

ELIMINATING BARRIERS TO RURAL INTERNET
DEVELOPMENT GRANT ELIGIBILITY ACT

NOVEMBER 3, 2021.—Ordered to be printed

Mr. DEFazio, from the Committee on Transportation and
Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 3193]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 3193) to amend the Public Works and Economic Development Act of 1965 to provide for a high-speed broadband deployment initiative, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE OF LEGISLATION

The purpose of H.R. 3193 is to amend the *Public Works and Economic Development Act of 1965* to provide for a high-speed

broadband deployment initiative and remove barriers to broadband deployment for rural communities.

BACKGROUND AND NEED FOR LEGISLATION

To effectively coordinate the deployment of broadband projects in the last mile, local communities must have the ability to partner with public-private partnerships and consortiums that have the expertise necessary to develop broadband project proposals.¹ While the Economic Development Administration (EDA) currently has the authority to award grants to fund broadband projects, such partnerships with private organizations which would result in more viable projects may render the applications ineligible to receive EDA grants.²

The *Public Works and Economic Development Act* (PWEDA) was enacted at a time when support focused on “traditional” infrastructure such as roads, water, and sewer.³ While these remain critical for economic development in many distressed communities, access to broadband in modern times is often regarded as necessary and traditional infrastructure. Most importantly, broadband improves the competitiveness of today’s distressed communities.⁴

To allow for more effective leverage of private sector expertise in broadband project development, H.R. 3193 clarifies that public-private partnerships and consortiums qualify as eligible recipients for EDA grants. The bill also clarifies that EDA funds can be combined with other federal resources and provides flexibility on accounting for in-kind methods to meet non-federal cost share requirements, including real or personal property.

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 117th Congress, the following hearing was used to develop or consider H.R. 3193:

On April 28, 2021, the Subcommittee held a hearing titled “Investing in America: Reauthorization of the Economic Development Administration.” The Subcommittee received testimony from two panels consisting of the following: Panel I—Mr. Dennis Alvord, Acting Assistant Secretary for Economic Development, U.S. Department of Commerce; Panel II—Ms. Lisa Cooper, Executive Director, Northern Kentucky Area Development District, testifying on behalf of the National Association of Development Organizations; Mr. Garrett Hawkins, President, Missouri Farm Bureau, testifying on behalf of the American Farm Bureau Federation; Mr. Jonas Peterson, President and Chief Executive Officer, Las Vegas Global Economic Alliance, testifying on behalf of the International Economic Development Council; Hon. Lenny Eliason, Commissioner, Athens County, Ohio, testifying on behalf of the National Association of Counties; and Mr. Dan Carol, Director, Milken Institute for Finan-

¹See Written Testimony of Mr. Dennis Alvord, Acting Assistant Secretary of Commerce for Economic Development, U.S. Economic Development Administration before the Subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, April 28, 2021.

²See 42 U.S.C. 3122 (4) (describing EDA grant eligibility).

³*Supra* note 1.

⁴*Id.*; see also, written testimony of Mr. Garrett Hawkins, President, Missouri Farm Bureau before the Subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, April 28, 2021.

cial Markets, testifying on his own behalf. This hearing examined the importance of reauthorizing the EDA, its programs and activities supporting economic growth in distressed communities, and the role EDA plays in recovering from disasters, including the COVID-19 pandemic.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 3193 was introduced in the House on May 13, 2021, by Mr. Graves of Missouri and Mr. Guest and referred to the Committee on Transportation and Infrastructure. Within the Committee, H.R. 3193 was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management.

The Subcommittee on Economic Development, Public Buildings, and Emergency Management was discharged from further consideration of H.R. 3193 on July 28, 2021.

The Committee considered H.R. 3193 on July 28, 2021, and ordered the measure to be reported to the House with a favorable recommendation, without amendment, by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against.

No record votes were requested during consideration of H.R. 3193.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. The Chairman of the Committee shall cause such estimate and statement to be printed in the *Congressional Record* upon its receipt by the Committee.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the

Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to increase broadband accessibility in rural communities.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 3193 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

An estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee finds that H.R. 3193 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section provides that this bill may be cited as the “Eliminating Barriers to Rural Internet Development Grant Eligibility Act” or the “E BRIDGE Act”.

Sec. 2. High-speed broadband deployment initiative

This section defines the terms “broadband project,” “eligible recipient,” and “high-speed broadband,” and clarifies that the Secretary of Commerce may make grants for broadband projects. The section requires the Secretary to request broadband service data from the Federal Communications Commission, National Telecommunications and Information Administration, Department of Agriculture, and Appalachian Regional Commission. The section also requires public-private partnerships and consortiums to vest title to any real or personal property acquired or improved with grant funds in a public partner or eligible nonprofit organization. The section also states that no person or entity shall be disqualified from competing to provide goods or services to a broadband project on the basis that the person or entity participated in the development of the broadband project. The section also allows grant recipients to grant an option to acquire real or personal property related to their project to a third party once the Federal interest in the property has released and allows the Secretary to consider in-kind contributions in determining the non-Federal share of the cost of a project.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Public Works and Economic Development Act of 1965”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

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TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

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Sec. 219. High-speed broadband deployment initiative.

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TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

* * * * *

SEC. 219. HIGH-SPEED BROADBAND DEPLOYMENT INITIATIVE.

