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In the 21 years that I have been here, the most successful farm legislation has been bipartisan farm legislation. The most successful farm legislation has been that where we have worked together. There are a lot of issues in this, from the normal crops to issues of nutrition, conservation, reserve areas, which are very important to me. I know that the only kind of legislation we are ever actually going to see go into law is something we all work together on.

I commend Senator DOLE and Senator DASCHLE and Senator LUGAR and others for working so hard to bring us together. I think we will shortly be in a position to put before the body a piece of legislation that we can at least all vote cloture on and then go on in the normal course of things on the farm bill.

But I commend those Senators again on both sides of the aisle who have been willing to work together on legislation to protect the farmers of our country, to require the production of food and fiber and allow family farms to continue, but also to protect the environment of this country and to feed the people of this country through the nutrition programs. Those programs work best when we come together to pass it. I think we are coming very close to that.

I thank the distinguished majority leader for yielding to me.

THE TELECOMMUNICATIONS BILL

Mr. DOLE. Mr. President, I think the Senator from Iowa has a legitimate request here. We are trying to clarify that now with the Senator from South Dakota. If we can do that, then we will start the debate on the telecommunications bill. I have read the colloquy. I do not see any problem with it. But I am not on the committee. I am not the committee chairman. So I hope we can work that out.

THE FARM BILL

Mr. BUMPERS. Mr. President, will the majority leader yield for a question?

The majority leader may have already covered this. I am concerned about this. I am vitally interested in the farm bill. I have no objection whatever going to the telecommunications bill. But if at some point this afternoon some sort of a compromise is reached, I hope that we will not have any difficulty setting the telecommunications bill aside and then get back to the farm bill and, hopefully, dispose of it this evening.

Mr. DOLE. We would like to dispose of it this evening. We are hoping there can be an agreement and that we have 60 votes on cloture—not 61 or 59, or whatever. I know some Members have to depart fairly soon. We are trying to accommodate everyone. It is difficult to do. But I think they are meeting as we speak in a bipartisan group.

Mr. LEAHY. Mr. President, if the leader will yield, his staff, mine, Senator LUGAR's, and Senator DASCHLE's are meeting. I think we are going to have very soon a package on the farm bill before us, at least the original package most of us can vote for and, obviously, subject to amendment after that. But the desire, I think, of the principals—those of us on both sides of the aisle who are handling this—is to get something that we can compress in time, if at all possible, and protect the legitimate interests reflected not only geographically but politically.

Mr. BUMPERS. My concern, Mr. President, to the majority leader was, I wish we could incorporate into the unanimous-consent request that the majority leader will have a right to automatically set the telecommunications bill aside. I do not want somebody to object to that and get us bogged down here so that we cannot get back to the farm bill.

Mr. DOLE. I will assure the Senator I am interested, too, just as the Senator from Arkansas is. If we get bogged down on this, we could set it aside. We have regular order to bring it back.

TELECOMMUNICATIONS ACT OF 1996—CONFERENCE REPORT

Mr. DOLE. Mr. President, I now ask unanimous consent that notwithstanding the absence of the official papers—they are somewhere else—the Senate now turn to the consideration of the conference report to accompany S. 652, the telecommunications bill, and the conference report be considered read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 652, to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapid private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of January 31, 1996.)

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, it is with a sense of relief and pride that we bring to the Senate floor the conference report on the telecommunications bill. I wish to commend my colleague, Senator HOLLINGS, for his outstanding leadership and bipartisan spirit throughout this debate. This long debate has brought us to the point today where we have a conference report that is very positive. It is procompetitive and deregulatory. The Telecommunications Act of 1996 will get everybody into everybody else's business.

The purpose of this bill is to update the 1934 Communications Act. This is the first complete rewrite of the telecommunications law in our country. It is very much needed.

I predict that this will be succeeded someday as we get into the wireless age by another act, maybe in 10 or 15 years. But this Telecommunications Act will provide us with a road map into the wireless age and into the next century.

Mr. President, what has occurred in our country is that through court decisions and through the 1934 act we have developed an economic apartheid regarding telecommunications, that is, the regional Bell companies have the local telephone service, the long-distance companies have the long-distance service, the cable companies have their section, the broadcast companies have their section.

This bill attempts to get everybody into everybody else's business and let in new entrants. For example, at President Clinton's recent White House conference on small business many small business people wrote and said, we want the Telecommunications Act of 1996 to pass because it will allow small business people to get into local telephone service, it will allow small business people to get into different segments of telecommunications.

Mr. President, this conference report we bring here today is a vast bill. It covers everything from the rules of entry into local telephone service by other competitors—it deals with long distance, it deals with cable, it deals with broadcast, it deals with the public utilities getting into telecommunications, it deals with burglar alarm issues, it deals with the authority of State and local governments over their rights of way, and it deals with the rules of satellite communication.

It will result in many things for consumers. For example, I believe it will accelerate an explosion of new devices, an explosion of new investment. What has happened in our country is that we have forced our regional Bell companies to invest overseas because we limit what they can manufacture. We have limited many of our companies in what they can do in our country. This legislation unleashes them, makes them competitive and is deregulatory in nature.

It will do a great deal for consumers. For example, and specifically, it will lower prices on local telephone calls

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through competition. It will lower prices on long-distance calls through competition. It will lower cable TV rates through competition. It will provide an explosion of new devices, services and inventions.

Mr. LOTT. Mr. President, will the distinguished Senator from South Dakota yield? I hate to interrupt.

Mr. PRESSLER. I do yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, we have a unanimous-consent agreement I believe we are ready to enter. It is a very important effort to complete this legislation.

After consultation with the Democratic leadership, Mr. President, I ask unanimous consent that there now be 90 minutes on the conference report to be equally divided in the usual form, and following the conclusion or yielding back of the time, the Senate proceed to the adoption of the conference report without any intervening action or debate.

Mr. FORD. Reserving the right to object, Mr. President, I ask that my friend allow the ranking Member to have equal time for what the chairman has had, say 5 minutes, and add that to that.

Mr. LOTT. I amend my unanimous-consent request to that effect.

Mr. FORD. I thank my friend.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. I thank the Senator for yielding.

Mr. PRESSLER. I thank my colleagues and my colleague from Kentucky.

So, Mr. President, this bill is an industrial restructuring. It will be like the Oklahoma land rush because many investors have not had a road map as to what to do. It will mean we will be more competitive internationally, and it will mean many of our companies can form alliances internationally.

Some have said, well, will this just allow one or two companies to take everything over? No, it will not. I think it will prove to be the age of the small, nimble business. I believe that we will see small businesses emerging. We have seen AT&T break up into three companies. I think that is going to happen more and more.

This bill does not affect our antitrust laws. The antitrust laws stay in place. But this bill will encourage small, nimble companies and entrepreneurs to enter the telecommunications area.

It will also bring us to a point where many of our companies that have not been able to get into other areas can do so. For example, the public utilities will be able to get into telecommunications.

What does this mean to the average consumer? I have already mentioned I think it will mean lower prices through competition. It also will mean many new devices for senior citizens who might be living alone and want to summon emergency help with some of the wireless technologies that will be available. They can stay in their own homes longer with the security of mind of being able to call for help by pushing a button.

For the home, I believe we will see the computer and TV and telephone blended into one source of education, news, and entertainment. For the small town hospital, it will mean telemedicine, new devices and investment, where a large hospital can partner with a small hospital in research.

For the small business located in a smaller town, it will mean that a small businessman there will be on an equal footing with a bigger businessman in an urban center in terms of access to research and the ability to partner.

As a member of the Finance Committee, I have asked my staff to help find ways that when big universities get a research grant for cancer research, for example, that they use telecommunications to partner with a small university. That will make the research more accurate at lower cost.

So there are a number of benefits to consumers, farmers, small business people, and universities. There are many new devices that will come online that we have not even heard of yet. This bill will be like the Oklahoma land rush in terms of investment, inventions and development. We have just begun imagining what the telecommunications revolution will be like.

This will be the starting gun. We have kept our companies in bondage. Those companies will break free and there will be a whole group of new small entrepreneurs coming forth to participate in the telecommunications revolution.

Another area that it will help our country is jobs. This is the biggest jobs bill ever to pass this Congress. It will result in a creation of thousands of jobs, good jobs, good-paying jobs across our country.

We read about layoffs every day, but they are frequently in industries that have grown obsolete. This bill will allow an unleashing of new high-technology jobs in the information age. And it is very important.

This bill is a jobs bill without spending any Federal money. It will go down in history as the largest jobs bill in American history.

So, Mr. President, I shall, to save time, because I know some of my colleagues wish to speak—I want to pay tribute to both the Republicans and Democrats who have worked on this bipartisan bill, to my colleague, Senator HOLLINGS, to my colleague, Senator DASCHLE, who is on the floor, and many others on both sides of the aisle, Republicans and Democrats.

This is a bipartisan bill. It has been all the way through the Senate. First of all, this bill has been simmering for many years. We have worked on it first in the Senate and then in the House. There were bipartisan staff meetings.

We have brought the White House into the conference discussions. I spoke with President Clinton and Vice President GORE on a number of occasions throughout this process. I thank them for their participation. Mr. Simon of Vice President GORE's staff was a guest speaker at the conference staff's first meeting. We invited him so we could bring this together on a bipartisan basis.

This bill is not one that could be partisan. I think it is one of the most bipartisan pieces of legislation in the Congress. Mr. President, I shall have additional remarks as time goes on. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, today the Senate considers the conference agreement to S. 652, the Telecommunications Act of 1996. This bill is intended to promote competition in every sector of the communications industry, including the broadcast, cable, wireless, long distance, local telephone, manufacturing, pay telephone, electronic publishing, cable equipment, and direct broadcast satellite industries. This legislation has the support of the Clinton administration and almost every sector of the communications industry. I urge my colleagues to pass this comprehensive legislation.

Mr. President, this conference agreement comes before the Senate for final passage after years of debate. In 1991, I authored legislation to allow the Regional Bell Operating Companies [RBOC's] into manufacturing. That bill passed the Senate by almost ¾ of the Senate, but the House could not pass it. Several other bills were offered, but at each stage, one industry blocked the other. As a result, communications policy has been set by the courts, not by Congress and not by the Federal Communications Commission [FCC], the expert agency.

In 1994, I introduced S. 1822, the Communications Act of 1994, which contained the most comprehensive revision of the communications law since 1934. In that year, the committee held 31 hours of testimony in 11 days of hearings from 86 witnesses. Though that bill was reported by the Commerce Committee by a vote of 18 to 2, there was not enough time in the 103d Congress to complete our work.

Senator PRESSLER and I decided earlier this year to pick up where we left off in the last Congress. We jointly introduced S. 652 early in 1995 and succeeded in passing the bill out of the Commerce Committee by a vote of 17-2 on March 23 of last year. The bill passed the Senate in June by an overwhelming vote of 81-18. After the House passed its version of the legislation in August, the two Houses entered into the difficult task of reconciling the two bills over several months through the fall and winter.

I am pleased that the conferees have succeeded in reconciling these bills. I

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believe that the conference report that is brought before the Senate today is a fair and balanced compromise between the bills passed by the two Houses. It retains many of the concepts contained in my legislation from the 103d Congress. For instance, it promotes competition, it retains strong protections for universal service and rural telephone companies, it promotes consumer privacy, and it allows the RBOC's into long distance and manufacturing under certain safeguards.

At the same time, this legislation contains many more deregulatory provisions than were contained in my legislation from last year. It allows greater media concentration than I would have preferred. It deregulates cable on a date certain, rather than upon a determination that there is actual competition. Nevertheless, I believe that this legislation on the whole presents a balanced package that deserves the support of every Member of this body.

The basic thrust of the bill is clear: competition is the best regulator of the marketplace. Until that competition exists, monopoly providers of services must not be able to exploit their monopoly power to the consumer's disadvantage. Timing is everything. Telecommunications services should be deregulated after, not before, markets become competitive.

Competition is spurred by the bill's provisions specifying the criteria for entry into various markets. For example, on a broad scale, cable companies soon will provide telephone service, and telephone companies will offer video services. Consumers will soon be able to purchase local telephone service from several competitors, and vice versa. Electric utility companies will offer telecommunications services. The RBOC's will engage in manufacturing activities. All these participants will foster competition to each other and create jobs along the way.

We should not attempt to micromanage the marketplace; rather, we must set the rules in a way that neutralizes any party's inherent market power, so that robust and fair competition can ensue. This is Congress' responsibility, and so the bill transfers jurisdiction over the modification of final judgment [MFJ] from the courts to the FCC. Judge Greene, who has been overseeing the MFJ, has been doing yeoman's work in attempting to ensure that monopolies do not abuse their market power. But it is time for Congress to reassert its responsibilities in this area, and this conference agreement does just that.

Mr. President, let me address some of the specific areas of important in the bill.

UNIVERSAL SERVICE

The need to protect and advance universal service is one of the fundamental concerns of the conferees in drafting this conference agreement. Universal service must be guaranteed; the world's best telephone system must continue to grow and develop, and we must attempt to ensure the widest availability of telephone service.

The conference agreement retains the provision in the Senate bill that requires all telecommunications carriers to contribute to universal service. A Federal-State joint board will define universal service, and this definition will evolve over time as technologies change so that consumers have access to the best possible services. Special provisions in the legislation address universal service in rural areas to guarantee that harm to universal service is avoided there.

RBOC ENTRY INTO LONG DISTANCE

One of the most contentious issues in this whole discussion has been when, or if, the RBOC's should be allowed to enter the long-distance market. I share the concern of many consumers that the RBOC's should not be permitted to enter the long-distance market while they retain a monopoly over local telephone service. For this reason, I strongly opposed the idea that the RBOC's should be permitted to enter the long-distance market on a date certain, whether they face competition or not. I am pleased that the conference agreement recognizes that the RBOC's must open their networks to competition prior to their entry into long distance.

CABLE RATE DEREGULATION

The 1992 Cable Act was a great success. The rate regulation provisions of that legislation have saved consumers about $3 billion a year. The 1992 law also stimulated competition for cable service by wireless cable providers and direct broadcast satellite [DBS]. For these reason, I have agreed to go along with the provisions in the final conference agreement what would deregulate the upper tiers of cable service on March 31, 1999. By that time, we expect that competition from DBS and wireless cable, and perhaps from the telephone companies, will provide enough restraint on further cable rate increases. I believe that this is a fair compromise that serves the interests of consumers and the cable industry.

BROADCAST ISSUES

The conference agreement changes some of the current rules and statutory provisions concerning media concentration. I share the concerns of the Clinton administration and others that excessive media concentration could harm the diversity of voices in the communications marketplace. At the same time, that marketplace has undergone several changes since many of these rules were first adopted in the 1970's. As a result, I have agreed to some changes in the ownership rules to allow the broadcast and cable industries to compete on more equal footing.

IMPORTANCE OF MUST-CARRY

I would like to add one more point concerning the importance of must-carry. Broadcast stations are important sources of local news, public affairs programming and other local broadcast services. This category of service will be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

CONCLUSION

This comprehensive bill strikes a balance between competition and regulation. New markets will be opened, competitors will begin to offer services, and consumers will be better served by having choices among providers of services. I urge my colleagues to adopt this bill. I myself would go further in several areas covered by the legislation, and not as far in other areas. But I have seen that, unless we adopt a comprehensive approach to legislation, any one sector of the telecommunications industry can stop this bill and checkmate the others. Telecommunications reform is too important to let this opportunity go by. This conference agreement is an equitable approach to most of the areas covered by the bill, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that a "Resolved Issues" table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TELECOMMUNICATIONS BILL RESOLVED ISSUES

1. Long Distance.

a. FCC decides whether to allow a Regional Bell Operating Company to provide long distance under the following conditions:

i. FCC gives substantial weight to the DOJ;

ii. RBOC application must be in the public interest;

iii. RBOC must face a facilities-based competitor or must have received approval from the State that it has met the unbundling requirements;

iv. RBOC must have opened and unbundled its network using a specific checklist;

v. RBOC must apply on a state-by-state basis;

vi. RBOC must use a separate subsidiary for long distance;

b. RBOCs can provide long distance outside their region immediately upon enactment;

c. RBOCs can provide incidental long distance (i.e. long distance related to cellular, information services cable services, cable services) immediately after enactment;

d. the RBOC can jointly market local and long distance service immediately after enactment;

2. Media Ownership:

a. nationwide reach raised from 25% to 35%—no waivers

b. duopoly rule—FCC will study whether to change duopoly rule. Current rule prohibits ownership of two TV stations in the same market. If it changes the rule, there should be a higher standard on V-V combinations than U-U or U-V combinations

c. Local Radio—raise the limits on the number of stations one person can own as follows:

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- NUMBER OF STATIONS IN A MARKET

	Current limit	New limit
1-14	5	5
15-29	4	6
30-44	4	7
45 or more	4	8

This also includes raising the current 49% limit on small markets (1-14 stations) to 50%.

d. Cable-Broadcast: remove statutory ban, direct the FCC to review its rule that has the same effect without prejudice.

e. Dual Network: allow someone to own a second network if it is starting a new network

f. One-to-a-market: allow someone to own one TV, one AM radio, and one FM radio in the top 50 markets (current rule allows common ownership in top 25 markets). Allow existing waiver process to continue.

g. Network-cable: allow networks to buy cable systems subject to FCC safeguards.

h. Cable-MMDS: allow cable operator that face effective competition to buy an MMDS system in the same market; but a cable system that retains its monopoly cannot buy an MMDS system in the same market.

3. Cable-telephone: allow telephone companies to provide cable service in their regions.

4. Cable-telephone buyouts: allow a telephone company and cable company to buy each other in markets below 50,000 and outside an urbanized area.

5. Cable rates: deregulate small cable companies of fifty thousand or less immediately; deregulate upper tier rates as of March 31, 1999; no change to the regulation of the basic tier.

6. Universal Service: universal telephone service shall evolve over time, and the rates should be affordable. An FCC-State Joint Board will recommend changes to the current system to insure that all providers contribute.

7. Rural Telephone Company Protections: States may protect rural telephone companies from competition; only essential carriers will be eligible to receive universal service support.

8. Snowe-Rockefeller: give schools and hospitals discounted rates for telephone services.

9. V-chip: require TV sets to include a chip to screen out programs; encourage broadcasters to develop rating codes for violent programs.

10. Foreign Ownership: provisions taken out. No agreement was reached on how to enforce the reciprocity approach.

11. Cyberporn: require operators of computer networks to screen out indecent material for children; carriers of indecent information will not be liable for the content of information generated by others; expedited judicial review.

12. Set-top Box: allows consumers to purchase the cable set-top box on a retail basis from stores; cable companies will no longer have a monopoly over set-top boxes.

13. DBS Taxation: Cities are preempted from taxing the services provided by Direct Broadcast Satellite.

14. Pole Attachments: Cable companies may continue to pay the same rate as long as they provide only cable service; once cable companies start to provide telephone service, a higher rate will phase in over 10 years.

15. Electronic Publishing: The RBOCs must use a separate subsidiary when they provide electronic publishing in their regions. Electronic publishing includes generating stock information, sports scores, newspaper stories, and other databases of information.

16. Manufacturing: The RBOCs are allowed into manufacturing after they are permitted into long distance in any one State in their region. The RBOC must use a separate affiliate.

17. Privacy Information: All telecommunications companies must protest the privacy of customer information.

18. Anti-redlining: amends Section 1 of the Communications Act to prohibit discrimination based upon race, national origin, religion, sex; applies to broadcasters, common carriers and cable.

19. Disabilities: ensures access by disabled persons to telecommunications equipment and services, if readily achievable.

20. Pricing Flexibility: provisions taken out. The provisions in both bills would have told the States to adopt price cap regulation with consumer safeguards. Companies and consumers are better off leaving these issues to the States.

Specturm Flexibility: allows broadcasters to provide ancillary and supplementary services once they deploy HDTV.

22. Preemption of state and local entry barriers: allows competition for local telephone service.

23. Infrastructure Sharing: allows small telephone companies to share the infrastructure provided by the RBOCS; parties may negotiate the rates for such sharing.

