, State, or local government  
22                  entity.

23           “(iii) OTHER FUNDING.—Subject to  
24           clause (iv), the Secretary shall not be re-  
25           quired to consider a proposed service terri-

1 tory with respect to which an eligible entity  
2 submits an application to carry out a  
3 project under this section to be served by  
4 broadband service if that eligible entity has  
5 accepted an obligation under a Federal,  
6 State, or local funding award program to  
7 build broadband infrastructure and offer  
8 broadband service in that service territory,  
9 if the proposed project under this sec-  
10 tion—

11 “(I) would not be duplicative of  
12 the obligation under the other award  
13 program; and

14 “(II) would build broadband in-  
15 frastructure that results in faster  
16 speeds or expedited milestones of de-  
17 ployment of broadband infrastructure  
18 in that service territory, as compared  
19 to the obligation under the other  
20 award program.

21 “(iv) OTHER OBLIGATIONS FOR  
22 LOWER TRANSMISSION CAPACITY.—The  
23 Secretary shall consider a proposed service  
24 territory with respect to which an eligible  
25 entity submits an application to carry out



1 a project under this section to be unserved  
2 by broadband service if an obligation under  
3 another award program described in clause  
4 (iii) would not provide broadband service of  
5 at least—

6 “(I) a 25-Mbps downstream  
7 transmission capacity; and

8 “(II) a 3-Mbps upstream trans-  
9 mission capacity.

10 “(E) REQUIREMENTS FOR FUNDING.—

11 “(i) AFFILIATE OWNED AND OPER-  
12 ATED NETWORKS.—A grant, loan, or loan  
13 guarantee under this section may be used  
14 to construct networks that will be owned  
15 and operated by an affiliate of the eligible  
16 entity receiving the grant, loan, or loan  
17 guarantee, subject to the condition that the  
18 eligible entity, the affiliate, or both, as the  
19 Secretary determines to be necessary, shall  
20 provide adequate security for the grant,  
21 loan, or loan guarantee.

22 “(ii) NEGATIVE COVENANTS AND CON-  
23 DITIONS.—To the greatest extent prac-  
24 ticable, a project carried out using a grant,  
25 loan, or loan guarantee under this section

1 shall not add any new negative covenants  
2 or conditions to the grant, loan, or loan  
3 guarantee agreement that were not pre-  
4 viously disclosed to the eligible entity at  
5 the time of application for the grant, loan,  
6 or loan guarantee.

7 “(iii) OWNERSHIP OF SYSTEMS.—

8 “(I) IN GENERAL.—A network  
9 constructed with a grant, loan, or loan  
10 guarantee under this section may be  
11 transferred to an unaffiliated provider  
12 that agrees—

13 “(aa) to assume the service  
14 obligation; and

15 “(bb) to provide appropriate  
16 and sufficient security for that  
17 network.

18 “(II) DETERMINATION.—The  
19 Secretary shall not unreasonably with-  
20 hold consent to enter into an appro-  
21 priate agreement described in sub-  
22 clause (I) with the transferee based on  
23 an evaluation by the Secretary of the  
24 ability of the transferee to assume the

1 agreement and provide security de-  
2 scribed in item (bb) of that subclause.

3 “(iv) REPORTING AND AUDITING.—

4 The Secretary shall—

5 “(I) simplify, to the maximum  
6 extent practicable, ongoing reporting  
7 and auditing requirements for recipi-  
8 ents of a grant, loan, or loan guar-  
9 antee under this section; and

10 “(II) allow a recipient described  
11 in subclause (I) whose financial infor-  
12 mation is consolidated with the finan-  
13 cial information of a parent entity to  
14 rely on that consolidated financial in-  
15 formation in complying with the re-  
16 quirements described in that sub-  
17 clause if the parent entity is providing  
18 a guarantee on behalf of a subsidiary  
19 of the parent entity with respect to  
20 the grant, loan, or loan guarantee.

21 “(v) PROCUREMENT AND CON-  
22 TRACTING.—The Secretary—

23 “(I) shall simplify, to the max-  
24 imum extent practicable, requirements  
25 for recipients of a grant, loan, or loan

1 guarantee under this section relating  
2 to the procurement of materials and  
3 retention of contractors; and

4 “(II) shall not unreasonably re-  
5 strict the ability of a recipient de-  
6 scribed in subclause (I) to obtain  
7 goods and services from affiliated en-  
8 tities.”;

9 (5) in subsection (e)(1)—

10 (A) in subparagraph (A), by striking “25-  
11 Mbps” and inserting “100-Mbps”; and

12 (B) in subparagraph (B), by striking “3-  
13 Mbps” and inserting “20-Mbps”;

14 (6) by redesignating subsections (j) and (k) as  
15 subsections (l) and (m), respectively;

16 (7) by inserting after subsection (i) the fol-  
17 lowing:

18 “(j) REGULATIONS.—The Secretary shall issue regu-  
19 lations to carry out this section in accordance with section  
20 553 of title 5, United States Code.

21 “(k) ANNUAL REPORTS.—Not later than 120 days  
22 after the date of enactment of the Rural Internet Improve-  
23 ment Act of 2023, and not less frequently than annually  
24 thereafter, the Secretary shall—

25 “(1) publish a report describing—

1           “(A) the distribution of amounts made  
2 available under the ReConnect Program for the  
3 preceding year;

4           “(B) the number of locations at which  
5 broadband service was made available using  
6 amounts under the ReConnect Program for the  
7 preceding year;

8           “(C) the number of locations described in  
9 subparagraph (B) at which broadband service  
10 was used; and

11           “(D) the highest level of broadband service  
12 made available at each location described in  
13 subparagraph (B); and

14           “(2) submit the report described in paragraph  
15 (1) to—

16           “(A) the Committee on Agriculture, Nutri-  
17 tion, and Forestry of the Senate;

18           “(B) the Committee on Commerce,  
19 Science, and Transportation of the Senate;

20           “(C) the Committee on Agriculture of the  
21 House of Representatives; and

22           “(D) the Committee on Energy and Com-  
23 merce of the House of Representatives.”; and

24           (8) in subsection (l) (as so redesignated), in  
25 paragraph (1), by striking “for each of fiscal years

1       2019 through 2023” and inserting “for each fiscal  
2       year”.

