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Citation: 3 Bernard D. Reams Jr. & William H. Manz Federal Law A Legislative History of the Telecommunications of 1996 Pub. L. No. 104-104 110 Stat. 56 1996 the Communications Decency Act H8425 1997

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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, FRIDAY, AUGUST 4, 1995 No. 129

House of Representatives

The House met at 8 a.m. and was called to order by the Speaker pro tempore [Mr. BUNN of Oregon].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BUNN of Oregon) laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 4, 1995.

I hereby designate the Honorable JIM BUNN to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplian, Rev. James David Ford, D.D., offered the following prayer:

Your word, O God, proclaims the message of faith and hope and love and we long to experience that joy and peace. Yet often we wonder where that word of grace is amid the cluttered affairs of the world and the untidy arrangements of each day. Our prayer, gracious God, is that we will hear Your still small voice in spite of the clamor and noise of life and that we will experience the power of Your spirit in the depths of our own hearts. With gratefulness, O God, we believe that Your presence is greater than the din of the world and we are thankful that underneath are Your everlasting arms. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. BUNN of Oregon). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. BRYANT] come forward and lead the House in the Pledge of Allegiance.

Mr. BRYANT of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATIONS ACT OF 1995

The SPEAKER pro tempore (Mr. BUNN). Pursuant to House Resolution 207 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1555.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1555) to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies, with Mr. KOLBE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN (Mr. KOLBE). When the Committee of the Whole House rose on Wednesday, August 2, 1995, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

NOTICE

Issues of the Congressional Record during the August District Work Period will be published each day the Senate is in session in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 2:00 p.m.

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman.*

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The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Communications Act of 1995".

(b) REFERENCES.—References in this Act to "the Act" are references to the Communications Act of 1934.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
TITLE I—DEVELOPMENT OF COMPETITIVE TELECOMMUNICATIONS MARKETS
Sec. 101. Establishment of part II of title II.
"PART II—DEVELOPMENT OF COMPETITIVE MARKETS
"Sec. 241. Interconnection.
"Sec. 242. Equal access and interconnection to the local loop for competing providers.
"Sec. 243. Preemption.
"Sec. 244. Statements of terms and conditions for access and interconnection.
"Sec. 245. Bell operating company entry into interLATA services.
"Sec. 246. Competitive safeguards.
"Sec. 247. Universal service.
"Sec. 248. Pricing flexibility and abolition of rate-of-return regulation.
"Sec. 249. Network functionality and accessibility.
"Sec. 250. Market entry barriers.
"Sec. 251. Illegal changes in subscriber carrier selections.
"Sec. 252. Study.
"Sec. 253. Territorial exemption.".
Sec. 102. Competition in manufacturing, information services, alarm services, and pay phone services.
"PART III—SPECIAL AND TEMPORARY PROVISIONS
"Sec. 271. Manufacturing by Bell operating companies.
"Sec. 272. Electronic publishing by Bell operating companies.
"Sec. 273. Alarm monitoring and telemessaging services by Bell operating companies.
"Sec. 274. Provision of payphone service.".
Sec. 103. Forbearance from regulation.
"Sec. 230. Forbearance from regulation.".
Sec. 104. Privacy of customer information.
"Sec. 222. Privacy of customer proprietary network information.".
Sec. 105. Pole attachments.
Sec. 106. Preemption of franchising authority regulation of telecommunications services.
Sec. 107. Facilities siting; radio frequency emission standards.
Sec. 108. Mobile service access to long distance carriers.
Sec. 109. Freedom from toll fraud.
Sec. 110. Report on means of restricting access to unwanted material in interactive telecommunications systems.
Sec. 111. Authorization of appropriations.
TITLE II—CABLE COMMUNICATIONS COMPETITIVENESS
Sec. 201. Cable service provided by telephone companies.
"PART V—VIDEO PROGRAMMING SERVICES PROVIDED BY TELEPHONE COMPANIES
"Sec. 651. Definitions.
"Sec. 652. Separate video programming affiliate.
"Sec. 653. Establishment of video platform.
"Sec. 654. Authority to prohibit cross-subsidization.
"Sec. 655. Prohibition on buy outs.
"Sec. 656. Applicability of parts I through IV.
"Sec. 657. Rural area exemption.".
Sec. 202. Competition from cable systems.
Sec. 203. Competitive availability of navigation devices.
"Sec. 713. Competitive availability of navigation devices.".
Sec. 204. Video programming accessibility.
Sec. 205. Technical amendments.
TITLE III—BROADCAST COMMUNICATIONS COMPETITIVENESS
Sec. 301. Broadcaster spectrum flexibility.
"Sec. 336. Broadcast spectrum flexibility.".
Sec. 302. Broadcast ownership.
"Sec. 337. Broadcast ownership.".
Sec. 303. Foreign investment and ownership.
Sec. 304. Term of licenses.
Sec. 305. Broadcast license renewal procedures.
Sec. 306. Exclusive Federal jurisdiction over direct broadcast satellite service.
Sec. 307. Automated ship distress and safety systems.
Sec. 308. Restrictions on over-the-air reception devices.
Sec. 309. DBS signal security.
TITLE IV—EFFECT ON OTHER LAWS
Sec. 401. Relationship to other laws.
Sec. 402. Preemption of local taxation with respect to DBS services.
TITLE V—DEFINITIONS
Sec. 501. Definitions.
TITLE VI—SMALL BUSINESS COMPLAINT PROCEDURE
Sec. 601. Complaint procedure.

TITLE I—DEVELOPMENT OF COMPETITIVE TELECOMMUNICATIONS MARKETS

SEC. 101. ESTABLISHMENT OF PART II OF TITLE II.

(a) AMENDMENT.—Title II of the Act is amended by inserting after section 229 (47 U.S.C. 229) the following new part:

"PART II—DEVELOPMENT OF COMPETITIVE MARKETS

"SEC. 241. INTERCONNECTION.

"The duty of a common carrier under section 201(a) includes the duty to interconnect with the facilities and equipment of other providers of telecommunications services and information services.

"SEC. 242. EQUAL ACCESS AND INTERCONNECTION TO THE LOCAL LOOP FOR COMPETING PROVIDERS.

"(a) OPENNESS AND ACCESSIBILITY OBLIGATIONS.—The duty under section 201(a) of a local exchange carrier includes the following duties:

"(1) INTERCONNECTION.—The duty to provide, in accordance with subsection (b), equal access to and interconnection with the facilities of the carrier's networks to any other carrier or person offering (or seeking to offer) telecommunications services or information services reasonably requesting such equal access and interconnection, so that such networks are fully interoperable with such telecommunications services and information services. For purposes of this paragraph, a request is not reasonable unless it contains a proposed plan, including a reasonable schedule, for the implementation of the requested access or interconnection.

"(2) UNBUNDLING OF NETWORK ELEMENTS.—The duty to offer unbundled services, elements, features, functions, and capabilities whenever technically feasible, at just, reasonable, and nondiscriminatory prices and in accordance with subsection (b)(4).

"(3) RESALE.—The duty to offer services, elements, features, functions, and capabilities for resale at economically feasible rates to the reseller, recognizing pricing structures for telephone exchange service in the State, and the duty not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale, on a bundled or unbundled basis, of services, elements, features, functions, and capabilities in conjunction with the furnishing of a telecommunications service or an information service.

"(4) NUMBER PORTABILITY.—The duty to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission.

"(5) DIALING PARITY.—The duty to provide, in accordance with subsection (c), dialing parity to competing providers of telephone exchange service and telephone toll service.

"(6) ACCESS TO RIGHTS-OF-WAY.—The duty to afford access to the poles, ducts, conduits, and rights-of-way of such carrier to competing providers of telecommunications services in accordance with section 224(d).

"(7) NETWORK FUNCTIONALITY AND ACCESSIBILITY.—The duty not to install network features, functions, or capabilities that do not comply with any standards established pursuant to section 249.

"(8) GOOD FAITH NEGOTIATION.—The duty to negotiate in good faith, under the supervision of State commissions, the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (7). The other carrier or person requesting interconnection shall also be obligated to negotiate in good faith the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (7).

"(b) INTERCONNECTION, COMPENSATION, AND EQUAL ACCESS.—

"(1) INTERCONNECTION.—A local exchange carrier shall provide access to and interconnection with the facilities of the carrier's network at any technically feasible point within the carrier's network on just and reasonable terms and conditions, to any other carrier or person offering (or seeking to offer) telecommunications services or information services requesting such access.

"(2) INTERCARRIER COMPENSATION BETWEEN FACILITIES-BASED CARRIERS.—

"(A) IN GENERAL.—For the purposes of paragraph (1), the terms and conditions for interconnection of the network facilities of a competing provider of telephone exchange service shall not be considered to be just and reasonable unless—

"(i) such terms and conditions provide for the mutual and reciprocal recovery by each carrier of costs associated with the termination on such carrier's network facilities of calls that originate on the network facilities of the other carrier;

"(ii) such terms and conditions determine such costs on the basis of a reasonable approximation of the additional costs of terminating such calls; and

"(iii) the recovery of costs permitted by such terms and conditions are reasonable in relation to the prices for termination of calls that would prevail in a competitive market.

"(B) RULES OF CONSTRUCTION.—This paragraph shall not be construed—

"(i) to preclude arrangements that afford such mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive mutual recovery (such as bill-and-keep arrangements); or

"(ii) to authorize the Commission or any State commission to engage in any rate regulation proceeding to establish with particularity the additional costs of terminating calls, or to require carriers to maintain records with respect to the additional costs of terminating calls.

"(3) EQUAL ACCESS.—A local exchange carrier shall afford, to any other carrier or person offering (or seeking to offer) a telecommunications service or an information service, reasonable and nondiscriminatory access on an unbundled basis—

"(A) to databases, signaling systems, billing and collection services, poles, ducts, conduits, and rights-of-way owned or controlled by a

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local exchange carrier, or other facilities, functions, or information (including subscriber numbers) integral to the efficient transmission, routing, or other provision of telephone exchange services or exchange access;

"(B) that is equal in type and quality to the access which the carrier affords to itself or to any other person, and is available at nondiscriminatory prices; and

"(C) that is sufficient to ensure the full interoperability of the equipment and facilities of the carrier and of the person seeking such access.

"(4) COMMISSION ACTION REQUIRED.—

"(A) IN GENERAL.—Within 15 months after the date of enactment of this part, the Commission shall complete all actions necessary (including any reconsideration) to establish regulations to implement the requirements of this section. The Commission shall establish such regulations after consultation with the Joint Board established pursuant to section 247.

"(B) COLLOCATION.—Such regulations shall provide for actual collocation of equipment necessary for interconnection for telecommunications services at the premises of a local exchange carrier, except that the regulations shall provide for virtual collocation where the local exchange carrier demonstrates that actual collocation is not practical for technical reasons or because of space limitations.

"(C) USER PAYMENT OF COSTS.—Such regulations shall require that the costs that a carrier incurs in offering access, interconnection, number portability, or unbundled services, elements, features, functions, and capabilities shall be borne by the users of such access, interconnection, number portability, or services, elements, features, functions, and capabilities.

"(D) IMPUTED CHARGES TO CARRIER.—Such regulations shall require the carrier, to the extent it provides a telecommunications service or an information service that requires access or interconnection to its network facilities, to impute such access and interconnection charges to itself.

"(c) NUMBER PORTABILITY AND DIALING PARITY.—

"(1) AVAILABILITY.—A local exchange carrier shall ensure that—

"(A) number portability shall be available on request in accordance with subsection (a)(4); and

"(B) dialing parity shall be available upon request, except that, in the case of a Bell operating company, such company shall ensure that dialing parity for intraLATA telephone toll service shall be available not later than the date such company is authorized to provide interLATA services.

"(2) NUMBER ADMINISTRATION.—The Commission shall designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to State commissions or other entities any portion of such jurisdiction.

"(d) JOINT MARKETING OF RESOLD ELEMENTS.—

"(1) RESTRICTION.—Except as provided in paragraph (2), no service, element, feature, function, or capability that is made available for resale in any State by a Bell operating company may be jointly marketed directly or indirectly with any interLATA telephone toll service until such Bell operating company is authorized pursuant to section 245(d) to provide interLATA services in such State.

"(2) EXISTING PROVIDERS.—Paragraph (1) shall not prohibit joint marketing of services, elements, features, functions, or capabilities acquired from a Bell operating company by another provider if that provider jointly markets services, elements, features, functions, and capabilities acquired from a Bell operating company anywhere in the telephone service territory of such Bell operating company, or in the telephone service territory of any affiliate of such Bell operating company that provides telephone exchange service, pursuant to any agreement, tariff, or other arrangement entered into or in effect before the date of enactment of this part.

"(e) MODIFICATIONS AND WAIVERS.—The Commission may modify or waive the requirements of this section for any local exchange carrier (or class or category of such carriers) that has, in the aggregate nationwide, fewer than 500,000 access lines installed, to the extent that the Commission determines that compliance with such requirements (without such modification) would be unduly economically burdensome, technologically infeasible, or otherwise not in the public interest.

"(f) WAIVER FOR RURAL TELEPHONE COMPANIES.—A State commission may waive the requirements of this section with respect to any rural telephone company.

"(g) EXEMPTION FOR CERTAIN RURAL TELEPHONE COMPANIES.—Subsections (a) through (d) of this section shall not apply to a carrier that has fewer than 50,000 access lines in a local exchange study area, if such carrier does not provide video programming services over its telephone exchange facilities in such study area, except that a State commission may terminate the exemption under this subsection if the State commission determines that the termination of such exemption is consistent with the public interest, convenience, and necessity.

"(h) AVOIDANCE OF REDUNDANT REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission or any State commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"SEC. 243. PREEMPTION.

"(a) REMOVAL OF BARRIERS TO ENTRY.—Except as provided in subsection (b) of this section, no State or local statute, regulation, or other legal requirement shall—

"(1) effectively prohibit any carrier or other person from entering the business of providing interstate or intrastate telecommunications services or information services; or

"(2) effectively prohibit any carrier or other person providing (or seeking to provide) interstate or intrastate telecommunications services or information services from exercising the access and interconnection rights provided under this part.

"(b) STATE AND LOCAL AUTHORITY.—Nothing in this section shall affect the ability of State or local officials to impose, on a nondiscriminatory basis, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, ensure that a provider's business practices are consistent with consumer protection laws and regulations, and ensure just and reasonable rates, provided that such requirements do not effectively prohibit any carrier or person from providing interstate or intrastate telecommunications services or information services.

"(c) CONSTRUCTION PERMITS.—Subsection (a) shall not be construed to prohibit a local government from requiring a person or carrier to obtain ordinary and usual construction or similar permits for its operations if—

"(1) such permit is required without regard to the nature of the business; and

"(2) requiring such permit does not effectively prohibit any person or carrier from providing any interstate or intrastate telecommunications service or information service.

"(d) EXCEPTION.—In the case of commercial mobile services, the provisions of section 332(c)(3) shall apply in lieu of the provisions of this section.

"(e) PARITY OF FRANCHISE AND OTHER CHARGES.—Notwithstanding section 2(b), no local government may impose or collect any franchise, license, permit, or right-of-way fee or any assessment, rental, or any other charge or equivalent thereof as a condition for operating in the locality or for obtaining access to, occupying, or crossing public rights-of-way from any provider of telecommunications services that distinguishes between or among providers of telecommunications services, including the local exchange carrier. For purposes of this subsection, a franchise, license, permit, or right-of-way fee or an assessment, rental, or any other charge or equivalent thereof does not include any imposition of general applicability which does not distinguish between or among providers of telecommunications services, or any tax.

"SEC. 244. STATEMENTS OF TERMS AND CONDITIONS FOR ACCESS AND INTERCONNECTION.

"(a) IN GENERAL.—Within 18 months after the date of enactment of this part, and from time to time thereafter, a local exchange carrier shall prepare and file with a State commission statements of the terms and conditions that such carrier generally offers within that State with respect to the services, elements, features, functions, or capabilities provided to comply with the requirements of section 242 and the regulations thereunder. Any such statement pertaining to the charges for interstate services, elements, features, functions, or capabilities shall be filed with the Commission.

"(b) REVIEW.—

"(1) STATE COMMISSION REVIEW.—A State commission to which a statement is submitted under subsection (a) shall review such statement in accordance with State law. A State commission may not approve such statement unless such statement complies with section 242 and the regulations thereunder. Except as provided in section 243, nothing in this section shall prohibit a State commission from establishing or enforcing other requirements of State law in its review of such statement, including requiring compliance with intrastate telecommunications service quality standards or requirements.

"(2) FCC REVIEW.—The Commission shall review such statements to ensure that—

"(A) the charges for interstate services, elements, features, functions, or capabilities are just, reasonable, and nondiscriminatory; and

"(B) the terms and conditions for such interstate services or elements unbundle any separable services, elements, features, functions, or capabilities in accordance with section 242(a)(2) and any regulations thereunder.

"(c) TIME FOR REVIEW.—

"(1) SCHEDULE FOR REVIEW.—The Commission and the State commission to which a statement is submitted shall, not later than 60 days after the date of such submission—

"(A) complete the review of such statement under subsection (b) (including any reconsideration thereof), unless the submitting carrier agrees to an extension of the period for such review; or

"(B) permit such statement to take effect.

"(2) AUTHORITY TO CONTINUE REVIEW.—Paragraph (1) shall not preclude the Commission or a State commission from continuing to review a statement that has been permitted to take effect under subparagraph (B) of such paragraph.

"(d) EFFECT OF AGREEMENTS.—Nothing in this section shall prohibit a carrier from filing an agreement to provide services, elements, features, functions, or capabilities affording access and interconnection as a statement of terms and conditions that the carrier generally offers for purposes of this section. An agreement affording access and interconnection shall not be approved under this section unless the agreement contains a plan, including a reasonable schedule, for the implementation of the requested access or interconnection. The approval of a statement under this section shall not operate to prohibit a carrier from entering into subsequent

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agreements that contain terms and conditions that differ from those contained in a statement that has been reviewed and approved under this section, but—

"(1) each such subsequent agreement shall be filed under this section; and

"(2) such carrier shall be obligated to offer access to such services, elements, features, functions, or capabilities to other carriers and persons (including carriers and persons covered by previously approved statements) requesting such access on terms and conditions that, in relation to the terms and conditions in such subsequent agreements, are not discriminatory.

"(e) SUNSET.—The provisions of this section shall cease to apply in any local exchange market, defined by geographic area and class or category of service, that the Commission and the State determines has become subject to full and open competition.

"SEC. 245. BELL OPERATING COMPANY ENTRY INTO INTERLATA SERVICES.

"(a) VERIFICATION OF ACCESS AND INTERCONNECTION COMPLIANCE.—At any time after 18 months after the date of enactment of this part, a Bell operating company may provide to the Commission verification by such company with respect to one or more States that such company is in compliance with the requirements of this part. Such verification shall contain the following:

"(1) CERTIFICATION.—A certification by each State commission of such State or States that such carrier has fully implemented the conditions described in subsection (b), except as provided in subsection (d)(2).

"(2) AGREEMENT OR STATEMENT.—For each such State, either of the following:

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—An agreement that has been approved under section 244 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities in accordance with section 242 for an unaffiliated competing provider of telephone exchange service that is comparable in price, features, and scope and that is provided over the competitor's own network facilities to residential and business subscribers.

"(B) FAILURE TO REQUEST ACCESS.—If no such provider has requested such access and interconnection before the date which is 3 months before the date the company makes its submission under this subsection, a statement of the terms and conditions that the carrier generally offers to provide such access and interconnection that has been approved or permitted to take effect by the State commission under section 243.

For purposes of subparagraph (B), a Bell operating company shall be considered not to have received any request for access or interconnection if the State commission of such State or States certifies that the only provider or providers making such request have (i) failed to bargain in good faith under the supervision of such State commission pursuant to section 242(a)(8), or (ii) have violated the terms of their agreement by failure to comply, within a reasonable period of time, with the implementation schedule contained in such agreement.

"(b) CERTIFICATION OF COMPLIANCE WITH PART II.—For the purposes of subsection (a)(1), a Bell operating company shall submit to the Commission a certification by a State commission of compliance with each of the following conditions in any area where such company provides local exchange service or exchange access in such State:

"(1) INTERCONNECTION.—The Bell operating company provides access and interconnection in accordance with subsections (a)(1) and (b) of section 242 to any other carrier or person offering telecommunications services requesting such access and interconnection, and complies with the Commission regulations pursuant to such section concerning such access and interconnection.

"(2) UNBUNDLING OF NETWORK ELEMENTS.—The Bell operating company provides unbundled services, elements, features, functions, and capabilities in accordance with subsection (a)(2) of section 242 and the regulations prescribed by the Commission pursuant to such section.

"(3) RESALE.—The Bell operating company offers services, elements, features, functions, and capabilities for resale in accordance with section 242(a)(3), and neither the Bell operating company, nor any unit of State or local government within the State, imposes any restrictions on resale or sharing of telephone exchange service (or unbundled services, elements, features, or functions of telephone exchange service) in violation of section 242(a)(3).

"(4) NUMBER PORTABILITY.—The Bell operating company provides number portability in compliance with the Commission's regulations pursuant to subsections (a)(4) and (c) of section 242.

"(5) DIALING PARITY.—The Bell operating company provides dialing parity in accordance with subsections (a)(5) and (c) of section 242, and will, not later than the effective date of its authority to commence providing interLATA services, take such actions as are necessary to provide dialing parity for intraLATA telephone toll service in accordance with such subsections.

"(6) ACCESS TO CONDUITS AND RIGHTS OF WAY.—The poles, ducts, conduits, and rights of way of such Bell operating company are available to competing providers of telecommunications services in accordance with the requirements of sections 242(a)(6) and 224(d).

"(7) ELIMINATION OF FRANCHISE LIMITATIONS.—No unit of the State or local government in such State or States enforces any prohibition or limitation in violation of section 243.

"(8) NETWORK FUNCTIONALITY AND ACCESSIBILITY.—The Bell operating company will not install network features, functions, or capabilities that do not comply with the standards established pursuant to section 249.

"(9) NEGOTIATION OF TERMS AND CONDITIONS.—The Bell operating company has negotiated in good faith, under the supervision of the State commission, in accordance with the requirements of section 242(a)(8) with any other carrier or person requesting access or interconnection.

"(c) APPLICATION FOR INTERIM INTERLATA AUTHORITY.—

"(1) APPLICATION SUBMISSION AND CONTENTS.—At any time after the date of enactment of this part, and prior to the completion by the Commission of all actions necessary to establish regulations under section 242, a Bell operating company may apply to the Commission for interim authority to provide interLATA services. Such application shall specify the LATA or LATAs for which the company is requesting authority to provide interim interLATA services. Such application shall contain, with respect to each LATA within a State for which authorization is requested, the following:

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—An agreement that the State commission has determined complies with section 242 (without regard to any regulations thereunder) and that specifies the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for an unaffiliated competing provider of telephone exchange service that is comparable in price, features, and scope and that is provided over the competitor's own network facilities to residential and business subscribers.

"(B) CERTIFICATION.—A certification by the State commission of the State within which such LATA is located that such company is in compliance with State laws, rules, and regulations providing for the implementation of the standards described in subsection (b) as of the date of certification, including certification that such company is offering services, elements, features, functions, and capabilities for resale at economically feasible rates to the reseller, recognizing pricing structures for telephone exchange service in such State.

"(2) STATE TO PARTICIPATE.—The company shall serve a copy of the application on the relevant State commission within 5 days of filing its application. The State shall file comments to the Commission on the company's application within 40 days of receiving a copy of the company's application.

"(3) DEADLINES FOR COMMISSION ACTION.—The Commission shall make a determination on such application not more than 90 days after such application is filed.

"(4) EXPIRATION OF INTERIM AUTHORITY.—Any interim authority granted pursuant to this subsection shall cease to be effective 180 days after the completion by the Commission of all actions necessary to establish regulations under section 242.

"(d) COMMISSION REVIEW.—

"(1) REVIEW OF STATE DECISIONS AND CERTIFICATIONS.—The Commission shall review any verification submitted by a Bell operating company pursuant to subsection (a). The Commission may require such company to submit such additional information as is necessary to validate any of the items of such verification.

"(2) DE NOVO REVIEW.—If—

"(A) a State commission does not have the jurisdiction or authority to make the certification required by subsection (b);

"(B) the State commission has failed to act within 90 days after the date a request for such certification is filed with such State commission; or

"(C) the State commission has sought to impose a term or condition in violation of section 243;

the local exchange carrier may request the Commission to certify the carrier's compliance with the conditions specified in subsection (b).

"(3) TIME FOR DECISION; PUBLIC COMMENT.—Unless such Bell operating company consents to a longer period of time, the Commission shall approve, disapprove, or approve with conditions such verification within 90 days after the date of its submission. During such 90 days, the Commission shall afford interested persons an opportunity to present information and evidence concerning such verification.

"(4) STANDARD FOR DECISION.—The Commission shall not approve such verification unless the Commission determines that—

"(A) the Bell operating company meets each of the conditions required to be certified under subsection (b); and

"(B) the agreement or statement submitted under subsection (a)(2) complies with the requirements of section 242 and the regulations thereunder.

"(e) ENFORCEMENT OF CONDITIONS.—

"(1) COMMISSION AUTHORITY.—If at any time after the approval of a verification under subsection (d), the Commission determines that a Bell operating company has ceased to meet any of the conditions required to be certified under subsection (b), the Commission may, after notice and opportunity for a hearing—

"(A) issue an order to such company to correct the deficiency;

"(B) impose a penalty on such company pursuant to title V; or

"(C) suspend or revoke such approval.

"(2) RECEIPT AND REVIEW OF COMPLAINTS.—The Commission shall establish procedures for the review of complaints concerning failures by Bell operating companies to meet conditions required to be certified under subsection (b). Unless the parties otherwise agree, the Commission shall act on such complaint within 90 days.

"(3) STATE AUTHORITY.—The authority of the Commission under this subsection shall not be construed to preempt any State commission from taking actions to enforce the conditions required to be certified under subsection (b).

"(f) AUTHORITY TO PROVIDE INTERLATA SERVICES.—

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"(1) PROHIBITION.—Except as provided in paragraph (2) and subsections (g) and (h), a Bell operating company or affiliate thereof may not provide interLATA services.

"(2) AUTHORITY SUBJECT TO CERTIFICATION.—A Bell operating company or affiliate thereof may, in any States to which its verification under subsection (a) applies, provide interLATA services—

"(A) during any period after the effective date of the Commission's approval of such verification pursuant to subsection (d), and

"(B) until the approval of such verification is suspended or revoked by the Commission pursuant to subsection (d).

"(g) EXCEPTION FOR PREVIOUSLY AUTHORIZED ACTIVITIES.—Subsection (f) shall not prohibit a Bell operating company or affiliate from engaging, at any time after the date of the enactment of this part, in any activity as authorized by an order entered by the United States District Court for the District of Columbia pursuant to section VII or VIII(C) of the Modification of Final Judgment, if—

"(1) such order was entered on or before the date of the enactment of this part, or

"(2) a request for such authorization was pending before such court on the date of the enactment of this part.

"(h) EXCEPTIONS FOR INCIDENTAL SERVICES.—Subsection (f) shall not prohibit a Bell operating company or affiliate thereof, at any time after the date of the enactment of this part, from providing interLATA services for the purpose of—

"(1)(A) providing audio programming, video programming, or other programming services to subscribers to such services of such company;

"(B) providing the capability for interaction by such subscribers to select or respond to such audio programming, video programming, or other programming services; or

"(C) providing to distributors audio programming or video programming that such company owns or controls, or is licensed by the copyright owner of such programming (or by an assignee of such owner) to distribute;

"(2) providing a telecommunications service, using the transmission facilities of a cable system that is an affiliate of such company, between local access and transport areas within a cable system franchise area in which such company is not, on the date of the enactment of this part, a provider of wireline telephone exchange service;

"(3) providing commercial mobile services in accordance with section 332(c) of this Act and with the regulations prescribed by the Commission pursuant to paragraph (8) of such section;

"(4) providing a service that permits a customer that is located in one local access and transport area to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another local access and transport area;

"(5) providing signaling information used in connection with the provision of telephone exchange services to a local exchange carrier that, together with any affiliated local exchange carriers, has aggregate annual revenues of less than $100,000,000; or

"(6) providing network control signaling information to, and receiving such signaling information from, common carriers offering interLATA services at any location within the area in which such Bell operating company provides telephone exchange services or exchange access.

"(i) INTRALATA TOLL DIALING PARITY.—Neither the Commission nor any State may order any Bell operating company to provide dialing parity for intraLATA telephone toll service in any State before the date such company is authorized to provide interLATA services in such State pursuant to this section.

"(j) FORBEARANCE.—The Commission may not, pursuant to section 230, forbear from applying any provision of this section or any regulation thereunder until at least 5 years after the date of enactment of this part.

"(k) SUNSET.—The provisions of this section shall cease to apply in any local exchange market, defined by geographic area and class or category of service, that the Commission and the State determines has become subject to full and open competition.

"(l) DEFINITIONS.—As used in this section—

"(1) AUDIO PROGRAMMING.—The term 'audio programming' means programming provided by, or generally considered comparable to programming provided by, a radio broadcast station.

"(2) VIDEO PROGRAMMING.—The term 'video programming' has the meaning provided in section 602.

"(3) OTHER PROGRAMMING SERVICES.—The term 'other programming services' means information (other than audio programming or video programming) that the person who offers a video programming service makes available to all subscribers generally. For purposes of the preceding sentence, the terms 'information' and 'makes available to all subscribers generally' have the same meaning such terms have under section 602(13) of this Act.

"SEC. 246. COMPETITIVE SAFEGUARDS.

"(a) IN GENERAL.—In accordance with the requirements of this section and the regulations adopted thereunder, a Bell operating company or any affiliate thereof providing any interLATA telecommunications or information service, shall do so through a subsidiary that is separate from the Bell operating company or any affiliate thereof that provides telephone exchange service.

"(b) TRANSACTION REQUIREMENTS.—Any transaction between such a subsidiary and a Bell operating company and any other affiliate of such company shall be conducted on an arm's-length basis, in the same manner as the Bell operating company conducts business with unaffiliated persons, and shall not be based upon any preference or discrimination in favor of the subsidiary arising out of the subsidiary's affiliation with such company.

"(c) SEPARATE OPERATION AND PROPERTY.—A subsidiary required by this section shall—

"(1) operate independently from the Bell operating company or any affiliate thereof,

"(2) have separate officers, directors, and employees who may not also serve as officers, directors, or employees of the Bell operating company or any affiliate thereof,

"(3) not enter into any joint venture activities or partnership with a Bell operating company or any affiliate thereof,

"(4) not own any telecommunications transmission or switching facilities in common with the Bell operating company or any affiliate thereof, and

"(5) not jointly own or share the use of any other property with the Bell operating company or any affiliate thereof.

"(d) BOOKS, RECORDS, AND ACCOUNTS.—Any subsidiary required by this section shall maintain books, records, and accounts in a manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by a Bell operating company or any affiliate thereof.

"(e) PROVISION OF SERVICES AND INFORMATION.—A Bell operating company or any affiliate thereof may not discriminate between a subsidiary required by this section and any other person in the provision or procurement of goods, services, facilities, or information, or in the establishment of standards, and shall not provide any goods, services, facilities or information to a subsidiary required by this section unless such goods, services, facilities or information are made available to others on reasonable, nondiscriminatory terms and conditions.

"(f) PREVENTION OF CROSS-SUBSIDIES.—A Bell operating company or any affiliate thereof required to maintain a subsidiary under this section shall establish and administer, in accordance with the requirements of this section and the regulations prescribed thereunder, a cost allocation system that prohibits any cost of providing interLATA telecommunications or information services from being subsidized by revenue from telephone exchange services and telephone exchange access services. The cost allocation system shall employ a formula that ensures that—

"(1) the rates for telephone exchange services and exchange access are no greater than they would have been in the absence of such investment in interLATA telecommunications or information services (taking into account any decline in the real costs of providing such telephone exchange services and exchange access); and

"(2) such interLATA telecommunications or information services bear a reasonable share of the joint and common costs of facilities used to provide telephone exchange, exchange access, and competitive services.

"(g) ASSETS.—The Commission shall, by regulation, ensure that the economic risks associated with the provision of interLATA telecommunications or information services by a Bell operating company or any affiliate thereof (including any increases in such company's cost of capital that occur as a result of the provision of such services) are not borne by customers of telephone exchange services and exchange access in the event of a business loss or failure. Investments or other expenditures assigned to interLATA telecommunications or information services shall not be reassigned to telephone exchange service or exchange access.

"(h) DEBT.—A subsidiary required by this section shall not obtain credit under any arrangement that would—

"(1) permit a creditor, upon default, to have resource to the assets of a Bell operating company; or

"(2) induce a creditor to rely on the tangible or intangible assets of a Bell operating company in extending credit.

"(i) FULFILLMENT OF CERTAIN REQUESTS.—A Bell operating company or an affiliate thereof shall—

"(1) fulfill any requests from an unaffiliated entity for telephone exchange service and exchange access within a period no longer than the period in which it provides such telephone exchange service and exchange access to itself or to its affiliates;

"(2) fulfill any such requests with telephone exchange service and exchange access of a quality that meets or exceeds the quality of telephone exchange services and exchange access provided by the Bell operating company or its affiliates to itself or its affiliates; and

"(3) provide telephone exchange service and exchange access to all providers of intraLATA or interLATA telephone toll services and interLATA information services at cost-based rates that are not unreasonably discriminatory.

"(j) CHARGES FOR ACCESS SERVICES.—A Bell operating company or an affiliate thereof shall charge the subsidiary required by this section an amount for telephone exchange services, exchange access, and other necessary associated inputs no less than the rate charged to any unaffiliated entity for such access and inputs.

"(k) SUNSET.—The provisions of this section shall cease to apply in any local exchange market 3 years after the date of enactment of this part.

"SEC. 247. UNIVERSAL SERVICE.

"(a) JOINT BOARD TO PRESERVE UNIVERSAL SERVICE.—Within 30 days after the date of enactment of this part, the Commission shall convene a Federal-State Joint Board under section 410(c) for the purpose of recommending actions to the Commission and State commissions for the preservation of universal service in furtherance of the purposes set forth in section 1 of this Act. In addition to the members required under section 410(c), one member of the Joint Board shall be a State-appointed utility consumer advocate

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nominated by a national organization of State utility consumer advocates.

"(b) PRINCIPLES.—The Joint Board shall base policies for the preservation of universal service on the following principles:

"(1) JUST AND REASONABLE RATES.—A plan adopted by the Commission and the States should ensure the continued viability of universal service by maintaining quality services at just and reasonable rates.

"(2) DEFINITIONS OF INCLUDED SERVICES; COMPARABILITY IN URBAN AND RURAL AREAS.—Such plan should recommend a definition of the nature and extent of the services encompassed within carriers' universal service obligations. Such plan should seek to promote access to advanced telecommunications services and capabilities, and to promote reasonably comparable services for the general public in urban and rural areas, while maintaining just and reasonable rates.

"(3) ADEQUATE AND SUSTAINABLE SUPPORT MECHANISMS.—Such plan should recommend specific and predictable mechanisms to provide adequate and sustainable support for universal service.

"(4) EQUITABLE AND NONDISCRIMINATORY CONTRIBUTIONS.—All providers of telecommunications services should make an equitable and nondiscriminatory contribution to the preservation of universal service.

"(5) EDUCATIONAL ACCESS TO ADVANCED TELECOMMUNICATIONS SERVICES.—To the extent that a common carrier establishes advanced telecommunications services, such plan should include recommendations to ensure access to advanced telecommunications services for students in elementary and secondary schools.

"(6) ADDITIONAL PRINCIPLES.—Such other principles as the Board determines are necessary and appropriate for the protection of the public interest, convenience, and necessity and consistent with the purposes of this Act.

"(c) DEFINITION OF UNIVERSAL SERVICE.—In recommending a definition of the nature and extent of the services encompassed within carriers' universal service obligations under subsection (b)(2), the Joint Board shall consider the extent to which—

"(1) a telecommunications service has, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers;

"(2) such service or capability is essential to public health, public safety, or the public interest;

"(3) such service has been deployed in the public switched telecommunications network; and

"(4) inclusion of such service within carriers' universal service obligations is otherwise consistent with the public interest, convenience, and necessity.

The Joint Board may, from time to time, recommend to the Commission modifications in the definition proposed under subsection (b).

"(d) REPORT; COMMISSION RESPONSE.—The Joint Board convened pursuant to subsection (a) shall report its recommendations within 270 days after the date of enactment of this part. The Commission shall complete any proceeding to act upon such recommendations and to comply with the principles set forth in subsection (b) within one year after such date of enactment.

"(e) STATE AUTHORITY.—Nothing in this section shall be construed to restrict the authority of any State to adopt regulations imposing universal service obligations on the provision of intrastate telecommunications services.

"(f) SUNSET.—The Joint Board established by this section shall cease to exist 5 years after the date of enactment of this part.

"SEC. 248. PRICING FLEXIBILITY AND ABOLITION OF RATE-OF-RETURN REGULATION.

"(a) PRICING FLEXIBILITY.—

"(1) COMMISSION CRITERIA.—Within 270 days after the date of enactment of this part, the Commission shall complete all actions necessary (including any reconsideration) to establish—

"(A) criteria for determining whether a telecommunications service or provider of such service has become, or is substantially certain to become, subject to competition, either within a geographic area or within a class or category of service; and

"(B) appropriate flexible pricing procedures that afford a regulated provider of a service described in subparagraph (A) the opportunity to respond fairly to such competition and that are consistent with the protection of subscribers and the public interest, convenience, and necessity.

"(2) STATE SELECTION.—A State commission may utilize the flexible pricing procedures or procedures (established under paragraph (1)(B)) that are appropriate in light of the criteria established under paragraph (1)(A).

"(3) DETERMINATIONS.—The Commission, with respect to rates for interstate or foreign communications, and State commissions, with respect to rates for intrastate communications, shall, upon application—

"(A) render determinations in accordance with the criteria established under paragraph (1)(A) concerning the services or providers that are the subject of such application; and

"(B) upon a proper showing, implement appropriate flexible pricing procedures consistent with paragraphs (1)(B) and (2) with respect to such services or providers.

The Commission and such State commission shall approve or reject any such application within 180 days after the date of its submission.

"(b) ABOLITION OF RATE-OF-RETURN REGULATION.—Notwithstanding any other provision of law, to the extent that a carrier has complied with sections 242 and 244 of this part, the Commission, with respect to rates for interstate or foreign communications, and State commissions, with respect to rates for intrastate communications, shall not require rate-of-return regulation.

"(c) TERMINATION OF PRICE AND OTHER REGULATION.—Notwithstanding any other provision of law, to the extent that a carrier has complied with sections 242 and 244 of this part, the Commission, with respect to interstate or foreign communications, and State commissions, with respect to intrastate communications, shall not, for any service that is determined, in accordance with the criteria established under subsection (a)(1)(A), to be subject to competition that effectively prevents prices for such service that are unjust or unreasonable or unjustly or unreasonably discriminatory—

"(1) regulate the prices for such service;

"(2) require the filing of a schedule of charges for such service;

"(3) require the filing of any cost or revenue projections for such service;

"(4) regulate the depreciation charges for facilities used to provide such service; or

"(5) require prior approval for the construction or extension of lines or other equipment for the provision of such service.

"(d) ABILITY TO CONTINUE AFFORDABLE VOICE-GRADE SERVICE.—Notwithstanding subsections (a), (b), and (c), each State commission shall, for a period of not more than 3 years, permit residential subscribers to continue to receive only basic voice-grade local telephone service equivalent to the service generally available to residential subscribers on the date of enactment of this part, at just, reasonable, and affordable rates. Determinations concerning the affordability of rates for such services shall take into account the rates generally available to residential subscribers on such date of enactment and the pricing rules established by the States. Any increases in the rates for such services for residential subscribers that are not attributable to changes in consumer prices generally shall be permitted in any proceeding commenced after the date of enactment of this section upon a showing that such increase is necessary to ensure the continued availability of universal service, prevent economic disadvantages for one or more service providers, and is in the public interest. Such increase in rates shall be minimized to the greatest extent practical and shall be implemented over a time period of not more than 3 years after the the date of enactment of this section. The requirements of this subsection shall not apply to any rural telephone company if the rates for basic voice-grade local telephone service of that company are not subject to regulation by a State commission on the date of enactment of this part.

"(e) INTERSTATE INTEREXCHANGE SERVICE.—The rates charged by providers of interstate interexchange telecommunications service to customers in rural and high cost areas shall be maintained at levels no higher than those charged by each such provider to its customers in urban areas.

"(f) EXCEPTION.—In the case of commercial mobile services, the provisions of section 332(c)(1) shall apply in lieu of the provisions of this section.

"(g) AVOIDANCE OF REDUNDANT REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission or a State commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"SEC. 249. NETWORK FUNCTIONALITY AND ACCESSIBILITY.

"(a) FUNCTIONALITY AND ACCESSIBILITY.—The duty of a common carrier under section 201(a) to furnish communications service includes the duty to furnish that service in accordance with any standards established pursuant to this section.

"(b) COORDINATION FOR INTERCONNECTIVITY.—The Commission—

"(1) shall establish procedures for Commission oversight of coordinated network planning by common carriers and other providers of telecommunications services for the effective and efficient interconnection of public switched networks; and

"(2) may participate, in a manner consistent with its authority and practice prior to the date of enactment of this section, in the development by appropriate industry standards-setting organizations of interconnection standards that promote access to—

"(A) network capabilities and services by individuals with disabilities; and

"(B) information services by subscribers to telephone exchange service furnished by a rural telephone company.

"(c) ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.—

"(1) ACCESSIBILITY.—Within 1 year after the date of enactment of this section, the Commission shall prescribe such regulations as are necessary to ensure that, if readily achievable, advances in network services deployed by common carriers, and telecommunications equipment and customer premises equipment manufactured for use in conjunction with network services, shall be accessible and usable by individuals with disabilities, including individuals with functional limitations of hearing, vision, movement, manipulation, speech, and interpretation of information. Such regulations shall permit the use of both standard and special equipment, and seek to minimize the need of individuals to acquire additional devices beyond those used by the general public to obtain such access. Throughout the process of developing such regulations, the Commission shall coordinate and consult with representatives of individuals with disabilities and interested equipment and service providers to ensure their concerns and interests are given full consideration in such process.

"(2) COMPATIBILITY.—Such regulations shall require that whenever an undue burden or adverse competitive impact would result from the requirements in paragraph (1), the local exchange carrier that deploys the network service

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shall ensure that the network service in question is compatible with existing peripheral devices or specialized customer premises equipment commonly used by persons with disabilities to achieve access, unless doing so would result in an undue burden or adverse competitive impact.

"(3) UNDUE BURDEN.—The term 'undue burden' means significant difficulty or expense. In determining whether the activity necessary to comply with the requirements of this subsection would result in an undue burden, the factors to be considered include the following:

"(A) The nature and cost of the activity.

"(B) The impact on the operation of the facility involved in the deployment of the network service.

"(C) The financial resources of the local exchange carrier.

"(D) The type of operations of the local exchange carrier.

"(4) ADVERSE COMPETITIVE IMPACT.—In determining whether the activity necessary to comply with the requirements of this subsection would result in adverse competitive impact, the following factors shall be considered:

"(A) Whether such activity would raise the cost of the network service in question beyond the level at which there would be sufficient consumer demand by the general population to make the network service profitable.

"(B) Whether such activity would, with respect to the network service in question, put the local exchange carrier at a competitive disadvantage. This factor may be considered so long as competing network service providers are not held to the same obligation with respect to access by persons with disabilities.

"(5) EFFECTIVE DATE.—The regulations required by this subsection shall become effective 18 months after the date of enactment of this part.

"(d) PRIVATE RIGHTS OF ACTIONS PROHIBITED.—Nothing in this section shall be construed to authorize any private right of action to enforce any requirement of this section or any regulation thereunder. The Commission shall have exclusive jurisdiction with respect to any complaint under this section.

"SEC. 250. MARKET ENTRY BARRIERS.

"(a) ELIMINATION OF BARRIERS.—Within 15 months after the date of enactment of this part, the Commission shall complete a proceeding for the purpose of identifying and eliminating, by regulations pursuant to its authority under this Act (other than this section), market entry barriers for entrepreneurs and other small businesses in the provision and ownership of telecommunications services and information services, or in the provision of parts or services to providers of telecommunications services and information services.

"(b) NATIONAL POLICY.—In carrying out subsection (a), the Commission shall seek to promote the policies and purposes of this Act favoring diversity of points of view, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity..

"(c) PERIODIC REVIEW.—Every 3 years following the completion of the proceeding required by subsection (a), the Commission shall review and report to Congress on—

"(1) any regulations prescribed to eliminate barriers within its jurisdiction that are identified under subsection (a) and that can be prescribed consistent with the public interest, convenience, and necessity; and

"(2) the statutory barriers identified under subsection (a) that the Commission recommends be eliminated, consistent with the public interest, convenience, and necessity.

"SEC. 251. ILLEGAL CHANGES IN SUBSCRIBER CARRIER SELECTIONS.

"No common carrier shall submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe. Nothing in this section shall preclude any State commission from enforcing such procedures with respect to intrastate services.

"SEC. 252. STUDY.

"At least once every three years, the Commission shall conduct a study that—

"(1) reviews the definition of, and the adequacy of support for, universal service, and evaluates the extent to which universal service has been protected and access to advanced services has been facilitated pursuant to this part and the plans and regulations thereunder;

"(2) evaluates the extent to which access to advanced telecommunications services for students in elementary and secondary school classrooms has been attained pursuant to section 247(b)(5); and

"(3) determines whether the regulations established under section 249(c) have ensured that advances in network services by providers of telecommunications services and information services are accessible and usable by individuals with disabilities.

"SEC. 253. TERRITORIAL EXEMPTION.

"Until 5 years after the date of enactment of this part, the provisions of this part shall not apply to any local exchange carrier in any territory of the United States if (1) the local exchange carrier is owned by the government of such territory, and (2) on the date of enactment of this part, the number of households in such territory subscribing to telephone service is less than 85 percent of the total households located in such territory.".

(b) CONSOLIDATED RULEMAKING PROCEEDING.—The Commission shall conduct a single consolidated rulemaking proceeding to prescribe or amend regulations necessary to implement the requirements of—

(1) part II of title II of the Act as added by subsection (a) of this section;

(2) section 222 as amended by section 104 of this Act; and

(3) section 224 as amended by section 105 of this Act.

(c) DESIGNATION OF PART I.—Title II of the Act is further amended by inserting before the heading of section 201 the following new heading:

"PART I—REGULATION OF DOMINANT COMMON CARRIERS".