24. Payphones: prohibit the RBOCs from cross-subsidizing their payphone business.

25. Broadcast License Renewal: extends radio license terms from 7 years to 8 years; extends television license terms from 5 years to 8 years.

26. Anti-slamming: requires long distance companies to be liable for charges if they switch a customer to its long distance service unlawfully.

27. Regulatory Forbearance: allows the FCC to forbear from applying any provision of the Act in the public interest.

28. Educational Technology Corporation: Sen. Moseley-Braun sponsored this provision to allow this corporation to receive federal funds to provide technologies to schools.

29. Telecommunications Development Fund: makes funds available for small telecommunications businesses; sponsored by Rep. Towns.

ALARM MONITORING INDUSTRY

Mr. HARKINS. Mr. President, I want to begin by making a comment to the Senator from South Dakota, the distinguished chairman of the Commerce Committee, and chairman of the Senate-House conference which labored long and hard to produce this bill. I want to thank the Senator for the attention he has personally given to the small business alarm industry. I know that on several occasions we have talked about the impact of this bill on the alarm industry, and when the bill was on the Senate floor last year we worked out an agreement on the waiting period prior to Bell entry into alarm monitoring.

I also want to express my gratitude to the distinguished ranking member, the Senator from South Carolina, who has taken a special interest in the economic vitality of small businesses that comprise the alarm industry.

There is one issue that deserves some additional clarification. The bill and the report language clearly prohibit any Bell company already in the industry from purchasing another alarm company for 5 years from date of enactment. However, it is not entirely clear whether such a Bell could circumvent the prohibition by purchasing the underlying customer accounts and assets of an alarm company, but not the company itself. It was my understanding that the conferees intended to prohibit for 5 years the acquisition of other alarm companies in any form, including the purchases of customer accounts and assets. I would ask both the chairman and ranking member whether my understanding is correct?

Mr. PRESSLER. Yes; the understanding of the Senator is correct. The language in the bill designed to prevent further acquisitions by a Bell engaged in alarm monitoring services as of November 30, 1995, is intended to include a prohibition on the acquisition of the underlying customer accounts and assets by a Bell during the 5-year waiting period.

This would not prohibit, as is stated in the bill, the so-called swap of accounts on a comparable basis, whereby a Bell which was engaged in alarm monitoring as of November 30, 1995, would be allowed to swap, or exchange, existing customer accounts for a similar number and value of customer accounts with a non-Bell alarm company.

I thank the Senator for helping the committee to further clarify the meaning of the legislation in the area of alarm monitoring services.

Mr. HOLLINGS. I would agree with the explanation given by the chairman and am pleased to have this opportunity to further clarify our intent in the alarm industry provisions.

Mr. President, I am trying to save time and yield to our distinguished colleague from North Dakota. While he is coming to the floor, let me first acknowledge the leadership and the understanding and, more than anything else, the persistence of our distinguished chairman.

Senator PRESSLER has been a dogged fighter all last year. He set history, there is no question in my mind, in this particular measure. I have been here 28 years, now in my 29th year. I have been chairman of the Budget Committee, and on the Budget Committee for over 20 years, and this measure is far more complex than any annual budget or any nonsensical 7-year budget plan. It is totally ludicrous to think that we could bind Congresses into the next century. That is gamesmanship that has been going on.

On the contrary, here is a bipartisan measure that was reported out overwhelmingly from our Commerce Committee, not only 2 years ago under S. 1822, but again this year under S. 652. I will acknowledge and then get back to two leaders in this particular cause, in addition to our distinguished chair.

The former chairman of our Communications Subcommittee and now ranking member, Senator DANIEL INOUYE of Hawaii, has been in the trenches all the time giving his leadership, and also most particularly to Judge Harold Greene. I do not see how, having worked intimately on this particular measure, one Federal judge could do

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the remarkable job that has been done by Judge Greene.

Now we move from the judiciary back over to the jurisdiction of the Federal Communications Commission, let it be noted, not on account of any inadequacy of the court in the person of Judge Harold Greene, but rather because no single entity could possibly enunciate and pursue the policy of communications of the national Congress.

Mr. President, I reserve the remainder of my time and yield 10 minutes, under our agreement, to the distinguished Senator from North Dakota.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the conference report on the telecommunications reform legislation embodies a unique characterization. While this report is, in many respects, a substantial improvement from either the Senate or House versions, it also invites one of the most serious policy errors of this Congress.

This dramatic overhaul of our Nation's communications laws will, in my judgement, lead to many significant advancements for American consumers and help spur an already explosive industry. Indeed, consumers will, in many areas, have more choices and lower prices. Also, there will, without a doubt, be thousands of new jobs created by the accelerated expansion of the telecommunications industry.

The legislation that came out of the conference report is better than the bill that left the Senate and better than the bill that left the House. That is pretty unusual. We seldom ever see that in the Congress, but this is better.

Last June, I voted against the telecommunications bill when it left the Senate for a number of reasons. One reason being the lack of the role of the Justice Department in determining when there is competition in the local exchange before the baby Bells will be allowed to go out and compete in the long distance service areas.

As some may recall, a couple of us stood on the Senate floor and led the fight for a role of the Justice Department. We lost that vote, and I made the case then that this bill is supposed to be a bill about competition, a bill to promote, expand and foster competition when, in fact, if we do not have a Justice Department role, it is and can be increasingly a bill about monopolies and concentration.

In the conference, they did address a Justice Department role. There will now be a strong role for the Justice Department in evaluating competition in local exchanges before allowing the Bell Companies to go out and compete in long distance service. The role provided for the Department of Justice will ensure that competition and antitrust issues will be reviewed adequately. This is an important guarantee that competition, and the innovation that results from healthy market forces, will be the centerpiece of our telecommunications policy.

The conference report contains a bulk of the key rural provisions that are designed to protect rural areas. One provision will maintain the universal service system which ensures that rural and high cost areas will continue to receive affordable phone services. This issue is of enormous importance to those of us from small States.

We have always felt that way about telephone service. A telephone in the smallest city in North Dakota or the smallest town in North Dakota is as important as a telephone in lower Manhattan in New York because one makes the other more valuable. The lack of universal opportunity and universal communications services is very troublesome. That is why we have a universal service fund. This conference report protects that and does so in a meaningful way.

The conference report contains important provisions that will help link our schools, libraries, and rural hospitals with advanced telecommunications services.

I do not want to oversell this piece of legislation either. There are deficiencies in it. There is one which gives me enormous pause and almost persuaded me to continue voting against it. This report makes some serious steps toward concentration in broadcasting by eliminating the television ownership cap.

We now say you can own no more than 12 television stations covering no more than 25 percent of the population of the country. This report says, "By the way, we've changed that; you can own as many television stations as you want covering up to 35 percent of the population of this country." I guarantee you, if that stands, a dozen years from now we will have six, maybe eight major companies owning most of the television stations in America. That is not a march toward competition; that is a march backwards towards concentration. It makes no sense. I almost voted against this bill because of that defect.

Today, Senators HOLLINGS, DASCHLE, KERREY, and I are introducing a piece of legislation that will call for the restoration of those ownership limits. I believe very strongly that we ought not remove the ownership caps.

Upon enactment of the conference report cable rates for 20 percent of Americans will go up. While the bill maintains controls on cable rates for the next 3 years, the fine print immediately lifts all controls for so-called small systems. Under this definition, over 60 percent of all North Dakota cable subscribers will likely see their rates increased.

Again, I want to say we have seen a virtual explosion in the telecommunications area of this country. It has changed everything. I grew up in a town of 300 people. Every day that I went to school I understood, and everybody in our town understood, our major disadvantage was that we lived too far from everybody. We could not have a manufacturing plant because we were too remote, we were too far.

Mr. President, do you know what telecommunications has done? Telecommunications makes Regent, ND, as close to Manhattan as is the Hudson River. The telecommunications revolution has eliminated a whole range of products and services, and the disadvantage of geography.

We see telecommunications firms springing up all over the country in rural areas. Why? Because geography is no longer a disadvantage. We see breathtaking changes occurring all over this country with firms that have innovative approaches to transmitting information, to new telephone services.

We are going to see cable companies compete with new telephone services and new transmission of data. We are going to see broadcast signals change dramatically to be able to transmit information services. Everything is changing. There will be circumstances in our future in which you will have access to every corner of this country and probably every corner of the globe with the latest information and with the most breathtaking technology that any of us can imagine. All of this is occurring despite the fact that our communications laws are 61 years old and in desperate need of revision.

Again, let me say that it is unusual to come to the floor and say this is a better bill than the bill that left the Senate, or the House last year, and this advances the interests of telecommunications in this country. The people who worked on this bill did awfully good work, and I commend them.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from North Dakota for his leadership and participation within the committee. Throughout the entire debate, it was his influence, and he almost won a vote on the floor. At one time, it seemed down in the well here he had prevailed. That kind of pressure I welcome, because I happen to have agreed with him. But you have to get together in a bipartisan fashion in order to get things done. I emphasize that. I will also join as a cosponsor on the bill of the distinguished Senator. I think the Senator from Vermont momentarily is proceeding to the floor.

Mr. DORGAN. If I might ask a question, Mr. President, the Senator is correct. I did prevail on a vote on the Senate floor, and dinner intervened, and about eight people came back with arms in slings and we had another vote and it turns out that some people changed their minds over dinner, and I lost. Some of that was remedied later.

One additional comment. The reason competition is so important—and the Senator has talked about it—is that we have seen the result in long distance. We have 500 companies in long distance competing aggressively in this country, and prices have dropped 60 percent.

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That is good for this country. We want to make sure the companies competing in those circumstances do not face unfair competition. That is why we were so concerned about the Justice role. I appreciate the work the Senator did to restore the role of the Justice Department in conference.

Mr. STEVENS. Mr. President, I ask that the chairman yield me 10 minutes.

Mr. PRESSLER. I yield the Senator 10 minutes.

Mr. STEVENS. Mr. President, I think this is among one of the most significant days I have been here on the floor of the Senate. The 1934 Communications Act has served this Nation well. It brought us from a country with a fledgling communications system to the age of telecommunications. And now with the advent of digital communications becoming universal, this bill is absolutely necessary to assure the expansion of these industries that depend upon telecommunications.

This is not a total deregulation bill. It is not time yet for a total deregulation bill. We are dealing with a bill that lessens regulation. But it is not a re-regulation bill! It begins to bring into our present system the total power of competition, with the approval of the National Government.

I think one needs only to look at the definitions to see the scope of this bill as compared to the 1934 act. Look at it: Dialing parity, exchange access; information service, interLATA services; local exchange carriers, network elements, number portability, rural telephone companies, telecommunications, telecommunications carrier. If you look at the scope of the definitions alone, it signifies the changes in our system that are driven by telecommunications.

I am particularly pleased to be here with the two leaders of our committee, who have worked so hard—Senator PRESSLER, as chairman and Senator HOLLINGS, the ranking member and former chairman. We have worked many years now to bring us to this day, where we could literally say that we are ready now to take the telecommunications industry of the United States into the 21st century.

In doing so, we have been careful to recognize that there are places in the country that have not been totally served by the existing telephone and information communications system. This bill has extensive universal service concepts. It has specific provisions regarding telecommunications services for health care providers, education providers, education and secondary schools. It is a bill, the scope of which I think every American is going to have, at some time, reason to understand.

I am going to present here, soon, a unanimous-consent request to assure that there will be sufficient copies printed so that we can immediately send a copy of this conference report to those people in our individual States that must have this law available as soon as it is signed.

I believe you could literally say, without being thought of as improper at all, that this is going to be the telecommunications "bible." This is a bill that sets new parameters. It sets new requirements. It changes the authority of the Federal Communications Commission. It deals with the scope of the authority of the State commissioners, as well as with the regulation of utilities. In some places, it preempts State and local authorities, which is something I am very, very slow to do, but in this instance, I agree that it is necessary.

The real reason, I think, for the application of this now relates back to the suggestion I made to the Congress many years ago that we ought to stop having lotteries for the excess capacity on the broadcast spectrum. In days gone by, Mr. President, for $20, you would file an application without having any interest at all in the broadcast system or the telecommunications system, and if there was a spectrum available, there would be a lottery. If you were lucky, you then got the spectrum license, and immediately the world beat a path to your door to get the certificate that you had just won in a lottery.

We thought, and I thought, that we ought to auction that available spectrum, which is, after all, something that belongs to the public. I felt it had a substantial chance to bring in revenue. Mr. President, the first estimate we got from the Congressional Budget Office, if memory serves me, was that it would bring in about $250 million if we auctioned these licenses rather than having lotteries. I remember a conversation very well with the Chairman of the FCC, Reed Hunt, where he told me they had taken in $12 billion last year from the auction of spectrum licenses.

We now are in the budget process of planning additional amounts to come in from spectrum. As we do so—and there has been discussions here on the floor—we have to keep in mind the equities of the situation and the fact that the telecommunications system is not all going to transition to digital concepts immediately. It is going to take time, and it is going to take the formation of a substantial amount of capital to be able to utilize the powers and privileges that are available to the American business and American public under this bill.

I hope everyone realizes it is not going to happen overnight. There may be some substantial challenges in court to some of these provisions. We are not unanimous here, and certainly the industry is not unanimous in terms of every provision in the bill. But I view this bill as an interim measure, Mr. President. I hope that our successors in the Senate, within 10 or 15 years, will move forward and take us into an era where there is even greater impact of competition and of the marketplace, and a reduced need for any Government involvement in this system. I described once to a friend of mine that I believe the current system is a series of playing fields, but they are on different levels. It is like they are on different levels of a very tall building. We have been talking, in the past, about trying to level the playing field. But you could not do it because some were on one floor and some on another, and now we have tried to find a way to literally level the playing field and set down the rules for competition. I do believe that we have succeeded. Even though I still have some reservation as to portions of this bill, as I know others do. We have succeeded.

There was a reluctance on the part of many people to present this bill to the Congress. I am glad it has come because I think its time has come. We have spent, those of us on the Commerce Committee now, I think, the last 4 years working on a version of this bill. This means, now, that we have the chance to send to the President an advanced telecommunications and information bill that is generally accepted. There is a general consensus that this is timely and that the provisions are right. Those who have reservations, I hope they will be careful, because I think to force this country back to relying once again on the 1934 Act would be wrong.

The Members of the House who worked on this bill, particularly Chairman BLILEY, I think deserve substantial credit. And we ought to have credit here for the staff. I hope my staff assistant joins me soon, but Earl Comstock, who has worked with the Commerce Committee as one of the draftsmen on this bill, joins the ranks of a few members of the staff who literally deserve credit for what they have done to bring us together by getting the language that meets our needs and eliminates the controversy among us over particular provisions.

I am very pleased to be able to present this bill and be part of the group that presents this bill to the Senate. I have signed the conference report. Not all of us did. I do think it is imperative we act, and I congratulate the leader for being willing to bring this bill forward under these circumstances today.

Let me once again thank Senator PRESSLER for his leadership on our side, for the hard work that he has done. As he pointed out to others, he has been on call and so have the rest of us, literally daily and through the weekends and on holidays as our staff people labor to carry out the instructions that we had given them and to reflect the decisions we made accurately in the text of this bill.

I have followed drafting of legislative bills now for a substantial portion of my life, Mr. President. I think this is the finest drafted bill I have been able to participate in. I congratulate the staff members who worked so hard and so long.

Let me say to my good friend, the former chairman of the committee,

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Senator HOLLINGS, I know how hard he worked in the last session, and Senator PRESSLER and I joined and worked hard with him, trying to get the bill during the period that he was chairman. This is a bipartisan bill. I think, by passing this bill, we may send a signal to the Congress. It is time we stop the fighting among us and start getting down to passing the laws that the Nation needs to provide the new job opportunities for the next century.

As Chairman PRESSLER has said, this is the largest jobs bill that has ever been before the Senate. This has more to do with developing new technologies, implementing new technologies, and stimulating the growth of new business than any bill I have ever been involved with.

I am delighted to be able to be here. As a matter of fact—again, I will yield in a moment, but I want to reserve a portion of the time to be able to ask later for agreement to the unanimous consent agreements being framed that will make available immediately an additional 5,000 copies of this as a Senate document so we can distribute this as soon as it is available.

I come from a State, Mr. President, one-fifth the size of the United States. It is rural in nature. We have a small population. We have people in our State who are just now getting telephone service as known to the rest of the country for the whole century, almost. Now, what we have assured here, as this program goes forward, is that universal service will be available to rural areas. It will be the state-of-the-art telecommunications system. It will mean that the small schools in rural America will have access to modern technology, and can participate through telecommunications. It means that telemedicine will now come to my State.

My State, when I first came here, had no assistance whatever for people in small villages. They had to find their way to Indian hospitals in regional areas. We created a system of clinics. Those clinics are, by and large, operated by young women from the villages who have a high school education and some technical training now. This bill means telecommunications will bring telemedicine in. They will be able to have a direct exposure of patients to doctors miles and miles away. They will be able to get assistance in dealing with mothers who have complications in pregnancies.

This bill, above all the things I have dealt with—in particular universal service, eligible telecommunications carriers, and rate integration; opens the whole horizon of telecommunications to the people of this country, and it does so on a fair basis. It has been criticized by some, but the universal service provisions that I mentioned when I first started my comments here, I think are the most important to me. They mean that rural America will come into the 21st century with everyone else as far as telecommunications is concerned. I could not be more happy that the bill is here. I could not be more proud of those who have worked on it and to be able to be part of the group that presents it to the Senate. I urge its early approval.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PRESSLER. I pay tribute to Senator STEVENS of Alaska. He is the father of spectrum auctions. In my opinion, he is a real U.S. Senator. Everybody seems to be leaving the Senate, and they get a 21-gun salute when they leave. Some stay and do the hard work on difficult bills. TED STEVENS is such a man. He and Senator HOLLINGS are examples of people who stay and do public service—honest, hard-working experts on this technical legislation.

Some day I will be a professor in a university, I hope, out in western South Dakota. One of my lectures will be on real U.S. Senators—those who are not necessarily media stars, but who do the hard, honest work on the technical things, the real U.S. Senators. Certainly TED STEVENS is one of those, along with Senator HOLLINGS. I believe both are in about their fifth term, and if they announced they were retiring, they would get a 21-gun salute.

I thank TED STEVENS, the father of spectrum auctions and one of the originators of this legislation.

Mr. HOLLINGS. Mr. President, let me join in the comments of my chairman. There is not any question that we would not have this bill if we did not have TED STEVENS and his wonderful leadership and work. He took over the so-called farm team.

We have been working for 4 years, as the Senator from South Dakota knows. The farm team, the rural areas—we wanted to protect those. We learned in airline deregulation that we did not protect the rural areas, sparsely settled areas. So we made, under the leadership of Senator STEVENS, requirements that any competition, any competitor coming in must serve the entire area, and the States had the authority to say how that competition would develop in the rural areas.

We provided infrastructure sharing with the RBOC's, and on down the list. That is all attributed to the wisdom of our distinguished Senator and colleague from Alaska. I join in the complimentary remarks made by my distinguished chairman.

The Senator from Vermont has given leadership to this from the very beginning and has had various provisions in the bill while we debated it on the floor, and I want to thank him publicly for his leadership. I yield now 10 minutes under our time agreement.

Mr. LEAHY. Mr. President, I thank my good friend from South Carolina, a man whom I have been privileged to serve with in my whole Senate career. He was already a senior Member of the Senate when I came here. I appreciate all the help he has given me. I appreciate the fact that he and the chairman were able to protect the Breaux-Leahy amendment on 1-plus dialing parity as part of the conference report to permit intraLATA toll dialing parity requirements to stand in States that already ordered it by December 19, 1995, and in single-LATA States like Vermont. Preserving this amendment, which Senator BREAUX and I worked out on this floor, has helped my State.

There are so many things I like about this bill. For example, the conference agreement places restrictions on buyouts between phone companies and cable. The conference agreement also includes a very strong savings clause to make clear that mergers between companies in the media and communications markets are subject to a thorough antitrust review.

Competition, not concentration, is the surest way to assure lower prices and greater choices for consumers. So, while there are some improvements in this legislation that I support, I will not be voting in favor.

