

118TH CONGRESS
1ST SESSION

S. 599

To establish the Foundation for Digital Equity, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2023

Mr. LUJÁN (for himself, Mrs. FEINSTEIN, Ms. KLOBUCHAR, Mr. BLUMENTHAL, Mr. HEINRICH, Mr. MARKEY, Mr. MERKLEY, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To establish the Foundation for Digital Equity, 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 “Digital Equity Foun-
5 dation Act of 2023”.

6 **SEC. 2. FOUNDATION FOR DIGITAL EQUITY.**

7 (a) DEFINITIONS.—In this section:

8 (1) ASSISTANT SECRETARY.—The term “Assist-
9 ant Secretary” means the Assistant Secretary of
10 Commerce for Communications and Information.

1 (2) BOARD.—The term “Board” means the
2 Board of Directors described in subsection (d)(1).

3 (3) BUSINESS INCUBATOR.—The term “busi-
4 ness incubator” has the meaning given the term in
5 section 3 of the Native American Business Incuba-
6 tors Program Act (25 U.S.C. 5802).

7 (4) COMMISSION.—The term “Commission”
8 means the Federal Communications Commission.

9 (5) COMMITTEE.—The term “Committee”
10 means the Committee for the Establishment of the
11 Foundation for Digital Equity established under
12 subsection (b).

13 (6) COMMUNITY ANCHOR INSTITUTION; COV-
14 ERED POPULATIONS; DIGITAL EQUITY; DIGITAL LIT-
15 ERACY.—The terms “community anchor institu-
16 tion”, “covered populations”, “digital equity”, and
17 “digital literacy” have the meanings given those
18 terms in section 60302 of the Digital Equity Act of
19 2021 (47 U.S.C. 1721).

20 (7) DEPARTMENT.—The term “Department”
21 means the Department of Commerce.

22 (8) DIGITAL INCLUSION.—The term “digital in-
23 clusion”—

24 (A) means the activities that are necessary
25 to ensure that all individuals in the United

1 States have access to, and the use of, affordable
2 information and communication technologies,
3 such as—

4 (i) reliable fixed and wireless
5 broadband;

6 (ii) internet-enabled devices that meet
7 the needs of the user for telehealth, remote
8 work, remote schooling, or other purposes;
9 and

10 (iii) applications and online content
11 designed to enable and encourage self-suf-
12 ficiency, participation, and collaboration;
13 and

14 (B) includes—

15 (i) obtaining access to digital literacy
16 training;

17 (ii) the provision of quality technical
18 support; and

19 (iii) obtaining basic awareness of
20 measures to ensure online privacy and cy-
21 bersecurity.

22 (9) EXECUTIVE DIRECTOR.—The term “Execu-
23 tive Director” means the Executive Director of the
24 Foundation described in subsection (f)(1).

1 (10) FOUNDATION.—The term “Foundation”
2 means the Foundation for Digital Equity established
3 under this section.

4 (11) INSTITUTION OF HIGHER EDUCATION.—
5 The term “institution of higher education” means—

6 (A) an institution of higher education, as
7 that term is defined in section 101 of the High-
8 er Education Act of 1965 (20 U.S.C. 1001); or

9 (B) a postsecondary vocational institution,
10 as that term is defined in section 102(c) of the
11 Higher Education Act of 1965 (20 U.S.C.
12 1002(c)).

13 (12) MINORITY-SERVING INSTITUTION.—The
14 term “Minority-serving institution” means an insti-
15 tution described in any of paragraphs (1) through
16 (7) of section 371(a) of the Higher Education Act
17 of 1965 (20 U.S.C. 1067q(a)).

18 (13) NTIA.—The term “NTIA” means the Na-
19 tional Telecommunications and Information Admin-
20 istration.

21 (14) OLDER INDIVIDUAL.—The term “older in-
22 dividual” has the meaning given the term in section
23 102 of the Older Americans Act of 1965 (42 U.S.C.
24 3002).

(15) SECRETARY.—The term “Secretary” means the Secretary of Commerce.

18 (b) COMMITTEE FOR THE ESTABLISHMENT OF THE
19 FOUNDATION FOR DIGITAL EQUITY.—

(A) who shall be appointed by the officials described in subsection (d)(2)(B)(i);

(B) each of whom shall be a voting member of the Committee;

(D) not less than 1 of whom shall have broad and general experience in working with private nonprofit organizations.