(d) STYLISTIC CONSISTENCY.—The Act is amended so that—

(1) the designation and heading of each title of the Act shall be in the form and typeface of the designation and heading of this title of this Act; and

(2) the designation and heading of each part of each title of the Act shall be in the form and typeface of the designation and heading of part I of title II of the Act, as amended by subsection (c).

(e) CONFORMING AMENDMENTS.—

(1) FEDERAL-STATE JURISDICTION.—Section 2(b) of the Act (47 U.S.C. 152(b)) is amended by inserting "part II of title II," after "227, inclusive,".

(2) FORFEITURES.—Sections 503(b)(1) and 504(b) of such Act (47 U.S.C. 503(b)) are each amended by inserting "part I of" before "title II".

SEC. 103. COMPETITION IN MANUFACTURING, INFORMATION SERVICES, ALARM SERVICES, AND PAY-PHONE SERVICES.

(a) COMPETITION IN MANUFACTURING, INFORMATION SERVICES, AND ALARM SERVICES.—Title II of the Act is amended by adding at the end of part II (as added by section 101) the following new part:

"PART III—SPECIAL AND TEMPORARY PROVISIONS

"SEC. 271. MANUFACTURING BY BELL OPERATING COMPANIES.

"(a) ACCESS AND INTERCONNECTION.—It shall be unlawful for a Bell operating company, directly or through an affiliate, to manufacture telecommunications equipment or customer premises equipment, until the Commission has approved under section 245(c) verifications that such Bell operating company, and each Bell operating company with which it is affiliated, are in compliance with the access and interconnection requirements of part II of this title.

"(b) COLLABORATION.—Subsection (a) shall not prohibit a Bell operating company from engaging in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment during the design and development of hardware, software, or combinations thereof related to such equipment.

"(c) INFORMATION REQUIREMENTS.—

"(1) INFORMATION ON PROTOCOLS AND TECHNICAL REQUIREMENTS.—Each Bell operating company shall, in accordance with regulations prescribed by the Commission, maintain and file with the Commission full and complete information with respect to the protocols and technical requirements for connection with and use of its telephone exchange service facilities. Each such company shall report promptly to the Commission any material changes or planned changes to such protocols and requirements, and the schedule for implementation of such changes or planned changes.

"(2) DISCLOSURE OF INFORMATION.—A Bell operating company shall not disclose any information required to be filed under paragraph (1) unless that information has been filed promptly, as required by regulation by the Commission.

"(3) ACCESS BY COMPETITORS TO INFORMATION.—The Commission may prescribe such additional regulations under this subsection as may be necessary to ensure that manufacturers have access to the information with respect to the protocols and technical requirements for connection with and use of telephone exchange service facilities that a Bell operating company makes available to any manufacturing affiliate or any unaffiliated manufacturer.

"(4) PLANNING INFORMATION.—Each Bell operating company shall provide, to contiguous common carriers providing telephone exchange service, timely information on the planned deployment of telecommunications equipment.

"(d) MANUFACTURING LIMITATIONS FOR STANDARD-SETTING ORGANIZATIONS.—

"(1) BELL COMMUNICATIONS RESEARCH.—The Bell Communications Research Corporation, or any successor entity, shall not engage in manufacturing telecommunications equipment or customer premises equipment so long as—

"(A) such Corporation or entity is owned, in whole or in part, by one or more Bell operating companies; or

"(B) such Corporation or entity engages in establishing standards for telecommunications equipment, customer premises equipment, or telecommunications services, or any product certification activities with respect to telecommunications equipment or customer premises equipment.

"(2) PARTICIPATION IN STANDARD SETTING; PROTECTION OF PROPRIETARY INFORMATION.—Any entity (including such Corporation) that engages in establishing standards for—

"(A) telecommunications equipment, customer premises equipment, or telecommunications services, or

"(B) any product certification activities with respect to telecommunications equipment or customer premises equipment,

for one or more Bell operating companies shall allow any other person to participate fully in such activities on a nondiscriminatory basis. Any such entity shall protect proprietary information submitted for review in the standards-setting and certification processes from release not specifically authorized by the owner of such information, even after such entity ceases to be so engaged.

"(e) BELL OPERATING COMPANY EQUIPMENT PROCUREMENT AND SALES.—

"(1) OBJECTIVE BASIS.—Each Bell operating company and any entity acting on behalf of a

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Bell operating company shall make procurement decisions and award all supply contracts for equipment, services, and software on the basis of an objective assessment of price, quality, delivery, and other commercial factors.

"(2) SALES RESTRICTIONS.—A Bell operating company engaged in manufacturing may not restrict sales to any local exchange carrier of telecommunications equipment, including software integral to the operation of such equipment and related upgrades.

"(3) PROTECTION OF PROPRIETARY INFORMATION.—A Bell operating company and any entity it owns or otherwise controls shall protect the proprietary information submitted for procurement decisions from release not specifically authorized by the owner of such information.

"(f) ADMINISTRATION AND ENFORCEMENT AUTHORITY.—For the purposes of administering and enforcing the provisions of this section and the regulations prescribed thereunder, the Commission shall have the same authority, power, and functions with respect to any Bell operating company or any affiliate thereof as the Commission has in administering and enforcing the provisions of this title with respect to any common carrier subject to this Act.

"(g) EXCEPTION FOR PREVIOUSLY AUTHORIZED ACTIVITIES.—Nothing in this section shall prohibit a Bell operating company or affiliate from engaging, at any time after the date of the enactment of this part, in any activity as authorized by an order entered by the United States District Court for the District of Columbia pursuant to section VII or VIII(C) of the Modification of Final Judgment, if—

"(1) such order was entered on or before the date of the enactment of this part, or

"(2) a request for such authorization was pending before such court on the date of the enactment of this part.

"(h) ANTITRUST LAWS.—Nothing in this section shall be construed to modify, impair, or supersede the applicability of any of the antitrust laws.

"(i) DEFINITION.—As used in this section, the term 'manufacturing' has the same meaning as such term has under the Modification of Final Judgment.

"SEC. 273. ELECTRONIC PUBLISHING BY BELL OPERATING COMPANIES.

"(a) LIMITATIONS.—No Bell operating company or any affiliate may engage in the provision of electronic publishing that is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service, except that nothing in this section shall prohibit a separated affiliate or electronic publishing joint venture operated in accordance with this section from engaging in the provision of electronic publishing.

"(b) SEPARATED AFFILIATE OR ELECTRONIC PUBLISHING JOINT VENTURE REQUIREMENTS.—A separated affiliate or electronic publishing joint venture shall be operated independently from the Bell operating company. Such separated affiliate or joint venture and the Bell operating company with which it is affiliated shall—

"(1) maintain separate books, records, and accounts and prepare separate financial statements;

"(2) not incur debt in a manner that would permit a creditor of the separated affiliate or joint venture upon default to have recourse to the assets of the Bell operating company;

"(3) carry out transactions (A) in a manner consistent with such independence, (B) pursuant to written contracts or tariffs that are filed with the Commission and made publicly available, and (C) in a manner that is auditable in accordance with generally accepted auditing standards;

"(4) value any assets that are transferred directly or indirectly from the Bell operating company to a separated affiliate or joint venture, and record any transactions by which such assets are transferred, in accordance with such regulations as may be prescribed by the Commission or a State commission to prevent improper cross subsidies;

"(5) between a separated affiliate and a Bell operating company—

"(A) have no officers, directors, and employees in common after the effective date of this section; and

"(B) own no property in common;

"(6) not use for the marketing of any product or service of the separated affiliate or joint venture, the name, trademarks, or service marks of an existing Bell operating company except for names, trademarks, or service marks that are or were used in common with the entity that owns or controls the Bell operating company;

"(7) not permit the Bell operating company—

"(A) to perform hiring or training of personnel on behalf of a separated affiliate;

"(B) to perform the purchasing, installation, or maintenance of equipment on behalf of a separated affiliate, except for telephone service that it provides under tariff or contract subject to the provisions of this section; or

"(C) to perform research and development on behalf of a separated affiliate;

"(8) each have performed annually a compliance review—

"(A) that is conducted by an independent entity for the purpose of determining compliance during the preceding calendar year with any provision of this section; and

"(B) the results of which are maintained by the separated affiliate or joint venture and the Bell operating company for a period of 5 years subject to review by any lawful authority;

"(9) within 90 days of receiving a review described in paragraph (8), file a report of any exceptions and corrective action with the Commission and allow any person to inspect and copy such report subject to reasonable safeguards to protect any proprietary information contained in such report from being used for purposes other than to enforce or pursue remedies under this section.

"(c) JOINT MARKETING.—

"(1) IN GENERAL.—Except as provided in paragraph (2)—

"(A) a Bell operating company shall not carry out any promotion, marketing, sales, or advertising for or in conjunction with a separated affiliate; and

"(B) a Bell operating company shall not carry out any promotion, marketing, sales, or advertising for or in conjunction with an affiliate that is related to the provision of electronic publishing.

"(2) PERMISSIBLE JOINT ACTIVITIES.—

"(A) JOINT TELEMARKETING.—A Bell operating company may provide inbound telemarketing or referral services related to the provision of electronic publishing for a separated affiliate, electronic publishing joint venture, affiliate, or unaffiliated electronic publisher, provided that if such services are provided to a separated affiliate, electronic publishing joint venture, or affiliate, such services shall be made available to all electronic publishers on request, on nondiscriminatory terms.

"(B) TEAMING ARRANGEMENTS.—A Bell operating company may engage in nondiscriminatory teaming or business arrangements to engage in electronic publishing with any separated affiliate or with any other electronic publisher if (i) the Bell operating company only provides facilities, services, and basic telephone service information as authorized by this section, and (ii) the Bell operating company does not own such teaming or business arrangement.

"(C) ELECTRONIC PUBLISHING JOINT VENTURES.—A Bell operating company or affiliate may participate on a nonexclusive basis in electronic publishing joint ventures with entities that are not any Bell operating company, affiliate, or separated affiliate to provide electronic publishing services, if the Bell operating company or affiliate has not more than a 50 percent direct or indirect equity interest (or the equivalent thereof) or the right to more than 50 percent of the gross revenues under a revenue sharing or royalty agreement in any electronic publishing joint venture. Officers and employees of a Bell operating company or affiliate participating in an electronic publishing joint venture may not have more than 50 percent of the voting control over the electronic publishing joint venture. In the case of joint ventures with small, local electronic publishers, the Commission for good cause shown may authorize the Bell operating company or affiliate to have a larger equity interest, revenue share, or voting control but not to exceed 80 percent. A Bell operating company participating in an electronic publishing joint venture may provide promotion, marketing, sales, or advertising personnel and services to such joint venture.

"(d) PRIVATE RIGHT OF ACTION.—

"(1) DAMAGES.—Any person claiming that any act or practice of any Bell operating company, affiliate, or separated affiliate constitutes a violation of this section may file a complaint with the Commission or bring suit as provided in section 207 of this Act, and such Bell operating company, affiliate, or separated affiliate shall be liable as provided in section 206 of this Act; except that damages may not be awarded for a violation that is discovered by a compliance review as required by subsection (b)(7) of this section and corrected within 90 days.

"(2) CEASE AND DESIST ORDERS.—In addition to the provisions of paragraph (1), any person claiming that any act or practice of any Bell operating company, affiliate, or separated affiliate constitutes a violation of this section may make application to the Commission for an order to cease and desist such violation or may make application in any district court of the United States of competent jurisdiction for an order enjoining such acts or practices or for an order compelling compliance with such requirement.

"(e) SEPARATED AFFILIATE REPORTING REQUIREMENT.—Any separated affiliate under this section shall file with the Commission annual reports in a form substantially equivalent to the Form 10-K required by regulations of the Securities and Exchange Commission.

"(f) EFFECTIVE DATES.—

"(1) TRANSITION.—Any electronic publishing service being offered to the public by a Bell operating company or affiliate on the date of enactment of this section shall have one year from such date of enactment to comply with the requirements of this section.

"(2) SUNSET.—The provisions of this section shall not apply to conduct occurring after June 30, 2000.

"(g) DEFINITION OF ELECTRONIC PUBLISHING.—

"(1) IN GENERAL.—The term 'electronic publishing' means the dissemination, provision, publication, or sale to an unaffiliated entity or person, of any one or more of the following: news (including sports); entertainment (other than interactive games); business, financial, legal, consumer, or credit materials; editorials, columns, or features; advertising; photos or images; archival or research material; legal notices or public records; scientific, educational, instructional, technical, professional, trade, or other literary materials; or other like or similar information.

"(2) EXCEPTIONS.—The term 'electronic publishing' shall not include the following services:

"(A) Information access, as that term is defined by the Modification of Final Judgment.

"(B) The transmission of information as a common carrier.

"(C) The transmission of information as part of a gateway to an information service that does not involve the generation or alteration of the content of information, including data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access electronic publishing services, which do not affect the presentation of such electronic publishing services to users.

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"(D) Voice storage and retrieval services, including voice messaging and electronic mail services.

"(E) Data processing or transaction processing services that do not involve the generation or alteration of the content of information.

"(F) Electronic billing or advertising of a Bell operating company's regulated telecommunications services.

"(G) Language translation or data format conversion.

"(H) The provision of information necessary for the management, control, or operation of a telephone company telecommunications system.

"(I) The provision of directory assistance that provides names, addresses, and telephone numbers and does not include advertising.

"(J) Caller identification services.

"(K) Repair and provisioning databases and credit card and billing validation for telephone company operations.

"(L) 911-E and other emergency assistance databases.

"(M) Any other network service of a type that is like or similar to these network services and that does not involve the generation or alteration of the content of information.

"(N) Any upgrades to these network services that do not involve the generation or alteration of the content of information.

"(O) Video programming or full motion video entertainment on demand.

"(h) ADDITIONAL DEFINITIONS.—As used in this section—

"(1) The term 'affiliate' means any entity that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, a Bell operating company. Such term shall not include a separated affiliate.

"(2) The term 'basic telephone service' means wireline telephone exchange service provided by a Bell operating company in a telephone exchange area, except that such term does not include—

"(A) a competitive wireline telephone exchange service provided in a telephone exchange area where another entity provides a wireline telephone exchange service that was provided on January 1, 1984, and

"(B) a commercial mobile service.

"(3) The term 'basic telephone service information' means network and customer information of a Bell operating company and other information acquired by a Bell operating company as a result of its engaging in the provision of basic telephone service.

"(4) The term 'control' has the meaning that it has in 17 C.F.R. 240.12b–2, the regulations promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or any successor provision to such section.

"(5) The term 'electronic publishing joint venture' means a joint venture owned by a Bell operating company or affiliate that engages in the provision of electronic publishing which is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service.

"(6) The term 'entity' means any organization, and includes corporations, partnerships, sole proprietorships, associations, and joint ventures.

"(7) The term 'inbound telemarketing' means the marketing of property, goods, or services by telephone to a customer or potential customer who initiated the call.

"(8) The term 'own' with respect to an entity means to have a direct or indirect equity interest (or the equivalent thereof) of more than 10 percent of an entity, or the right to more than 10 percent of the gross revenues of an entity under a revenue sharing or royalty agreement.

"(9) The term 'separated affiliate' means a corporation under common ownership or control with a Bell operating company that does not own or control a Bell operating company and is not owned or controlled by a Bell operating company and that engages in the provision of electronic publishing which is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service.

"(10) The term 'Bell operating company' has the meaning provided in section 3, except that such term includes any entity or corporation that is owned or controlled by such a company (as so defined) but does not include an electronic publishing joint venture owned by such an entity or corporation.

"SEC. 273. ALARM MONITORING AND TELEMESSAGING SERVICES BY BELL OPERATING COMPANIES.

"(a) DELAYED ENTRY INTO ALARM MONITORING.—

"(1) PROHIBITION.—No Bell operating company or affiliate thereof shall engage in the provision of alarm monitoring services before the date which is 6 years after the date of enactment of this part.

"(2) EXISTING ACTIVITIES.—Paragraph (1) shall not apply to any provision of alarm monitoring services in which a Bell operating company or affiliate is lawfully engaged as of January 1, 1995, except that such Bell operating company or any affiliate may not acquire or otherwise obtain control of additional entities providing alarm monitoring services after such date.

"(b) NONDISCRIMINATION.—A common carrier engaged in the provision of alarm monitoring services or telemessaging services shall—

"(1) provide nonaffiliated entities, upon reasonable request, with the network services it provides to its own alarm monitoring or telemessaging operations, on nondiscriminatory terms and conditions; and

"(2) not subsidize its alarm monitoring services or its telemessaging services either directly or indirectly from telephone exchange service operations.

"(c) EXPEDITED CONSIDERATION OF COMPLAINTS.—The Commission shall establish procedures for the receipt and review of complaints concerning violations of subsection (b) or the regulations thereunder that result in material financial harm to a provider of alarm monitoring service or telemessaging service. Such procedures shall ensure that the Commission will make a final determination with respect to any such complaint within 120 days after receipt of the complaint, if the complaint contains an appropriate showing that the alleged violation occurred, as determined by the Commission in accordance with such regulations, the Commission shall, within 60 days after receipt of the complaint, order the common carrier and its affiliates to cease engaging in such violation pending such final determination.

"(d) DEFINITIONS.—As used in this section:

"(1) ALARM MONITORING SERVICE.—The term 'alarm monitoring service' means a service that uses a device located at a residence, place of business, or other fixed premises—

"(A) to receive signals from other devices located at or about such premises regarding a possible threat at such premises to life, safety, or property, from burglary, fire, vandalism, bodily injury, or other emergency, and

"(B) to transmit a signal regarding such threat by means of transmission facilities of a Bell operating company or one of its affiliates to a remote monitoring center to alert a person at such center of the need to inform the customer or another person or police, fire, rescue, security, or public safety personnel of such threat,

but does not include a service that uses a medical monitoring device attached to an individual for the automatic surveillance of an ongoing medical condition.

"(2) TELEMESSAGING SERVICES.—The term 'telemessaging services' means voice mail and voice storage and retrieval services provided over telephone lines for telemessaging customers and any live operator services used to answer, record, transcribe, and relay messages (other than telecommunications relay services) from incoming telephone calls on behalf of the telemessaging customers (other than any service incidental to directory assistance).

"SEC. 274. PROVISION OF PAYPHONE SERVICE.

"(a) NONDISCRIMINATION SAFEGUARDS.—After the effective date of the rules prescribed pursuant to subsection (b), any Bell operating company that provides payphone service—

"(1) shall not subsidize its payphone service directly or indirectly with revenue from its telephone exchange service or its exchange access service; and

"(2) shall not prefer or discriminate in favor of it payphone service.

"(b) REGULATIONS.—

"(1) CONTENTS OF REGULATIONS.—In order to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public, within 9 months after the date of enactment of this section, the Commission shall take all actions necessary (including any reconsideration) to prescribe regulations that—

"(A) establish a per call compensation plan to ensure that all payphone services providers are fairly compensated for each and every completed intrastate and interstate call using their payphone, except that emergency calls and telecommunications relay service calls for hearing disabled individuals shall not be subject to such compensation;

"(B) discontinue the intrastate and interstate carrier access charge payphone service elements and payments in effect on the date of enactment of this section, and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues, in favor of a compensation plan as specified in subparagraph (A);

"(C) prescribe a set of nonstructural safeguards for Bell operating company payphone service to implement the provisions of paragraphs (1) and (2) of subsection (a), which safeguards shall, at a minimum, include the nonstructural safeguards equal to those adopted in the Computer Inquiry-III CC Docket No. 90–623 proceeding; and

"(D) provide for Bell operating company payphone service providers to have the same right that independent payphone providers have to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry interLATA calls from their payphones, and provide for all payphone service providers to have the right to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry intraLATA calls from their payphones.

"(2) PUBLIC INTEREST TELEPHONES.—In the rulemaking conducted pursuant to paragraph (1), the Commission shall determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be a payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably.

"(3) EXISTING CONTRACTS.—Nothing in this section shall affect any existing contracts between location providers and payphone service providers or interLATA or intraLATA carriers that are in force and effect as of the date of the enactment of this Act.

"(c) STATE PREEMPTION.—To the extent that any State requirements are inconsistent with the Commission's regulations, the Commission's regulations on such matters shall preempt State requirements.

"(d) DEFINITION.—As used in this section, the term 'payphone service' means the provision of public or semi-public pay telephones, the provision of inmate telephone service in correctional institutions, and any ancillary services.".

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SEC. 103. FORBEARANCE FROM REGULATION.

Part I of title II of the Act (as redesignated by section 101(c) of this Act) is amended by inserting after section 229 (47 U.S.C. 229) the following new section:

"SEC. 230. FORBEARANCE FROM REGULATION.

"(a) AUTHORITY TO FORBEAR.—The Commission shall forbear from applying any provision of this part or part II (other than sections 201, 202, 208, 243, and 248), or any regulation thereunder, to a common carrier or service, or class of carriers or services, in any or some of its or their geographic markets, if the Commission determines that—

"(1) enforcement of such provision or regulation is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that carrier or service are just and reasonable and are not unjustly or unreasonably discriminatory;

"(2) enforcement of such regulation or provision is not necessary for the protection of consumers; and

"(3) forbearance from applying such provision or regulation is consistent with the public interest.

"(b) COMPETITIVE EFFECT TO BE WEIGHED.—In making the determination under subsection (a)(3), the Commission shall consider whether forbearance from enforcing the provision or regulation will promote competitive market conditions, including the extent to which such forbearance will enhance competition among providers of telecommunications services. If the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.".

SEC. 104. PRIVACY OF CUSTOMER INFORMATION.

(a) PRIVACY OF CUSTOMER PROPRIETARY NETWORK INFORMATION.—Title II of the Act is amended by inserting after section 221 (47 U.S.C. 221) the following new section:

"SEC. 222. PRIVACY OF CUSTOMER PROPRIETARY NETWORK INFORMATION.

"(a) SUBSCRIBER LIST INFORMATION.—Notwithstanding subsections (b), (c), and (d), a carrier that provides local exchange service shall provide subscriber list information gathered in its capacity as a provider of such service on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms, and conditions, to any person upon request for the purpose of publishing directories in any format.

"(b) PRIVACY REQUIREMENTS FOR COMMON CARRIERS.—A carrier—

"(1) shall not, except as required by law or with the approval of the customer to which the information relates—

"(A) use customer proprietary network information in the provision of any service except to the extent necessary (i) in the provision of common carrier services, (ii) in the provision of a service necessary to or used in the provision of common carrier services, including the publishing of directories, or (iii) to continue to provide a particular information service that the carrier provided as of May 1, 1995, to persons who were customers of such service on that date;

"(B) use customer proprietary network information in the identification or solicitation of potential customers for any service other than the telephone exchange service or telephone toll service from which such information is derived;

"(C) use customer proprietary network information in the provision of customer premises equipment; or

"(D) disclose customer proprietary network information to any person except to the extent necessary to permit such person to provide services or products that are used in and necessary to the provision by such carrier of the services described in subparagraph (A);

"(2) shall disclose customer proprietary network information, upon affirmative written request by the customer, to any person designated by the customer;

"(3) shall, whenever such carrier provides any aggregate information, notify the Commission of the availability of such aggregate information and shall provide such aggregate information on reasonable terms and conditions to any other service or equipment provider upon reasonable request therefor; and

"(4) except for disclosures permitted by paragraph (1)(D), shall not unreasonably discriminate between affiliated and unaffiliated service or equipment providers in providing access to, or in the use and disclosure of, individual and aggregate information made available consistent with this subsection.

"(c) RULE OF CONSTRUCTION.—This section shall not be construed to prohibit the use or disclosure of customer proprietary network information as necessary—

"(1) to render, bill, and collect for the services identified in subsection (b)(1)(A);

"(2) to render, bill, and collect for any other service that the customer has requested;

"(3) to protect the rights or property of the carrier;

"(4) to protect users of any of those services and other carriers from fraudulent, abusive, or unlawful use of or subscription to such service; or

"(5) to provide any inbound telemarketing, referral, or administrative services to the customer for the duration of the call if such call was initiated by the customer and the customer approves of the use of such information to provide such service.

"(d) EXEMPTION PERMITTED.—The Commission may, by rule, exempt from the requirements of subsection (b) carriers that have, together with any affiliated carriers, in the aggregate nationwide, fewer than 500,000 access lines installed if the Commission determines that such exemption is in the public interest or if compliance with the requirements would impose an undue economic burden on the carrier.

"(e) DEFINITIONS.—As used in this section:

"(1) CUSTOMER PROPRIETARY NETWORK INFORMATION.—The term 'customer proprietary network information' means—

"(A) information which relates to the quantity, technical configuration, type, destination, and amount of use of telephone exchange service or telephone toll service subscribed to by any customer of a carrier, and is made available to the carrier by the customer solely by virtue of the carrier-customer relationship;

"(B) information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier; and

"(C) such other information concerning the customer as is available to the local exchange carrier by virtue of the customer's use of the carrier's telephone exchange service or telephone toll services, and specified as within the definition of such term by such rules as the Commission shall prescribe consistent with the public interest;

except that such term does not include subscriber list information.

"(2) SUBSCRIBER LIST INFORMATION.—The term 'subscriber list information' means any information—

"(A) identifying the listed names of subscribers of a carrier and such subscribers' telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses, or classifications; and

"(B) that the carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.

"(3) AGGREGATE INFORMATION.—The term 'aggregate information' means collective data that relates to a group or category of services or customers, from which individual customer identities and characteristics have been removed.".

(b) CONVERGING COMMUNICATIONS TECHNOLOGIES AND CONSUMER PRIVACY.—

(1) COMMISSION EXAMINATION.—Within one year after the date of enactment of this Act, the Commission shall commence a proceeding—

(A) to examine the impact of the integration into interconnected communications networks of wireless telephone, cable, satellite, and other technologies on the privacy rights and remedies of the consumers of those technologies;

(B) to examine the impact that the globalization of such integrated communications networks has on the international dissemination of consumer information and the privacy rights and remedies to protect consumers;

(C) to propose changes in the Commission's regulations to ensure that the effect on consumer privacy rights is considered in the introduction of new telecommunications services and that the protection of such privacy rights is incorporated as necessary in the design of such services or the rules regulating such services;

(D) to propose changes in the Commission's regulations as necessary to correct any defects identified pursuant to subparagraph (A) in such rights and remedies; and

(E) to prepare recommendations to the Congress for any legislative changes required to correct such defects.

(2) SUBJECTS FOR EXAMINATION.—In conducting the examination required by paragraph (1), the Commission shall determine whether consumers are able, and, if not, the methods by which consumers may be enabled—

(A) to have knowledge that consumer information is being collected about them through their utilization of various communications technologies;

(B) to have notice that such information could be used, or is intended to be used, by the entity collecting the data for reasons unrelated to the original communications, or that such information could be sold (or is intended to be sold) to other companies or entities; and

(C) to stop the reuse or sale of that information.

(3) SCHEDULE FOR COMMISSION RESPONSES.—The Commission shall, within 18 months after the date of enactment of this Act—

(A) complete any rulemaking required to revise Commission regulations to correct defects in such regulations identified pursuant to paragraph (1); and

(B) submit to the Congress a report containing the recommendations required by paragraph (1)(C).

SEC. 105. POLE ATTACHMENTS.

Section 224 of the Act (47 U.S.C. 224) is amended—

(1) in subsection (a)(4)—

(A) by inserting after "system" the following: "or a provider of telecommunications service"; and

(B) by inserting after "utility" the following: ", which attachment may be used by such entities to provide cable service or any telecommunications service";

(2) in subsection (c)(2)(B), by striking "cable television services" and inserting "the services offered via such attachments";

(3) by redesignating subsection (d)(2) as subsection (d)(4); and

(4) by striking subsection (d)(1) and inserting the following:

"(d)(1) For purposes of subsection (b) of this section, the Commission shall, no later than 1 year after the date of enactment of the Communications Act of 1995, prescribe regulations for ensuring that utilities charge just and reasonable and nondiscriminatory rates for pole attachments provided to all providers of telecommunications services, including such attachments used by cable television systems to provide telecommunications services (as defined in section 3 of this Act). Such regulations shall—

"(A) recognize that the entire pole, duct, conduit, or right-of-way other than the usable space is of equal benefit all entities attaching to the pole and therefore apportion the cost of the

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space other than the usable space equally among all such attachments;

"(B) recognize that the usable space is of proportional benefit to all entities attaching to the pole, duct, conduit or right-of-way and therefore apportion the cost of the usable space according to the percentage of usable space required for each entity; and

"(C) allow for reasonable terms and conditions relating to health, safety, and the provision of reliable utility service.

"(2) The final regulations prescribed by the Commission pursuant to paragraph (1) shall not apply to a cable television system that solely provides cable service as defined in section 602(6) of this Act; instead, the pole attachment rate for such systems shall assure a utility the recovery of not less than the additional costs of providing pole attachments, nor more than an amount determined by multiplying the percentage of the total usable space, or the percentage of the total duct or conduit capacity, which is occupied by the pole attachment by the sum of the operating expenses and actual capital costs of the utility attributable to the entire pole, duct, conduit, or right-of-way.

"(3) Whenever the owner of a conduit or right-of-way intends to modify or alter such conduit or right-of-way, the owner shall provide written notification of such action to any entity that has obtained an attachment to such conduit or right-of-way so that such entity may have a reasonable opportunity to add to or modify its existing attachment. Any entity that adds to or modifies its existing attachment after receiving such notification shall bear a proportionate share of the costs incurred by the owner in making such conduit or right-of-way accessible.".

SEC. 106. PREEMPTION OF FRANCHISING AUTHORITY REGULATION OF TELECOMMUNICATIONS SERVICES.

(a) TELECOMMUNICATIONS SERVICES.—Section 621(b) of the Act (47 U.S.C. 541(c)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) To the extent that a cable operator or affiliate thereof is engaged in the provision of telecommunications services—

"(i) such cable operator or affiliate shall not be required to obtain a franchise under this title; and

"(ii) the provisions of this title shall not apply to such cable operator or affiliate.

"(B) A franchising authority may not impose any requirement that has the purpose or effect of prohibiting, limiting, restricting, or conditioning the provision of a telecommunications service by a cable operator or an affiliate thereof.

"(C) A franchising authority may not order a cable operator or affiliate thereof—

"(i) to discontinue the provision of a telecommunications service, or

"(ii) to discontinue the operation of a cable system, to the extent such cable system is used for the provision of a telecommunications service, by reason of the failure of such cable operator or affiliate thereof to obtain a franchise or franchise renewal under this title with respect to the provision of such telecommunications service.

"(D) A franchising authority may not require a cable operator to provide any telecommunications service or facilities as a condition of the initial grant of a franchise or a franchise renewal.".

(b) FRANCHISE FEES.—Section 622(b) of the Act (47 U.S.C. 542(b)) is amended by inserting "to provide cable services" immediately before the period at the end of the first sentence thereof.

SEC. 107. FACILITIES SITING; RADIO FREQUENCY EMISSION STANDARDS.

(a) NATIONAL WIRELESS TELECOMMUNICATIONS SITING POLICY.—Section 332(c) of the Act (47 U.S.C. 332(c)) is amended by adding at the end the following new paragraph:

"(7) FACILITIES SITING POLICIES.—(A) Within 180 days after enactment of this paragraph, the Commission shall prescribe and make effective a policy regarding State and local regulation of the placement, construction, modification, or operation of facilities for the provision of commercial mobile services.

"(B) Pursuant to subchapter III of chapter 5, title 5, United States Code, the Commission shall establish a negotiated rulemaking committee to negotiate and develop a proposed policy to comply with the requirements of this paragraph. Such committee shall include representatives from State and local governments, affected industries, and public safety agencies. In negotiating and developing such a policy, the committee shall take into account—

"(i) the desirability of enhancing the coverage and quality of commercial mobile services and fostering competition in the provision of such services;

"(ii) the legitimate interests of State and local governments in matters of exclusively local concern.

"(iii) the effect of State and local regulation of facilities siting on interstate commerce; and

"(iv) the administrative costs to State and local governments of reviewing requests for authorization to locate facilities for the provision of commercial mobile services.

"(C) The policy prescribed pursuant to this paragraph shall ensure that—

"(i) regulation of the placement, construction, and modification of facilities for the provision of commercial mobile services by any State or local government or instrumentality thereof—

"(I) is reasonable, nondiscriminatory, and limited to the minimum necessary to accomplish the State or local government's legitimate purposes; and

"(II) does not prohibit or have the effect of precluding any commercial mobile service; and

"(ii) a State or local government or instrumentality thereof shall act on any request for authorization to locate, construct, modify, or operate facilities for the provision of commercial mobile services within a reasonable period of time after the request is fully filed with such government or instrumentality; and

"(iii) any decision by a State or local government or instrumentality thereof to deny a request for authorization to locate, construct, modify, or operate facilities for the provision of commercial mobile services shall be in writing and shall be supported by substantial evidence contained in a written record.

"(D) The policy prescribed pursuant to this paragraph shall provide that no State or local government or any instrumentality thereof may regulate the placement, construction, modification, or operation of such facilities on the basis of the environmental effects of radio frequency emissions, to the extent that such facilities comply with the Commission's regulations concerning such emissions.

"(E) In accordance with subchapter III of chapter 5, title 5, United States Code, the Commission shall periodically establish a negotiated rulemaking committee to review the policy prescribed by the Commission under this paragraph and to recommend revisions to such policy.".

(b) RADIO FREQUENCY EMISSIONS.—Within 180 days after the enactment of this Act, the Commission shall complete action in ET Docket 93-62 to prescribe and make effective rules regarding the environmental effects of radio frequency emissions.

(c) AVAILABILITY OF PROPERTY.—Within 180 days of the enactment of this Act, the Commission shall prescribe procedures by which Federal departments and agencies may make available on a fair, reasonable, and nondiscriminatory basis, property, rights-of-way, and easements under their control for the placement of new telecommunications facilities by duly licensed providers of telecommunications services that are dependent, in whole or in part, upon the utilization of Federal spectrum rights for the transmission or reception of such services. These procedures may establish a presumption that requests for the use of property, rights-of-way, and easements by duly authorized providers should be granted absent unavoidable direct conflict with the department or agency's mission, or the current or planned use of the property, rights-of-way, and easements in question. Reasonable cost-based fees may be charged to providers of such telecommunications services for use of property, rights-of-way, and easements. The Commission shall provide technical support to States to encourage them to make property, rights-of-way, and easements under their jurisdiction available for such purposes.

SEC. 108. MOBILE SERVICE ACCESS TO LONG DISTANCE CARRIERS.

(a) AMENDMENT.—Section 332(c) of the Act (47 U.S.C. 332(c)) is amended by adding at the end the following new paragraph:

"(8) MOBILE SERVICES ACCESS.—(A) The Commission shall prescribe regulations to afford subscribers of two-way switched voice commercial mobile radio services access to a provider of telephone toll service of the subscriber's choice, except to the extent that the commercial mobile radio service is provided by satellite. The Commission may exempt carriers or classes of carriers from the requirements of such regulations to the extent the Commission determines such exemption is consistent with the public interest, convenience, and necessity. For purposes of this paragraph, 'access' shall mean access to a provider of telephone toll service through the use of carrier identification codes assigned to such provider.

"(B) The regulations prescribed by the Commission pursuant to subparagraph (A) shall supersede any inconsistent requirements imposed by the Modification of Final Judgment or any order in United States v. AT&T Corp. and McCaw Cellular Communications, Inc., Civil Action No. 94-01555 (United States District Court, District of Columbia).".

(b) EFFECTIVE DATE CONFORMING AMENDMENT.—Section 6002(c)(2)(B) of the Omnibus Budget Reconciliation Act of 1993 is amended by striking "section 332(c)(6)" and inserting "paragraphs (6) and (8) of section 332(c)".

SEC. 109. FREEDOM FROM TOLL FRAUD.

(a) AMENDMENT.—Section 228(c) of the Act (47 U.S.C. 228(c)) is amended—

(1) by striking subparagraph (C) of paragraph (7) and inserting the following:

"(C) the calling party being charged for information conveyed during the call unless—

"(i) the calling party has a written subscription agreement with the information provider that meets the requirements of paragraph (8); or

"(ii) the calling party is charged in accordance with paragraph (9); or"; and

(2) by adding at the end the following new paragraphs:

"(8) SUBSCRIPTION AGREEMENTS FOR BILLING FOR INFORMATION PROVIDED VIA TOLL-FREE CALLS.—

"(A) IN GENERAL.—For purposes of paragraph (7)(C)(i), a written subscription agreement shall specify the terms and conditions under which the information is offered and include—

"(i) the rate at which charges are assessed for the information;

"(ii) the information provider's name;

"(iii) the information provider's business address;

"(iv) the information provider's regular business telephone number;

"(v) the information provider's agreement to notify the subscriber at least 30 days in advance of all future changes in the rates charged for the information;

"(vi) the signature of a legally competent subscriber agreeing to the terms of the agreement; and

"(vii) the subscriber's choice of payment method, which may be by phone bill or credit, prepaid, or calling card.

"(B) BILLING ARRANGEMENTS.—If a subscriber elects, pursuant to subparagraph (A)(vii), to pay by means of a phone bill—

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"(i) the agreement shall clearly explain that the subscriber will be assessed for calls made to the information service from the subscriber's phone line;

"(ii) the phone bill shall include, in prominent type, the following disclaimer:

'Common carriers may not disconnect local or long distance telephone service for failure to pay disputed charges for information services.'; and

"(iii) the phone bill shall clearly list the 800 number dialed.

"(C) USE OF PIN'S TO PREVENT UNAUTHORIZED USE.—A written agreement does not meet the requirements of this paragraph unless it provides the subscriber a personal identification number to obtain access to the information provided, and includes instructions on its use.

"(D) EXCEPTIONS.—Notwithstanding paragraph (7)(C), a written agreement that meets the requirements of this paragraph is not required—

"(i) for services provided pursuant to a tariff that has been approved or permitted to take effect by the Commission or a State commission; or

"(ii) for any purchase of goods or of services that are not information services.

"(E) TERMINATION OF SERVICE.—On complaint by any person, a carrier may terminate the provision of service to an information provider unless the provider supplies evidence of a written agreement that meets the requirements of this section. The remedies provided in this paragraph are in addition to any other remedies that are available under title V of this Act.

"(9) CHARGES BY CREDIT, PREPAID, OR CALLING CARD IN ABSENCE OF AGREEMENT.—For purposes of paragraph (7)(C)(ii), a calling party is not charged in accordance with this paragraph unless the calling party is charged by means of a credit, prepaid, or calling card and the information service provider includes in response to each call an introductory disclosure message that—

"(A) clearly states that there is a charge for the call;

"(B) clearly states the service's total cost per minute and any other fees for the service or for any service to which the caller may be transferred;

"(C) explains that the charges must be billed on either a credit, prepaid, or calling card;

"(D) asks the caller for the credit or calling card number;

"(E) clearly states that charges for the call begin at the end of the introductory message; and

"(F) clearly states that the caller can hang up at or before the end of the introductory message without incurring any charge whatsoever.

"(10) DEFINITION OF CALLING CARD.—As used in this subsection, the term 'calling card' means an identifying number or code unique to the individual, that is issued to the individual by a common carrier and enables the individual to be charged by means of a phone bill for charges incurred independent of where the call originates.".

(b) REGULATIONS.—The Federal Communications Commission shall revise its regulations to comply with the amendment made by subsection (a) of this section within 180 days after the date of enactment of this Act.

SEC. 110. REPORT ON MEANS OF RESTRICTING ACCESS TO UNWANTED MATERIAL IN INTERACTIVE TELECOMMUNICATIONS SYSTEMS.

(a) REPORT.—Not later than 150 days after the date of the enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary and Commerce, Science, and Transportation of the Senate and the Committees on the Judiciary and Commerce of the House of Representatives a report containing—

(1) an evaluation of the enforceability with respect to interactive media of current criminal laws governing the distribution of obscenity over computer networks and the creation and distribution of child pornography by means of computers;

(2) an assessment of the Federal, State, and local law enforcement resources that are currently available to enforce such laws;

(3) an evaluation of the technical means available—

(A) to enable parents to exercise control over the information that their children receive by interactive telecommunications systems so that children may avoid violent, sexually explicit, harassing, offensive, and other unwanted material on such systems;

(B) to enable other users of such systems to exercise control over the commercial and noncommercial information that they receive by such systems so that such users may avoid violent, sexually explicit, harassing, offensive, and other unwanted material on such systems; and

(C) to promote the free flow of information, consistent with the values expressed in the Constitution, in interactive media; and

(4) recommendations on means of encouraging the development and deployment of technology, including computer hardware and software, to enable parents and other users of interactive telecommunications systems to exercise the control described in subparagraphs (A) and (B) of paragraph (3).

(b) CONSULTATION.—In preparing the report under subsection (a), the Attorney General shall consult with the Assistant Secretary of Commerce for Communications and Information.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to any other sums authorized by law, there are authorized to be appropriated to the Federal Communications Commission such sums as may be necessary to carry out this Act and the amendments made by this Act.

(b) EFFECT ON FEES.—For the purposes of section 9(b)(2) of the Act (47 U.S.C. 159(b)(2)), additional amounts appropriated pursuant to subsection (a) shall be construed to be changes in the amounts appropriated for the performance of activities described in section 9(a) of such Act.

TITLE II—CABLE COMMUNICATIONS COMPETITIVENESS

SEC. 201. CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES.

(a) GENERAL REQUIREMENT.—

(1) AMENDMENT.—Section 613(b) of the Act (47 U.S.C. 533(b)) is amended to read as follows:

"(b)(1) Subject to the requirements of part V and the other provisions of this title, any common carrier subject in whole or in part to title II of this Act may, either through its own facilities or through an affiliate, provide video programming directly to subscribers in its telephone service area.

"(2) Subject to the requirements of part V and the other provisions of this title, any common carrier subject in whole or in part to title II of this Act may provide channels of communications or pole, line, or conduit space, or other rental arrangements, to any entity which is directly or indirectly owned, operated, or controlled by, or under common control with, such common carrier, if such facilities or arrangements are to be used for, or in connection with, the provision of video programming directly to subscribers in its telephone service area.

"(3)(A) Notwithstanding paragraphs (1) and (2), an affiliate described in subparagraph (B) shall not be subject to the requirements of part V, but—

"(i) if providing video programming as a cable service using a cable system, shall be subject to the requirements of this part and parts III and IV; and

"(ii) if providing such video programming by means of radio communication, shall be subject to the requirements of title III.

"(B) For purposes of subparagraph (A), an affiliate is described in this subparagraph if such affiliate—

"(i) is, consistently with section 655, owned, operated, or controlled by, or under common control with, a common carrier subject in whole or in part to title II of this Act;

"(ii) provides video programming to subscribers in the telephone service area of such carrier; and

"(iii) does not utilize the local exchange facilities or services of any affiliated common carrier in distributing such programming.".

(2) CONFORMING AMENDMENT.—Section 602 of the Act (47 U.S.C. 531) is amended—

(A) by redesignating paragraphs (18) and (19) as paragraphs (19) and (20) respectively; and

(B) by inserting after paragraph (17) the following new paragraph:

"(18) the term 'telephone service area' when used in connection with a common carrier subject in whole or in part to title II of this Act means the area within which such carrier provides telephone exchange service as of January 1, 1993, but if any common carrier after such date transfers its exchange service facilities to another common carrier, the area to which such facilities provide telephone exchange service shall be treated as part of the telephone service area of the acquiring common carrier and not of the selling common carrier;".

(b) PROVISIONS FOR REGULATION OF CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES.—Title VI of the Act (47 U.S.C. 521 et seq.) is amended by adding at the end the following new part:

"PART V—VIDEO PROGRAMMING SERVICES PROVIDED BY TELEPHONE COMPANIES

"SEC. 651. DEFINITIONS.

"For purposes of this part—

"(1) the term 'control' means—

"(A) an ownership interest in which an entity has the right to vote more than 50 percent of the outstanding common stock or other ownership interest; or

"(B) if no single entity directly or indirectly has the right to vote more than 50 percent of the outstanding common stock or other ownership interest, actual working control, in whatever manner exercised, as defined by the Commission by regulation on the basis of relevant factors and circumstances, which shall include partnership and direct ownership interests, voting stock interests, the interests of officers and directors, and the aggregation of voting interests; and

"(2) the term 'rural area' means a geographic area that does not include either—

"(A) any incorporated or unincorporated place of 10,000 inhabitants or more, or any part thereof; or

"(B) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census.

"SEC. 653. SEPARATE VIDEO PROGRAMMING AFFILIATE.

"(a) IN GENERAL.—Except as provided in subsection (d) of this section and section 613(b)(3), a common carrier subject to title II of this Act shall not provide video programming directly to subscribers in its telephone service area unless such video programming is provided through a video programming affiliate that is separate from such carrier.

"(b) BOOKS AND MARKETING.—

"(1) IN GENERAL.—A video programming affiliate of a common carrier shall—

"(A) maintain books, records, and accounts separate from such carrier which identify all transactions with such carrier;

"(B) carry out directly (or through any nonaffiliated person) its own promotion, except that institutional advertising carried out by such carrier shall be permitted so long as each party bears its pro rata share of the costs; and

"(C) not own real or personal property in common with such carrier.

"(2) INBOUND TELEMARKETING AND REFERRAL.—Notwithstanding paragraph (1)(B), a common carrier may provide telemarketing or referral services in response to the call of a customer or potential customer related to the provision of video programming by a video programming affiliate of such carrier, if such services

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are provided to a video programming affiliate, such services shall be made available to any video programmer or cable operator on request, on nondiscriminatory terms, at just and reasonable prices.

"(3) JOINT MARKETING.—Notwithstanding paragraph (1)(B) or section 613(b)(3), a common carrier may market video programming directly upon a showing to the Commission that a cable operator or other entity directly or indirectly provides telecommunications services within the telephone service area of the common carrier, and markets such telecommunications services jointly with video programming services. The common carrier shall specify the geographic region covered by the showing. The Commission shall approve or disapprove such showing within 60 days after the date of its submission.

"(c) BUSINESS TRANSACTIONS WITH CARRIER.—Any contract, agreement, arrangement, or other manner of conducting business, between a common carrier and its video programming affiliate, providing for—

"(1) the sale, exchange, or leasing of property between such affiliate and such carrier,

"(2) the furnishing of goods or services between such affiliate and such carrier, or

"(3) the transfer to or use by such affiliate for its benefit of any asset or resource of such carrier,

shall be on a fully compensatory and auditable basis, shall be without cost to the telephone service ratepayers of the carrier, and shall be in compliance with regulations established by the Commission that will enable the Commission to assess the compliance of any transaction.

"(d) WAIVER.—

"(1) CRITERIA FOR WAIVER.—The Commission may waive any of the requirements of this section for small telephone companies or telephone companies serving rural areas, if the Commission determines, after notice and comment, that—

"(A) such waiver will not affect the ability of the Commission to ensure that all video programming activity is carried out without any support from telephone ratepayers;

"(B) the interests of telephone ratepayers and cable subscribers will not be harmed if such waiver is granted;

"(C) such waiver will not adversely affect the ability of persons to obtain access to the video platform of such carrier; and

"(D) such waiver otherwise is in the public interest.