I have expressed my concern on the lack of a stronger Department of Justice role in evaluating the anticompetitive effect of a Bell operating company's entry into the long-distance market, as well as my concern that this legislation is placing censorship restrictions on the Internet. As a user of the Internet and as one who communicates electronically with constituents and others around the country, I am concerned this legislation places restrictions on the Internet that will come back to haunt us.

I know these provisions were done with the best of intentions. All of us, 100 Members of the U.S. Senate, oppose the idea of child pornography. All of us abhor child pornographers and child abusers. I am one person who has prosecuted, convicted, and sent to prison child abusers. We do not have to demonstrate our adherence to that principle. But I am concerned we have not upheld our adherence to the first amendment with the proposed restrictions on the Internet. That creates an overwhelming barrier for me.

I am also concerned that after passing the 1992 Cable Act over a Presidential veto, that we are now taking the lid off all cable rates in 3 years, whether or not there is competition in cable service. Before the 1992 Cable Act was passed, cable rates were rising three times faster than inflation rates. I do not think you can name a consumer in this country who did not feel that he or she was being gouged.

But the law worked. Since passage of the law, consumers have saved an estimated $3.5 billion in their monthly bills. And, as the rates have gone down, more people have signed up. In 1994 alone, nearly 2.5 million new customers have signed up for cable service.

I do not want to see a repeat of the skyrocketing cable rates that prompted passage of that law. It is too easy to see what might happen if the cable companies are not restrained, either by competition or by laws.

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I do not have cable in my home in Vermont. I live out in the country where we get 1½ channels. I think sometimes I am blessed by that because I actually get to read, which is a good way of obtaining the news. You can make up your own mind. You can read in detail or not, and not be limited by the photographs selected by multimillion-dollar newe media.

But I digress.

With the cable company I subscribe to here, you get these $2 remote controls but they charge you $3 a month, or something like that. They can give you antiquated equipment and charge as though you were getting good equipment and even make it impossible to watch one show and tape another one. All the things that sound great are not available because there is no competition. We are about to make that even worse. We had some restrictions in the cable bill, but I am afraid we are going to let them go before we have the protections provided by effective competition.

I must admit, having said all that, I do not envy the managers of this bill. This is probably the most complex piece of legislation I think I have seen in 21 years. It has probably had more conflicting interests that had to be reconciled than I have seen in 21 years.

I commend the Senators who had the ability to stick it out and bring it this far. Senators still have to determine whether they will vote for it or not, but whether you like or dislike different parts, we can all appreciate the hard work and long hours it took.

The telecommunications legislation that has emerged from the conference will have an enormous impact on multibillion dollar cable, phone and broadcast industries and, most importantly, on the American consumer. This legislation will affect how much we pay and from whom we can obtain cable, TV, phone, fax, and information services. It will also, unfortunately, affect what we can say online.

We have heard a lot about the support for this legislation by the Bell phone companies, AT&T and other long-distance phone companies, the giant cable companies and other media interests. But while they have been arguing over business advantages, who have been advocates for American consumers and fundamental American values, like first amendment free speech rights?

Most of us have no choice who gives us cable TV service or our local phone service. Whether or not the service is good, we are stuck with our local phone or cable company. And, if the price is too high, our only choice is to drop the service altogether. The goal of this telecommunications legislation must be to foster competition, not just for the short term, but over the long haul. Competition will give consumers lower prices and more choices than simply dropping a service.

I raised a number of questions about the Senate-passed bill, and fought for several amendments that in my view would have made the bill more consumer-friendly, pro-competitive and constitutional. I commend the conferees for the progress they made in several of these areas, which I detail below.

First, the bill proposed by the Commerce Committee would have permitted our local phone monopoly to buy out our local cable monopoly so that consumers have even less choice rather than more. Senator THURMOND, the distinguished chairman of the Judiciary Committee's Antitrust Subcommittee, and I raised concerns that allowing such unlimited buyouts between monopoly phone companies and cable companies could result in giant monopolies providing both phone and video programming services.

The conference agreement makes a significant improvement in these provisions by limiting buy-outs between cable and phone companies to rural areas where fewer than 35,000 people live. The conference agreement also limits a phone company's purchase of cable systems to less than 10 percent of the households in its service area. This will insure that a single large phone company cannot simply buy up all the small cable systems serving the small towns in its service area. This part of the conference agreement helps fulfill the promise of the bill to maximize competition between local phone companies and cable companies.

The conference agreement also contains a very strong "savings clause" to make clear that mergers between cable and telephone companies, or between independent telephone companies or between any companies in the media and communications markets are subject to a thorough antitrust review under the normal Hart-Scott-Rodino process. Nothing in this conference agreement even impliedly preempts our Federal antitrust laws. Mega-mergers between telecommunications giants, such as the rumored merger between NYNEX and Bell Atlantic, or the gigantic network mergers now underway, raise obvious concerns about concentrating control in a few gigantic companies of both the content and means of distributing the information and entertainment American consumers receive. Competition, not concentration, is the surest way to assure lower prices and greater choices for consumers. Rigorous oversight and enforcement by our antitrust agencies is more important than ever to insure that such megamergers do not harm consumers.

I have been particularly concerned about how well the telecommunications legislation protects universal service. Vermont is among the most rural States in the country, but those of us who live there do not want to be denied access to the advanced telecommunications services our urban neighbors enjoy. I, therefore, commend the conference report for including the Snowe-Rockefeller-Exon-Kerry provision requiring preferential rates for telecommunications services provided to schools, libraries, and hospitals in rural areas, which I supported. This requirement provides an important building block to ensure universal access to advanced telecommunications services. Students whose families cannot afford sophisticated hi-technology services at home will be able to use those services at school or at their neighborhood public library. Rural hospitals will be able to use advanced technology to provide better treatment at lower costs to their patients. This provision assures the broadest possible access to advanced telecommunications services.

I am also pleased to see that the conference report includes the addition of a State-appointed consumer advocate to the newly created Federal-State joint board. This board will have the critical task of preserving and expanding universal service, and I agree with the conference that a consumer advocate will bring a necessary and important perspective to that task.

The conference agreement also adopts a provision designed to make cable equipment cheaper and easier to use for all consumers, who are tired of paying rent for cable converter boxes and struggling with multiple clickers for the TV set-top box and their video machines. This provision is one that Senator THURMOND and I urged to be included as part of the telecommunications legislation in the last Congress. Under the conference agreement, the FCC is directed to assure the competitive availability to consumers of converter boxes and other electronic equipment used to access cable video programming services.

As a member of the Judiciary Committee, I remain ready to address the copyright issues that will arise as a result of this legislation. There was no consideration of copyright matters during the debate over this legislation and I commend the conferees for not prejudging these matters.

The bill proposed by the Commerce Committee would have unnecessarily preempted State efforts to promote the development of competition in local phone service. Richard Cowart, the chairman of the Vermont Public Service Board, provided invaluable testimony to the Antitrust Subcommittee last year about the detrimental preemption provisions in the bill.

For example, this bill rolled-back State requirements to implement "1+" dialing parity for short-haul toll calls. A number of States already require dialing parity. Without "1+" dialing parity, consumers must dial lengthy access codes to use carriers other than the local phone company for in-State toll calls. IntraLATA "1+" dialing parity encourages competition in the in-State toll market and helps consumers.

As I noted before, I am pleased that the Breaux-Leahy amendment on "1+" dialing parity is part of the conference report. The report permits dialing parity requirements to stand in the States

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that already ordered it by December 19, 1995, and in single-LATA States, including Vermont. The prohibition against "1+" dialing parity for intraLATA calls in nongrandfathered States expires at a date certain 3 years after enactment.

In addition, the Commerce Committee bill would have prohibited State regulators from using rate-of-return regulation for large phone companies. As Chairman Cowart of the Vermont Public Service Board made clear when he testified, this prohibition would have tied the hands of State regulators trying to adopt different forms of pricing regulation to stimulate local phone service competition. The conference agreement took a constructive step by dropping the prohibition on rate-of-return regulation.

Despite this significant progress, the conference agreement still suffers from such serious flaws that I cannot support it.

First, and foremost, the conference agreement contains unconstitutional provisions that would impose far-reaching new Federal crimes for so-called indecent speech. I do not often agree with Speaker GINGRICH, but I share his view that this legislation violates free speech rights.

Apparently, the conferees also have serious doubts about its constitutionality. They added a section to speed up judicial review to see if the legislation passes constitutional muster. In my view, this legislation will not pass that test.

You would think the telecommunications conference would have their hands full with just the task of changing our communications laws to allow new competition among phone companies, broadcasters, cable operators, and wireless systems while also protecting universal service and other appropriate consumer protections. Yet, they also decided to add new Federal crimes, despite the absence of any hearings on these provisions, or any Senate Judiciary Committee members on the conference. I called for an in-depth, fast-track study of these issues before we took precipitous action in legislation. That study was included in the House-passed bill but dropped by the conference, in favor of provisions that will ban constitutionally protected speech on the Internet.

I note that the explanatory statement accompanying the conference report refers to a July 24, 1995 hearing, at which I participated, before the Senate Judiciary Committee on "online indecency, obscenity, and child endangerment." This hearing did not address the constitutionality of the indecency standard adopted by the conference report, nor the least restrictive means by which to implement such a standard, particularly in an electronic environment like the Internet. The hearing referred to in the statement of the conference committee dealt with stalking, obscenity and indecency with regard to an entirely different bill, S. 892. No witnesses at the hearing defended the constitutionality of the indecency standard in the telecommunications bill. Nor did any witness testifying in support of S. 892 examine in detail whether the indecency standard as applied to online communications complies with the least restrictive means test. On the contrary, several witnesses questioned whether any indecency standard could be constitutional as applied to online communications. Thus, Congress has opted to appear tough on pornography without examining the constitutional implications of this unprecedented restriction on freedom of expression.

Let us make no mistake about what these provisions in the conference agreement will do and how it could affect you.

The bill will make it a felony crime to send a private e-mail message with an indecent or filthy word that you hope will annoy another person, even if you were responding in kind to an e-mail message you received. Who knows when you might annoy another person with your e-mail message? To avoid liability under this legislation, users of e-mail will have to ban curse words and other expressions that might be characterized as offensive from their online vocabulary.

The bill will punish with 2-year jail terms any Internet user who uses one of the seven dirty words in a message to a minor. You will risk criminal liability by using a computer to share with a child any material containing indecent passages. In some areas of the country, a copy of Seventeen magazine, could be viewed as indecent because it contains information on sex and sexuality. Indeed, this magazine is among the 10 most frequently challenged school library materials in the country.

This legislation sweeps more broadly than just regulating e-mail messages sent to children. It will impose felony penalties for using an indecent four-letter word, or discussing material deemed to be indecent, on electronic bulletin boards or Internet chat areas accessible to children.

Once this bill becomes law, no longer will Internet users be able to engage in free-wheeling discussions in news groups and other areas on the Internet accessible to minors. They will have to limit all language used and topics discussed to that appropriate for kindergartners, just in case a minor clicks onto the discussion. No literary quotes from racy parts of Catcher in the Rye or Ulysses will be allowed. Certainly online discussions of safe sex practices, of birth control methods, and of AIDS prevention methods will be suspect. Any user who crosses the vague and undefined line of indecency will be subject to two years in jail and fines.

Imagine if the Whitney Museum, which currently operates a Web page, were dragged into court for permitting representations of Michelangelo's David to be looked at by kids.

The conferees call this a display prohibition and explain that it "applies to content providers who post indecent material for online display without taking precautions that shield that material from minors."

What precautions are the conferees talking about? What precautions will Internet users have to take to avoid criminal liability? These users, after all, are the ones who provide the content read in news groups and on electronic bulletin boards. The legislation gives the FCC authority to describe the precautions that can be taken to avoid criminal liability. All Internet users will have to wait and look to the FCC for what they must do to protect themselves from criminal liability.

We have already seen the chilling effect that even the prospect of this legislation has had on online service providers. A few weeks ago, America Online deleted the profile of a Vermonter who communicated with fellow breast cancer survivors online. Why? Because, according to AOL, she used the vulgar word "breast". AOL later apologized and indicated it would permit the use of that word where appropriate.

Complaints by German prosecutors prompted another online service provider to cut off subscriber access to over 200 Internet news groups with the words "sex", "gay" or "erotica" in the name. They censored such groups as "clarinet.news.gays," which is an online newspaper focused on gay issues, and "gay-net.coming-out", which is a support group for gay men and women dealing with going public with their sexual orientation.

What is next? The Washington Post reports today that one software program used to protect children from offensive material blocked the White House home page because it showed pictures of two couples together. Those two couples happened to be the President and Mrs. Clinton and the Vice-President and Mrs. Gore. Will Federal Government censors do any better when they dictate blocking technologies?

The Communications Decency Act is the U.S. Government's answer to the problem that China is dealing with by creating an intranet. According to news reports, this censored version of the Internet allows Chinese users online access to each other, but an official censor controls all outside access to the world-wide Internet.

We already have crimes on the books that apply to the Internet, by banning obscenity, child pornography, and threats from being distributed over computers. In fact, just before Christmas, the President signed a new law we passed last year sharply increasing penalties for child pornography and sexual exploitation crimes.

Unlike these current laws, which do not regulate constitutionally protected speech, this legislation would censor indecent speech. While the proponents of the proposals claim that they do not ban indecency—only prohibit making it available to minors—the practical result of such a restriction on the

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Internet is the criminalization of all indecent speech.

Because indecency means very different things to different people, an unimaginable amount of valuable political, artistic, scientific and other speech will disappear in this new medium. What about, for example, the university health service that posts information online about birth control and protections against the spread of AIDS? With many students in college under 18, this information would likely disappear under threat of prosecution. In bookstores and on library shelves the protection of indecent speech is clear, and the courts are unwavering. Altering the protections of the first amendment for online communications could cripple this new mode of communication.

The Internet is a great new communications medium. We should not underestimate the effect that the heavy-hand of Government regulation will have on its future growth both here and abroad. With the passage of this bill the U.S. Government is paving the way for the censorship of Internet speech. Apparently, China already censors weather predictions from foreigners. What do we think the Iranian Government will make illegal? What could Libya ban and criminalize?

Also, as I alluded earlier, I continue to have grave concerns about letting the Bell operating companies, with their monopoly control over the phone wires going into our homes, enter the long-distance market even when the Department of Justice finds an anti-competitive impact. I supported efforts to amend the bill and give the Justice Department the authority to review the Bell companies' long-distance entry in advance. These efforts were unsuccessful.

The conference report requires the FCC to consult with the Justice Department and give substantial weight to the Justice Department's opinion, in determining whether to permit entry of a Bell company into long-distance service. Although this provision strengthens the Senate-passed bill, it does not go far enough. It fails to achieve the balance proposed by the Commerce Committee in 1994. In the end, the FCC is the final decision maker and can decide to disregard the Justice Department's evaluation of the anticompetitive effect of letting the Bell companies offer long-distance service.

The conference agreement would permit a Bell company to offer long distance service in its own region, upon approval by the FCC and after satisfying an in-region checklist. This checklist could be satisfied by the presence of a competitor with its own networking facilities. Despite recognition by the conferees that building local telephone network facilities will require a significant investment in time and money, the bill allows only 10 months after enactment for facilities-based competitors to get established and apply for interconnection and access to the Bell company's network. Absent a facilities-based competitor in those 10 months, I fear that the language of this bill could be interpreted broadly to allow the Bell operating company to seek approval to enter long-distance service, and authorize the FCC to grant that approval, even without any actual competition in local phone service. The short timeframe provided in the bill to establish a facilities-based competitor, compounded by the lack of a dispositive Justice Department role in the approval process, could provide the incumbent Bell company with the ability to use its stranglehold monopoly on local service to leverage its new long-distance service, to the detriment of consumers. Regulators will have to be vigilant to this potential consequence.

As I noted, the conference agreement takes the lid off all cable rates in 3 years, whether or not there is any competition in cable service.

We passed the 1992 Cable Act over a Presidential veto because consumers were being gouged by cable company monopolists. Cable rates were rising three times faster than the inflation rate. Consumers demanded action to stop the rising cable rates. This law worked. Since passage of that law, consumers have saved an estimated $3.5 billion in their monthly rates. As rates have gone down, more people have signed up.

Congress has already responded once to complaints of cable subscribers in the 1992 Cable Act. I, for one, do not want to see a repeat of the sky-rocketing cable rates that prompted passage of that law. The conferees must be predicting that, in 3 years, cable companies will face plenty of competition from satellite systems and phone companies offering video services. But if their prediction is accurate, and the cable companies faced effective competition, they would be deregulated under the 1992 Cable Act anyway. This is a precipitous action to sunset a law that worked to reduce cable rates on the hope that effective competition will grow over the next 3 years.

Finally, the conference report requires the FCC to preempt State or local rules that may have the effect of barring any entity from providing telecommunications services. Although the report says this is not supposed to affect local management of public rights-of-way or local safeguards for the rights of consumers, in Vermont, citizens are rightly concerned that rules designed to protect our environment and health may be preempted by bureaucrats at the FCC who are focused on helping entrants in the telecommunications business.

I recognize the need for an over-haul of our communications laws. We have not kept up with the dramatic technological changes that are fueling the Information Age. But I cannot support this bill, which threatens fundamental constitutional rights of free speech over the Internet and provides insufficient consumer protection from monopolistic pricing for cable and telephone service.

The PRESIDING OFFICER. The Senator from South Dakota.

COMMENDING STAFF

Mr. PRESSLER. Mr. President, I should pay tribute to the staff on both sides who have worked so hard on this.

On our side of the aisle there has been Paddy Link, Katie King, Donald McClellan and Earl Comstock. On the Democratic side, Kevin Curtin, John Windhausen, Kevin Joseph and Chris McClean. The committee's legislative counsel, Lloyd Ator. All this staff has done a magnificent job.

Let me also mention the diligent efforts of David Wilson, Mark Buse, Brett Scott, Jeanne Bumpus, Dave Hoppe, Kevin Pritchett, Margaret Cummisky, Tom Zoeller and Cheryl Bruner.

I do not know if people know it, but the only days the staff got off were Thanksgiving Day, Christmas Day and barely Christmas Eve, in drafting this technical legislation and in all the negotiations. This piece of legislation was drafted entirely by Senators and staff. Many times there have been accusations that legislation was drafted by outsiders, but this technical piece of legislation was drafted line by line by Senators and staff. Many times we would have to call a Senator on the weekends and ask about a line or word change.

I do not know if people realize how hard these staff people work. I just wanted to pay tribute to them because, to me this technical document is a remarkable achievement. They did it as public servants.

One day I went in on a Sunday and bought them some pizza. I said, "Someday a judge may look down upon you from his bench and say, 'Obviously, counsel does not know what he or she is talking about.' And you can look up at the judge and say, 'Oh, yes, I do. I wrote that.'"

That is not their motive. But these young people should be heralded. Again, I pay tribute to the staff on both sides of the aisle.

The PRESIDING OFFICER. The Senator from South Carolina.

COMMENDING STAFF

Mr. HOLLINGS. Mr. President, awaiting the attendance here, to deliver his comments, of the distinguished Senator from Nebraska, Senator KERREY, let me join with my distinguished chairman in thanking the hardest-working staff I have ever been associated with during my years.

The truth is, as the Senator from South Dakota has said, they only had that 1 day off at Thanksgiving. We worked all weekends and everything else. But this started, really, in October 1993. We had worked very hard, gotten a three-fourths vote of the U.S. Senate on a manufacturing bill. We learned the hard way that these entities, the various disciplines in telecommunications, had the power to obviate or cancel out the enactment or

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passage of any measure, once they got determined to do so. With a three-fourths vote, we still could not pass the simple manufacturing bill, the text of which is already in this measure here as a minor item compared to being a single bill.

So we agreed to work in a bipartisan fashion and bring in every week the various interests involved—every Friday the regional Bell companies, the principals involved, and thereupon on every Monday, the various long distance carriers. They have been doing this now for the past almost 3 years.

So, I thank, as I pointed out, Paddy Link, Don McClellan over on the minority side—as well as Katie King and Earl Comstock. I particularly want to thank for their guidance and counseling Kevin Curtin, John Windhausen, and Kevin Joseph on our Commerce Committee Democratic side—because I never really would be able to imbibe this entire measure without their help. They have really been in the trenches over the many years. They have given expert advice. They have listened to all the parties. They know all the lawyers.