(a) *DEFINITIONS.—In this section:*

(1) *BROADBAND PROJECT.*—*The term “broadband project” means, for the purpose of providing, extending, expanding, or improving high-speed broadband service to further the goals of this Act—*

(A) *planning, technical assistance, or training;*

(B) *the acquisition or development of land; or*

(C) *the acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of facilities, including related machinery, equipment, contractual rights, and intangible property.*

(2) *ELIGIBLE RECIPIENT.—*

(A) *IN GENERAL.*—*The term “eligible recipient” means an eligible recipient.*

(B) *INCLUSIONS.*—*The term “eligible recipient” includes—*

(i) *a public-private partnership; and*

(ii) *a consortium formed for the purpose of providing, extending, expanding, or improving high-speed broadband service between 1 or more eligible recipients and 1 or more for-profit organizations.*

(3) *HIGH-SPEED BROADBAND.*—*The term “high-speed broadband” means the provision of 2-way data transmission with sufficient downstream and upstream speeds to end users to permit effective participation in the economy and to support economic growth, as determined by the Secretary.*

(b) *BROADBAND PROJECTS.—*

(1) *IN GENERAL.*—*On the application of an eligible recipient, the Secretary may make grants under this title for broadband projects, which shall be subject to the provisions of this section.*

(2) *DATA REQUESTED.*—*In reviewing an application submitted under paragraph (1), the Secretary shall request from the Federal Communications Commission, the Administrator of the National Telecommunications and Information Administration, the Secretary of Agriculture, and the Appalachian Regional Commission data on—*

(A) *the level and extent of broadband service that exists in the area proposed to be served; and*

(B) *the level and extent of broadband service that will be deployed in the area proposed to be served pursuant to another Federal program.*

(3) *INTEREST IN REAL OR PERSONAL PROPERTY.*—*For any broadband project carried out by an eligible recipient that is a public-private partnership or consortium, the Secretary shall require that title to any real or personal property acquired or improved with grant funds, or if the recipient will not acquire title, another possessory interest acceptable to the Secretary, be vested in a public partner or eligible nonprofit organization or association for the useful life of the project, after which title may be transferred to any member of the public-private partner-*

ship or consortium in accordance with regulations promulgated by the Secretary.

(4) PROCUREMENT.—Notwithstanding any other provision of law, no person or entity shall be disqualified from competing to provide goods or services related to a broadband project on the basis that the person or entity participated in the development of the broadband project or in the drafting of specifications, requirements, statements of work, or similar documents related to the goods or services to be provided.

(5) BROADBAND PROJECT PROPERTY.—

(A) IN GENERAL.—The Secretary may permit a recipient of a grant for a broadband project to grant an option to acquire real or personal property (including contractual rights and intangible property) related to that project to a third party on such terms as the Secretary determines to be appropriate, subject to the condition that the option may only be exercised after the Secretary releases the Federal interest in the property.

(B) TREATMENT.—The grant or exercise of an option described in subparagraph (A) shall not constitute a redistribution of grant funds under section 217.

(c) SOURCES OF ASSISTANCE.—A grant provided under this section may be provided from amounts made available to carry out this title in combination with amounts made available under any other Federal program.

(d) NON-FEDERAL SHARE.—In determining the amount of the non-Federal share of the cost of a broadband project, the Secretary may provide credit toward the non-Federal share for the present value of allowable contributions over the useful life of the broadband project, subject to the condition that the Secretary may require such assurances of the value of the rights and of the commitment of the rights as the Secretary determines to be appropriate.

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MAXINE WATERS, CA
CHAIRWOMAN

COMMITTEE CORRESPONDENCE
United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

PATRICK MCHENRY, NC
RANKING MEMBER

November 3, 2021

The Honorable Peter DeFazio
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
2167 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I am writing concerning H.R. 3193, the "E-BRIDGE Act." In order to permit H.R. 3193 to proceed expeditiously to the House Floor, I agree to forgo formal consideration of the bill.

The Committee on Financial Services takes this action to forego formal consideration of H.R. 3193 in light of our mutual understanding that, by foregoing formal consideration of H.R. 3193 at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as this or similar legislation moves forward with regard to any matters in the Committee's jurisdiction. The Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation that involves the Committee's jurisdiction and request your support for any such request.

Finally, I would appreciate your response to this letter confirming this understanding, and I would ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during Floor consideration of H.R. 3193.

Sincerely,



MAXINE WATERS
Chairwoman

Cc: The Honorable Patrick McHenry, Ranking Member



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

Peter A. DeFazio
Chair
Katherine W. Dedrick
Staff Director

Sam Graves
Ranking Member
Paul J. Sass
Republican Staff Director

November 3, 2021

The Honorable Maxine Waters
Chairwoman, Committee on Financial Services
House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters:

Thank you for your letter regarding H.R. 3193, the *E-BRIDGE Act*. I appreciate your willingness to work cooperatively on this legislation.

I acknowledge that by foregoing formal consideration on H.R. 3193, the Committee on Financial Services does not waive any future jurisdictional claims to provisions in this or similar legislation, and that your Committee will be consulted and involved on any matters in your Committee's jurisdiction should this legislation move forward. In addition, should a conference on the bill be necessary, I would support your effort to seek appointment of an appropriate number of conferees to any House-Senate conference involving provisions within this legislation on which the Committee on Financial Services has a valid jurisdictional claim.

I appreciate your cooperation regarding this legislation, and I will ensure that our exchange of letters is included in the *Congressional Record* during floor consideration of H.R. 3193.

Sincerely,

Peter A. DeFazio
Chair

cc: The Honorable Nancy Pelosi
The Honorable Sam Graves
The Honorable Patrick McHenry
Mr. Jason Smith, Parliamentarian