

117TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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 SENATE OF THE UNITED STATES

Mr. THUNE (for himself, Mr. LUJÁN, Ms. KLOBUCHAR, and Mrs. FISCHER) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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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 2022”.

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 (4) in subsection (d)—

24 (A) in paragraph (1)—

1 (i) in subparagraph (B), by striking  
2 “subsection (j)” and inserting “subsection  
3 (l)”; and

4 (ii) by adding at the end the fol-  
5 lowing:

6 “(C) GRANT REQUIREMENTS.—The Sec-  
7 retary—

8 “(i) shall not restrict the eligibility of  
9 an entity for a grant under this section  
10 based on the legal structure of the entity;

11 “(ii) shall allow entities to apply for a  
12 grant under this section without regard to,  
13 or preference for, the legal structure of an  
14 entity;

15 “(iii) in determining the financial abil-  
16 ity of an entity to carry out a project using  
17 a grant under this section, shall allow the  
18 entity to demonstrate that financial ability  
19 by methods that—

20 “(I) the Secretary determines to  
21 be the least burdensome; and

22 “(II) subject to clause (v), are  
23 not limited to providing the Federal  
24 Government an exclusive first lien on

1 all grant-funded assets during the  
2 service obligation of the grant;

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

12 “(v) if the Secretary reasonably deter-  
13 mines that alternative methods or alter-  
14 native security established under clause  
15 (iii)(II) or (iv) are insufficient to secure  
16 performance with respect to a project  
17 under this section—

18 “(I) may require an entity to  
19 provide the Federal Government an  
20 exclusive first lien all grant-funded as-  
21 sets during the service obligation of  
22 the grant; and

23 “(II) shall release that lien after  
24 the Secretary determines that the en-

1                   tity is performing to the satisfaction  
2                   of the Secretary.”; and

3                   (B) in paragraph (2)—

4                   (i) in subparagraph (A)(i), by striking  
5                   “50” and inserting “90”; and

6                   (ii) by adding at the end the fol-  
7                   lowing:

8                   “(D)     OBLIGATIONS     TO     PROVIDE  
9                   BROADBAND SERVICE IN THE SAME SERVICE  
10                  TERRITORY.—

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

18                         “(I) is capable of providing ac-  
19                         cess to internet connections in indi-  
20                         vidual locations; and

21                         “(II) offers an advanced tele-  
22                         communications capability (as defined  
23                         in section 706(d) of the Telecommuni-  
24                         cations Act of 1996 (47 U.S.C.  
25                         1302(d))).

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

13                   “(I) under a Federal, State, or  
14                   local funding award program; or

15                   “(II) otherwise required by the  
16                   Federal, State, or local government  
17                   entity.

18           “(iii) OTHER FUNDING.—Subject to  
19           clause (iv), the Secretary shall not be re-  
20           quired to consider a proposed service terri-  
21           tory with respect to which an eligible entity  
22           submits an application to carry out a  
23           project under this section to be served by  
24           broadband service if that eligible entity has  
25           accepted an obligation under a Federal,

1 State, or local funding award program to  
2 build broadband infrastructure and offer  
3 broadband service in that service territory,  
4 if the proposed project under this sec-  
5 tion—

6 “(I) would not be duplicative of  
7 the obligation under the other award  
8 program; and

9 “(II) would build broadband in-  
10 frastructure that results in faster  
11 speeds or expedited milestones of de-  
12 ployment of broadband infrastructure  
13 in that service territory, as compared  
14 to the obligation under the other  
15 award program.

16 “(iv) OTHER OBLIGATIONS FOR  
17 LOWER TRANSMISSION CAPACITY.—The  
18 Secretary shall consider a proposed service  
19 territory with respect to which an eligible  
20 entity submits an application to carry out  
21 a project under this section to be unserved  
22 by broadband service if an obligation under  
23 another award program described in clause  
24 (iii) would not provide broadband service of  
25 at least—



1                   “(I) a 25-Mbps downstream  
2                   transmission capacity; and

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

5                   “(E) REQUIREMENTS FOR FUNDING.—

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

17                  “(ii) NEGATIVE COVENANTS AND CON-  
18                  DITIONS.—To the greatest extent prac-  
19                  ticable, a project carried out using a grant,  
20                  loan, or loan guarantee under this section  
21                  shall not add any new negative covenants  
22                  or conditions to the grant, loan, or loan  
23                  guarantee agreement that were not pre-  
24                  viously disclosed to the eligible entity at

1 the time of application for the grant, loan,  
2 or loan guarantee.

3 “(iii) OWNERSHIP OF SYSTEMS.—

4 “(I) IN GENERAL.—A network  
5 constructed with a grant, loan, or loan  
6 guarantee under this section may be  
7 transferred to an unaffiliated provider  
8 that agrees—

9 “(aa) to assume the service  
10 obligation; and

11 “(bb) to provide appropriate  
12 and sufficient security for that  
13 network.

14 “(II) DETERMINATION.—The  
15 Secretary shall not unreasonably with-  
16 hold consent to enter into an appro-  
17 priate agreement described in sub-  
18 clause (I) with the transferee based on  
19 an evaluation by the Secretary of the  
20 ability of the transferee to assume the  
21 agreement and provide security de-  
22 scribed in item (bb) of that subclause.

23 “(iv) REPORTING AND AUDITING.—

24 The Secretary shall—

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

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

17          “(v) PROCUREMENT AND CON-  
18          TRACTING.—The Secretary—

19          “(I) shall simplify, to the max-  
20          imum extent practicable, requirements  
21          for recipients of a grant, loan, or loan  
22          guarantee under this section relating  
23          to the procurement of materials and  
24          retention of contractors; and

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

6                   (5) in subsection (e)(1)—

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

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

11                  (6) by redesignating subsections (j) and (k) as  
12                  subsections (l) and (m), respectively;

13                  (7) by inserting after subsection (i) the fol-  
14                  lowing:

15                  “(j) REGULATIONS.—The Secretary shall issue regu-  
16                  lations to carry out this section in accordance with section  
17                  553 of title 5, United States Code.

18                  “(k) ANNUAL REPORTS.—Not later than 120 days  
19                  after the date of enactment of the Rural Internet Improve-  
20                  ment Act of 2022, and not less frequently than annually  
21                  thereafter, the Secretary shall—

22                  “(1) publish a report describing—

23                  “(A) the distribution of amounts made  
24                  available under the ReConnect Program for the  
25                  preceding year;

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

5           “(C) the number of locations described in  
6 subparagraph (B) at which broadband service  
7 was used; and

8           “(D) the highest level of broadband service  
9 made available at each location described in  
10 subparagraph (B); and

11          “(2) submit the report described in paragraph  
12 (1) to—

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

15           “(B) the Committee on Commerce,  
16 Science, and Transportation of the Senate;

17           “(C) the Committee on Agriculture of the  
18 House of Representatives; and

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

21          (8) in subsection (l) (as so redesignated), in  
22 paragraph (1), by striking “\$350,000,000 for each  
23 of fiscal years 2019 through 2023” and inserting  
24 “such sums as are necessary for each fiscal year”.

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

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

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

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

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

21 **“SEC. 607. EFFECT.**

22 “Nothing in this title authorizes the Secretary to reg-  
23 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.”.