This town has 60,000 lawyers registered to practice before the District of Columbia bar. I think 59,000 of them are in the communications discipline. And I think we met all 59,000, I am convinced, in the last 3 years.

I also want to thank Jim Drewry, Yvonne Portee, Sylvia Cikins, Pierre Golpira, Lloyd Ator, and Joyce Kennedy of our Commerce Committee staff; Jim Weber of Senator DASCHLE's leadership staff; Greg Simon for Vice President GORE; Steve Richetti for the White House; Carol Ann Bischoff for Senator KERREY; and the staff members of our Commerce Committee members. These include Margaret Cummisky for Senator INOUYE, Tom Zoeller and the late Martha Moloney for Senator FORD, Chris McLean for Senator EXON, Cheryl Bruner for Senator ROCKEFELLER, Scott Bunton and Carole Grunberg for Senator KERRY, Mark Ashby and Thomas Moore for Senator BREAUX, Andy Vermilye for Senator BRYAN, and Greg Rohde for Senator DORGAN.

Let me also thank, Mr. President, talking about the bipartisan nature, the leadership over on the House side that we have the privilege to work with. Because Chairman DREIER on the House side was a tiger on this measure. He was determined that we get this bill passed. In fact, we were ready really before Christmas. And working with him, Mr. MARKEY, Mr. DINGELL, Mr. FIELDS—all on that Communications Committee, a major committee over on the Judiciary Committee—Mr. HYDE, and Mr. CONYERS, they all worked hand in glove to make sure that the public interest was protected.

Particularly, since I mentioned the Judiciary Committee feature of this measure, the Department of Justice was protected in the sense that what we did was have the savings clause for all antitrust laws included, positive language, and the substantial weight of the Department of Justice be given by the Federal Communications Commission in their decision.

I yield now to our distinguished colleague from Nebraska, Senator BOB KERREY, who has worked intimately with us. He was not on our Communications Committee, but I thought he was by the way he attended the meetings, and his staff was in there making suggestions and making sure that the public interest was protected.

So it is a particular pleasure for me at this time to yield to the distinguished Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Nebraska.

Mr. KERREY. Mr. President, I thank the Senator from South Carolina and the Senator from South Dakota.

I believe this conference report is substantially improved from both the House and the Senate bill. I voted against the bill when it left here, and I intend to support the conference report in its current form.

I appreciate in particular the language that provides a more meaningful role for the Department of Justice. I, frankly, would have preferred the language which the Commerce Committee produced last year. I think that would have been better than the 14-part interconnection competitive checklist requirement that is in there. But I think that a meaningful role, including the substantial weight requirement for the Department of Justice, will make it more likely that we will see competition at the local level.

I appreciate very much the concern of both the chairman and the ranking member, concern about including some good consumer protection provisions as well as the inclusion of interconnectivity language, incidental interLATA relief for the RBOC's to provide Internet and interactive distance learning services to K through 12 schools, and the so-called Snowe-Rockefeller-Exon-Kerrey, et al, language that will allow the K through 12 schools to be able to go either to the Public Service Commission or the FCC. They will now have the force of law to be able to argue for subsidized rates.

I particularly appreciate as well, finally, the inclusion of the so-called farm team provisions in the conference report.

Mr. President, when the request came for a unanimous consent on a time agreement, I asked for 15 minutes. I do not know if it will take that long given where I am right now in my comments.

I will observe, as I did on a number of occasions during the debate earlier on the bill, that this is a very unusual piece of legislation in that the demand for it is not coming from the citizens; it is really coming from corporations, the whole range of corporations—I do not mean the RBOC's; I mean RBOC's, long-distance, cable, broadcast; all of them are in this business—that feel the current law, which does not allow them to do a variety of things, is too restrictive. And they say, if you change the law and allow us to do these things, you are going to generate a lot of new economic activity and create new jobs. We have heard all kinds of representations about all the good things that are going to happen.

I am an advocate for embracing the future and changing the current law. So there is no question in my mind that the Communications Act needs to be changed. But I am very mindful and very aware that the demand for this change does not come from at least the citizens of Nebraska, whom I represent. I did not hear any question in my reelection campaign in 1994 coming from citizens saying, "Well, Senator, how do you feel about the regulation of local telephone, long distance, and so forth, because I do not like the structure? I am unhappy with my phone, I am unhappy with my cable, or I am unhappy with my network service, whatever it is I am buying." Yes. They might complain sometimes about the rates and have concerns about that sort of thing, and a lot of concern about the content, pornography, violence, and so forth. But nobody was really coming to me asking for this change. This is Congress initiating change and saying it is going to be good for the people.

It must be said, Mr. President, that that requires a substantial amount of courage at the beginning. It is not my intention to come here and say that Members who are enthusiastic about this change are under the influence of special interest money. That is not my point at all. I am not trying to say that any Member has been bought out or anything like that. The problem, though, when you once cross the line, is saying, OK, we are going to try to do something that is good for the people. It seems to me that you have to do, in an irrationally cold-blooded way, an analysis of what the impact is going to be.

There are about 100 million households in the United States of America, and we have achieved, over the 60 years of this Communications Act, a remarkable degree of not just penetration, but of universal service. Ninety-four percent of all households today have a telephone. It may be significantly lower than that when the Communications Act was passed in 1934. But we did not do it by saying let us let the market run wild. We did it by monopoly, by creating a monopoly and giving monopoly rights in 1934. We changed it substantially by divestiture. But even with divestiture, we retained monopoly rights for local telephone service. We have accomplished a remarkable thing.

Yes, there are market forces. There is lots of private capital. Most of these companies are private shareowner companies. But we have achieved not just universal service, but by all accounts the best telephone and telecommunications system in the world, an active, vibrant industry, competitive industry, and it is a great success story.

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So when we radically alter the landscape, as we are with this legislation, it seems to me appropriate to sort of ask ourselves: What is the consumer going to get out of it? I know the one thing that is going to happen is that the subsidy that has been in place for all these years at the local level in order to achieve universal service is going to begin to come off. Say I have a market. If I am going to be out there trying to compete with a long distance company, to compete with a cable company, whoever, at the local level, that subsidy is going to come off.

Indeed, the regional Bell operating company in our region has already indicated they would like to increase the residential rate by a $2 State subscriber-line charge in order to provide lower costs for long distance. For those of us whose incomes are over $100,000, that sounds like a pretty good deal. We have a lot of long distance charges. But there are, I would surmise, a majority of Americans for whom long distance is still a bit of a luxury. They budget it. They watch it. They are careful about it. They do not have unlimited long distance service. They may not come out so good in that transaction.

In fact, one of the things that is very often not understood in this whole debate about universal service is there still is a substantial means test on it. Ninety-nine percent of the households in America with incomes over $100,000, which includes all of us in Congress, have telephones. Only 75 percent with incomes under $5,000 have telephones, largely because of cost. They probably would say, "I cannot afford it. I cannot afford to buy it. So I am not going to have a telephone connected to my house."

There is a means test on these services. There is a means test as these dollar figures go up for the cost of local service. I think you are going to see people say, "I cannot afford it any longer. I cannot afford to pay the price." Though we have some protection in the farm team universal service provisions, I think that we are going to have to be alert in the first instance that there are going to be households out there currently able to afford the fare who are going to find themselves saying, "I cannot afford it any longer."

I think, on the basis of policy, if the market does not get the job done, we as Members of Congress are going to have to ask ourselves a question: Well, what is it like if you are in a household without a telephone? How essential is it? How important, how valuable is it? One measure is going to be: Can I get out and talk to the people who may need to come to my household and haul me to the hospital if I have a heart attack or some other sort of health problem?

But increasingly the question is going to be not only if I do not have the dial tone, but if I do not have the volume, the enhanced services, I may not be able to get as good an education as my neighbor, I may not be able to get as good a break with the economy, I may not be able to have a home-based company. One out of seven jobs in the State of Nebraska are self-employed today. We are seeing an increasing number of households that, in fact, are taking advantage of enhanced telecommunications services. I think we are going to have to be alert to that in the second instance. Many Americans are not going to be able to buy enhanced services.

I think there is general agreement among Republicans and Democrats, before you ever get to the point of are we going to spend money, that this land of opportunity ought to be a land of opportunity for everybody. That opportunity does not necessarily fall equally as a consequence of your birth.

The next thing, Mr. President, that I think we are going to have to be alert to is this question of the control of content. I have heard the concentration debate. I appreciate very much the language changes made in the legislation on media concentration. I think that we do have to worry about this even though there are all kinds of other choices out there.

All of us know it is the networks that dominate this deal. If the networks decide they want to raise a stink about something, they will raise a stink about something and they will drive it into the household. If they decide they are not going to, as the distinguished majority leader said earlier about the sale of digital spectrum, they are not going to say anything about it. They are not going to talk about that ripoff. They are not going to talk about something that might have an impact upon them.

This concentration issue is a very important issue, and we, it seems to me, are going to have to be alert to it and watch it very carefully in the aftermath of passing this conference report, and watch what happens to universal service. Is there change in rural America? Are there people who are genuinely not going to get service? We have accomplished a great thing in the United States of America with universal service.

Second, we are going to have to watch very carefully as to whether or not people can afford to buy enhanced services. The laws of this land ought to provide equal opportunity for all Americans who are willing to make the effort. It ought to reward people who work hard and are determined through self-discipline to be a success. We need to be careful over this legislation and watch in the aftermath and see what the impact is going to be.

Finally, whether it is in education or whether it is in health care or whether it is merely trying to find out what is going on in your country with the budget and other sorts of things, we are going to have to pay a great deal of attention to content. Content determines what an individual receives in their household. We do not want to follow this legislation sort of blindly in presuming it is going to in all cases do good.

Again, I intend to vote for the conference report. I appreciate very much the efforts made by the distinguished chairman, the Senator from South Dakota, and the distinguished ranking member, the Senator from South Carolina. I think this conference report is substantially better than the bill that we earlier passed. I believe it will in the main be good for the economy, but there is a great deal of scrutiny that is going to have to occur in the aftermath of this legislation being enacted and signed by the President.

Mr. President, the conference report before us is substantially better than the bill that this body considered last summer for competition and consumers, for a number of reasons.

First, the House and Senate bills did not contain a meaningful role for the Department of Justice [DOJ] in safeguarding competition before local telephone companies are allowed to enter new markets. Under the conference report, the DOJ's opinion on regional Bell operating company [RDOC] entry will be accorded substantial weight by the Federal Communications Commission [FCC] in its proceeding and will be included in the official record of decision.

Neither bill had sufficient provisions to ensure that the local telephone market was open to competition before the RBOC's entered long distance. The conference report provides that before RBOC's can enter long distance, they must complete an interconnection checklist, have a facilities-based competitor and satisfy a public interest analysis at the FCC. They are required to offer long distance through a separate subsidiary for 3 years, which the FCC can extend for a longer period.

The underlying legislation also would have preempted the States from using rate-of-return regulation and forced them to use price caps or alternative rate regulation. Under the conference report, States continue to regulate local phone rates as they choose.

I strongly supported retention in the final bill of the Snowe-Rockefeller-Exon-Kerrey [SREK] provision—which was not included in the House bill—that will ensure that K-12 schools, libraries, and rural hospitals have access to advanced telecommunications services. SREK was retained in the conference report, and there are important provisions to help rural areas, health care providers, libraries, and citizens with disabilities.

Both House and Senate bills permitted waiver of the cable-telco buyout provision. These were overly broad, and would have permitted an excessive number of in-region buyouts between telephone companies and cable operators. The conference report limits cable-telco mergers to communities with fewer than 35,000 inhabitants that are outside of urban areas according to the Census Bureau.

Both bills also deregulated cable monopolies before there was effective

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competition. The conference report deregulates small cable systems only immediately, and does not deregulate enhanced basic programming for all cable systems until March 31, 1999.

And both bills permitted excessive concentration in ownership of local TV and radio stations. The conference report retains the cross-ownership ban on newspaper/broadcast and cable/broadcast; retains limits prohibiting one person from owning two stations in one market; expands the limits on local radio stations but retains numeric limits on the number of stations in a market; dropped the provision allowing a loophole in the ownership attribution rules for TV stations; and expands the national limit on TV ownership to 35 percent national market reach, but drops the provision allowing waivers.

"MEANINGFUL ROLE" FOR DOJ

Mr President, I would like to elaborate further on the role afforded the Department of Justice in the conference report. The final bill appropriately includes a strong role for the Justice Department in evaluating applications by regional bell operating companies to provide interLATA telecommunications.

The Antitrust Division has unrivaled expertise in assessing marketplace effects, particularly so in telecommunications, where it has been deeply involved continuously for more than 20 years.

During floor debate on S. 652, we worked hard to secure an independence role for the Antitrust Division in determining when and to what extent to remove the consent decrees's core restriction, the long distance or interLATA restriction.

Independent DOJ role narrowly lost in the Senate, but conferees were persuaded to give DOJ a special, strong advisory role within FCC procedure, almost equivalent protection for competitive freedom. Thirty-six Senators cosigned a letter supporting this meaningful role.

As I earlier indicated, the FCC is required by the conference report to consult with the Attorney General and give the Attorney General's evaluation substantial weight.

In conjunction with this evaluation, the Attorney General may submit any comments and supporting materials under any standard she believes appropriate. Through its work in investigating the telecommunications industry and enforcing the MFJ, DOJ has important knowledge, evidence, and experience that will be of critical importance in evaluating proposed long-distance entry—which, as I indicated earlier, requires an FCC finding that such entry is in the public interest, and that a facilities-based competitor is present. On both of these issues, the DOJ's expertise in telecommunications and competitive issues generally should be of great value to the FCC.

While the substantial-weight requirement does not preclude FCC departure from the Attorney General's recommendation if sufficiently indicated by other evidence on the record, this additional legal requirement means that the FCC's decision must be appropriately mindful of the Antitrust Division's special expertise in competition matters generally and in making predictive judgments regarding marketplace effects in particular.

This requirement will ensure that DOJ's position is given serious substantive consideration on the merits—by the courts on appeal as well as by the FCC. DOJ also retains its full statutory authority to represent the interests of the United States before the courts on appeal.

Moreover, even after entry occurs, there are important separate affiliate requirements—section 271—that will apply for at least 3 years.

The conference report further contains an absolute savings clause for antitrust laws. No authority that is given to the FCC, and no authorization that is given to any private entity, will diminish in any way the full applicability of the antitrust laws. This is an important guarantee that competition, and the innovation that results from healthy market forces, will be the centerpiece of our telecommunications policy. In addition, telco-cable, broadcast and other media mergers are subject to full antitrust scrutiny, regardless of how they are treated by the FCC.

REPEAL OF ANTITRUST EXEMPTION

Finally, the conference report repeals a provision (47 U.S.C. Sec. 221(a)) that exempts mergers between telephone companies from antitrust review—a provision left over from the 1920's, a bygone era when Federal telecommunications policy was actually to promote monopoly over competition.

If not repealed, this provision could have taken on a new meaning under the bill, since the provision did not define telephone company. And, as a result of the walls brought down and the forces unleashed by the bill, it is not clear what will constitute a telephone company in the future—perhaps every firm that transmits information by any electronic means. Absent repeal of this provision, the entire communications industry might have merged into one vast monopoly without ever being subject to antitrust review.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Who yields time?

Mr. LOTT. Mr. President, on behalf of the distinguished chairman, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi has 21 minutes.

Mr. LOTT. We have 21 minutes remaining. I will take then 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I would like to begin by sincerely thanking and congratulating the members of the Commerce Committee in the Senate and also our House colleagues for the outstanding work that has been put into this legislation. But I particularly have to recognize the dogged, determined, tenacious, informed effort by the chairman of the Senate Commerce, Science and Transportation Committee. We would not be here without question if he had not continued to work on this legislation to try to find ways to keep informed all the Members on both sides of the Capitol on both sides of the aisle. He has been willing to accept some compromises, and, after all, that is the art of legislating. He has done a fantastic job. He has made history with this legislation.

I believe we will pass this conference report overwhelmingly in a few minutes, and I venture to say right now there will not be a bigger, more important piece of legislation that passes the Congress this year and probably not one in the last decade in terms of the impact this is going to have in the creation of jobs and bringing legislation out of the Edsel era of the 1934 Communications Act into a modern Explorer because that is what this legislation is going to do—open up tremendous horizons for our people.

So I just have to say I take my hat off to the chairman, Senator PRESSLER, from the great State of South Dakota. He has done a fantastic job.

I also have to say we would not be here without the leadership and effort of the ranking member on the committee, Senator HOLLINGS. He has been good to his word. He has worked hard. He has been tough. He even thought I was trying to game him one time, which I might have been trying to do. But he was always open. He was always willing to talk with us. When he has made commitments, he has kept those commitments. He has continued to work with the chairman to move this thing forward. He has worked to keep his Members informed, and we have been informed on this side.

I just think they have done a fantastic job. I think we will look back in years ahead and call this truly a historic activity and piece of legislation. I also have to say that Chairman BLILEY in the House took some real risks with his leadership, and the ranking member there, Congressman DINGELL, who is obviously a very experienced, long-time, tough negotiator. But they have all done a great job.

I wish to also commend the staff. There have been times, I am sure, when our staffs on both sides of the aisle were ready to throw in the towel or did not want to see us come in again. They worked hard, long hours, weekends, and they produced outstanding legislation.

Let me take a minute to talk just a bit about the process. There were those who thought we could not get this bill through the Senate. There were those who thought we could not get it through the House. There were those who thought we could not get it through the conference. There were those who did not want a conference

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agreement. But we moved it forward, and we reached a point where some decisions had to be made, and the leaders of the committees in the House and Senate stepped up and made a decision.

It has been suggested that maybe some Senators or some Congressmen or some of us got rolled. In some respects, all of us got rolled a little bit. I have some things I would like to change in this conference report that are important to me and my State. But when you look at the entire package, this is good legislation. It took a little extra effort during the past couple days to push it to where it could be completed today. And so while it is not perfect, it certainly is very good legislation that is going to be good for our country and good for the economy.

This legislation is deregulatory. Just take a look at what it does in terms of opening up markets; the local markets, the cable industry. We are going to have competition. Local telephone companies will be able to get into long-distance business and long distance will be able to get into local telephone service. They will be able to get into the cable area. Cable will be able to provide phone service. What it is going to mean is great competition and choices for the people. It is so fundamental to what America is all about. It is amazing to me it has been so hard to make this happen. But it is a bill that opens up markets. It is about more competition. It is deregulatory. I think that we should say that over and over again and recognize that is what we have here.

There are all kinds of people who are supporting this legislation now.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LOTT. Mr. President, I ask the Chairman, could I have an additional 5 minutes?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. The telephone companies are supporting this legislation. The long-distance companies are supporting this legislation—both of them would like to have a little more in their sections, but basically they know this is good legislation—the cable industry, the broadcasters. The utility industry is going to be able to be involved and provide another option, more competition. We made sure that the public utilities law on the books did not keep the utilities from offering the services they could offer. We made sure that it was a fair bill even for the burglar alarm industry.

There is going to be a tremendous explosion in technology. It will help education. It will help health care. We will have manufacturing. I hope we are going to have manufacturing of telephone equipment in America. But there will be more of it. At least now our companies that have been prohibited over the past 15 or 20 years will be able to get in there, get into manufacturing and offer additional equipment and create some jobs.

But most of all, the beneficiaries of this bill will be the people. They are going to be staggered by the choices, Mr. President, that they are going to have to choose between on their telephones and on their television sets. There is going to be an absolute revolution occurring in the next 10 years in the telecommunications industry.

It was a question, frankly, of would the Congress step up and acknowledge what was happening. Would the Congress take off the shackles and allow the telecommunications industry to move forward aggressively, or would we retard and restrain and regulate that potential?

We have decided in this legislation to open it up. The people will be the beneficiaries. There are adequate safeguards in this legislation for consumers. Some people might say too much. But I think that they are there. I think they are important. We are going to get jobs creation from this legislation. The people will get choice in how they get their services. They can choose to have one company in the future to give them their local service, their long-distance service, their television.

