

## **IN FOCUS**

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# Farm Bill Primer: Rural Broadband Provisions

Since 2002, Congress has included provisions addressing rural broadband (i.e., high-speed internet access) in the rural development title of farm bills and in Agriculture appropriations acts. The Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334) amended, reauthorized, and codified many of the rural broadband programs administered by the U.S. Department of Agriculture (USDA) through FY2023. Congress enacted two one-year extensions of the 2018 farm bill that extended it through FY2025 (P.L. 118-22, §102, Division B; P.L. 118-158, §4101, Division D). As a result, authorizations for many of the USDA broadband programs are set to expire on September 30, 2025.

Congress provides discretionary funding for USDA broadband programs through annual appropriations acts. The 2018 farm bill provided authorizations of appropriations for many of the USDA broadband programs. Subsequent annual appropriations acts may or may not provide funding. Appropriated levels may be different from authorizations of appropriations.

## Background

According to a 2023 Federal Communications Commission (FCC) report, about 19 million or 28% of people living in rural areas in the United States lack broadband access at speeds of at least 100 megabits per second download and 20 megabits per second upload (i.e., 100/20 Mbps). On rural tribal lands, the FCC found that 881,000 or 40% of people lack broadband service. The USDA Rural Utilities Service administers five programs to support broadband deployment in rural areas:

- The Community Connect Grant Program, which provides grants to deploy broadband to economically distressed communities and their essential community facilities (7 U.S.C. §950bb-3);
- The Distance Learning and Telemedicine Program, which provides grants to help rural communities acquire the technology and training to connect educational and medical professionals with students, teachers, and patients in rural areas (7 U.S.C. §950aaa-2);
- The ReConnect Program, which provides grants, loans, and loan-grant combinations to build and update facilities or equipment needed to provide broadband access to rural areas (P.L. 115-141, §779);
- The Rural Broadband Program, which provides loans and loan guarantees to construct or improve facilities and equipment used to provide broadband access to rural areas (7 U.S.C. §950bb); and

• The Telecommunications Infrastructure Program, which provides loans and loan guarantees for the construction, maintenance, and expansion of broadband and telephone service in rural areas (7 U.S.C. §935).

These programs support broadband deployment in rural areas. Except for the Telecommunications Infrastructure Program and Rural Broadband Program loan guarantees, the USDA broadband programs define *rural areas* as areas with 20,000 or fewer people and not adjacent or contiguous to a city of more than 50,000 people (7 U.S.C. §950bb(b)(3)(A)). The Telecommunications Infrastructure Program defines rural areas as with 5,000 or fewer people (7 U.S.C. §924(b)). The Rural Broadband Program defines rural areas for loan guarantees as areas with 50,000 or fewer people and not adjacent or contiguous to a city of more than 50,000 people (7 U.S.C. §1991(a)(13)).

## 2018 Farm Bill Provisions

Titles VI and XII of the 2018 farm bill include the following rural broadband provisions.

## **Community Connect Grant Program**

Congress codified the Community Connect Grant Program. Congress authorized appropriations of \$50 million annually for the program through FY2024. FY2024 appropriations were \$20 million.

### **Distance Learning and Telemedicine Program**

Congress required USDA to set aside at least 20% of the funding for the Distance Learning and Telemedicine Program for telemedicine projects providing substance abuse treatment services through FY2025. Congress authorized appropriations for the program of \$82 million annually through FY2024. FY2024 appropriations were \$50 million.

### **Rural Broadband Program**

Congress added a grant component to the Rural Broadband Program, in addition to loans and loan guarantees. To date, Congress has provided funding for loans and loan guarantees but not for grants. Congress directed USDA to prioritize funding for applications for projects that serve rural communities without broadband service to homes of at least 10 megabits per second download and 1 megabit per second upload (10/1 Mbps). Congress also required USDA to prioritize applications for projects that provide broadband service to rural communities with other characteristics, such as those having a population of less than 10,000 permanent residents, experiencing outmigration, or that are isolated from other population centers. Congress authorized appropriations for the program of \$350 million annually through FY2024. Congress did provide a loan subsidy for the program and did not indicate loan authority for the program in FY2024.

#### **Other Rural Broadband Provisions**

The rural development title in the 2018 farm bill included the following broadband provisions.