12 (3) FUNCTIONS.—The functions of the Com-
13 mittee shall be as follows:

19 (i) serving as the incorporators for the
20 Foundation; and

18 (5) TERM.—

22 (B) VACANCIES.—

1 Committee to carry out the functions of
2 the Committee.

10 (6) COMPENSATION.—A member of the Com-
11 mittee—

(B) may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the functions of the Committee.

1 mines that the Committee has completed the
2 functions described in paragraph (3).

3 (c) GENERAL PRINCIPLES OF THE FOUNDATION.—

4 (1) MISSION.—The mission of the Foundation
5 shall be—

6 (A) to supplement, but not supplant, the
7 work of the NTIA and the Commission in pro-
8 moting the benefits of technological develop-
9 ment in the United States, and of high-capac-
10 ity, affordable broadband connectivity in par-
11 ticular, for all users of telecommunications and
12 information facilities;

13 (B) to raise, leverage, or match funding
14 from other entities, including philanthropic or-
15 ganizations, the private sector, and State and
16 local governments, to promote digital literacy,
17 digital inclusion, and digital equity for commu-
18 nities with low rates of adoption of broadband;

19 (C) to develop programs and partnerships
20 to—

21 (i) spur greater rates of adoption of
22 broadband among covered populations;

23 (ii) collaborate with State, local, and
24 Tribal governments, Minority-serving insti-
25 tutions, other anchor institutions, and

1 stakeholders in the communications, edu-
2 cation, business, and technology fields;
3 (iii) publicize and incentivize the
4 adoption of evidence-based programs;
5 (iv) convene organizations and part-
6 nerships with related goals and interests to
7 establish problem-solving processes;
8 (v) strengthen and share best prac-
9 tices relating to—
10 (I) projects promoting digital in-
11 clusion, digital literacy, and digital eq-
12 uity; and
13 (II) regional economic develop-
14 ment;
15 (vi) support job creation and work-
16 force development; and
17 (vii) support the goals of the Tribal
18 Broadband Connectivity Program; and
19 (D) to promote equitable access to, and the
20 adoption of, broadband technologies and digital
21 applications that support accessibility, tele-
22 health, distance learning, and online access to
23 governmental benefits and services, including by
24 preventing, detecting, and remedying digital
25 discrimination.

1 (2) LIMITATION.—The Foundation shall not be
2 an agency or instrumentality of the Federal Govern-
3 ment or any State or local government.

4 (3) TAX-EXEMPT STATUS.—The Board shall
5 take all necessary and appropriate steps to ensure
6 that the Foundation is an organization that is de-
7 scribed in section 501(c) of the Internal Revenue
8 Code of 1986 and exempt from taxation under sec-
9 tion 501(a) of that Code.

10 (d) BOARD OF DIRECTORS.—

11 (1) ESTABLISHMENT.—The Foundation shall
12 be governed by a Board of Directors.

13 (2) COMPOSITION.—

14 (A) IN GENERAL.—The Board shall be
15 composed of the ex officio members described in
16 subparagraph (B) and the appointed voting
17 members described in subparagraph (C).

18 (B) EX OFFICIO MEMBERS.—

19 (i) MEMBERS.—The ex officio mem-
20 bers of the Board shall be the following in-
21 dividuals (or designees of those individ-
22 uals):

23 (I) The Secretary.

24 (II) The Assistant Secretary.

(III) The Chairman of the Committee
mission.

5 (V) The Under Secretary of Agri-
6 culture for Rural Development.

12 (C) APPOINTED MEMBERS.—

25 (I) have—

(aa) experience promoting digital equity, digital inclusion, and digital literacy;

(bb) experience in the technology sector;

(cc) experience in the telecommunications and broadband sector;

(dd) direct experience working with covered populations; or

(ee) research experience in foundation operations; and

(II) to the extent practicable, represent diverse regions, sectors, and the communities corresponding to the covered populations that are the focus of the activities of the Foundation.

(3) CHAIR AND VICE CHAIR.—

(4) TEBMS AND VACANCIES.—

(A) TERMS.—

(i) IN GENERAL.—The term of service of each appointed member of the Board shall be not more than 5 years.

(ii) INITIAL APPOINTED MEMBERS.—

Of the initial members of the Board appointed under subsection (b)(3)(D), $\frac{1}{2}$ of the members shall serve for 4 years and $\frac{1}{2}$ of the members shall serve for 5 years, as determined by the Chair of the Board.

