Purpose: In the nature of a substitute.


S.1166

To direct the Assistant Secretary of Commerce for Communications and Information to make grants for the establishment or expansion of internet exchange facilities, and for other purposes.

Referred to the Committee on ____________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. Schatz (for himself, Mrs. Blackburn, Ms. Baldwin, and Mr. Blunt)

Viz:

1 Strike all after the enacting clause and insert the following:

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Internet Exchange and Submarine Cable Act of 2020”.

4 SEC. 2. DEFINITIONS.

5 In this Act:

6 (1) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant Secretary of Commerce for Communications and Information.
(2) CORE BASED STATISTICAL AREA.—The term “core based statistical area” has the meaning given the term by the Office of Management and Budget in the Notice of Decision entitled “2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas”, published in the Federal Register on June 28, 2010 (75 Fed. Reg. 37246), or any successor to that Notice.

(3) COVERED GRANT.—The term “covered grant” means a grant awarded under section 3(a).

(4) INDIAN TRIBE.—The term “Indian Tribe”—

(A) has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304); and

(B) includes a Native Hawaiian organization, as that term is defined in section 6207 of the Native Hawaiian Education Act (20 U.S.C. 7517).

(5) INTERNET EXCHANGE FACILITY.—The term “internet exchange facility” means physical infrastructure through which internet service providers and content delivery networks exchange internet traffic between their networks.
(6) **State.**—The term “State” has the meaning given the term in section 3 of the Communications Act of 1934 (47 U.S.C. 153).

(7) **Submarine Cable Landing Station.**—The term “submarine cable landing station” means a cable landing station, as that term is used in section 1.767(a)(5) of title 47, Code of Federal Regulations (or any successor regulation), that can be utilized to land a submarine cable by an entity that has obtained a license under the first section of the Act entitled “An Act relating to the landing and operation of submarine cables in the United States”, approved May 27, 1921 (47 U.S.C. 34) (commonly known as the “Cable Landing Licensing Act”).

**SEC. 3. INTERNET EXCHANGE FACILITY GRANTS.**

(a) **Grants.**—Not later than 1 year after the date on which amounts are made available under section 6, the Assistant Secretary shall award grants to entities to acquire real property and necessary equipment to—

(1) establish a new internet exchange facility in a core based statistical area in which, at the time the grant is awarded, there are no existing internet exchange facilities; or

(2) expand operations at an existing internet exchange facility in a core based statistical area in
which, at the time the grant is awarded, there is only 1 internet exchange facility.

(b) ELIGIBILITY.—To be eligible to receive a covered grant, an entity shall—

(1) have sufficient interest from third party entities that will use the internet exchange facility to be funded by the grant once the facility is established or operations are expanded, as applicable;

(2) have sovereign control over the land or building in which the internet exchange facility is to be housed;

(3) provide evidence of direct conduit, duct, and manhole access to public rights-of-way;

(4) have a plan to establish security protocols for the internet exchange facility to prevent physical or electronic intrusion from unauthorized users; and

(5) provide other information required by the Assistant Secretary to protect against waste, fraud, or abuse.

(c) FEDERAL SHARE.—The Federal share of the total cost of the establishment of, or expansion of operations at, an internet exchange facility for which a covered grant is awarded may not exceed 50 percent.

(d) GRANT AMOUNT.—The amount of a covered grant may not exceed $3,000,000.
(c) Applications.—

(1) Rules and Timelines.—Not later than 1 year after the date of enactment of this Act, the Assistant Secretary shall establish rules and timelines for applications for—

(A) covered grants; and
(B) grants under section 4.

(2) Third Party Review.—To prevent fraud in the covered grant program, the Assistant Secretary shall enter into a contract with an independent third party under which the third party reviews an application for a covered grant not later than 60 days after the date on which the application is submitted to ensure that only an entity that is eligible for a covered grant receives a covered grant.

(f) Rule of Construction.—Nothing in this section shall be construed to authorize the Assistant Secretary to regulate, issue guidance for, or otherwise interfere with the activities at an internet exchange facility.

SEC. 4. SUBMARINE CABLE LANDING STATION GRANTS.

Not later than 1 year after the date on which amounts are made available under section 6, and in accordance with the rules and timelines established under section 3(e)(1), the Assistant Secretary shall award grants to States and Indian Tribes to build infrastructure and
acquire necessary equipment to establish or expand an open-access, carrier-neutral submarine cable landing station that serves a military facility.

SEC. 5. REPORT.

Not later than 5 years after the date of enactment of this Act, and annually thereafter for 5 years, the Assistant Secretary shall submit a report on outcomes of grants awarded under this Act to—

(1) the Committee on Commerce, Science, and Transportation of the Senate; and

(2) the Committee on Energy and Commerce of the House of Representatives.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated $35,000,000 to carry out sections 3 and 4.

(b) Limitation.—The Assistant Secretary may not use more than 10 percent of the amounts made available under subsection (a) to administer and report on the outcomes of grants awarded under this Act.