There is no end to the ideas that will come as a result of this legislation. It is going to provide opportunities for growth and development and lower prices. Competition will give us more choices, tremendous developments and activities at lower prices.

So I just wanted to say briefly how important I think this legislation is. We are changing 60 years of law with it. It is going to have a tremendous impact.

I have been honored to be a part of the process through the committee, on the floor of the Senate, in conference. I thank the distinguished majority leader for allowing us to get this legislation up this afternoon. Without his being willing to step up and say we should go forward with this, it would not be happening.

He raises legitimate questions about the spectrum question. But the chairman and the ranking Member have made a commitment we are going to have hearings on this. We are going to see what can be done there. We are going to make sure we do it right. The FCC is not going to go forward with giving away spectrum until we have taken an additional look at it. But I have to say it is a very complicated area, and one we need to be careful about.

We should not break our word, and we should not say we can get more money than we can get. And we should not take actions that slow down or stop the move to digital, the next step in the very pure picture that we can get. So we are going to get this legislation, and we are going to get additional action on spectrum. We are going to do it, and we are going to do it properly.

Mr. President, I thank the Chair for recognizing me at this time. I thank the chairman for yielding it to me. I am anxiously awaiting the final vote on this historic legislation.

Mr. PRESSLER. Mr. President, may I say to the Senator from Mississippi that this legislation would not have happened without him. He has been a valued member of the committee and a valuable friend. He has taken great personal risks. I have seen him in meetings really perform as a leader. I am very proud to have him as a friend. This legislation would not have happened without him. I pay tribute to Senator LOTT of Mississippi who made this happen. I thank him very, very much.

The PRESIDING OFFICER. The Senator from South Dakota has 11 minutes. The Senator from South Carolina has 14 minutes.

Mr. PRESSLER. I yield 4 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, I thank my chairman and the Chair.

First of all, I rise today to join my colleague in pledging my support for this piece of legislation, the Telecommunications Act of 1995. Let me first start out talking about the leadership that Senator PRESSLER has shown on this particular piece of legislation.

As you know, we have gotten the reform of telecommunications further than it has come since I have been in this body. In 1989, we started working on telecommunications in the reform, the deregulation of it, to do one thing, and that was to push new technologies into areas where we desperately needed those new technologies, because all one has to do is to look around and say we are going to do things differently when it comes to educating our kids, we are going to do things differently when we talk about telemedicine.

I can remember almost 8 years ago I joined with then-Senator Gore to introduce a series of telecommunications infrastructure bills. I remember that day. I think the ranking member of the Commerce Committee was chairman at that time. I can remember that situation. We both strongly believed at that time in the need to unleash the digital revolution through the substitution of competition for excessive regulation. The bill basically achieves that basic goal, and because of this, it will accelerate by decades the deployment of advanced telecommunications infrastructure.

This is not to say, Mr. President, that the conference report is perfect or the best it could possibly be. In some places I would like to change it. But, you know, you do not get everything you want, but at least you want everything that you got. I think basically that is the position we are in. We cannot let the best become the enemy of the good. It is time that we take what we can get now and move forward with this piece of legislation.

Under this bill, the nature of regulation will change. Instead of regulating the profits of telephone companies, regulation will now focus on ensuring that competition can take root in all

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aspects of the telecommunications markets. Once full and effective competition can take root, it will protect the consumer interests and the need for regulation will end. This process of using regulation to embrace and advance the cause of competition toward an ultimate goal of deregulation will require the conscience and the constant vigilance of this Congress and Congresses to come. Cooperation between the FCC and the States will also be mandatory.

We all must be vigilant to ensure that competition can take root and that it grow and it prosper. If it does not, then this bill will be a failure. I believe this bill will not be a failure. I am proud of most of the agreements that were made and reached in this conference.

I believe that a good deal was struck where both rural and urban interests are well served. My home State of Montana will benefit greatly from the universal services provisions and lower telephone rates, better cable services, and increased competition in all segments of telecommunications across the board.

What does it do? It removes almost all State and local government restrictions on competition and local exchange telephone, video services, wireless, and other communications markets. It also reforms the broadcast license renewal process to forestall strike units or other abusive practices by self-styled consumer groups and community activists, removing network cable owner limits and raising current radio and television station ownership caps. It restructures the remaining FCC procedures and requires speedy action on complaints, petitions for forbearance, applications and other requests, and establishes a permanent biennial regulatory review of the process.

It also removes and relaxes the restrictions on the ability of public utility holding companies to engage in competitive telecommunications activities.

Furthermore, the report's rules on interconnection will empower competitors by ensuring that they can gain access on fair and reasonable terms to existing local telephone facilities without imposing unreasonable burdens on rural telephone companies.

The report also protects the continuation of universal service, an essential feature, especially for rural areas where competition will be slow to evolve.

And, a backup provision, the so-called advanced telecommunications provision, was included in the report to ensure that competition and, hence, infrastructure deployment evolve in a reasonable and timely manner. If competition is stalled, the report gives the FCC authority to quicken the pace of competition and deregulation to accelerate the deployment of advanced telecommunications infrastructure.

These provisions, taken together, will ensure that all Americans—in urban, suburban, rural, and remote areas—gain access to the most advanced telecommunications capability as quickly as market forces will allow.

Finally, I also support the radio ownership deregulation provision included in the report. The provision is a good compromise between those who wanted complete deregulation and those who were concerned about concentration in radio ownership in local markets. By deregulating radio ownership rules, we are setting the groundwork for our Nation's radio operators to compete and survive in this new telecommunications environment.

For these reasons, I support the conference report and hope that my colleagues will as well in the confidence that its enactment will ensure the rapid deployment of advanced telecommunications capability to the benefit to all Americans.

The PRESIDING OFFICER. The Senator from Montana's time has expired.

Mr. BURNS. Again, I want to congratulate the leadership of Senator PRESSLER and the many people that it took to put this together, because we know that it was frustrating at times. It was frustrating to all of us at times. But, nonetheless, I think it is a good piece of legislation. I yield the floor.

COMMERCIAL AVAILABILITY OF NAVIGATION DEVICES

Mr. FAIRCLOTH. The competitive availability of navigation devices provision, section 304, instructs the FCC to consult with appropriate voluntary industry standards setting organizations for the purpose of promulgating a regulation. Given that the FCC is not a standards setting organization, do you agree that this legislation does not authorize the FCC to set a standard for interactive video equipment?

Mr. BURNS. I agree. Moreover, FCC involvement in the emerging digital market could have the effect of freezing or chilling the development of that market. If private industry groups are able to develop sufficient standards on their own, there is no need for the FCC to intervene. One such example of this policy approach is the so-called Eshoo amendment which leaves the development of "features, functions, protocols, and other product and service options" for analog cable equipment to the private sector.

Mr. FAIRCLOTH. Do you also agree that the intent of this provision is that the use of rate regulated services to subsidize equipment might unfairly penalize the general rate-payer?

Mr. BURNS. I agree. However, when those services are no longer rate regulated such subsidy cannot be sustained and the prohibition on bundling is no longer necessary. The bill's prohibition on bundling and subsidization no longer applies when cable rates are deregulated. Consumers should have the option of obtaining digital devices through commercial outlets, but this does not mean that network operators must make each type of equipment available through commercial outlets. Network operators should have the flexibility to package and bundle equipment and services.

Mr. WELLSTONE. Mr. President, I speak today in opposition to the conference report on S. 652, the Telecommunications Deregulation Act of 1995. I regret that I cannot support this legislation, because it contains important protections for parents to be able to monitor what their children are viewing. I support the language in the conference report that requires manufacturers to include V-chips in new televisions. I also hope that the television industry will voluntarily develop ratings for video programming. Parents need this rating system so that they can more fully monitor what their kids are viewing.

This bill also represents so much for our country. I can imagine workers in rural Minnesota telecommuting to and from work as far away as New York or Washington without ever having to leave their homes or families. As a teacher the possibilities really excite me—schoolchildren in Minneapolis reading the latest publications at the Library of Congress via thin glowing fiber cables or rural health care providers on the iron range consulting with the top medical researchers at the Mayo Clinic in Rochester to better treat their patients. All of this is before us.

When the Senate debated this bill in June, I felt then and still feel now that this bill presents to each Senator a daunting responsibility. The concern that I still have now that we are voting on the conference report, has to do with whether or not we can make sure that there will be true competition, and that this technology and information will truly be available to everyone in the Nation, not just the most privileged or the most wealthy.

The conferees maintained some very important Senate provisions, including language to keep telecommunication rates low for schools and hospitals. This will help to ensure that our communication technologies are affordable for future generations. I was proud to support this provision when opponents tried to strip this provision in the Senate.

The conferees also kept language requiring V-chips in new televisions. I am proud to say that I supported this provision that will help keep adult-oriented video programs away from children. I believe that this will give those who know best, parents, the ability to control the flow of new services into their homes.

What disappoints me the most is that this bill did not go far enough to assure competition and therefor does not go far enough to protect consumers. I am not just concerned about the alphabet soup corporations. I am concerned about the people that live in Eveleth or Fergus Falls or Virginia or St. Paul or Northfield or Pipestone. I was hoping that at least we could build in more protection for consumers and more

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guarantees that there would in fact be the competition that we all talk about.

I ask my colleagues, after you remove the protections against huge rate increases, against monopoly, against service just for the privileged, what would you replace them with? Words, Mr. President. Promises, guarantees, reassurances that this time, although many of these companies have misbehaved in the past, and have been fined repeatedly for violating promises to protect consumers, that this time the corporations promise to behave themselves and to conduct themselves in the consumer's best interest.

Mr. President, I have said it before, and I will say it again. I do not buy it. I would rather put my trust in solid protections, written in law, to make sure that rates remain affordable, services are available for everyone, and no one is left behind in the stampede for corporate profits. Protections that ensure affordability, fairness, and access in local and long distance phone service and cable TV.

Mr. President, the need for the continuation of consumer protections and antitrust circuit breakers is clear. With every passing day, we see more integration in the telecommunications and information marketplace. Over the summer, we saw the Lotus Corp. agree to a friendly takeover by IBM. AT&T and McCaw Cellular will be joining forces, as will other companies, in preparing for this newly deregulated telecommunications environment. I am concerned that this integration will mean a broadcast concentration where consumers will get their news and information from fewer and fewer sources.

This integration at the top corporate level and the market position of many of these companies demands that consumers be given a voice—a trusted voice—to speak for them in the coming years. No more trusted voice could be found on this subject than that of the Department of Justice. It was through that Department's courageous leadership that the old AT&T Ma Bell monopoly was broken apart—it was a long, tough fight, but this experience gained by the DOJ has been invaluable in guiding the breakup of the Bell system, and the development of competition in long distance and other services. It only makes sense that we allow the DOJ to put this experience to use again as we move into an exciting, but potentially risky, new market. I believe that DOJ oversight is essential to ensure competition and consumer protection to keep telephone monopolies from reassembling themselves.

While I fully appreciate the potential of this legislation, I am really worried about where we are heading because I think there is going to be entirely too much concentration of power. The New York Times reported in a December 19, 1995, article:

For Wall Street, a frenzy of deals would be a bonanza. For many consumers though, the activity is unlikely to make much difference in the price of quality of their phone service. Only in large metropolitan areas, where the lure of lucrative markets might intensify competition, could the average phone customer expect to see much benefit.

The article goes on to report from one investment analyst that "What you need to have is a large footprint to reach more customers with one network." He went on to say "There's no reason on God's Earth why you have to have seven bell companies."

Well this may be true if the only bottom line is to make money. But my bottom line is to ensure that consumers all over America have access to affordable, quality telecommunications services.

I believe that this legislation will lead to too much concentration of power in a very, very important and decisive area of public life in the United States of America. I think we are making a mistake if we pass this piece of legislation. I will therefore, vote against it.

Mr. GRAHAM. Mr. President, there is language within S. 652 which requires all must carry challenges filed with the FCC to be resolved within 120 days. Let me further state that broadcast stations are important sources of local news, public affairs programming, and other local broadcast services. This category of service will be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

Mr. GLENN. Mr. President, I rise to discuss the telecom conference report and its adherence to procedures we set up with passage of S. 1, the Unfunded Mandates Reform Act of 1995.

We passed S. 1 one year ago with overwhelming bipartisan support. It was one of the two major items in the Contract with America that has actually been enacted. I am proud to be its coauthor along with my colleague, Senator KEMPTHORNE.

S. 1 sets up a process where, first, we would understand the cost of future Federal mandates on State and local governments before we voted to enact them. We would get this cost information from CBO and, to do so, we secured an additional $1.4 million in fiscal year 1996 funds for CBO to hire the needed analysts. Second, S. 1 ensures that we would pay for those mandates or otherwise face a possible point of order on the floor. We set a date of January 1, 1996 for the act's cost estimating and funding requirements to take effect.

This telecom conference report violates S. 1's spirit, intent and requirements. Section 424(d) of the act stipulates that "the conference committee shall ensure, to the greatest extent practicable" that CBO shall perform cost estimates on conference reports containing Federal mandates. This provision was an amendment to S. 1 by Senator GRAMM from Texas that was unanimously adopted by the Senate. It is meant to address the possibility of Federal mandates all of a sudden showing up in conference reports.

State and local government groups alerted Members to three sections of the report, section 302, 303, and 602 that restricted or limited their authority to raise revenues through licensing and franchising fees. Section 421(3) of the act defines direct costs to mean "the aggregate estimated amounts that all State, local, and tribal governments would be prohibited from raising in revenues in order to comply with the Federal intergovernmental mandate." So the State and local groups were right to raise these concerns and ask that CBO do a scoring of the conference report as required under S. 1.

Unfortunately, CBO did not receive the conference report until this morning. Earlier efforts by the CBO analysts to get copies of earlier versions of the conference report were also unsuccessful. Apparently, they were ignored by the conference committee staff. That's not the process we envisioned under S. 1.

I understand that the rights of way provisions in section 303 were altered to address State and local concerns. Those were the provisions that were of the greatest concern to them. However, that still leaves sections 302 and 602. Those sections are being looked at right now by CBO for their cost on State and local governments, but I'm afraid it's too late. We are going to pass this conference report shortly without having any estimate of what those costs might be.

When we passed S. 1, I talked on the floor about how Congress and its committees would have to change the way they do business in order for the act to work. That change didn't happen on this conference report. I hope there is a better effort at compliance next time.

I support this conference report because it makes long-needed and important reforms in the telecom industry. But in terms of following S. 1's rules and procedures, it falls far short.

Mr. CONRAD. Mr. President, I am very pleased that the Senate will vote today on final passage of S. 652, the Telecommunications Competition and Deregulation Act of 1995—one of the most important bills to be considered by the 104th Congress. While there are many issues that have been addressed in this legislation, most notably to ensure that there is competition among the telecommunications technologies of the 21st century, I have been particularly concerned about one important issue associated with telecommunications reform—the impact of television programming on our children, and the importance of ensuring

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that parents have information and the technology necessary to make an informed decision about television programming for their children.

In this regard, I am very pleased that conferees have agreed to accept the Parental Choice in Television Programming provisions—the V-chip—that was adopted by both the House of Representatives and Senate by overwhelming margins during consideration of S. 652 and H.R. 1555 last summer. The importance of this parental choice technology for parents was underscored by President Clinton last week in his State of the Union Message to the Nation.

In that message, the President called on Congress to pass the V-chip requirement in S. 652 that would permit parents to screen out television programming inappropriate for children. The President also called on the entertainment media to create movies, CD's, and television programming that members of the entertainment community would want their children to view. He further challenged the broadcast industry to help parents protect their children by providing families with more information about TV programming through improved advisories or rating system. To accomplish this goal, the President invited leaders of the major entertainment media to the White House later this month to discuss and work on ways to improve what children view in entertainment programming.

Mr. President, I commend President Clinton for strongly endorsing the V-chip in his State of the Union Message, as well as for his leadership on behalf of parental choice chip technology during consideration of telecommunications reform legislation in the Senate and House. President Clinton remarked that the V-chip represents a reasonable solution—not censorship—to the concerns of parents who have little control over the television programming that is available to their children, and want more information on the content of this programming. The President said, "when parents control what their children see, that's not censorship. That's enabling parents to assume more responsibility for their children's upbringing". I agree with President Clinton.

Regrettably, the reaction of the broadcast media to President Clinton's support for the V-chip technology and appeal to the media to work together to make the V-chip technology effective, has not been encouraging. Despite broad public support among parents, the medical community, educators and other children advocates for this technology, and successful tests of this technology in Canada, broadcasters say the V-chip proposal is unworkable, and unconstitutional on free-speech grounds. According to press reports, the broadcasters intend to oppose the V-chip in court. I believe this decision is unfortunate—children will be the losers if this technology does not become available to parents. Unfortunately, many in the television broadcast industry continue to misrepresent the provisions adopted in the conference agreement to S. 652.

As adopted in the conference report (Section 551—Parental Choice in Television Programming), manufacturers of television sets (13 inches or larger), both domestic and foreign, would be required to install technology—the V-chip—that would allow parents to block the display of programming with a common rating. The Federal Communications Commission, following consultation with the electronics industry, would determine a date for the implementation of this provision. There is also a provision under section 551 that would prohibit the shipping of television sets in interstate commerce that do not meet the requirements for the manufacture of television sets with blocking technology. These are the only mandates under section 551.

To make the parental choice chip technology an effective tool for parents, section 551 calls on television broadcasters, cable operators, and other video programmers to work with concerned interest groups, including parents, over a 12-month period—before any of the provisions of section 551 become effective—to voluntarily develop rules for rating television programming with violent, sexual, or other indecent content. Broadcasters and cable operators during this same period would also be encouraged to voluntarily develop rules for the transmission of signals encoding the ratings that would block certain television programming.

Effective voluntary rating systems have already been developed for television programming in Canada. In addition, as I noted during the telecommunications debate last summer, the Recreational Software Advisory Council and the Interactive Digital Software Association on behalf of video game manufacturers have voluntarily adopted a rating system that is included with most video games sold in the United States. A voluntary rating system is workable.

Mr. President, following the 12-month period from the date of enactment of S. 652, if the television broadcasters, cable operators have not taken the opportunity to voluntarily develop a rating system to guide parents, the Federal Communications Commission (FCC) would be authorized to establish an advisory committee to develop recommendations and guidelines for the identification and rating of television programming. The advisory committee would include industry representatives, parents, and public interest groups. Any guidelines or recommendations established by the advisory committee could serve as a model for the television broadcast industry in the development of a rating system.

Section 551 does not mandate a government rating system, or that a program be rated if a broadcaster refuses to rate programming. Nor does this legislation establish a government entity to rate television programming. There is also no authority or suggestion to rate or identify in any way religious or political programming. No penalties are established by this provision if a television broadcaster's cable operator refuses to develop ratings, or apply whatever ratings or identification system is established voluntarily, or by the advisory committee under the FCC. The development of any rating or other television program identification is entirely voluntary—the effectiveness of the V-chip technology as an aid for parents rests with television broadcasters and cable operators, not the Federal Government.

Mr. President, 90 percent of the public supports the installation of the V-chip on television sets—parents want more information on the contents of television programming, and to be able to block that programming if they consider it inappropriate for children. They should have that right. In Canada, recent trials of V-chip technology that were conducted in Toronto and other communities have shown that the V-chip is popular, and workable. More than 80 percent of the families that participated in the demonstration felt positively toward the V-chip, and more than 70 percent thought the system effective and should be maintained.

I urge television broadcasters, cable operators, and other video programmers to take advantage of the 12-month period provided under section 551 to voluntarily develop an identification or rating system that will help parents to make informed decisions about television programming that is appropriate for children. I hope that media executives will view the upcoming White House meeting on violence and children's programming as an opportunity for constructive dialog on this important issue for children, and to make this new parental choice technology an effective tool for parents and families. The time has come to work together.

I applaud House and Senate conferees on S. 652 for including the V-chip provisions in the final conference agreement. I also want to express my appreciation to Senator HOLLINGS for his leadership on behalf of children's television programming, and for his strong support of the V-chip provision in conference. I urge my colleagues to lend their strong support for passage of this important telecommunications reform conference report.

