

(C) covers the cost of bandwidth to provide free eligible broadband service to each essential community facility that requests broadband services within the proposed eligible service area described in the application submitted by the eligible entity.

**(d) Uses of grant funds**

**(1) In general**

An eligible entity that receives a grant under the Program may use the grant for—

(A) the construction, acquisition, or leasing of facilities (including spectrum), land, or buildings to deploy eligible broadband service; and

(B) the improvement, expansion, construction, or acquisition of a community center within the proposed eligible service area described in the application submitted by the eligible entity.

**(2) Ineligible uses**

An eligible entity that receives a grant under the Program shall not use the grant for—

(A) the duplication of any existing eligible broadband service provided by another entity in the eligible service area; or

(B) operating expenses, except as provided in—

(i) subsection (c)(2)(C) with respect to free eligible broadband service; and

(ii) paragraph (1)(A) with respect to spectrum.

**(3) Free access for community centers**

Of the amounts provided to an eligible entity under a grant under the Program, the eligible entity shall use to carry out paragraph (1)(B) not greater than the lesser of—

(A) 10 percent; and

(B) \$150,000.

**(e) Matching funds**

**(1) In general**

An eligible entity that receives a grant under the Program shall provide a cash contribution in an amount that is not less than 15 percent of the amount of the grant.

**(2) Requirements**

A cash contribution described in paragraph (1)—

(A) shall be used solely for the project for which the eligible entity receives a grant under the Program; and

(B) shall not include any Federal funds, unless a Federal statute specifically provides that those Federal funds may be considered to be from a non-Federal source.

**(f) Applications**

**(1) In general**

To be eligible to receive a grant under the Program, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

**(2) Requirement**

An application submitted by an eligible entity under paragraph (1) shall include docu-

mentation sufficient to demonstrate the availability of funds to satisfy the requirement of subsection (e).

**(g) Authorization of appropriations**

There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2019 through 2023.

(May 20, 1936, ch. 432, title VI, §604, as added Pub. L. 115-334, title VI, §6204, Dec. 20, 2018, 132 Stat. 4737.)

**§ 950bb-4. Outdated broadband systems**

**(a) In general**

Except as provided in subsection (b), the Secretary shall consider any portion of a service territory that is subject to an outstanding grant agreement between the Secretary and a broadband provider to be unserved for the purposes of all broadband assistance programs under this chapter, if the broadband service in that portion of a service territory is less than 10 Mbps downstream transmission capacity or less than 1 Mbps upstream transmission capacity.

**(b) Exception**

The Secretary shall not consider a portion of a service territory described in subsection (a) to be unserved if the broadband service provider has constructed or begun to construct broadband facilities that meet the minimum acceptable level of service established under section 950bb(e) of this title, in that portion of the service territory.

(May 20, 1936, ch. 432, title VI, §605, as added Pub. L. 115-334, title VI, §6205(a), Dec. 20, 2018, 132 Stat. 4739.)

EFFECTIVE DATE

Pub. L. 115-334, title VI, §6205(b), Dec. 20, 2018, 132 Stat. 4739, provided that: “The amendment made by this section [enacting this section] shall not take effect until October 1, 2020.”

**§ 950bb-5. Default and deobligation; deferral**

**(a) Default and deobligation**

In addition to other authority under applicable law, the Secretary shall establish written procedures for all broadband programs so that, to the maximum extent practicable, the programs are administered to—

(1) recover funds from loan and grant defaults;

(2) deobligate any awards, less allowable costs that demonstrate an insufficient level of performance (including metrics determined by the Secretary) or fraudulent spending, to the extent funds with respect to the award are available in the account relating to the program established by this subchapter;

(3) award those funds, on a competitive basis, to new or existing applicants consistent with this subchapter; and

(4) minimize overlap among the programs.

**(b) Deferral period**

In determining the terms and conditions of assistance provided under this subchapter, the Secretary may establish a deferral period of not shorter than the buildout period established for