

***Broadband Reform and Investment to
Drive Growth in the Economy (BRIDGE) Act***
Section-by-Section Summary

Section 1 – Short Title: the “Broadband Reform and Investment to Drive Growth in the Economy Act” or “BRIDGE Act”.

Section 2 – Findings.

Section 3 – Grants for Broadband Deployment.

(a) DEFINITIONS [*excerpts of key definitions*]

- Digital equity – the condition in which all individuals and communities have the information technology capacity to fully participate in our economy and society.
- Digital inclusion – activities necessary to ensure that all individuals have access to, and use of, affordable information and communications technologies.
- Affordable broadband service plan – a plan provided at a rate determined by the Department of Commerce (NTIA) and the FCC that is affordable for a typical four-person household with an income of 136% of the poverty line.
- Unserved Area – an area without access to broadband service of speeds greater than 25/3 Mbps (megabits per second).
- Underserved Area – an area without access to broadband service of speeds between 25/3 Mbps and 100/25 Mbps.
- Eligible Area – An unserved, underserved, or other qualifying area.
- Community Anchor Institution – An entity such as a school, library, hospital, health clinic, public housing organization, public safety entity, institution of higher education, or community organization that facilitates

greater use of broadband service by vulnerable populations. Community anchor institutions eligible for funding are those that lack access to gigabit-level broadband service.

- Eligible entity – A State, a U.S. territory, the District of Columbia, or a Tribal government.
- Subgrantee – An entity that receives grants funds from a State, U.S. territory, the District of Columbia, or a Tribal government.
- High-Cost Area – An area in which the cost of building out broadband service is higher compared with the average such cost in the United States, because of its remote location, population density, unique topography, high rate of poverty, or other relevant factors. NTIA would make this determination.

(b) **BROADBAND ACCESS FUND** – A fund will be established in the Treasury known as the “Broadband Access Fund” available to the Assistant Secretary of Commerce, who leads the National Telecommunications Information Administration (NTIA), to make grants to eligible entities to deploy broadband networks and fund efforts that bridge the digital divide, including broadband affordability, accessibility, and inclusion.

(c) **GRANTS** – NTIA shall award grants to each eligible entity that submits an approved application.

(d) **ALLOCATION**

1. **MINIMUM AMOUNTS.** Sets the minimum amount each eligible entity can receive: \$100 million to each state; \$75 million for both DC and Puerto Rico; \$100 million divided equally among U.S. Territories. It says the Broadband Deployment Fund must provide at least 5% of the total allocation (\$2 billion) to Tribal governments, 3% of which is reserved for Native Hawaiians (\$6 million).

2. **REMAINING AMOUNTS.** Remaining funds will be allocated using the most recent Census data according to the following formula: 50% by total population; 25% by rural population; and 25% by low-income population.
 3. **REALLOCATION.** If an eligible entity does not apply for funding, that funding will be reallocated to other eligible entities.
- (e) **ADMINISTRATIVE EXPENSES** – NTIA and eligible entities may not use more than 2% of the total grant for expenses related to administration.
- (f) **IMPLEMENTATION** – Lays out implementation requirements for eligible entities and subgrantees.
1. **REQUIREMENTS; OUTREACH.** Within 120 days of this law’s enactment, NTIA shall notify each eligible entity of the funding availability; invite them to apply; provide a standard, online application for them to do so; and publish a model application.
 2. **INITIAL PROPOSAL.** Within 90 days of NTIA’s notification of the funding opportunity (120 days for Tribal governments), eligible entities can submit an initial proposal to receive up to 20% of their total grant allocation (or more at NTIA’s discretion). The initial proposal will outline long-term priorities and identify existing planning processes and efforts to close the digital divide, including those supported by federal and state funds.

This section also specifies that an eligible entity can submit only one application and that States should, to the greatest extent practicable, coordinate with units of local government to submit it.

Within 90 days of receiving the initial proposal, NTIA must accept or reject it. If NTIA rejects the initial proposal, it will provide the eligible entity 30 days to resubmit.

3. **FINAL PROPOSAL.** Within 120 days of receiving partial grant

funding from the initial proposal, an eligible entity may submit a final proposal that includes spending priorities, a preliminary budget, and a detailed plan for meeting requirements of the bill. An eligible entity can only submit one final proposal, and in the case of States, should coordinate to the greatest extent possible with local governments to prepare it.

