

USDA's ReConnect Program: Expanding Rural Broadband

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USDA's ReConnect Program: Expanding Rural Broadband

In 2018, Congress provided the Secretary of Agriculture authority to establish a new broadband loan and grant pilot program (the ReConnect Program) to help close the digital divide and expand broadband deployment in rural areas. The Federal Communications Commission found in 2019 that approximately 14.5 million Americans lack access to broadband, and more than 11 million of them live in rural areas. The Coronavirus Disease 2019 (COVID-19) pandemic highlights this gap between those with access to broadband and those without access, known as the “digital divide.”

For-profit internet service providers supply the majority of broadband access in the United States. These providers typically build the infrastructure needed to deploy broadband to premises within their service areas. Internet service providers charge monthly user fees to recoup infrastructure costs, cover the cost to provide retail broadband service, and make a profit. Providers tend to deploy broadband to areas where they can reach a high number of people at the lowest cost. Thus, they tend to avoid deploying broadband to areas with high infrastructure costs and small populations, such as rural areas.

Congress provided the underlying authority for the Secretary of Agriculture to establish a new broadband loan and grant pilot program through the passage of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018 (P.L. 115-141). The pilot program later became known as the ReConnect Program. The U.S. Department of Agriculture's Rural Utilities Service (RUS) administers the program, which provides loans, grants, and loan/grant combinations to build and enhance broadband infrastructure in eligible rural service areas. Under the current round of funding, *eligible service areas* are defined as areas where 90% or more of households lack broadband access at speeds of at least 100 megabits per second download and 20 megabits per second upload (i.e., 100/20 Mbps). ReConnect projects are to provide broadband access to all premises within their service areas at speeds of at least 100/100 Mbps.

Congress has provided funding for the ReConnect Program through annual appropriations acts; the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136); and the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). Congress appropriated \$600 million for the program in FY2018, \$550 million in FY2019, \$655 million in FY2020, and \$635 million in FY2021 through appropriations acts. Congress appropriated \$1.926 billion for the ReConnect Program through the IIJA (P.L. 117-58) for FY2022. As of October 2021, RUS has awarded \$1.5 billion in ReConnect Program funding for 181 projects through two rounds of funding. In October 2021, RUS announced the application period for the third round of funding for the ReConnect Program. RUS has made \$1.15 billion available to fund third round applications.

Congress and some stakeholders have identified issues related to the ReConnect Program, including funding levels, extent of service to rural areas, and the potential for duplication of broadband networks. In addition to P.L. 117-58, seven other bills introduced in the 117th Congress would affect the ReConnect Program. The bills would combine the ReConnect Program and Rural Broadband Program (H.R. 4374, H.R. 3369), add safeguards to avoid duplication across ReConnect projects and other federally funded broadband projects (H.R. 3435, H.R. 4825, S. 944), and expand the allowable activities that could be funded through the ReConnect Program (H.R. 2400, H.R. 3654). Additional policy options Congress could consider regarding the ReConnect Program might include addressing broadband affordability in rural areas and training and education to increase broadband adoption among rural residents.

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Introduction

According to the Federal Communications Commission (FCC), approximately 14.5 million Americans lack access to broadband, and more than 11 million of those Americans live in rural areas.¹ Some stakeholders have viewed access to broadband (i.e., high-speed internet) at home as critical during the Coronavirus Disease 2019 (COVID-19) pandemic.² Consequently, the pandemic has highlighted the gap between people with access to broadband and those without access, known as the “digital divide.”³

In 2018, Congress provided the underlying authority for the Secretary of Agriculture to establish a new broadband loan and grant pilot program to help close the digital divide and expand broadband deployment in rural areas. The pilot program later became known as the ReConnect Program. The U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS) administers the ReConnect Program, which provides loans, grants, and loan/grant combinations to build and enhance broadband infrastructure in rural communities. This report explores

- broadband access in rural America;
- the ReConnect Program (i.e., program authority, funding, and awards);
- comparisons between the ReConnect Program and other USDA broadband programs;
- the program’s effectiveness and related factors;
- bills proposed by the 117th Congress that would affect the program; and
- potential policy options related to the ReConnect program.

Broadband Access in Rural America

The FCC found that in 2019, an estimated 17% of people living in rural areas in the United States lacked broadband access, and 1% of people living in urban areas lacked broadband access.⁴ The FCC sets the performance speed benchmark that establishes the level at which fixed broadband service provides advanced telecommunications capabilities. FCC uses this benchmark to determine whether areas have access to broadband. The FCC set the performance speed benchmark at 25 megabits per second download and 3 megabits per second upload (25/3 Mbps). Fixed broadband includes broadband provided through fiber optic cable, cable modem, digital subscriber line, fixed wireless, and satellite. Researchers have identified three factors that contribute to the digital divide between rural and urban areas:

1. **Cost.** It is more expensive to build and maintain broadband infrastructure in rural areas compared with urban areas.

¹ Federal Communications Commission (FCC), *Fourteenth Broadband Deployment Report*, FCC 21-18, January 19, 2021. That report is in response to Section 706 of the Telecommunications Act of 1996, which requires the FCC to report annually on whether advanced telecommunications are being deployed to all Americans and to take action if not.

² John Lai and Nicole O. Widmar, “Revisiting the Digital Divide in the COVID Era,” *Applied Economic Perspectives and Policy*, vol. 43, no. 1 (March 2021), pp. 458-464.

³ Koen Saleminck, Dirk Strijker, and Gary Bosworth, “Rural Development in the digital age: A systemic literature review on unequal ICT availability, adoption and use in rural areas,” *Journal of Rural Studies*, vol. 54 (August 2017), pp. 360-371 (hereinafter Saleminck, Strijker, and Bosworth, “Rural Development in the Digital Age,” 2017).

⁴ FCC, *Fourteenth Broadband Deployment Report*, FCC 21-18, January 19, 2021.

2. **Population.** Rural areas have smaller populations and population density compared with urban areas.
3. **Adoption.** Rural residents tend to have lower adoption rates for broadband than urban residents.⁵

High Costs and Small Populations

For-profit internet service providers (ISPs) supply the majority of U.S. broadband access.⁶ These providers typically build the infrastructure needed to deploy broadband to premises within their service areas. The U.S. Department of Transportation estimates that it costs an average of \$27,000 to build one mile of fiber broadband infrastructure.⁷ ISPs charge monthly user fees to recoup infrastructure costs, cover the cost to provide retail broadband service, and make a profit.⁸ Rural areas often are geographically large and can include rough terrain, such as mountains. Building broadband infrastructure in rural areas is often more expensive than in urban areas.⁹ In addition, rural areas have lower populations than urban areas, which often results in fewer potential customers to pay monthly user fees.

