

118TH CONGRESS
2D SESSION

S. 275

AN ACT

To require the Federal Communications Commission to establish a vetting process for prospective applicants for high-cost universal service program funding.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Rural Broadband Pro-
3 tection Act of 2024”.

4 **SEC. 2. VETTING PROCESS FOR PROSPECTIVE HIGH-COST**
5 **UNIVERSAL SERVICE FUND APPLICANTS.**

6 Section 254 of the Communications Act of 1934 (47
7 U.S.C. 254) is amended by adding at the end the fol-
8 lowing:

9 “(m) VETTING OF HIGH-COST FUND RECIPIENTS.—

10 “(1) DEFINITIONS.—In this subsection—

11 “(A) the term ‘covered funding’ means any
12 new offer of high-cost universal service program
13 funding, including funding provided through a
14 reverse competitive bidding mechanism provided
15 under this section, for the deployment of a
16 broadband-capable network and the provision of
17 supported services over the network; and

18 “(B) the term ‘new covered funding award’
19 means an award of covered funding that is
20 made based on an application submitted to the
21 Commission on or after the date on which rules
22 are promulgated under paragraph (2).

23 “(2) COMMISSION RULEMAKING.—Not later
24 than 180 days after the date of enactment of this
25 subsection, the Commission shall initiate a rule-
26 making proceeding to establish a vetting process for

1 applicants for, and other recipients of, a new covered
2 funding award.

3 “(3) CONTENTS.—

4 “(A) IN GENERAL.—In promulgating rules
5 under paragraph (2), the Commission shall pro-
6 vide that, consistent with principles of tech-
7 nology neutrality, the Commission will only
8 award covered funding to applicants that can
9 demonstrate that they meet the qualifications in
10 subparagraph (B).

11 “(B) QUALIFICATIONS DESCRIBED.—An
12 applicant for a new covered funding award shall
13 include in the initial application a proposal con-
14 taining sufficient detail and documentation for
15 the Commission to ascertain that the applicant
16 possesses the technical, financial, and oper-
17 ational capabilities, and has a reasonable busi-
18 ness plan, to deploy the proposed network and
19 deliver services with the relevant performance
20 characteristics and requirements defined by the
21 Commission and as pledged by the applicant.

22 “(C) EVALUATION OF PROPOSAL.—The
23 Commission shall evaluate a proposal described
24 in subparagraph (B) against—

1 “(i) reasonable and well-established
 2 technical, financial, and operational stand-
 3 ards, including the technical standards
 4 adopted by the Commission in orders of
 5 the Commission relating to Establishing
 6 the Digital Opportunity Data Collection
 7 (WC Docket No. 19–195) (or orders of the
 8 Commission relating to modernizing any
 9 successor collection) for purposes of enti-
 10 ties that must report broadband avail-
 11 ability coverage; and

12 “(ii) the applicant’s history of com-
 13 plying with requirements in Commission
 14 and other government broadband deploy-
 15 ment funding programs.

16 “(D) PENALTIES FOR PRE-AUTHORIZATION
 17 DEFAULTS.—In adopting rules for any new cov-
 18 ered funding award, the Commission shall set a
 19 penalty for pre-authorization defaults of at least
 20 \$9,000 per violation and may not limit the base
 21 forfeiture to an amount less than 30 percent of
 22 the applicant’s total support, unless the Com-

- 1 mission demonstrates the need for lower pen-
2 alties in a particular instance.”.

Passed the Senate September 25, 2024.

Attest:

Secretary.

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