"(2) DEADLINE FOR ACTION.—The Commission shall act to approve or disapprove a waiver application within 180 days after the date it is filed.

"(3) CONTINUED APPLICABILITY OF SECTION 656.—In the case of a common carrier that obtains a waiver under this subsection, any requirement that section 656 applies to a video programming affiliate shall instead apply to such carrier.

"(e) SUNSET OF REQUIREMENTS.—The provisions of this section shall cease to be effective on July 1, 2000.

"SEC. 653. ESTABLISHMENT OF VIDEO PLATFORM.

"(a) VIDEO PLATFORM.—

"(1) IN GENERAL.—Except as provided in section 613(b)(3), any common carrier subject to title II of this Act, and that provides video programming directly to subscribers in its telephone service area, shall establish a video platform. This paragraph shall not apply to any carrier to the extent that it provides video programming directly to subscribers in its telephone service area solely through a cable system acquired in accordance with section 655(b).

"(2) IDENTIFICATION OF DEMAND FOR CARRIAGE.—Any common carrier subject to the requirements of paragraph (1) shall, prior to establishing a video platform, submit a notice to the Commission of its intention to establish channel capacity for the provision of video programming to meet the bona fide demand for such capacity. Such notice shall—

"(A) be in such form and contain information concerning the geographic area intended to be served and such information as the Commission may require by regulations pursuant to subsection (b),

"(B) specify the methods by which any entity seeking to use such channel capacity should submit to such carrier a specification of its channel capacity requirements; and

"(C) specify the procedures by which such carrier will determine (in accordance with the Commission's regulations under subsection (b)(1)(B)) whether such requests for capacity are bona fide.

The Commission shall submit any such notice for publication in the Federal Register within 5 working days.

"(3) RESPONSE TO REQUEST FOR CARRIAGE.—After receiving and reviewing the requests for capacity submitted pursuant to such notice, such common carrier shall establish channel capacity that is sufficient to provide carriage for—

"(A) all bona fide requests submitted pursuant to such notice,

"(B) any additional channels required pursuant to section 656, and

"(C) any additional channels required by the Commission's regulations under subsection (b)(1)(C).

"(4) RESPONSES TO CHANGES IN DEMAND FOR CAPACITY.—Any common carrier that establishes a video platform under this section shall—

"(A) immediately notify the Commission and each video programming provider of any delay in or denial of channel capacity or service, and the reasons therefor;

"(B) continue to receive and grant, to the extent of available capacity, carriage in response to bona fide requests for carriage from existing or additional video programming providers;

"(C) if at any time the number of channels required for bona fide requests for carriage may reasonably be expected soon to exceed the existing capacity of such video platform, immediately notify the Commission of such expectation and of the manner and date by which such carrier will provide sufficient capacity to meet such excess demand; and

"(D) construct such additional capacity as may be necessary to meet such excess demand.

"(5) DISPUTE RESOLUTION.—The Commission shall have the authority to resolve disputes under this section and the regulations prescribed thereunder. Any such dispute shall be resolved within 180 days after notice of such dispute is submitted to the Commission. At that time or subsequently in a separate damages proceeding, the Commission may award damages sustained in consequence of any violation of this section to any person denied carriage, or require carriage, or both. Any aggrieved party may seek any other remedy available under this Act.

"(b) COMMISSION ACTIONS.—

"(1) IN GENERAL.—Within 15 months after the date of the enactment of this section, the Commission shall complete all actions necessary (including any reconsideration) to prescribe regulations that—

"(A) consistent with the requirements of section 656, prohibit a common carrier from discriminating among video programming providers with regard to carriage on its video platform, and ensure that the rates, terms, and conditions for such carriage are just, reasonable, and nondiscriminatory;

"(B) prescribe definitions and criteria for the purposes of determining whether a request shall be considered a bona fide request for purposes of this section;

"(C) permit a common carrier to carry on only one channel any video programming service that is offered by more than one video programming provider (including the common carrier's video programming affiliate), provided that subscribers have ready and immediate access to any such video programming service;

"(D) extend to the distribution of video programming over video platforms the Commission's regulations concerning network nonduplication (47 C.F.R. 76.92 et seq.) and syndicated exclusivity (47 C.F.R. 76.151 et seq.);

"(E) require the video platform to provide service, transmission, and interconnection for unaffiliated or independent video programming providers that is equivalent to that provided to the common carrier's video programming affiliate, except that the video platform shall not discriminate between analog and digital video programming offered by such unaffiliated or independent video programming providers.

"(F)(i) prohibit a common carrier from unreasonably discriminating in favor of its video programming affiliate with regard to material or information provided by the common carrier to subscribers for the purposes of selecting programming on the video platform, or in the way such material or information is presented to subscribers;

"(ii) require a common carrier to ensure that video programming providers or copyright holders (or both) are able suitably and uniquely to identify their programming services to subscribers; and

"(iii) if such identification is transmitted as part of the programming signal, require the carrier to transmit such identification without change or alteration; and

"(G) prohibit a common carrier from excluding areas from its video platform service area on the basis of the ethnicity, race, or income of the residents of that area, and provide for public comments on the adequacy of the proposed service area on the basis of the standards set forth under this subparagraph.

Nothing in this section prohibits a common carrier or its affiliate from negotiating mutually agreeable terms and conditions with over-the-air broadcast stations and other unaffiliated video programming providers to allow consumer access to their signals on any level or screen of any gateway, menu, or other program guide, whether provided by the carrier or its affiliate.

"(2) APPLICABILITY TO OTHER HIGH CAPACITY SYSTEMS.—The Commission shall apply the requirements of this section, in lieu of the requirements of section 612, to any cable operator of a cable system that has installed a switched, broadband video programming delivery system, except that the Commission shall not apply the requirements of the regulations prescribed pursuant to subsection (b)(1)(D) or any other requirement that the Commission determines is inappropriate.

"(c) REGULATORY STREAMLINING.—With respect to the establishment and operation of a video platform, the requirements of this section shall apply in lieu of, and not in addition to, the requirements of title II.

"(d) COMMISSION INQUIRY.—The Commission shall conduct a study of whether it is in the public interest to extend the requirements of subsection (a) to any other cable operators in lieu of the requirements of section 612. The Commission shall submit to the Congress a report on the results of such study not later than 2 years after the date of enactment of this section.

"SEC. 654. AUTHORITY TO PROHIBIT CROSS-SUBSIDIZATION.

"Nothing in this part shall prohibit a State commission that regulates the rates for telephone exchange service or exchange access based on the cost of providing such service or access from—

"(1) prescribing regulations to prohibit a common carrier from engaging in any practice that results in the inclusion in rates for telephone exchange service or exchange access of any operating expenses, costs, depreciation charges, capital investments, or other expenses directly associated with the provision of competing video programming services by the common carrier or affiliate; or

"(2) ensuring such competing video programming services bear a reasonable share of the joint and common costs of facilities used to provide telephone exchange service or exchange access and competing video programming services.

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"SEC. 656. PROHIBITION ON BUY OUTS.

"(a) GENERAL PROHIBITION.—No common carrier that provides telephone exchange service, and no entity owned by or under common ownership or control with such carrier, may purchase or otherwise obtain control over any cable system that is located within its telephone service area and is owned by an unaffiliated person.

"(b) EXCEPTIONS.—Notwithstanding subsection (a), a common carrier may—

"(1) obtain a controlling interest in, or form a joint venture or other partnership with, a cable system that serves a rural area;

"(2) obtain, in addition to any interest, joint venture, or partnership obtained or formed pursuant to paragraph (1), a controlling interest in, or form a joint venture or other partnership with, any cable system or systems if—

"(A) such systems in the aggregate serve less than 10 percent of the households in the telephone service area of such carrier; and

"(B) no such system serves a franchise area with more than 35,000 inhabitants, except that a common carrier may obtain such interest or form such joint venture or other partnership with a cable system that serves a franchise area with more than 35,000 but not more than 50,000 inhabitants if such system is not affiliated with any other system whose franchise area is contiguous to the franchise area of the acquired system;

"(3) obtain, with the concurrence of the cable operator on the rates, terms, and conditions, the use of that part of the transmission facilities of such a cable system extending from the last multi-user terminal to the premises of the end user, if such use is reasonably limited in scope and duration, as determined by the Commission; or

"(4) obtain a controlling interest in, or form a joint venture or other partnership with, or provide financing to, a cable system (hereinafter in this paragraph referred to as 'the subject cable system'), if—

"(A) the subject cable system operates in a television market that is not in the top 25 markets, and that has more than 1 cable system operator, and the subject cable system is not the largest cable system in such television market;

"(B) the subject cable system and the largest cable system in such television market held on May 1, 1995, cable television franchises from the largest municipality in the television market and the boundaries of such franchises were identical on such date;

"(C) the subject cable system is not owned by or under common ownership or control of any one of the 50 largest cable system operators as existed on May 1, 1995; and

"(D) the largest system in the television market is owned by or under common ownership or control of any one of the 10 largest cable system operators as existed on May 1, 1995.

"(c) WAIVER.—

"(1) CRITERIA FOR WAIVER.—The Commission may waive the restrictions in subsection (a) of this section only upon a showing by the applicant that—

"(A) because of the nature of the market served by the cable system concerned—

"(i) the incumbent cable operator would be subjected to undue economic distress by the enforcement of such subsection; or

"(ii) the cable system would not be economically viable if such subsection were enforced; and

"(B) the local franchising authority approves of such waiver.

"(2) DEADLINE FOR ACTION.—The Commission shall act to approve or disapprove a waiver application within 180 days after the date it is filed.

"SEC. 656. APPLICABILITY OF PARTS I THROUGH IV.

"(a) IN GENERAL.—Any provision that applies to a cable operator under—

"(1) sections 613 (other than subsection (a)(2) thereof), 616, 617, 628, 631, 632, and 634 of this title, shall apply,

"(2) sections 611, 612, 614, and 615 of this title, and section 325 of title III, shall apply in accordance with the regulations prescribed under subsection (b), and

"(3) parts III and IV (other than sections 628, 631, 632, and 634) of this title shall not apply,

to any video programming affiliate established by a common carrier in accordance with the requirements of this part.

"(b) IMPLEMENTATION.—

"(1) COMMISSION ACTION.—The Commission shall prescribe regulations to ensure that a common carrier in the operation of its video platform shall provide (A) capacity, services, facilities, and equipment for public, educational, and governmental use, (B) capacity for commercial use, (C) carriage of commercial and non-commercial broadcast television stations, and (D) an opportunity for commercial broadcast stations to choose between mandatory carriage and reimbursement for retransmission of the signal of such station. In prescribing such regulations, the Commission shall, to the extent possible, impose obligations that are no greater or lesser than the obligations contained in the provisions described in subsection (a)(2) of this section.

"(2) FEES.—A video programming affiliate of any common carrier that establishes a video platform under this part, and any multichannel video programming distributor offering a competing service using such video platform (as determined in accordance with regulations of the Commission), shall be subject to the payment of fees imposed by a local franchising authority, in lieu of the fees required under section 622. The rate at which such fees are imposed shall not exceed the rate at which franchise fees are imposed on any cable operator transmitting video programming in the same service area.

"SEC. 657. RURAL AREA EXEMPTION.

"The provisions of sections 652, 653, and 655 shall not apply to video programming provided in a rural area by a common carrier that provides telephone exchange service in the same area.".

SEC. 202. COMPETITION FROM CABLE SYSTEMS.

(a) DEFINITION OF CABLE SERVICE.—Section 602(6)(B) of the Act (47 U.S.C. 522(6)(B)) is amended by inserting "or use" after "the selection".

(b) CLUSTERING.—Section 613 of the Act (47 U.S.C. 533) is amended by adding at the end the following new subsection:

"(i) ACQUISITION OF CABLE SYSTEMS.—Except as provided in section 655, the Commission may not require divestiture of, or restrict or prevent the acquisition of, an ownership interest in a cable system by any person based in whole or in part on the geographic location of such cable system.".

(c) EQUIPMENT.—Section 623(a) of the Act (47 U.S.C. 543(a)) is amended—

(1) in paragraph (6)—

(A) by striking "paragraph (4)" and inserting "paragraph (5)";

(B) by striking "paragraph (5)" and inserting "paragraph (6)"; and

(C) by striking "paragraph (3)" and inserting "paragraph (4)";

(2) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) EQUIPMENT.—If the Commission finds that a cable system is subject to effective competition under subparagraph (D) of subsection (l)(1), the rates for equipment, installations, and connections for additional television receivers (other than equipment, installations, and connections furnished by such system to subscribers who receive only a rate regulated basic service tier) shall not be subject to regulation by the Commission or by a State or franchising authority. If the Commission finds that a cable system is subject to effective competition under subparagraph (A), (B), or (C) of subsection (l)(1), the rates for any equipment, installations, and connections furnished by such system to any subscriber shall not be subject to regulation by the Commission, or by a State or franchising authority. No Federal agency, State, or franchising authority may establish the price or rate for the installation, sale, or lease of any equipment furnished to any subscriber by a cable system solely in connection with video programming offered on a per channel or per program basis.".

(d) LIMITATION ON BASIC TIER RATE INCREASES; SCOPE OF REVIEW.—Section 623(a) of the Act (47 U.S.C. 543(a)) is further amended by adding at the end the following new paragraph:

"(8) LIMITATION ON BASIC TIER RATE INCREASES; SCOPE OF REVIEW.—A cable operator may not increase its basic service tier rate more than once every 6 months. Such increase may be implemented, using any reasonable billing or proration method, 30 days after providing notice to subscribers and the appropriate regulatory authority. The rate resulting from such increase shall be deemed reasonable and shall not be subject to reduction or refund if the franchising authority or the Commission, as appropriate, does not complete its review and issue a final order within 90 days after implementation of such increase. The review by the franchising authority or the Commission of any future increase in such rate shall be limited to the incremental change in such rate effected by such increase.".

(e) NATIONAL INFORMATION INFRASTRUCTURE DEVELOPMENT.—Section 623(a) of the Act (47 U.S.C. 543) is further amended by adding at the end the following new paragraph:

"(9) NATIONAL INFORMATION INFRASTRUCTURE.—

"(A) PURPOSE.—It is the purpose of this paragraph to—

"(i) promote the development of the National Information Infrastructure;

"(ii) enhance the competitiveness of the National Information Infrastructure by ensuring that cable operators have incentives comparable to other industries to develop such infrastructure; and

"(iii) encourage the rapid deployment of digital technology necessary to the development of the National Information Infrastructure.

"(B) AGGREGATION OF EQUIPMENT COSTS.—The Commission shall allow cable operators, pursuant to any rules promulgated under subsection (b)(3), to aggregate, on a franchise, system, regional, or company level, their equipment costs into broad categories, such as converter boxes, regardless of the varying levels of functionality of the equipment within each such broad category. Such aggregation shall not be permitted with respect to equipment used by subscribers who receive only a rate regulated basic service tier.

"(C) REVISION TO COMMISSION RULES, FORMS.—Within 120 days of the date of enactment of this paragraph, the Commission shall issue revisions to the appropriate rules and forms necessary to implement subparagraph (B).".

(f) COMPLAINT THRESHOLD; SCOPE OF COMMISSION REVIEW.—Section 623(c) of the Act (47 U.S.C. 543(c)) is amended—

(1) by striking paragraph (3) and inserting the following:

"(3) REVIEW OF COMPLAINTS.—

"(A) COMPLAINT THRESHOLD.—The Commission shall have the authority to review any increase in the rates for cable programming services implemented after the date of enactment of the Communications Act of 1995 only if, within 90 days after such increase becomes effective, at least 10 subscribers to such services or 5 percent of the subscribers to such services, whichever is greater, file separate, individual complaints against such increase with the Commission in accordance with the requirements established under paragraph (1)(B).

"(B) TIME PERIOD FOR COMMISSION REVIEW.—The Commission shall complete its review of any such increase and issue a final order within 90

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days after it receives the number of complaints required by subparagraph (A).

"(4) TREATMENT OF PENDING CABLE PROGRAMMING SERVICES COMPLAINTS.—Upon enactment of the Communications Act of 1995, the Commission shall suspend the processing of all pending cable programming services rate complaints. These pending complaints shall be counted by the Commission toward the complaint threshold specified in paragraph (3)(A). Parties shall have an additional 90 days from the date of enactment of such Act to file complaints about prior increases in cable programming services rates if such rate increases were already subject to a valid, pending complaint on such date of enactment. At the expiration of such 90-day period, the Commission shall dismiss all pending cable programming services rate cases for which the complaint threshold has not been met, and may resume its review of those pending cable programming services rate cases for which the complaint threshold has been met, which review shall be completed within 180 days after the date of enactment of the Communications Act of 1995.

"(5) SCOPE OF COMMISSION REVIEW.—A cable programming services rate shall be deemed not unreasonable and shall not be subject to reduction or refund if—

"(A) such rate was not the subject of a pending complaint at the time of enactment of the Communications Act of 1995;

"(B) such rate was the subject of a complaint that was dismissed pursuant to paragraph (4);

"(C) such rate resulted from an increase for which the complaint threshold specified in paragraph (3)(A) has not been met;

"(D) the Commission does not complete its review and issue a final order in the time period specified in paragraph (3)(B) or (4); or

"(E) the Commission issues an order finding such rate to be not unreasonable.

The review by the Commission of any future increase in such rate shall be limited to the incremental change in such rate effected by such increase.";

(2) in paragraph (1)(B) by striking "obtain Commission consideration and resolution of whether the rate in question is unreasonable" and inserting "be counted toward the complaint threshold specified in paragraph (3)(A)"; and

(3) in paragraph (1)(C) by striking "such complaint" and inserting in lieu thereof "the first complaint".

(g) UNIFORM RATE STRUCTURE.—Section 623(d) of the Act (47 U.S.C. 543(d)) is amended to read as follows:

"(d) UNIFORM RATE STRUCTURE.—A cable operator shall have a uniform rate structure throughout its franchise area for the provision of cable services that are regulated by the Commission or the franchising authority. Bulk discounts to multiple dwelling units shall not be subject to this requirement.".

(h) EFFECTIVE COMPETITION.—Section 623(l)(1) of the Act (47 U.S.C. 543(l)(1)) is amended—

(1) in subparagraph (B)(ii)—

(A) by inserting "all" before "multichannel video programming distributors"; and

(B) by striking "or" at the end thereof;

(2) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(3) by adding at the end the following:

"(D) with respect to cable programming services and subscriber equipment, installations, and connections for additional television receivers (other than equipment, installations, and connections furnished to subscribers who receive only a rate regulated basic service tier)—

"(i) a common carrier has been authorized by the Commission to construct facilities to provide video dialtone service in the cable operator's franchise area;

"(ii) a common carrier has been authorized by the Commission or pursuant to a franchise to provide video programming directly to subscribers in the franchise area; or

"(iii) the Commission has completed all actions necessary (including any reconsideration) to prescribe regulations pursuant to section 653(b)(1) relating to video platforms.".

(i) RELIEF FOR SMALL CABLE OPERATORS.—Section 623 of the Act (47 U.S.C. 543) is amended by adding at the end the following new subsection:

"(m) SMALL CABLE OPERATORS.—

"(1) SMALL CABLE OPERATOR RELIEF.—A small cable operator shall not be subject to subsections (a), (b), (c), or (d) in any franchise area with respect to the provision of cable programming services, or a basic service tier where such tier was the only tier offered in such area on December 31, 1994.

"(2) DEFINITION OF SMALL CABLE OPERATOR.—For purposes of this subsection, 'small cable operator' means a cable operator that—

"(A) directly or through an affiliate, serves in the aggregate fewer than 1 percent of all cable subscribers in the United States; and

"(B) is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000.".

(j) TECHNICAL STANDARDS.—Section 624(e) of the Act (47 U.S.C. 544(e)) is amended by striking the last two sentences and inserting the following: "No State or franchising authority may prohibit, condition, or restrict a cable system's use of any type of subscriber equipment or any transmission technology.".

(k) CABLE SECURITY SYSTEMS.—Section 624A(b)(2) of the Act (47 U.S.C. 544a(b)(2)) is amended to read as follows:

"(2) CABLE SECURITY SYSTEMS.—No Federal agency, State, or franchising authority may prohibit a cable operator's use of any security system (including scrambling, encryption, traps, and interdiction), except that the Commission may prohibit the use of any such system solely with respect to the delivery of a basic service tier that, as of January 1, 1995, contained only the signals and programming specified in section 623(b)(7)(A), unless the use of such system is necessary to prevent the unauthorized reception of such tier.".

(l) CABLE EQUIPMENT COMPATIBILITY.—Section 624A of the Act (47 U.S.C. 544A), is amended—

(1) in subsection (a) by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting "; and"; and by adding at the end the following new paragraph:

"(4) compatibility among televisions, video cassette recorders, and cable systems can be assured with narrow technical standards that mandate a minimum degree of common design and operation, leaving all features, functions, protocols, and other product and service options for selection through open competition in the market.";

(2) in subsection (c)(1)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before such redesignated subparagraph (B) the following new subparagraph:

"(A) the need to maximize open competition in the market for all features, functions, protocols, and other product and service options of converter boxes and other cable converters unrelated to the descrambling or decryption of cable television signals;"; and

(3) in subsection (c)(2)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

"(D) to ensure that any standards or regulations developed under the authority of this section to ensure compatibility between televisions, video casette recorders, and cable systems do not affect features, functions, protocols, and other product and service options other than those specified in paragraph (1)(B), including telecommunications interface equipment, home automation communications, and computer network services;".

(m) RETIERING OF BASIC TIER SERVICES.—Section 625(d) of the Act (47 U.S.C. 543(d)) is amended by adding at the end the following new sentence: "Any signals or services carried on the basic service tier but not required under section 623(b)(7)(A) may be moved from the basic service tier at the operator's sole discretion, provided that the removal of such a signal or service from the basic service tier is permitted by contract. The movement of such signals or services to an unregulated package of services shall not subject such package to regulation.".

(n) SUBSCRIBER NOTICE.—Section 632 of the Act (47 U.S.C. 552) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) SUBSCRIBER NOTICE.—A cable operator may provide notice of service and rate changes to subscribers using any reasonable written means at its sole discretion. Notwithstanding section 623(b)(6) or any other provision of this Act, a cable operator shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by any Federal agency, State, or franchising authority on the transaction between the operator and the subscriber.".

(o) TREATMENT OF PRIOR YEAR LOSSES.—

(1) AMENDMENT.—Section 623 (48 U.S.C. 543) is amended by adding at the end thereof the following:

"(n) TREATMENT OF PRIOR YEAR LOSSES.—Notwithstanding any other provision of this section or of section 612, losses (including losses associated with the acquisitions of such franchise) that were incurred prior to September 4, 1992, with respect to a cable system that is owned and operated by the original franchisee of such system shall not be disallowed, in whole or in part, in the determination of whether the rates for any tier of service or any type of equipment that is subject to regulation under this section are lawful.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of enactment of this Act and shall be applicable to any rate proposal filed on or after September 4, 1993.

SEC. 203. COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES.

Title VII of the Act is amended by adding at the end the following new section:

"SEC. 713. COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES.

"(a) DEFINITIONS.—As used in this section:

"(1) The term 'telecommunications subscription service' means the provision directly to subscribers of video, voice, or data services for which a subscriber charge is made.

"(2) The term 'telecommunications system' or a 'telecommunications system operator' means a provider of telecommunications subscription service.

"(b) COMPETITIVE CONSUMER AVAILABILITY OF CUSTOMER PREMISES EQUIPMENT.—The Commission shall adopt regulations to assure competitive availability, to consumers of telecommunications subscription services, of converter boxes, interactive communications devices, and other customer premises equipment from manufacturers, retailers, and other vendors not affiliated with any telecommunications system operator. Such regulations shall take into account the needs of owners and distributors of video programming and information services to ensure system and signal security and prevent theft of service. Such regulations shall not prohibit any telecommunications system operator from also offering devices and customer premises equipment to consumers, provided that the system operator's charges to consumers for such devices

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and equipment are separately stated and not bundled with or subsidized by charges for any telecommunications subscription service.

"(c) WAIVER FOR NEW NETWORK SERVICES.—The Commission may waive a regulation adopted pursuant to subsection (b) for a limited time upon an appropriate showing by a telecommunications system operator that such waiver is necessary to the introduction of a new telecommunications subscription service.

"(d) SUNSET.—The regulations adopted pursuant to this section shall cease to apply to any market for the acquisition of converter boxes, interactive communications devices, or other customer premises equipment when the Commission determines that such market is competitive.".

SEC. 204. VIDEO PROGRAMMING ACCESSIBILITY.

(a) COMMISSION INQUIRY.—Within 180 days after the date of enactment of this section, the Federal Communications Commission shall complete an inquiry to ascertain the level at which video programming is closed captioned. Such inquiry shall examine the extent to which existing or previously published programming is closed captioned, the size of the video programming provider or programming owner providing closed captioning, the size of the market served, the relative audience shares achieved, or any other related factors. The Commission shall submit to the Congress a report on the results of such inquiry.

(b) ACCOUNTABILITY CRITERIA.—Within 18 months after the date of enactment, the Commission shall prescribe such regulations as are necessary to implement this section. Such regulations shall ensure that—

(1) video programming first published or exhibited after the effective date of such regulations is fully accessible through the provision of closed captions, except as provided in subsection (d); and

(2) video programming providers or owners maximize the accessibility of video programming first published or exhibited prior to the effective date of such regulations through the provision of closed captions, except as provided in subsection (d).

(c) DEADLINES FOR CAPTIONING.—Such regulations shall include an appropriate schedule of deadlines for the provision of closed captioning of video programming.

(d) EXEMPTIONS.—Notwithstanding subsection (b)—

(1) the Commission may exempt by regulation programs, classes of programs, or services for which the Commission has determined that the provision of closed captioning would be economically burdensome to the provider or owner of such programming;

(2) a provider of video programming or the owner of any program carried by the provider shall not be obligated to supply closed captions if such action would be inconsistent with contracts in effect on the date of enactment of this Act, except that nothing in this section shall be construed to relieve a video programming provider of its obligations to provide services required by Federal law; and

(3) a provider of video programming or program owner may petition the Commission for an exemption from the requirements of this section, and the Commission may grant such petition upon a showing that the requirements contained in this section would result in an undue burden.

(e) UNDUE BURDEN.—The term "undue burden" means significant difficulty or expense. In determining whether the closed captions necessary to comply with the requirements of this paragraph would result in an undue economic burden, the factors to be considered include—

(1) the nature and cost of the closed captions for the programming;

(2) the impact on the operation of the provider or program owner;

(3) the financial resources of the provider or program owner; and

(4) the type of operations of the provider or program owner.

(f) VIDEO DESCRIPTIONS INQUIRY.—Within 6 months after the date of enactment of this Act, the Commission shall commence an inquiry to examine the use of video descriptions on video programming in order to ensure the accessibility of video programming to persons with visual impairments, and report to Congress on its findings. The Commission's report shall assess appropriate methods and schedules for phasing video descriptions into the marketplace, technical and quality standards for video descriptions, a definition of programming for which video descriptions would apply, and other technical and legal issues that the Commission deems appropriate. Following the completion of such inquiry, the Commission may adopt regulation it deems necessary to promote the accessibility of video programming to persons with visual impairments.

(g) VIDEO DESCRIPTION.—For purposes of this section, "video description" means the insertion of audio narrated descriptions of a television program's key visual elements into natural pauses between the program's dialogue.

(h) PRIVATE RIGHTS OF ACTIONS PROHIBITED.—Nothing in this section shall be construed to authorize any private right of action to enforce any requirement of this section or any regulation thereunder. The Commission shall have exclusive jurisdiction with respect to any complaint under this section.

SEC. 205. TECHNICAL AMENDMENTS.

(a) RETRANSMISSION.—Section 325(b)(2)(D) of the Act (47 U.S.C. 325(b)(2)(D)) is amended to read as follows:

"(D) retransmission by a cable operator or other multichannel video programming distributor of the signal of a superstation if (i) the customers served by the cable operator or other multichannel video programming distributor reside outside the originating station's television market, as defined by the Commission for purposes of section 614(h)(1)(C); (ii) such signal was obtained from a satellite carrier or terrestrial microwave common carrier; and (iii) and the origination station was a superstation on May 1, 1991.".

(b) MARKET DETERMINATIONS.—Section 614(h)(1)(C)(i) of the Act (47 U.S.C. 534(h)(1)(C)(i)) is amended by striking out "in the manner provided in section 73.3555(d)(3)(i) of title 47, Code of Federal Regulations, as in effect on May 1, 1991," and inserting "by the Commission by regulation or order using, where available, commercial publications which delineate television markets based on viewing patterns,".

(c) TIME FOR DECISION.—Section 614(h)(1)(C)(iv) of such Act is amended to read as follows:

"(iv) Within 120 days after the date a request is filed under this subparagraph, the Commission shall grant or deny the request.".

(d) PROCESSING OF PENDING COMPLAINTS.—The Commission shall, unless otherwise informed by the person making the request, assume that any person making a request to include or exclude additional communities under section 614(h)(1)(C) of such Act (as in effect prior to the date of enactment of this Act) continues to request such inclusion or exclusion under such section as amended under subsection (b).

TITLE III—BROADCAST COMMUNICATIONS COMPETITIVENESS

SEC. 301. BROADCASTER SPECTRUM FLEXIBILITY.

Title III of the Act is amended by inserting after section 335 (47 U.S.C. 335) the following new section:

"SEC. 336. BROADCAST SPECTRUM FLEXIBILITY.

"(a) COMMISSION ACTION.—If the Commission determines to issue additional licenses for advanced television services, the Commission shall—

"(1) limit the initial eligibility for such licenses to persons that, as of the date of such issuance, are licensed to operate a television broadcast station or hold a permit to construct such a station (or both); and

"(2) adopt regulations that allow such licensees or permittees to offer such ancillary or supplementary services on designated frequencies as may be consistent with the public interest, convenience, and necessity.

"(b) CONTENTS OF REGULATIONS.—In prescribing the regulations required by subsection (a), the Commission shall—

"(1) only permit such licensee or permittee to offer ancillary or supplementary services if the use of a designated frequency for such services is consistent with the technology or method designated by the Commission for the provision of advanced television services;

"(2) limit the broadcasting of ancillary or supplementary services on designated frequencies so as to avoid derogation of any advanced television services, including high definition television broadcasts, that the Commission may require using such frequencies;

"(3) apply to any other ancillary or supplementary service such of the Commission's regulations as are applicable to the offering of analogous services by any other person, except that no ancillary or supplementary service shall have any rights to carriage under section 614 or 615 or be deemed a multichannel video programming distributor for purposes of section 628;

"(4) adopt such technical and other requirements as may be necessary or appropriate to assure the quality of the signal used to provide advanced television services, and may adopt regulations that stipulate the minimum number of hours per day that such signal must be transmitted; and

"(5) prescribe such other regulations as may be necessary for the protection of the public interest, convenience, and necessity.

"(c) RECOVERY OF LICENSE.—

"(1) CONDITIONS REQUIRED.—If the Commission grants a license for advanced television services to a person that, as of the date of such issuance, is licensed to operate a television broadcast station or holds a permit to construct such a station (or both), the Commission shall, as a condition of such license, require that, upon a determination by the Commission pursuant to the regulations prescribed under paragraph (2), either the additional license or the original license held by the licensee be surrendered to the Commission in accordance with such regulations for reallocation or reassignment (or both) pursuant to Commission regulation.

"(2) CRITERIA.—The Commission shall prescribe criteria for rendering determinations concerning license surrender pursuant to license conditions required by paragraph (1). Such criteria shall—

"(A) require such determinations to be based, on a market-by-market basis, on whether the substantial majority of the public have obtained television receivers that are capable of receiving advanced television services; and

"(B) not require the cessation of the broadcasting under either the original or additional license if such cessation would render the television receivers of a substantial portion of the public useless, or otherwise cause undue burdens on the owners of such television receivers.

"(3) AUCTION OF RETURNED SPECTRUM.—Any license surrendered under the requirements of this subsection shall be subject to assignment by use of competitive bidding pursuant to section 309(j), notwithstanding any limitations contained in paragraph (2) of such section.

"(d) FEES.—

"(1) SERVICES TO WHICH FEES APPLY.—If the regulations prescribed pursuant to subsection (a) permit a licensee to offer ancillary or supplementary services on a designated frequency—

"(A) for which the payment of a subscription fee is required in order to receive such services, or

"(B) for which the licensee directly or indirectly receives compensation from a third party

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in return for transmitting material furnished by such third party (other than commercial advertisements used to support broadcasting for which a subscription fee is not required),

the Commission shall establish a program to assess and collect from the licensee for such designated frequency an annual fee or other schedule or method of payment that promotes the objectives described in subparagraphs (A) and (B) of paragraph (2).

"(2) COLLECTION OF FEES.—The program required by paragraph (1) shall—

"(A) be designed (i) to recover for the public a portion of the value of the public spectrum resource made available for such commercial use, and (ii) to avoid unjust enrichment through the method employed to permit such uses of that resource;

"(B) recover for the public an amount that, to the extent feasible, equals but does not exceed (over the term of the license) the amount that would have been recovered had such services been licensed pursuant to the provisions of section 309(j) of this Act and the Commission's regulations thereunder; and

"(C) be adjusted by the Commission from time to time in order to continue to comply with the requirements of this paragraph.

"(3) TREATMENT OF REVENUES.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), all proceeds obtained pursuant to the regulations required by this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code.

"(B) RETENTION OF REVENUES.—Notwithstanding subparagraph (A), the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from such proceeds for the costs of developing and implementing the program required by this section and regulating and supervising advanced television services. Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis.

"(4) REPORT.—Within 5 years after the date of the enactment of this section, the Commission shall report to the Congress on the implementation of the program required by this subsection, and shall annually thereafter advise the Congress on the amounts collected pursuant to such program.

"(e) EVALUATION.—Within 10 years after the date the Commission first issues additional licenses for advanced television services, the Commission shall conduct an evaluation of the advanced television services program. Such evaluation shall include—

"(1) an assessment of the willingness of consumers to purchase the television receivers necessary to receive broadcasts of advanced television services;

"(2) an assessment of alternative uses, including public safety use, of the frequencies used for such broadcasts; and

"(3) the extent to which the Commission has been or will be able to reduce the amount of spectrum assigned to licensees.

"(f) DEFINITIONS.—As used in this section:

"(1) ADVANCED TELEVISION SERVICES.—The term 'advanced television services' means television services provided using digital or other advanced technology as further defined in the opinion, report, and order of the Commission entitled 'Advanced Television Systems and Their Impact Upon the Existing Television Broadcast Service', MM Docket 87-268, adopted September 17, 1992, and successor proceedings.

"(2) DESIGNATED FREQUENCIES.—The term 'designated frequency' means each of the frequencies designated by the Commission for licenses for advanced television services.

"(3) HIGH DEFINITION TELEVISION.—The term 'high definition television' refers to systems that offer approximately twice the vertical and horizontal resolution of receivers generally available on the date of enactment of this section, as further defined in the proceedings described in paragraph (1) of this subsection.".

SEC. 302. BROADCAST OWNERSHIP.

(a) AMENDMENT.—Title III of the Act is amended by inserting after section 336 (as added by section 301) the following new section:

"SEC. 337. BROADCAST OWNERSHIP.

"(a) LIMITATIONS ON COMMISSION RULEMAKING AUTHORITY.—Except as expressly permitted in this section, the Commission shall not prescribe or enforce any regulation—

"(1) prohibiting or limiting, either nationally or within any particular area, a person or entity from holding any form of ownership or other interest in two or more broadcasting stations or in a broadcasting station and any other medium of mass communication; or

"(2) prohibiting a person or entity from owning, operating, or controlling two or more networks of broadcasting stations or from owning, operating, or controlling a network of broadcasting stations and any other medium of mass communications.

"(b) TELEVISION OWNERSHIP LIMITATIONS.—

"(1) NATIONAL AUDIENCE REACH LIMITATIONS.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, or controlling, or having a cognizable interest in, television stations which have an aggregate national audience reach exceeding—

"(A) 35 percent, for any determination made under this paragraph before one year after the date of enactment of this section; or

"(B) 50 percent, for any determination made under this paragraph on or after one year after such date of enactment.

Within 3 years after such date of enactment, the Commission shall conduct a study on the operation of this paragraph and submit a report to the Congress on the development of competition in the television marketplace and the need for any revisions to or elimination of this paragraph.

"(2) MULTIPLE LICENSES IN A MARKET.—

"(A) IN GENERAL.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, or controlling, or having a cognizable interest in, two or more television stations within the same television market.

"(B) EXCEPTION FOR MULTIPLE UHF STATIONS AND FOR UHF-VHF COMBINATIONS.—Notwithstanding subparagraph (A), the Commission shall not prohibit a person or entity from directly or indirectly owning, operating, or controlling, or having a cognizable interest in, two television stations within the same television market if at least one of such stations is a UHF television, unless the Commission determines that permitting such ownership, operation, or control will harm competition or will harm the preservation of a diversity of media voices in the local television market.

"(C) EXCEPTION FOR VHF-VHF COMBINATIONS.—Notwithstanding subparagraph (A), the Commission may permit a person or entity to directly or indirectly own, operate, or control, or have a cognizable interest in, two VHF television stations within the same television market, if the Commission determines that permitting such ownership, operation, or control will not harm competition and will not harm the preservation of a diversity of media voices in the local television market.

"(c) LOCAL CROSS-MEDIA OWNERSHIP LIMITS.—In a proceeding to grant, renew, or authorize the assignment of any station license under this title, the Commission may deny the application if the Commission determines that the combination of such station and more than one other nonbroadcast media of mass communication would result in an undue concentration of media voices in the respective local market. In considering any such combination, the Commission shall not grant the application if all the media of mass communication in such local market would be owned, operated, or controlled by two or fewer persons or entities. This subsection shall not constitute authority for the Commission to prescribe regulations containing local cross-media ownership limitations. The Commission may not, under the authority of this subsection, require any person or entity to divest itself of any portion of any combination of stations and other media of mass communications that such person or entity owns, operates, or controls on the date of enactment of this section unless such person or entity acquires another station or other media of mass communications after such date in such local market.

"(d) TRANSITION PROVISIONS.—Any provision of any regulation prescribed before the date of enactment of this section that is inconsistent with the requirements of this section shall cease to be effective on such date of enactment. The Commission shall complete all actions (including any reconsideration) necessary to amend its regulations to conform to the requirements of this section not later than 6 months after such date of enactment. Nothing in this section shall be construed to prohibit the continuation or renewal of any television local marketing agreement that is in effect on such date of enactment and that is in compliance with Commission regulations on such date.".

(b) CONFORMING AMENDMENT.—Section 613(a) of the Act (47 U.S.C. 533(a)) is repealed.

SEC. 303. FOREIGN INVESTMENT AND OWNERSHIP.

(a) STATION LICENSES.—Section 310(a) (47 U.S.C. 310(a)) is amended to read as follows:

"(a) GRANT TO OR HOLDING BY FOREIGN GOVERNMENT OR REPRESENTATIVE.—No station license required under title III of this Act shall be granted to or held by any foreign government or any representative thereof. This subsection shall not apply to licenses issued under such terms and conditions as the Commission may prescribe to mobile earth stations engaged in occasional or short-term transmissions via satellite of audio or television program material and auxilliary signals if such transmissions are not intended for direct reception by the general public in the United States.".

(b) TERMINATION OF FOREIGN OWNERSHIP RESTRICTIONS.—Section 310 (47 U.S.C. 310) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION OF FOREIGN OWNERSHIP RESTRICTIONS.—

"(1) RESTRICTION NOT TO APPLY.—Subsection (b) shall not apply to any common carrier license granted, or for which application is made, after the date of enactment of this subsection with respect to any alien (or representative thereof), corporation, or foreign government (or representative thereof) if—

"(A) the President determines that the foreign country of which such alien is a citizen, in which such corporation is organized, or in which the foreign government is in control is party to an international agreement which requires the United States to provide national or most-favored-nation treatment in the grant of common carrier licenses; or

"(B) the Commission determines that not applying subsection (b) would serve the public interest.

"(2) COMMISSION CONSIDERATIONS.—In making its determination, under paragraph (1)(B), the Commission may consider, among other public interest factors, whether effective competitive opportunities are available to United States nationals or corporations in the applicant's home market. In evaluating the public interest, the Commission shall exercise great deference to the President with respect to United States national security, law enforcement requirements, foreign policy, the interpretation of international agreements, and trade policy (as well as direct investment as it relates to international trade policy).

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Upon receipt of an application that requires a finding under this paragraph, the Commission shall cause notice thereof to be given to the President or any agencies designated by the President to receive such notification.

"(3) FURTHER COMMISSION REVIEW.—Except as otherwise provided in this paragraph, the Commission may determine that any foreign country with respect to which it has made a determination under paragraph (1) has ceased to meet the requirements for that determination. In making this determination, the Commission shall exercise great deference to the President with respect to United States national security, law enforcement requirements, foreign policy, the interpretation of international agreements, and trade policy (as well as direct investment as it relates to international trade policy). If a determination under this paragraph is made then—

"(A) subsection (b) shall apply with respect to such aliens, corporation, and government (or their representatives) on the date that the Commission publishes notice of its determination under this paragraph; and

"(B) any license held, or application filed, which could not be held or granted under subsection (b) shall be reviewed by the Commission under the provisions of paragraphs (1)(B) and (2).

"(4) OBSERVANCE OF INTERNATIONAL OBLIGATIONS.—Paragraph (3) shall not apply to the extent the President determines that it is inconsistent with any international agreement to which the United States is a party.

"(5) NOTIFICATIONS TO CONGRESS.—The President and the Commission shall notify the appropriate committees of the Congress of any determinations made under paragraph (1), (2), or (3).".

SEC. 304. TERM OF LICENSES.

Section 307(c) of the Act (47 U.S.C. 307(c)) is amended to read as follows:

"(c) TERMS OF LICENSES.—

"(1) INITIAL AND RENEWAL LICENSES.—Each license granted for the operation of a broadcasting station shall be for a term of not to exceed seven years. Upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed seven years from the date of expiration of the preceding license, if the Commission finds that public interest, convenience, and necessity would be served thereby. Consistent with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewed for particular classes of stations, but the Commission may not adopt or follow any rule which would preclude it, in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, public interest, convenience, or necessity would be served by such action.

"(2) MATERIALS IN APPLICATION.—In order to expedite action on applications for renewal of broadcasting station licenses and in order to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly material to the considerations that affect the granting or denial of such application, but the Commission may require any new or additional facts it deems necessary to make its findings.

"(3) CONTINUATION PENDING DECISION.—Pending any hearing and final decision on such an application and the disposition of any petition for rehearing pursuant to section 405, the Commission shall continue such license in effect.".

SEC. 305. BROADCAST LICENSE RENEWAL PROCEDURES.

(a) AMENDMENT.—Section 309 of the Act (47 U.S.C. 309) is amended by adding at the end thereof the following new subsection:

"(k) BROADCAST STATION RENEWAL PROCEDURES.—

"(1) STANDARDS FOR RENEWAL.—If the licensee of a broadcast station submits an application to the Commission for renewal of such license, the Commission shall grant the application if it finds, with respect to that station, during the preceding term of its license—

"(A) the station has served the public interest, convenience, and necessity;

"(B) there have been no serious violations by the licensee of this Act or the rules and regulations of the Commission; and

"(C) there have been no other violations by the licensee of this Act or the rules and regulations of the Commission which, taken together, would constitute a pattern of abuse.

"(2) CONSEQUENCE OF FAILURE TO MEET STANDARD.—If any licensee of a broadcast station fails to meet the requirements of this subsection, the Commission may deny the application for renewal in accordance with paragraph (3), or grant such application on terms and conditions as are appropriate, including renewal for a term less than the maximum otherwise permitted.

"(3) STANDARDS FOR DENIAL.—If the Commission determines, after notice and opportunity for a hearing as provided in subsection (e), that a licensee has failed to meet the requirements specified in paragraph (1) and that no mitigating factors justify the imposition of lesser sanctions, the Commission shall—

"(A) issue an order denying the renewal application filed by such licensee under section 308; and

"(B) only thereafter accept and consider such applications for a construction permit as may be filed under section 308 specifying the channel or broadcasting facilities of the former licensee.

"(4) COMPETITOR CONSIDERATION PROHIBITED.—In making the determinations specified in paragraph (1) or (2), the Commission shall not consider whether the public interest, convenience, and necessity might be served by the grant of a license to a person other than the renewal applicant.".

(b) CONFORMING AMENDMENT.—Section 309(d) of the Act (47 U.S.C. 309(d)) is amended by inserting after "with subsection (a)" each place such term appears the following: "(or subsection (k) in the case of renewal of any broadcast station license)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any application for renewal filed on or after May 31, 1995.

SEC. 306. EXCLUSIVE FEDERAL JURISDICTION OVER DIRECT BROADCAST, SATELLITE SERVICE.

Section 303 of the Act (47 U.S.C. 303) is amended by adding at the end thereof the following new subsection:

"(v) Have exclusive jurisdiction over the regulation of the direct broadcast satellite service.".

SEC. 307. AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS.

Notwithstanding any provision of the Act, a ship documented under the laws of the United States operating in accordance with the Global Maritime Distress and Safety System provisions of the Safety of Life at Sea Convention shall not be required to be equipped with a radio telegraphy station operated by one or more radio officers or operators.

SEC. 308. RESTRICTIONS ON OVER-THE-AIR RECEPTION DEVICES.

Within 180 days after the enactment of this Act, the Commission shall, pursuant to section 303, promulgate regulations to prohibit restrictions that inhibit a viewer's ability to receive video programming services through signal receiving devices designed for off-the-air reception of television broadcast signals or direct broadcast satellite services.

SEC. 309. DBS SIGNAL SECURITY.

Section 705(e)(4) of the Act (47 U.S.C. 605(e)) is amended by inserting after "satellite cable programming" the following: "or programming of a licensee in the direct broadcast satellite service".

TITLE IV—EFFECT ON OTHER LAWS

SEC. 401. RELATIONSHIP TO OTHER LAWS.