Mr. DOMENICI. Mr. President, as we approach the end of the 20th century, it becomes increasingly clear that our telecommunications industry has outgrown the Communications Act of 1934. Changes in technology and in consumer demands since then mean that it is now time to pass the Telecommunications Competition and Deregulation Act of 1995. This legislation will foster technological growth, bring more choices and lower prices to consumers.

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increase productivity, jobs, and international competitiveness.

The Telecommunications Competition and Deregulation Act of 1995 will provide consumers with more choices and lower prices in long distance phone service and television programming. And it will do so in a way that protects rural customers: This legislation explicitly preserves the universal service fund which subsidizes telephone services to rural areas.

Right now, consumers have a choice among long distance phone companies. After this legislation takes effect, consumers will also be able to choose among companies that offer them local phone service.

This legislation will also give consumers more choices in how they receive television programming. Currently, if a consumer's area is served by cable, a consumer may choose between the cable company and Direct Broadcast Satellite [DBS] service. This legislation will allow the phone company to offer television over phone lines, so consumers will be able to choose television services from among cable companies, phone companies, and DBS.

The Telecommunications Competition and Deregulation Act of 1995 will also encourage investment in domestic telecommunications industries. By requiring that local telephone service be provided solely through regulated monopolies, the Communications Act of 1934 has forced U.S. companies wanting to invest in local phone markets to invest overseas.

The President's Council of Economic Advisors estimates that as a result of deregulation, by 2003, 1.4 million service sector, U.S.-based jobs will be created.

Over the next 10 years, a total of 3.4 million jobs will be created, and, according to telecommunications analyst George Gilder, the gross domestic product will increase by as much as $2 trillion.

Increased investment in telecommunications products and services will bring a better quality of life to rural New Mexico. With fiber optic cable connections, doctors in Shiprock, NM, can consult with specialists at the University of New Mexico Medical Center or any medical center across the country.

These new technologies will enable students in Hidalgo County, NM, in towns like Lordsburg and Animas, to share teachers through a video and fiber optic link. This legislation will remove the regulations that currently prevent local phone companies from making the investments necessary to provide such technologies.

Mr. President, I support this legislation because it will help improve rural education and rural health care, enhance local and long distance phone services, and speed up the development of new technology and new jobs for Americans. I believe this legislation represents a key step forward toward achieving these valuable objectives.

As with any effort at serious, large-scale reform, this legislation leaves a few important policy questions unresolved. I am pleased that we have agreed to separate those issues out from this bill so that we can give them the full attention they deserve in the future.

I wish to commend the managers of this bill, and their staffs for their tireless work to craft this legislation. In particular, I appreciate the legislative skill of Chairman PRESSLER, Majority Leader DOLE, Senator STEVENS, and ranking member Senator HOLLINGS, as well as their commitment to real reform of obsolete and burdensome regulations.

The public ought to be proud that by working together, Democrats and Republicans have succeeded in crafting legislation that will enhance the capacity of our economy to respond to the new, and rapidly growing challenges of the information age.

Mr. HEFLIN. Mr. President, telecommunications technology has undergone a major evolution in the six decades since Congress passed the landmark "Communications Act" in 1934. Enacted during the Great Depression, the "Communications Act" alleviated the turf disputes which emerged when AT&T entered the broadcasting arena to compete with the well-established radio networks. The New Deal approach to this problem was to erect strict walls between public utility communication providers and broadcasters. Amazingly, though, the regulatory approach established 62 years ago is still the law of the land.

Mr. President, it is my belief that cellular telephones, fax machines, cable television, direct broadcast satellites, and computers have rendered obsolete the Nation's aging telecommunications regulatory framework. Therefore, I believe the time has come to overhaul that framework as we prepare to enter the 21st century. But as my friends on the Commerce Committee can attest, the task of rewriting the antiquated Communications Act of 1934 is much easier said than done.

I suspect that we all agree that the present regulatory structure needs revision, but forming a consensus on just how to create a new regulatory environment that acknowledges and fosters competition while at the same time protects the public interest has proven to be elusive. After reviewing the conference report on the Telecommunications Act, though, I feel that the conferees have done a commendable job in finding an equitable balance between these two competing goals.

The past few months have been witness to some historic agreements. For instance, those who negotiated the Dayton Peace Accord deserve credit for a job well done, but the conferees who were able to broker an agreement between the long distance industry and the Bell operating companies deserve the Nobel Peace Price. The ability of these two divergent interests to come to terms in regards to the Baby Bell's entry into the long distance market is one of the reasons I plan to support the bill.

In addition, I am pleased that the bill will provide independent, rural cable systems with the option to merge or be bought out by their local exchange carrier if the cable system in question decides it can not compete head-to-head. I specifically want to thank Senator HOLLINGS for his help on this section of the bill.

One other issue worth mentioning in regards to the telecommunications bill is the spectrum flexibility issue. All television stations will soon be making the transition from an analog signal to a digital signal. This will provide the consumer with a better signal and will give television stations new sources of revenue, such as digital paging and data transmission. In that broadcasters provide their services to the viewing public for free, I think it would be a mistake to require them to pay for spectrum on which to start digital broadcasts, particularly since they will turn their analog spectrum back to the Government once the transition to digital is complete. This bill would not actually give spectrum to broadcasters, but it would leave the decision on how best to handle the transition to digital in the hands of the FCC, where it should be.

Mr. President, in closing this bill is good for the consumer because it will open the floodgates of competition among communications providers. As we all know, increased competition means lower prices and new services in the marketplace. In addition, the bill is supported by the regional Bell companies, the long distance industry, the cable industry, and broadcasters. Therefore, I intend to vote in favor of this bill, and I urge my colleagues to do the same.

Mr. FORD. Mr. President, today, I am pleased to join the distinguished Senator from South Dakota, Senator PRESSLER, and the Senator from South Carolina, Senator HOLLINGS, in supporting the conference report to S. 652, the telecommunications reform bill. As a conferee on this historic piece of legislation, I firmly believe that this bill is a balanced approach to the overhaul of our telecommunications laws and regulations and towards a de-regulated and competitive telecommunications industry.

In the last several months, the Congress has been highly criticized for the partisan nature of our debates. And it is true that a significant number of legislative initiatives are caught in intense partisan differences. But at the same time, there have been a number of developments where both sides of the aisle have come together, where both sides have been able to reach an accommodation of differing views and opinions. I believe that this conference report is just one example of how this Congress can work in a bi-partisan manner to produce solid legislation.

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That is not to say that it is easy. This conference has been working throughout the fall and early winter to produce this conference report. Our negotiations were long and difficult ones. But, Mr. President, I am by nature a compromiser. I guess that is because I am from Kentucky. And Kentucky produced many fine legislators and statesmen, including the great compromiser, Henry Clay. And Henry Clay once said that compromise is "a mutual sacrifice." Well, let me tell you Mr. President, that we conferees have made many sacrifices in order to reach a bipartisan conference report.

When the House passed its version of telecommunications reform last August, I was asked what the significance of that event meant. I stated then that I was fairly confident that we could produce a final bill—but that it was not going to be easy. There were significant differences between the Senate and House bills. In particular, I know I and many of my colleagues on this side of the aisle were concerned about the scope of the deregulation contained in the House bill. But something significant happened in this conference. We sat down and we listened to each other. Throughout numerous discussions and informal meetings of conferees, we were able to state our concerns and have those concerns understood and appreciated. And more importantly, we were able to have those concerns addressed in a satisfactory manner. I do not think that any one side prevailed over the other. This conference was one of significant negotiations and compromises. But the result is that today we have a bi-partisan bill. I believe that this conference report is a fair, logical, and balanced approach towards reforming our Nation's telecommunications law and policies.

There is no question that we need to pass a reform bill. Not since the passage of the 1934 Communications Act has the Congress taken a step towards a major overhaul of that law. The 1934 Act has served its purpose in guiding our telecommunications policy for the last 60 years. But we are at a crossroads in terms of policy and technology. Our telecommunications industry has been in a state of complex transformation that began in 1984 with the divestiture of AT&T. Since that time, the seven regional telephone companies have actively sought permission to enter into other areas of business. And as the regional Bell companies have sought to expand, other companies and industries have sought to enter into the local telephone market. Clearly, these changes cannot be made through court rulings and petitions to the Federal Communications Commission.

The slow and haphazard de-regulation that has been on-going since 1984 has frustrated the ability for real and effective competition. In turn, I think that has also frustrated the ability for the telecommunications industry to develop and improve technology. In fact, Mr. President, I would argue that an initial and almost immediate effect of this legislation will be rapid advances in telecommunications technology.

Our telecommunications industry is on the cutting edge of technology. Research and development and existing technologies are inhibited by rules created several years ago, if not several decades ago. The reforms contained in this conference report will help ensure America remains competitive.

Throughout my experience in this legislation, I always hear people talking about the so-called "information superhighway". If we want to make that "information superhighway" a reality for all Americans, then I think we need to spur competition which will encourage investments.

Mr. President, competition and investments can only mean one thing—jobs. This conference report is not just a regulatory reform bill. It is a job creation bill as well. Today, the telecommunications industry is 15 percent of the GDP. And it is also a sector with high-growth potential which will create high-skill and high-paying jobs.

In fact, in a recent study conducted by the Wharton School of Business, the Wharton Econometrics Forecasting Association ("The WEFA Group") found that full competition in telecommunications has the potential to create 3.4 million jobs by the year 2005. And the potential to cause a $298 billion increase in the gross domestic product within 10 years.

In Kentucky, it is estimated that over 32,000 new jobs will be created during this same period. Telecommunications reform in Kentucky could mean the distribution of 1,000 new jobs in the mining industry; 2,900 jobs in the construction industry; 7,300 new jobs in manufacturing; 1,200 new jobs in the transportation and utilities sector; 11,200 new jobs in the wholesale and retail trade sector; 1,300 new jobs to the financial services industry; and, 7,500 new jobs to other services in general.

Mr. President, this telecommunications reform bill is also a pro-consumer bill because it will create more competition, and in turn, lower prices. It is estimated that telecommunications reform will lower rates by 22 percent, saving consumers nearly $550 billion over the next 10 years. Lower long distance rates alone will yield $333 billion in consumer savings. With lower local telephone rates, consumers can expect to save another $32 billion. Lower cellular rates could generate another $107 billion and lower cable television rates will yield another $78 billion in consumer savings.

But this bill is not simply about jobs and money. This bill also contains important provisions which will enhance access to advanced services in our public schools. I am pleased that this conference report retains the provisions of the Senate bill known as the Snowe-Rockefeller Amendment. Because of this provision in the legislation, our classrooms are going to be able to link with other institutions and other programs to enhance education. This is most important for a state like Kentucky with a large rural population. Students and teachers in rural areas will gain access to sources of information and libraries in other locations across Kentucky and the Nation. The reforms contained in this bill will hasten the pace by which schools in rural areas will receive comparable access to the Internet, just like those schools in more urban areas. Access to advanced services can lead to improvements and efficiencies in the administration of education. In fact, this is already occurring in Kentucky. Our State government has contracted for the establishment of the Kentucky Information Highway. Schools and school district offices are linked together on the network and advanced services are made available at preferential rates.

Mr. President, as I have mentioned, this conference report includes important changes to our telecommunications laws which enable the development of new technologies. I am pleased to say that the conference report includes a provision which will limit the role of the Federal Communications Commission in setting standards that may affect the computer and home automation technologies. Section 301(f) of the bill provides that the FCC may only set minimal standards for cable equipment compatibility, to maximize marketplace competition for all features and protocols unrelated to descrambling of cable programming, and to ensure that the FCC's cable compatibility regulations do not affect computer network services, home automation, or other types of telecommunications equipment. In short, this section keeps the government out of setting high technological standards and prevents the FCC from setting standards for the computer and communications services of the future.

I believe that this section is a small but important aspect of this historic bill: to embrace the future by allowing new technologies to flourish with minimal government interference. Just as this bill will help open markets by eliminating the barriers to long-distance and equipment manufacturing competition, Section 301(f) ensures that our vital computer and high-tech markets remain open and competitive by ensuring that the FCC's technical standards are kept to a minimum. Since almost all standards in the communications and computer industries are voluntary, private standards, this section of the bill maintains that this practice shall continue. This is very important as we see the accelerating pace of the convergence of the computer and the communications industries.

Section 301(f) modifies the FCC's authority in order to reign in the Commission's ongoing rulemaking on cable equipment compatibility. This is a problem that arises out of the 1992

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Cable Act, which directed the FCC to assure compatibilitybetween televisions, VCR's and cable systems. But, I believe that the FCC has gone beyond the directions contained in that 1992 law. This section of the conference report prevents the FCC from standardizing any feature or protocols that are not necessary for descrambling, by preventing the selection of an other home automation protocol as part of the FCC's cable compatibility regulations. It further prevents the FCC from affecting products in the computer or home automation industry in any way. Simply put, Section 301(f) leaves these standards to be set, as they should be, by competition in the marketplace.

I understand that some have questioned whether the term "affect" is too broad. Indeed it is a broad term in order to effectively implement the principle that the FCC regulations should not interfere in competitive markets. Because there is no reason to affect computers or home automation products, and because even inadvertent or relatively small effects on emerging and rapidly changing markets can easily displace technological innovation, this section 301(f) is weighted toward protecting competition and open markets. The accompanying Statement of Managers states that any material influence on unrelated markets is prohibited. Because it is impossible for agencies or courts to judge whether the impact of technical standards in emerging markets would be harmful or substantial, Section 301(f) draws a bright line to avoid any regulatory impact whatsoever.

I think this is an important policy. The risk associated with wide regulatory powers over technological issues in a time when we are seeing rapid technical change is that premature or overbroad FCC standards may interfere in the market-driven process of standardization or impede technological innovation itself.

It is interesting to note that the industry itself has been able to solve compatibility problems, and create workable standards in the VCR, personal computer, compact discs and other products without any government involvement. I believe that the inclusion of Section 301(f) continues that tradition and will permit the industry to set the standards, not the FCC. That is in keeping with the nature of this legislation as a whole.

Mr. President, in addition to reforms of the local and long distance telephone companies, this conference report includes a number of overdue revisions to the laws regulating the broadcasters. I believe that these changes are necessary to respond to the changing competitive nature of the broadcast industry, in the same manner as the changes this conference report foresees for the telephone industry. One of the changes in this legislation includes directions to the Federal Communications Commission to conduct a rule-making on the so-called duopoly rule.

The duopoly rule was last revised by the FCC in 1964. And it prevents the ownership of more than one television station in a local market. This regulation served a useful purpose by ensuring there would be competition and a diversity of media voices in a television market.

However, in the last 32 years, the local media have gained so many new competitors that I have begun to question whether the duopoly rule still promotes good policy. That is why I endorse the provisions of the conference report which direct the FCC to conduct a rule-making to determine whether to retain, modify, or eliminate this rule.

Today, consumers have access to many more broadcast stations than a generation ago, let alone, a decade ago. More significantly, consumers today have access to a host of non-broadcast station video providers, all of which offer dozens or even hundreds of channels. Competition to broadcasters is coming from the cable industry, wireless cable systems, satellite systems, and video dialtone networks. With such competition, I believe that we may have reached the point where the viability of free over-the-air programming, provided by single-channel broadcasters, may be threatened by the new multi-channel competitors.

Too many local broadcasters, particularly in smaller markets, are already losing money. This is a concern to me, and should be a concern to other Members, because I believe that local television broadcasters are just as important as local radio stations and local newspapers. Together, these local broadcasters help to develop a sense of community through the coverage of local events. It is my hope that the FCC will examine this matter thoroughly and revise the duopoly rule appropriately.

In addition to the duopoly rule, I am also pleased to see that this conference report grandfathers local marketing agreements, or LMA's. Many local broadcasters have stayed competitive by entering into these LMA's with one another. These innovative joint ventures allow separately owned stations to function cooperatively, achieving economies of scale through combined sales and advertising efforts, and shared technical facilities. These local marketing agreements have served their communities in a number of ways: some have increased coverage of local news; others have increased coverage of local sports, particularly college sports; and, many LMA's have provided outlets for innovative local programming and children's programming.

Together, a review of the duopoly rule and the grandfathering of LMA's, these provisions will help ensure that consumers always have access to free local television programming.

Mr. President, it is clear that the reform of our communications laws is long overdue. This conference report is a comprehensive and balanced approach to rewrite our National telecommunications policy for the 21st Century and beyond. After years of debate, negotiations and compromise, we have finally reached the point where we can make the promises of the advanced telecommunications into realities.

I applaud the efforts of the Chairman and Ranking Member for their determination and persistence in bringing together a comprehensive and bi-partisan bill to the floor. We would not be here today without their combined leadership. We would not have bi-partisan support on the conference. As a result, it has earned the support of many on both sides of the aisle and the support of the President. S. 652 deserves to become law and I urge my colleagues to join in supporting final passage.

CLARIFICATION OF LOCAL STATION OWNERSHIP PROVISIONS

Mr. INOUYE. Will the gentleman from South Carolina, the ranking member of the Commerce Committee, yield for a colloquy?

Mr. HOLLINGS. I'd be delighted to yield to the gentleman from Hawaii.

Mr. INOUYE. The conference report directs the FCC to conduct a rule-making proceeding to determine whether to retain, modify or eliminate its duopoly rule, which prevents ownership of more than one television station in a market. Is it the intent of Congress that in reviewing the duopoly rule the FCC should consider whether broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media voices?

Mr. HOLLINGS. The gentleman's interpretation is my interpretation as well.

Mr. INOUYE. I'd appreciate my colleague's help in clarifying the conference report's effect on the Hawaiian television market. No one needs a geography lesson to learn that my state is located in the middle of the Pacific Ocean. As such, interference with adjacent television markets is not a concern and, unlike every other market in the United States, every VHF channel is utilized somewhere in Hawaii's market.

I'd ask of the gentleman, when the FCC considers the duopoly rule, does he agree that the FCC should strongly consider that Hawaii's unique situation represents an example of compelling circumstances that could permit the combination between two VHF stations in that market?

Mr. HOLLINGS. The gentleman from Hawaii is correct. His state's local television market developed differently from continental markets because of its unique geography and terrain, and thus is characterized by many VHF stations. Many of our concerns about combinations involving two VHF stations in local markets in the continental United States do not apply to Hawaii. The FCC should recognize this

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distinction when considering the duopoly rule.

Mr. INOUYE. I thank my colleague for his clarifications and for his expertise and leadership on this historic revision of our telecommunications law.

Today's local marketplace is characterized by an abundance of media outlets that were not present or contemplated when the rule was last revised, and the FCC should take this development into consideration.

This new competition, such as from clustered cable systems offering advertisers the same buy as local broadcasters (but on multiple channels), threatens the very viability of free, over-the-air programming. Broadcasters have searched for creative solutions to these marketplace changes, and one proven solution has been Local Marketing Agreements. These LMAs are innovative joint ventures which enable separately owned stations in the same market to find economies of scale through combined operations.

The need to relax the duopoly rule is illustrated by broadcasters' experience with LMAs. These joint ventures have generated substantial rewards for both competition and diversity, and improved the quality and quantity of free local programming. In Hawaii, an LMA has made possible a significant increase in local programming, including an in-depth local news program at 9 p.m., extensive coverage of the University of Hawaii's sporting events, weekly programs on Hawaiian culture and local issues, and a doubling of children's programming.

It is my understanding that Sec. 202(g) allows LMAs currently in existence to continue as long as they are consistent with FCC rules. These LMAs give stations the flexibility to meet the challenge of the multi-channel marketplace.

Again, I thank the ranking member of the Commerce Committee for clarifying the intent of the conference report regarding the duopoly rule.

Mr. GRASSLEY. Mr. President, I rise today in strong support of one portion of the telecommunications legislation we are currently considering. In particular, I wish to speak on the cyberporn provisions of the bill. I believe that it is high time that Congress apply the same rules to protect children on the Internet that have laws applied to other communications media. Since 1934, indecency has been regulated in broadcast. And when it became clear that children were vulnerable to sexually explicit material over the telephone, Congress prohibited providing indecency to children via the telephone. Today, we are taking the next step in protecting children from child molesters and unscrupulous porn merchants.

