



H.R. 4596 — Small Business Broadband Deployment Act (Rep. Walden, R-OR)

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FLOOR SCHEDULE:

Scheduled for consideration on March 16, 2016, under a structured [rule](#)

TOPLINE SUMMARY:

[H.R. 4596](#) would extend for five years an exemption for small broadband Internet providers from certain reporting requirements about the performance and cost of their services to consumers required under the FCC's 2015 net neutrality rules. The bill would also expand the definition of small broadband provider from fewer than 100,000 subscribers to fewer than 250,000 subscribers.

COST:

The Congressional Budget Office (CBO) [estimates](#) that the rulemaking activities needed to implement the provisions of H.R. 4596 would not have a significant effect on the Federal Communications Commission (FCC)'s costs relative to current policies. CBO estimates that the net cost to implement H.R. 4596 would be negligible, assuming annual appropriation actions consistent with the agency's authorities. Because enacting H.R. 4596 would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

CONSERVATIVE CONCERNS:

There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

H.R. 4596 would exempt for five years, any small broadband Internet providers from certain requirements of the [enhancements to the transparency rule of the Federal Communications Commission](#) (FCC). The exemption would cover any provider of broadband Internet service that has 250,000 or fewer subscribers.

According to the report accompanying H.R. 4596, "[as] part of the Federal Communications Commission's Open Internet Order, the Commission adopted enhancements to the 2010 disclosure requirements for Internet service providers (ISP), including in the required disclosures information such as promotional rates, pricing, and performance characteristics such as packet loss." These disclosure requirements were intended to demonstrate whether and how ISPs were discriminating in the allocation of bandwidth against

specific content based on agreements with content providers. The 2015 rulemaking included a one year exemption for small providers to prevent such providers from facing an unreasonable compliance burden.

The FCC would be required to report to Congress containing recommendations regarding whether the exception provided by bill should be made permanent, and whether the definition of the term “small business” for purposes of such exception should be modified.

The House report (H. Rept. 114-444) accompanying H.R. 4596 can be found [here](#).

AMENDMENT MADE IN ORDER:

- [#1 Veasey \(D-TX\)](#): would amend the reporting requirement to Congress to include whether the exception provided by bill should be made permanent, and whether making such exception permanent would increase access to services provided by small businesses.

COMMITTEE ACTION:

H.R. 4596 was introduced on February 24, 2016 and was referred to the House Committee on Energy and Commerce. On March 7, 2016, the bill was ordered to be reported (amended) by the committee.

ADMINISTRATION POSITION:

The Statement of Administration Policy can be found [here](#). According to the statement, the Administration does not oppose House passage of H.R. 4596 in its current form, as reported by the House Energy and Commerce Committee.

CONSTITUTIONAL AUTHORITY:

According to the sponsor: “Congress has the power to enact this legislation pursuant to the following: This bill is enacted pursuant to the power granted to Congress under Article I, Section 8, Clause 3 of the United States Constitution.”

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