(B) VACANCIES.—Any vacancy in the membership of the appointed members of the Board—

(i) shall be filled by a majority vote of the appointed members of the Board in accordance with the bylaws of the Foundation;

(ii) shall not affect the power of the remaining appointed members to execute the duties of the Board; and

(iii) shall be filled by an individual selected by the Board.

(5) MEETINGS; QUORUM.—

(A) INITIAL MEETING.—Not later than 60 days after the date on which all of the members of the Board have been appointed, the Sec-

1 retary shall convene a meeting of the ex officio
2 and appointed members of the Board to estab-
3 lish the bylaws of the Foundation in accordance
4 with paragraph (7).

5 (B) QUORUM.—A majority of the ap-
6 pointed members of the Board shall constitute
7 a quorum for purposes of conducting the busi-
8 ness of the Board.

9 (6) DUTIES.—The Board shall—

10 (A) provide overall direction for the activi-
11 ties of the Foundation and establish priority ac-
12 tivities;

13 (B) provide guidance to the Executive Di-
14 rector such that the Executive Director may
15 carry out any other necessary activities of the
16 Foundation;

17 (C) evaluate the performance of the Execu-
18 tive Director; and

19 (D) actively solicit and accept funds, gifts,
20 grants, devises, or bequests of real or personal
21 property to the Foundation, including from pri-
22 vate entities.

23 (7) BYLAWS.—

24 (A) IN GENERAL.—The bylaws established
25 under paragraph (5)(A) may include—

21 (iv) the specific duties of the Executive
22 Director.

(B) REQUIREMENTS.—The Board shall ensure that the bylaws of the Foundation and the

activities carried out under those bylaws shall
not—

(iii) otherwise further the purposes of
this section.

24 (8) COMPENSATION —

1 (A) IN GENERAL.—No member of the
2 Board shall receive compensation for serving as
3 a member of the Board.

4 (B) REIMBURSEMENT OF CERTAIN EX-
5 PENSES.—In accordance with the bylaws of the
6 Foundation, members of the Board may be re-
7 imbursed for travel expenses, including per
8 diem in lieu of subsistence, and other necessary
9 expenses incurred in carrying out the duties of
10 the Board.

11 (e) ACTIVITIES.—

12 (1) STUDIES, COMPETITIONS, AND PROJECTS.—
13 The Foundation may conduct and support studies,
14 competitions, projects, and other activities that fur-
15 ther the mission of the Foundation described in sub-
16 section (c)(1).

17 (2) GRANTS.—

18 (A) IN GENERAL.—The Foundation may
19 award grants for activities relating to digital eq-
20 uity, digital inclusion, or digital literacy.

21 (B) SELECTION.—In selecting a recipient
22 for a grant awarded under subparagraph (A),
23 the Foundation—

24 (i) shall make the selection based on
25 the comparative merits of—

(I) the proposed project of the potential recipient;

(II) the impact of the project described in subclause (I) on promoting digital equity in local communities; and

(III) the alignment of the project described in subclause (I) with—

(aa) the overall goals of the

Foundation relating to diversity
on the basis of geography;

(bb) the type of need addressed by the project; and

(cc) other factors specified

in the strategic plan and grant guidelines of the Foundation; and

(ii) may consult with a potential recipient regarding the ability of the potential recipient to carry out various projects which would further the mission of the foundation described in subsection (c)(1).

(3) ACCESSING FACILITIES AND EXPERTISE.—

23 The Foundation may work with the Secretary and
24 the Commission—

1 (A) to leverage the capabilities and facilities of the Department and the Commission;
2
3 and

4 (B) to assist with resources, including by providing information on assets of the Department and the Commission that may enable the promotion of digital equity, digital inclusion, or digital literacy.

9 (4) TRAINING AND EDUCATION.—The Foundation may support programs that provide training to researchers, scientists, and other relevant personnel at the Department, the Commission, and institutions of higher education to help promote digital equity, digital inclusion, and digital literacy.

15 (5) STAKEHOLDER ENGAGEMENT.—The Foundation shall convene, and may consult with, representatives from the Department, the Commission, institutions of higher education, the private sector, public interest stakeholders, and commercialization organizations to develop programs for the mission of the Foundation described in subsection (c)(1) and to advance the activities of the Foundation.

23 (6) FOR-PROFIT SUBSIDIARIES.—

(A) IN GENERAL.—The Foundation may establish 1 or more for-profit subsidiaries, including an impact investment fund—

(ii) to attract for-profit investment partners for digital equity, digital inclusion, and digital literacy activities.