(a) MODIFICATION OF FINAL JUDGMENT.—Parts II and III of title II of the Communications Act of 1934 (as added by this Act) shall supersede the Modification of Final Judgment, except that such part shall not affect—

(1) section I of the Modification of Final Judgment, relating to AT&T reorganization,

(2) section II(A) (including appendix B) and II(B) of the Modification of Final Judgment, relating to equal access and nondiscrimination,

(3) section IV(F) and IV(I) of the Modification of Final Judgment, with respect to the requirements included in the definitions of "exchange access" and "information access",

(4) section VIII(B) of the Modification of Final Judgment, relating to printed advertising directories,

(5) section VIII(E) of the Modification of Final Judgment, relating to notice to customers of AT&T,

(6) section VIII(F) of the Modification of Final Judgment, relating to less than equal exchange access,

(7) section VIII(G) of the Modification of Final Judgment, relating to transfer of AT&T assets, including all exceptions granted thereunder before the date of the enactment of this Act, and

(8) with respect to the parts of the Modification of Final Judgment described in paragraphs (1) through (7)—

(A) section III of the Modification of Final Judgment, relating to applicability and effect,

(B) section IV of the Modification of Final Judgment, relating to definitions,

(C) section V of the Modification of Final Judgment, relating to compliance,

(D) section VI of the Modification of Final Judgment, relating to visitorial provisions,

(E) section VII of the Modification of Final Judgment, relating to retention of jurisdiction, and

(F) section VIII(I) of the Modification of Final Judgment, relating to the court's sua sponte authority.

(b) ANTITRUST LAWS.—Nothing in this Act shall be construed to modify, impair, or supersede the applicability of any of the antitrust laws.

(c) FEDERAL, STATE, AND LOCAL LAW.—(1) Except as provided in paragraph (2), parts II and III of title II of the Communications Act of 1934 shall not be construed to modify, impair, or supersede Federal, State, or local law unless expressly so provided in such part.

(2) Parts II and III of title II of the Communications Act of 1934 shall supersede State and local law to the extent that such law would impair or prevent the operation of such part.

(d) TERMINATION.—The provisions of the GTE consent decree shall cease to be effective on the date of enactment of this Act. For purposes of this subsection, the term "GTE consent decree" means the order entered on December 21, 1984 (as restated on January 11, 1985), in United States v. GTE Corporation, Civil Action No. 83-1298, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after December 21, 1984.

(e) INAPPLICABILITY OF FINAL JUDGMENT TO WIRELESS SUCCESSORS.—No person shall be subject to the provisions of the Modification of Final Judgment by reason of having acquired wireless exchange assets or operations previously owned by a Bell operating company or an affiliate of a Bell operating company.

(f) ANTITRUST LAWS.—As used in this section, the term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes the Act of June 19, 1936 (49 Stat. 1526; 15 U.S.C. 13 et seq.), commonly known as the Robinson Patman Act, and section 5 of the Federal Trade Commission Act (15

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U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition.

SEC. 403. PREEMPTION OF LOCAL TAXATION WITH RESPECT TO DBS SERVICES.

(a) PREEMPTION.—A provider of direct-to-home satellite service, or its agent or representative for the sale or distribution of direct-to-home satellite services, shall be exempt from the collection or remittance, or both, of any tax or fee, as defined by subsection (b)(4), imposed by any local taxing jurisdiction with respect to the provision of direct-to-home satellite services. Nothing in this section shall be construed to exempt from collection or remittance any tax or fee on the sale of equipment.

(b) DEFINITIONS.—For the purposes of this section—

(1) DIRECT-TO-HOME SATELLITE SERVICE.—The term "direct-to-home satellite service" means the transmission or broadcasting by satellite of programming directly to the subscribers' premises without the use of ground receiving or distribution equipment, except at the subscribers' premises or in the uplink process to the satellite.

(2) DIRECT-TO-HOME SATELLITE SERVICE PROVIDER.—For purposes of this section, a "provider of direct-to-home satellite service" means a person who transmits or broadcasts direct-to-home satellite services.

(3) LOCAL TAXING JURISDICTION.—The term "local taxing jurisdiction" means any municipality, city, county, township, parish, transportation district, or assessment jurisdiction, or any other local jurisdiction with the authority to impose a tax or fee.

(4) TAX OR FEE.—The terms "tax" and "fee" mean any local sales tax, local use tax, local intangible tax, local income tax, business license tax, utility tax, privilege tax, gross receipts tax, excise tax, franchise fees, local telecommunications tax, or any other tax, license, or fee that is imposed for the privilege of doing business, regulating, or raising revenue for a local taxing jurisdiction.

(c) EFFECTIVE DATE.—This section shall be effective as of June 1, 1994.

TITLE V—DEFINITIONS

SEC. 501. DEFINITIONS.

(a) ADDITIONAL DEFINITIONS.—Section 3 of the Act (47 U.S.C. 153) is amended—

(1) in subsection (r)—

(A) by inserting "(A)" after "means"; and

(B) by inserting before the period at the end the following: ", or (B) service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service within a State but which does not result in the subscriber incurring a telephone toll charge"; and

(2) by adding at the end thereof the following:

"(35) AFFILIATE.—The term 'affiliate', when used in relation to any person or entity, means another person or entity who owns or controls, is owned or controlled by, or is under common ownership or control with, such person or entity.

"(36) BELL OPERATING COMPANY.—The term 'Bell operating company' means—

"(A) Bell Telephone Company of Nevada, Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, New England Telephone and Telegraph Company, New Jersey Bell Telephone Company, New York Telephone Company, U S West Communications Company, South Central Bell Telephone Company, Southern Bell Telephone and Telegraph Company, Southwestern Bell Telephone Company, The Bell Telephone Company of Pennsylvania, The Chesapeake and Potomac Telephone Company, The Chesapeake and Potomac Telephone Company of Maryland, The Chesapeake and Potomac Telephone Company of Virginia, The Chesapeake and Potomac Telephone Company of West Virginia, The Diamond State Telephone Company, The Ohio Bell Telephone Company, The Pacific Telephone and Telegraph Company, or Wisconsin Telephone Company;

"(B) any successor or assign of any such company that provides telephone exchange service.

"(37) CABLE SYSTEM.—The term 'cable system' has the meaning given such term in section 602(7) of this Act.

"(38) CUSTOMER PREMISES EQUIPMENT.—The term 'customer premises equipment' means equipment employed on the premises of a person (other than a carrier) to originate, route, or terminate telecommunications.

"(39) DIALING PARITY.—The term 'dialing parity' means that a person that is not an affiliated enterprise of a local exchange carrier is able to provide telecommunications services in such a manner that customers have the ability to route automatically, without the use of any access code, their telecommunications to the telecommunications services provider of the customer's designation from among 2 or more telecommunications services providers (including such local exchange carrier).

"(40) EXCHANGE ACCESS.—The term 'exchange access' means the offering of telephone exchange services or facilities for the purpose of the origination or termination of interLATA services.

"(41) INFORMATION SERVICE.—The term 'information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

"(42) INTERLATA SERVICE.—The term 'interLATA service' means telecommunications between a point located in a local access and transport area and a point located outside such area.

"(43) LOCAL ACCESS AND TRANSPORT AREA.—The term 'local access and transport area' or 'LATA' means a contiguous geographic area—

"(A) established by a Bell operating company such that no exchange area includes points within more than 1 metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the Modification of Final Judgment before the date of the enactment of this paragraph; or

"(B) established or modified by a Bell operating company after the date of enactment of this paragraph and approved by the Commission.

"(44) LOCAL EXCHANGE CARRIER.—The term 'local exchange carrier' means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c), except to the extent that the Commission finds that such service as provided by such person in a State is a replacement for a substantial portion of the wireline telephone exchange service within such State.

"(45) MODIFICATION OF FINAL JUDGMENT.—The term 'Modification of Final Judgment' means the order entered August 24, 1982, in the antitrust action styled United States v. Western Electric, Civil Action No. 82-0192, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after August 24, 1982.

"(46) NUMBER PORTABILITY.—The term 'number portability' means the ability of users of telecommunications services to retain existing telecommunications numbers without impairment of quality, reliability, or convenience when changing from one provider of telecommunications services to another, as long as such user continues to be located within the area served by the same central office of the carrier from which the user is changing.

"(47) RURAL TELEPHONE COMPANY.—The term 'rural telephone company' means a local exchange carrier operating entity to the extent that such entity—

"(A) provides common carrier service to any local exchange carrier study area that does not include either—

"(i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recent available population statistics of the Bureau of the Census; or

"(ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;

"(B) provides telephone exchange service, including telephone exchange access service, to fewer than 50,000 access lines;

"(C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

"(D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of this paragraph.

"(48) TELECOMMUNICATIONS.—The term 'telecommunications' means the transmission, between or among points specified by the subscriber, of information of the subscriber's choosing, without change in the form or content of the information as sent and received, by means of an electromagnetic transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission.

"(49) TELECOMMUNICATIONS EQUIPMENT.—The term 'telecommunications equipment' means equipment, other than customer premises equipment, used by a carrier to provide telecommunications services, and includes software integral to such equipment (including upgrades).

"(50) TELECOMMUNICATIONS SERVICE.—The term 'telecommunications service' means the offering, on a common carrier basis, of telecommunications facilities, or of telecommunications by means of such facilities. Such term does not include an information service.".

(b) STYLISTIC CONSISTENCY.—Section 3 of the Act (47 U.S.C. 153) is amended—

(1) in subsections (e) and (n), by redesignating clauses (1), (2) and (3), as clauses (A), (B), and (C), respectively;

(2) in subsection (w), by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(3) in subsections (y) and (z), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(4) by redesignating subsections (a) through (ff) as paragraphs (1) through (32);

(5) by indenting such paragraphs 2 em spaces;

(6) by inserting after the designation of each such paragraph—

(A) a heading, in a form consistent with the form of the heading of this subsection, consisting of the term defined by such paragraph, or the first term so defined if such paragraph defines more than one term; and

(B) the words "The term";

(7) by changing the first letter of each defined term in such paragraphs from a capital to a lower case letter (except for "United States", "State", "State commission", and "Great Lakes Agreement"); and

(8) by reordering such paragraphs and the additional paragraphs added by subsection (a) in alphabetical order based on the headings of such paragraphs and renumbering such paragraphs as so reordered.

(c) CONFORMING AMENDMENTS.—The Act is amended—

(1) in section 225(a)(1), by striking "section 3(h)" and inserting "section 3";

(2) in section 332(d), by striking "section 3(n)" each place it appears and inserting "section 3"; and

(3) in sections 621(d)(3), 636(d), and 637(a)(2), by striking "section 3(v)" and inserting "section 3".

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TITLE VI—SMALL BUSINESS COMPLAINT PROCEDURE

SEC. 601. COMPLAINT PROCEDURE.

(a) PROCEDURE REQUIRED.—The Federal Communications Commission shall establish procedures for the receipt and review of complaints concerning violations of the Communications Act of 1934, and the rules and regulations thereunder, that are likely to result, or have resulted, as a result of the violation, in material financial harm to a provider of telemessaging service, or other small business engaged in providing an information service or other telecommunications service. Such procedures shall be established within 120 days after the date of enactment of this Act.

(b) DEADLINES FOR PROCEDURES; SANCTIONS.—The procedures under this section shall ensure that the Commission will make a final determination with respect to any such complaint within 120 days after receipt of the complaint. If the complaint contains an appropriate showing that the alleged violation occurred, as determined by the Commission in accordance with such regulations, the Commission shall, within 60 days after receipt of the complaint, order the common carrier and its affiliates to cease engaging in such violation pending such final determination. In addition, the Commission may exercise its authority to impose other penalties or sanctions, to the extent otherwise provided by law.

(c) DEFINITION.—For purposes of this section, a small business shall be any business entity that, along with any affiliate or subsidiary, has fewer than 300 employees.

The CHAIRMAN. Before consideration of any other amendment, it shall be in order to consider the amendment printed in part 1 of House Report 104–223, which may be offered only by a Member designated in the report, shall be considered read, shall be debatable for 30 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment.

No further amendment shall be in order except the amendments printed in part 2 of the report, which may be considered in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, except as specified in the report, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

Pursuant to the order of the House of the legislative day of Thursday, August 3, 1995, consideration in the Committee of the Whole shall proceed without intervening motion except for the amendments printed in the report and one motion to rise, if offered by the gentleman from Virginia [Mr. BLILEY].

The gentleman from Michigan [Mr. CONYERS] shall have permission to modify the amendment numbered 2–2 printed in the report.

It is now in order to consider the amendment numbered 1–1 printed in part 1 of House Reports 104–223.

AMENDMENT NO. 1–1 OFFERED BY MR. BLILEY

Mr. BLILEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1–1 offered by Mr. BLILEY:

[1. Resale]

Page 5, beginning on line 19, strike paragraph (3) and insert the following:

"(3) RESALE.—The duty—

"(A) to offer services, elements, features, functions, and capabilities for resale at wholesale rates, and

"(B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such services, elements, features, functions, and capabilities, on a bundled or unbundled basis, except that a carrier may prohibit a reseller that obtains at wholesale rates a service, element, feature, function, or capability that is available at retail only to a category of subscribers from offering such service, element, feature, function, or capability to a different category of subscribers.

For the purposes of this paragraph, wholesale rates shall be determined on the basis of retail rates for the service, element, feature, function, or capability provided, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that are avoided by the local exchange carrier.

[2. Entry Schedule]

Page 10, line 1, strike "15 months" and insert "6 months".

Page 12, line 13, strike "245(d)" and insert "245(c)".

Page 19, line 19, strike "18 months" and insert "6 months".

Page 20, line 5, strike "(d)(2)" and insert "(c)(2)".

Page 24, beginning on line 1, strike subsection (c) through page 26, line 5, (and redesignate the succeeding subsections accordingly).

Page 27, line 25, strike "(d)" and insert "(c)".

Page 28, line 25, strike "(g) and (h)" and insert "(f), (g), and (h)".

Page 29, lines 9 and 12, strike "subsection (d)" and insert "subsection (c)".

Page 29, line 14, strike "subsection (f)" and insert "subsection (e)".

Page 30, line 2, strike "(f)" and insert "(e)".

Page 40, line 20, strike "270 days" and insert "6 months".

[3. State/Federal Coordination]

Page 10, after line 8, insert the following new subparagraph (and redesignate the succeeding subparagraphs accordingly):

"(B) ACCOMMODATION OF STATE ACCESS REGULATIONS.—In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall not preclude the enforcement of any regulation, order, or policy of a State commission that—

"(i) establishes access and interconnection obligations of local exchange carriers;

"(ii) is consistent with the requirements of this section; and

"(iii) does not substantially prevent the Commission from fulfilling the requirements of this section and the purposes of this part.

Page 14, strike lines 1 through 7 and insert the following:

"(h) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) COMMISSION REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"(2) STATE REGULATIONS.—Nothing in this section shall be construed to prohibit any State commission from enforcing regulations prescribed prior to the date of enactment of this part, or from prescribing regulations after such date of enactment, in fulfilling the requirements of this section, if (A) such regulations are consistent with the provisions of this section, and (B) the enforcement of such regulations has not been precluded under subsection (b)(4)(B).

Page 42, after line 2, insert the following new sentence:

In establishing criteria and procedures pursuant to this paragraph, the Commission shall take into account and accommodate, to the extent reasonable and consistent with the purposes of this section, the criteria and procedures established for such purposes by State commissions prior to the effective date of the Commission's criteria and procedures under this section.

Page 45, strike lines 12 through 18 and insert the following:

"(g) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) COMMISSION REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"(2) STATE REGULATIONS.—Nothing in this section shall be construed to prohibit any State commission from enforcing regulations prescribed prior to the effective date of the Commission's criteria and procedures under this section in fulfilling the requirements of this section, or from prescribing regulations after such date, to the extent such regulations are consistent—

"(A) with the provisions of this section; and

"(B) after such effective date, with such criteria and procedures.

Page 77, line 18, insert "of the Commission" after "any regulation".

[4. Joint Marketing]

Page 12, beginning on line 15, strike paragraph (2) through page 13, line 2, and insert the following:

"(2) COMPETING PROVIDERS.—*Paragraph (1)* shall not prohibit joint marketing of services, elements, features, functions, or capabilities acquired from a Bell operating company by an unaffiliated provider that, together with its affiliates, has in the aggregate less than 2 percent of the access lines installed nationwide.

[5. Rural Telephone Exemption]

Page 13, beginning on line 10, strike "technologically infeasible" and all that follows through line 11 and insert "or technologically infeasible.".

Page 13, beginning on line 12, strike subsections (f) and (g) through line 24 and insert the following:

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(f) EXEMPTION FOR CERTAIN RURAL TELEPHONE COMPANIES.—Subsections (a) through (d) of this section shall not apply to a rural telephone company, until such company has received a bona fide request for services, elements, features or capabilities described in subsections (a) through (d). Following a bona fide request to the carrier and notice of the request to the State commission, the State commission shall determine within 120 days whether the request would be unduly economically burdensome, be technologically infeasible, and be consistent with subsections (b)(1) through (b)(5),.(c)(1), and (c)(3) of section 247. The exemption provided by this subsection shall not apply if such carrier provides video programming services over its telephone exchange facilities in its telephone service area.

(g) TIME AND MANNER OF COMPLIANCE.—The State shall establish, after determining pursuant to subsection (f) that a bona fide request is not economically burdensome, is technologically feasible, and is consistent with subsections (b)(1) through (b)(5), (c)(1), and (c)(3) of section 247, an implementation schedule for compliance with such approved bona fide request that is consistent in time and manner with Commission rules.

Page 45, line 3, strike "INTERSTATE", and on line 4, strike "interstate".

[6. Management of Rights-of-Way]

Page 14, line 21, strike "Nothing in this" and insert the following:

"(1) IN GENERAL.—Nothing in this

Page 14, line 22, strike "or local".

Page 15, after line 6, insert the following new paragraph:

"(2) MANAGEMENT OF RIGHTS-OF-WAY.—Nothing in subsection (a) of this section shall affect the authority of a local government to manage the public rights-of-way or to require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for use of public rights-of-way on a nondiscriminatory basis, if the compensation required is publicly disclosed by such government.".

[7. Facilities-Based Competitor]

Page 20, beginning on line 8, strike subparagraph (A) through line 18 and insert the following:

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—An agreement that has been approved under section 244 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities in accordance with section 242 for the network facilities of an unaffiliated competing provider of telephone exchange service (as defined in section 3(44)(A), but excluding exchange access service) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing provider either exclusively over its own telephone exchange service facilities or predominantly over its own telephone exchange service facilities in combination with the resale of the services of another carrier. For the purpose of this subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services.

Page 21, line 2, strike "243" and insert "244".

[8. Entry Consultations with the Attorney General]

Page 27, after line 3, insert the following new paragraph:

"(3) CONSULTATION WITH THE ATTORNEY GENERAL.—The Commission shall notify the Attorney General promptly of any verification submitted for approval under this subsection, and shall identify any verification that, if approved, would relieve the Bell operating company and its affiliates of the prohibition concerning manufacturing contained in section 271(a). Before making any determination under this subsection, the Commission shall consult with the Attorney General, and if the Attorney General submits any comments in writing, such comments shall be included in the record of the Commission's decision. In consulting with and submitting comments to the Commission under this paragraph, the Attorney General shall provide to the Commission an evaluation of whether there is a dangerous probability that the Bell operating company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter. In consulting with and submitting comments to the Commission under this paragraph with respect to a verification that, if approved, would relieve the Bell operating company and its affiliates of the prohibition concerning manufacturing contained in section 271(a), the Attorney General shall also provide to the Commission an evaluation of whether there is a dangerous probability that the Bell operating company or its affiliates would successfully use market power to substantially impede competition in manufacturing.

Page 27, lines 4 and 12, redesignate paragraphs (3) and (4) as paragraphs (4) and (5), respectively.

[9. Out-of-Region Services]

Page 31, after line 21, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(h) OUT-OF-REGION SERVICES.—When a Bell operating company and its affiliates have obtained Commission approval under subsection (c) for each State in which such Bell operating company and its affiliates provide telephone exchange service on the date of enactment of this part, such Bell operating company and any affiliate thereof may, notwithstanding subsection (e), provide interLATA services—

"(1) for calls originating in, and billed to a customer in, a State in which neither such company nor any affiliate provided telephone exchange service on such date of enactment; or

"(2) for calls originating outside the United States.

Page 30, beginning on line 20, strike "between local access and transport areas within a cable system franchise area" and insert "and that is located within a State".

[10. Separate Subsidiary]

At each of the following locations insert "interLATA" before "information": Page 33, line 8; page 35, lines 9, 16, and 20; and page 36, lines 3 and 10.

Page 33, line 11, after the period insert the following: "The requirements of this section shall not apply with respect to (1) activities in which a Bell operating company or affiliate may engage pursuant to section 245(f), or (2) incidental services in which a Bell operating company or affiliate may engage pursuant to section 245(g), other than services described in paragraph (4) of such section.".

Page 37, beginning on line 20, strike subsection (k) and insert the following:

"(k) SUNSET.—The provisions of this section shall cease to apply to any Bell operating company in any State 18 months after the date such Bell operating company is authorized pursuant to section 245(c) to provide interLATA telecommunications services in such State.

[11. Pricing Flexibility: Prohibition on Cross Subsidies]

Page 42, after line 22, insert the following new paragraph:

"(4) RESPONSE TO COMPETITION.—Pricing flexibility implemented pursuant to this subsection shall permit regulated telecommunications providers to respond fairly to competition by repricing services subject to competition, but shall not have the effect of changing prices for noncompetitive services or using noncompetitive services to subsidize competitive services.

[12. Accessibility]

Page 47, beginning on line 17, strike "whenever an undue burden" and all that follows through "paragraph (1)." on line 19 and insert the following: "whenever the requirements of paragraph (1) are not readily achievable.".

Page 47, beginning on line 24, strike "would result in" and all that follows through line 25 and insert the following: "is not readily achievable.".

Page 48, beginning on line 1, strike paragraphs (3) and (4) through page 49, line 7, and insert the following:

"(3) READILY ACHIEVABLE.—The term 'readily achievable' has the meaning given it by section 301(g) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(g)).

Page 49, line 8, redesignate paragraph (5) as paragraph (4).

[13. Media Voices]

Page 50, line 5, strike "points of view" and insert "media voices".

[14. Slamming]

Page 50, line 23, insert "(a) PROHIBITION.—" before "No common carrier", and on page 51, after line 4, insert the following new subsection:

"(b) LIABILITY FOR CHARGES.—Any common carrier that violates the verification procedures described in subsection (a) and that collects charges for telephone exchange service or telephone toll service from a subscriber shall be liable to the carrier previously selected by the subscriber in an amount equal to all charges paid by such subscriber after such violation, in accordance with such procedures as the Commission may prescribe. The remedies provided by this subsection are in addition to any other remedies available by law.

[15. Study Frequency]

Page 51, line 6, strike "At least once every three years," and insert "Within 3 years after the date of enactment of this part,".

[16. Territorial Exemption]

Page 51, beginning on line 23, strike section 253 through page 52, line 6, and conform the table of contents accordingly.

Page 51, insert close quotation marks and a period at the end of line 22.

[17. Manufacturing Separate Subsidiary]

Page 54, beginning on line 5, strike subsections (a) and (b) and insert the following:

"(a) LIMITATIONS ON MANUFACTURING.—

"(1) ACCESS AND INTERCONNECTION REQUIRED.—It shall be unlawful for a Bell operating company, directly or through an affiliate, to manufacture telecommunications equipment or customer premises equipment, until the Commission has approved under section 245(c) verifications that such Bell operating company, and each Bell operating company with which it is affiliated, are in compliance with the access and interconnection requirements of part II of this title.

"(2) SEPARATE SUBSIDIARY REQUIRED.—During the first 18 months after the expiration of the limitation contained in paragraph (1), a Bell operating company may engage in manufacturing telecommunications equipment or customer premises equipment only

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through a separate subsidiary established and operated in accordance with section 246.

"(b) COLLABORATION; RESEARCH AND ROYALTY AGREEMENTS.—

"(1) COLLABORATION.—Subsection (a) shall not prohibit a Bell operating company from engaging in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment during the design and development of hardware, software, or combinations thereof related to such equipment.

"(2) RESEARCH; ROYALTY AGREEMENTS.—Subsection (a) shall not prohibit a Bell operating company, directly or through an subsidiary, from—

"(A) engaging in any research activities related to manufacturing, and

"(B) entering into royalty agreements with manufacturers of telecommunications equipment.

[18. Manufacturing by Standard-Setting Organizations]

Page 56, beginning on line 1, strike subsection (d) through page 57, line 11, and insert the following:

"(d) MANUFACTURING LIMITATIONS FOR STANDARD-SETTING ORGANIZATIONS.—

"(1) APPLICATION TO BELL COMMUNICATIONS RESEARCH OR MANUFACTURERS.—Bell Communications Research, Inc., or any successor entity or affiliate—

"(A) shall not be considered a Bell operating company or a successor or assign of a Bell operating company at such time as it is no longer an affiliate of any Bell operating company; and

"(B) notwithstanding paragraph (3), shall not engage in manufacturing telecommunications *equipment or customer premises* equipment as long as it is an affiliate of more than 1 otherwise unaffiliated Bell operating company or successor or assign of any such company.

Nothing in this subsection prohibits Bell Communications Research, Inc., or any successor entity, from engaging in any activity in which it is lawfully engaged on the date of enactment of this subsection. Nothing provided in this subsection shall render Bell Communications Research, Inc., or any successor entity, a common carrier under title II of this Act. Nothing in this section restricts any manufacturer from engaging in any activity in which it is lawfully engaged on the date of enactment of this section.

"(2) PROPRIETARY INFORMATION.—Any entity which establishes standards for telecommunications equipment or customer premises equipment, or generic network requirements for such equipment, or certifies telecommunications equipment, or customer premises equipment, shall be prohibited from releasing or otherwise using any proprietary information, designated as such by its owner, in its possession as a result of such activity, for any purpose other than purposes authorized in writing by the owner of such information, even after such entity ceases to be so engaged.

"(3) MANUFACTURING SAFEGUARDS.—(A) Except as prohibited in paragraph (1), and subject to paragraph (6), any entity which certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity shall only manufacture a particular class of telecommunications equipment or customer premises equipment for which it is undertaking or has undertaken, during the previous 18 months, certification activity for such class of equipment through a separate affiliate.

"(B) Such separate affiliate shall—

"(i) maintain books, records, and accounts separate from those of the entity that certifies such equipment, consistent with generally acceptable accounting principles;

"(ii) not engage in any joint manufacturing activities with such entity; and

"(iii) have segregated facilities and separate employees with such entity.

"(C) Such entity that certifies such equipment shall—

"(i) not discriminate in favor of its manufacturing affiliate in the establishment of standards, generic requirements, or product certification;

"(ii) not disclose to the manufacturing affiliate any proprietary information that has been received at any time from an unaffiliated manufacturer, unless authorized in writing by the owner of the information; and

"(iii) not permit any employee engaged in product certification for telecommunications equipment or customer premises equipment to engage jointly in sales or marketing of any such equipment with the affiliated manufacturer.

"(4) STANDARD-SETTING ENTITIES.—Any entity which is not an accredited standards development organization and which establishes industry-wide standards for telecommunications equipment or customer premises equipment, or industry-wide generic network requirements for such equipment, or which certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity, shall—

"(A) establish and publish any industry-wide standard for, industry-wide generic requirement for, or any substantial modification of an existing industry-wide standard or industry-wide generic requirement for, telecommunications equipment or customer premises equipment only in compliance with the following procedure:

"(i) such entity shall issue a public notice of its consideration of a proposed industry-wide standard or industry-wide generic requirement;

"(ii) such entity shall issue a public invitation to interested industry parties to fund and participate in such efforts on a reasonable and nondiscriminatory basis, administered in such a manner as not to unreasonably exclude any interested industry party;

"(iii) such entity shall publish a text for comment by such parties as have agreed to participate in the process pursuant to clause (ii), provide such parties a full opportunity to submit comments, and respond to comments from such parties;

"(iv) such entity shall publish a final text of the industry-wide standard or industry-wide generic requirement, including the comments in their entirety, of any funding party which requests to have its comments so published;

"(v) such entity shall attempt, prior to publishing a text for comment, to agree with the funding parties as a group on a mutually satisfactory dispute resolution process which such parties shall utilize as their sole recourse in the event of a dispute on technical issues as to which there is disagreement between any funding party and the entity conducting such activities, except that if no dispute resolution process is agreed to by all the parties, a funding party may utilize the dispute resolution procedures established pursuant to paragraph (5) of this subsection;

"(B) engage in product certification for telecommunications equipment or customer premises equipment manufactured by unaffiliated entities only if—

"(i) such activity is performed pursuant to published criteria;

"(ii) such activity is performed pursuant to auditable criteria; and

"(iii) such activity is performed pursuant to available industry-accepted testing methods and standards, where applicable, unless otherwise agreed upon by the parties funding and performing such activity;

"(C) not undertake any actions to monopolize or attempt to monopolize the market for such services; and

"(D) not preferentially treat its own telecommunications equipment or customer premises equipment, or that of its affiliate, over that of any other entity in establishing and publishing industry-wide standards or industry-wide generic requirements for, and in certification of, telecommunications equipment and customer premises equipment.

"(5) ALTERNATE DISPUTE RESOLUTION.—Within 90 days after the date of enactment of this section, the Commission shall prescribe a dispute resolution process to be utilized in the event that a dispute resolution process is not agreed upon by all the parties when establishing and publishing any industry-wide standard or industry-wide generic requirement for telecommunications equipment or customer premises equipment, pursuant to paragraph (4)(A)(v). The Commission shall not establish itself as a party to the dispute resolution process. Such dispute resolution process shall permit any funding party to resolve a dispute with the entity conducting the activity that significantly affects such funding party's interests, in an open, nondiscriminatory, and unbiased fashion, within 30 days after the filing of such dispute. Such disputes may be filed within 15 days after the date the funding party receives a response to its comments from the entity conducting the activity. The Commission shall establish penalties to be assessed for delays caused by referral of frivolous disputes to the dispute resolution process. The overall intent of establishing this dispute resolution provision is to enable all interested funding parties an equal opportunity to influence the final resolution of the dispute without significantly impairing the efficiency, timeliness, and technical quality of the activity.

"(6) SUNSET.—The requirements of paragraphs (3) and (4) shall terminate for the particular relevant activity when the Commission determines that there are alternative sources of industry-wide standards, industry-wide generic requirements, or product certification for a particular class of telecommunications equipment or customer premises equipment available in the United States. Alternative sources shall be deemed to exist when such sources provide commercially viable alternatives that are providing such services to customers. The Commission shall act on any application for such a determination within 90 days after receipt of such application, and shall receive public comment on such application.

"(7) ADMINISTRATION AND ENFORCEMENT AUTHORITY.—For the purposes of administering this subsection and the regulations prescribed thereunder, the Commission shall have the same remedial authority as the Commission has in administering and enforcing the provisions of this title with respect to any common carrier subject to this Act.

"(8) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'affiliate' shall have the same meaning as in section 3 of this Act, except that, for purposes of paragraph (1)(B)—

"(i) an aggregate voting equity interest in Bell Communications Research, Inc., of at least 5 percent of its total voting equity, owned directly or indirectly by more than 1 otherwise unaffiliated Bell operating company, shall constitute an affiliate relationship; and

"(ii) a voting equity interest in Bell Communications Research, Inc., by any otherwise unaffiliated Bell operating company of less than 1 percent of Bell Communications Research's total voting equity shall not be considered to be an equity interest under this paragraph.

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"(B) The term 'generic requirement' means a description of acceptable product attributes for use by local exchange carriers in establishing product specifications for the purchase of telecommunications equipment, customer premises equipment, and software integral thereto.

"(C) The term 'industry-wide' means activities funded by or performed on behalf of local exchange carriers for use in providing wireline local exchange service whose combined total of deployed access lines in the United States constitutes at least 30 percent of all access lines deployed by telecommunications carriers in the United States as of the date of enactment.

"(D) The term 'certification' means any technical process whereby a party determines whether a product, for use by more than one local exchange carrier, conforms with the specified requirements pertaining to such product.

"(E) The term 'accredited standards development organization' means an entity composed of industry members which has been accredited by an institution vested with the responsibility for standards accreditation by the industry.

[19. Electronic Publishing]

Page 64, after line 21, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(d) BELL OPERATING COMPANY REQUIREMENT.—A Bell operating company under common ownership or control with a separated affiliate or electronic publishing joint venture shall provide network access and interconnections for basic telephone service to electronic publishers at just and reasonable rates that are tariffed (so long as rates for such services are subject to regulation) and that are not higher on a per-unit basis than those charged for such services to any other electronic publisher or any separated affiliate engaged in electronic publishing.

Page 69, line 4, strike "wireline telephone exchange service" and insert "any wireline telephone exchange service, or wireline telephone exchange service facility,".

[20. Alarm Monitoring]

Page 71, beginning on line 17, strike "1995, except that" and all that follows through line 21 and insert "1995.".

[21. CMRS Joint Marketing]

Page 78, line 17, strike the close quotation marks and following period and after line 17, insert the following new subsection:

"(c) COMMERCIAL MOBILE SERVICE JOINT MARKETING.—Notwithstanding section 22.903 of the Commission's regulations (47 C.F.R. 22.903) or any other Commission regulation, or any judicial decree or proposed judicial decree, a Bell operating company or any other company may, except as provided in sections 242(d) and 246 as they relate to wireline service, jointly market and sell commercial mobile services in conjunction with telephone exchange service, exchange access, intraLATA telecommunications service, interLATA telecommunications service, and information services.".

[22. Online Family Empowerment]

Page 78, before line 18, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 104. ONLINE FAMILY EMPOWERMENT.

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by inserting after section 230 (as added by section 103 of this Act) the following new section:

"SEC. 231. PROTECTION FOR PRIVATE BLOCKING AND SCREENING OF OFFENSIVE MATERIAL; FCC CONTENT AND ECONOMIC REGULATION OF COMPUTER SERVICES PROHIBITED.

"(a) FINDINGS.—The Congress finds the following:

"(1) The rapidly developing array of Internet and other interactive computer services available to individual Americans represent an extraordinary advance in the availability of educational and informational resources to our citizens.

"(2) These services offer users a great degree of control over the information that they receive, as well as the potential for even greater control in the future as technology develops.

"(3) The Internet and other interactive computer services offer a forum for a true diversity of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity.

"(4) The Internet and other interactive computer services have flourished, to the benefit of all Americans, with a minimum of government regulation.

"(5) Increasingly Americans are relying on interactive media for a variety of political, educational, cultural, and entertainment services.

"(b) POLICY.—It is the policy of the United States to—

"(1) promote the continued development of the Internet and other interactive computer services and other interactive media;

"(2) preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by State or Federal regulation;

"(3) encourage the development of technologies which maximize user control over the information received by individuals, families, and schools who use the Internet and other interactive computer services;

"(4) remove disincentives for the development and utilization of blocking and filtering technologies that empower parents to restrict their children's access to objectionable or inappropriate online material; and

"(5) ensure vigorous enforcement of criminal laws to deter and punish trafficking in obscenity, stalking, and harassment by means of computer.

"(c) PROTECTION FOR 'GOOD SAMARITAN' BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.—No provider or user of interactive computer services shall be treated as the publisher or speaker of any information provided by an information content provider. No provider or user of interactive computer services shall be held liable on account of—

"(1) any action voluntarily taken in good faith to restrict access to material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

"(2) any action taken to make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

"(d) FCC REGULATION OF THE INTERNET AND OTHER INTERACTIVE COMPUTER SERVICES PROHIBITED.—Nothing in this Act shall be construed to grant any jurisdiction or authority to the Commission with respect to content or other regulation of the Internet or other interactive computer services.

"(e) EFFECT ON OTHER LAWS.—

"(1) NO EFFECT ON CRIMINAL LAW.—Nothing in this section shall be construed to impair the enforcement of section 223 of this Act, chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

"(2) NO EFFECT ON INTELLECTUAL PROPERTY LAW.—Nothing in this section shall be construed to limit or expand any law pertaining to intellectual property.

"(3) IN GENERAL.—Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section.

"(f) DEFINITIONS.—As used in this section:

"(1) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

"(2) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service that provides computer access to multiple users via modem to a remote computer server, including specifically a service that provides access to the Internet.

"(3) INFORMATION CONTENT PROVIDER.—The term 'information content provider' means any person or entity that is responsible, in whole or in part, for the creation or development of information provided by the Internet or any other interactive computer service, including any person or entity that creates or develops blocking or screening software or other techniques to permit user control over offensive material.".

[23. Forbearance]

Page 77, line 20, strike "if the Commission" and insert "unless the Commission".

Page 77, line 23, and page 78, line 4, strike "is not necessary" and insert "is necessary".

Page 78, line 4, strike "and" and insert "or".

Page 78, line 6, strike "is consistent" and insert "is inconsistent".

[24. Pole Attachments]

Page 87, line 1, after "ensuring that" insert the following: ", when the parties fail to negotiate a mutually agreeable rate,".

Page 87, line 9, insert "to" after "benefit", and on line 11, strike "attachments" and insert "attaching entities".

Page 87, line 16, strike "and"; on line 17, redesignate subparagraph (C) as subparagraph (D); and after line 16 insert the following new subparagraph:

"(C) recognize that the pole, duct, conduit, or right-of-way has a value that exceeds costs and that value shall be reflected in any rate; and

[25. Required Telecommunications Services]

Page 89, line 21, strike "A franchising" and insert "Except as otherwise permitted by sections 611 and 612, a franchising".

Page 89, line 23, before "as a condition" insert the following: ", other than intragovernmental telecommunications services,".

[26. Facilities Siting]

Page 90, beginning on line 11, strike paragraph (7) through line 6 on page 93 and insert the following:

"(7) FACILITIES SITING POLICIES.—(A) Within 180 days after enactment of this paragraph, the Commission shall prescribe and make effective a policy to reconcile State and local regulation of the siting of facilities for the provision of commercial mobile services or unlicensed services with the public interest in fostering competition through the rapid, efficient, and nationwide deployment of commercial mobile services or unlicensed services.

"(B) Pursuant to subchapter III of chapter 5, title 5, United States Code, the Commission shall establish a negotiated rulemaking committee to negotiate and develop a proposed policy to comply with the requirements of this paragraph. Such committee shall include representatives from State and local governments, affected industries, and public safety agencies.

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"(C) The policy prescribed pursuant to this subparagraph shall take into account—

"(i) the need to enhance the coverage and quality of commercial mobile services and unlicensed services and foster competition in the provision of commercial mobile services and unlicensed services on a timely basis;

"(ii) the legitimate interests of State and local governments in matters of exclusively local concern, and the need to provide State and local government with maximum flexibility to address such local concerns, while ensuring that such interests do not prohibit or have the effect of precluding any commercial mobile service or unlicensed service;

"(iii) the effect of State and local regulation of facilities siting on interstate commerce;

"(iv) the administrative costs to State and local governments of reviewing requests for authorization to locate facilities for the provision of commercial mobile services or unlicensed services; and

"(v) the need to provide due process in making any decision by a State or local government or instrumentality thereof to grant or deny a request for authorization to locate, construct, modify, or operate facilities for the provision of commercial mobile services or unlicensed services.

"(D) The policy prescribed pursuant to this paragraph shall provide that no State or local government or any instrumentality thereof may regulate the placement, construction, modification, or operation of such facilities on the basis of the environmental effects of radio frequency emissions, to the extent that such facilities comply with the Commission's regulations concerning such emissions.

"(E) The proceeding to prescribe such policy pursuant to this paragraph shall supercede any proceeding pending on the date of enactment of this paragraph relating to preemption of State and local regulation of tower siting for commercial mobile services, unlicensed services, and providers thereof. In accordance with subchapter III of chapter 5, title 5, United States Code, the Commission shall periodically establish a negotiated rulemaking committee to review the policy prescribed by the Commission under this paragraph and to recommend revisions to such policy.

"(F) For purposes of this paragraph, the term 'unlicensed service' means the offering of telecommunications using duly authorized devices which do not require individual licenses.".

Page 94, line 2, strike "cost-based".

[27. Telecommunications Development Fund]

Page 101, after line 23, insert the following new section (and redesignate the succeeding section and conform the table of contents accordingly):

SEC. 111. TELECOMMUNICATIONS DEVELOPMENT FUND.

(a) DEPOSIT AND USE OF AUCTION ESCROW ACCOUNTS.—Section 309(j)(8) of the Act (47 U.S.C. 309(j)(8)) is amended by adding at the end the following new subparagraph:

"(C) DEPOSIT AND USE OF AUCTION ESCROW ACCOUNTS.—Any deposits the Commission may require for the qualification of any person to bid in a system of competitive bidding pursuant to this subsection shall be deposited in an interest bearing account at a financial institution designated for purposes of this subsection by the Commission (after consultation with the Secretary of the Treasury). Within 45 days following the conclusion of the competitive bidding—

"(i) the deposits of successful bidders shall be paid to the Treasury;

"(ii) the deposits of unsuccessful bidders shall be returned to such bidders; and

"(iii) the interest accrued to the account shall be transferred to the Telecommunications Development Fund established pursuant to section 10 of this Act.".

(b) ESTABLISHMENT AND OPERATION OF FUND.—Title I of the Act is amended by adding at the end the following new section:

"SEC. 10. TELECOMMUNICATIONS DEVELOPMENT FUND.

"(a) PURPOSE OF SECTION.—It is the purpose of this section—

"(1) to promote access to capital for small businesses in order to enhance competition in the telecommunications industry;

"(2) to stimulate new technology development, and promote employment and training; and

"(3) to support universal service and promote delivery of telecommunications services to underserved rural and urban areas.

"(b) ESTABLISHMENT OF FUND.—There is hereby established a body corporate to be known as the Telecommunications Development Fund, which shall have succession until dissolved. The Fund shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue and jurisdiction in civil actions, to be a resident and citizen thereof.

"(c) BOARD OF DIRECTORS.—

"(1) COMPOSITION OF BOARD; CHAIRMAN.—The Fund shall have a Board of Directors which shall consist of 7 persons appointed by the Chairman of the Commission. Four of such directors shall be representative of the private sector and three of such directors shall be representative of the Commission, the Small Business Administration, and the Department of the Treasury, respectively. The Chairman of the Commission shall appoint one of the representatives of the private sector to serve as chairman of the Fund within 30 days after the date of enactment of this section, in order to facilitate rapid creation and implementation of the Fund. The directors shall include members with experience in a number of the following areas: finance, investment banking, government banking, communications law and administrative practice, and public policy.

"(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors shall be eligible to serve for terms of 5 years, except of the initial members, as designated at the time of their appointment—

"(A) 1 shall be eligible to service for a term of 1 year;

"(B) 1 shall be eligible to service for a term of 2 years;

"(C) 1 shall be eligible to service for a term of 3 years;

"(D) 2 shall be eligible to service for a term of 4 years; and

"(E) 2 shall be eligible to service for a term of 5 years (1 of whom shall be the Chairman).

Directors may continue to serve until their successors have been appointed and have qualified.

"(3) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board of Directors shall meet at the call of its Chairman, but at least quarterly. The Board shall determine the general policies which shall govern the operations of the Fund. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the officers of the Fund and shall discharge all such functions, powers, and duties.

"(d) ACCOUNTS OF THE FUND.—The Fund shall maintain its accounts at a financial institution designated for purposes of this section by the Chairman of the Board (after consultation with the Commission and the Secretary of the Treasury). The accounts of the Fund shall consist of—

"(1) interest transferred pursuant to section 309(j)(8)(C) of this Act;

"(2) such sums as may be appropriated to the Commission for advances to the Fund;

"(3) any contributions or donations to the Fund that are accepted by the Fund; and

"(4) any repayment of, or other payment made with respect to, loans, equity, or other extensions of credit made from the Fund.

"(e) USE OF THE FUND.—All moneys deposited into the accounts of the Fund shall be used solely for—

"(1) the making of loans, investments, or other extensions of credits to eligible small businesses in accordance with subsection (f);

"(2) the provision of financial advise to eligible small businesses;

"(3) expenses for the administration and management of the Fund;

"(4) preparation of research, studies, or financial analyses; and

"(5) other services consistent with the purposes of this section.

"(f) LENDING AND CREDIT OPERATIONS.—Loans or other extensions of credit from the Fund shall be made available to eligible small business on the basis of—

"(1) the analysis of the business plan of the eligible small business;

"(2) the reasonable availability of collateral to secure the loan or credit extension;

"(3) the extent to which the loan or credit extension promotes the purposes of this section; and

"(4) other lending policies as defined by the Board.

"(g) RETURN OF ADVANCES.—Any advances appropriated pursuant to subsection (b)(2) shall be upon such terms and conditions (including conditions relating to the time or times of repayment) as the Board determines will best carry out the purposes of this section, in light of the maturity and solvency of the Fund.

"(h) GENERAL CORPORATE POWERS.—The Fund shall have power—

"(1) to sue and be sued, complain and defend, in its corporate name and through its own counsel;

"(2) to adopt, alter, and use the corporate seal, which shall be judicially noticed;

"(3) to adopt, amend, and repeal by its Board of Directors, bylaws, rules, and regulations as may be necessary for the conduct of its business;

"(4) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

"(5) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

"(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Fund;

"(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

"(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, require bonds for them, and fix the penalty thereof; and

"(9) to enter into contracts, to execute instruments, to incur liabilities, to make loans and equity investment, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

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"(i) ACCOUNTING, AUDITING, AND REPORTING.—The accounts of the Fund shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants. A report of each such audit shall be furnished to the Secretary of the Treasury and the Commission. The representatives of the Secretary and the Commission shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Fund and necessary to facilitate the audit.

"(j) REPORT ON AUDITS BY TREASURY.—A report of each such audit for a fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than 6 months following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the President and the Congress informed of the operations and financial condition of the Fund, together with such recommendations with respect thereto as the Secretary may deem advisable.

"(k) DEFINITIONS.—As used in this section:

"(1) ELIGIBLE SMALL BUSINESS.—The term 'eligible small business' means business enterprises engaged in the telecommunications industry that have $50,000,000 or less in annual revenues, on average over the past 3 years prior to submitting the application under this section.

"(2) FUND.—The term 'Fund' means the Telecommunications Development Fund established pursuant to this section.

"(3) TELECOMMUNICATIONS INDUSTRY.—The term 'telecommunications industry' means communications businesses using regulated or unregulated facilities or services and includes the broadcasting, telephony, cable, computer, data transmission, software, programming, advanced messaging, and electronics businesses.".

[28. Telemedicine Report]

Page 101, after line 23, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 112. REPORT ON THE USE OF ADVANCED TELECOMMUNICATIONS SERVICES FOR MEDICAL PURPOSES.

The Assistant Secretary of Commerce for Communications and Information, in consultation with the Secretary of Health and Human Services and other appropriate departments and agencies, shall submit a report to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate concerning the activities of the Joint Working Group on Telemedicine, together with any findings reached in the studies and demonstrations on telemedicine funded by the Public Health Service or other Federal agencies. The report shall examine questions related to patient safety, the efficacy and quality of the services provided, and other legal, medical, and economic issues related to the utilization of advanced telecommunications services for medical purposes. The report shall be submitted to the respective Committees annually, by January 31, beginning in 1996.