Researchers have identified three operating models for deploying broadband to rural areas.¹⁰

- The *retail model* involves a single entity that builds, owns, and operates the broadband network, and it is the most common model in the United States. This model is impacted by customer density, which is low in rural America. The cost to the entity to provide service is often high for each customer when customers are spread out geographically. For some, a potential advantage of this model is that a single entity can make all of the profit from operating the business. A disadvantage could be that a single entity has to take on all of the risk if the business does to succeed.
- The *open-access model* involves an entity—typically a government entity, such as a municipality—building and owning the broadband network. The network owner provides network access to multiple ISPs, which then provide retail broadband service to customers. An advantage of this model, some say, is that customers receive a variety of choices for their broadband service. A potential disadvantage is that most municipalities operating open-access networks do not generate sufficient revenue to pay for the cost of building the network.
- The *public-private partnership model* involves a municipality and a commercial ISP working together to deploy broadband to an area. An advantage of this

⁵ See CRS Report R46613, *The Digital Divide: What Is It, Where Is It, and Federal Assistance Programs*, by Colby Leigh Rachfal; and Pew Research Center, “Internet/Broadband Fact Sheet,” accessed October 28, 2021, at <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>.

⁶ CRS Report R46108, *Demand for Broadband in Rural Areas: Implications for Universal Access*, by Brian E. Humphreys.

⁷ Alexander Marre and Alexander Nikolov, “Rural Spotlight: Bringing Broadband to Maryland’s Eastern Shore,” *Federal Reserve Bank of Richmond*, Rural Spotlight Series, July 15, 2021.

⁸ CRS Report R46613, *The Digital Divide: What Is It, Where Is It, and Federal Assistance Programs*, by Colby Leigh Rachfal.

⁹ CRS Report R46108, *Demand for Broadband in Rural Areas: Implications for Universal Access*, by Brian E. Humphreys.

¹⁰ Doug Dawson, “The Rural Broadband Industry,” *The Pew Charitable Trusts*, commissioned White Paper, September 1, 2021.

model, according to some, is that the private and public entities can work together to raise the funds needed to build the network. A possible disadvantage is that public and private entities may have different goals for the broadband project. Commercial ISPs likely would be focused on generating a profit, while government entities may be focused on providing value to their community and offering low broadband service rates.

Low Demand for Service

The National Telecommunications and Information Administration (NTIA) has studied internet *adoption* in U.S. homes in both rural and urban areas.¹¹ NTIA calculated how many people had access to broadband service (231 million people) and the portion of those people who elected to subscribe to broadband service. NTIA found about 76% of people in rural areas use the internet in their homes, compared with 87% of people in urban areas. Research has identified three factors that may contribute to broadband adoption: age, educational attainment, and income level.¹² The USDA Economic Research Service (ERS) found that rural residents tend to be older, have lower educational attainment, and lower incomes compared with urban residents—all characteristics that could contribute to lower levels of broadband adoption.¹³ Studies have shown that broadband usage increases for rural residents when they identify essential tasks that can be completed using the internet.¹⁴ Essential tasks include working remotely and helping children access e-learning.¹⁵ In those cases, rural residents reportedly will expend to access the internet, including driving to the parking lots of restaurants, libraries, and schools to access free Wi-Fi.

ReConnect Program

Congress provided authority to USDA to establish the ReConnect Program to address the digital divide in the United States and facilitate broadband deployment in rural areas. The program provides funding for ISPs and other entities to help offset the cost of building broadband infrastructure in rural areas. This section provides an overview of the program authority, funding, and awards. It also compares and contrasts the ReConnect Program with other USDA broadband programs.

Program Authority

On March 23, 2018, Congress provided the underlying authority for the Secretary of Agriculture to establish a new broadband loan and grant pilot program through the passage of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018 (P.L. 115-141, Division A, Title VII, §779). Congress directed that the pilot program be

¹¹ National Telecommunications and Information Administration (NTIA), “Digital National Data Explorer,” last modified June 10, 2020, at <https://www.ntia.gov/data/digital-nation-data-explorer>.

¹² Pew Research Center, “Internet/Broadband Fact Sheet.”

¹³ John Cromartie et al., *Rural America at a Glance: 2020 Edition*, U.S. Department of Agriculture (USDA) Economic Research Service (ERS), Economic Information Bulletin (EIB) 221, December 17, 2020; and John Pender et al., *Rural America at a Glance: 2019 Edition*, USDA ERS, EIB-212, November 13, 2019.

¹⁴ CRS Report R46108, *Demand for Broadband in Rural Areas: Implications for Universal Access*, by Brian E. Humphreys.

¹⁵ Cecilia Kang, “Parking Lots Have Become a Digital Lifeline,” *New York Times*, May 5, 2020; Paul Gattis, “Why Are Kids Doing Their Homework in McDonald’s Parking Lots?,” *Huntsville Real-Time News*, January 29, 2019; and Lucas Smolcic Larson, “Life In The ‘Dead Zone’: How Thousands In Washtenaw County Get by Without Broadband,” *Michigan Live: Ann Arbor*, October 18, 2021.

created through the authority provided to USDA under the Rural Electrification Act of 1936 (7 U.S.C. §§901 et seq.), which authorizes the agency to finance broadband deployment in rural areas. The pilot program became known as the Rural eConnectivity Pilot Program and eventually the ReConnect Program. Congress has reauthorized the broadband loan and grant pilot program annually through the

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2019 (P.L. 116-6, Title VII, §762);
- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2020 (P.L. 116-94, Title VII, §787); and
- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2021 (P.L. 116-260, Title VII, §775).

On February 26, 2021, RUS issued the final rule for the ReConnect Program in the *Federal Register*, which established the program's regulations.¹⁶ RUS published those final regulations as 7 C.F.R. §1740.

Funding

Congress has appropriated funding for the ReConnect Program each year from FY2018 to FY2022. Funding amounts provided below represent budget authority, including loan subsidies that support larger loan levels. (See **Table 1** for additional information on program funding.)

- **FY2018.** Congress appropriated \$600 million to establish the ReConnect Program through the Consolidated Appropriations Act, 2018 (P.L. 115-141, Division A, §779).
- **FY2019.** Congress appropriated \$550 million for the ReConnect Program through the Consolidated Appropriations Act, 2019 (P.L. 116-6, Division B, §762). Funding included \$125 million in discretionary funding and \$425 million in funding accrued through the Cushion of Credit account.¹⁷
- **FY2020.** Congress appropriated a total of \$655 million for the ReConnect Program. Congress appropriated \$555 million through the Further Consolidated Appropriations Act, 2020 (P.L. 116-94, Division B, §787). Funding included \$300 million in discretionary funding and \$255 million in funding accrued through the Cushion of Credit account. In addition, Congress appropriated \$100 million for the ReConnect Program in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136, Division B, Title I, §11004).
- **FY2021.** Congress appropriated \$635 million for the ReConnect Program through the Consolidated Appropriations Act, 2021 (P.L. 116-260, Division A, §775). Funding included \$531 million in discretionary funding and \$104 million in funding accrued through the Cushion of Credit account.

¹⁶ USDA Rural Utilities Service (RUS), "Rural eConnectivity Program: Final rule, request for comments," 86 *Federal Register* 11603, February 26, 2021.

¹⁷ The Cushion of Credit account contains funds USDA RUS accrues when the Federal Financing Bank purchases RUS loans. RUS uses the funds from these purchases to fund economic development projects.

