



# TELECOMMUNICATIONS

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By: *Craig Dingwall*

### **Rural Broadband Federal Legislative Update**

Last month we wrote about the FCC's efforts to promote broadband through the National Broadband Plan. See *Rural Broadband: Miles to Go Before We Sleep*, July 16, 2010, [GoingWiMax.com](http://GoingWiMax.com). In this article we focus on the Rural Broadband Initiative Act of 2010, H.R. 4545, pending in Congress.

This Bill was introduced on January 27, 2010, and was referred to the Committee on Agriculture, and the Committee on Energy and Commerce "for a period to be subsequently determined by the Speaker." This Bill amends the Rural Electrification Act of 1936 to establish in the Department of Agriculture the Office of Rural Broadband Initiatives, to be headed by the Under Secretary for Rural Broadband Initiatives. If enacted, this Bill would give the Under Secretary the power to administer rural broadband-related grant and loan programs, conduct rural outreach, foster development of a comprehensive rural broadband strategic vision, assess technologies (including WiFi, WIMAX, DSL, cable, satellite, fiber, and broadband over power lines), serve as a single information source and provide technical assistance to develop broadband deployment strategies. The Bill also requires the Under Secretary to submit a comprehensive rural broadband strategy report to the President and to Congress, and it establishes a National Rural Broadband Innovation Fund of \$20,000,000 for each of fiscal years 2008 through 2012. The Fund is to be used for experimental and pilot rural broadband projects and applications, including WiFi, WIMAX, DSL, cable, satellite, fiber, and broadband delivery over power lines.

This Bill and a related Bill (S.2880) introduced in the Senate late last year and also referred to Committee are important because they consolidate authority in the Under Secretary of Rural

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Broadband Initiatives to foster the development of rural broadband, to assess broadband strategies, and to oversee broadband projects. But don't hold your breath waiting for this legislation to become law based on recent history, given the death of previous rural broadband development bills on the Hill during the last few years. Moreover, companies with deep pockets that are adverse to competing with publicly-funded broadband projects may have a vested interest in opposing this legislation.

Proponents of this legislation will argue that consolidated oversight of rural broadband development, and the commitment of public funds, are long overdue. Critics will likely oppose the expenditure of \$20M of taxpayer dollars during these tough times for rural broadband projects that may never bear fruit. Most broadband companies would prefer to develop and compete for these projects themselves, but will they do so in sparsely populated rural areas where the need is greatest but where the return on investment is significantly less than in urban and suburban areas? If passed, how will this Bill dovetail with the FCC's National Broadband Plan? Also, does the Bill go far enough to promote rural broadband in the face of continuous legislative challenges in many states to stop or curtail municipal broadband projects?

We welcome your thoughts. Feel free to comment at our interactive blog at [blog.tlgdc.com](http://blog.tlgdc.com)!

*If you have questions about this issue, or if we may be of assistance to you, please feel free to contact us.*

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© 2010 Technology Law Group. Craig Dingwall is an attorney with the Technology Law Group, a Washington, D.C.-based law firm specializing in telecommunications transactional matters, complex litigation and intellectual property issues. Craig can be reached at [cdingwall@tlgdc.com](mailto:cdingwall@tlgdc.com), at 202-895-1707, or at our website: [www.tlgdc.com](http://www.tlgdc.com). The views in this article are those of the author, and do not necessarily represent those of the Technology Law Group.

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