- USDA, NTIA, and FCC. Congress directed USDA to consult with the National Telecommunications and Information Administration (NTIA) to verify applicant eligibility for USDA broadband programs, using the broadband assessment and mapping data provided by NTIA (7 U.S.C. §950bb-6(a)). Congress also directed USDA to coordinate with the FCC to ensure there is no duplication of awards across USDA and FCC programs (7 U.S.C. §950bb-6(b)).
- **Public Database.** Congress directed the Secretary of Agriculture to make available to the public a searchable database on the Rural Utilities Service website (7 U.S.C. §950cc). The database is to include information on applications submitted to USDA broadband programs that provide broadband to end users, such as homes and businesses. The database is also to identify the applicants that received funding. USDA Rural Development established a public searchable map database including approved and under review projects applying for USDA broadband programs.
- **Task Force.** Congress directed the FCC, in consultation with USDA, to establish the Task Force for Reviewing the Connectivity and Technology Needs of Precision Agriculture in the United States. The task force is to assess current gaps in the broadband access on agricultural land and develop policy recommendations to promote deployment of broadband service on unserved agricultural land. The task force launched in 2019 and met throughout 2024.
- Innovative Broadband Advancement Program. Congress reauthorized the Rural Gigabit Network Pilot and renamed it the Innovative Broadband Advancement Program. The program is authorized to provide loans and grants for projects that demonstrate innovative broadband technologies that decrease costs and increase broadband service speeds in rural areas (7 U.S.C. §950bb-2). Congress provided authorization of appropriations of \$10 million annually though FY2024. To date, Congress has not funded this program.
- Middle Mile Infrastructure. Congress established a new program to provide grants, loans, and loan guarantees for middle mile broadband infrastructure projects in rural areas (7 U.S.C. §950bb-1). Congress defined *middle mile infrastructure* as "any broadband infrastructure that does not connect directly to end-user locations (including anchor institutions) and may include interoffice transport, backhaul, internet connectivity, data centers, or special access transport to rural areas" (7 U.S.C. §950bb-1(b)). Congress provided authorization of appropriations for the program of \$10 million annually through FY2024. The Senate Appropriations Committee stated in the explanatory

statement in the Congressional Record (p. S7828) for

the Consolidated Appropriations Act, 2023 (P.L. 117-328), that it encouraged USDA to make grants or loans for middle mile infrastructure that serves rural areas if it does not lead to overbuilding. USDA designated \$1 million for a loan subsidy to support an estimated \$7 million of middle mile direct loans in FY2023.

## **Considerations for Congress**

#### **ReConnect Program**

Congress established the ReConnect Program as a pilot in the Consolidated Appropriations Act, 2018 (P.L. 115-141), with \$600 million under the general statutory authority provided to USDA through the Rural Electrification Act of 1936. Each agricultural appropriations act since FY2018 has included money and directions for ReConnect. In FY2024, ReConnect received \$100 million. Congress might consider the advantages and disadvantages of codifying authorities for the ReConnect Program in the next farm bill.

#### **Buildout Requirements**

Not all USDA broadband programs require that recipients provide broadband service at the same speeds. For example, the ReConnect Program requires recipients to ensure a buildout of infrastructure that can provide broadband service at 100/100 Mbps (89 *Federal Register* 13035). The Community Connect Program requires recipients to ensure a buildout of infrastructure that can provide broadband service at 100/20 Mbps. The differing buildout requirements may lead to confusion among applicants. They may also make it more difficult to track the impact of the USDA programs on broadband access across rural areas or establish consistency across the programs. Congress may consider one standard broadband buildout speed requirement across USDA programs or maintaining the status quo.

#### **Tracking Progress**

USDA broadband programs fund primarily multiyear projects that can range in cost from less than \$5,000 to almost \$50 million. The USDA Rural Data Gateway is a database that provides information on the entities awarded funding through USDA broadband programs. The USDA Rural Data Gateway does not provide status updates on the projects awarded funding. Congress may consider whether to require USDA to provide publicly available quarterly progress reports on the projects funded through USDA broadband programs through the USDA Rural Data Gateway or another online database. The progress reports could include the amount of funding spent each quarter and whether project milestones had been accomplished.

#### **Cost Overruns**

According to the USDA Rural Data Gateway, from FY2018 to FY2024, USDA used \$237 million of ReConnect Program funding to pay for cost overruns on ongoing projects. Congress may want to consider whether to use congressional oversight authority to identify the causes of the cost overruns for some ReConnect Program projects.

Lisa S. Benson, Specialist in Agricultural Policy

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