- **FY2022.** Congress appropriated \$1.926 billion for the ReConnect Program through the Infrastructure Investment and Jobs Act (P.L. 117-58, Division J, Title I).¹⁸

Program Details

The ReConnect Program, administered by RUS, provides 100% loans, 100% grants, and 50% loan/50% grant combinations to fund the construction and improvement of facilities and equipment needed to provide broadband access to rural areas.¹⁹ The program also can fund the purchase or upgrade of existing systems in rural areas that are not currently providing sufficient broadband access. Eligible applicants include corporations, cooperatives, public entities, U.S. territories, and Indian tribes as defined in the Indian Self-Determination and Education Act (25 U.S.C. §450b). ReConnect projects must meet the following criteria:²⁰

- *Serve rural areas.* Proposed service areas must be in rural areas. The program regulations define *rural area* as any area that is not located within a city, town, or incorporated area that has a population of greater than 20,000 inhabitants or an urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants (7 C.F.R. §1740.2).
- *Serve areas without sufficient broadband access.* At least 90% of households within the proposed service areas must lack sufficient broadband access. The most recent program Funding Opportunity Announcement (FOA) defines *sufficient access to broadband* as any rural area in which households have fixed, terrestrial broadband service defined as 100 megabits per second (Mbps) downstream and 20 Mbps upstream. This is often referred to as 100/20 Mbps.²¹ Applicants determine sufficient broadband service in selected locations by referring to the FCC broadband deployment map.²²
- *Offer service to all premises.* The most recent FOA requires applicants to build a network capable of providing broadband service to all premises within the proposed service areas at speeds of at least 100/100 Mbps downstream and upstream (also known as “100 Mbps symmetrical speed”).²³

RUS reviews completed applications for eligibility and ranks eligible applications using a point system. RUS provides additional priority points to applications meeting certain criteria. The criteria used to assign priority points has varied between rounds 1, 2, and 3 of the ReConnect Program and are discussed in “Awards.”

¹⁸ For more information, see CRS In Focus IF11918, *Infrastructure Investment and Jobs Act: Funding for USDA Rural Broadband Programs*, by Lisa S. Benson and Alyssa R. Casey.

¹⁹ For more information, see CRS In Focus IF11262, *USDA's ReConnect Broadband Pilot Program*, by Alyssa R. Casey.

²⁰ For additional information about program regulations, see 7 C.F.R. §1740. RUS also issues Funding Opportunity Announcements (FOAs) for the ReConnect Program that include requirements for proposed service areas, sufficient broadband access speeds, and project buildout speeds.

²¹ RUS issued the latest FOA on October 25, 2021 (86 *Federal Register* 58860).

²² The FCC collects data on fixed broadband deployment from broadband providers through FCC Form 477. All broadband providers are required to file data with the FCC twice a year through Form 477. For more information, see FCC, “Fixed Broadband Deployment Data from FCC Form 477,” at <https://www.fcc.gov/general/broadband-deployment-data-fcc-form-477>.

²³ RUS issued the latest FOA on October 25, 2021 (86 *Federal Register* 58860).

ReConnect 100% loans have a fixed interest rate of 2%,²⁴ with principal and interest payments deferred for three years. The maximum award for a single 100% loan is \$50 million. ReConnect 50% loan/50% grant combinations have an interest rate for the loan component, which is set at the Treasury rate for the remaining amortization period at the time that each advance of funds takes place. Principal and interest payments are deferred for three years. The maximum award for a loan/grant combination is \$25 million for the loan portion and \$25 million for the grant portion.

Table 1. ReConnect Program Funding Allocation, FY2018 to FY2022

(in thousands of dollars)

Category	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Enacted	FY2022 Enacted ^a
100% Grants	\$0	\$60,000	\$249,653 ^b	\$341,730	
100% Loans	\$558,000	\$19,000	\$34,450	\$27,470	
50% Loans	\$0	\$7,250	\$16,898	\$24,630	
50% Grants	\$0	\$30,000	\$75,000	\$100,000	
Administrative expenses and technical assistance	\$42,000	\$8,750	\$24,000 ^c	\$37,170	
Total grants, loan subsidies, and other expenses	\$600,000	\$125,000	\$400,001	\$531,000	\$1,926,000
Additional funding through Cushion of Credit account ^d	\$0	\$425,000	\$254,999	\$104,000	\$0
Total Budget Authority	\$600,000	\$550,000	\$655,000^e	\$635,000	\$1,926,000

Source: Compiled by CRS using the FY2021 and FY2022 USDA Congressional Budget Justification for the Rural Utilities Service (RUS).

- a. The FY2022 enacted funding includes \$1.9 billion appropriated by Congress through the Infrastructure Investment and Jobs Act (P.L. 117-58). The blank cells indicate that Congress appropriated this funding for grants and loans and, as of this report's date, has not specified the funding to be allocated to 100% grants, 100% loans, and grant/loan combinations. The act specified that up to 3% of the funding (\$58 million) be spent on technical assistance and not more than 4% of the funding (\$77 million) be spent on administrative expenses.
- b. FY2020 "100% Grants" include \$153 million from the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) and \$97 million from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136).
- c. FY2020 "Administrative expenses and technical assistance" include \$21 million from the Further Consolidated Appropriations Act, 2020 and \$3 million from the CARES Act.
- d. The Cushion of Credit account contains funds RUS accrues when the Federal Financing Bank, an entity within the Department of the Treasury, purchases RUS loans. RUS uses the funds from these purchases to fund economic development projects.
- e. FY2020 "Total Budget Authority" includes \$555 million appropriated by Congress through the Consolidated Appropriations Act, 2021 (P.L. 116-260) and \$100 million appropriated by Congress through the CARES Act.

For a ReConnect 100% grant, the maximum award is \$25 million. If grant applicants can show that USDA's ERS classifies all of the proposed service area as Frontier and Remote (FAR) Level

²⁴ USDA RUS, "Rural eConnectivity Program: Funding Opportunity Announcement," 86 *Federal Register* 58860, October 25, 2021.

4, then applicants can request up to \$35 million.²⁵ Applicants are required to provide matching funds for 25% of the total project costs. If the grant applicants are tribal governments proposing to provide service on their own lands or if 75% of the grant applicant's proposed service areas consists of socially vulnerable communities, then the 25% matching requirement is waived.²⁶

ReConnect projects are not to overbuild (i.e., build broadband networks where broadband networks already exist) or duplicate existing federally funded projects (P.L. 115-141, Division A, §779). For these reasons, RUS has instituted safeguards to ensure ReConnect projects do not overbuild or duplicate existing broadband networks. RUS provides public notification of proposed ReConnect applications (7 C.F.R. §1740.26) and posts information from the applications on a public website for 45 days. Existing broadband service providers can review the applications and notify RUS if one or more of the projects would build broadband networks where the service providers have existing networks or if the projects propose to provide broadband access where existing providers are providing sufficient broadband access. In addition, RUS shares ReConnect applications with the FCC and NTIA to ensure that proposed projects do not duplicate existing projects funded through those agencies.²⁷

Awards

RUS has awarded approximately \$1.5 billion in ReConnect Program funding for 181 projects through two rounds of funding.²⁸ USDA has stated that these projects are to provide broadband access to over 297,000 households in rural areas. RUS issued the funding announcement for the third funding cycle in October 2021.²⁹ RUS has made \$1.15 billion available to fund applications during this cycle. The following section provides information about the three rounds of awards for the ReConnect Program.