3       (b) SUNSET.—Beginning on the date that is 120 days  
4 after the date of enactment of this Act, section 779 of  
5 division A of the Consolidated Appropriations Act, 2018  
6 (Public Law 115–141; 132 Stat. 399), shall have no force  
7 or effect.

8       (c) TRANSFER OF AMOUNTS.—The unobligated bal-  
9 ance, as of the date that is 120 days after the date of  
10 enactment of this Act, of any amounts made available to  
11 carry out the pilot program described in section 779 of  
12 division A of the Consolidated Appropriations Act, 2018  
13 (Public Law 115–141; 132 Stat. 399)—

14               (1) is transferred to, and merged with, amounts  
15 made available to carry out section 601 of the Rural  
16 Electrification Act of 1936 (7 U.S.C. 950bb); and

17               (2) shall remain available, until expended, and  
18 without further appropriation, to carry out the Re-  
19 Connect Program established under that section.

20       (d) EFFECT.—Title VI of the Rural Electrification  
21 Act of 1936 (7 U.S.C. 950bb et seq.) is amended by add-  
22 ing at the end the following:

23       **“SEC. 607. EFFECT.**

24       “Nothing in this title authorizes the Secretary to reg-  
25 ulate rates charged for broadband service.”.

1 (e) PUBLIC NOTICE, ASSESSMENTS, AND REPORTING  
2 REQUIREMENTS.—Section 701 of the Rural Electrifica-  
3 tion Act of 1936 (7 U.S.C. 950ce) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1)(A), by inserting “,  
6 including a complete shapefile map” after “ap-  
7 plicant”; and

8 (B) in paragraph (2)(D), by striking “(c)”  
9 and inserting “(d)”;

10 (2) by redesignating subsections (b) through (e)  
11 as subsections (c) through (f), respectively;

12 (3) by inserting after subsection (a) the fol-  
13 lowing:

14 “(b) CHALLENGE PROCESS.—

15 “(1) IN GENERAL.—The Secretary shall estab-  
16 lish a transparent, evidence based, and expeditious  
17 process for challenging, with respect to any area for  
18 which assistance is sought under an application de-  
19 scribed in subsection (a)(1), whether that area has  
20 access to broadband service.

21 “(2) NOTICE.—The Secretary shall make pub-  
22 licly available on the website of the Department of  
23 Agriculture a written notice describing—

24 “(A) the decision of the Secretary on each  
25 challenge submitted under paragraph (1); and

1           “(B) the reasons for each decision de-  
2           scribed in subparagraph (A).”; and

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

4           “(g) PUBLIC NOTICE OF ELIGIBLE FUNDING  
5 AREAS.—Prior to making available to the public the data-  
6 base under subsection (a), the Secretary shall make avail-  
7 able to the public a fully searchable database on the  
8 website of the Rural Utilities Service that contains infor-  
9 mation on areas eligible for assistance under retail  
10 broadband projects that are administered by the Secretary  
11 in accordance with the maps created by the Federal Com-  
12 munications Commission under section 802(c)(1) of the  
13 Communications Act of 1934 (47 U.S.C. 642(c)(1)).”.

14           (f) FEDERAL BROADBAND PROGRAM COORDINA-  
15 TION.—Section 6212 of the Agriculture Improvement Act  
16 of 2018 (7 U.S.C. 950bb–6) is amended—

17           (1) by redesignating subsections (a), (b), (c),  
18           and (d) as subsections (b), (c), (e), and (a), respec-  
19           tively, and moving the subsections so as to appear  
20           in alphabetical order;

21           (2) in subsection (a) (as so redesignated), in  
22           paragraph (3), by striking “section 601(b)(3) of the  
23           Rural Electrification Act of 1936” and inserting  
24           “section 601(b) of the Rural Electrification Act of  
25           1936 (7 U.S.C. 950bb(b))”;



1           (3) in subsection (c) (as so redesignated), in  
2 paragraph (1)—

3           (A) by striking “The Secretary” and in-  
4 serting the following:

5           “(A) IN GENERAL.—The Secretary”; and

6           (B) by adding at the end the following:

7           “(B) RECONNECT PROGRAM.—On award-  
8 ing a grant, loan, or loan guarantee under the  
9 ReConnect Program established under section  
10 601 of the Rural Electrification Act of 1936 (7  
11 U.S.C. 950bb), the Secretary shall notify the  
12 Commission of that award.”; and

13          (4) by inserting after subsection (c) (as so re-  
14 designated) the following:

15          “(d) MEMORANDUM OF UNDERSTANDING RELATING  
16 TO OUTREACH.—The Secretary shall enter into a memo-  
17 randum of understanding with the Assistant Secretary  
18 and the Commission to facilitate outreach to residents and  
19 businesses in rural areas, including—

20           “(1) to evaluate the broadband service needs in  
21 rural areas;

22           “(2) to inform residents and businesses in rural  
23 areas of available Federal programs that promote  
24 broadband access, broadband affordability, and  
25 broadband inclusion; and

1           “(3) for such additional goals as the Secretary,  
2           the Assistant Secretary, and the Commission deter-  
3           mine to be appropriate.”.

○