Page 101, after line 23, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 113. TELECOMMUTING PUBLIC INFORMATION PROGRAM.

(a) TELECOMMUTING RESEARCH PROGRAMS AND PUBLIC INFORMATION DISSEMINATION.—The Assistant Secretary of Commerce for Communications and Information, in consultation with the Secretary of Transportation, the Secretary of Labor, and the Administrator of the Environmental Protection Agency, shall, within three months of the date of enactment of this Act, carry out research to identify successful telecommuting programs in the public and private sectors and provide for the dissemination to the public of information regarding—

(1) the establishment of successful telecommuting programs; and

(2) the benefits and costs of telecommuting.

(b) REPORT.—Within one year of the date of enactment of this Act, the Assistant Secretary of Commerce for Communications and Information shall report to Congress the findings, conclusions, and recommendations regarding telecommuting developed under this section.

[29. Video Platform]

Page 103, line 13, insert "(other than section 652)" after "part V".

Page 104, strike lines 3 through 5 and insert the following:

"(iii) has not established a video platform in accordance with section 653.".

Page 109, line 24, strike "shall" and insert "may".

Page 113, line 1, strike "15 months" and insert "6 months".

Page 113, line 25, after "concerning" insert the following: "sports exclusivity (47 C.F.R. 76.67),", and on page 114, line 1, after the close parenthesis insert a comma.

Page 115, beginning on line 20, strike paragraph (2) through page 116, line 4, and on page 116, line 5, redesignate subsection (c) as paragraph (2).

Page 116, beginning on line 9, strike subsection (d) through line 15.

Page 130, line 22, before "the Commission" insert "270 days have elapsed since".

[30. Cable Complaint Threshold]

Page 127, line 4, strike "5 percent" and insert "3 percent".

[31. Navigation Devices]

Page 136, beginning on line 24, strike "Such regulations" and all that follows through the period on page 137, line 2.

Page 137, line 7, strike "bundled with or".

Page 137, after line 8, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(c) PROTECTION OF SYSTEM SECURITY.—The Commission shall not prescribe regulations pursuant to subsection (b) which would jeopardize the security of a telecommunications system or impede the legal rights of a provider of such service to prevent theft of service.

Page 137, line 10, strike "may" and insert "shall".

Page 137, line 13, strike "the introduction of a new" and insert "assist the development or introduction of a new or improved".

Page 137, line 14, insert "or technology" after "service".

Page 137, after line 14, insert the following new subsection (and redesignate the succeeding subsection accordingly):

"(e) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) MARKET COMPETITIVENESS DETERMINATIONS.—Determinations made or regulations prescribed by the Commission with respect to market competitiveness of customer premises equipment prior to the date of enactment of this section shall fulfill the requirements of this section.

"(2) REGULATIONS.—Nothing in this section affects the Commission's regulations governing the interconnection and competitive provision of customer premises equipment used in connection with basic telephone service.

[32. Cable/Broadcast/MMDS Cross Ownership]

Page 154, lines 9 and 10, strike subsection (b) and insert the following:

(b) CONFORMING AMENDMENTS.—Section 613(a) of the Act (47 U.S.C. 533(a)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as subsection (a);

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively;

(4) by striking "and" at the end of paragraph (1) (as so redesignated);

(5) by striking the period at the end of paragraph (2) (as so redesignated) and inserting "; and"; and

(6) by adding at the end the following new paragraph:

"(3) shall not apply the requirements of this paragraph in any area in which there are two or more unaffiliated wireline providers of video programming services."

[33. Foreign Ownership]

Page 155, line 8, insert "held," after "granted,".

Page 155, beginning on line 12, strike subparagraph (A) through line 19 and insert the following:

"(A) the President determines—

"(i) that the foreign country of which such alien is a citizen, in which such corporation is organized, or in which the foreign government is in control is party to an international agreement which requires the United States to provide national or most-favored-nation treatment in the grant of common carrier licenses; and

"(ii) that not applying subsection (b) would be consistent with national security and effective law enforcement; or

Page 155, beginning on line 23, strike paragraphs (2) through (5) through page 157, line 21, and insert the following:

"(2) COMMISSION CONSIDERATIONS.—In making its determination under paragraph (1), the Commission shall abide by any decision of the President whether application of section (b) is in the public interest due to national security, law enforcement, foreign policy or trade (including direct investment as it relates to international trade policy) concerns, or due to the interpretation of international agreements. In the absence of a decision by the President, the Commission may consider, among other public interest factors, whether effective competitive opportunities are available to United States nationals or corporations in the applicant's home market. Upon receipt of an application that requires a determination under this paragraph, the Commission shall cause notice of the application to be given to the President or any agencies designated by the President to receive such notification. The Commission shall not make a determination under paragraph (1)(B) earlier than 30 days after the end of the pleading cycle or later than 180 days after the end of the pleading cycle.

"(3) FURTHER COMMISSION REVIEW.—The Commission may determine that, due to changed circumstances relating to United States national security or law enforcement, a prior determination under paragraph (1) ought to be reversed or altered. In making this determination, the Commission shall accord great deference to any recommendation of the President with respect to United States national security or law enforcement. If a determination under this paragraph is made then—

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"(A) subsection (b) shall apply with respect to such aliens, corporation, and government (or their representatives) on the date that the Commission publishes notice of its determination under this paragraph; and

"(B) any license held, or application filed, which could not be held or granted under subsection (b) shall be reviewed by the Commission under the provisions of paragraphs (1)(B) and (2).

"(4) NOTIFICATION TO CONGRESS.—The President and the Commission shall notify the appropriate committees of the Congress of any determinations made under paragraph (1), (2), or (3).

"(5) MISCELLANEOUS.—Any Presidential decisions made under the provisions of this subsection shall not be subject to judicial review.".

(c) EFFECTIVE DATES.—The amendments made by this section shall not apply to any proceeding commenced before the date of enactment of this Act.

[34. License Renewal]

Page 161, beginning on line 18, strike "filed on or after May 31, 1995" and insert "pending or filed on or after the date of enactment of this Act".

[35. Ship Distress and Safety Systems]

Page 162, beginning on line 1, strike section 307 through line 8 and insert the following:

SEC. 307. AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS.

Notwithstanding any provision of the Communications Act of 1934 or any other provision of law or regulation, a ship documented under the laws of the United States operating in accordance with the Global Maritime Distress and Safety System provisions of the Safety of Life at Sea Convention shall not be required to be equipped with a radio telegraphy station operated by one or more radio officers or operators. This section shall take effect for each vessel upon a determination by the United States Coast Guard that such vessel has the equipment required to implement the Global Maritime Distress and Safety System installed and operating in good working condition.

[36. Certification and Testing of Equipment]

Page 162, after line 22, insert the following new section (and conform the table of contents accordingly):

SEC. 310. DELEGATION OF EQUIPMENT TESTING AND CERTIFICATION TO PRIVATE LABORATORIES.

Section 302 of the Act (47 U.S.C. 302) is amended by adding at the end the following:

"(e) USE OF PRIVATE ORGANIZATIONS FOR TESTING AND CERTIFICATION.—The Commission may—

"(1) authorize the use of private organizations for testing and certifying the compliance of devices or home electronic equipment and systems with regulations promulgated under this section;

"(2) accept as prima facie evidence of such compliance the certification by any such organization; and

"(3) establish such qualifications and standards as it deems appropriate for such private organizations, testing, and certification.".

[37. Supersession]

Page 163, beginning on line 4, strike subsection (a) through page 164, line 19, and insert the following:

(a) MODIFICATION OF FINAL JUDGMENT.—This Act and the amendments made by title I of this Act shall supersede only the following sections of the Modification of Final Judgment:

(1) Section II(C) of the Modification of Final Judgment, relating to deadline for procedures for equal access compliance.

(2) Section II(D) of the Modification of Final Judgment, relating to line of business restrictions.

(3) Section VIII(A) of the Modification of Final Judgment, relating to manufacturing restrictions.

(4) Section VIII(C) of the Modification of Final Judgment, relating to standard for entry into the interexchange market.

(5) Section VIII(D) of the Modification of Final Judgment, relating to prohibition on entry into electronic publishing.

(6) Section VIII(H) of the Modification of Final Judgment, relating to debt ratios at the time of transfer.

(7) Section VIII(J) of the Modification of Final Judgment, relating to prohibition on implementation of the plan of reorganization before court approval.

Page 164, line 20, insert "or in the amendments made by this Act" after "this Act".

Page 164, beginning on line 23, strike "Except as provided in paragraph (2), parts" and insert "Parts".

Page 165, beginning on line 3, strike paragraph (2) through line 6 and insert the following:

"(2) STATE TAX SAVINGS PROVISION.—Notwithstanding paragraph (1), nothing in this Act or the amendments made by this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or supersession of, any State or local law pertaining to taxation, except as provided in sections 243(e) and 622 of the Communications Act of 1934 and section 402 of this Act.".

Page 166, after line 5, insert the following new subsection:

(g) ADDITIONAL DEFINITIONS.—As used in this section, the terms "Modification of Final Judgment" and "Bell operating company" have the same meanings provided such terms in section 3 of the Communications Act of 1934.

[38. 1984 Consent Decree]

Page 165, beginning on line 7, strike subsection (d) through line 15 and insert the following:

(d) APPLICATION TO OTHER ACTION.—This Act shall supersede the final judgment entered December 21, 1984 and as restated January 11, 1985, in the action styled United States v. GTE Corp., Civil Action No. 83-1298, in the United States District Court for the District of Columbia, and any judgment or order with respect to such action entered on or after December 21, 1984, and such final judgment shall not be enforced with respect to conduct occurring after the date of the enactment of this Act.

[39. Wireless Successors]

Page 165, beginning on line 17, strike "subject to the provisions" and insert "considered to be an affiliate, a successor, or an assign of a Bell operating company under section III".

[40. DBS Taxation]

Beginning on page 166, strike line 6 and all that follows through line 20 of page 167, and insert the following:

SEC. 402. PREEMPTION OF LOCAL TAXATION WITH RESPECT TO DBS SERVICE.

(a) PREEMPTION.—A provider of direct-to-home satellite service shall be exempt from the collection or remittance, or both, of any tax or fee imposed by any local taxing jurisdiction with respect to the provision of direct-to-home satellite service. Nothing in this section shall be construed to exempt from collection or remittance any tax or fee on the sale of equipment.

(b) DEFINITIONS.—For the purposes of this section—

(1) DIRECT-TO-HOME SATELLITE SERVICE.—The term "direct-to-home satellite service" means the transmission or broadcasting by satellite of programming directly to the subscribers' premises without the use of ground receiving or distribution equipment, except at the subscribers' premises or in the uplink process to the satellite.

(2) PROVIDER OF DIRECT-TO-HOME SATELLITE SERVICE.—For purposes of this section, a "provider of direct-to-home satellite service" means a person who transmits, broadcasts, sells, or distributes direct-to-home satellite service.

(3) LOCAL TAXING JURISDICTION.—The term "local taxing jurisdiction" means any municipality, city, county, township, parish, transportation district, or assessment jurisdiction, or any other local jurisdiction in the territorial jurisdiction of the United States with the authority to impose a tax or fee, but does not include a State.

(4) STATE.—The term "State" means any of the several States, the District of Columbia, or any territory or possession of the United States.

(5) TAX OR FEE.—The terms "tax" and "fee" mean any local sales tax, local use tax, local intangible tax, local income tax, business license tax, utility tax, privilege tax, gross receipts tax, excise tax, franchise fees, local telecommunications tax, or any other tax, license, or fee that is imposed for the privilege of doing business, regulating, or raising revenue for a local taxing jurisdiction.

(c) PRESERVATION OF STATE AUTHORITY.—This section shall not be construed to prevent taxation of a provider of direct-to-home satellite service by a State or to prevent a local taxing jurisdiction from receiving revenue derived from a tax or fee imposed and collected by a State.

[41. Protection of Minors]

Page 167, after line 20, insert the following new section (and conform the table of contents accordingly):

SEC. 403. PROTECTION OF MINORS AND CLARIFICATION OF CURRENT LAWS REGARDING COMMUNICATION OF OBSCENE AND INDECENT MATERIALS THROUGH THE USE OF COMPUTERS.

(a) PROTECTION OF MINORS.—

(1) GENERALLY.—Section 1465 of title 18, United States Code, is amended by adding at the end the following:

"Whoever intentionally communicates by computer, in or affecting interstate or foreign commerce, to any person the communicator believes has not attained the age of 18 years, any material that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs, or attempts to do so, shall be fined under this title or imprisoned not more than five years, or both.".

(2) CONFORMING AMENDMENTS RELATING TO FORFEITURE.—

(A) Section 1467(a)(1) of title 18, United States Code, is amended by inserting "communicated," after "transported,".

(B) Section 1467 of title 18, United States Code, is amended in subsection (a)(1), by striking "obscene".

(C) Section 1469 of title 18, United States Code, is amended by inserting "communicated," after "transported," each place it appears.

(b) CLARIFICATION OF CURRENT LAWS REGARDING COMMUNICATION OF OBSCENE MATERIALS THROUGH THE USE OF COMPUTERS.—

(1) IMPORTATION OR TRANSPORTATION.—Section 1462 of title 18, United States Code, is amended—

(A) in the first undesignated paragraph, by inserting "(including by computer) after "thereof"; and

(B) in the second undesignated paragraph—

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(I) by inserting "or receives," after "takes";

(II) by inserting ", or by computer," after "common carrier"; and

(III) by inserting "or importation" after "carriage".

(2) TRANSPORTATION FOR PURPOSES OF SALE OR DISTRIBUTION.—The first undesignated paragraph of section 1465 of title 18, United States Code, is amended—

(A) by striking "transports in" and inserting "transports or travels in, or uses a facility or means of,";

(B) by inserting "(including a computer in or affecting such commerce)" after "foreign commerce" the first place it appears; and

(C) by striking ", or knowingly travels in" and all that follows through "obscene material in interstate or foreign commerce," and inserting "of".

(42. Cable Access)

Page 170, line 21, after the period insert the following: "For purposes of section 242, such term shall not include the provision of video programming directly to subscribers.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from Texas [Mr. BRYANT] seek the time in opposition?

Mr. BRYANT of Texas. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas will be recognized for 15 minutes in opposition.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. BLILEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of the manager's amendment to H.R. 1555. I am joined in support for that amendment by the distinguished ranking Democrat member of the Commerce Committee, Mr. DINGELL, and the distinguished chairman of the Judiciary Committee, Mr. HYDE.

The manager's amendment makes numerous changes to H.R. 1555, as the bill was reported from the Commerce Committee. Many of these changes reflect the compromise struck between the Commerce and Judiciary Committees on issues over which both committees have jurisdiction. As you know, the Judiciary Committee reported H.R. 1528, which also addresses the AT&T consent decree. The two committees have worked hard to reconcile the different approaches, and I again want to commend Chairman HYDE for his diligence and effort to come to this agreement.

Some of the important issues addressed in that agreement include: The role of the Justice Department relevant to decision on Bell Co. entry into long distance and manufacturing; Bell Co. provision of electronic publishing and alarm monitoring; supersession of the modification of final judgment [MFJ] of the AT&T consent decree; treatment of Bell Co. successors; the GTE consent decree; State and local taxation of direct broadcast satellite systems; and civil and criminal on-line pornography. I believe that we have produced an amendment that satisfies both committees' concerns on these important issues, and I commend these provisions to the Members and urge their support for them.

Additionally, we have addressed the issue of foreign ownership or equity interest in domestic telecommunications companies. This new language reflects the hard work of Messrs. DINGELL and OXLEY, who sponsored the proposal in committee, the administration and myself. I must observe, Mr. Chairman, that the foreign ownership issue is the only matter on which the administration offered specific language to the Commerce Committee, and I believe the administration's concerns have been largely resolved. Conversely, the concerns stated in the President's recent statement on H.R. 1555 have never been accompanied by specific legislative proposals. I think the committee's willingness to work to accommodate specific concerns and proposals speaks for itself.

The amendment also includes several changes to the provision governing Bell Co. entry into long distance and manufacturing. These changes enjoy the strong support of the ranking Democrat, Mr. DINGELL, the chairman of the Telecommunications Subcommittee, Mr. FIELDS, and the chairman of the Committee on the Judiciary, Mr. HYDE.

I will not claim to the Members of the House that these provisions, or this issue generally, is without controversy. This issue has been clouded with controversy virtually since the AT&T divestiture took effect on January 1, 1984. Since that time, the issue of loosening the restrictions on AT&T's divested progeny, the so-called Baby Bells, has been before Congress during each term. And each time, Congress has failed to act. Consequently, Judge Harold Greene has been left de facto, to fashion telecommunications policy. I personally believe he has done a good job, but it is time for Congress to retake the field.

I believe the changes incorporated in the manager's amendment reflect the committee's effort to craft a very careful balance. It has not been easy to draft language that is satisfactory to both sides in this debate. This difficult task will continue in the conference. This is our best effort, and it is broadly supported by Members both on and off the committee. I urge my colleagues to support this approach.

Finally, the amendment includes numerous other technical and substantive revisions to H.R. 1555. Most notably, the revisions include clarifications on municipalities' ability to manage rights-of-way, limitations on the rural telephone exemption, manufacturing by Bellcore, facilities siting for wireless services, a telecommunications development fund for small entrepreneurial telecommunications businesses, changes to the video platform to make it permissive, and provision for the ultimate repeal of the cable-MMDS cross-ownership restriction.

More importantly, the manager's amendment complements the vision and goals of the underlining bill. The key to H.R. 1555 is the creation of an incentive for the current monopolies to open their markets to competition. The whole bill is based on the theory that once competition is introduced, the dynamic possibilities established by this bill can become reality. Ultimately, this whole process will be for the common good of the American consumer.

I urge strong support for the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. BRYANT] is recognized for 15 minutes.

Mr. BRYANT of Texas. Mr. Chairman, I yield myself such time as I may consume.

(Mr. BRYANT of Texas asked and was given permission to revise and extend his remarks.)

Mr. BRYANT of Texas. Mr. Chairman, there are so many things to be said this morning in the amount of time available that cannot all be said, but let me first say this. The process by which we have arrived at this early hour, after having quit so late last night, is not one that, in my view, reflects well upon this institution.

I am disappointed both in the leadership of the Republican Party and the Democrats for allowing this to take place. The fact of the matter is, the full committee, after months of work, months and months of work, reported a bill out that was designed to ensure that as we begin to see competition in areas that had never before seen competition, we would see the strongest gorilla on the block, the Bell competitors, enter into competition on the basis of a checklist that would make sure that they did not enter into it in such a way that they squeezed out the tremendously beneficial value to the consumer of the long distance competitive industry that has developed over the last 10 or 11 years since the AT&T monopoly broke up in the beginning.

Mr. Chairman, after the committee met and did our work, suddenly out of nowhere comes this amendment that has been created out of public view, been created in the back rooms, been created without organized public input, and led by the chairman of the committee and with the complicity of the chairman of the subcommittee and leaders on our side as well.

Mr. Chairman, it is not the proper way to go about this. What has it done? It has, in effect, taken away the most critical parts of this bill with regard to ensuring that competition will succeed for the benefit of the American consumer rather than be stamped out.

For example, the committee bill, which we worked on in committee and which was voted out by a large margin,

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conditions Bell entry into long distance upon two things: First implementing a competitive checklist, a list of items that have to occur if local telephone markets are to be open to competition, number one; and second, upon a showing that they faced effective facilities-based local competition.

The managers' amendment, again, put together in a room some place without the input of the public, without of the input of most of the members of the committee, takes that away. In fact, a key part of the actual competition test that requires that a new entrant's local service be "comparable in price, features and scope" would be dropped.

Mr. Chairman, the impact is that the Bell companies could enter long distance without facing real local competition. This is complicated, arcane, it is tedious, but it is the work of this committee and, unfortunately, the work of this committee has been thrown out as we saw the work, in my view, of lobbyists in the back room be substituted for the work of this House in the light of day.

Mr. Chairman, what else have they changed in this amendment? They have changed 42 things. We are going to hear people say, "We passed the bill out of the committee and then we discovered all of these problems that we had created and we had to get them fixed."

The fact of the matter is, they apparently had to fix 42 different things, because there are 42 different changes in this managers' amendment. It is a shameful process. It is an embarrassment to the House. I think it is, frankly, an embarrassment to the Members who have brought it before us, because I do not think they believe in their hearts that this has been the proper process.

Mr. Chairman, I mentioned one big major change; let me mention another one. Before, under the committee-approved bill, the Bell companies would have had to apply for entry into long distance 18 months after we enacted the bill. Why? To give the FCC and the States enough time to make sure that there was full implementation of the competitive checklist.

What does the managers' amendment do? It changes that drastically by saying they can apply for entry after only 6 months. I do not have to tell Members that serve in this House, and that have served in State and local government and have served in Federal Government for a long time that 6 months is not enough time to let these agencies get in a position to make sure that they do not drive the competitors out of business, but that is what we have in the managers' amendment.

Resale: Under the committee's bill, the Bell companies are going to be required to make their local services available for resale by new local competitors in a way that makes it economically feasible for the reseller.

What does the managers' amendment do? It changes that entirely. The economically feasible condition would be eliminated. The fact of the matter is that we would not be able to guarantee that the Bell companies would have adequate competition in the local market before they entered the long distance market.

Mr. Chairman, I think what we see here is a big lobbying war. They lost it when it was fought in public, but they won it when it was fought in the back rooms, and so we have an amendment here today that tries to change the whole course of the process. I think it is unprecedented. Maybe there is a precedent. If there was a precedent for it, it should be condemned.

Mr. Chairman, the managers' amendment is a bad deal for the American people, and I urge every Member to vote against it.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I want to first express my gratitude and respect to my friend and colleague, the gentleman from Virginia [Mr. BLILEY], for the fine fashion in which he has worked with us, and also to my good friend, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee. The work of the gentlemen on this matter, as well as the work of the other members of the Committee on Commerce, has helped bring us successfully to a point where we can consider this major piece of telecommunications legislation.

Mr. Chairman, the first item of business, of course, is the managers' amendment. For the benefit of some of my colleagues around here who should remember, but do not, I am going to point out that this is a traditional practice of this body. That is, to assemble an amendment in agreement between the two committees which have worked on the legislation, which can then be placed on the floor and voted on.

Mr. Chairman, this is done in an entirely open and proper fashion. It is an amendment which, on both substance and procedure and practice, is correct, proper and good and consistent with the traditions of the House.

The House can vote openly and discuss openly the matters associated with the managers' amendment and we can then proceed to carry out the will of the House, which is the way these matters should be done.

Mr. Chairman, there were a number of defects and differences in both bills. Amongst those provisions was one which required local telephone companies to subsidize the long distance competitors by setting rates for resale that were economically reasonable to the reseller.

Mr. Chairman, that would have caused local rates to skyrocket for the household user. It would have required service which cost $25 to be sold to AT&T for $6; something which would have caused the necessity of subsidizing, then, AT&T at the expense of small business and the local phone user, an outrageous situation.

The gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] worked with me to correct this serious abuse and this failure in the legislation.

The committee bill also contained a provision that would preclude the Bell companies from offering network-based information service. That would have prevented these companies from offering a number of services in the market, and denied the customer and the consumer an opportunity to have the best kind of competitive service from all participants.

The gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] and I worked out a compromise which permits these services to continue to be offered. That is included in the managers' amendment.

The long distance industry has, in a very curious fashion, charged that these changes, and others that are included in the amendment, unfairly benefit the Bell companies. That is absolute and patent nonsense. All that this amendment does is to remove or modify provisions that unfairly protect the long distance industry from fair competition by the Bells, a matter which I will discuss at a later time.

Frankly, Mr. Chairman, I would note that in many ways it does not go far enough. There is no justification, whatsoever, for the out-of-region restriction. The compromise leaves that in place until each Bell company has received permission to originate long distance service in each State in its region. That is not an unfair arrangement, but it is the least favorable from the standpoint of the Baby Bells that is in any way defensible.

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Mr. Chairman, I also want to remind my colleagues of the scandalous and outrageous behavior of the long-distance lobby. I want to remind them that each Member has been deluged with mail and telegrams, many of which were never sent by the person who appears as signatory. This is a matter which I will also pursue in another forum.

Mr. Chairman, this was a deliberate attempt to lie to and to deceive the Congress. It was a deliberate attempt by the long-distance operators to steal the government of the country from the people and from the consumers by putting in place a fraudulent system to make the Congress believe that the people had one set of feelings when, in fact, they did not and had quite a different set of feelings.

I would hope that those who will be speaking on behalf of the long-distance industry today will seek to defend that outrageous behavior, instead of attacking a proper piece of legislation.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. BRYANT of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS].

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Mr. WATTS of Oklahoma. Mr. Chairman, I rise in opposition to the manager's amendment.

Yesterday, my office heard from public utility commissioners all over the country, Alabama, Arizona, California, Kansas, New Hampshire, Nebraska, Nevada, my home State of Oklahoma, Oregon, Utah, and Wisconsin, all public utility commissioners who called and vigorously agreed with my position. We also heard from the National Association of State Utility Commissioners, who support my position.

Let me read from one of the letters from a commissioner in New Hampshire: "As a State telecommunications regulator, I believe the so-called manager's amendment to H.R. 1555 will not adequately protect the interests of the consumer in insuring the existence of meaningful telecommunications competition."

Mr. Chairman, this was just one of the letters. I have many more. If my colleagues would like to take a look at them, they are more than welcome to do that.

Before we vote on this manager's amendment, I encourage the Members of this House to call their State public utility or public service commissioners and see what they think about the manager's amendment. I have talked to Members of the House over the last 48 hours and said, "We do not understand this legislation. If you don't understand this legislation, call your public service or public utility commissioner."

Mr. Chairman, we are placing the public utility commissioners in an untenable situation to not put in some sort of tangible measurement for competition. We must make sure that there is fair and open competition for our constituents, the ratepayers, who will bear the burden of this amendment.

I am not concerned about the RBOC's or the long-distance carriers. My special interest in this situation are the ratepayers. I served for 4 years as a public utility commissioner. I dealt with these long-distance issues. I dealt with these situations for 4 years.

Mr. Chairman, this is not fair and open competition. I oppose the manager's amendment. I strongly urge a "no" vote to the manager's amendment, and I ask for fair and open competition.

Mr. Chairman, I submit for the RECORD the following letters.

STATE OF NEW HAMPSHIRE,
PUBLIC UTILITIES COMMISSION,
Concord, NH, August 3, 1995.

Congressman J.C. WATTS,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN WATTS: This is written to support the original version of H.R. 1555. As a state telecommunications regulator, I believe the so-called Manager's Amendment to H.R. 1555 will not adequately protect the interests of the consumer in insuring the existence of meaningful telecommunications competition.

Sincerely,

SUSAN S. GEIGER,
Commissioner.

NEBRASKA PUBLIC SERVICE COMMISSION,
Lincoln, NE, August 3, 1995.

Hon. J.C. WATTS, Jr.,
U.S. House of Representatives, Longworth Office Building, Washington, DC.

DEAR CONGRESSMAN WATTS: As a member of the Nebraska Public Service Commission, I support federal legislation which preserves the states' role in shaping this country's future competitive communications industry.

In Nebraska, we are particularly proud of the quality of telecommunications service our customers enjoy. Any federal legislation should continue to provide a state role in regulating quality standards and establishing criteria for BOC entry in the interLATA market.

The needs of Nebraska's customers are varied; therefore, we must continue to play an active role during the transition to fully competitive communications markets.

Sincerely,

Lowell C. Johnson.

STATE OF NEVADA, ATTORNEY GENERAL'S OFFICE OF ADVOCATE FOR CUSTOMERS OF PUBLIC UTILITIES,
Carson City, NV, August 3, 1995.

Ms. CATHY BESSER, c/o Rep Vucanovich's Office.

DEAR MS. BESSER, We strongly urge Representative Vucanovich to OPPOSE H.R. 1555, Communications Act of 1995, in its present form. Several Anticonsumer and anticompetitive sections of the bill will hurt Nevada's consumers by thwarting local competition and drastically redoing regulatory oversight. Please do not allow Rep. Vucanovich to support HR 1555 in its present form; It will hurt Nevada in the pocketbook.

Best Regards

MIKE G.

ARIZONA CORPORATION COMMISSION,
Pheoniz, AZ, August 3, 1995.

Hon. JOHN SHADEGG,
House of Representatives, Cannon House Office Bldg., Washington, DC.

DEAR REPRESENTATIVE SHADEGG: I am writing to urge you to vote against the Manager's amendment to H.R. 1555. The Communications Act of 1995.

As you may be aware, the Arizona Corporation Commission, on June 21, 1995, approved far-reaching rules to open local telecommunications markets in Arizona to competitors. Our June 21st action came after nearly two years of detailed analysis of the issues and countless hours of meetings with all stakeholder groups in arriving at a thoughtful, detailed process for opening local markets to competition. Arizona's rules, moreover, make our state one of the 15 most progressive states in the nation in telecommunications regulatory reform. Our efforts would be totally negated with the adoption of the Manager's amendment.

The Manager's amendment would preempt Arizona and other states from proceeding with plans to open telecommunication markets to competition, and thereby, put the brakes on the benefits that customers would receive from competition. Please vote against the Manager's amendment, and allow competition to proceed in Arizona.

Very truly yours,

MARCIA G. WEEKS,
Commissioner.

PUBLIC SERVICE COMMISSION OF WISCONSIN,
Madison, WI, August 3, 1995.

Hon. J.C. WATTS,
House of Representatives, Longworth House Office Building, Washington, DC.

Re: H.R. 1555

DEAR REPRESENTATIVE WATTS: I agree that the original bill did a much better job of balancing the power between competitors, and because of that, it did a better job of promoting competition. My concern about the original bill is that it gave too much power to the Federal Communications Commission (FCC) and preempted the states.

H.R. 1555 as originally drafted takes away current state authority and gives back only very specific and limited authority, while expanding the authority of the FCC. The bill allows the FCC to preempt the states on many key issues. This provides an incentive for the current monopoly provider to challenge every state decision. Rather than lessening regulation, this will add an additional layer. The regulatory lag created by the dual level of regulation will also advantage the dominant provider to the detriment of competitors, customers and the country. If all authority is given to the FCC, state progress, and thus competition, will come to a halt. Although the managers amendment does not give us everything we had asked for, it certainly does a better job of balancing federal and state jurisdiction.

To the extent that your efforts would give the states a stronger chance to gain some ground on the jurisdictional issues in conference committee, I would tend to support your efforts.

Sincerely,

CHERLY L. PARRINO,
Chairman.

STATE OF ALABAMA,
ALABAMA PUBLIC SERVICE COMMISSION,
Montgomery, AL, August 3, 1995.

Hon. SPENCER BACHUS,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE BACHUS: We would like to register our agreement with Congressman Watts over the status of H.R. 1555. The bill that came out of committee was a carefully drafted document that did have some level of support from industry and regulatory representatives.

The National Association of Regulatory Utility Commissioners (NARUC) Telecommunications Committee, of which Commissioner Martin is a member, participated in the crafting of this bill and was supportive of it as it passed the House Committee. In addition, Commissioner Sullivan, a member of the NARUC Executive Committee, does not favor the provisions in the Manager's Amendment. We feel that the Manager's Amendment will make the job of ensuring fair competition very difficult. We urge you to vote against the Manager's Amendment and go back to the original bill the Committee members drafted and passed.

Sincerely,

JIM SULLIVAN,
President.
CHARLES B. MARTIN,
Commissioner.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise in strong opposition to the Bliley-Fields amendment.

This is a body hell bent against tax increases, but let's be clear about what this bill is. It's a tax increase. People will see increases in their telephone bills, their cable bills, their internet bills, and bills for any service that connects them to any communications wire.

Each and every day, we hear about and see rapid developments in communications that keep our country on the cutting edge. Now is not the time to

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pass a law that could harness this energy. We should be unleashing, and reaping the benefits of this exciting new technology.

The Billey-Fields amendment is a harness that maintains old monopolies, and stifles real competition.

H.R. 1555 is also a bad deal for consumers. It is estimated that since we passed the Cable Act in the 102d Congress, consumers have saved more than $3 billion. This bill would gut those provisions and deregulate an industry where no real competition exists.

I urge you to think about your constituents as they answer their phones, sign on to their computers, turn on their televisions, and open their cable bills. If we rush pass H.R. 1555, our constituents may start thinking negatively about us when they do these things. Vote no on this tax increase, vote "no" on Billey-Fields.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HYDE], the distinguished chairman of the Committee on the Judiciary.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I commented more extensively on the manager's amendment in the debate in chief on the general debate, so I will not repeat that now, except to say I do support the manager's amendment. I think it has tied up a lot of loose ends and makes the entire telecommunications field more competitive.

The purpose of the entire legislation was really to enhance competition, because that certainly helps the consumer, facilitates development of all these various industries, and benefits the country and the economy at large. Given the complexity of this legislation, this manager's amendment goes a long way toward resolving that.

The Committee on the Judiciary met with the staff of the gentleman from Virginia [Mr. BLILEY] and resolved many controversies, so I am pleased to support the manager's amendment.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. BUNN].

Mr. BUNN of Oregon. Mr. Chairman, this bill has a lot of good things in it, but one it does not have is increased competition.

In a real effort to provide more competition, I offered an amendment that simply said that a Bell Co. has to have at least the availability of 10 percent of the customers going to a competitor, not that 10 percent have to be signed up for competition, but that 10 percent have to be able to sign up for competition. That was ruled out of order to protect the manager's amendment.

Mr. Chairman, the manager's amendment goes a long way to shut down realistic competition. If the manager's amendment passes, consumers lose. We need to reject the manager's amendment, go back to the language that came out of the committee or ensure that we put in language that would allow real competition, ensuring that at least 10 percent of the customers have the ability to ask for service from a competitor.

Mr. Chairman, I do not think 10 percent is unreasonable. However, I think the manager's amendment is very unreasonable, and I would urge a "no" vote.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. FORBES].

Mr. FORBES. Mr. Chairman, I thank my colleague from Texas [Mr. BRYANT], and rise in reluctant opposition to the manager's amendment.

The process that brought this manager's amendment to the House floor today has been sorely compromised and will result in a bill that, I believe, will raise more questions than answers. My key concern with process rests in the manager's amendment that is before us.

As we all know, the Commerce Committee reported out H.R. 1555 by a consensus-demonstrating vote of 38 to 5. Before that, the Subcommittee on Telecommunications and Finance reported the legislation after lengthy debate, and previously in this Congress, after many hearings, and in Congresses before, other numerous hearings related to the telecommunications reform measures before us today.

While no one was completely pleased with the bill that was reported out originally by the committee, the committee did produce a balanced bill. That is what happens when you hold public hearings and public markups. It is the way the process is supposed to work in this House.

But what we have before us today, Mr. Chairman, is a manager's amendment that is 60 pages long, with 42 different changes from what the committee reported out.

Mr. Chairman, we are being asked to vote on this amendment and adopt it practically sight unseen. If the changes made in this 60-page manager's amendment are so important, why was not this amendment returned to the Commerce Committee and to the Committee on the Judiciary for their approval before going to the floor?

Mr. Chairman, I vote a "no" vote on the manager's amendment.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BOUCHER] for an enlightened discourse on this matter, and I have been looking forward very much to hearing from the friends of the long-distance operators and I am somewhat distressed that I am not going to do so at this time.

(Mr. BOUCHER asked and was given permission to revise and extend his remarks.)

Mr. BOUCHER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the manager's amendment and in support of H.R. 1555 and would like to take this time to engage in a colloquy with the gentleman from Illinois [Mr. HASTERT] with respect to legislation we have crafted concerning the application of the interconnection requirements with respect to small telephone companies, and at this time, I would yield to the gentleman from Illinois [Mr. HASTERT] for that colloquy.

Mr. HASTERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as you know, the gentleman from Virginia [Mr. BOUCHER] and I have been working on language to refine an amendment that the gentleman offered at full committee. I would like to ask the gentleman to take a moment to outline the purpose of his original amendment.

Mr. BOUCHER. Mr. Chairman, reclaiming my time, the amendment that I offered at full committee and which was approved on a voice vote was meant to assure that the more than 1,000 smaller rural telephone companies in our Nation would not have to comply immediately with the competitive checklist contained in section 242 of H.R. 1555.

Rural telephone companies were exempted because the interconnection requirements of the checklist would impose stringent technical and economic burdens on rural companies, whose markets are in the near term unlikely to attract competitors.

It was never our intention, however, to shield these companies from competition, and it is in that context that the language the gentleman and I have agreed to is pertinent, and I would yield back to him to explain the amendment we have crafted.

Mr. HASTERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, a refinement of the Boucher amendment assures that rural telephone companies defined in H.R. 1555 will be exempted from complying with the competitive checklist until a competitor makes a bona fide request. Once a bona fide request is made, a State is given 120 days to determine whether to terminate the exemption.

States must terminate the exemption if the expanded interconnection request is technically feasible, not unduly economically burdensome, is consistent with certain principles for the preservation of universal service.

Mr. BLILEY. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois [Mr. HASTERT].

(Mr. HASTERT asked and was given permission to revise and extend his remarks.)

Mr. HASTERT. Mr. Chairman, of critical importance here is an understanding shared by the gentleman from Virginia [Mr. BOUCHER] and me that the economic burdens of complying with the competitive checklist fall on the party requesting the interconnection. However, to the extent the rural telephone company economically benefits from the interconnection, the States should offset the costs imposed by the party requesting interconnection.

Furthermore, we want to make clear that while H.R. 1555 provides that the

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user of the interconnection pay the cost of interconnection, the user in this context is the corporate entity requesting interconnection with a local exchange company.

It would be a perversion of the intent if the cost of complying with the competitive checklist would require the incumbent rural telephone company to increase its basic local telephone rates to fund the competitor's service offering.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the question this morning is, what is the hurry? After 61 years, we spent time in committee and in subcommittee and we developed H.R. 1555. I did not support the bill but at least I was part of the process.

Now it is whether you believe the Washington Post and the Wall Street Journal who say that people like Rupert Murdoch and Ameritech and others have gotten special favors from this manager's mark. In other words, after the committee had worked its will, large corporations continued to lobby the Republican leadership to change the bill and they agreed to do it.

Mr. Chairman, this amendment is a top down, your vote does not count. The only important input is from the Speaker of the House amendment. This is not the kind of representative government that our constituents deserve. Nearly every provision that is in this manager's mark should be voted on separately. It is not going to happen. We will not have that opportunity. This is a bad process. It is bad governance, and I urge my colleagues to oppose the manager's amendment.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the manager's amendment.

Mr. Chairman, we all favor increased competition in all markets. And that is what I thought this bill stood for. But the fact is that local carriers are in a unique position because all long-distance calls must pass through their facilities.

This control lets the local carriers discriminate against their competitors in the delivery of long-distance service. If not a single other entity can offer this service with their own equipment, the locals will continue to stifle competition.

That is precisely why we need the facilities based competition provided in the original bill. The 68 page manager's amendment—takes this entry test out of the bill, and that is simply unfair.

Mr. Chairman, if there is only one drawbridge over a river, the person who lifts that bridge is a monopoly. Likewise, if all long-distance calls have to go through one company's switches, we still have a monopoly. Oppose this amendment and support the original bill.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have two choices in this bill. The whole notion of an open architecture cyberspace-based competition is undermined by what has happened between the full committee and the manager's amendment.

What we had determined at the full committee was that if, in fact, the telephone company used common carrier facilities in order to build their cable network, that it would have to have an open architecture, so that any provider of information, any 18-year-old kid, any producer, would be able to use this common carrier network in order to get their ideas into every home.

Mr. Chairman, that was in contrast to the old cable model where if the telephone company built another cable system, but under design of the cable companies of the past, then they would be regulated like a cable company, get a franchise.

This bill takes that open architecture concept, throws it out the window. We must go back to that if we are going to enjoy the full benefits of this information revolution.

What is most troubling to me about the manager's amendment is that it takes the open access, common carrier model for telephone company delivery of video and makes that optional.

The information superhighway had always been heralded as an opportunity for consumers to get 500 channels of television, and for independent, unaffiliated producers of information to use the network and reach the public.

The bill had set up an appropriate balance I believe. It told the phone companies that when they got into the cable business they had a choice. They could build separate facilities, and overbuild cable systems to provide video services. If they did that they would be regulated as a cable company is regulated—under title 6 of the Communications Act—and they would have to go out and obtain a franchise just as cable companies do.

The second option—if they wanted to use their phone network facilities and construct a system using a common carrier, equal access network to send video services to consumers—the legislation provided a video platform model. This video platform model ensured that unaffiliated, independent programmers, software engineers, the kid in the garage—could obtain access to the phone company's network and provide video, interactive, multimedia services to consumers too.

After all, every consumer ratepayer had helped pay for the phone network, shouldn't everyone have a right to use the information superhighway.

These openness rules were provisions establishing rules also under title 6 of the Communications Act. The bill specifically said that there would be no burdensome title 2 traditional phone company, utility type regulation. The bill already dealt with that and did it well.

The managers amendment, on the other hand, would allow a phone company to build a closed, proprietary cable system on a common carrier phone network architecture. No other independent film producer, unaffiliated programmer, video game maker can claim a right to carriage. Only the phone company.

This isn't the open road people have in mind when they think of cyberspace. In fact, the very notion of cyberspace in antithetical to closed, proprietary systems where only one provider of information is allowed to rule the road.

One of the principles of common carriage for 60 years has been that any service you make available to one entity, you have to make available to all comers. This managers amendment lets the phone company—on a common carrier facility—make access available to itself and no one else.

I think that is a giant step backward and for that reason I oppose the managers amendment. It is bad for small, independent, unaffiliated providers of information, for entrepreneurs and inventors.

I believe that if phone companies are going to use the phone network—a communications network that all ratepayers have paid for—that access for video services should not be the sole domain of the phone company, but rather an open superhighway for other creative geniuses as well.

Mr. DINGELL. Mr. Chairman, I yield myself 1 minute.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. I have heard a lot of irresponsible talk about how secret agreements were made between the two committees. Well, nothing of the kind occurred. There was open discussion between the chairman of the Committee on the Judiciary and the chairman of the Committee on Commerce, and from that came the managers' amendment, and there is no secrecy involved here.

As a matter of fact, for the benefit of those who do not know, the manager's amendments return this legislation to something very close to what passed this House last year 423 to 5. That is what the members' amendment does. The process is open. Members are having an opportunity to discuss this on the House Floor under a rule, and to say otherwise is either to deceive yourself or to deceive the Members of this body.

That is what the facts are, and I would urge my colleagues to not listen to this kind of nonsense, but rather, to respect the institution, the Members who have brought forward this amendment, to understand that it is a fair amendment, it is in the public interest, and it is balanced, and it is not founded upon a lot of sleazy lobbying of the kind we have seen and the mail we have been getting from the long-distance industry.

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Mr. BRYANT of Texas. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Texas is recognized for 1 minute.

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(Mr. BRYANT of Texas asked and was given permission to revise and extend his remarks.)

Mr. BRYANT of Texas. Mr. Chairman, I say to my colleagues, had I been a party to this, I would stand up on the floor, and I would wave my arms and speak loudly as well. The fact of the matter is you voted for the bill that came out of committee, and the gentleman from Virginia [Mr. BLILEY] voted for the bill that came out of committee. I voted against it. But now the two of you come to the floor with a totally different bill. Mr. Chairman, this is not the bill that passed the House by 400 and something to nothing last year. This is a totally different approach. The fact of the matter is it was written in the darkness. The committee did not have any input into this. The Members did not have any input into this. My colleagues wrote it behind closed doors: The Bell companies came and said, "Hey, we decided we don't like what happened in the committee. Rewrite the bill and help us out."

Mr. Chairman, that is what my colleagues have done here. The fact of the matter is this process is an outrage, and Members stand on the floor, and wave their arms and say somebody is trying to deceive the American people, they should have written the bill in public, not behind closed doors. It is an outrage.

I would urge Members, if for no other reason, and I will not yield to the gentleman.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BRYANT] has expired.

Mr. BLILEY. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. BURR].

(Mr. BURR asked and was given permission to revise and extend his remarks.)

Mr. BURR. Mr. Chairman, I rise in support of the manager's amendment.

During the Commerce Committee's consideration of H.R. 1555, I offered an amendment designed to permit Bell operating telephone companies to resell the cellular services of their cellular affiliates. Currently, Bell operating companies, alone among local telephone companies, are prevented from providing or even reselling cellular services with their local services. Larger companies, like GTE—the largest local exchange carrier in the United States—are not restricted from marketing cellular services with their long distance or local services.

Several of my colleagues were concerned that they had not had an ample opportunity to consider the amendment. With the understanding that it could be included in the managers' amendment if these members, upon further study, were not troubled by the substance of the amendment, I withdrew it. Having satisfied the members' concerns with new language, I want to thank the managers of this bill for agreeing to include that language in their amendment.

As with my original amendment, the primary goal of the new language is to provide the Bell operating telephone companies with sufficient relief from existing FCC rules to permit them to offer one-stop shopping of local exchange services and cellular services. Currently, FCC rules not only prohibit those operating companies from physically providing cellular services—that is, from owning the towers, transmitters, and switches that make up cellular services—but also from marketing cellular services—that is, selling cellular services.

This amendment does not lift the FCC's prohibition against the Bell operating telephone companies providing the cellular services; it merely permits them to jointly market or resell their cellular affiliate's cellular services along with their local exchange services. Under existing FCC polices, cellular providers must permit resale of their cellular services. Thus, virtually everyone but the Bell operating telephone companies can resell the cellular services of their cellular affiliates.

Thus, together with other provisions in the bill, this amendment will help to put the Bell operating telephone companies on par with their competitors by allowing them to resell cellular services—including the provision of interLATA cellular services—in conjunctions with local exchange services and other wireless services—that is, PCS services—that they are already permitted to provide.

AT&T has voluntarily entered into a proposed consent decree with the Department of Justice. This would obviate certain potential violations of section 7 of the Clayton Act arising out of its acquisition of McCaw Cellular. To overcome the Department's opposition to the acquisition, AT&T agreed to certain restrictions regarding its provisions and marketing of McCaw's cellular services.

In order to ensure that all carriers can offer similar service packages, language has been included in the amendment to supersede language in that pending decree. As a result, AT&T and others will be able to sell cellular services on the same terms as the Bell companies. Specifically, all carriers would be able to sell cellular services, including interLATA cellular services, along with local landline exchange offerings.

However, the Bell operating companies will not be able to offer landline interLATA services in conjunction with such local telephone—even in conjunction with a cellular/cellular interLATA service offering—until they have met the conditions for interLATA relief.

Accordingly, the amendment makes it clear that it does not alter the effect of subsection 242(d) on AT&T or any other company. As a result, AT&T and other competitors subject to that provision will not be able to offer or market landline interLATA services with a local landline exchange offering—even in conjunction with a cellular/cellular interLATA package—until the Bell companies are authorized to do so.