Round 1

On December 14, 2018, RUS issued the FOA for the first round of funding for the ReConnect Program.³⁰ (See **Table 2** for information about the criteria used in the ReConnect funding rounds.) RUS accepted applications from December 2018 to July 2019. RUS received 146 applications for projects totaling \$1.4 billion in loans, grants, and loan/grant combinations. RUS

²⁵ USDA ERS created a coding system to describe areas with low populations that are geographically remote. The coding system is known as FAR, which stands for frontier and remote area codes. For more information, see USDA ERS, "Frontier and Remote Area Codes," at <https://www.ers.usda.gov/data-products/frontier-and-remote-area-codes/>.

²⁶ The October 25, 2021, FOA defines a *socially vulnerable community* as "a community or area identified in the Center for Disease Control's Social Vulnerability Index with a score of 7.5 or higher" (86 *Federal Register* 58860). The Social Vulnerability Index estimates the degree to which a given community may be unable to prevent human suffering and financial loss in the event of a disaster. The index compiles data on socioeconomic and demographic factors as well as housing and transportation.

²⁷ USDA, "USDA, FCC, and NTIA Announce Interagency Agreement to Coordinate Broadband Funding Deployment," press release, June 25, 2021, at <https://www.usda.gov/media/press-releases/2021/06/25/usda-fcc-and-ntia-announce-interagency-agreement-coordinate>.

²⁸ USDA Rural Development, *Broadband ReConnect Program: Fiscal Year 2020 Funding Opportunity Announcement Awards Report*, July 2021 (hereinafter USDA Rural Development, *Broadband ReConnect Program*, July 2021).

²⁹ USDA RUS, "Rural eConnectivity Program: Funding Opportunity Announcement," 83 *Federal Register* 64315, October 25, 2021.

³⁰ USDA RUS, "Broadband Pilot Program: Funding Opportunity Announcement (FOA) and Solicitation of Applications," 86 *Federal Register* 58860, December 14, 2018.

announced 76 awards affecting 33 states, which totaled \$656 million, and awarded the funds as follows:

- \$242 million awarded for 100% grants,³¹
- \$58 million awarded for 100% loans, and
- \$356 million awarded for 50% loan/50% grant combinations.

Round 2

On December 12, 2019, RUS issued the FOA for the second round of funding.³² RUS instituted a number of changes to the criteria used in Round 2 (**Table 2**). The primary changes were to the definition of eligible service areas for grants and priority point criteria. In the Round 1 FOA, RUS defined eligible service areas for 100% grants as areas where 100% of households in the area were without sufficient broadband access.³³ Eligibility for loans or loan/grant combinations required that at least 90% of households in an eligible service area lacked sufficient broadband access. In the Round 2 FOA, RUS used the same definition of eligible service area for all types of awards—areas where 90% of households in the area were without sufficient broadband access. This change was less restrictive than the previous definition, thus allowing more rural areas to qualify for 100% grants than in Round 1. RUS made the following changes to the priority point criteria:

- *Farms served.* In Round 2, fewer priority points were awarded for farms served.
- *Opportunity Zones.* Round 2 added a criterion that awarded priority points for applications with proposed service areas that included Opportunity Zones.³⁴

RUS received 172 applications for the Round 2 funding cycle from December 2019 to April 2020 for projects requesting \$1.6 billion in ReConnect grants, loans, and loan/grant combinations.³⁵

In March 2020, President Donald Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136) into law, which provided the ReConnect Program with an additional \$100 million in funding for grants (§11004). RUS used CARES Act funding to fund nine grant applications.

In August 2021, RUS announced 105 awards affecting 37 states, which totaled \$854 million, including the nine awards funded through the CARES Act. RUS awarded the funds as follows:

- \$546 million awarded for 100% grants,³⁶

³¹ CRS compiled the total for Round 1 funding for 100% grants, 100% loans, and 50% loan/50% grant combinations using the list of Round 1 awardees published on USDA, “ReConnect Program FY2019 Funding Opportunity Announcement Awardees,” at <https://www.usda.gov/reconnect/round-one-awardees>.

³² USDA RUS, “ReConnect Pilot Program: Funding Opportunity Announcement (FOA) and Solicitation of Applications for Second Round of the ReConnect Program,” 84 *Federal Register* 67913, December 12, 2019.

³³ USDA RUS, “Broadband Pilot Program: Funding Opportunity Announcement (FOA) and Solicitation of Applications,” 86 *Federal Register* 58860, December 14, 2018.

³⁴ The Internal Revenue Service designates Opportunity Zones as economically distressed communities where new investments, under certain conditions, may be eligible for preferential tax treatment. For more information, see USDA Rural Development, “USDA Support for Opportunity Zones,” last updated February 2020, at https://www.rd.usda.gov/sites/default/files/fact-sheet/RD_Factsheet_Opportunity_FS.pdf.

³⁵ USDA Rural Development, *Broadband ReConnect Program*, July 2021.

³⁶ Distribution of Round 2 funding for grants, loans, and loan/grant combinations found in USDA Rural Development, *Broadband ReConnect Program*, July 2021.

- \$13 million awarded for 100% loans, and
- \$295 million awarded for 50% loan/50% grant combinations.

Round 3

On October 25, 2021, RUS issued the FOA for the third round of funding,³⁷ instituting a number of changes to the eligibility and priority criteria used in Round 3 (**Table 2**). The primary changes were to the definition of eligible service areas, priority point criteria, project buildout speeds, and matching fund requirements. The Round 2 FOA defined eligible service areas as areas in which 90% of households did not have sufficient broadband access at speeds of at least 10/1 Mbps, whereas the Round 3 FOA defines eligible service areas as areas where 90% of households do not have sufficient broadband access at 100/20 Mbps. This change is less restrictive than the previous definition, allowing more rural areas to qualify as eligible service areas than in Rounds 1 and 2. Round 3 prioritizes projects that propose to extend broadband to areas that lack service at speeds of at least 25/3 Mbps.

RUS also changed the priority point criteria for Round 3. Round 2 had nine priority criteria. Round 3 removes eight of the Round 2 criteria, retaining the criterion for the rurality of the service area. Priority points are awarded for projects serving the least populated rural areas as measured by the population of the service area per square mile or if a service area is located at least 100 miles from a city that has a population of greater than 50,000 people. Round 3 added nine additional priority point criteria, including level of existing service, economic need of the communities, and affordability of service.

In addition, the Round 3 FOA increases the required buildout speed for funded projects. The Round 2 FOA required that projects provide broadband access to the proposed areas at speeds of at least 25/3 Mbps. Round 3 requires that projects provide broadband access to proposed areas at speeds of at least 100/100 Mbps (i.e., 100 Mbps symmetrical speed). The Round 3 FOA also removes the matching fund requirement for some areas and applicants. The Round 2 FOA required that applicants applying for grants provide matching funds for at least 25% of the project costs. The Round 3 FOA allows tribal government applicants proposing to provide service on their own lands to waive the matching funds requirement. In addition, any projects in which the proposed service area is comprised of at least 75% socially vulnerable communities may waive the matching funds requirement. The application period for Round 3 opened on November 24, 2021, and closes February 22, 2022.