It is important to note that despite the best efforts of the liberal establishment, the Supreme Court has never—not even once—ruled that the indecency standard is unconstitutional. So the vocal opponents of the legislation before us today are going to have a very hard time to challenge it in court. Just a few weeks ago, in the Act III case, the Supreme Court was asked to review the constitutionality of the indecency standard. But the Supreme Court declined to do so, indicating to many constitutional lawyers that the indecency standard is on firmer footing than ever.

I predict that the left-wing free-speech absolutists who have promised to challenge the cyberporn provisions will have no more success with their antifamily efforts than they have had in the past.

This summer, I had the opportunity to chair the first-ever congressional hearings on cyberporn. During that hearing, I had the opportunity to hear from parents who had discovered that their children had been sent pornography or solicited by adults. One teenager girl was even stalked on-line by someone who was later arrested—but had to be released because his conduct was not illegal.

That's why, with the assistance of the distinguished chairman of the Commerce Committee, Senator PRESSLER, I worked to include a cyberstalking provision in the conference committee report. That section makes it a crime to use computers to seduce or lure children. I believe that this is an important step. As with indecency on computers, America's children should be given the same protections in the on-line world that they have in the real world.

In my hearing this summer, I asked each parent that appeared before the Judiciary Committee—do you believe that a technical solution alone, without Federal legislation, is enough to protect their children. Without exception these parents said no, that the technology is part of the Answer, but not the whole answer. So for those who claim that Congress has no role at all to play in protecting America's children from on-line pornography and child stalking, I say ask America's parents about that. The parents of America, who have to try to use cumbersome and highly technical computer programs to block out cyberporn and on-line child stalkers believe that congressional assistance is crucial and that there simply is no other way to keep America's children safe.

Finally, let me say that me of the most perplexing misrepresentations during the conference deliberations on this matter involved the so-called harmful to minors standard as opposed to the indecency standard. The harmful-to-minors standard is a creature of State law, and there has never, during the entire history of our Nation, been a Federal harmful-to-minors law. On the other hand, Congress has had indecency regulations on the books since 1934, the beginning of the mass communications era. So, despite statements to the contrary, the harmful-to-minors standard, which has never been the subject to congressional action, is too uncertain, too new to be applied to the dynamic medium of computer communications. I believe that the harmful-to-minors standards would unduly chill the kind of freewheeling discussions we have become used to on the Internet. The tired-and-true indecency standard is much better, in the opinion of this Senator and noted constitutional scholars like Bruce Fein.

I would like to take my hat off to Senator EXON, Senator COATS, and Senator HELMS for their work and leadership on this issue. I yield the floor.

Mr. HELMS. Mr. President, I am pleased that the Senate finally is going to pass this important telecommunications bill (S. 652). There have been many attempts down through the years to reform the telecommunications law, and I am happy that the Republicans have been able to get the job done this year.

This bill will remove barriers to competition and lead to lower prices for consumers. It can create as many as 100,000 jobs in North Carolina, help spur the economy, lead to innovative developments in technology, and provide children with greater access to educational opportunities. In addition, in the near future, millions of consumers will be able to shop and bank from their homes through the use of their computers or television sets.

Mr. President, one study conducted by the WEFA group projected that open competition could very well lead to 3.4 million new jobs in 10 years. It further concluded that consumers could pay $550 billion less in communications rates.

There have been many hard fought battles on this bill. But in the end this legislation is a very carefully crafted balance. For example, earlier versions of this bill would have allowed for an unhealthy concentration of media power. These proposals could have made local community broadcasting a thing of the past; but this concern has been resolved.

Perhaps most importantly, this bill will help protect children from computer pornography, which today is readily accessible on the Internet and elsewhere. I have been notified of numerous instances in which unscrupulous, sleazy individuals have used the Internet as a tool to distribute pornography to minors. This legislation provides tough prison terms for any smut peddler who uses a computer to send or display child pornography. This bill upholds standards of morality and decency as well as protects children and families from the peddlers of sleaze. This is a victory for families and children.

Mr. President, the Telecommunications Competition and Deregulation Act of 1995 provides the American consumer with less expensive prices, more competitive opportunities, and better service. Chairman LARRY PRESSLER and all of his colleagues on the Senate Commerce Committee deserve the gratitude and respect of all Americans for a job well done.

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Mr. COATS. Mr. President, I stand before you today to urge my colleagues to support final passage of this telecommunications reform legislation. It is truly a monumental piece of work. The competitive forces that this legislation will unleash will create an explosion of new jobs, new technology. It will secure for this Nation, well into the future, its rightful place in the forefront of industry and technological development and utilization.

I am pleased that the conference report contains strong protections for America's children. This provision reflects the concern of our Nation to ensure that, as we establish the framework for the rising tide of the technology society, we take care to establish an environment safe for our children. I am speaking about the provision, sponsored by myself and Senator EXON, that deals with the issue of pornographic material on the internet.

Mr. President, sometimes our technology races beyond our reflection, and we are left with a dangerous gap—a period when society is unprepared to deal with the far-reaching results of rapid change. This is the situation we have on the internet. This is the situation which this legislation will address.

The type of pornography currently available on the internet includes images and text dealing with the sexual abuse of children, the torture of women and images of perversion and brutality beyond normal imagination, and beyond the boundaries of human civilization.

Childhood must be defended by parents and society as a safe harbor of innocence. It is a privileged time to develop values in an environment that is not hostile to them. But this foul material on the internet invades that place and destroys that innocence. It takes the worst excesses of that red-light district and places it directly into a child's bedroom, on the computer their parents bought them to help them with their homework.

Let me take a moment to outline exactly what this legislation will do:

Those who utilize a computer to persuade, include entice, or coerce a minor to engage in prostitution or any sexual act will be prosecuted, fined, and imprisoned up to 10 years.

If you use your computer to contact and harass another individual, you will be prosecuted under this bill.

This legislation would prosecute those who utilize an interactive computer service to send indecent material directly to a minor or use an interactive computer service to display indecent material in a manner easily available to a minor.

On-line services and access software providers are liable where they are conspirators with, advertise for, are involved in the creation of or knowing distribution of obscene material or indecent material to minors.

This legislation leaves unchanged E-mail privacy laws.

Simply put, this legislation extends the same protections for children that exist everywhere else in our society to the internet.

The bottom line is simple: we are removing indecency from areas of cyberspace easily accessible to children, if individuals want to provide that material, it must be in areas with barriers to minors, if adults want to access that material, they must make a positive effort to get it.

Our warning is equally clear: if you post indecent material on the internet in areas accessible to children, you will be held to account.

Mr. President, one of the most urgent questions in any modern society is how we humanize our technology—how we make it serve us. America is at the frontier of human knowledge, but it is incomplete without applying human values. And one of our most important values is the protection of our children—not only the protection of their bodies from violence, but the protection of their minds and souls from abuse.

We can not, and should not, resist change. But our brave new world must not be hostile to the innocence of our children.

Mr. President I am proud that we have taken this very important step. I am proud that as we usher in this information age, America has placed the protection of our children as a central issue in this landmark legislation.

Mr. HATCH. Mr. President, telecommunications technology is evolving at a speed that is unprecedented, and it has been and will continue to be difficult to keep up with these revolutionary developments. However, without a vehicle that allows us to at least attempt to keep pace with these changes, we cannot even hope to take full advantage of the benefits that today's technology potentially affords us.

That is why I am pleased to support the telecommunications conference report that we are considering today. It has been a very long and difficult process over a number of years in order to get to this point today. There have been many hearings held in several committees, long debates in both houses of Congress, and extensive hours spent in conference meetings. And, as is always the case with legislation that is as important and far-reaching, the conference report we will vote on shortly is not perfect.

As we have already heard on the floor today during this final debate, there are still a number of issues upon which total consensus has not been reached. In fact, we can expect to be revisiting a number of issues in the not too distant future, and I look forward to that.

Nevertheless, I believe we can all agree that this legislation establishes some basic principles that will provide a gateway to the future of communications in our country. I am convinced that the basic policy changes contained in this conference report will not only positively impact our Nation's economy be enhancing competition within a number of communications markets but will also result in noticeable benefits for individual consumers throughout the United States.

I do not wish to take up too much time, but I want to commend the distinguished chairman of the Senate Commerce Committee for his leadership over the past year in bringing this historic legislation to the floor of the Senate. I especially want to thank him and his committee colleagues for effectively keeping the conference focused on the communications issues under its jurisdiction. Implementation of the legislation will raise issues in the area of intellectual property, which will need to be addressed in the future. These issues are best left to the appropriate committees of jurisdiction and expertise. As the chairman of the Senate Judiciary Committee, which is the committee of jurisdiction over intellectual property issues in the Senate, I look forward to working on these matters. We can support the efforts of the conference and to increase the opportunities the legislation makes available to creators and users of intellectual property.

Again, let me commend the conferees for their work in the communications arena and thank them for not prejudicing the Judiciary Committee's work on any relevant intellectual property issues.

I am pleased to support this bill. It is a major step forward.

Ms. SNOWE. Mr. President, I rise today to speak in favor of the conference report to S. 652, the Telecommunications Competition and Deregulation Act. This legislation will revolutionize our telecommunications industry as broadly as telecommunications have revolutionized our society.

And I am pleased that it contains the Snowe-Rockefeller provision that was included in the original Senate bill—a provision of significant importance to rural regions and rural Americans.

I would first like to thank my friend and colleague, the distinguished chairman of the Senate Commerce Committee who also served as chairman of the House-Senate conference committee on this legislation, Senator PRESSLER.

For over a year now, he has worked tirelessly to shepherd this legislation through the Commerce Committee, the full Senate, and the House-Senate conference committee. In the process, he has worked to ensure that telecommunications reform remains a priority for our Nation as we enter the next century—a century that is certain to bring even greater advancements in technology and telecommunications.

I also want to congratulate the distinguished Senate majority leader, Senator DOLE, for his outstanding efforts in bringing this critical legislation to the floor of the Senate.

Telecommunications is an increasingly important part of our daily life. Over the past few years, most of us have become dependent on communications services as diverse as wireless

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telephones, fax machines, information services, computers, pagers, alarm monitoring services, and cable television. In many cases, it is hard to imagine functioning without them. We are clearly witnessing a revolution in the way we do business and in the way we live, a telecommunications and information revolution as important to our future as the industrial revolution was in the last century.

As I stated during debate on the legislation last summer, my State of Maine has, for more than a century, faced serious economic challenges in attracting business and industry. Thus, the revolution in telecommunications technologies which has opened the door to the information age continues to be especially important for Maine.

At 60 miles an hour, the speed of truck transportation, Maine's geography can be an economic disadvantage. At the speed of light—the speed with which information can be transmitted over Maine's state-of-the-art telecommunications networks—Maine's location becomes an asset. Information technology coupled with our outstanding quality of life has created substantial business and employment opportunities in my State.

Recognizing the importance of telecommunications to Maine, the Maine State Legislature adopted legislation that established the policy goal of ensuring that all of Maine's businesses and citizens have affordable access to an integrated telecommunications infrastructure capable of providing voice, data and image-based services.

Furthermore, Maine intends to adopt policies that encourage the development and deployment of new technologies, and encourages service applications that support economic development initiatives or otherwise improve the well-being of Maine citizens.

Mr. President, this conference report will bring unprecedented competition and development to the telecommunications industry. And while competition can bring an array of improved services at a lower cost, we must ensure that competition ultimately achieves this goal for all Americans, in both urban and rural areas.

I am, therefore, particularly pleased that the conference report before us recognizes that strong universal service provisions are a necessary and important part of telecommunications reform.

Residents of rural areas should bear no more cost for essential telecommunications services than residents of densely populated areas. Just as extending basic telephone service and electrification to rural areas rose to the top of our national agenda in the 1930's and 1940's, so telecommunications must be a top priority today. No American citizen should be left out of the communications revolution.

Indeed, the concept of universal service was established in the 1934 Communication Act, to establish widely available basic telephone service at reasonable rates. The rationale for this policy is that telephone service is essential to link Americans together, so that all Americans can communicate with each other on approximately equal footing. It was an important economic development tool, as well.

Everyone in our country must be able to engage in commerce using the tools and technologies necessary to interact with buyers and sellers, and be able to be informed and to inform others of emergency situations and to access emergency services.

Presently, every telephone can interconnect with every telephone, but every computer cannot hook up with every computer. If in the future, computers replace telephones and become the basic standard equipment for communication, a mechanism must to be in place to ensure that all Americans can continue to be interconnected as they are presently via the telephone.

Central to the concept of universal service is access for public institutions, which provide services to a broad segment of our population. We must ensure that key institutions in our society—schools, libraries, and rural hospitals—are also assured affordable access to telecommunications services.

That can not be done when schools and libraries are paying business rates for educational services like access to the Internet. Business rates are frequently beyond these institutions' ability to pay—and without access, I am concerned about the consequences.

The Internet, the "information highway," is increasingly critical to our children and our Nation. How can we hope to compete in the world economy if our educational institutions are unable to link with a critical telecommunications link?

I strongly believe that the economic future of our children is inexorably tied to their education. In turn, education is becoming increasingly entwined with the use of emerging technologies and the information these services carry and provide.

Our schools need access to educational telecommunications services to prepare our children for economic success. In the 21st century, our children will be competing in a global economy where knowledge is power. Their future depends on their ability to master the tools and skills needed in that economy.

Unfortunately, there is a widening gap between the high expectations of an increasingly technologically driven society and the inability of most schools—particularly rural schools—to prepare students adequately for the high-technology future. Almost 90 percent of kindergarten through 12th grade classrooms lack even basic access to telephone service.

Telecommunications can help us provide a world class education to children across America. If we want young people to actively use the technology of the future so it becomes second nature to them, then we must ensure that schools are part of the national information infrastructure.

For starters, telecommunications will enable students and teachers to do research in libraries across the country and the world, and to connect to experts and other students across the country. It will ensure that small schools in remote rural areas, and schools with limited financial resources have access to the same rich learning resources.

Consider that only 30 percent of schools with enrollments of less than 300 have Internet access, while 58 percent of schools with enrollments of 1,000 or more reported having Internet access. Only 3 percent of classrooms in public schools are connected to the Internet, and cost is cited as a major barrier to access.

Rural schools and libraries usually pay more for access to information services than schools and libraries in urban areas because the information service providers do not have access points in local calling regions, meaning that rural schools and libraries must make a long distance telephone call to access the Internet and other information services. It is imperative that access the information superhighway be affordable, because America's schools and public libraries operate on very slim, inflexible budgets.

And it is an area where we need the strength and innovation of the private sector as well. That's why I am especially pleased to note that NYNEX and the independent telephone companies that serve Maine have already taken steps to deploy and encourage the utilization of needed telecommunications services throughout Maine. As a result of a unique agreement with Maine's telephone companies—all Maine libraries and schools are now eligible to receive substantially discounted long distance services that will now allow access to a broad range of information services.

But schools and libraries in Maine and across America will not be the only ones to benefit from this provision. So does our health care system through telemedicine. When I served in the House of Representatives, I cowrote the Rural Health Care Coalition's "Rural Health Care Bill of Rights."

The paper argued that Congress should adopt policies that seek to ensure that those who live in rural areas receive the same quality of health care as other Americans. All Americans, regardless of their age, income, employment status, medical history or geographic location, have a right to access affordable, quality health care.

Telemedicine can help us achieve this goal by enabling physicians in rural areas to communicate through state-of-the-art telecommunications networks with providers and specialists in other areas.

With Telemedicine, a burn victim in Presque Isle, ME, may be able to get care from some of the Nation's best

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burn specialists, without ever leaving the local hospital. Rural doctors will be able to connect directly to major hospital centers for consultation, diagnostic assistance, and ongoing professional education. However, rural areas pay significantly more than urban areas for transmission of Telemedicine services.

Mr. President, I believe that the Snowe-Rockefeller provision is fundamentally important to assuring that we do not end up with a two-tiered telecommunications system in America.

The Snowe-Rockefeller provision is fundamental to assuring that all areas in America have access to the essential telecommunications services of the future. And it is fundamental to ensuring that this legislation provides a solid foundation for the future.

Mr. President, I believe that this legislation offers tremendous promise, making this among the most exciting and meaningful bills we will vote on this session.

By promoting true competition in telecommunications while providing necessary safeguards that further the goal of competition and serve the public interest, this conference report offers a strong framework on which the technological future of America can be built. I believe that this bill strikes the right balance that is needed, and offer my strong support. Thank you, Mr. President. I yield the floor.

Mr. DASCHLE. Mr. President, I am pleased that after years of struggle, the Senate has before it, a telecommunications reform conference report that represents the dawning of a new telecommunications era in this country.

I want to commend the Commerce Committee chairman, Senator PRESSLER, and the ranking member, Senator HOLLINGS, for their hard work and efforts in bringing a measure before us today that will enhance true competition in telecommunications without shortchanging American consumes.

This is complex and potentially far-reaching legislation, that will affect an economic sector that constitutes 20 percent of our economy, and whose services reach virtually every American.

Mr. President, this bill is all about competition in telephone services, cable services, information and data services, and broadcasting services. By unleashing these competitive forces, innovation and progress will flourish in the rapidly expanding telecommunications field, and will greatly increase the opportunity for every citizen to affordably access the rapidly changing world of advanced telecommunications technology.

While this legislation focuses on competition and deregulation, the conference report contains essential rural safeguards in the form of universal service provisions that will benefit our rural communities and greatly increase their ability to persevere in the 21st century.

There is little doubt that our urban areas can and will sustain the enormous expansion of telecommunications services in the years ahead. We must make certain that our rural areas are not left behind as services expand and new products come on line. In the long run, universal service at high standards nationwide is in the best interests of the entire economy.

I believe that telecommunications reform is essential in preserving the economic vitality of rural America and am optimistic that the affordable accessibility to these new telecommunications services will be the harbinger for a new renaissance among the main street economies in communities throughout rural America.

Already, many in my home State of South Dakota are beginning to realize the importance and value of telecommunications services. Many small, rural medical clinics and hospitals are linking together with larger, more urban hospitals via telemedicine to provide their citizens with a higher quality of care. Children in schools that are hundreds of miles from the nearest population center can now have access to the world's greatest libraries at their fingertips. An increasing number of South Dakota agricultural producers are determining weather forecasts and market reports with a simple keystroke. And all across main street South Dakota, small businesses are reducing their overhead via networking services, reducing their paper work through electronic mail, and saving thousands of dollars a year in travel expenses through their use of teleconferencing.

And all of this is just the beginning. As these technologies continue to develop, the playing field for economic development will begin to level. South Dakota is already enjoying the benefits of advanced telecommunications and they can only stand to benefit from further telecommunications reform.

The bill before us also recognizes the important role that must be played by Public Utilities Commissions [PUC's] in rural States. PUC's are the best entities to judge whether a given market within their State can support competition. That's not a judgment we should make from Washington.

Nor is it something we can or should leave to the unbridled, unsupervised judgment of the private sector. Those who have taken the risks and made the investments to extend cable or phone services to smaller rural communities should not be placed a risk of being overwhelmed by larger, better-financed companies.

I want to note, Mr. President, that consideration of this conference report was delayed by the concerns raised by Senator DOLE and others about the future use of broadcast spectrum. There is no question that the issues surrounding national spectrum management policy are complex, and worthy of full debate and thorough consideration in the Congress. I am pleased that the telecommunications conference report, which in my view is not a spectrum giveaway bill, will move to the President's desk for his signature.

Mr. President, let me once again congratulate the distinguished chairman and ranking member for their efforts in producing this telecommunications reform conference report.

Having been raised in a small community in rural South Dakota, I can truly remark with wonder and appreciation at the rapid pace in which our communities are being brought together through the use of telecommunications services. The changes that have occurred in our lives due to these services have been remarkable, and have benefited society greatly. I believe that the telecommunications reform conference report before us today strikes the balance needed between deregulation and consumer protection to allow these services to continue their remarkable advances in improving our society and preparing us for the challenges ahead.

Mr. KERRY. Mr. President, the United States and, indeed, the world have embarked upon a new technological revolution. Like previous revolutions sparked by technological innovation, this one has the potential to change dramatically our daily lives. It will certainly transform the way we communicate with each other.