(B) AUTHORITIES OF THE FOR-PROFIT
SUBSIDIARY.—A for-profit subsidiary estab-
lished under subparagraph (A) may—

(iii) provide funding to a startup.

(A) to conduct and support forums, meetings, conferences, courses, and training workshops consistent with the mission of the Foundation described in subsection (c)(1);

(B) to support and encourage the understanding and development of—

(i) data collection that provides clarity with respect to inequities and community needs in order to promote digital equity, digital inclusion, and digital literacy; and

(ii) policies that make regulation more effective and efficient by leveraging the data collection efforts described in clause (i) for the regulation of relevant technology sectors;

(C) for writing, editing, printing, publishing, and selling books and other materials relating to efforts carried out by the Foundation, the Department, or the Commission; and

(D) to conduct other activities to carry out and support the mission of the Foundation described in subsection (c)(1).

(8) EVALUATIONS.—The Foundation shall support the development of an evaluation methodology,

1 to be used as part of any program supported by the
2 Foundation, that shall—

3 (A) consist of qualitative and quantitative
4 metrics;

5 (B) include periodic third party evaluation
6 of the programs and other activities of the
7 Foundation; and

8 (C) be made publicly available.

9 (9) COMMUNICATIONS.—The Foundation shall
10 develop an expertise in communications to—

11 (A) disseminate awareness of funding op-
12 portunities among community-based organiza-
13 tions that serve covered populations; and

14 (B) promote the work of grant recipients
15 under paragraph (2), the successes of the
16 Foundation, opportunities for partnership with
17 the Foundation, and other activities.

18 (10) TRIBAL BROADBAND CONNECTIVITY
19 GRANTS.—The Foundation may support a grant
20 made under the Tribal Broadband Connectivity Pro-
21 gram if there are not adequate appropriations to
22 support such a grant.

23 (f) ADMINISTRATION.—

1 (1) EXECUTIVE DIRECTOR.—The Board shall
2 appoint an Executive Director of the Foundation,
3 who shall serve at the pleasure of the Board.

4 (2) ADMINISTRATIVE CONTROL.—No member
5 of the Board, any officer or employee of the Founda-
6 tion, any officer or employee of any program estab-
7 lished by the Foundation, or any participant in a
8 program established by the Foundation may exercise
9 administrative control over any Federal employee.

10 (3) STRATEGIC PLAN.—Not later than 1 year
11 after the date of enactment of this Act, the Founda-
12 tion shall submit to the Committee on Commerce,
13 Science, and Transportation of the Senate and the
14 Committee on Energy and Commerce of the House
15 of Representatives a strategic plan that, incor-
16 porating the input of the community advisory com-
17 mittee convened under subsection (g)(1), contains—

18 (A) a description of the initial focus areas
19 of, and primary purposes for, each program,
20 grant, or award opportunity that the Founda-
21 tion plans to implement during the 2-year pe-
22 riod beginning on the date on which the stra-
23 tegic plan is submitted;

24 (B) a description of the efforts that the
25 Foundation will take to be transparent in the

processes of the Foundation, including processes relating to—

(i) grant awards, including selection, review, and notification with respect to those awards; and

(ii) communication of past, current, and future digital equity priorities;

12 (D) a description of the efforts undertaken
13 by the Foundation to ensure maximum
14 complementarity and minimum redundancy
15 with investments made by the Secretary and
16 the Commission.

(4) RECURRING REPORT.—Not later than 1 year after the date on which the Foundation is established, and once every 2 years thereafter, the Foundation shall make publicly available, and shall submit to the Committee on Commerce, Science, and Transportation of the Senate, the Committee on Commerce and Energy of the House of Representatives, and the Secretary, a report that, for the period covered by the report—

1 (A) describes the activities of the Foundation
2 and the progress of the Foundation in fur-
3 thering the mission of the Foundation described
4 in subsection (c)(1);

5 (B) provides a specific accounting of the
6 source and use of all funds made available to
7 the Foundation to carry out the activities de-
8 scribed in subparagraph (A) to ensure trans-
9 parency in the alignment of the missions of the
10 Department and the Commission; and

11 (C) includes a summary of each evaluation
12 regarding the decision to award a grant, as de-
13 termined in accordance with the requirements
14 of subsection (e)(2)(B).