³⁷ USDA RUS, "Rural eConnectivity Program: Funding Opportunity Announcement," 86 *Federal Register* 58860, October 25, 2021.

Table 2. Eligibility and Prioritization Criteria in ReConnect Funding Rounds

Criteria	Round 1	Round 2	Round 3
Eligible Service Area	<i>Grants:</i> 100% of households without sufficient broadband access at 10/1 Mbps. <i>Loans, loan/grant combinations:</i> 90% of households without sufficient broadband access at 10/1 Mbps.	<i>Grants, loans, loan/grant combinations:</i> 90% of households without sufficient broadband access at 10/1 Mbps.	<i>Grants, loans, loan/grant combinations:</i> 90% of households without sufficient broadband access at 100/20 Mbps.
Priority Points	<ul style="list-style-type: none"> • Rurality of service area • Farms served (1 point per farm) • Performance of offered service • Businesses served • Healthcare centers served • Educational facilities served • Community facilities served • Tribal lands served • State broadband activity 	<ul style="list-style-type: none"> • Rurality of service area • Farms served (1 point per 10 farms) • Performance of offered service • Businesses served • Healthcare centers served • Educational facilities served • Community facilities served • Opportunity Zones served^a • State or Tribal broadband activity 	<ul style="list-style-type: none"> • Rurality of service area • Level of existing service • Economic need of community • Affordability • Labor standards • Tribal lands • Local government, nonprofit, cooperatives • Socially vulnerable communities • Net neutrality • Wholesale broadband services
Buildout Speed	At least 25/3 Mbps.	At least 25/3 Mbps.	At least 100/100 Mbps. ^b
Matching Funds	<i>Grants:</i> Match required of at least 25% of overall project cost.	<i>Grants:</i> Match required of at least 25% of overall project cost.	<i>Grants:</i> Match required of at least 25% of overall project cost. No match required for Tribal government proposing to provide service on their own lands or proposed service areas where 75% consists of socially vulnerable communities.

Source: Compiled by CRS using USDA RUS ReConnect Program Funding Opportunity Announcements in the *Federal Register* (83 *Federal Register* 64315; 84 *Federal Register* 67913; 86 *Federal Register* 58860).

Note: Broadband speed designated in downstream/upstream terms (e.g., 10/1 Mbps).

- a. The Internal Revenue Service designates Opportunity Zones as economically distressed communities where new investments, under certain conditions, may be eligible for preferential tax treatment.
- b. Also known as “100 Mbps symmetrical speed.”

Awards by State

As of October 2021, RUS has awarded approximately \$1.5 billion for 181 projects located in 39 states. (See **Table 3** for information on ReConnect funds awarded by state.) It is possible that multistate projects affected additional states not listed in **Table 3**. States receiving the most program funds are Missouri (i.e., \$182 million), Oklahoma (\$140 million), and Virginia (\$104 million). States with the most households served through ReConnect projects are Virginia (almost 49,000 households), Missouri (31,000 households), and North Carolina (almost 25,000 households). States that have ReConnect projects that cover the most square miles of services area are New Mexico (3,600 square miles), Alabama (2,600 square miles), and Missouri (almost 2,600 square miles).

Table 3. ReConnect Program Awards by State, as of October 2021

(in thousands of dollars)

State	Total Award Amount	Number of Projects Funded	Households Served	Total Square Miles of Service Area
1. Missouri	\$181,686	13	31,043	2,552
2. Oklahoma	\$139,807	15	8,703	2,123
3. Virginia	\$104,450	6	48,909	2,006
4. Alabama	\$99,824	10	19,166	2,656
5. Alaska	\$93,678	7	3,230	352
6. Illinois	\$78,757	6	14,036	736
7. Utah	\$61,524	6	7,335	515
8. North Carolina	\$60,931	6	24,757	1,316
9. Georgia	\$47,894	6	14,150	518
10. Iowa	\$46,307	11	5,198	855
11. Idaho	\$43,495	3	1,064	1,685
12. New Mexico	\$43,376	7	3,647	3,649
13. South Carolina	\$40,129	5	17,586	536
14. Kentucky	\$40,100	5	8,630	282
15. North Dakota	\$38,723	5	3,873	1,755
16. Tennessee	\$36,405	11	9,852	493
17. New York	\$36,111	4	8,478	261
18. Michigan	\$32,890	4	9,896	278
19. West Virginia	\$31,984	4	11,955	312
20. Louisiana	\$27,847	2	4,081	292
21. South Dakota	\$27,780	6	3,482	1,217
22. Colorado	\$22,927	3	3,358	602
23. Mississippi	\$20,785	2	2,915	571
24. Oregon	\$19,204	2	2,429	133
25. Arkansas	\$19,062	5	2,548	289

State	Total Award Amount	Number of Projects Funded	Households Served	Total Square Miles of Service Area
26. Texas	\$17,920	3	7,053	803
27. Arizona	\$16,555	2	7,039	96
28. Montana	\$14,249	2	1,052	1,394
29. Minnesota	\$13,715	3	1,843	163
30. Maryland	\$13,108	1	3,447	122
31. Nebraska	\$8,840	2	604	500
32. Kansas	\$5,272	1	1,390	218
33. Wyoming	\$5,049	2	361	106
34. Nevada	\$5,011	2	299	146
35. Indiana	\$4,957	2	2,036	130
36. Wisconsin	\$3,096	1	746	26
37. Washington	\$3,073	2	307	2
38. Maine	\$2,728	3	443	19
39. Pennsylvania	\$750	1	237	7
Total	\$1,509,997	181	297,178	29,718

Source: Compiled by CRS using USDA Rural Development, *Broadband ReConnect Program Fiscal Year FY2020 Funding Opportunity Announcement Awards Report*; and USDA, "ReConnect Program FY 2019 Funding Opportunity Announcement Awardees," at <https://www.usda.gov/reconnect/round-one-awardees>.

Notes: Projects funded through the ReConnect Program that covered multiple states were included only under the state listed first in the project description by USDA RUS. Projects were listed for 39 states. It is possible that multistate projects affected additional states not listed in this table.

Comparisons with Other USDA Broadband Programs

In addition to the ReConnect program, RUS administers four other programs that aim to expand broadband access to rural areas. This section compares and contrasts the four USDA broadband programs with the ReConnect Program. (See **Table 4** for more information about these programs.)

Community Connect Program

The Community Connect Program provides grants to eligible entities to enhance broadband access to economically challenged rural communities where no broadband access currently exists. These grants are to help rural communities achieve public benefits, such as enhanced community development and public safety.³⁸ Applicants must provide free broadband service to all essential community facilities (e.g., clinics, schools, fire departments) within the proposed service area for at least two years.

³⁸ For more information, see USDA Rural Development, "Community Connect Grants," at <https://www.rd.usda.gov/programs-services/telecommunications-programs/community-connect-grants>.

