

110TH CONGRESS
1ST SESSION

H. R. 2569

To codify certain changes proposed by the Department of Agriculture to the rules governing eligibility for the rural broadband access program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2007

Mr. GRAVES 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

A BILL

To codify certain changes proposed by the Department of Agriculture to the rules governing eligibility for the rural broadband access 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 Broadband De-
5 ployment Act”.

1 **SEC. 2. CODIFICATION OF CERTAIN CHANGES PROPOSED**
2 **BY THE DEPARTMENT OF AGRICULTURE TO**
3 **RULES GOVERNING ELIGIBILITY FOR THE**
4 **RURAL BROADBAND ACCESS PROGRAM.**

5 (a) IN GENERAL.—Section 601(d) of the Rural Elec-
6 trification Act of 1936 (7 U.S.C. 950bb(d)) is amended
7 by adding at the end the following:

8 “(4) ELIGIBILITY DETERMINATIONS.—In deter-
9 mining the eligibility of an applicant for a loan or
10 loan guarantee under this section:

11 “(A) RELAXATION OF MARKET SURVEY
12 REQUIREMENT.—The Secretary shall not re-
13 quire the applicant to submit a market survey
14 for a service area proposed in the application if
15 the applicant is projecting less than a 15 per-
16 cent penetration of households passed in the
17 service area, by the end of the time period used
18 in the study conducted by the Secretary to de-
19 termine whether the project proposed in the ap-
20 plication is financially feasible; and

21 “(B) ELIMINATION OF CREDIT SUPPORT
22 REQUIREMENT, INCLUDING THE CASH ON HAND
23 REQUIREMENT.—In lieu of imposing the credit
24 support requirements set forth in section
25 1738.20 of title 7, Code of Federal Regulations,
26 the Secretary—

1 “(i) except as provided in clause (ii),
2 shall require the applicant to demonstrate
3 a minimum equity position equal to 20
4 percent of the requested loan amount at
5 the time the application is submitted (or
6 10 percent of the amount, if the applica-
7 tion proposes to serve an area in which at
8 least 40 percent of the households do not
9 have access to broadband service or are in
10 an area in which broadband service is pro-
11 vided by only 1 provider);

12 “(ii) may waive or modify the require-
13 ment of clause (i) to the extent that the
14 waiver or modification—

15 “(I) does not result in the appli-
16 cant having a projected negative cash
17 position in any quarter in the time pe-
18 riod referred to in subparagraph (A);
19 and

20 “(II) is required to enable the
21 provision of broadband service in an
22 area that does not have access to
23 broadband service or in which
24 broadband service is provided by only
25 1 provider; and

1 “(iii) shall notify the applicant if fi-
2 nancial analysis indicates that cash from
3 operations and previous cash infusions
4 would not be sufficient to enable to appli-
5 cant to sustain a positive cash position
6 throughout the time period referred to in
7 subparagraph (A), and that additional cash
8 requirements are needed to support the
9 feasibility of the loan.

10 “(C) NOTICE AND COMMENT ON APPLICA-
11 TIONS.—As soon as is practicable after receipt
12 of an application submitted pursuant to this
13 section, the Secretary shall cause to be pub-
14 lished in the Federal Register a notice that the
15 application has been submitted (which shall in-
16 clude a copy of the application), and that the
17 Secretary will accept comments from the public
18 on the application during the 30-day period
19 after the date the notice is so published.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall take effect on December 1, 2007.

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