15 (5) EVALUATION BY COMPTROLLER GEN-
16 ERAL.—Not later than 5 years after the date on
17 which the Foundation is established, and once every
18 5 years thereafter, the Comptroller General of the
19 United States shall submit to the Committee on
20 Commerce, Science, and Transportation of the Sen-
21 ate and the Committee on Energy and Commerce of
22 the House of Representatives—

23 (A) an evaluation of—

4 (ii) the operation of the Foundation;
5 and

(B) any recommendations regarding how the Foundation may be improved.

16 (7) INTEGRITY.—

1 ployee, or member of the Board may not par-
2 ticipate in deliberations by the Foundation re-
3 garding a matter that would directly or predict-
4 ably affect any financial interest of—

5 (i) the individual;
6 (ii) a relative (as defined in section
7 109 of the Ethics in Government Act of
8 1978 (5 U.S.C. App.)) of that individual;

9 or

10 (iii) a business organization or other
11 entity in which the individual has an inter-
12 est, including an organization or other en-
13 tity with which the individual is negoti-
14 ating employment.

15 (8) INTELLECTUAL PROPERTY.—The Board
16 shall adopt written standards to govern the owner-
17 ship and licensing of any intellectual property
18 rights—

19 (A) developed by the Foundation through
20 activities funded by a for-profit subsidiary es-
21 tablished under subsection (e)(6); or

22 (B) otherwise derived from the collabo-
23 rative efforts of the Foundation.

24 (9) LIABILITY.—

4 (i) the Foundation; or

14 (g) COMMUNITY ADVISORY COMMITTEE AND RE-
15 PORT —

16 (1) COMPOSITION.—

1 that members appointed to the advisory com-
2 mittee under subparagraph (A) represent di-
3 verse regions, sectors, and communities, includ-
4 ing not less than 1 member who is affiliated
5 with, or has experience working with, all of the
6 following:

- 7 (i) Digital inclusion practitioners.
- 8 (ii) Rural-focused programs.
- 9 (iii) Members of Indigenous commu-
10 nities.
- 11 (iv) Civil rights advocates.
- 12 (v) Consumer advocates.
- 13 (vi) Libraries.
- 14 (vii) School systems or education tech-
15 nology specialists.
- 16 (viii) Accessibility advocates or ex-
17 perts.
- 18 (ix) Retired or older individuals.
- 19 (x) Private sector internet service pro-
20 viders.
- 21 (xi) Other relevant groups with expe-
22 rience addressing the access, adoption, and
23 affordability of broadband services.

24 (2) ANNUAL REPORT.—Not later than 2 years
25 after the date on which the Foundation is estab-

1 lished, and annually thereafter, the Board shall di-
2 rect the community advisory committee convened
3 under paragraph (1) to submit to the Board a writ-
4 ten report that includes recommended changes, if
5 any, to the Foundation and any other matter the
6 Board considers appropriate.

7 (3) REIMBURSEMENT FOR CERTAIN EX-
8 PENSES.—In accordance with the bylaws of the
9 Foundation, members of the community advisory
10 committee convened under paragraph (1) may be re-
11 imbursed for travel expenses, including per diem in
12 lieu of subsistence, and other necessary expenses in-
13 curred in carrying out the functions of that advisory
14 committee.

15 (h) SUPPORT SERVICES.—The Secretary shall pro-
16 vide facilities, utilities, and support services to the Foun-
17 dation if the Secretary determines that the provision of
18 those items is advantageous to the programs of the De-
19 partment.

20 (i) ANTI-DEFICIENCY ACT.—Section 1341(a)(1) of
21 title 31, United States Code (commonly referred to as the
22 “Anti-Deficiency Act”), shall not apply to any Federal of-
23 ficer or employee carrying out any activity of the Founda-
24 tion using funds of the Foundation.

1 (j) NO PREEMPTION OF AUTHORITY.—This section
2 shall not preempt any authority or responsibility of the
3 Secretary under any other provision of law.

4 (k) TRANSFER FUNDS.—The Foundation may trans-
5 fer funds to the Department, which shall be subject to all
6 applicable Federal limitations relating to federally funded
7 research.

8 (l) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as may be
10 necessary—

11 (1) to the Secretary for fiscal year 2023 to es-
12 tablish the Committee;

13 (2) to the Foundation for fiscal year 2024 to
14 carry out the activities of the Foundation; and

15 (3) to the Foundation for fiscal year 2025, and
16 each fiscal year thereafter, for administrative and
17 operational costs.

○