The Community Connect Program differs from the ReConnect Program in several ways. The Community Connect Program offers grants only. The ReConnect Program offers loans, grants, and loan/grant combinations. The Community Connect Program defines sufficient broadband access as 10/1 Mbps, while the ReConnect Program defines it as 100/20 Mbps. The buildout project speed is lower for the Community Connect Program (i.e., 25/3 Mbps) than for Round 3 of the ReConnect Program (i.e., 100/100 Mbps). In addition, the Community Connect Program requires applicants to provide free service to essential community facilities in the proposed service areas for two years. ReConnect does not include this requirement.

Distance Learning and Telemedicine Program

The Distance Learning and Telemedicine (DLT) Program provides grants to help rural communities acquire technology and training to connect medical professionals and educational institutions with patients, teachers, and students.³⁹ Congress authorized the DLT Program to issue grants, loans, and loan/grant combinations. From FY2019 to FY2021, Congress appropriated funding only for grants. A portion of DLT Program funds is allocated to the DLT Delta Health Care Services Program, which focuses on connecting rural communities in the Delta region to medical services.⁴⁰

The DLT Program and the ReConnect Program have different missions. The DLT Program focuses on expanding rural telehealth by funding acquisition of distance learning or telehealth equipment or software but not the construction of broadband infrastructure. The ReConnect Program focuses on deploying broadband to rural areas by building or enhancing broadband infrastructure.

Rural Broadband Program

The Rural Broadband Program offers loans to help construct, improve, or acquire facilities and equipment needed to provide broadband access to rural areas.⁴¹ Congress authorized the Rural Broadband Program to issue grants, direct loans, and loan guarantees in the 2018 farm bill (P.L. 115-334), although Congress has not provided funding for grants to date. From FY2019 to FY2021, Congress appropriated funding only for direct loans.

The Rural Broadband Program differs from the ReConnect Program in the definition used for sufficient broadband access. The Rural Broadband Program defines sufficient broadband access as 25/3 Mbps, whereas the ReConnect Program defines it as 100/20 Mbps. The minimum buildout project speed is also lower for the Rural Broadband Program at 25/3 Mbps compared with 100/100 Mbps for Round 3 of the ReConnect Program.

³⁹ For more information, see USDA Rural Development, "Distance Learning & Telemedicine Grants," at <https://www.rd.usda.gov/programs-services/telecommunications-programs/distance-learning-telemedicine-grants>.

⁴⁰ The Delta region includes parts of Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee. For more information, see Delta Regional Authority, "DRA States," at <https://dra.gov/about-dra/dra-states/>.

⁴¹ For more information, see USDA Rural Development, "Rural Broadband Access Loan and Loan Guarantee," at <https://www.rd.usda.gov/programs-services/telecommunications-programs/rural-broadband-access-loan-and-loan-guarantee>.

Telecommunications Infrastructure Program

The Telecommunications Infrastructure Program offers loans and loan guarantees to finance the construction, improvement, and expansion of telephone services and broadband infrastructure in rural areas with populations of fewer than 5,000 people.⁴²

The Telecommunications Infrastructure Program differs from the ReConnect Program in that it offers loan guarantees and serves rural areas of fewer than 5,000 people, whereas the ReConnect Program offers grants, loans, and loan guarantees and serves rural areas of 20,000 or fewer people. In addition, the Telecommunications Infrastructure Program's mission focuses on expanding telephone service and broadband access, while ReConnect's mission focuses exclusively on expanding broadband access.

⁴² For more information, see USDA Rural Development, "Telecommunications Infrastructure Loans & Loan Guarantees," at <https://www.rd.usda.gov/programs-services/telecommunications-programs/telecommunications-infrastructure-loans-loan-guarantees>.

Table 4. Comparison of Criteria Among USDA Broadband Programs

Program	Types of Awards	Eligible Rural Area	Eligible Service Area	Minimum Buildout Speed	FY2021 Funding
Community Connect Program	Grants	Towns, cities, or incorporated areas with populations of 20,000 or fewer, not adjacent to a city/town with more than 50,000 residents.	100% of households lack sufficient broadband access at 10/1 Mbps.	25/3 Mbps	\$35 million
Distance Learning and Telemedicine (DLT) Program	Grants	Towns, cities, or incorporated areas with populations of 20,000 or fewer.	N/A	N/A	\$60 million ^a
ReConnect Program	Loans, Grants, Loan/Grant Combination	Towns, cities, or incorporated areas with populations of 20,000 or fewer, not adjacent to a city/town with more than 50,000 residents.	90% of households lack sufficient broadband access at 100/20 Mbps.	100/100 Mbps	\$635 million
Rural Broadband Program	Loans, Loan Guarantees ^b	Direct loans: Towns or cities with populations of 20,000 or fewer. Loan guarantees: Towns or cities with populations of 50,000 or fewer.	50% of households lack access to broadband service at speeds of 25/3 Mbps.	Baseline speed is 25/3 Mbps. Speed increases as award term increases.	\$11.9 million ^c
Telecommunications Infrastructure Program	Loans, Loan Guarantees	Towns or incorporated areas with populations of 5,000 or fewer.	Areas without telephone or broadband or areas where the applicant is the recognized telecommunications provider.	25/3 Mbps	\$690 million ^d

Source: Compiled by CRS using the most recent Funding Opportunity Announcements for the programs. Also, see USDA Rural Development, “Telecommunications Infrastructure Loans & Loan Guarantees,” at <https://www.rd.usda.gov/programs-services/telecommunications-programs/telecommunications-infrastructure-loans-loan-guarantees>.

- a. The FY2021 funding includes \$3 million for the DLT Delta Healthcare Services Program.
- b. Congress has provided authority for the Rural Broadband Program to issue grants, loans, and loan guarantees. Congress has appropriated funding only for loans and loan guarantees to date.
- c. Congress appropriated \$11.869 million in loan authority for the program, supported by a \$2 million loan subsidy.
- d. Congress appropriated \$690 million in loan authority for the program, supported by a \$2.3 million loan subsidy.

Issues for Congress

Congress and some stakeholders have identified a number of issues that may affect the ReConnect Program's effectiveness, including funding levels, service to rural areas, and the potential for duplication. The following section summarizes these issues.

Funding Levels

Some stakeholders have argued that because the demand for ReConnect Program funds exceeds available funding, Congress might consider increasing program funding.⁴³ Congress appropriated \$100 million for the ReConnect Program through the CARES Act (P.L. 116-136). USDA reviewed applications submitted to the ReConnect Program and funded nine of those applications using CARES Act funding. The case could be made that, similar to the CARES Act funding, if Congress were to provide additional funding for the ReConnect Program, then additional qualified applications could be identified to be funded.

Conversely, some Members of Congress requested an audit of the ReConnect Program and cited that "government watchdogs have long raised concerns with USDA's management of its broadband infrastructure support programs."⁴⁴ These Members expressed concern that without proper oversight of the program, there was the potential for overbuilding broadband networks.

