

SEC. 6202. EXPANSION OF MIDDLE MILE INFRASTRUCTURE INTO RURAL AREAS. Section 602 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb–1) is amended to read as follows: “SEC. 602. EXPANSION OF MIDDLE MILE INFRASTRUCTURE INTO RURAL AREAS. “(a) PURPOSE.—The purpose of this section is to encourage the expansion and extension of middle mile broadband infrastructure to connect underserved rural areas to the backbone of the Internet. “(b) MIDDLE MILE INFRASTRUCTURE.—For the purposes of this section, the term ‘middle mile infrastructure’ means any broadband infrastructure that does not connect directly to end-user locations (including anchor institutions) and may include interoffice transport, backhaul, Internet connectivity, data centers, or special access transport to rural areas. “(c) GRANTS, LOANS, AND LOAN GUARANTEES.—The Secretary shall make grants, loans, and loan guarantees to eligible applicants described in subsection (d) to provide funds for the construction, improvement, or acquisition of middle mile infrastructure to serve rural areas. “(d) ELIGIBILITY.— “(1) ELIGIBLE APPLICANTS.— “(A) IN GENERAL.—To be eligible to obtain assistance under this section, an eligible entity shall— “(i) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require; “(ii) agree to complete build-out of the middle mile infrastructure described in the application by not later than 5 years after the initial date on which proceeds from the assistance provided under this section are made available; and “(iii) submit to the Secretary a plan to ensure the viability of the project by— “(I) connecting, assisting with connecting, or enabling the connection of retail broadband systems that serve rural areas within the proposed service territory to the middle mile infrastructure project in an affordable and economically competitive manner; “(II) leasing or selling sufficient capacity prior to project approval; and “(III) complying with any other requirements imposed by the Secretary. “(B) ADDITIONAL END USER BROADBAND PROGRAMS.— Entities that receive assistance to construct, improve, or acquire middle mile infrastructure under this section shall be eligible to apply for additional funds under this title to provide for retail broadband service to end users. “(2) ELIGIBLE SERVICE TERRITORIES.—The proceeds of assistance provided under this section may be used to carry out a project in a proposed service territory only if, as of the date the application for assistance under this section is submitted, there is not adequate middle mile infrastructure available to support broadband service for eligible rural communities that would be provided access to the middle mile infrastructure. “(3) ELIGIBLE PROJECTS.—A project shall be eligible for assistance under this section if at the time of the application— “(A) at least 75 percent of the interconnection points serve such eligible rural areas; and “(B) the Secretary determines that the proposed middle mile network will be capable of supporting retail broadband service meeting the maximum broadband buildout requirement established under section 601(e)(4) for the residents within the proposed service territory. “(e) LIMITATION ON GRANTS.—In making grants under this section, the Secretary shall— “(1) not provide any grant in excess of 20 percent of the total project cost; and “(2) provide grants only to those projects which serve rural areas where population density or geographic characteristics make it infeasible to construct middle mile broadband systems without grant assistance. “(f) TERMS, CONDITIONS, AND ADEQUACY OF SECURITY.—All loans and loan guarantees provided under this section shall be made subject to such terms, conditions, and adequacy of security requirements as may be imposed by the Secretary. If the middle mile infrastructure would not provide adequate security due to long-term leasing arrangements, the Secretary shall require substitute security in such form and substance as are acceptable to the Secretary. “(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2018 through 2023.”.