Mr. BLILEY. Mr. Chairman, to close debate, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

The CHAIRMAN. The gentleman from Texas [Mr. FIELDS] is recognized for 2 minutes.

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, let me just say very briefly, and then I am going to yield to the gentleman from Michigan, this is a fair and balanced approach that we are now bringing to this floor for a vote. This is a delicate process, it is a complex process. On a piece of legislation like this we expect a manager's amendment. No one has talked about other things that are in this manager's amendment, local siting, under the right-of-way, the telecommunication development fund sponsored by the gentleman from New York [Mr. TOWNS], a lot of good things in this particular amendment. But I want to identify myself with the remarks made by the gentleman from Michigan. In my career I have never seen a more disingenuous lobbying effort by any segment of an industry.

The long-distance industry, I say shame on them.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I want to reiterate to my colleagues the process under which we are considering this legislation is no different than we have ever done wherever we have had differences between two committees, and the process of working out an amendment between those who supported the bill is an entirely sensible one. Had the gentleman from Texas desired to be a participant in that, he could have, * * * and the result of that is that he did not participate.

Mr. BRYANT of Texas. Mr. Chairman, I ask that the gentleman's words be taken down.

The CHAIRMAN. The gentleman from Michigan will suspend.

Does the gentleman ask unanimous consent to withdraw his reference?

Mr. DINGELL. Mr. Chairman, I ask unanimous consent to withdraw the words referred to.

Mr. BRYANT of Texas. Reserving the right to object, Mr. Chairman, I do not intend to go along with this unanimous-consent request unless there is an apology and an explanation that what he said was inaccurate, totally inaccurate, because I have had absolutely no involvement with the chairman with regard to the development of this amendment whatsoever, and so what he said was inaccurate.

Mr. Chairman, if the gentleman will acknowledge it was inaccurate, at that time I will be happy to go along with his unanimous-consent request.

The CHAIRMAN. Does the gentleman from Texas [Mr. BRYANT] yield under his reservation of objection to the gentleman from Michigan [Mr. DINGELL]?

Mr. BRYANT of Texas. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I am not quite sure what the Chair is telling me.

The CHAIRMAN. The gentleman from Texas reserves the right to object, and under his reservation he has said that he would insist on having the gentleman's words taken down.

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Mr. DINGELL. Mr. Chairman, if I said anything which offends the gentleman, I apologize.

The CHAIRMAN. The gentleman from Texas?

Mr. BRYANT of Texas. Further reserving the right to object, Mr. Chairman, I will not go along with the unanimous-consent request after the words that were spoken were so evasive as that. The fact of the matter is the gentleman made a factual allegation with regard to my role in this bill which was totally inaccurate. I want him to apologize, and I want him to state that it was not correct what he said because he knows it was not correct. Otherwise I would insist that the gentleman's words be taken down.

The CHAIRMAN. The gentleman from Texas [Mr. BRYANT] insists that the words of the gentleman from Michigan [Mr. DINGELL] be taken down.

Mr. DINGELL. Mr. Chairman, I would ask unanimous consent to withdraw the word "sulk."

The CHAIRMAN. Without objection, that word is withdrawn.

Mr. BRYANT of Texas. Further reserving the right to object, Mr. Chairman, I have made it very clear that the gentleman from Michigan [Mr. DINGELL] made an allegation about me that was incorrect, and I want him to state that it was not correct, and he knows it was not correct, and then I want him to apologize for it. Otherwise there is not going to be any withdrawal of my objection.

The CHAIRMAN. The gentleman from Texas [Mr. BRYANT] continues to reserve the right to object.

Mr. BRYANT of Texas. I would just point out once again I have had no dealings with the gentleman on this matter. He has no basis on which to make that statement whatsoever, nor have I had any dealings in any fashion interpretable in the way that the gentleman spoke to the other side, and, if he is going to persist in that allegation, then I am going to insist that his words be taken down.

The CHAIRMAN. Does the gentleman from Michigan care to respond?

Mr. DINGELL. Mr. Chairman, I am not quiet sure to what I am supposed to respond.

The CHAIRMAN. A unanimous-consent request has been made to withdraw the words. The gentleman from Texas has reserved the right to object to that unanimous-consent request stating, as he has stated, that he desires an apology and an understanding that it was factually incorrect.

Mr. DINGELL. Mr. Chairman, I have asked unanimous consent to withdraw the words. I have said that if I have said something to which the gentleman is offended, then I apologize. I am not quite sure how much further I can go in this matter.

Mr. BRYANT of Texas. Reserving the right to object, Mr. Chairman, I will tell the gentleman how much further he can go in this matter.

Mr. Chairman, I have had no visits with the gentleman about this manager's amendment except to express my general opposition to the whole process. The gentleman stated that I behaved in a particular way when in fact I have had no opportunity to behave either this way or any other way with the gentleman, and, if what the gentleman said is simply an outburst of temper, I think, I have been guilty of the same thing, and I want the gentleman to make it plain to the House that there has been no opportunity for there to have been any type of behavior whatsoever.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BRYANT of Texas. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I will be pleased to make the observation that the gentleman chose not to be a participant in moving the bill forward. If I said that he has sulked, that was in error. I apologize to the gentleman.

The CHAIRMAN. Without objection, the words are withdrawn.

There was no objection.

Mr. BRYANT of Texas. Mr. Chairman, I withdraw my reservation of objection.

Mr. FIELDS of Texas. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Texas has 30 seconds remaining.

Mr. FIELDS of Texas. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the gentleman from Michigan has made it clear to Democrat Members this is a fair process, it is a good process. I want to say to Republican Members we have worked for 2½ years on opening the local loop to competition. If my colleagues want fair competition; if they want the loop open with a level playing field, vote for this manager's amendment. It is time to move this process forward, time to move the telecommunication industry into the 21st century.

Mr. TAUZIN. Mr. Chairman to enforce the long-distance restriction on the seven Bell companies, the district court approved the establishment of the so-called local access transport area or LATA system. The drawing of the LATA system is extraordinarily complex and confusing. There are 202 LATA's nationwide; four of them are in Louisiana and they bear no relationship to markets or customers. Yet it is the LATA system that is used to regulate markets and limit customer choices. LATA boundaries routinely split counties and communities of interest. LATA boundaries can even extend across State lines to incorporate small areas of a neighboring State into a given LATA. Louisiana does not have any of these so-called bastard LATA's but our neighboring State to the east, Mississippi, does. Towns and communities in the northwest corner of Mississippi, such as Hernando, are actually part of the Memphis LATA. That's Memphis, TN, not Mississippi.

The enforcement of the long-distance restriction on the seven Bell companies and the establishment of the LATA system effectively preempted State jurisdiction over entry and pricing of telecommunications service. In the process, State authority over intrastate inter-LATA telecommunications have been impeded. For example, in Louisiana the Public Service Commission instituted a rate plan that provided K–12 schools with specially discounted rates for high speed data transmission services. With the availability of the education discount, it was contemplated that school districts could upgrade their educational systems, establish computer hookups, and tie into their central school board locations to improve and facilitate administrative services. The public school system in Louisiana is aggressively implementing communications technology to improve access to educational resources and streamline administrative processes.

There are 64 parishes in Louisiana. Each parish has its own school district. Thirteen of the sixty-four parishes are traversed by a LATA boundary, meaning the school district locations in each parish are divided by the LATA system. Consequently, K–12 schools in the Allen, Assumption, Evangeline, Iberia, Iberville, Livingston, Sabine, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, Tangipahoa, Vernon, and West Feliciana Parishes are unable to take advantage of the education discount program as intended by the Louisiana Public Service Commission. The LATA boundary effectively prevents the schools in these 13 parishes from linking to the Louisiana Education Network and the Internet as well. These failures are attributable to the fact that the inter-LATA restriction dictates alternative, circuitous routing requirements to link the schools—making the service unaffordable. The chart to my right depicting the scenario of the Vernon Parish School District is just one example of this routing problem. The inability of these 13 school districts to network K–12 schools is denying the students, teachers, and administrators throughout these parishes the opportunity to utilize new tools for learning and teaching.

The LATA system arbitrarily segments the telecommunications market. Many business, public, and institutional customers, such as the 13 parish school districts in Louisiana, have locations in different LATA's which makes serving them difficult, costly, and inefficient. In Louisiana, BellSouth has filed tariffs with the Public Service Commission, is authorized to provide the high-speed data transmission services, and would be in a position to offer the services to the 13 school districts at specially discounted rates were it not for the inter-LATA long-distance restriction. In the alternative to BellSouth, to receive the desired service any one of the 13 school districts must resort to the arrangement by which the service is provisioned over the facilities of a long-distance carrier. Typically, this would involve routing the service from one customer location in one LATA to the long-distance carrier's point of presence in that LATA then across the LATA boundary to the carrier's point of presence in the other LATA and then finally to the other customer location to complete the circuit. As the explanation sounds, this alternative route utilizing the long-distance carrier's facilities is less direct, more circuitous, and more costly to the customer than a direct connection between the two customer locations. Of the 13 affected school districts in Louisiana, I have chosen the example of the Vernon Parish schools to show the cost penalizing effect of the inter-LATA restriction.

Most of the schools in Vernon Parish are in the Lafayette LATA and are connected by a

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network based in Leesville. Unfortunately, two schools in the Hornbeck area are across a LATA boundary and linking them to Leesville is so expensive that Vernon parish has not been able to include them in the network.

Hornbeck is only 16 miles from Leesville but it is in a different LATA. BellSouth could provide a direct and economical connection between the Hornbeck schools and Leesville but it is prevented from doing so because of the inter-LATA restriction.

Instead, the connection between Hornbeck and Leesville would have to be made through an indirect routing arrangement involving a long-distance carrier, AT&T. In this scenario, the route would run from Hornbeck to Shreveport, then 185 miles across the LATA boundary to Lafayette, before finally reaching Leesville, a total distance of 367 miles.

The inter-LATA restriction forces Vernon Parish to use a longer and more expensive route to connect all the schools within its district. If BellSouth was allowed to provide the direct connection between Hornbeck and Leesville, the cost to connect the Hornbeck schools would be almost $48,000 less each year, a savings that could enable the parish to include them in the network.

The inter-LATA restriction is imposing a tremendous cost penalty on users of telecommunications and is preventing telecommunications from being used in cost effective and efficient ways. The manager's amendment would make it possible for customers like the Vernon Parish School District to take advantage of the benefits of telecommunications technology by giving them greater choices in service providers. For this reason, the manager's amendment is worthy of your support.

The relationship between section 245(a)(2)(A) and 245(a)(2)(B) is extremely important because they are, along with the competitive checklist in section 245(d), the keys to determine whether or not a Bell operating company is authorized to provide interLATA telecommunications services, that are not incidental or grandfathered services. As such, several examples will illustrate how these sections function together.

Example No. 1: If an unaffiliated competing provider of telephone exchange service with its own facilities or predominantly its own facilities has requested and the RBOC is providing this carrier with access and interconnection—section 245(a)(2)(A) is complied with.

Example No. 2: If no competing provider of telephone exchange services has requested access or interconnection—the criteria in section 245(a)(2)(B) has been met.

Example No. 3: If no competing provider of telephone exchange service with its own facilities or predominately its own has requested access and interconnection—the criteria in section 245(a)(2)(B) has been met.

Example No. 4: If a competing provider of telephone exchange with some facilities which are not predominant has either requested access and interconnection or the RBOC is providing such competitor with access and interconnection—the criteria in section 245(a)(2)(B) has been met because no request has been received from an exclusively or predominantly facilities based competing provider of telephone exchange service. Subparagraph (b) uses the words "such provider" to refer back to the exclusively or predominately facilities based provider described in subparagraph (A).

Example No. 5: If a competing provider of telephone exchange with exclusively or predominantly its own facilities, for example, cable operator, requests access and interconnection, but either has an implementation schedule that albeit reasonable is very long or does not offer the competing service either because of bad faith or a violation of the implementation schedule. Under the circumstances, the criteria 245(a)(2)(B) has been met because the interconnection and access described in subparagraph (B) must be similar to the contemporaneous access and interconnection described in subparagraph (A)—if it is not, (B) applies. If the competing provider has negotiated in bad faith or violated its implementation schedule, a State must certify that this bad faith or violation has occurred before 245(a)(2)(B) is available. The bill does not require the State to complete this certification within a specified period of time because this was believed to be unnecessary, because the agreement, about which the certification is required, has been negotiated under State supervision—the State commission will be totally familiar with all aspects of the agreement. Thus, the State will be able to provide the required certifications promptly.

Example No. 6: If a competing provider of telephone exchange service requests access to serve only business customers—the criteria in section 245(a)(2)(B) has been met because no request has come from a competing provider to both residences and businesses.

Example No. 7: If a competing provider has none of its own facilities and uses the facilities of a cable company exclusively—the criteria in section 245(a)(2)(B) has been met because there has been no request from a competing provider with its own facilities.

Mr. BUNNING. Mr. Chairman, I rise today in strong opposition to H.R. 1555, the Communications Act of 1995 and the manager's amendment.

My primary objection to this bill is process. We have waited 60 years to reform our communications laws. It needs to be done. We need deregulation.

But, I believe that if we waited 60 years to do it, we could wait another month, do it right, and work out some of the problems in this bill instead of ramming it through during the middle of the night.

If we would have gone a little more slowly, I believe that we could have come to an agreement that the regional Bells and the long distance companies could agree with. Instead we are passing a bill that I believe favors the regional Bells a little too much.

This bill makes it too easy for the regional Bells to get into long distance service and too difficult for cable and long distance companies to get into local service.

We should not allow the regional Bells into the long distance market until there is real competition in the local business and residential markets.

It is not AT&T, MCI, or Sprint that I am worried about. They are big enough to take care of themselves. I am concerned about the affect this bill will have on the small long distance companies who have carved themselves out a nice little niche in the long distance market.

This bill will put a lot of the over 400 small long distance companies out of business.

I agree that the bill that was originally reported out of committee probably did give an unfair edge to the long distance companies, but the pendulum has swung way too far in favor of the regional Bells. If we wait instead of passing this bill tonight we may be able to find a solution that is fair to everyone.

My second reason for opposing this bill is the fact that the little guys—many of the independent phone companies—got lost in the shuffle. This bill has been a battle of the titans. The baby Bells against AT&T and MCI.

But the big boys aren't the only players in telecommunications. There are plenty of smaller companies like Cincinnati Bell which services the center of my district in northern Kentucky.

This bill is not a deregulatory bill for Cincinnati Bell. It is a regulations bill. Although Cincinnati Bell has never been considered a major monopolistic threat to commerce, this bill throws it in with the big boys and requires them to live with the same regulations as the RBOC's—one size fits all.

For Cincinnati Bell and over 1,200 independent phone companies around the country this bill is a step in the wrong direction. It's more regulation rather than deregulation.

I also believe that this bill deregulates the cable industry much too quickly. We should not lift the regulations until there is a viable competitor to the cable companies.

The underlying principles in this bill are right on target. We need to deregulate telecommunications and increase competition. That will benefit everyone.

For that reason, I dislike having to vote against H.R. 1555.

But I firmly believe that even though this bill is on the right track, it is just running at the wrong speed. Let's slow down the train and do it right.

Mr. OXLEY. Mr. Chairman, I rise to express my firm support for the Communications Act of 1995 and the floor manager's amendment to it. The amendment improves the bill in a variety of areas, including some important refinements regarding foreign ownership.

The amendment clarifies section 303 of the bill giving the Federal Communications Commission authority to review licenses with 25 percent or greater foreign ownership, after the initial grant of a license, due to changed circumstances pertaining to national security or law enforcement. The Commission is to defer to the recommendations of the President in such instances.

In addition, I wish to clarify the committee report language on section 303 concerning how the Commission should determine the home market of an applicant. It is the committee's intention that in determining the home market of any applicant, the Commission should use the citizenship of the applicant—if the applicant is an individual or partnership—or the country under whose laws a corporate applicant is organized. Furthermore, it is our intent that in order to prevent abuse, if a corporation is controlled by entities—including individuals, other corporations or governments—in another country, the Commission may look beyond where it is organized to such other country.

These clarifications are intended to protect U.S. interests, enhance the global competitiveness of American telecommunications firms, promote free trade, and benefit consumer everywhere. They have the support of the administration and the ranking members of the Committee on Commerce, and I ask all members for their support.

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On separate matter, I am aware that some of my colleagues who are from rural area, as I am, have concerns regarding the universal service provisions of H.R. 1555. I want them to know that I will work with them in conference to assure that rural consumers continue to receive the telephone service there have traditionally known. I am interested in working with my colleagues on perfecting the universal service language.

Mr. BOUCHER. Mr. Chairman, I rise in support of the manger's amendment and passage of the bill.

The bill is important because it will promote competition in all telecommunications markets, with attendant benefits for consumers and for the Nation's economy. The cable television market will be made fully competitive as telephone companies are given the right to offer cable television services. The local telephone market will be made fully competitive as cable companies and others are given the right to offer local telephone service. The long distance and telecommunications equipment markets will be made more competitive as the seven Bell operating companies are free to enter these markets.

Increased competition in all telecommunications markets will provide long-term consumer benefits. Consumers will see many new services, lower prices, and greater choices.

The bill will also encourage new investments by telecommunications companies, building for our Nation the much heralded National Information Infrastructure. As telephone companies seek to offer cable television service, they will need to install broadband facilities—fiber optic or coaxial lines—between their central offices and the premises of their users. Likewise, if cable companies desire to offer local telephone and data services, they will need to install switches to make their current broadband architecture interactive and two-way in nature. Both industries would then have the capabilities to deliver simultaneously telephone service, cable TV service, data services, and many other telecommunications services across their networks. The bill, therefore, will provide the business reasons for the major investments which are necessary to complete the National Information Infrastructure.

The manager's amendment is equally important for promoting competition in telecommunications markets. It establishes fair terms and conditions that will assure that the Bell companies open their local telephone networks before they are permitted to enter into the long distance and equipment markets. The manger's amendment creates a careful balance between the competing interests of the local telephone companies and long distance companies that was lacking in the bill reported from the Commerce Committee.

I strongly urge adoption of the manager's amendment and passage of the bill, and I yield to the gentleman from Illinois, Mr. HASTERT, for a colloquy regarding the language he and I have crafted which is contained in the manager's amendment and which governs the application of H.R. 1555's interconnection requirements to rural telephone companies.

Mr. HALL of Texas. Mr. Chairman, I am pleased to join my colleagues today in debating this important piece of legislation. The Communications Act of 1995 could easily be the most important legislation considered in this Congress. A lot of hard work and many long hours have been spent providing a delicate balance to all the competing interest in the communication's field. With this legislation, we need to be certain that we create true competition, without which the results could be disastrous not only for new market entrants, but for consumers as well.

There are many fine, small long-distance companies in my district. These good people are true entrepreneurs and hard workers. As the manager's amendment stands, I feel that these small businessmen will be threatened, all they want to do is compete. How are they to compete against a company that has the advantage of massive resources and a historical hold on the local market? After much discussion and compromise, not all sides had everything they wanted, but each side seemed pleased with what they had.

This is an important step in the modernization of a 60 year old Communications Act. The time is now, but it must be done in a carefully balanced approach. I feel the manager's amendment threatens the balance that was achieved in the bill that was overwhelmingly supported by the Commerce Committee and that is why I rise in opposition to this amendment.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on amendment 1–1 offered by the gentleman from Virginia [Mr. BLILEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 256, noes 149, not voting 29, as follows:

[Roll No. 627]

AYES—256

Ackerman	Chenoweth	Foley
Archer	Christensen	Ford
Armey	Chrysler	Fox
Bachus	Clay	Frank (MA)
Baker (LA)	Clayton	Franks (CT)
Ballenger	Clinger	Frisa
Barcia	Clyburn	Frost
Barr	Coburn	Funderburk
Barrett (NE)	Coleman	Gallegly
Barrett (WI)	Combest	Ganske
Bartlett	Cox	Gekas
Barton	Cramer	Gephardt
Bentsen	Crane	Geren
Berman	Crapo	Gilchrest
Bevill	Cubin	Gillmor
Bilbray	Deal	Goodlatte
Bilirakis	DeLay	Goodling
Bishop	Deutsch	Goss
Bliley	Diaz-Balart	Graham
Blute	Dickey	Greenwood
Boehner	Dicks	Gunderson
Bonilla	Dingell	Gutierrez
Bonior	Dixon	Gutknecht
Bono	Dooley	Hall (OH)
Boucher	Doolittle	Hamilton
Brewster	Dornan	Hansen
Browder	Dreier	Hastert
Brown (CA)	Dunn	Hastings (FL)
Brown (FL)	Durbin	Hastings (WA)
Burr	Ehlers	Hayworth
Burton	Ehrlich	Hefner
Buyer	Emerson	Hilliard
Callahan	Eshoo	Hobson
Camp	Farr	Hoekstra
Cardin	Fazio	Hoke
Castle	Fields (TX)	Hostettler
Chabot	Flake	Hoyer
Chambliss	Flanagan	Hunter
Hutchinson	Moorhead	Scott
Hyde	Myers	Serrano
Jackson-Lee	Myrick	Shadegg
Jacobs	Nadler	Shaw
Johnson (CT)	Neal	Shays
Johnson, E.B.	Nethercutt	Shuster
Jones	Ney	Sisisky
Kelly	Norwood	Skeen
Kennedy (MA)	Nusale	Smith (MI)
Kennedy (RI)	Olver	Smith (NJ)
Kennelly	Orton	Smith (WA)
Kildee	Oxley	Solomon
Kim	Packard	Souder
King	Parker	Stearns
Kleczka	Pastor	Stockman
Klug	Paxon	Studds
Knollenberg	Payne (NJ)	Stump
LaHood	Payne (VA)	Talent
LaTourette	Pelosi	Tate
Laughlin	Peterson (FL)	Tauzin
Levin	Peterson (MN)	Taylor (MS)
Lewis (CA)	Pickett	Taylor (NC)
Lewis (GA)	Pombo	Tejeda
Lewis (KY)	Pomeroy	Thompson
Lightfoot	Porter	Thornberry
Lincoln	Portman	Thornton
Linder	Quinn	Tiahrt
Livingston	Radanovich	Torres
LoBiondo	Rahall	Torricelli
Longley	Ramstad	Traficant
Lowey	Richardson	Upton
Manzullo	Riggs	Vucanovich
Martini	Roberts	Waldholtz
McCrery	Roemer	Walker
McHugh	Rogers	Walsh
McInnis	Rohrabacher	Ros-Lehtinen
McKeon	Ros-Lehtinen	Ward
McKinney	Roukema	Watt (NC)
Meek	Roybal-Allard	Weldon (FL)
Menendez	Royce	Weldon (PA)
Metcalf	Rush	Weller
Mfume	Salmon	White
Mica	Sawyer	Whitfield
Miller (CA)	Saxton	Wicker
Miller (FL)	Schaefer	Wise
Mollinari	Schiff	Woolsey
Mollohan	Schroeder	Wynn
Montgomery	Schumer	

NOES—149

Abercrombie	Forbes	McCollum
Allard	Fowler	McDermott
Bassler	Franks (NJ)	McHale
Baker (CA)	Frelinghuysen	McNulty
Baldacci	Furse	Meehan
Bass	Gejdenson	Meyers
Becerra	Gibbons	Mineta
Beilenson	Gilman	Minge
Bereuter	Gonzalez	Mink
Boehlert	Gordon	Moran
Borski	Green	Morella
Brown (OH)	Hall (TX)	Murtha
Brownback	Hancock	Neumann
Bryant (TN)	Harman	Oberstar
Bryant (TX)	Hefley	Obey
Bunn	Heineman	Pallone
Bunning	Hilleary	Petri
Calvert	Hinchey	Poshard
Canady	Holden	Pryce
Chapman	Horn	Quillen
Clement	Houghton	Reed
Coble	Inglis	Regula
Collins (GA)	Istook	Rivers
Collins (IL)	Jefferson	Roth
Conyers	Johnson (SD)	Sabo
Costello	Johnson, Sam	Sanders
Coyne	Johnston	Sanford
Cremeans	Kanjorski	Seastrand
Cunningham	Kasich	Sensenbrenner
Danner	Kingston	Skaggs
Davis	Klink	Skelton
DeFazio	Kolbe	Slaughter
DeLauro	LaFalce	Smith (TX)
Dellums	Lantos	Spence
Doggett	Largent	Stark
Doyle	Latham	Stenholm
Duncan	Lazio	Stokes
Edwards	Leach	Stupak
Engel	Lipinski	Tanner
English	Lofgren	Thomas
Ensign	Lucas	Torkildsen
Evans	Luther	Velazquez
Everett	Manton	Vento
Ewing	Markey	Visclosky
Fattah	Martinez	Volkmer
Fawell	Mascara	Wamp
Fields (LA)	Matsui	Waters
Foglietta	McCarthy	

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Watts (OK)	Wyden	Zeliff
Wolf	Yates	Zimmer

NOT VOTING—29

Andrews	Maloney	Spratt
Bateman	McDade	Thurman
Collins (MI)	McIntosh	Towns
Condit	Moakley	Tucker
Cooley	Ortiz	Waxman
de la Garza	Owens	Williams
Filner	Rangel	Wilson
Hayes	Reynolds	Young (AK)
Herger	Rose	Young (FL)
Kaptur	Scarborough	

□ 0910

The Clerk announced the following pair:

On this vote:

Mr. Scarborough for, with Mr. Filner against.

Mr. GILMAN, Mr. STOKES, and Ms. FURSE changed their vote from "aye" to "no."

Messrs. JONES, KIM, MFUME, BARCIA, HEFNER, and JEFFERSON, Ms. WOOLSEY, Mrs. KELLY, and Ms. McKINNEY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. MALONEY. Mr. Speaker, I inadvertently missed rollcall vote 627. Had I been present, I would have voted "yes."

The CHAIRMAN. It is now in order to consider amendment No. 2–1 printed in part 2 of House Report 104–223.

AMENDMENT NO. 2–1 OFFERED BY MR. STUPAK

Mr. STUPAK. Mr. Chairman, I offer an amendment, numbered 2–1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2–1 offered by Mr. STUPAK: Page 14, beginning on line 8, strike section 243 through page 16, line 9, and insert the following (and conform the table of contents accordingly):

SEC. 243. REMOVAL OF BARRIERS TO ENTRY.

(a) IN GENERAL.—No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide interstate or intrastate telecommunications services.

(b) STATE AND LOCAL AUTHORITY.—Nothing in this section shall affect the ability of a State or local government to impose, on a competitively neutral basis and consistent with section 247 (relating to universal service), requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

(c) LOCAL GOVERNMENT AUTHORITY.—Nothing in this Act affects the authority of a local government to manage the public rights-of-way or to require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for use of the rights-of-way on a nondiscriminatory basis, if the compensation required is publicly disclosed by such government.

(d) EXCEPTION.—In the case of commercial mobile services, the provisions of section 332(c)(3) shall apply in lieu of the provisions of this section.

The CHAIRMAN. Pursuant to the rule, the gentleman from Michigan [Mr. STUPAK] will be recognized for 5 minutes, and a Member opposed will be recognized for 5 minutes.

Does the gentleman from Virginia rise to claim the time?

Mr. BLILEY. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I am offering this amendment with the gentleman from Texas [Mr. BARTON] to protect the authority of local governments to control public rights-of-way and to be fairly compensated for the use of public property. I have a chart here which shows the investment that our cities have made in our rights-of-way.

□ 0915

Mr. Chairman, as this chart shows, the city spent about $100 billion a year on rights-of-way, and get back only about 3 percent, or $3 billion, from the users of the right-of-way, the gas companies, the electric company, the private water companies, the telephone companies, and the cable companies.

You heard that the manage's amendment takes care of local government and local control. Well, it does not. Local governments must be able to distinguish between different telecommunication providers. The way the manager's amendment is right now, they cannot make that distinction.

For example, if a company plans to run 100 miles of trenching in our streets and wires to all parts of the cities, it imposes a different burden on the right-of-way than a company that just wants to string a wire across two streets to a couple of buildings.

The manager's amendment states that local governments would have to charge the same fee to every company, regardless of how much or how little they use the right-of-way or rip up our streets. Because the contracts have been in place for many years, some as long as 100 years, if our amendment is not adopted, if the Stupak-Barton amendment is not adopted, you will have companies in many areas securing free access to public property. Taxpayers paid for this property, taxpayers paid to maintain this property, and it simply is not fair to ask the taxpayers to continue to subsidize telecommunication companies.

In our free market society, the companies should have to pay a fair and reasonable rate to use public property. It is ironic that one of the first bills we passed in this House was to end unfunded Federal mandates. But this bill, with the management's amendment, mandates that local units of government make public property available to whoever wants it without a fair and reasonable compensation.

The manager's amendment is a $100 billion mandate, an unfunded Federal mandate. Our amendment is supported by the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the National Conference of State Legislatures and the National Governors Association. The Senator from Texas on the Senate side has placed our language exactly as written in the Senate bill.

Say no to unfunded mandates, say no to the idea that Washington knows best. Support the Stupak-Barton amendment.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. BARTON], the coauthor of this amendment.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, first I want to thank the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], and the gentleman from Colorado [Mr. SCHAEFER], for trying to work out an agreement on this amendment. We have been in negotiations right up until this morning, and were very close to an agreement, but we have not quite been able to get there.

I thank the gentleman from Michigan [Mr. STUPAK] for his leadership on this. This is something that the cities want desperately. As Republicans, we should be with our local city mayors, our local city councils, because we are for decentralizing, we are for true Federalism, we are for returning power as close to the people as possible, and that is what the Stupak-Barton amendment does.

It explicitly guarantees that cities and local governments have the right to not only control access within their city limits, but also to set the compensation level for the use of that right-of-way.

It does not let the city governments prohibit entry of telecommunications service providers for pass through or for providing service to their community. This has been strongly endorsed by the League of Cities, the Council of Mayors, the National Association of Counties. In the Senate it has been put into the bill by the junior Republican Senator from Texas [KAY BAILEY HUTCHISON].

The Chairman's amendment has tried to address this problem. It goes part of the way, but not the entire way. The Federal Government has absolutely no business telling State and local government how to price access to their local right-of-way. We should vote for localism and vote against any kind of Federal price controls. We should vote for the Stupak-Barton amendment.

Mr. BLILEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I rise in strong opposition to this Stupak amendment because it is going to allow the local governments to slow down and even derail the movement to real competition in the local telephone

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market. The Stupak amendment strikes a critical section of the legislation that was offered to prevent local governments from continuing their longstanding practice of discriminating against new competitors in favor of telephone monopolies.

The bill philosophy on this issue is simple: Cities may charge as much or as little as they wanted in franchise fees. As long as they charge all competitors equal, the amendment eliminates that yet critical requirement.

If the consumers are going to certainly be looked at under this, they are going to suffer, because the cities are going to say to the competitors that come in, we will charge you anything that we wish to.

The manager's amendment already takes care of the legitimate needs of the cities and manages the rights-of-way and the control of these. Therefore, the Stupak amendment is at best redundant. In fact, however, it goes far beyond the legitimate needs of the cities.

Last night, just last night, we had talked about this in the author's amendment and we thought we worked out a deal, and we tried to work out a deal. All of a sudden I find that the gentleman, the author of the amendment, reneged on that particular deal, and now all of a sudden is saying well, we want 8 percent of the gross, the gross, of the people who are coming in. This is a ridiculous amendment. It should not be allowed, and we should vote against it.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, thanks to an amendment offered last year by the gentleman from Colorado [Mr. SCHAEFER], and adopted by the committee, the bill today requires local governments that choose to impose franchise fees to do so in a fair and equal way to tell all communication providers. We did this in response to mayors and other local officials.

The so-called Schaefer amendment, which the Stupak amendment seeks to change, does not affect the authority of local governments to manage public rights-of-way or collect fees for such usage. The Schaefer amendment is necessary to overcome historically based discrimination against new providers.

In many cities, the incumbent telephone company pays nothing, only because they hold a century-old charter, one which may even predate the incorporation of the city itself. In many cases, cities have made no effort to correct this unfairness.

If local governments continue to discriminate in the imposition of franchise fees, they threaten to Balkanize the development of our national telecommunication infrastructure.

For example, in one city, new competitors are assessed up to 11 percent of gross revenues as a condition for doing business there. When a percentage of revenue fee is imposed by a city on a telecommunication provider for use of rights-of-way, that fee becomes a cost of doing business for that provider, and, if you will, the cost of a ticket to enter the market. That is anticompetitive.

The cities argue that control of their rights-of-way are at stake, but what does control of right-of-way have to do with assessing a fee of 11 percent of gross revenue? Absolutely nothing.

Such large gross revenue assessments bear no relation to the cost of using a right-of-way and clearly are arbitrary. It seems clear that the cities are really looking for new sources of revenue, and not merely compensation for right-of-way.

We should follow the example of States like Texas that have already moved ahead and now require cities like Dallas to treat all local telecommunications equally. We must defeat the Barton-Stupak amendment.

Mr. STUPAK. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

(Ms. PELOSI asked and was given permission to revise and extend her remarks.)

Ms. PELOSI. Mr. Chairman, I rise in strong support of the Stupak-Barton amendment, which is a vote for local control over zoning in our communities.

Mr. STUPAK. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I rise in support of Stupak-Barton, that would ensure cities and counties obtain appropriate authority to manage local right-of-way.

Mr. STUPAK. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS].

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Chairman, I congratulate my colleague from Michigan [Mr. STUPAK] on this very important amendment.

Mr. STUPAK. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have heard a lot from the other side about gross revenues. You are right. The other side is trying to tell us what is best for our local units of government. Let local units of government decide this issue. Washington does not know everything. You have always said Washington should keep their nose out of it. You have been for control. This is a local control amendment, supported by mayors, State legislatures, counties, Governors. Vote yes on the Stupak-Barton amendment.

Mr. BLILEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first of all, let me say that I was a former mayor and a city councilman. I served as president of the Virginia Municipal League, and I served on the board of directors of the National League of Cities. I know you have all heard from your mayors, you have heard from your councils, and they want this. But I want you to know what you are doing.

If you vote for this, you are voting for a tax increase on your cable users, because that is exactly what it is. I commend the gentleman from Texas [Mr. BARTON]. I commend the gentleman from Michigan [Mr. STUPAK] who worked tirelessly to try to negotiate an agreement.

The cities came back and said 10 percent gross receipts tax. Finally they made a big concession, 8 percent gross receipts tax. What we say is charge what you will, but do not discriminate. If you charge the cable company 8 percent, charge the phone company 8 percent, but do not discriminate. That is what they do here, and that is wrong.

I would hope that Members would defeat the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. STUPAK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Michigan [Mr. STUPAK] will be postponed until after the vote on amendment 2-4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider amendment No. 2-2 offered by the gentleman from Michigan [Mr. CONYERS].

PARLIAMENTARY INQUIRY

Mr. NADLER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NADLER. Mr. Chairman, can the Chair simply state if it plans to roll other votes? Some of us were waiting around for this vote.

The CHAIRMAN. It is the intention of the Chair to roll the next two votes on the next two amendments, 2-2 and 2-3, until after a vote on 2-4. We will debate the first Markey amendment.

Mr. NADLER. Could the Chair use names, please?

The CHAIRMAN. We will roll the next two amendments, the Conyers and Cox-Wyden amendments, until after the vote on the first Markey amendment

AMENDMENT 2-2 AS MODIFIED OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer a modified amendment.

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The Clerk read as follows:

Amendment as modified offered by Mr. CONYERS: Page 26, strike line 6 and insert the following:

"(c) COMMISSION AND ATTORNEY GENERAL REVIEW.—

Page 26, lines 8 and 10, page 27, lines 6 and 9, strike "Commission" and insert "Commission and Attorney General".

Page 27, lines 4 and 12, insert "COMMISSION" before "DECISION".

Page 27, after line 21, insert the following new paragraph:

"(5) ATTORNEY GENERAL DECISION.—

"(A) PUBLICATION.—Not later than 10 days after receiving a verification under this section, the Attorney General shall publish the verification in the Federal Register.

"(B) AVAILABILITY OF INFORMATION.—The Attorney General shall make available to the public all information (excluding trade secrets and privileged or confidential commercial or financial information) submitted by the Bell operating company in connection with the verification.

"(C) COMMENT PERIOD.—Not later than 45 days after a verification is published under subparagraph (A), interested persons may submit written comments to the Attorney General, regarding the verification. Submitted comments shall be available to the public.

"(D) DETERMINATION.—After the time for comment under subparagraph (C) has expired, but not later than 90 days after receiving a verification under this subsection, the Attorney General shall issue a written determination, with respect to approving the verification with respect to the authorization for which the Bell operating company has applied. If the Attorney General fails to issue such determination in the 90-day period beginning on the date the Attorney General receives such verification, the Attorney General shall be deemed to have issued a determination approving such verification on the last day of such period.

"(E) STANDARD FOR DECISION.—The Attorney General shall approve such verification unless the Attorney General finds there is a dangerous probability that such company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter.

"(F) PUBLICATION.—Not later than 10 days after issuing a determination under subparagraph (E), the Attorney General shall publish a brief description of the determination in the Federal Register.

"(G) FINALITY.—A determination made under subparagraph (E) shall be final unless a petition with respect to such determination is timely filed under subparagraph (H).

"(H) JUDICIAL REVIEW.—

"(i) FILING OF PETITION.—Not later than 30 days after a determination by the Attorney General is published under subparagraph (F), the Bell operating company that submitted the verification, or any person who would be injured in its business or property as a result of the determination regarding such company's engaging in provision of interLATA services, may file a petition for judicial review of the determination in the United States Court of Appeals for the District of Columbia Circuit. The United States Court of Appeals for the District of Columbia shall have exclusive jurisdiction to review determinations made under this paragraph.

"(ii) CERTIFICATION OF RECORD.—As part of the answer to the petition, the Attorney General shall file in such court a certified copy of the record upon which the determination is based.

"(iii) CONSOLIDATION OF PETITIONS.—The court shall consolidate for judicial review all petitions filed under this subparagraph with respect to the verification.

"(iv) JUDGMENT.—The court shall enter a judgment after reviewing the determination in accordance with section 706 of title 5 of the United States Code. The determination required by subparagraph (E) shall be affirmed by the court only if the court finds that the record certified pursuant to clause (ii) provides substantial evidence for that determination."

Page 29, line 8, insert "and the Attorney General's" after "the Commission's".

Mr. CONYERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

□ 0930

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. CONYERS] will be recognized for 15 minutes, and a Member in opposition to the amendment is recognized for 15 minutes.

Mr. BLILEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I yield myself 3 minutes.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Chairman, I began this discussion on an amendment to reinstate the Department of Justice's traditional review role when considering Bell entry into new lines of business by congratulating the chairman of the full committee, the gentleman from Illinois [Mr. HYDE]. In the committee bill that the Committee on the Judiciary reported, we were able to come together and bring forward an amendment exactly like the one that is now being brought forward.

I appreciate the chairman's role in this matter.

The amendment is identical to the test approved by the Committee on the Judiciary, as I have said earlier this year, on a bipartisan basis. Everyone on the committee, with the exception of one vote, supported our amendment. It was named the Hyde-Conyers amendment. It received wide support, and I hope we continue to do that.

It provides simply that the Justice Department disapprove any Bell request to enter long-distance business as long as there is a dangerous probability that such entry will substantially impede competition.

Point No. 1: This amendment on the Department of Justice role is more modest than the same provision for a Department of Justice role in the Brooks-Dingell bill that passed the House on suspension by 430 to 5 last year. So, my colleagues, we are not starting new ground. This is not anything different. It has received wide scrutiny and wide support. It is a matter that should not be in contention and should never have been omitted from either bill and certainly not the manager's amendment.

The Justice Department is the principal Government agency responsible for antitrust enforcement. Please understand that the 1984 consent decree has given the Department of Justice decades of expertise in telecommunications issues. By contrast, the FCC has no antitrust background whatsoever.

Remember, we are taking the court completely out of the picture. So what we have is no more court reviews or waivers. We have a total deregulation of the business. Unless we put this amendment in, we will not have a modest antitrust responsibility in this huge, complex circumstance.

Given this state of facts, it makes unquestionable sense to allow the antitrust division to continue to safeguard competition and preserve jobs. For the last 10 years the Justice Department has done an excellent job in keeping local prices, which have gone up, and long-distance rates, which have gone down.

The amendment I'm offering will reinstate the Department of Justice's traditional review role when considering Bell entry into new lines of business. The amendment is identical to the test approved by the Judiciary Committee earlier this year on a bipartisan 29 to 1 basis. It provides that the Justice Department must disapprove a Bell request to enter the long-distance business so long as there is a dangerous probability that such entry will substantially impede competition.

This should not even be a point of contention. The Justice Department is the principal Government agency responsible for antitrust enforcement. Its role in the 1984 AT&T consent decree has given it decades of expertise in telecommunications issues. The FCC by contrast has no antitrust background whatsoever. Many in this body have slated the FCC for extinction or significant downsizing.

Given this state of facts it makes unquestionable sense to allow the Antitrust Division to continue to safeguard competition and preserve jobs. For the last 10 years the Justice Department has been given an independent role in reviewing Bell entry into new lines of business, and the result has been a 70-percent reduction in long-distance prices and an explosion in innovation.

At a time when the Bells continue to control 99 percent of the local exchange market, I, for one, think we should have the Antitrust Division continue in this role. Don't be fooled by the FCC checklist—the Bells could meet every single item on that list and still maintain monopoly control of the local exchange market.

Last Congress this body approved—by an overwhelming 430 to 5 vote—a bill which provided the Justice Department with a far stronger review than my amendment does. It's no secret that I would have preferred to see this same review role given to the Justice Department this Congress. However, in the spirit of bipartisan compromise I agreed to a more lenient review role with Chairman HYDE when the Judiciary Committee considered telecommunications legislation. I was shocked when this very reasonable compromise test

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was completely ignored when the two committees sought to reconcile their legislation.

Finally, I would note that the amendment has been revised to clarify that any determinations made by the Attorney General are fully subject to judicial review. It was never my intent to deny the Bells or any other party the right to appeal any adverse determination, so to accomplish this purpose I have borrowed the precise language from the Judiciary bill.

I urge the Members to vote for this amendment which gives a real role to the Justice Department and goes a long way toward safeguarding a truly competitive telecommunications marketplace. In an industry that represents 15 percent of our economy, we owe it to our constituents to do everything possible to make sure we do not return to the days of monopoly abuses.

Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield myself 1 minute.

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Michigan [Mr. CONYERS].

The core principle behind H.R. 1555 is that Congress and not the Federal court judge should set telecommunications policy. This is one of the few issues that seems to have universal agreement, that Congress should reassert its proper role in setting national communications policy.

My colleagues, last November the citizens of this country said, loud and clear, we want less Government, less regulation. Getting a decision out of two Federal agencies is certainly a lot harder than getting it out of one. For that reason alone, this amendment ought to be defeated.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT], a member of the committee.

(Mr. BRYANT of Texas asked and was given permission to revise and extend his remarks.)

Mr. BRYANT of Texas. Mr. Chairman, the gentleman from Michigan [Mr. CONYERS] made a very important point a moment ago when he pointed out that last year when we passed the bill by an enormous margin, we had a stronger Justice Department provision in the bill than we do, than even the Conyers amendment today would be.

The House has adopted the manager's amendment over our strong objections, but for goodness sakes consider the fact that, while the gentleman from Virginia [Mr. BLILEY] makes the point that we have decided that Congress shall make the decision with regard to communications law rather than the courts, Congress cannot make the decisions with regard to every single case out there.

As is the case throughout antitrust law, all we are saying with the Conyers amendment is that the Justice Department ought to be able to render a judgment on whether or not entry into this line of business by one of the Bell companies is going to impede competition rather than advance it.

Now, what motive would the Justice Department have to do anything other than their best in this matter? They have done a fine job in this area now for many, many years. The Conyers amendment would just come along and say, we are going to continue to have them exercise some judgment.

What we had in the bill before was that when there is no dangerous probability that a company who is trying to enter one of these lines of business or its affiliates would successfully use its market power and the Bell companies have enormous market power, to substantially impede competition, and the Attorney General finds that to be the case, there will be no problem with going forward.

When they find otherwise, there will be a problem with going forward, and we want there to be a problem with going forward. For goodness sakes, we know that the developments with regard to competition in the last 12 years are a result of a court, a sanction agreement, supervised by a judge. I do not know that that is the best process, but the fact of the matter is we allowed competition where it did not exist before.

Why would we now come along and take steps that would move us in the direction of impeding competition or essentially impeding competition? Give the Justice Department the right to look at it as they look at so many other antitrust matters. The President has asked for it. I think clearly we asked for it a year ago.

Let us keep with that principle.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, there are three things wrong with this amendment. The first is the agency which will be administering it, the Justice Department. The Justice Department is in good part responsible for the unfair situation which this country confronts in telecommunications. The Justice Department and a gaggle of AT&T lawyers have been administering pricing and all other matters relative to telecommunications by both the Baby Bells and by AT&T. So if there are things that are wrong now, it is Justice which has presided.

The second reason is that if we add the Justice Department to a sound and sensible regulatory system, it will create a set of circumstances under which it will become totally impossible to have expeditious and speedy decisions of matters of importance and concern to the American people.

The decisions that need to be made to move our telecommunications policy forward can simply not be made where you have a two-headed hydra trying to address the telecommunications problems of this country.

Now, the third reason: I want Members to take a careful look at the graph I have before me. It has been said that a B–52 is a group of airplane parts flying in very close formation. The amendment now before us would set up a B–52 of regulation. If Members look, they will find that those in the most limited income bracket will face a rate structure which is accurately represented here. It shows how long-distance prices have moved for people who are not able to qualify for some of the special goody-goody plans, not the people in the more upper income brackets who qualify for receiving special treatment.

This shows how AT&T, Sprint and MCI rates have flown together. They have flown as closely together as do the parts of a B–52. Note when AT&T goes down, Sprint and MCI go down. When MCI or AT&T go up, the other companies all go up. They fly so closely together that you cannot discern any difference.

This will tell anyone who studies rates and competition that there is no competition in the long distance market. What is causing the vast objection from AT&T, MCI and Sprint is the fact that they want to continue this cozy undertaking without any competition from the Baby Bells or from anybody else.

If Members want competition, the way to get it is to vote against the Conyers amendment. If you do not want it and you want this kind of outrage continuing, then I urge you to vote for the amendment offered by the gentleman from Michigan [Mr. CONYERS] who is my good friend.

Mr. CONYERS. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I say to my very dear colleague and the dean of the Michigan delegation, that ain't what he said when the Brooks-Dingell bill came up only last year, and he had a tougher provision with the Department of Justice handling this important matter.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BERMAN], a very able member of the Committee on the Judiciary.