Serving Rural Areas

In 2020, certain Members of the Senate and House sent a letter to the Secretary of Agriculture stating that priority points offered on ReConnect applications favored rural areas with higher populations.⁴⁵ In Round 1 and Round 2, RUS provided priority points for applications that would serve areas that included health care centers, educational facilities, and community facilities (**Table 2**). Some Members reasoned that these types of facilities were less likely to be located in less populated rural areas, concluding that applications serving rural areas with lower populations would be less competitive than applications serving rural areas with higher populations.⁴⁶

⁴³ Ben Nuelle, "Reaping Rural Broadband Rewards of USDA's ReConnect Program," *Agri-Pulse*, December 2, 2020; and Katie Kienbaum, "ReConnect Funding Applicants: More Than Half Community Broadband Networks," *Institute for Local Self-Reliance*, September 4, 2019.

⁴⁴ Letter from House Committee on Energy and Commerce ranking member Rep. Greg Walden, Rep. Robert E. Latta, Rep. Pete Olson, Rep. Adam Kinzinger, Rep. Gus M. Bilirakis, Rep. Bill Johnson, Rep. Billy Long, Rep. Bill Flores, Rep. Susan W. Brooks, Rep. Tim Walberg, and Rep. Greg Gianforte to Comptroller General Gene Dodaro of the U.S. Government Accountability Office (GAO), November 23, 2020, at <https://republicans-energycommerce.house.gov/wp-content/uploads/2020/11/11.23.20-Letter-to-GAO-on-ReConnect-Audit.pdf>.

⁴⁵ Letter from Sen. Jeffrey A. Merkley, Sen. Ron Wyden, Rep. Suzanne Bonamici, Rep. Kurt Schrader, and Rep. Peter A. DeFazio to Agriculture Secretary Sonny Perdue, February 26, 2020, at <https://www.merkley.senate.gov/news/press-releases/merkley-wyden-press-agency-overseeing-reconnect-rural-broadband-program-to-address-serious-application-hurdles-2020>.

⁴⁶ Letter from Sen. Jeffrey A. Merkley, Sen. Ron Wyden, Rep. Suzanne Bonamici, Rep. Kurt Schrader, and Rep. Peter A. DeFazio to Agriculture Secretary Sonny Perdue, February 26, 2020, at <https://www.merkley.senate.gov/news/press-releases/merkley-wyden-press-agency-overseeing-reconnect-rural-broadband-program-to-address-serious-application-hurdles-2020>.

Potential Duplication

Some Members of Congress have expressed concern that projects funded through the ReConnect Program could build broadband networks in areas where networks already exist.⁴⁷ Members have asserted that the similarity of the ReConnect Program's mission to some FCC broadband programs (i.e., to deploy broadband to high-cost areas) was likely to result in a duplication of efforts.

Some stakeholders have argued that the ReConnect Program regulations put in place to avoid duplication, not the duplication itself, are problematic. The FOAs for Rounds 1 and 2 of the program made service areas ineligible for the ReConnect Program if they received funding for certain FCC broadband programs (83 *Federal Register* 64315, 84 *Federal Register* 67913). These FCC programs provided support for deployment of satellite broadband services. These stakeholders assert these programs are not to be considered equivalent to the ReConnect Program because USDA does not consider satellite service sufficient.⁴⁸ ReConnect Program projects provide fixed terrestrial broadband, including fixed wireless service, but may not provide satellite service (7 C.F.R. §1740.12).

As a result of non-duplication regulations, many rural areas that received broadband service via satellite through the FCC programs were not eligible for funding under ReConnect. Some Members of Congress, in a letter to the Secretary of Agriculture, noted that satellite service was “ill-suited for the telemedicine, mental health services and interactive distance learning broadband applications that are critical for rural Americans.”⁴⁹ They requested that service areas that had previously received FCC funding for projects deploying satellite service also be eligible for ReConnect Program funding. The FOAs for the program from December 14, 2018, and December 12, 2019, put restrictions on service areas that received prior funding from the FCC's Connect America Fund Phase II Auction – Auction 903 (CAF II) (83 *Federal Register* 64318, 84 *Federal Register* 67917). The FOAs stated that service areas that had received CAF II funding were ineligible to all entities except the entity that was receiving the CAF II support. The CAF II-supported entity would be limited to a 100% loan through the ReConnect Program.

Broadband Legislation in the 117th Congress

As of October 2021, eight bills have been introduced in the 117th Congress to expand broadband access throughout the United States that would affect the ReConnect Program.⁵⁰ One bill (H.R. 3684, the Infrastructure Investment and Jobs Act) passed the House and Senate and was signed

⁴⁷ Letter from House Committee on Energy and Commerce ranking member Rep. Greg Walden, Rep. Robert E. Latta, Rep. Pete Olson, Rep. Adam Kinzinger, Rep. Gus M. Bilirakis, Rep. Bill Johnson, Rep. Billy Long, Rep. Bill Flores, Rep. Susan W. Brooks, Rep. Tim Walberg, and Rep. Greg Gianforte to Comptroller General Gene Dodaro of the GAO, November 23, 2020, at <https://republicans-energycommerce.house.gov/wp-content/uploads/2020/11/11.23.20-Letter-to-GAO-on-ReConnect-Audit.pdf>.

⁴⁸ Katie Kienbaum, “Community Broadband Networks Round Up Half of ReConnect Round One Awards,” *ILSR*, April 8, 2020.

⁴⁹ Letter from Sen. Ron Wyden, Sen. John Barrasso, Sen. Jeffrey A. Merkley, Sen. Michael B. Enzi, Sen. Patty Murray, Sen. Doug Jones, Sen. Tammy Baldwin, Sen. Tom Udall, and Sen. Angus S. King, Jr. to Agriculture Secretary Sonny Perdue, February 26, 2020, at <https://www.wyden.senate.gov/imo/media/doc/022620%20Wyden%20Ld%20USDA%20ReConnect%20Letter.pdf>.

⁵⁰ On October 13, 2021, CRS conducted a search of bills in the Congress.gov database to determine legislation introduced by the 117th Congress that involved broadband. CRS used search term “broadband” and selected the 117th Congress (2021-2022) and bills (H.R. or S.).

into law by President Joe Biden as P.L. 117-58. As for the other seven bills, six were introduced in the House, and one bill was introduced in the Senate. A description of selected bills and their impact or potential impact on the ReConnect Program follows.

Enacted into Law

- **P.L. 117-58.** The Infrastructure Investment and Jobs Act provides funding to build and enhance infrastructure across the United States, including broadband infrastructure. The Senate agreed to the bill on August 10, 2021, and the House agreed to the bill on November 5, 2021. President Biden signed the bill into law on November 15, 2021. The law provides \$1.926 billion in additional funding for the ReConnect Program.⁵¹ This funding is more than three times the \$635 million that Congress appropriated for the ReConnect Program in FY2021. The bill allows up to 4% of these funds to be used for administrative costs and up to 3% to be used for technical assistance to potential applicants. It directs \$5 million of the technical assistance funds be used to establish and support cooperatives that are to offer broadband service in rural areas.

