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Momentum builds for rural broadband bailout as coronavirus chaos spreads

After providing little relief to broadband companies in the latest COVID-19 relief bill, lawmakers are coalescing behind a \$2-billion fund to prop up rural providers whose customers can't pay.



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The \$2.2 trillion COVID-19 relief bill passed by the Senate on Wednesday [contained](https://www.nationaljournal.com/s/705670?unlock=HHDWLKHO1QZHGEWK) little in the way of serious money for broadband.

But as lawmakers on both sides of the aisle line up behind new legislation to shore up rural broadband providers, whose customers may soon struggle to pay under the twin threats of layoffs and the coronavirus, it's increasingly likely that significant broadband funding will be included in a planned "Phase 4" relief bill.

On Tuesday, Sens. Amy Klobuchar and Kevin Cramer led a bipartisan group of 14 senators in introducing the Keeping Critical Connections Act, which would funnel \$2 billion to a new fund administered by the Federal Communications

Commission. The FCC would dole out the money as needed to small, rural broadband providers that keep the internet on for low-income families and students who can't pay their bill because of lost jobs, health care payments, or other coronavirus-related hardships.

“The federal government asked this essential industry to keep providing assistance to people during COVID-19, and they answered the call,” Cramer said in a statement. “The least we can do is make sure they are made whole when this pandemic is over.”

Reps. Peter Welch and Roger Marshall introduced identical legislation in the House on Wednesday, attracting a handful of bipartisan cosponsors and setting the stage for rapid action when Congress returns. Spokesmen for both lawmakers said they hope to fold the legislation into the next coronavirus-relief bill.

Whether that help comes in time, however, remains to be seen. Small rural providers have historically faced thin-to-nonexistent profit margins, the result of few customers spread out over long distances. Many providers voluntarily signed up for the FCC's 60-day Keep Americans Connected pledge that began two weeks ago, promising to waive late fees and maintain internet service for people unable to pay their bills due to the COVID-19 crisis.

But state-ordered business closures, and their resultant layoffs, are just starting to creep into rural America as the virus spreads. Michael Romano, senior vice president of industry affairs and business development at The Rural Broadband Association, said his members are staring down a “precipice” and may soon tip over without federal help.

Romano said his group sent a letter to lawmakers last Friday urging them to set aside \$5 billion for a similar fund. He's worried that \$2 billion may not be enough to bolster the "sizable majority" of member companies that have agreed to provide broadband without pay. But if that's the number Congress settles on, he'll take it.

"I think the concern is, in order to keep the internet lights blinking, they need to keep the lights on in their business," said Romano. "If they can't afford to pay employees because they're not getting paid by customers, that's going to have a ripple effect throughout these communities."

"Maybe \$2 billion isn't enough—I'm a bit concerned that it might not be in the long run, depending on how long this lasts—but right now we have nothing," Romano said.

Lawmakers backing the bill are largely from rural states, and share Romano's concerns about the ticking 60-day clock. Welch spokesman Lincoln Peek said the congressman is "of course concerned that small providers could be forced to make difficult choices if Congress does not act to support them."

But that sense of urgency may not be enough to carry the bill over the finish line in time to make an impact. While leadership in both chambers could call lawmakers back when needed, ongoing uncertainty about the impact of COVID-19 on Congress and the Washington region may change that calculus.

And the FCC, which typically weighs in on this kind of legislation, has so far been silent. FCC spokesman Brian Hart told *National Journal* the commission hasn't yet had a chance to review the bill.

Progressive efforts to set conditions on the money could also complicate matters. Gigi Sohn, a fellow at the Georgetown University Law Center's Institute for Technology Law & Policy, and a former Democratic FCC official, said

lawmakers should require carriers to provide low-cost broadband options for low-income consumers if they wish to receive funding.

“We are past the days where rural [internet service providers] continue to get billions of dollars from the federal government without asking for anything in return,” Sohn said.

But the bill’s chances are most impacted by how successful its sponsors are in inserting the legislation into the next coronavirus-response package. If it’s in there, Romano said he’s optimistic the provision can become law.

“If folded into Phase 4, I think that would be terrific in terms of helping to make sure that in the next two, three, four, five months that follow, if this becomes a persistent problem, there’s something there to help these companies keep the internet on in rural America,” Romano said.