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Everything that my friend from Michigan [Mr. DINGELL] said about the question of competition can be assumed to be true, and none of it would cause Members to vote against the Conyers amendment. Because I do not think we should put artificial restrictions on the ability of the Bell companies to go into long distance, I supported the manager's amendment because it got rid of a test that made it virtually impossible for them to ever enter that competition.

Now the only question is whether the Justice Department, that had the foresight starting under Gerald Ford, finishing under Ronald Reagan, to break

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up the Bell monopolies, should be allowed to have a meaningful role, a role defined by a test which is so restrictive that it says, unless, unless the burden supports, the assumption is with the Bell companies. It says unless the Attorney General finds that there is a dangerous probability that such company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter, it is an extremely rigorous test that must be met to stop them from entering the market. But it gives the division that has been historically empowered to decide whether there is anticompetitive practices a role in deciding whether or not that entry will impede competition.

This place voted last year by an overwhelming vote for a test that was far more rigorous, a test that said that they could not enter unless we found there was no substantial possibility that they could use monopoly power to impede competition. Do not overreach, the proponents of Bell entry into long distance, do not over reach. Do not shut the Justice Department out from an historic role that they have had, that they should have, to look at whether or not there is a high probability that they will cause, they will exercise monopoly power.

Support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. HYDE], the chairman of the Committee on the Judiciary.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I want to congratulate the gentleman from Michigan for reviving the judiciary bill which did pass our committee 29 to 1, because it does go a long way toward establishing or reestablishing a principle that I believe in; namely, that antitrust laws should be reviewed and administered by that department of government specifically designed to do that, and that is the Department of Justice.

□ 0945

When a Baby Bell enters into manufacturing or into long distance, antitrust questions are brought into play. The Department of Justice, it seems to me, is the appropriate agency to oversee that transition and analyze the competitive implications.

Once the bills are in these new lines of business and operating, it becomes a regulatory proposition and then oversight by the Federal Communications Commission is appropriate.

Mr. Chairman, what the gentleman from Michigan [Mr. CONYERS] has done is to propose a more meaningful role for the Department of Justice, which is what the Judiciary Committee wanted to do. But the problem is, that DOJ comes in at the tail end of the regulatory process. It becomes a double hurdle for a Baby Bell trying to get into manufacturing or long distance. It is not the same quick, clean expedited process that we had in our legislation (H.R. 1528).

So, it adds additional hurdles for a company, a Bell company seeking to get into manufacturing or long distance. It will add considerably to the amount of time that is consumed. A Bell company can make all of the right moves and do everything it wants, and then at the end of the process be shot down by the Department of Justice.

Mr. Chairman, I had proposed and preferred a dual-track, dual-agency situation where options could be chosen by the Bells to get into these new businesses, but that is not to be.

Having said what I have just said, I do approve and appreciate the fact that a more expansive role is proposed to the Department of Justice in dealing with these important antitrust issues. After all, it is an antitrust decree that we are modifying, the modified final judgment.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER], ranking minority member of the Committee on the Judiciary.

Mrs. SCHROEDER. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Michigan [Mr. CONYERS]. What we are doing here is we are getting ready to unleash these huge, huge economic forces. They are huge.

The Justice Department, I wish it were much stronger, to be perfectly honest. Last year, the bill that people voted for had this type of language in it. It is an independent agency. It is not the FCC.

Mr. Chairman, it seems to me that if we are getting ready to unleash these huge forces on the American consumer, we ought to want some watchdog, some watchdog out there someplace.

Granted, we want competition, but what we may end up with is one guy owning everything. If my colleagues want the Justice Department for heaven's sakes, vote "yes."

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, the most difficult issue in this bill has been how the local loop is opened to competition. No question, that is where the focus of the controversy has been. It is a delicate question.

Mr. Chairman, what we have attempted to do is to open this in a sensible and fair way to all competitors. Consequently, we created a checklist on how that loop is opened. We have the involvement of the State public utility commissions in every State in that particular question. We have reviews by the Federal Communications Commission that the loop is open. Consequently, there is no need to give the Department of Justice a role in the opening of that loop.

We have worked with our good friends on the Committee on the Judiciary coming up with a consultative role for the Justice Department. It was never envisioned by Judge Greene in the modified final judgment that Justice would have a permanent role and this is the time we made the break. This is the time we move this telecommunications industry into the 21st century.

Mr. Chairman, a sixth of our economy is involved in this particular industry. Central to opening up telecommunications to competition is to open the loop correctly and as quickly as possible, because in opening the loop and creating competition, we have more services, we have newer technologies, and we have these at lower costs to the consumer. That is a desired result and that is something that we have worked for this particular bill.

Mr. Chairman, that is why we have spent so much time on how this loop is opened and there is no need for Justice to have an expanded role.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. SCHIFF], a member of the Committee on the Judiciary from the other side of the aisle.

Mr. SCHIFF. Mr. Chairman, I want to make it clear, first, that I agree completely with the direction of the bill. I voted in favor of the manager's amendment of the gentleman from Virginia [Mr. BLILEY], because I think we want to go from the courts, the Congress, and ultimately get Congress out of this and let companies compete.

Mr. Chairman, I think the future is one of companies that compete in different areas simultaneously. Each company will offer telephone services, entertainment services, and so forth. But we must remember that this whole matter has arised from an antitrust situation. Even though we want all companies, including the regional Bells, to participate in all aspects of business enterprise, the fact of the matter is that there is still basically a control of the local telephone market.

For that reason, Mr. Chairman, for a period of time, the Department of Justice should have a specific identifiable role in this bill. That is why I urge my fellow Members of the House to support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. HASTINGS].

Mr. HASTINGS of Florida. Mr. Chairman, I am not a member of the Committee on the Judiciary, but I am interested in its findings.

Mr. Chairman, H.R. 1555 assigns to the FCC the regulatory functions to ensure that the Bell companies have complied with all of the conditions that we have imposed on their entry into long distance. This bill requires the Bell companies to interconnect with their competitors and to provide them the features, functions and capabilities of the Bell companies' networks that the new entrants need to compete.

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The bill also contains other checks and balances to ensure that competition occurs in local and long distance growth. The Justice Department still has the role that was granted to it under the Sherman and Clayton Acts, and other antitrust laws. Their role is to enforce the antitrust laws and ensure that all companies comply with the requirements of the bill.

The Department of Justice enforces the antitrust laws of this country. It is a role that they have performed well. The Department of Justice is not, and should not be, a regulating agency. It is an enforcement agency.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BECERRA], a very able member of the Committee on the Judiciary.

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Mr. Chairman, let us not forget that the Ma Bell operating company, AT&T was broken up because the company used its control of local telephone companies to frustrate long-distance competition. It was the Justice Department that pursued the case against AT&T, through Republican and Democratic administrations, to stop those abuses.

Mr. Chairman, the standard that is in the Conyers amendment, which is the standard adopted and passed by the Committee on the Judiciary, Republican and Democrats, except for 1 member voting for it, is the standard that we are trying to get included now. It is a standard that is softer than the standard that was passed by 430 to 5 last year by this same House.

It is a standard that is softened for the regional operating companies to be able to pursue and it is a very rigorous standard that the Justice Department must meet in order to be able to stop a local company from coming in.

Mr. Chairman, let us not forget that the Republican Congress is trying to eliminate the FCC, and now they are asking the FCC to be the watchdog for consumers in this area. We should have a safety net for consumers and ratepayers.

Vote for the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Roanoke, VA [Mr. GOODLATTE], a member of the Committee on the Judiciary.

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Chairman, I rise in strong opposition to the Conyers amendment.

Mr. Chairman, when Congress acts to end the current judicial consent decree management of the telecommunications industry, the Department of Justice should not simply take over. H.R. 1555 preserves all of the Department of Justice's antitrust powers. I agree with the chairman of my committee that when there are antitrust violations, the Department of Justice should step in.

Mr. Chairman, the Conyers amendment would dramatically increase the Department's statutory authority to regulate the telecommunications industry, a role for which the Department of Justice was never intended.

Currently, the Federal Communications Commission and the public service commissions in all 50 States and the District of Columbia regulate the telecommunications industry to protect consumers.

This combination of Federal and State regulatory oversight is effective and will continue unabated under both the House and the Senate legislation. There is no reason why two Federal entities, the Federal Communications Commission and the Department of Justice, should have independent authority in this area once Congress has set a clear policy.

The Department of Justice seeks to assume for itself the role currently performed by Judge Greene. The Department, in effect, wants to keep on doing things the way they are, but they are going to replace Judge Greene with themselves.

Mr. Chairman, I voted for the separate standard for the Department of Justice in the Committee on the Judiciary, but that was presuming, as the chairman of the committee informed us, it would be the sole separate standard. Now, they are seeking to impose that standard on top of the authority provided to the Federal Communications Commission in the bill.

All of the tests, one after the other, that the FCC will require, will have to be met and then a dual review will be imposed where the Department of Justice will step in at the end.

Mr. Chairman, I urge opposition to the amendment and support for the bill.

Mr. Chairman, I include the following for the RECORD.

STATEMENT OF REPRESENTATIVE GOODLATTE ON H.R. 1555, AUGUST 2, 1995

Mr. Chairman, I rise in support of H.R. 1555.

Mr. Chairman, I want to thank Chairmen HYDE, BLILEY and FIELDS for their able leadership in bringing this important legislation to the House floor. The American people will benefit from the increased availability of communications services, increased number of jobs, and a strengthened global competitiveness from this bill.

Throughout the debate on this legislation, I have aimed at bringing these benefits to Americans as soon as possible. I continue to believe that this goal can best be achieved by lifting all government-imposed entry restrictions in all telecommunications markets at the same time. Whether they are State laws that pervent cable companies or long distance companies from competing in the local exchange or the AT&T consent decree that prevents the Bell companies from competing in the long distance market, these artificial government-imposed restraints all inhibit the development of real competition.

Under this legislation, State laws that today prevent local competition will be lifted. Upon enactment, the local telephone exchange will be legally opened for any competitor to enter.

But the bill does not stop here and merely trust to fate. It goes further. It requires the Bell companies and other local exchange carriers such as GTE and Sprint-United to unbundle their networks and to resell to competitors the unbundled elements, features, functions, and capabilities that those new entrants need to compete in the local market. It also requires State commissions and the FCC to verify that the local carriers meet these obligations.

It gives new entrants the incentive to build their own local facilities-based networks, rather than simply repackaging and reselling the local services of the local telephone company. This is important if the information superhighway is to be truly competitive.

The bill also contains cross checks to ensure either that facilities-based competition is present in the local exchange or that the Bell companies have done all that the bill requires of them before they will be permitted to offer interLATA services and to manufacture. This is a strong incentive for them to comply with the requirements of this legislation.

It will take time for the Bell companies to satisfy all of the conditions in the bill. This built-in delay will provide the long distance and cable companies a head start into the local exchange.

The bill recognizes that there are several significant problems with such a government-mandated head start. And, it deals with those issues. While the bill does not create the simultaneity of entry that the Bell companies have requested, it also does not impose the artificial delay sought by the long distance companies.

This bill achieves a sound public policy. First, it gets the conditions right. Second, it requires verification that the conditions have been met. Third, it assures that they have begun to work. Then, fourth, it lets full competition flourish by lifting the remaining restrictions on the Bell companies.

You don't have to take my word on the soundness of this approach. None other than the Department of Justice advocated it 8 years ago.

As a member of the Judiciary Committee, I have been following this particular matter for several years. In 1987 the Department filed its first and only Triennial Review with the Decree Court. It recommended that if a Bell company shows that an area in its region is free of regulatory barriers to competition, then the interLATA restrictions should be lifted, even if—the Department noted—a residual core of local exchange services remains a natural monopoly at that time. That is, when there are no restrictions on either facilities-based intraLATA competition or on resale of Bell company services, interLATA relief should be granted.

The Department acknowledged that, with the removal of entry barriers and the requirement for resale of local exchange services, a majority of customers would likely stay with local exchange carriers and some areas of local exchange might remain natural monopolies. Nevertheless, it believed that the potential for discrimination would be significantly reduced because of (1) increased alternatives, especially for higher volume customers, and (2) increased need for Bell companies to interconnect with private networks.

Bell companies, according to the Department, immediately would be subject to substantial competitive pressures. The threat or possibility of competition would be sufficient that the residual risk posed by the Bell companies could be contained effectively through regulatory controls, according to the DOJ.

Noting that competition will reduce intraLATA toll and private line rates, the Department correctly concluded that only basic local exchange service and residential

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exchange access would remain as services capable of being inflated to cover misallocated costs of competitive activities. Indeed, intraLATA toll competition has been and is allowed in virtually every state and has already significantly eroded the Bell companies' market share of these services. Moreover, competition in the exchange access market also has grown significantly as the successes of companies like Teleport and MFS attest.

And, some very powerful and well-financed companies have targeted the local telephone market for competition. Companies like MCI are investing in local networks. So are cable companies that already have strong local presences. Significantly, AT&T has spent billions to move back into local telephony through its acquisition of McCraw Cellular and its success in bidding on PCS licenses.

As the Department prognosticated, this leaves only local services as a potential source of subsidy. However, as it also correctly recognized, basic local exchange and residential services are a very unlikely source of subsidy.

Those rates have been and are currently subsidized by other rates (i.e., residential rates are below costs and therefore cannot subsidize other services). And, they are beyond the unilateral power of the Bell companies to raise.

State regulators have clearly demonstrated over the years that they are unwilling to let basic residential charge rise. It is important to note that this bill preserves the State's ability to prevent the Bell companies from raising local exchange rates.

The bill also prevents interconnection rates from being the source of subsidy as it requires those rates to be just and reasonable before the Bell companies get intraLATA relief. It eliminates the Bell companies' ability to use their local exchange networks in a discriminatory fashion to impede their competitors.

This legislation achieves the conditions that DOJ set forth eight years ago, and in my view goes even further by requiring regulatory verifications before the Bell companies are actually relieved of the intraLATA restriction. First, upon enactment, it lifts all state and local laws that have previously barred cable and long distance companies from competing in the local exchange services market. In other words, it will ensure that there are no legal barriers to facilities-based competition.

Second, it not only requires the Bell companies to resell their local services, but it also identifies the elements, features, functions and capabilities that the Bell companies and other local exchange carriers will have to unbundle for their competitors. Although AT&T was required to resell its long distance services to its competitors in order to spur long distance competition, it was not required to make new services for its competitors through unbundling. Moreover, the bill's requirements on unbundling and resale are far more detailed and precise and therefore more enforceable by the commission, courts and competitors than the Department's general resale condition.

In the final analysis, Mr. Chairman, I support this bill because it strikes a balance that will bring competition in cable and telephony to the American people. It may not come as soon as some want or, indeed, as soon as I want, but it won't be delayed as long as others desire.

I am comforted as well that I do not have to take all of this on blind faith. I believe that the FCC and the State commissions will make sure the competition rolls out quickly and fairly and that local rate payers will not foot the bill. I am also sure that the Department of Justice is fully capable under this legislation of not only monitoring these developments but of playing an active role in the continued enforcement of the antitrust laws to shape the most robustly competitive telecommunications market in the world.

The American people deserve nothing less. We should not disappoint them. We should delay no further.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. LOFGREN], a member of the Committee on the Judiciary.

Ms. LOFGREN. Mr. Chairman, like many of my colleagues, I have heard from Baby Bells, long-distance carriers, until I am really tired of hearing from them. What I have done is call Silicon Valley, who basically does not care about the Bells or the long-distance carriers. They do care about competition.

Mr. Chairman, the advice I have gotten is that there should be a little role for the Department of Justice. I realize that there are some on the Democratic side of the aisle, including the White House, who feel that this measure is way too weak; that we should have a much bigger role. Honestly I disagree with them.

Mr. Chairman, I think the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] got it exactly right. A very high threshold, a 180-day turnaround, and a break in case things do not turn out the way we hope.

Mr. Chairman, I urge support of the amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN], a member of the Committee on Commerce.

(Mr. TAUZIN asked and was given permission to revise and extend his remarks.)

Mr. TAUZIN. Mr. Chairman, I have with me a small chart that shows the result of judge-made law when it comes to telecommunications. What we just debated on the manager's amendment was to end the system of the LATA lines, the lines on the map drawn by the judge regulating communications policy in America.

Mr. Chairman, this is one of those LATA lines, a line of restriction of competition. This line runs through Louisiana, through one of my parishes in Louisiana, separating the town of Hornbeck and Leesville.

Mr. Chairman, they are in the same parish. The school board in that parish, in order to communicate from one office to the other, has to buy a line that runs from Shreveport to Lafayette back to Leesville at a cost per year of $43,000 more than they would have to pay if they could simply call 16 miles across these two communities.

Mr. Chairman, the court-ordered line has cost that school board $43,000. This is the kind of court-made law we avoid in this bill. Let us not give it back to the Justice Department. Let us write communications law in this Chamber.

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Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I would really like to thank the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] for their leadership and for their bipartisan approach to this amendment. I think that we should not be looking at the long-distance providers on one side and the regional Bells on the other side.

Really, what the input of the Committee on the Judiciary in this amendment is, is to simply go right down the middle in dealing with competition, by enhancing the opportunity for competition. In fact, unlike my colleagues who have opposed it, this is not a override. This equates to the Department of Justice and the FCC working together and complementing each other.

Mr. Chairman, what it says is, there will not be a limitation, there will not be a prohibition of the Antitrust Division of the DOJ from reviewing for acts that impede competition. The FCC and DOJ will work together, and the dual responsibility will not hinder the other. The DOJ will not delay the regional Bell's entry into other markets, for there is a time frame in which they must respond; and the courts are not there to inhibit, but are there to give the opportunity for any judicial review that either party to access. This is a fair amendment.

I believe that we must get away from who said what in this debate, and focus on competition for the consumers. Let us make this a better bill and support this amendment, Mr. Chairman.

I must rise in support of a strong role of the Justice Department to help ensure that the telecommunications industry is truly competitive. The telecommunications industry is a critically important industry as we enter the 21st century. The Conyers amendment provides a reasonable role for the Justice Department to determine whether competition exists in the telecommunications markets. The Justice Department, through its Anti-trust Division, has considerable experience in carrying out this important function. The Justice Department needs and deserves more than a consultative role that is envisioned in the manager's amendment to H.R. 1555.

The standard of review proposed in this amendment is a medium standard that allows the Justice Department to prohibit local telephone companies from entering long-distance services or manufacturing equipment if "there is a dangerous probability that the Bell company or its affiliates would successfully use market power to substantially impede competition" in the market. The amendment also provides the right to judicial review. This standard was overwhelmingly approved in the

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House Judiciary Committee by a vote of 29 to 1. Let us ensure competition by supporting this amendment. The Conyers amendment will help the regional Bells, the long-distance providers, and most of all, our consuming public.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. WATERS], who has followed this matter with great interest.

Ms. WATERS. Mr. Chairman, I rise in support of the Conyers amendment. Just once this year, we should do something that protects consumers; this amendment would accomplish that purpose.

Mr. Chairman, we are entering a brave new world in telecommunications law. In theory, the deregulatory provisions contained in this legislation will unleash a new era of competition between local and long-distance carriers, as well as between the telecommunications and cable industries.

However, free market competition is predicated on nonmonopolistic power relationships between competing firms. The Conyers amendment would ensure that local telephone companies would not impede competition through monopoly behavior.

The Conyers compromise language would perfect language currently in the bill. It would preserve the Justice Department's traditional role as the primary enforcer of antitrust statutes. It would do so alongside, not in conflict with, the regulatory responsibilities of the FCC.

Mr. Chairman, this bill is an experiment. No one knows for sure what the outcome will be as we enter the 21st century telecommunications world. I ask for an "aye" vote.

Mr. CONYERS. Mr. Chairman, I yield 45 seconds to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, I thank the gentleman and rise in support of the Conyers amendment.

This amendment will protect consumers of the long-distance market from potential anticompetitive conduct by Bell companies which currently monopolize local telephone service, but without the consuming bureaucratic requirements unfairly tying up the Bell companies. An active Department of Justice role will not delay a Bell entry into the market because the Justice Department would be required to reach its decision within 3 months.

Because the Conyers amendment is a balanced amendment designed to protect America's consumers from the dangers of anticompetitive conduct, Mr. Chairman, I urge my colleagues to vote "yes" on the Conyers amendment. It is in the best interest of the consumer.

Mr. CONYERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

(Ms. KAPTUR asked and was given permission to revise and extend her remarks.)

Ms. KAPTUR. Mr. Chairman, I rise in strong support of the Conyers amendment to referee the gigantic money interests who have their hands in the pockets of the American people.

There has been enough money spent on lobbying this bill to sink a battleship.

I wish to insert in the RECORD a partial list of what over $40 million in lobbying contributions has bought. I leave it to the American people to make their own judgments. This bill is living proof of what unlimited money can do to buy influence and the Congress of the United States.

POLITICAL CONTRIBUTIONS BY REGIONAL BELL OPERATING COMPANIES (RBOC) HARD MONEY PAC CONTRIBUTIONS TO MEMBERS OF CONGRESS YEAR TO DATE 1995 [1]

	Democrats	Republicans
Ameritech	38,950	113,588
Bell Atlantic	2,100	12,466
Pacific Telesis	10,500	27,949
Southwestern Bell	29,600	48,200
Partial total YTD	78,150	202,203

[1] Several of the RBOC's have chosen to report their contributions less frequently than once a month, as the law allows. Figures are not available for BellSouth, NYNEX, or U.S. West.

POLITICAL CONTRIBUTIONS BY REGIONAL BELL OPERATING COMPANIES (RBOC) SOFT MONEY FIRST QUARTER 1995

Name	Democratic	Republican
Ameritech	250	0
Bell Atlantic	3,000	25,000
BellSouth	0	15,000
Nynex	20,000	25,000
Southwestern Bell	0	0
Pacific Telesis	250	22,000
US West	0	15,000
Total	23,500	122,000

[Excerpts from Common Cause newsletter, June 5, 1995]

"ROBBER BARONS OF THE '90s"

Telecommunications industries, which stand to gain billions of dollars from the congressional overhaul of telecommunications policy, have used $39,557,588 in political contributions during the past decade to aid their fight for less regulation and greater profits, according to a Common Cause study released today.

The four major telecommunications industries involved in this legislative battle—local telephone services, long distance service providers, broadcasters and cable interests—contributed $30.9 million in political action committee (PAC) funds to congressional candidates, and $8.6 million in soft money to Democratic and Republican national party committees, during the period January 1985 through December 1994, the Common Cause study found.

Top telecommunications industry PAC and soft money contributors, 1985–1994

AT&T	$6,523,445
BellSouth Corp	2,928,673
GTE Corp	2,899,056
Natl Cable Television Assn	2,211,214
Ameritech Corp	1,936,899
Pacific Telesis	1,742,512
US West	1,666,920
Natl Assn Of Broadcasters	1,629,988
Bell Atlantic	1,559,011
Sprint	1,531,596

"A strong case can be made that the war over telecommunications reform has done more to line the pockets of lobbyist and lawmakers than any other issue in the past decade."—Kirk Victor, National Journal

Among the key findings of the Common Cause study:

Local telephone services made $17.3 million in political contributions during the past decade. Long distance providers gave $9.5 million in political contributions; cable television interests gave $8 million; and broadcasters gave $4.7 million.

The biggest single telecommunications industry donation came from Tele-Communications Inc, the country's biggest cable company. The company gave a $200,000 soft money contribution to the Republican National Committee five days before the last November's elections.

Telecommunication PACs were especially generous to members of two key committees that recently passed bills to rewrite telecommunication regulations. House Commerce Committee members received, on average, more than $65,000 each from telecommunications PACs; Senate Commerce Committee members received, on average, more than $107,000 each.

Two-thirds of House freshmen received PAC contributions from telecommunications interests immediately following their November election wins. Between November 9 and December 31, 1994, telecommunications PACs gave new Representatives-elect a total $115,500.

In January, top executives of telecommunications companies that gave a total $23.5 million in political contributions during the past decade were invited to closed-door meetings with Republican members of the House Commerce Committee. Consumer and rate-payer groups—who were not major political donors—were not invited to the special meetings.

Lobbyists for the telecommunications industry represent a wide array of Washington insiders. For example, former Reagan and Bush Administration officials represent long distance providers, while a former Clinton official represents local telephone interests. Lobbying on behalf of broadcast interests are former aids to both Republican and Democratic Members of Congress.

In addition to their political contributions during the past decade, telecommunications interests contributed $221,000 in soft money to the Republican National Committee during the first three months of 1995. (Democratic National Committee soft money information for the first six months of 1995 will be available in July.)

HOUSE COMMERCE COMMITTEE MEMBERS RECEIVE ON AVERAGE $65,000 EACH FROM TELECOM PACS—DOUBLE THE HOUSE AVERAGE

Telecommunications industry lobbyists "have seldom met more receptive lawmakers," than the members of the House Commerce Committee.—The New York Times

Telecommunications industry Pacs gave a total $6,676,147 in contributions to current Senators during the past decade, an average $66,761 per Senator, according to the Common Cause study.

SENATE COMMERCE COMMITTEE MEMBERS RECEIVE ON AVERAGE $107,000 EACH FROM TELECOM PACS

The Common Cause study found that members of the Senate Commerce, Science and Transportation Committee received nearly twice as much PAC money on average from telecommunications interests during the past decade as other Senators—an average of $107,730 compared to $57,152 received by Senators not on the committee.

"ROBBER BARONS OF THE '90S"

"By and large, the public is not represented by the lawyers and the lobbyists in Washington. The few public advocates are overwhelmed financially. It's all very fine to say that you are in favor of competition. I am. The Administration is. Congress is. But competition won't give you everything the country needs from communications companies. We've got to be able to stand up to

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business on certain occasions and say, 'It's not just about competition, it's about the public interest.'"—Reed Hundt, Federal Communications Commission Chair as quoted in The New Yorker

Mr. CONYERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Michigan [Miss COLLINS].

(Miss COLLINS of Michigan asked and was given permission to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Chairman, I rise in strong support of the Conyers amendment and urge my colleagues to adopt it.

Many have argued during this debate that we must deregulate the telecommunications industry, and by eliminating any role for the Department of Justice in determining Regional Bell operating company entry into long distance, we are working toward and goal. Well I think you are making a terrible mistake if you confuse forbidding the proper anti-trust role of the Department of Justice with deregulation.

The Republicans in this body should recall it was under the Reagan administration that the Department of Justice broke up the Bell system over a decade ago. That decision has been an undisputed success. Without the role played by the Department of Justice, consumers would still be renting large rotary black phones and paying too much for long distance services. The Department of Justice actions promoted competition, not regulation.

Without the Department of Justice role, we can expect those communication's attorneys to be in court, fighting endless anti-trust battles. The role we give the Department of Justice in this amendment will make it less likely that we will end up back in court, and the Department will ensure that anti-trust violations would be minimal, prior to the decision granting a Bell operating company the ability to offer long distance service.

Calling this amendment regulatory, is doing a disservice to the potential for true deregulation—which is full competition in all markets. The structure provided by the Department of Justice ensures that the markets will develop quickly, and with less litigation.

Mr. Chairman, I urge my colleagues to support this amendment. I yield back the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. HINCHEY].

(Mr. HINCHEY asked and was given permission to revise and extend his remarks.)

Mr. HINCHEY. Mr. Chairman, this bill has been described as a clash between the super rich and the super wealthy. That Is unquestionably true, but in the clash of these titans, the question is, who stands for the American public?

The answer to that question is, without the Conyers amendment, no one. The American people stand naked before the potential excesses of these giants unless we have some protection from them offered by the Justice Department.

There is an incredibly high standard in this bill, Mr. Chairman. There must be a dangerous probability of substantially impeding justice before the Justice Department comes in. Let us pass the Conyers amendment and protect the American people.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, I thank the gentleman from Michigan [Mr. CONYERS] for yielding the time.

The FCC is essentially the agency that would be able to consult with the Department of Justice under the manager's mark that we passed this morning. But when we talk about going from a monopoly industry, which telecom was after 1934, to a competition-based industry, the competition agency, those who keep the rule, those who decide if there is a dangerous probability, if those gigantic billionaires players are being fair, is the Department of Justice.

Mr. Chairman, I simply say that the Conyers amendment makes sure that fairness is done, that the referee is in place. I urge my colleagues to support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 2½ minutes to the gentleman from Ohio [Mr. OXLEY] for purposes of closing the debate on our side.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Chairman, I rise in opposition to the Conyers amendment. This bill in all of its forms does not repeal the Sherman Act. We have had the Sherman Act for over 100 years.

It does not repeal the Clayton Act passed in 1914. Anticompetitive behavior will be reviewed by the Justice Department, whether it is the telecommunications industry or whether it is the trucking industry or any other kind of industry that we are talking about. The Justice Department is not going away.

What we are trying to do, Mr. Chairman, or what the Conyers amendment seeks to do, is basically replace one court with another, except a different standard.

This amendment guts the underlying concept of this bill, which is pure competition, and the idea to get Congress back into the decisionmaking process. How long do we have to have telecommunications policy made by an unelected Federal judge who has no accountability to anyone; when are we going to get back to providing the kind of responsible decisionmaking that we are elected to do?

Mr. Chairman, I suggest to my colleagues that the underlying bill provides that kind of ability and accountability for the duly elected representatives of the people.

This amendment creates needless bureaucracy by having not one, but two Federal agencies review the issue of Bell Co. entry into long distance. The purpose of this legislation is to create conditions for a competitive market and get the heavy hand of Government regulation out of the way. This Conyers amendment is inconsistent with that purpose.

Mr. Chairman, this is a huge opportunity to provide competitive forces in the marketplace away from Government. If we believe that competition and not bureaucracy is the answer to modernizing our telecommunications policy, to providing more choice in the marketplace, to providing lower prices, to making America the most competitive telecommunications industry in the entire world, we will vote against the Conyers amendment and support the underlying bill.

Mr. Chairman, I ask my colleagues to join me in opposition to the Conyers amendment.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. CONYERS], as modified.

The question was taken; and the chairman announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Michigan [Mr. CONYERS], as modified, will be postponed until after the vote on amendment 2-4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider the amendment, No. 2-3, printed in part 2 of House Report 104-223.

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

Mr. COX of California. Mr. Chairman, I offer an amendment numbered 2-3.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment number 2-3 offered by Mr. COX of California:

Page 78, before line 18, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 104. ONLINE FAMILY EMPOWERMENT.

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. PROTECTION FOR PRIVATE BLOCKING AND SCREENING OF OFFENSIVE MATERIAL; FCC REGULATION OF COMPUTER SERVICES PROHIBITED.

"(a) FINDINGS.—The Congress finds the following:

"(1) The rapidly developing array of Internet and other interactive computer services available to individual Americans represent an extraordinary advance in the availability of educational and informational resources to our citizens.

"(2) These services offer users a great degree of control over the information that they receive, as well as the potential for even greater control in the future as technology develops.

"(3) The Internet and other interactive computer services offer a forum for a true diversity of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity.

"(4) The Internet and other interactive computer services have flourished, to the benefit of all Americans, with a minimum of government regulation.

"(5) Increasingly Americans are relying on interactive media for a variety of political,

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educational, cultural, and entertainment services.

"(b) POLICY.—It is the policy of the United States to—

"(1) promote the continued development of the Internet and other interactive computer services and other interactive media;

"(2) preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by State or Federal regulation;

"(3) encourage the development of technologies which maximize user control over the information received by individuals, families, and schools who use the Internet and other interactive computer services;

"(4) remove disincentives for the development and utilization of blocking and filtering technologies that empower parents to restrict their children's access to objectionable or inappropriate online material; and

"(5) ensure vigorous enforcement of criminal laws to deter and punish trafficking in obscenity, stalking, and harassment by means of computer.

"(c) PROTECTION FOR 'GOOD SAMARITAN' BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.—No provider or user of interactive computer services shall be treated as the publisher or speaker of any information provided by an information content provider. No provider or user of interactive computer services shall be held liable on account of—

"(1) any action voluntarily taken in good faith to restrict access to material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

"(2) any action taken to make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

"(d) FCC REGULATION OF THE INTERNET AND OTHER INTERACTIVE COMPUTER SERVICES PROHIBITED.—Nothing in this Act shall be construed to grant any jurisdiction or authority to the Commission with respect to content or any other regulation of the Internet or other interactive computer services.

"(e) EFFECT ON OTHER LAWS.—

"(1) NO EFFECT ON CRIMINAL LAW.—Nothing in this section shall be construed to impair the enforcement of section 223 of this Act, chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

"(2) NO EFFECT ON INTELLECTUAL PROPERTY LAW.—Nothing in this section shall be construed to limit or expand any law pertaining to intellectual property.

"(3) IN GENERAL.—Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section.

"(f) DEFINITIONS.—As used in this section:

"(1) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

"(2) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service that provides computer access to multiple users via modem to a remote computer server, including specifically a service that provides access to the Internet.

"(3) INFORMATION CONTENT PROVIDER.—The term 'information content provider' means any person or entity that is responsible, in whole or in part, for the creation or development of information provided by the Internet or any other interactive computer service, including any person or entity that creates or develops blocking or screening software or other techniques to permit user control over offensive material.

"(4) INFORMATION SERVICE.—The term 'information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.".

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. COX] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes. Who seeks time in opposition?

PARLIAMENTARY INQUIRY

Mr. COX of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COX of California. Mr. Chairman, given that no Member has risen in opposition, would the Chair entertain a unanimous-consent request?

The CHAIRMAN. If no Members seeks time in opposition, by unanimous consent another Member may be recognized for the other 10 minutes, or the gentleman may have the other 10 minutes.

Let me put the question again: Is there any Member in the Chamber who wishes to claim the time in opposition?

If not, is there a unanimous-consent request for the other 10 minutes?

Mr. WYDEN. There is, Mr. Chairman. Although I am not in opposition to this amendment, I would ask unanimous consent to have the extra time because of the many Members who would like to speak on it.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. COX] will be recognized for 10 minutes, and the gentleman from Oregon [Mr. WYDEN] will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Chairman, I wish to begin by thanking my colleague, the gentleman from Oregon [Mr. WYDEN], who has worked so hard and so diligently on this effort with all of our colleagues.

We are talking about the Internet now, not about telephones, not about television or radios, not about cable TV, not about broadcasting, but in technological terms and historical terms, an absolutely brand-new technology.

The Internet is a fascinating place and many of us have recently become acquainted with all that it holds for us in terms of education and political discourse.

We want to make sure that everyone in America has an open invitation and feels welcome to participate in the Internet. But as you know, there is some reason for people to be wary because, as a Time Magazine cover story recently highlighted, there is in this vast world of computer information, a literal computer library, some offensive material, some things in the bookstore, if you will, that our children ought not to see.

As the parent of two, I want to make sure that my children have access to this future and that I do not have to worry about what they might be running into on line. I would like to keep that out of my house and off of my computer. How should we do this?

Some have suggested, Mr. Chairman, that we take the Federal Communications Commission and turn it into the Federal Computer Commission, that we hire even more bureaucrats and more regulators who will attempt, either civilly or criminally, to punish people by catching them in the act of putting something into cyberspace.

Frankly, there is just too much going on on the Internet for that to be effective. No matter how big the army of bureaucrats, it is not going to protect my kids because I do not think the Federal Government will get there in time. Certainly, criminal enforcement of our obscenity laws as an adjunct is a useful way of punishing the truly guilty.

Mr. Chairman, what we want are results. We want to make sure we do something that actually works. Ironically, the existing legal system provides a massive disincentive for the people who might best help us control the Internet to do so.

I will give you two quick examples: A Federal court in New York, in a case involving CompuServe, one of our online service providers, held that CompuServe would not be liable in a defamation case because it was not the publisher or editor of the material. It just let everything come onto your computer without, in any way, trying to screen it or control it.

But another New York court, the New York Supreme Court, held that Prodigy, CompuServe's competitor, could be held liable in a $200 million defamation case because someone had posted on one of their bulletin boards, a financial bulletin board, some remarks that apparently were untrue about an investment bank, that the investment bank would go out of business and was run by crooks.

Prodigy said, "No, no; just like CompuServe, we did not control or edit that information, nor could we, frankly. We have over 60,000 of these messages each day, we have over 2 million subscribers, and so you cannot proceed with this kind of a case against us."

The court said, "No, no, no, no, you are different; you are different than CompuServe because you are a family-friendly network. You advertise yourself as such. You employ screening and blocking software that keeps obscenity off of your network. You have people who are hired to exercise an emergency delete function to keep that kind of

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material away from your subscribers. You don't permit nudity on your system. You have content guidelines. You, therefore, are going to face higher, stricker liability because you tried to exercise some control over offensive material."

□ 1015

Mr. Chairman, that is backward. We want to encourage people like Prodigy, like CompuServe, like America Online, like the new Microsoft network, to do everything possible for us, the customer, to help us control, at the portals of our computer, at the front door of our house, what comes in and what our children see. This technology is very quickly becoming available, and in fact every one of us will be able to tailor what we see to our own tastes.

We can go much further, Mr. Chairman, than blocking obscenity or indecency, whatever that means in its loose interpretations. We can keep away from our children things not only prohibited by law, but prohibited by parents. That is where we should be headed, and that is what the gentleman from Oregon [Mr. WYDEN] and I are doing.

Mr. Chairman, our amendment will do two basic things: First, it will protect computer Good Samaritans, online service providers, anyone who provides a front end to the Internet, let us say, who takes steps to screen indecency and offensive material for their customers. It will protect them from taking on liability such as occurred in the Prodigy case in New York that they should not face for helping us and for helping us solve this problem. Second, it will establish as the policy of the United States that we do not wish to have content regulation by the Federal Government of what is on the Internet, that we do not wish to have a Federal Computer Commission with an army of bureaucrats regulating the Internet because frankly the Internet has grown up to be what it is without that kind of help from the Government. In this fashion we can encourage what is right now the most energetic technological revolution that any of us has ever witnessed. We can make it better. We can make sure that it operates more quickly to solve our problem of keeping pornography away from our kids, keeping offensive material away from our kids, and I am very excited about it.

There are other ways to address this problem, some of which run head-on into our approach. About those let me simply say that there is a well-known road paved with good intentions. We all know where it leads. The message today should be from this Congress we embrace this new technology, we welcome the opportunity for education and political discourse that it offers for all of us. We want to help it along this time by saying Government is going to get out of the way and let parents and individuals control it rather than Government doing that job for us.

Mr. Chairman, I reserve the balance of my time.

Mr. WYDEN. Mr. Chairman, I rise to speak on behalf of the Cox-Wyden amendment. In beginning, I want to thank the gentleman from California [Mr. COX] for the chance to work with him. I think we all come here because we are most interested in policy issues, and the opportunity I have had to work with the gentleman from California has really been a special pleasure, and I want to thank him for it. I also want to thank the gentleman from Michigan [Mr. DINGELL], our ranking minority member, for the many courtesies he has shown, along with the gentleman from Massachusetts [Mr. MARKEY], and, as always, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] have been very helpful and cooperative on this effort.

Mr. Chairman and colleagues, the Internet is the shining star of the information age, and Government censors must not be allowed to spoil its promise. We are all against smut and pornography, and, as the parents of two small computer-literate children, my wife and I have seen our kids find their way into these chat rooms that make their middle-aged parents cringe. So let us all stipulate right at the outset the importance of protecting our kids and going to the issue of the best way to do it.

The gentleman from California [Mr. COX] and I are here to say that we believe that parents and families are better suited to guard the portals of cyberspace and protect our children than our Government bureaucrats. Parents can get relief now from the smut on the Internet by making a quick trip to the neighborhood computer store where they can purchase reasonably priced software that blocks out the pornography on the Internet. I brought some of this technology to the floor, a couple of the products that are reasonably priced and available, simply to make clear to our colleagues that it is possible for our parents now to childproof the family computer with these products available in the private sector.

Now what the gentleman from California [Mr. COX] and I have proposed does stand in sharp contrast to the work of the other body. They seek there to try to put in place the Government rather than the private sector about this task of trying to define indecent communications and protecting our kids. In my view that approach, the approach of the other body, will essentially involve the Federal Government spending vast sums of money trying to define elusive terms that are going to lead to a flood of legal challenges while our kids are unprotected. The fact of the matter is that the Internet operates worldwide, and not even a Federal Internet censorship army would give our Government the power to keep offensive material out of the hands of children who use the new interactive media, and I would say to my colleagues that, if there is this kind of Federal Internet censorship army that somehow the other body seems to favor, it is going to make the Keystone Cops look like crackerjack crime-fighter.

Mr. Chairman, the new media is simply different. We have the opportunity to build a 21st century policy for the Internet employing the technologies and the creativity designed by the private sector.

I hope my colleagues will support the amendment offered by gentleman from California [Mr. COX] and myself, and I reserve the balance of my time.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend *his remarks.*)

Mr. BARTON of Texas. Mr. Chairman, Members of the House, this is a very good amendment. There is no question that we are having an explosion of information on the emerging superhighway. Unfortunately part of that information is of a nature that we do not think would be suitable for our children to see on our PC screens in our homes.

Mr. Chairman, the gentleman from Oregon [Mr. WYDEN] and the gentleman from California [Mr. COX] have worked hard to put together a reasonable way to provide those providers of the information to help them self-regulate themselves without penalty of law. I think it is a much better approach than the approach that has been taken in the Senate by the Exon amendment. I would hope that we would support this version in our bill in the House and then try to get the House-Senate conference to adopt the Cox-Wyden language.

So, Mr. Chairman, it is a good piece of legislation, a good amendment, and I hope we can pass it unanimously in the body.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentlewoman from Missouri [Ms. DANNER] who has also worked hard in this area.

Ms. DANNER. Mr. Chairman, I wish to engage the gentleman from Oregon [Mr. WYDEN] in a brief colloquy.

Mr. Chairman, I strongly support the gentleman's efforts, as well as those of the gentleman from California [Mr. COX], to address the problem of children having untraceable access through on-line computer services to inappropriate and obscene pornographic materials available on the Internet.

Telephone companies must inform us as to whom our long distance calls are made. I believe that if computer online services were to include itemized billing, it would be a practical solution which would inform parents as to what materials their children are accessing on the Internet.

It is my hope and understanding that we can work together in pursuing technology based solutions to the problems

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we face in dealing with controlling the transfer of obscene materials in cyberspace.

Mr. WYDEN. Mr. Chairman, will the gentlewoman yield?

Ms. DANNER. I yield to the gentleman from Oregon.

Mr. WYDEN. Mr. Chairman, I thank my colleague for her comments, and we will certainly take this up with some of the private-sector firms that are working in this area.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I would like to point out to the House that, as my colleagues know, this is a very important issue for me, not only because of our district, but because I have got four small children at home. I got them from age 3 to 11, and I can tell my colleagues I get E-mails on a regular basis from my 11-year-old, and my 9-year-old spends a lot of time surfing the Internet on America Online. This is an important issue to me. I want to be sure we can protect them from the wrong influences on the Internet.

But I have got to tell my colleagues, Mr. Chairman, the last person I want making that decision is the Federal Government. In my district right now there are people developing technology that will allow a parent to sit down and program the Internet to provide just the kind of materials that they want their child to see. That is where this responsibility should be, in the hands of the parent.

That is why I was proud to cosponsor this bill, that is what this bill does, and I urge my colleagues to pass it.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Chairman, I will bet that there are not very many parts of the country where Senator EXON's amendment has been on the front page of the newspaper practically every day, but that is the case in Silicon Valley. I think that is because so many of us got on the Internet early and really understand the technology, and I surf the Net with my 10-year-old and 13-year-old, and I am also concerned about pornography. In fact, earlier this year I offered a life sentence for the creators of child pornography, but Senator EXON's approach is not the right way. Really it is like saying that the mailman is going to be liable when he delivers a plain brown envelope for what is inside it. It will not work. It is a misunderstanding of the technology. The private sector is out giving parents the tools that they have. I am so excited that there is more coming on. I very much endorse the Cox-Wyden amendment, and I would urge its approval so that we preserve the first amendment and open systems on the Net.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. GOODLATTE].

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman from Oregon [Mr. WYDEN] for yielding this time to me, and I rise in strong support of the Cox-Wyden amendment. This will help to solve a very serious problem as we enter into the Internet age. We have the opportunity for every household in America, every family in America, soon to be able to have access to places like the Library of Congress, to have access to other major libraries of the world, universities, major publishers of information, news sources. There is no way that any of those entities, like Prodigy, can take the responsibility to edit out information that is going to be coming in to them from all manner of sources onto their bulletin board. We are talking about something that is far larger than our daily newspaper. We are talking about something that is going to be thousands of pages of information every day, and to have that imposition imposed on them is wrong. This will cure that problem, and I urge the Members to support the amendment.

□ 1030

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee.

Mr. MARKEY. Mr. Chairman, I want to congratulate the gentleman from Oregon and the gentleman from California for their amendment. It is a significant improvement over the approach of the Senator from Nebraska, Senator EXON.

This deals with the reality that the Internet is international, it is computer-based, it has a completely different history and future than anything that we have known thus far, and I support the language. It deals with the content concerns which the gentlemen from Oregon and California have raised.

Mr. Chairman, the only reservation which I would have is that they add in not only content but also any other type of registration. I think in an era of convergence of technologies where telephone and cable may converge with the Internet at some point and some ways it is important for us to ensure that we will have an opportunity down the line to look at those issues, and my hope is that in the conference committee we will be able to sort those out.

Mr. WYDEN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, I just want to take the time to thank him and also the gentleman from California for this fine work. This is a very sensitive area, very complex area, but it is a very important area for the American public, and I just wanted to congratulate him and the gentleman from California on how they worked together in a bipartisan fashion.

Mr. WYDEN. Mr. Chairman, I yield myself such time as I may consume. I thank the gentleman for his kindness.

Mr. Chairman, in conclusion, let me say that the reason that this approach rather than the Senate approach is important is our plan allows us to help American families today.

Under our approach and the speed at which these technologies are advancing, the marketplace is going to give parents the tools they need while the Federal Communications Commission is out there cranking out rules about proposed rulemaking programs. Their approach is going to set back the effort to help our families. Our approach allows us to help American families today.

Mr. COX of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to respond briefly to the important point in this bill that prohibits the FCC from regulating the Internet. Price regulation is at one with usage of the Internet.

We want to make sure that the complicated way that the Internet sends a document to your computer, splitting it up into packets, sending it through myriad computers around the world before it reaches your desk is eventually grasped by technology so that we can price it, and we can price ration usage on the Internet so more and more people can use it without overcrowding it.

If we regulate the Internet at the FCC, that will freeze or at least slow down technology. It will threaten the future of the Internet. That is why it is so important that we not have a Federal computer commission do that.

Mr. GOODLATTE. Mr. Chairman, Congress has a responsibility to help encourage the private sector to protect our children from being exposed to obscene and indecent material on the Internet. Most parents aren't around all day to monitor what their kids are pulling up on the net, and in fact, parents have a hard time keeping up with their kids' abilities to surf cyberspace. Parents need some help and the Cox-Wyden amendment provides it.