Within 90 days of receiving the final proposal, NTIA must accept or reject it. If NTIA rejects the final proposal, it will provide the eligible entity with 30 days to resubmit.

4. EXTENSION. NTIA may grant an extension to the submission deadlines for the initial and final proposals.
 5. WAIVER. Allows eligible entities to request a waiver from NTIA for the minimum standards for newly deployed networks, such as the requirement to provide speeds of at least 100/100 Mbps, if doing so would be technologically or financially infeasible.
- (g) USE OF FUNDS – This section specifies what eligible entities can do with the grant funding:
- Deploy broadband networks to eligible areas;
 - Connect eligible community anchor institutions;
 - Broadband planning;
 - Distance learning;
 - Telehealth;
 - Install internet and Wi-Fi infrastructure or providing free or reduced-cost broadband within a multi-family residential building; and
 - Affordable broadband programs, which can include free or reduced-cost service at a speed greater than 50/10 Mbps, with even faster speeds encouraged;
 - Digital inclusion, such as digital literacy and equity programs;
 - Broadband adoption;
 - Initiatives to develop a skilled telecommunications workforce necessary for the deployment of high-speed broadband; or
 - Accelerating completion of existing projects to deploy broadband

networks; or

- Provide technical assistance to local, regional, private, or nonprofit entities to carry out existing efforts to close the digital divide, or to implement subgrants awarded in the bill.

(h) GENERAL SUBGRANT REQUIREMENTS USE OF FUNDS –

1. MINIMUM ALLOCATION FOR UNSERVED AREAS OR AREAS WITH SUBSTANTIAL POVERTY. An eligible entity has to allocate no less than 50% of its total grant amount to areas that are either unserved, including high-cost areas, or that have poverty rates above the national average.
2. NONPERFORMANCE STIPULATIONS. Eligible entities shall make reasonable provisions to recover funds from a subgrantee in the case of nonperformance.

(i) BROADBAND NETWORK DEPLOYMENT –

1. ORDER OF AWARDS; PRIORITY. In awarding subgrants to deploy broadband infrastructure, an eligible entity has to:
 - First provide funding to unserved areas, then to underserved areas and eligible community anchor institutions, and then to other qualifying areas.
 - The eligible entity may not exclude cooperatives, nonprofits, public private partnerships, public or private utilities, tribally owned entities, or local governments from eligibility for subgrants.
 - In awarding subgrants for broadband deployment, the eligible entity must prioritize entities that will provide gigabit-level service; begin construction within 1 year of receiving the subgrant; deploy the network and begin providing service in less than three years; and, in the case of a State or U.S. territory, has a letter of endorsement for the project from the local government for each community the project

will serve.

2. **CHALLENGE PROCESS FOR CLASSIFICATION OF ELIGIBLE AREAS** – Before allocating subgrants to deploy broadband networks, the eligible entity must provide public notice of which areas and community anchor institutions have been classified as eligible for funding, provide local governments, nonprofits, and broadband providers the opportunity to challenge these classifications, and in the case of a challenge, resolve them expeditiously. After each challenge is resolved, the eligible entity shall make public the final classifications.
3. **SUBGRANTEE NON-FEDERAL SHARE OF BROADBAND INFRASTRUCTURE DEPLOYMENT COSTS.** When deploying broadband networks, eligible entities (other than Tribal governments) shall require a subgrantee to provide a 20% match from non-Federal funds. NTIA may also reduce or waive the matching requirement at its discretion.
4. **DEPLOYMENT AND PROVISION OF SERVICE REQUIREMENTS.** If an eligible entity awards subgrants to deploy broadband networks, those networks must meet following criteria:
 - Speeds of at least 100/100 Mbps, or 100/25 Mbps in the case of areas that received a waiver from NTIA;
 - Latency sufficiently low to allow real-time, interactive applications;
 - Network outages that do not exceed, on average, 24 hours over 365 days.
 - Service to each customer who desires it in the funded area that lacks access to service with speeds greater than 25/3 Mbps for unserved areas, at least 100/25 Mbps for underserved, and at least 1/1 Gbps for other qualifying areas;
 - Provides at least one affordable subscription option;