Introduced in the House

- **H.R. 2400.** As introduced on April 8, 2021, the Community Broadband Mapping Act would provide RUS the authority to make grants to entities to collect broadband infrastructure data. The data would include the location of broadband infrastructure and the homes in rural areas that are provided with non-satellite broadband service. Rural areas would be defined as areas with populations of fewer than 25,000 people. Eligible applicants would include local governments, community organizations, electric and telephone cooperatives, and small internet providers. The bill would allow the Secretary of Agriculture to make grants under the ReConnect Program to eligible entities to collect broadband infrastructure data.
- **H.R. 3369.** As introduced on May 20, 2021, the Broadband for Rural America Act would combine the ReConnect Program and the Rural Broadband Program to create the ReConnect Rural Broadband Program. The new program would provide grants, loans, loan/grant combinations, and loan guarantees to finance the construction, improvement, and acquisition of facilities and equipment to expand broadband service in rural areas. The highest priority for funding would go to applications proposing projects in rural communities without broadband access at 10/1 Mbps.
- **H.R. 3435.** As introduced on May 20, 2021, the American Broadband Act would establish a broadband expansion grant program at the Department of Commerce (DOC) and revise the permitting process for fixed and mobile broadband service. The bill includes provisions aimed at preventing duplication between projects funded through the new program and those funded through the ReConnect Program. Applicants applying for the new grant program would be required to disclose their receipt of any current grants or loans through the ReConnect Program. In addition, the Secretary of Agriculture would be directed to review

⁵¹ For more information, see CRS In Focus IF11918, *Infrastructure Investment and Jobs Act: Funding for USDA Rural Broadband Programs*, by Lisa S. Benson and Alyssa R. Casey.

the proposed service areas in applications for the new program to identify possible duplication with projects funded through the ReConnect Program.

- **H.R. 3654.** As introduced on June 1, 2021, the Rural Opportunities for Broadband in Underserved Settlements and Towns Act (the ROBUST Act) would aim to expand access to the electromagnetic spectrum to be used to deliver broadband service to rural areas. The bill would require that ReConnect Program funding be used to provide engineering support to program applicants. The bill would require the Secretary of Agriculture to do the following when administering the ReConnect Program: (1) give priority to projects that provide at least 25/3 Mbps broadband speeds to the proposed service area, (2) provide engineering support to new applicants, and (3) use program funding to cover costs associated with applicants preparing engineering reports.
- **H.R. 4374.** As introduced on July 9, 2021, the Broadband Internet Connections for Rural America Act would combine the ReConnect Program and the Rural Broadband Access Program into one program called the ReConnect Rural Broadband Program. The new program would provide grants, loans, loan/grant combinations, and loan guarantees to finance the costs of the construction, improvement, and acquisition of facilities and equipment needed to expand broadband service in rural areas. The highest priority for funding would be given to applications proposing projects in rural communities without broadband access at 10/1 Mbps. The bill would authorize funding of \$4.5 billion annually for FY2022 through FY2029.
- **H.R. 4825.** As introduced on July 29, 2021, the 21st Century Broadband Deployment Act would create a new broadband expansion grant program at DOC that would facilitate partnerships of state or local government entities and broadband service providers. The new program also would revise the permitting process. The bill would authorize appropriations of \$20 billion annually for the new program for FY2023 through FY2027. The bill includes provisions to ensure that projects funded through the new program would not duplicate projects funded through the ReConnect Program. Applicants for the new grant program would be required to disclose any funding received through the ReConnect Program. The Secretary of Agriculture would be required to review grant applications for the new program to determine whether the proposed projects would duplicate projects funded through the ReConnect Program.

Introduced in the Senate

- **S. 944.** As introduced on March 24, 2021, the State Funding for Internet Expansion Act of 2021 would establish a new program at DOC to expand broadband access in unserved and underserved areas, including anchor institutions, such as schools, libraries, museums, clinics, and public housing. The bill includes provisions that would ensure projects funded through the new program would not duplicate projects funded through the ReConnect Program. It would also establish a process for federal agencies, including USDA, that offer similar broadband programs to coordinate between themselves to prevent duplication.

Potential Policy Options

Congress may consider policy options related to the ReConnect Program. Policy options to increase program efficiency could focus on increasing broadband affordability and broadband adoption in rural communities. The following section provides an overview of these potential policy options.

Broadband Affordability

Congress may address rural broadband adoption by focusing on its affordability. Researchers have found that broadband adoption is lower among rural residents compared with urban residents.⁵² Cost is one factor among others affecting broadband adoption. To increase broadband adoption among rural residents, Congress might develop legislation to allow ReConnect funds to be used to make broadband service more affordable for rural residents. For example, Congress might model potential legislation after the FCC Affordable Connectivity Program, which provides subsidies to ISPs to cover residential broadband service. The monthly subsidies for providers are up to \$30 per household and up to \$75 per household on tribal lands in cases where the service cannot be maintained at the lower rate of \$30 per household.⁵³ Congress modified, extended, and renamed the FCC Emergency Broadband Benefit Program to create the Affordable Connectivity Program through the Infrastructure Investment and Jobs Act (P.L. 117-58). Congress funded the FCC's Emergency Broadband Benefit Program through the Emergency Broadband Connectivity Fund,⁵⁴ which it established to help Americans afford internet service during the COVID-19 pandemic (P.L. 116-260, Division N, Title IX, §904). If Congress were to consider this model for the ReConnect Program, it might also consider how to avoid the potential for duplication between any such use of the ReConnect Program and the Affordable Connectivity Program.

Training and Education

Congress may address rural broadband expansion through training and education efforts. Researchers have found that rural residents are more likely to access the internet when they identify essential tasks that they can complete using the internet, such as connecting virtually with suppliers and learning about community events or activities.⁵⁵ To increase broadband adoption by rural residents, Congress might consider enacting legislation to allow ReConnect Program funds to be used for training programs that teach rural residents how to use the internet to accomplish essential tasks. For example, potential programs could provide training on tools that can be used for e-commerce and social media for small businesses. Training programs could also help rural residents access job training and career opportunities, particularly for telework. Congress might model any such legislation after USDA's DLT Program, which provides training and education to rural communities to enhance their interest and ability to participate in telehealth (7 U.S.C.

⁵² CRS Report R46108, *Demand for Broadband in Rural Areas: Implications for Universal Access*, by Brian E. Humphreys.

⁵³ CRS Report R46967, *The Infrastructure Investment and Jobs Act (P.L. 117-58): Summary of the Broadband Provisions in Division F*, coordinated by Patricia Moloney Figliola.

⁵⁴ CRS Insight IN11612, *The Emergency Broadband Benefit: Implementation and Future Policy Directions*, by Brian E. Humphreys. For additional information, see <https://www.fcc.gov/emergency-broadband-benefit-program>.

⁵⁵ CRS Report R46108, *Demand for Broadband in Rural Areas: Implications for Universal Access*, by Brian E. Humphreys; and Jean-Paul Peronard and Flemming Just, "User Motivation For Broadband: A Rural Danish Study," *Telecommunications Policy*, vol. 35, issue 8 (September 2011), pp. 691-701.

§§950aaa et seq.). Congress could also use the U.S. Department of Labor's Workforce Opportunity for Rural Communities Initiative program as a model.⁵⁶ The program provides grants to support workforce development activities that prepare rural workers for jobs in high-demand occupations that are aligned with a regional or community economic development strategy.

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⁵⁶ For more information, see U.S. Department of Labor, "Workforce Opportunity for Rural Communities (WORC) Initiative," at <https://www.dol.gov/agencies/eta/dislocated-workers/grants/workforce-opportunity>.