The Cox-Wyden amendment is a thoughtful approach to keep smut off the net without government censorship.

We have been told it is technologically impossible for interactive service providers to guarantee that no subscriber posts indecent material on their bulletin board services. But that doesn't mean that providers should not be given incentives to police the use of their systems. And software and other measures are available to help screen out this material.

Currently, however, there is a tremendous disincentive for online service providers to create family friendly services by detecting and removing objectionable content. These providers face the risk of increased liability where they take reasonable steps to police their systems. A New York judge recently sent the online services the message to stop policing by ruling that Prodigy was subject to a $200 million libel suit simply because it did exercise some control over profanity and indecent material.

The Cox-Wyden amendment removes the liability of providers such as Prodigy who currently make a good faith effort to edit the smut

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from their systems. It also encourages the on-line services industry to develop new technology, such as blocking software, to empower parents to monitor and control the information their kids can access. And, it is important to note that under this amendment existing laws prohibiting the transmission of child pornography and obscenity will continue to be enforced.

The Cox-Wyden amendment empowers parents without Federal regulation. It allows parents to make the important decisions with regard to what their children can access, not the government. It doesn't violate free speech or the right of adults to communicate with each other. That's the right approach and I urge my colleagues to support this amendment.

The Chairman. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from California [Mr. COX].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. COX of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from California [Mr. COX] will be postponed until after the vote on amendment 2–4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider amendment No. 2–4 printed in part 2 of House Report 104–223.

AMENDMENT NO. 2–4 OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment, numbered 2–4.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY of Massachusetts: page 126, after line 16, insert the following new subsection (and redesignate the succeeding subsections and accordingly):

(f) STANDARD FOR UNREASONABLE RATES FOR CABLE PROGRAMMING SERVICES.—Section 623(c)(2) of the Act (47 U.S.C. 543(c)) is amended to read as follows:

"(2) STANDARD FOR UNREASONABLE RATES.—The Commission may only consider a rate for cable programming services to be unreasonable if such rate has increased since June 1, 1995, determined on a per-channel basis, by a percentage that exceeds the percentage increase in the Consumer Price Index for All Urban Consumers (as determined by the Department of Labor) since such date.".

Page 127, line 4, strike "or 5 percent" and all that follows through "greater," on line 6.

Page 129, strike lines 16 through 21 and insert the following:

"(d) UNIFORM RATE STRUCTURE.—A cable operator shall have a uniform rate structure throughout its franchise area for the provision of cable services.".

Page 130, line 16, insert "and" after the semicolon, and strike line 20 and all that follows through line 2 on page 131 and insert the following:

"directly to subscribers in the franchise area and such franchise area is also served by an unaffiliated cable system.".

Page 131, strike line 6 and all that follows through line 21, and insert the following:

"(m) SMALL CABLE SYSTEMS.—

"(1) SMALL CABLE SYSTEM RELIEF.—A small cable system shall not be subject to subsections (a), (b), (c), or (d) in any franchise area with respect to the provision of cable programming services, or a basic service tier where such tier was the only tier offered in such area on December 31, 1994.

"(2) DEFINITION OF SMALL CABLE SYSTEM.—For purposes of this subsection, 'small cable system' means a cable system that—

"(A) directly or through an affiliate, serves in the aggregate fewer than 250,000 cable subscribers in the United States; and

"(B) directly serves fewer than 10,000 cable subscribers in its franchise area.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from Virginia [Mr. BLILEY] seek the time in opposition?

Mr. BLILEY. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself at this point 3 minutes.

Mr. Chairman, the consumers of America should be placed upon red alert. We now reach an issue which I think every person in America can understand who has even held a remote control clicker in their hands.

The bill that we are now considering deregulates all cable rates over the next 15 months. But for rural America, rural America, the 30 percent of America that considers itself to the rural, their rates are deregulated upon enactment of this bill.

Now, the proponents are going to tell you, do not worry, there is going to be plenty of competition in cable. That will keep rates down. For those of you in rural America, ask yourself this question: In two months do you think there will be a second cable company in your town? Because if there is not a second cable company in your town, your rates are going up because your cable company, as a monopoly, will be able to go back to the same practices which they engaged in up to 1992 when finally we began to put controls on this rapid increase two and three and four times the rate of inflation of cable rates across this country.

The gentleman from Connecticut [Mr. SHAYS] and I have an amendment that is being considered right now on the floor of Congress which will give you your one shot at protecting our cable ratepayers against rate shock this year and next across this country, whether you be rural or urban or suburban.

We received a missive today from the Governor of New Jersey, Christine Whitman. She wants an aye vote on the Markey-Shays bill. Christine Whitman. She does not want her cable rates to go up because she knows, and she says it right here, there is no competition on the horizon for most of America.

So this amendment is the most important consumer protection vote which you will be taking in this bill and one of the two or three most important this year in the U.S. Congress.

Make no mistake about it. There will be no competition for most of America. There will be no control on rates going up, and you will have to explain why, as part of a telecommunications bill that was supposed to reduce rates, you allowed for monopolies, monopolies in 97 percent of the communities in America to once again go back to their old practices.

Mr. BLILEY. Mr. Chairman, I yield myself 1 minute.

The Markey amendment, Mr. Chairman, tracks the disastrous course of the 1992 cable law by requiring the cable companies to jump through regulatory hoops to escape the burdensome rules imposed on them after the law was enacted.

The Markey amendment fails to take into account the changing competitive video marketplace that has evolved in the last 2 years. Direct broadcast satellite has taken off, particularly in rural areas, and there will be nearly 5-million subscribers by the end of the year. With the equipment costs now being folded into the monthly charge for this service, this competitive technology will explode in the next few years.

The telephone industry will be permitted to offer cable on the date of enactment and will provide formidable competition immediately. There are numerous market and technical trials going on now to ramp up to that competition.

The Markey amendment turns back the clock. It seeks to continue the government regulation and micromanagement that has unfairly burdened the industry over the past several years.

Vote "no" on Markey and duplicate the Senate, they overwhelmingly voted it down over there.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Chairman, it's Christmas in August in Washington. On the surface, the Communications Act of 1995 looks like a Christmas gift to the people and the communications industries. You've heard the buzz words: competition, lower rates, and more choices. But a closer look reveals another story.

While the cable provisions in the bill will give a sweet gift to the cable industry, the American consumer, and especially those in rural America, will wake up on Christmas morning to nothing more than less competition, higher cable rates, and less choice.

The bill as it stands immediately deregulates rate controls on small cable systems—those which serve an average of almost 30 percent of cable subscribers in America and account for at least 70 percent of all cable systems. This bill discourages competition in these markets because it deregulates these cable companies regardless of

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whether they face substantial competition in the marketplace.

In some cases, the bill immediately removes cable rate controls for systems serving over 50 percent of subscribers. In my home State of Tennessee, cable systems reaching more than 30 percent of subscribers, or 348,027 subscribers, would see immediate deregulation, and these subscribers would see nothing but higher rates and no choice.

That's the reason I am proud to support the Markey-Shays cable amendment to the Communications Act of 1995. This amendment would protect consumers from cable price-gouging by keeping rate regulations on small cable companies until effective cable competition in the marketplace offers consumers a choice.

I urge my colleagues to support this amendment. Otherwise, Congress will give their constituents a Christmas gift they will not forget.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, I rise in strong opposition to this amendment. When we reregulated cable 3 years ago, I was absolutely opposed to that. I voted against it in subcommittee, I voted against it in full committee, and I voted against it on the floor, and I voted to sustain the President's veto when he tried to veto the legislation.

We do not need to be regulating cable rates. Cable is not a necessity. The Federal Government has absolutely no right to be setting prices for cable television. The amendment that is before us would do that.

We have wisely in the legislation deregulated 90 percent of the cable industry. We should keep the bill as it is, we should vote against the Markey amendment.

I would vote against it two times, three times, four times if I had the constitutional authority to do so, but I am going to vote against it once.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Chairman, I want to thank the gentleman from Massachusetts [Mr. MARKEY] for the good work that he has done on behalf of the consumers of America.

Mr. Chairman, I rise in support of the Markey-Shays amendment for the simple reason that I do not want to return to the days when the cable companies of this country were increasing their prices at three times the rate of inflation while dramatically reducing their services.

Since the passage of the 1992 Cable Act, the American consumer has finally seen relief in the form of significantly reduced cable rates. In my district alone, millions of dollars have been saved by cable subscribers. But the bill we are debating here this morning would severely threaten the consumer protection that was established by the 1992 act.

In its current form, H.R. 1555 would abolish FCC regulation of cable systems thereby allowing cable companies to once again raise rates arbitrarily. It would open a window of opportunity for cable owners to cash in one last time at the expense of the American consumer. We cannot allow this to happen.

The Markey-Shays amendment would continue FCC regulation of cable systems until effective competition is established. It is a proconsumer amendment that would protect millions of Americans from an unnecessary rate hike and I strongly urge its passage.

□ 1045

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. NORWOOD].

Mr. NORWOOD. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

Mr. Chairman, the Markey cable amendment embodies all that is wrong with Government regulation. It sets prices for a private industry, cable television. It lowers the threshold for price controls to systems with 10,000 or fewer subscribers. It lowers the complaint threshold from 5 percent of subscribers to 10—yes 10, individual subsbribers—to which the FCC can respond with a rate review. Mr. Chairman, I have seen the amount of paperwork a cable operator can be asked to provide the FCC in response to a complaint. It is absolutely unbelievable. And this amendment would make it more likely that cable operators would have to fill out these massive forms for the FCC. H.R. 1555 promotes deregulation and competition in all telecommunications industries, including cable. Mr. Chairman, I strongly urge my colleagues to reject this effort at price control and regulation of the cable industry.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Markey-Shays amendment to protect Americans from unaffordable cable rate increases.

Cable rates hit home with consumers in Connecticut and across the country. That is why the only bill Congress passed over President Bush's veto was the 1992 Cable Act to keep TV rates down. Now is not the time to backtrack on that progress.

We would all like to see competition pushing cable rates down, but the telecommunications bill before us will remove protections against price increases before there is any guarantee of competition. Under this bill, every time you hit the clicker, it might as well sound like a cash register recording the higher costs viewers will face. Consumer groups estimate that this bill will raise rates for popular channels such as CNN and ESPN by an average of $5 per month.

The Markey-Shays amendment will protect television viewers from unreasonable rate increases until there truly is competition in the cable TV market. The amendment will also retain important safeguard that protect the right of consumers to protest unreasonable rate hikes.

I urge my colleagues to support the Markey-Shays amendment so that hard-working Americans will not be priced out of the growing information age.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN], a member of the committee.

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in opposition to the Markey amendment. In 1992 we fought a royal battle on the floor of this House, a battle designed clearly to begin the process of creating competition in the cable programming marketplace. The problem in 1992 was not the lack of Government regulation, although that contributed to the problem in 1992. The problem was that because cable monopoly companies vertically integrated, controlled by the programming and the distribution of cable programming, cable companies could decide not to let competition happen. They could refuse to sell to direct broadcast satellite, they could refuse to sell to microwave systems, they could refuse to sell to alternative cable systems. The result was competition was stifled. The demand rose in this House for reregulation.

The good news is that in 1992, despite a veto by the President, this House and the other body overrode that veto, adopted the Tauzin program access provision to the cable bill, and created, for the first time in this marketplace, real competition.

Mr. Chairman, are you not excited by those direct broadcast television ads you see on television, where you see a direct satellite now beaming to a dish no bigger than this to homes 150 channels with incredible programming? Are you not excited in rural America that you have an alternative to the cable, or, where you do not have a cable, you now have program access? Are you not excited when microwave systems are announced in your community and when you hear the telephone company will soon be in the cable business?

That is competition. Competition regulates the marketplace much better than the schemes of mice and men here in Washington, DC.

Consumers choosing between competitive offerings, consumers choosing the same products offered by different suppliers, in different stores, in the same town. Keep prices down, keep service up. Competition, yes; reregulation, no.

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Mr. MARKEY. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], the cosponsor of the amendment.

Mr. SHAYS. Mr. Chairman, competition, yes. Competition, yes. But now we do not have competition. Ninety-seven percent of all systems do not have competition. And this bill, unamended, allows for those companies, most of them, nearly 50 percent of them, to be deregulated.

We say yes, we are going to allow the small companies to be deregulated, the small ones, under 600,000 subscribers. Six hundred thousand subscribers is small? That system is worth $1.2 billion.

We do not have competition now. Deregulate when you have competition. There are 97 percent of the systems that do not have competition. The whole point here is to make sure that companies that are not competing, that have a monopoly, are not allowed to set monopolistic prices.

One of the reasons why we overrode the President's veto, 70 of us on the Republican side, we recognized that consumers were paying monopolistic prices. Deregulate when you have competition. The bill in 1992 said when you had competition, there would not be regulation. The reason why we have regulation is these are monopolies.

I know Members have not had a lot of sleep, but I hope the staff that is listening will tell their Members that we are going to deregulate these companies and they are going to set monopolistic prices, and they are going to come to their Congressman and say, "Why did you vote to deregulate a monopoly?"

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MANTON], a member of the committee.

Mr. MANTON. Mr. Chairman, I rise in opposition to the Markey amendment.

I thank the gentleman for yielding me this time and would like to take this opportunity to commend him for his fine work on this legislation.

Mr. Chairman, the cable television industry is poised to compete with local telephone companies in offering consumers advanced communications services. Yet to make that happen, we must relax burdensome and unwarranted regulations that are choking the ability of the cable industry to invest in the new technology and services that will allow them to compete.

The proponents of the Markey amendment said in 1992 that rate regulation was a placeholder until competition arrived in the video marketplace.

Well, that competition is here. Today, cable television is being challenged by an aggressive and burgeoning direct broadcast satellite industry and other wireless video services. And with the enactment of H.R. 1555, the Nation's telephone companies, will be permitted to offer video services directly to the consumer.

Mr. Chairman, it is also important for my colleagues to understand what H.R. 1555 does not do. It does not repeal the 1992 Cable Act. Cities will retain the authority to regulate rates for basic cable services and to impose stringent customer service standards. H.R. 1555 does not alter the program access, must carry or retransmission consent provisions of the 1992 Cable Act.

Quite modestly, H.R. 1555 will end rate regulation of expanded basic cable entertainment programming 15 months after the enactment of the legislation, plenty of time for the telcos to get into the video business.

Mr. Chairman, cable programming is an enormously popular and valuable service in the world of video entertainment. But just because it's good and people like it, doesn't mean the Federal Government should regulate it.

I urge my colleagues to reject the Markey amendment.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH], a member of the committee.

Mr. DEUTSCH. Mr. Chairman, I would like to thank the chairman of the committee for yielding me this time.

Mr. Chairman, the crux of this issue is, is there competition in this industry at this time on the issues of this amendment? I think the answer to that is that there is.

Let us be very specific about what the amendment does. The amendment would keep regulation on nonbasic services. Basic service would continue regulation beyond the 15-month period. For nonbasic service, for HBO, Cinemax, and things like that.

There is competition today in just about any place in this country, and I know for a fact in my community you can buy a minisatellite dish. You can go to Blockbuster Video and rent a video. Many people choose that. Cable passes 97 percent of the homes in this country, yet only 60 percent of those homes choose to purchase cable systems.

What this bill does is it gives an opportunity for this country to enter a new age, an age for competition throughout our telecommunications. The major opportunity is there for the phone systems for competition through the cable system.

Again, in my own area of south Florida, cable systems are actively marketing competition in commercial lines, today, against phone systems. That is something they want to do in the short term, tomorrow.

If this bill has any chance of creating this synergism, the new technologies, the things that will be available that are beyond our imagination, the opportunity of cable systems to be part of that competition is a necessary component.

If we can think back 15 years ago when none of us could have imagined the change in the technologies that have evolved, this is a case of hope versus fear.

Mr. Chairman, I urge the defeat of the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman very much for yielding me time.

Mr. Chairman, I rise with great excitement about the technology that is offered through this cable miracle. I only hope that the consumers can be excited as well. I stand here before you as a former chairperson of a local municipality's cable-TV committee, and I realize that basic rates have been regulated. But maybe the reason why so many do not opt in for cable TV is because of the rates on the other services.

So I think the Markey-Shays amendment is right on the mark. It acknowledges the technology, but it also comes squarely down for competition, and it responds to the needs of consumers in keeping the lid on what is a privilege held by the cable companies. It is a privilege to be in the cable TV business. It is big business. It is going to be more big business in the 21st century, and I encourage that. But at the same time, I think it is very important to have a system that provides for the regulation of rates so that we can have greater access to cable by our schools, for our public institutions, and, yes, for our citizens in urban and rural America. The rates are already too high!

Mr. Chairman, this amendment also allows the subscriber to more easily make complaints to the FCC. The real issue is to come down on the side of the consumer and to come down on the side of viable competition. Support the Markey-Shays amendment.

Mr. Chairman, I rise in support of the Markey-Shays amendment to H.R. 1555 because it provides reasonable and structured plan for deregulating cable rates for an existing cable system until a telephone company is providing competing services in the area.

This amendment is critically important because in many areas of the country, one cable company already has a monopoly on cable services. I am sure that many of my colleagues can attest to the complaints by constituents with respect to high rates and inadequate service when no competition exists in the local cable market.

This amendment is also necessary because it would eliminate rate regulation for many small cable systems with less than 10,000 subscribers in a franchise area and less than 250,000 subscribers nationwide.

Finally, this amendment provides an opportunity for consumers to petition the FCC to review rates if 10 subscribers complain as opposed to the bill's requirement that 5 percent of the subscribers must complain in order to trigger a review by the FCC.

I urge my colleagues to support true competition in the cable market by voting in favor of the Markey-Shays amendment.

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Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Mr, Chairman, While I applaud the leadership of the gentleman from Massachusetts [Mr. MARKEY], incredible leadership on telecommunications issues, I must oppose this amendment, because Federal regulation of cable which began in 1993 has not worked. Regulation has resulted in the decline of cable television programming and hurt the industry's ability to invest in technology that is going to improve information services to all Americans.

□ 1100

Because cable companies have information lines in home, cable has the potential to offer our constituents a choice in how to receive information. Cable systems pass over 96 percent of American homes with cables that carry up to 900 times as much information as the local phone company's wires.

Exensive regulations prevent the cable industry from raising the capital needed to make the billion dollar investments needed to upgrade their systems. Cable's high capacity systems can ultimately deliver virtually every type of communications service conceivable, allow consumers to choose between competing providers, voice, video, and data services.

I urge a "no" vote on this amendment.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. DINGELL], the ranking member of the Committee on Commerce.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment.

While many of us differ about parts of the bill, one thing is clear. H.R. 1555 deregulates cable before consumers have a competitive authorization alternative. The provisions of the bill very simply see to it, first of all, that so-called small systems are deregulated immediately and define a small system as one which has 600,000 subscribers. That is a market the size of the city of Las Vegas. So there is nothing small about those who will be deregulated immediately.

Beyond this, the provision will deregulate cable rates for more than 16 million households, nearly 30 percent of the total cable households in America, and it will do so at the end of the time it takes the President to sign this.

The bill will deregulate all cable rates in Alaska immediately, and more than 61 percent of rates in Georgia, and the rates of better than half of the subscribers in Arkansas, Maine, North Dakota, South Dakota, Minnesota, Nevada, and other States.

But there is more. This bill will deregulate by the calendar. What happens is that at the end of 15 months, whether there is competition in place or not, deregulation occurs. At that point, what protection will exist for the consumers of cable services in this country who do not have competition?

This amendment returns us to the rather sensible approach which we had when we passed the Cable Regulation Act some 2 years ago. It provides protection for the consumers. I urge my colleagues to support the amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. OXLEY], a member of the committee.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Chairman, since the passage of the 1992 Cable Act, the FCC staff has increased some 30 percent, making it one of the largest growing Federal bureaucracies in Washington. Most of the growth is due to the creation of the Cable Services Bureau.

Listen to this: When established, the Cable Service Bureau has a staff of 59. Since the passage of the Cable Act of 1992, it has increased and has quadrupled in size. The 1995 cable services budget stands at $186 million, a 35-percent increase from the Cable Act.

We do not need more bureaucrats telling the American public what they can and cannot pay for MTV and other cable services. It seems to me that the potential is clearly there for more and more competition. If we get bureaucracy in the way of competition, the bureaucracy always wins. It is important to understand the negative effects of the Cable Act of 1992. This amendment would exacerbate the terrible things that have happened since 1992.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, we gave away cable franchises in the early 1970s and made millionaires out of cable franchise owners. In 1984, we deregulated and made billionaires out of these organizations.

The argument that since deregulation bad things have happened to cable is simply not true. Their revenues have grown from 17 billion in 1990 to 25 billion in 1995. Their subscribers have grown from 54 million to 61 million during that same time period. Cable companies are making money. They are presently without competition. We should deregulate when we have competition, not before. That is the crux of this argument.

Mr. BLILEY. Mr. Chairman, I yield 3½ minutes to the gentleman from Colorado [Mr. SCHAEFER].

(Mr. SCHAEFER asked and was given permission to revise and extend his remarks.)

Mr. SCHAEFER. Mr. Chairman, I rise in opposition to this amendment and in support of H.R. 1555.

In 1992, I voted against the cable act because it was unjustified and would slow the growth of a dynamic industry. In fact, the 1992 act stifled the cable industry's ability to upgrade its plants, deploy new technology and add new channels. It also put several program networks out of business and delayed the launch of many other networks in this country.

Without some changes to the cable act, Congress will delay the introduction of new technologies and services to the consumer and will jeopardize the growth of competition in the telecommunications industry.

The Markey-Shays amendment should be rejected for two reasons: First, it looks to the past; second, it is bad policy.

H.R. 1555 is looking to the future. It will establish new competition between multiple service providers offering consumers greater choices, better quality and fairer prices.

The Markey-Shays amendment is based on outdated market conditions from the 1980's, and it seeks to shackle an industry that promises to deliver every conceivable information age service as well as local phone service.

The proposed amendment represents a last ditch effort to keep in place a failed system of regulation that has no place in the marketplace today.

The gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Connecticut [Mr. SHAYS] have argued that without their amendment cable prices would jump significantly and without justification. This simply is not true.

First, for most cable systems, the vast majority of cable subscribers rate regulations will remain in place for 15 months after 1,555 is enacted. This will provide ample time for more competition to develop. Competition, not extensive Federal regulation, is the best way to constrain prices that we have today.

Second, the sponsors of the pending cable rate amendment have overstated the history of cable prices after deregulation. For example, Mr. MARKEY has repeatedly cited a GAO statistic which suggests that cable rates tripled between deregulation in the mid 1980s and reregulation in 1992. What he ignores is that the number of channels offered by the cable system has also tripled.

As this chart very well explains it, back in the deregulation era, here we had between 1986, 58 cents per channel. And as you go to 11/91, 58 cents per channel. No changes.

The chart demonstrates the average cost of cable television. It remained constant over the particular time. And I would just say, by tying future cable rates to CPI, as the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Connecticut [Mr. SHAYS] are proposing, Congress will choke off the explosion of services and programs to our consumers. The time for total deregulation is there; 13 hundred pages of FCC regulations and 220 bureaucrats are running this system,

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the cable bureau in this country under FCC. It is harming consumers by delaying introduction of new technology and services. Such regulations will also impede the cable industry's ability to offer other consumer advantages in this market.

I would just say that if we really want cable to be a part of this whole information highway, defeat the Markey-Shays amendment.

Mr. MARKEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we are now 3 minutes from casting the one vote that every consumer in America is going to understand. They may appreciate that you are going to give them the ability to have one more long distance company out there, but they have already, in fact, enjoy dozens of long distance companies in America. But every cable consumer in America knows that in their hometown there is only one cable company, and the telephone company is not coming to town soon.

Under Shays-Markey, when the telephone company comes to town, no more regulation. What the bill says right now is, even if the telephone company does not come to town, the cable companies can tip you upside down and shake your money out of your pockets.

So you answer this question: When cable rates go from $25 a month to $35 a month, every month, are you going to be able to explain that there is competition arriving in 3 or 4 years?

Keep rate controls until the telephone company shows up in town, then complete deregulation. That is what this bill is all about, competition. When the telephone company begins to compete, if it ever does, no rate control. But until they get there, every community in America for all intents and purposes is a cable monopoly. They are going right back to the same practices once you pass this bill.

Support the Shays-Markey amendment. Protect cable consumers until competition arrives.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] has 1 half minute to close.

Mr. BLILEY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS].

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, this is a reregulatory dinosaur. Basic cable rates continue to be regulated under this bill.

We deregulate expanded basic in 15 months, when telephone will be competing with cable. But very importantly, in terms of competition with telephone companies, the only competitor in the residential marketplace will be the cable company. If you place regulations on cable, they will not be able to roll out the services so they can truly compete with telephone, which is what we want. It is a desired consumer benefit.

Mr. Chairman, I rise in opposition to the Markey cable re-regulation amendment. Today, we will hear from my friend from Massachusetts that there is not enough competition in the cable services arena and, therefore cable should not be deregulated. So one might ask, why would we want to limit one industry and place regulations which will prohibit cable from competing with the others?

The checklist in title 1 envisions a facilities-based competitor which will provide the consumer with an alternative in local phone service. The cable companies are ready to be that competitor; however, they cannot fully participate in the deployment of an alternative system if they must operate under the burdensome regulations imposed by the 1992 cable act. The truth is that cable companies are facing true competition. With the deployment of direct broadcast satellite systems and telephone entry into cable, the competitors have come.

H.R. 1555 takes a moderate approach toward deregulating cable. The basic tier remains regulated because that has become a lifeline service. The upper tiers, which are purely entertainment, are reregulated because consumers have a choice in that area.

We should not be picking favorites by keeping some sectors of the industry under regulations. It is time to allow everyone to compete fairly and without Government interference. I strongly urge my colleagues to oppose this amendment.

STATEMENT ON MUST CARRY/ADVANCED SPECTRUM

Section 336(b)(3) of the Communications Act, added by section 301 of the bill, makes clear that ancillary and supplemental services offered on designated frequencies are not entitled to must carry. It is not the intent of this provision to confer must carry status on advanced television or other video services offered on designated frequencies. Under the 1992 Cable Act, that issue is to be the subject of a Commission proceeding under section 614(b)(4)(B).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to the rule, the Chair announces that it will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings. This is a 15-minute vote.

The vote was taken by electronic device, and there were—ayes 148, noes 275, not voting 11, as follows:

[Roll No. 628]

AYES—148

Abercrombie	Brown (CA)	Collins (MI)
Baesler	Brown (FL)	Conyers
Barcia	Brown (OH)	Costello
Barrett (WI)	Bunning	Coyne
Becerra	Cardin	DeFazio
Bellenson	Clay	DeLauro
Bereuter	Clayton	Dellums
Bishop	Clement	Dingell
Boehlert	Clyburn	Doyle
Borski	Coleman	Duncan
Boucher	Collins (IL)	Durbin
Engel	Leach	Rivers
Evans	Lovin	Roemer
Farr	Lewis (GA)	Rogers
Fattah	Lipinski	Roybal-Allard
Fields (LA)	Lowey	Rush
Filner	Luther	Sabo
Foglietta	Maloney	Sanders
Ford	Markey	Sawyer
Frank (MA)	Mascara	Schumer
Franks (NJ)	McCarthy	Scott
Furse	McDermott	Serrano
Gejdenson	McHugh	Shays
Gilman	McKinney	Skelton
Gonzalez	McNulty	Slaughter
Gordon	Meehan	Stark
Green	Meek	Stokes
Gutierrez	Menendez	Studds
Hastings (FL)	Mfume	Stupak
Hefner	Minge	Tanner
Hilliard	Mink	Thompson
Hinchey	Mollohan	Torres
Holden	Moran	Torricelli
Horn	Morella	Tucker
Hyde	Murtha	Velazquez
Jackson-Lee	Nadler	Vento
Jacobs	Neal	Visclosky
Johnson (SD)	Nussle	Volkmer
Johnson, E. B.	Oberstar	Ward
Johnston	Obey	Waters
Kanjorski	Olver	Watt (NC)
Kaptur	Owens	Waxman
Kennedy (MA)	Pallone	Weldon (PA)
Kennedy (RI)	Payne (NJ)	Wise
Kennelly	Pomeroy	Woolsey
Kildee	Porter	Wyden
Kleczka	Poshard	Wynn
Klink	Rahall	Yates
LaFalce	Reed	
Lantos	Regula	

NOES—275

Ackerman	Danner	Hansen
Allard	Davis	Harman
Archer	de la Garza	Hastert
Armey	Deal	Hastings (WA)
Bachus	DeLay	Hayes
Baker (CA)	Deutsch	Hayworth
Baker (LA)	Dias-Balart	Hefley
Baldacci	Dickey	Heineman
Ballenger	Dicks	Herger
Barr	Dixon	Hilleary
Barrett (NE)	Doggett	Hobson
Bartlett	Dooley	Hoekstra
Barton	Doolittle	Hoke
Bass	Dornan	Hostettler
Bentsen	Dreier	Houghton
Berman	Dunn	Hoyer
Bevill	Edwards	Hunter
Bilbray	Ehlers	Inglis
Bilirakis	Ehrlich	Istook
Billey	Emerson	Jefferson
Blute	English	Johnson (CT)
Boehner	Ensign	Johnson, Sam
Bonilla	Eshoo	Jones
Bonior	Everett	Kasich
Bono	Ewing	Kelly
Brewster	Fawell	Kim
Browder	Fazio	King
Brownback	Fields (TX)	Kingston
Bryant (TN)	Flake	Kim
Bryant (TX)	Flanagan	Knollenberg
Bunn	Foley	Kolbe
Burr	Forbes	LaHood
Burton	Fowler	Largent
Buyer	Fox	Latham
Callahan	Franks (CT)	LaTourette
Calvert	Frelinghuysen	Laughlin
Camp	Frisa	Lazio
Canady	Frost	Lewis (CA)
Castle	Funderburk	Lewis (KY)
Chabot	Gallegly	Lightfoot
Chambliss	Ganske	Lincoln
Chapman	Gekas	Linder
Chenoweth	Gephardt	Livingston
Christensen	Geren	LoBiondo
Chrysler	Gibbons	Lofgren
Clinger	Gilchrest	Longley
Coble	Gillmor	Lucas
Collins (GA)	Goodlatte	Manton
Combest	Goodling	Manzullo
Condit	Goss	Martinez
Cooley	Graham	Martini
Cox	Greenwood	Matsui
Cramer	Gunderson	McCollum
Crane	Gutknecht	McCrery
Crapo	Hall (OH)	McDade
Cremeans	Hall (TX)	McHale
Cubin	Hamilton	McInnis
Cunningham	Hancock	McIntosh

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McKeon
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peloai
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Richardson
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schiff
Schroeder
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Andrews
Bateman
Coburn
Hutchinson
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1133

Messrs. MONTGOMERY, MARTINEZ, PAYNE of New Jersey, and BEVILL changed their vote from "aye" to "no."

Mrs. MEEK of Florida and Mr. HASTINGS of Florida changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 2-1 offered by the gentleman from Michigan [Mr. STUPAK]. Amendment No. 2-2 as modified, offered by the gentleman from Michigan [Mr. CONYERS], and Amendment No. 2-3 offered by the gentleman from California [Mr. COX].

AMENDMENT NO. 2-1 OFFERED BY MR. STUPAK

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan [Mr. STUPAK] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 338, noes 86, not voting 10, as follows:

[Roll No. 629]

AYES—338

Abercrombie
Ackerman
Armey
Baesler
Baker (LA)
Baldacci
Barcia
Barr
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bellenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Blute
Boehlert
Bonilla
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Burton
Calvert
Camp
Canady
Cardin
Chambliss
Chapman
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Cubin
Cunningham
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Frank (MA)
Frelinghuysen
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hunter
Hyde
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
LaFalce
LaHood
Lantos
LaTourette
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McHugh
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornton
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Waldholtz
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff

NOES—86

Allard
Archer
Bachus
Baker (CA)
Ballenger
Barrett (NE)
Bilbray
Bliley
Boehner
Bono
Boucher
Bunn
Bunning
Burr
Buyer
Callahan
Castle
Chabot
Chenoweth
Christensen
Coleman
Combest
Cox
Crapo
Cremeans
Deal
DeLay
Deutsch
Dickey
Ewing
Fields (TX)
Fox
Franks (CT)
Franks (NJ)
Frisa
Ganske
Gillmor
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hefley
Herger
Hostettler
Houghton
Inglis
King
Kolbe
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Livingston
LoBiondo
Longley
McCrery
McInnis
Metcalf
Mica
Norwood
Oxley
Packard
Parker
Paxon
Rogers
Rohrabacher
Royce
Schaefer
Shadegg
Skeen
Souder
Stump
Talent
Tate
Thornberry
Vucanovich
Walker
Weller
White
Whitfield
Wicker
Zimmer

NOT VOTING—10

Andrews
Bateman
Hutchinson
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1142

Mr. FOX of Pennsylvania and Mr. SHADEGG changed their vote from "aye" to "no."

Messrs. ROBERTS, QUINN, and BILIRAKIS, and Mrs. SMITH of Washington changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 2-2, AS MODIFIED, OFFERED BY MR. CONYERS

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment 2-2, as modified, offered by the gentleman from Michigan [Mr. CONYERS] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 151, noes 271, not voting 12, as follows:

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[Roll No. 630]

AYES—151

Abercrombie
Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bono
Borski
Brown (CA)
Bryant (TX)
Bunn
Canady
Cardin
Chabot
Chapman
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
Cremeans
Cunningham
Danner
DeFazio
DeLauro
Dellums
Dixon
Doggett
Durbin
Edwards
Evans
Farr
Fawell
Fazio
Filner
Flake
Foglietta
Ford
Frost
Furse
Gejdenson
Gekas
Gephardt
Gibbons
Gonzalez
Goss
Green
Gutierrez
Hall (OH)
Heineman
Hinchey
Hobson
Holden
Hostettler
Hoyer
Hyde
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kildee
Kleczka
Klink
Knollenberg
LaFalce
Lantos
LaTourette
Leach
Levin
Lewis (KY)
Lipinski
Lofgren
Luther
Martinez
Matsui
McCarthy
McCollum
McDermott
McHale
Meyers
Mfume
Miller (CA)
Mineta
Mink
Myers
Nadler
Neumann
Norwood
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Pomeroy
Poshard
Quillen
Ramstad
Rangel
Reed
Richardson
Rivers
Rogers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Skelton
Slaughter
Smith (MI)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Thomas
Thornton
Torres
Torricelli
Traficant
Tucker
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Whitfield
Woolsey
Wyden
Yates

NOES—271

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cubin
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Fattah
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Klug
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Lewis (CA)
Lewis (GA)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lowey
Lucas
Maloney
Manton
Manzullo
Markey
Martini
Mascara
McCrery
McDade
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myrick
Neal
Nethercutt
Ney
Nussle
Oxley
Packard
Pallone
Parker
Pastor
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Seastrand
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Tiahrt
Torkildsen
Towns
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wilson
Wise
Wolf
Wynn
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Andrews
Bateman
Bishop
Hutchinson
McHugh
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1150

So the amendment, as modified, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. COX] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 420, noes 4, not voting 10, as follows:

[Roll No. 631]

AYES—420

Abercrombie
Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula

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Richardson	Skaggs	Towns
Rigg.	Skeen	Traficant
Rivers	Skelton	Tucker
Roberts	Slaughter	Upton
Roemer	Smith (MI)	Velazquez
Rogers	Smith (TX)	Vento
Rohrabacher	Smith (WA)	Visclosky
Ros-Lehtinen	Solomon	Volkmer
Ross	Spence	Vucanovich
Roth	Spratt	Waldholtz
Roukema	Stark	Walker
Roybal-Allard	Stearns	Walsh
Royce	Stenholm	Wamp
Rush	Stockman	Ward
Sabo	Stokes	Waters
Salmon	Studds	Watt (NC)
Sanders	Stump	Watts (OK)
Sanford	Stupak	Waxman
Sawyer	Talent	Weldon (FL)
Saxton	Tanner	Weldon (PA)
Schaefer	Tate	Weller
Schiff	Tauzin	White
Schroeder	Taylor (MS)	Whitfield
Schumer	Taylor (NC)	Wicker
Scott	Tejeda	Wilson
Seastrand	Thomas	Wise
Sensenbrenner	Thompson	Woolsey
Serrano	Thornberry	Wyden
Shadegg	Thornton	Wynn
Shaw	Tiahrt	Yates
Shays	Torkildsen	Young (FL)
Shuster	Torres	Zeliff
Sisisky	Torricelli	Zimmer

NOES—4

Hunter	Souder
Smith (NJ).	Wolf

NOT VOTING—10

Andrews	Ortiz	Williams
Bateman	Reynolds	Young (AK)
Moakley	Scarborough	
Nethercutt	Thurman	

□ 1156

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NETHERCUTT. Mr. Chairman, I was not recorded on rollcall vote No. 631. The RECORD should reflect that I would have voted "aye."

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY: Page 150, beginning on line 24, strike paragraph (1) through line 17 on page 151 and insert the following:

"(1) NATIONAL AUDIENCE REACH LIMITATIONS.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, controlling, or having a cognizable interest in, television stations which have an aggregate national audience reach exceeding 35 percent. Within 3 years after such date of enactment, the Commission shall conduct a study on the operation of this paragraph and submit a report to the Congress on the development of competition in the television marketplace and the need for any revisions to or elimination of this paragraph."

Page 150, line 4, strike "(a) AMENDMENT.—".

Page 150, line 9, after "section," insert "and consistent with section 613(a) of this Act,".

Page 154, strike lines 9 and 10.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment which we are now considering addresses one of the most fundamental changes which has ever been contemplated in the history of our country. The bill, as it is presented to the floor, repeals for all intents and purposes all the cross-ownership rules, all of the ownership limitation rules, which have existed since the 1970's, the 1960's, to protect against single companies being able to control all of the media in individual communities and across the country.

□ 1200

In this bill it is made permissible for one company in your hometown to own the only newspaper, to own the cable system, to own every AM station, to own every FM station, to own the biggest television station and to own the biggest independent station, all in one community. That is too much media concentration for any one company to have in any city in the United States.

This amendment deals with a slice of that. The amendment to deal with all of it was not put in order by the Committee on Rules when it was requested as an amendment, but it does deal with a part of it. It would put a limitation on how many television stations, CBS, ABC, NBC, and Fox could own across our country, how many local TV stations, and whether or not in partnership with cable companies individual TV stations being owned by cable companies at the local level could partner to create absolutely impossible obstacles for the other local television broadcasters to overcome.

Who do we have supporting our amendment? We have just about every local CBS, ABC, and NBC affiliate in the United States that supports this amendment. We do not have ABC, CBS, and NBC in New York because they want to gobble up all the rest of America. This would be unhealthy, it would run contrary to American traditons of localism and diversity that have many voices, especially those at the local level that can serve as well as a national voice but with a balance.

Vote for the Markey amendment to keep limits on whether or not the national networks can gobble up the whole rest of the country and whether or not in individual cities and towns cable companies can purchase the biggest TV station or the biggest TV station can purchase the cable company and create an absolute block on other stations having the same access to viewers, having the same ability to get their point of view out as does that cable broadcasting combination in your hometown.

Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield myself 2 minutes.

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Massachusetts [Mr. MARKEY] restricting the national ownership limitations on television stations to 35 percent of an aggregate national audience reach.

The gentleman's amendment would limit the ability of broadcast stations to compete effectively in a multichannel environment. Indeed, the Federal Communications Commission on this issue in its further notice of proposed rulemaking issued this year, the FCC noted that group ownership does not. I repeat does not result in a decrease in viewpoint diversity. According to the FCC the evidence suggests the opposite.

Mr. Chairman, I ask the Members to look at their own broadcast situation. Who owns your local ABC, NBC, CBS affiliate? Is it local? I venture to say that 90 percent of us the answer is no, they are owned by somebody else out of town. So it is a nonissue.

As to what the gentleman says about cross ownership and saturation, I invite the Members to read page 153 of the bill. The commission may deny the application if the commission determines that the combination of such station and more than one other nonbroadcast media of mass communication and would result in a undue concentration of media voices in the respective local market. This amendment is not needed. Vote it down.

Mr. Chairman, I rise in opposition to Mr. MARKEY'S amendment restricting the national ownership limitations on telephone stations to 35 percent of an aggregate national audience reach. Mr. MARKEY'S amendment would limit the ability of broadcast stations to compete effectively in a multichannel environment. Mr. MARKKEY'S amendment would limit the ability of broadcast stations to compete effectively in the multichannel environment. Mr. MARKEY defends the retention of an arbitrary limitation in the name of localism and diversity. The evidence, however, does not support his claim.

I would simply refer Mr. MARKEY to the findings of the Federal Communications Commission on this issue in its further notice of proposed rulemaking issued this year. The FCC noted that group ownership does not result in a decrease in viewpoint diversity. According to the FCC, the evidence suggests the opposite, that group television station owners generally allow local managers to make editorial and reporting decisions autonomously. Contrary to Mr. MARKEY'S suggestion that relaxation of these limits are anticompetitive, the FCC has found that in today's markets, common ownership of larger numbers of broadcast stations nationwide, or of more than one station in the market, will permit exploitation of economies of scale and reduce costs and permit improved service.

Finally, I would note that in its notice of proposed rulemaking, the FCC questioned whether an increase in concentration nationally has any effect on diversity or the local market. Most local stations are not local at all, but are run from headquarters found outside the State in which the TV station is located. Moreover,

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many local stations are affiliated with networks. As a result, even though these stations are not commonly owned, they air the identical programming for a large portion of the broadcast day irrespective of the national ownership limits.

For these reasons, the amendment proposed by Mr. MARKEY is anticompetitive and I strongly urge my colleagues to oppose his amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, it goes without saying that media is a major force in our society. Some people even blame our crime problems, our moral decay on the media. Now, I am not willing to go that far, but I am concerned about putting the control of our ideas and messages in the hands of fewer and fewer people in this country.

Right now the national audience capture is 25 percent. That seems appropriate to me in light of the fact that there is no network that reaches 25 percent, but certainly 35 percent is a reasonable compromise. There is no reason to double the concentration to 50 percent. I think 35 percent is certainly appropriate.

We talk about small business. Mr. Chairman, this bill goes in the exact opposite direction. Even big businesses may not be able to get into the market if we pass this legislation. It is clearly a barrier to market interests. In fact; 10 years ago if this bill had been in place Fox television probably could not have gotten started. It represents a threat to local broadcast decisions. Please vote with the Markey amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Chairman, I rise in strong opposition to the Markey amendment.

The rules regulating broadcasters were written in the 1950's. but the world for which those broadcast provisions were necessary doesn't exist anymore. It's gone. Most of us have recognized that fact and bidden it a fond farewell.

But not the supporters of this amendment. They would take the U.S. broadcasting industry back to the days of the 1950's. This amendment would ensure that while every other industry in America surges ahead, U.S. broadcasters remain mired in rules written when the slide rule was still state-of-the-art technology.

We should be thankful that we didn't impose the same regulations on the computer industry as we have on the broadcast industry. If we had, we'd all still be using mechanical typewriters.

The Markey amendment is the equivalent of trying to stuff a full-grown man into boys clothes—they simply won't fit anymore. The broadcast industry has outgrown the rules written for it when it was still a child.

If I could direct your attention to the graph, you will see that to reach that 50 percent limit, one would have to buy a station in more than each of the top 25 markets out of the 211 television markets. That in itself is no small feat. But keep in mind the result: Broadcasters would own a mere 30 stations out of the 1,500 TV stations nationwide. Who has this money, the financing, for that would be mind boggling.

On the question of localism—it isn't lost. Networks and group-owned stations typically air more local coverage. Covering local news simply makes good business sense—give viewers what they want or go out of business. Business succeed by making people satisfied.

Opponents will also tell you we will lose diversity in the local market with this bill. That is simply not true. Just keep in mind the following:

The FCC can deny any combination if it will harm the preservation of diversity in the local market; and under no circumstance will the FCC allow less than three voices in a market.

We must reject this backward-looking amendment. We must reject the advice of the Rip Van Winkles of broadcasting who went to sleep in the 1950's and think we are still there.

If the supporters of this amendment had their way, smoke signals would still be cutting-edge technology.

The dire predictions about the harm of lifting broadcast restrictions remind me of Chicken Little's warning that the sky is falling. Ladies and gentlemen, the sky is not falling. Freeing broadcasters from outdated ownership rules will do us no harm. If I can steal from Shakespeare, the Markey amendment is "full of sound and fury, signifying nothing."

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Pittsburgh, PA [Mr. KLINK].

Mr. KLINK. Mr. Chairman, the Markey amendment is really very important to this bill. I will tell you that for us to have a free Nation, for people who are going to elect those of us who are their representatives in Government, they have to have different points of views.

I have had some experience in the broadcast industry for 24 years, and in fact I worked for Westinghouse, which is one of the companies who just this last week made national history in buying CBS, ABC is being bought by Disney.

I am talking to my colleagues in the business. They said, look, we are already merging news rooms. You have four or five different entities, radio and TV owned by Westinghouse and by CBS, we are merging news rooms, so before as a Member of Congress or as any public servant you may have three or four different people there gathering points of view you now have one.

So this is not a divergence of viewpoints. We are bringing all the viewpoints in there. We are creating information czars. We are creating a situation where a handful of people will in fact be able to control the opinions across this Nation, and what we are saying is, no, we do not want that, we want free broadcast, we want the broadcast signals which are owned by the people of this Nation, which are licensed by the FCC for these large corporations to broadcast on to continue.

I urge you to support the Markey amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. PAXON].

Mr. PAXON. Mr. Chairman, one of the major fallacies of Mr. MARKEY's arguments is that the broadcast ownership reform provisions will harm local ownership of broadcast stations.

There is an unfounded fear that networks or broadcasting groups will buy up local stations and drop local programming in favor of network programs or a bland, national fare—and that is just plain wrong.

First, under today's restrictive broadcast ownership provisions, 75 percent of television stations are owned by broadcast corporations, and of those companies, 90 percent are headquartered in States other than where their individual stations are located.

Second, networks cannot currently force an affiliate to air any specific network program: Local stations today enjoy the "right of refusal" which means they can air a local program instead of a network program. Nothing in H.R. 1555 will change this right of refusal.

Finally, and perhaps most important to broadcasters, is the fact that local programming is profitable. Good business sense dictates that broadcasters address the needs of the local community.

There will always be demand for local programming, especially local news, weather forecasts and traffic reports, since this is something that the networks just can't match.

In conclusion, we must also remember that H.R. 1555 does nothing to weaken existing antitrust laws regarding undue media concentration.

Mr. Chairman, I urge all of my colleagues to oppose the amendment by Mr. Markey.

The CHAIRMAN. The Committee will rise informally to receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. WALKER) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

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