

July 7, 2020

House Bill Would Allocate \$60 Billion for Broadband Grants

A House bill released today would allocate \$60 billion for broadband grants, \$1 billion to replace communications equipment deemed a national security threat, and \$73 million to implement the Broadband DATA Act. The measure would also set a fiscal year 2021 spending level for the FCC of nearly \$376.1 million.

The bill was released by the House Appropriations Committee a day ahead of a scheduled markup by the financial services and general government subcommittee. The markup is scheduled for 1 p.m. tomorrow in Room 2118 of the Rayburn House Office Building.

FCC Chairman Ajit Pai has said that the FCC has estimated that up to \$2 billion will be needed to enable providers to replace unsecure communications equipment, and he has said that the agency needs \$65 million to implement the Broadband DATA Act for the first year, including by investing in necessary IT upgrades.

“This bill is about protecting hardworking families, workers, and small businesses, who are facing serious hardship because of the coronavirus. That’s why, in addition to increased investments in distressed communities and more resources to help small businesses access training and resources needed to succeed, our bill includes strong emergency funding to expand broadband to unserved communities, bringing connectivity across our nation,” House Appropriations Committee Chairwoman Nita M. Lowey said in a news release.

Unlike House Democrats’ infrastructure bill, the Moving Forward Act (HR 2), which passed the House last week (TR Daily, July 1), the appropriations measure released today does not define service tiers based on symmetrical service, but would treat areas that lack 25 megabits per second/3 Mbps service as unserved and areas with service between 25 Mbps/3 Mbps and 100 Mbps/50 Mbps as underserved. HR 2 includes \$1.5 trillion for infrastructure, including \$100 billion for broadband deployment and adoption.

The \$60 billion in the bill unveiled today would be available until Sept. 30, 2025. The FCC would distribute the funding.

The bill includes \$33 million to implement the Broadband Data Act as part of the FCC’s \$376.1 million in spending, while an additional \$40 million would be available until Sept. 30, 2025, as long as the “amount is designated by Congress as being for an emergency requirement pursuant to section 251 (b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.”

The \$376.1 million for the FCC for FY 2021, all of which would come from regulatory fees imposed by the agency, would be \$37.1 million above the \$339 million enacted for FY 2020. The agency has asked for \$343 million in FY 2021 (TR Daily, Feb. 10).

Under the bill, up to \$134.5 million from auction proceeds could be retained, and at least \$11.1 million would have to be used to fund the Office of Inspector General.

The bill also would prohibit funding in the measure from being used to finalize or enforce rules following up on a notice of proposed rulemaking adopted last year over the dissents of Democratic Commissioners Jessica Rosenworcel and Geoffrey Starks seeking comments on whether the Commission should establish an overall cap on the agency's various Universal Service Fund (USF) programs (TR Daily, May 31, 2019).

Funds also could not be used to implement the 5G Fund for Rural America or any similar support mechanism proposed in an NPRM adopted in April (TR Daily, April 23) until the FCC "completes the creation of the map that depicts the availability of mobile broadband internet access service required by" the Broadband DATA Act.

Funds also could not be used to modify rules for universal service support payments to implement 2004 recommendations of the Federal-State Joint Board on Universal Service concerning single connection or primary line restrictions. The bill also would extend for a year a suspension of the Anti-Deficiency Act for the FCC universal service expenditures.

The bill also includes \$341 million for the Federal Trade Commission for FY 2021, an increase of \$10 million above the FY 2020 level. The FTC has asked for a budget \$330.2 million. Up to \$150 million of its budget would come from premerger notification filing fees and up to \$19 million would come from fees to implement the telemarketing sales rule. —Paul Kirby, paul.kirby@wolterskluwer.com

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