- Deploys the network and provides service within three years of receiving the subgrant, with provisions for extensions in the case of permitting or supply chain delays beyond the entity’s control;
 - Includes regular conduit access points if laying middle mile fiber along a roadway;
 - Upon completion of the project, issues a public notification of the availability of service for the area in which broadband service has been provided; and
 - Makes network capacity available for sale at a reasonable, wholesale rate to other broadband service providers or public sector entities if the original entity is no longer able to provide service.
5. RETURN OF FUNDS – An eligible entity can require a subgrantee to return up to the full amount of the subgrant, at the eligible entity’s discretion, if it fails to comply with its requirements.
 6. REASONABLE PERMITTING FEES – The federal government, along with state and local governments, may only charge entities who need access to rights of way, including for a pole attachment, to deploy broadband networks funded by this bill a reasonable fee that is consistent with what it would charge for utility permits.
 7. ADDITIONAL REQUIREMENTS IMPOSED BY ELIGIBLE ENTITY – Eligible entities can establish additional requirements, including increasing the minimum speed of broadband service that must be provided and imposing additional penalties on noncompliant subgrantees in addition to the penalty under this bill, as long as they do not conflict with other requirements in the bill.
 8. BANKRUPTCY CONTINGENCY – In the case of bankruptcy, the subgrantee must repay the eligible entity the subgrant amount before any other financial obligations, except for salaries, compensation, and

severance payments for non-executive positions.

9. STANDARDS – Eligible entities cannot award a subgrant to deploy a broadband network unless it has confirmed that the subgrantee has the financial, operational, and technical capacity to meet its buildout obligations.

(j) REPORTING – This section lays out reporting requirements for eligible entities and subgrantees.

1. ELIGIBLE ENTITIES.

- Within 180 days of receiving grant funds, the eligible entity shall submit a report to NTIA describing its planned use of funds, sub-granting process, and safeguards to ensure compliance with requirements in the bill.
- Within 1 year of receiving grant funds, and semiannually thereafter until the funds are exhausted, the eligible entity shall submit a report to NTIA describing its use of funds, compliance, and services provided.
- Within 1 year of exhausting its grant funding, the eligible entity will submit a final report detailing its use of funds, compliance, and service provided.

2. SUBGRANTEES. Subgrantees shall provide reports every six months to the eligible entity describing the projects carried out. For the deployment of broadband infrastructure, they will also report: new locations served; types of facilities constructed; peak and off-peak speeds of service offered; and non-promotional prices, including any associated fees.

3. STANDARDIZATION AND COORDINATION. NTIA will collaborate with the FCC to standardize and coordinate reporting of locations served using grant funds under this bill and provide a standardized methodology to recipients of grants and subgrants to report this information.

- (k) **TECHNICAL ASSISTANCE TO ELIGIBLE ENTITIES** – NTIA will provide technical assistance to any eligible entity that requests it to support its identification of eligible areas, application submission, competitive awarding of subgrants, or oversight functions.
- (l) **RELATION TO OTHER PUBLIC FUNDING FOR BROADBAND DEPLOYMENT** – Entities that have received funding from federal, state, or local government sources to deploy broadband service are eligible to receive funding under this bill. Receiving funding under this bill shall not affect an entity’s eligibility to receive other government funding.
- (m) **SUPPLEMENT NOT SUPPLANT** – An eligible entity may use the funds to complement and not replace funds it would have otherwise used for the same purposes.
- (n) **SENSE OF CONGRESS REGARDING FEDERAL AGENCY COORDINATION** – Establishes the sense of Congress that federal agencies responsible for supporting broadband deployment should align their goals, application and reporting processes, and project requirements for broadband deployment.

Section 4 – Preemption of State and Local Restrictions on Municipal Broadband.

Prevents states and local governments from prohibiting, or having the effect or prohibiting, any public provider from providing telecommunications or advanced telecommunications capability or services, or from deploying an infrastructure to provide such capabilities or services.

Section 5 – Report on Future of Universal Service Fund.

Directs the FCC to report to Congress within 270 days on options to improve its effectiveness in achieving its universal service goals for broadband in light of this bill and other broadband bills. The report would also include recommendations for further actions by Congress or the FCC to improve the Commission’s ability to achieve its universal service goals for broadband.