What we are witnessing is the development of a fully interactive nationwide and, indeed, worldwide communications network. It has the potential to bring our Nation and our world enormous good; without appropriate groundrules to assure fair competition, however, this revolution could create giant monopolies. It could hurt workers and families. We bear a tremendous responsibility to assure that does not happen with this legislation. The communications policy framework we create here will determine whether many voices and views flourish, or few voices dominate our society.

The impact of this new age communications revolution on the way we send and receive information, and the way we will view ourselves and the world, is profound. Even more staggering is its potential impact on our economy. We could be seeing the largest market opportunity in history. Some forecasters, including the WEFA Group in Burlington, MA, predict an opening of the telecommunications market this year to full competition would create 3.4 million new jobs, increase GDP by $298 billion, save consumers nearly $550 billion in lower communications rates and increase the average household's annual disposable income by $850 over the next ten years. As the Communications Workers of America have underscored, delaying free and fair competition means fewer new high-wage, high-skill jobs.

For workers and companies in Massachusetts, which has a significant comparative advantage in technology or knowledge-intensive industries, this

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legislation is good news. It should expand opportunities for our current telecommunications companies, it should create a fertile climate for the creation of new companies and it should create more family-wage jobs. The telecommunications industry in Massachusetts is well situated to take advantage of the communications and information revolution.

New telecommunications-related or dependent technologies and industries seem to be emerging and merging almost daily. They range from such sectors as entertainment and education to broadcasting, advertising, home shopping and publishing. One key player in this revolution is the Internet—the global computer cooperative with a current subscriber base of approximately 37 million in North America alone and a 10-15 percent monthly growth rate. One billion people are expected to have access to the "net" by the end of the decade. While some may consider the "net" to be the revolution, it is only one of many players in the new communications network game.

We see examples of this new era almost daily, such as someone driving a car while talking on a cellularphone. In the future, we are likely to see more Americans accessing video dialtone, choosing their television programs through their telephone service. Likewise, cable franchises may enter the local telephone service market. Residents of Springfield, MA, may be able to watch their state legislators in Boston debate an education bill and instantaneously communicate with those legislators about how to vote on an amendment.

As we consider this brave new age of communications, it is clear the current law, the 1934 Communications Act, is not a sufficiently sturdy foundation upon which to build a communications system for the 21st Century. Moreover, although the courts on occasion properly have intervened to halt monopoly abuse—most notably a little over a decade ago in the telephone industry—we should no longer leave the fundamentals of telecommunications policy to the courts.

The conference report on S. 652, the Telecommunications Competition and Deregulation Act of 1996, is not perfect. In some respects, I would have preferred S. 1822, the bill crafted so ably by Senator HOLLINGS and reported by the committee in 1994. However, the conference report before the Senate now is preferable to the status quo. It will foster competition and establish fair and reasonable groundrules for the intense competition that will continue in the communications sector as we enter the next century.

This legislation sets forth a national policy framework to promote the private sector's deployment of new and advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition. Free and fair competition and maintaining universal service are the twin pillars of this new framework.

The bill seeks to assure that no competitor, no business and no technology may use its existing market strength to gain an advantage on the competition. The legislation requires that a company or group of companies satisfy certain competitive tests before being able to offer a new service or enter a new market. Entry into new services and new areas is contingent upon a demonstration that competition exists in the market in which the business currently competes. But once competition has been achieved, most Federal and State regulation is replaced by consumer demand to regulate the market.

These fundamental features of the conference report on S. 652 are designed to create a level playing field where every player will be able to compete on the basis of price, quality, and service, rather than on the basis of monopoly control of the market.

The conference report also maintains universal service as a cornerstone of our Nation's communications system. With many new entrants in the communications market, the legislation provides that every player is to pay his fair share to continue universal service throughout our Nation.

I am also pleased the conference report includes three amendments which I sponsored. The first deals with the cable broadcast rates for public, educational and governmental entities, known as "PEG" access groups. These are the local channels that produce and broadcast such things as town council meetings, Chamber of Commerce seminars and little league baseball games. My amendment will assure the continued production and broadcast of these important community events by guaranteeing that the PEG access groups are not charged more than local broadcasters to air their programs.

The second amendment will establish a level playing field for independent payphone providers. For too long, these small, independent entrepreneurs have gone toe-to-toe against some of the biggest players in the telecommunications market. We have in Massachusetts about 75 independent payphone providers, employing several hundred people. They range from "mom and pop" operations with a handful of payphones to several that have more than 1,000 payphones. Virtually all of them have invested their own capital in their businesses, from life savings to the proceeds of mortgages on their homes, and it is a tribute to their perseverance that they now own ten percent of the payphone market in Massachusetts. My amendment will allow all the players in the payphone market to compete against each other on the basis of price, quality and service, rather than on marketshare and subsidies.

The third amendment will make sure that as we build the information highway, the builders do not bypass poor rural or urban communities. When interstate highways were built through cities across our Nation, oftentimes they went directly through poor neighborhoods. Construction of the technology interstate system must not be allowed to detour around children and families in the same or similar areas who already face enormous challenges. My amendment is designed to assure that the telecommunications network will reach every neighborhood, offering access to those who need it most for a decent education, to upgrade their job skills or to connect them to medical help they need.

Another provision that I am pleased was included in the final hours of negotiations on the conference report relates to local regulation of public rights-of-way. The language added to the conference report brings needed clarification to this area. It retains for local authorities the right to regulate public rights-of-way while at the same time guaranteeing that if local authorities exercise that latitude, they do so in a manner that is non-discriminatory and competitively neutral. A cable or phone company that needs to tear up a street to lay new line should not be allowed to disturb a neighborhood in the middle of the night. The clarifying language on public rights-of-way should help in this regard.

Through the debate we have had on this legislation, I believe we have crafted a solid telecommunications policy framework for the next century. Today, each of us is in a sense a pioneer heading out on the new information highway. Each of us is not only a witness to, but a participant in, one of the most amazing technological revolutions in history. We, as legislators, bear a special responsibility to assure that competition in this new era is fair and that every American in this and future generations may enjoy the fruits of this competition. This is truly one of the greatest challenges we face as we enter the 21st century.

I want to express my deep admiration for the outstanding work my good friend and colleague from South Carolina, Senator HOLLINGS, has done on this landmark legislation. He has exercised visionary leadership throughout this long and arduous process. I also want to extend my appreciation to his very able staff, particularly Kevin Curtin, John Windhausen and Kevin Joseph, for their tireless efforts and the good humour they always brought to the task. I also want to thank Chairman PRESSLER and his staff for their hard work on this legislation.

Mr. THURMOND. Mr. President, I rise to commend the leadership, the distinguished chairman of the Commerce Committee, Senator PRESSLER, and the distinguished ranking member, Senator HOLLINGS, for their extensive efforts and good work on the Telecommunications Act of 1996. I am pleased that the Senate is now giving consideration to final passage of this legislation.

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I have seen the telephone business develop from its infancy, when obtaining a party-line telephone was a truly amazing step for many Americans, to today's tremendous range of telecommunications products and services. It is impossible to predict what the future holds in this dynamic sector of our economy, but it is clear that telecommunications is among the most critical and far-reaching issues before the Congress.

As the chairman of the Judiciary Committee's Antitrust, Business Rights, and Competition Subcommittee, two important antitrust issues deserve mention as we consider final passage of this historic legislation.

First, I am pleased that the legislation now includes a meaningful role for the Department of Justice in determining when the Bell Operating Companies should be permitted to provide long distance telecommunications. As I have previously stated, the Bell companies certainly should be allowed to enter long distance markets under appropriate circumstances, for it is generally desirable to have as many competitors as possible in each market. The issue is how to determine the point at which entry by Bell companies will help rather than harm competition. That question, quite simply, is an antitrust matter which will be informed by the antitrust expertise and specialization of the Antitrust Division of the Justice Department.

The Justice Department's Antitrust Division has been deeply involved in nurturing and protecting a competitive environment in this industry for more than 20 years, through five administrations. The Justice Department was responsible for the breakup of the AT&T telephone monopoly, which created the current Bell companies. The Antitrust Division has been evaluating the potential competitive effects—positive and negative—of Bell entry into long distance since that time. Through this work, the Division has achieved unparalled expertise which is bolstered by its experience and perspective gained from evaluating numerous markets throughout our economy.

Anticompetitive conduct in long distance markets was at the heart of the Antitrust Division's case against the old Bell system monopoly, and it has been a central concern in the current legislation. During the debate over the telecommunications bill in the Senate in June 1995, I was on the floor for several days with an amendment to give the Department of Justice primary responsibility to determine when the Bell operating companies should be permitted to enter long distance markets, and to avoid duplicative efforts by the Federal Communications Commission.

My amendment to give the Antitrust Division independent authority only narrowly failed on the Senate floor last June, while in August a similar amendment received the support of more than one-third of the House of Representatives. When it became clear that there would be one consolidated procedure within the FCC to decide on Bell applications for long distance authorization, it became important to ensure that the antitrust expertise of the Antitrust Division would be given adequate weight in the decision.

I am pleased that in the final legislation we are considering today, proposed long distance entry is determined by the FCC subject to judicial review, but only after the FCC consults with the Attorney General on the application, and gives the Attorney General's evaluation substantial weight. This process, which permits the Attorney General to submit any comments and supporting materials deemed appropriate, is critical to making accurate and proper determinations about long distance entry. Through its work in investigating the telecommunications industry and enforcing the MFJ, the Antitrust Division has accumulated important knowledge, evidence, and experience that can be constructively brought to bear on these evaluations.

The substantial weight requirement will also ensure that the expertise of the Antitrust Division will be brought to bear in any appeal of a decision made on long distance entry. If the FCC rejects the Antitrust Division's recommendation, the court must look to the weight the FCC accorded the Attorney General's evaluation in ascertaining whether the FCC correctly followed the law.

Review of this legal requirement should be governed by the standard that generally applies to questions of law. As a practical matter, this legal requirement ensures that the reviewing court will consider the Antitrust Division's position on the merits—and will assess for itself the views and evidence put forward in support of that position—and will not discount that position out of customary judicial deference to the FCC's decision. Moreover, the Antitrust Division retains its full authority to represent the interests of the United States on appeal, which permits it to contribute its unique antitrust expertise and perspective to the judicial process.

The second important antitrust issue in this legislation is the unequivocal antitrust savings clause that explicitly maintains the full force of the antitrust laws in this vital industry. Today we take for granted that the antitrust laws apply to the communications sector. During the Antitrust Division's antitrust case in the 1970's against the Bell system, however, some argued that the existence of FCC regulations displaced the antitrust laws and made them inapplicable. The courts emphatically rejected that challenge them, and the antitrust savings clause in the bill today makes clear that that question cannot be reopened. A strong, competitive communications sector is essential to continued American prosperity in the next century. Application of the antitrust laws is the most reliable, time-tested means of ensuring that competition, and the innovation it fosters, can flourish to benefit consumers and the economy.

The antitrust savings clause makes clear, for example, that the antitrust enforcement agencies are not barred from scrutinizing, under appropriate circumstances, the home satellite broadcasting market, even though the new provision in section 205 of the bill gives the FCC exclusive jurisdiction to regulate the provision of direct-to-home satellite services. While some might have been tempted to read that provision to mean that the antitrust enforcement agencies would not have any jurisdiction over these activities, the antitrust savings clause makes clear that that is not the case. The same is true of other provisions of the bill, including those concerning access requirements for commercial mobile providers—section 705—limits on telcocable buyouts—section 302—and broadcast ownership—section 202—and the joint marketing of commercial mobile services—section 601(d). In each case, the antitrust laws will continue to apply fully.

Continued application of the antitrust laws is also the rule where the Bell companies' entry into the long distance market is concerned. The fact that the Attorney General is given a defined role in the FCC proceeding to decide Bell entry does not in any way supplant or limit the separate applicability of the antitrust laws or the Justice Department's antitrust enforcement authority—either pre-entry or post-entry. For example, if a Bell operating company sought to enter long distance markets through a merger or acquisition, that merger or acquisition would be fully subject to review under the Clayton Act. Likewise, if a Bell operating company were to engage in anticompetitive conduct after being granted entry into the long distance market, the Antitrust Division would not be precluded from addressing that conduct through the antitrust laws.

The importance of the antitrust savings clause is underscored by the decision to repeal section 221(a) of the Communications Act of 1934. That provision, a relic from the period when Federal policy sought to promote monopoly over competition, exempts mergers between telephone companies from antitrust review. That is an era I believe all of us agree should be put behind us, and the fact that this exemption has been eliminated in this legislation is another confirmation that the Congress intends for the antitrust laws to be the means by which free markets are maintained in telecommunications.

Finally, the hearing of the Antitrust, Business Rights, and Competition Subcommittee, which I chaired in May 1995, confirmed the importance of competition to achieve lower prices, better services, and products, and more innovation in telecommunication markets for the benefit of consumers and our Nation. I am pleased, therefore, that this legislation preserves the role of

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the Antitrust Division in applying the antitrust laws—which have protected free enterprise for over 100 years—in the telecommunications industry.

Mr. President, enacting legislation of this magnitude, where the stakes are so high for so many businesses and other interested groups, inevitably requires the resolution of many conflicts. I would like to commend all those who worked on this legislation and kept focused on the ultimate objective—replacing regulation and monopoly with healthy free market forces. This is the role that the Congress should play to assist this industry, as well as American consumers and the entire American economy. I urge the Senate to pass this important legislation.

UNFUNDED MANDATES

Mr. KEMPTHORNE. The majority leader is aware that State and local governments had previously raised an issue with this Senator that certain provisions of the conference report on S. 562 may violate the Unfunded Mandates Reform Act of 1995 regarding local governments' ability to manage their rights-of-ways. The majority leader is also aware that I have worked with the Senate and House conferees for several days to resolve those difficulties and insert language to the satisfaction of the local representatives of State and local governments.

Mr. DOLE. The Senator from Idaho is correct. I am aware that he has worked to represent the interests of State and local governments to assure that there is no unfunded mandates impact on them in this bill.

Mr. KEMPTHORNE. The majority leader is aware that the Unfunded Mandates Reform Act of 1995 does not require the Congressional Budget Office to prepare an estimate of the impact of mandates on State and local governments for conference reports and that the Congressional Budget Office is currently preparing an estimate on this conference report. Based on discussions my staff have had with CBO, it is my understanding that this conference report does not include unfunded mandates.

Mr. DOLE. That is correct.

Mr. KEMPTHORNE. Will the majority leader agree that in the event the Congressional Budget Office determines that there are any unfunded mandates in S. 562 that he will work with me to make technical corrections in the bill to eliminate those mandates.

Mr. DOLE. Yes.

Mr. KEMPTHORNE. Will the majority leader agree that in the event such technical corrections bill comes from the House which corrects any unfunded mandates found by the Congressional Budget Office that he will seek to have the Senate take up the bill to make those corrections.

Mr. DOLE. Yes, I do agree.

Mr. FEINGOLD. Mr. President, I rise in opposition to the conference report on S. 652, the Telecommunications Act of 1996.

I know, Mr. President, that the conferees have made a number of improvements to this legislation and that many of the stakeholders in this bill are pleased with the results.

And it is with regret that I must oppose this bill. But I cannot in good conscience cast a vote for legislation that I believe violates our fundamental first amendment rights to freedom of expression.

The Internet indecency provisions of S.652, as passed in the Senate, remain virtually intact in the conference report. I am referring to the sections of this bill which would subject to criminal penalties constitutionally protected speech via interactive telecommunications networks—the so-called Internet Indecency provisions.

The sponsors of the Internet provisions have good intentions —to protect children from those who might use the Internet to harm them. Sadly, there are those who will use the Internet, as they will use any tool, to victimize children. The sponsors of the Internet provisions of this bill have pointed to the obscene materials and child pornography that can be accessed via the Internet. To be sure, Mr. President, it is out there.

Unfortunately, the provisions in this bill will do very little, if anything to protect children. That is because much of what the proponents of this legislation wish to banish from cyberspace is already subject to criminal penalties—obscenity, child pornography and child exploitation via computer networks are already criminal acts.

So, if that is the case, what exactly does the provision in the conference report cover? It covers "indecent" speech which is afforded far greater constitutional protection than obscenity which is not protected by the first amendment. What is indecent speech? Indecent speech may include mild profanity that children hear on the playground well before they read it on a computer screen. While that language may be offensive to some, it is protected by the first amendment.

Mr. President, I have found the rhetoric of the Internet debate interesting. The terms obscenity and indecency have been used interchangeably even though they have very different meanings. I have heard parents voice legitimate concerns about the obscene materials available via computer networks. I have heard them express outrage that their children are solicited by adults for exploitative purposes. But I have never heard a parent say there is too much profanity on the Internet. And yet, that is precisely what this bill covers. Rather than addressing the enforcement needs of existing law, it adds unnecessary to provisions to criminal statutes.

That is a fundamental flaw, Mr. President. The legislation does not address the problem it seeks to solve. This does nothing more than current law does to prevent obscenity on the Internet. Instead, this bill steps in and decides for parents which speech is appropriate for their children and which is not. I would contend, Mr. President, that is the role of parents, not the federal government, particularly given that technology exists for parents to block objectionable material.

I think, Mr. President, this legislation will do more harm than good. Will parents become less observant of their childrens' use of the Internet now that they think the government has solved the problem? Will they fail to use the technology available to them to regulate their children's access to sites on the Internet? I fear that they will because the U.S. Congress has led them to believe that these new provisions protect children when in fact, they do not.

This legislation which provides no additional protection for children comes at a great cost—our rights to free speech over the Internet. This legislation, when it becomes law, will establish different standards for the same speech appearing in different media. More protection will be afforded for profanity that appears in a library book than for the same text which appears on-line. Equally important, this legislation will require all adults to self censor the speech on public newsgroups on USENET to what is appropriate for children in the most conservative American communities. This legislation will bring about the immediate demise of many socially valuable forums on the Internet. It will likely happen as quickly as CompuServe dumped some 200 newsgroups from their network after a German prosecutor suggested they might violate German law.

I have come to this floor many times to speak on this topic and I will not take the Senate's time to reiterate the many arguments against these provisions.

I do think, Mr. President, that this is a sad day on the Senate floor. That the Internet indecency provisions have met with the barest resistance in this chamber, indicates how quickly this Congress is willing to abandon the United States Constitution in favor of political expediency.

My hope, Mr. President, is that the expedited judicial review process provided for in this bill, will quickly lead to a judgment that the Internet indecency provisions are unconstitutional. In the meantime, Mr. President, I will work toward solutions that will protect children on the Internet without trampling on the first amendment.

Mr. REID. Mr. President, the conference report on S. 652 is finally being considered by the Senate. We have heard much about the positive changes to this bill and the ramifications for the telecommunications industry. But I must still express my concern about the absence of a provision that I see as vital to the protection of the American consumer. I am referring to the capability of telecommunication entities to

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develop monopolies and dominate marketplaces to the detriment of the consumer.

This Nation learned through long and hard experience that laissez-faire attitudes towards industries does not protect smaller entities when larger competition comes along and certainly does not provide safeguards where consumers are concerned. I acknowledge the roles of government oversight that the bill does now provide. But the larger corporations will not be constrained in their ability, should they desire, to monopolize media and various telecommunication mediums. And in our effort to allow such an environment do we want to place the consumer on the altar of deregulation?

Nevertheless, my constituents from Nevada believe this bill will provide genuine competition. And I note with some pride, their foresight and fairness in establishing a telephony commission to watch over the changes within the industry. Mr. President, the telecommunications industry is clearly evolving. Everyday we read of new emerging technologies that will directly impact all that this bill is trying to accomplish. While we should give it freedom to compete; we must, as is our responsibility, watch carefully to protect the consumers and small businesses so that this sphere of our economy is truly competitive. Despite my reservations, I will vote for this bill because there are positives and I hope that steadfast government oversight will preserve the competitive marketplace.

Mr. BREAUX. Mr. President, anyone who has followed the debate over telecommunications legislation in recent years knows that much of it has been over when and under what conditions the Bell companies will be allowed to compete in the long distance market S. 652 resolves this issue.

Congress has determined that removing all court ordered barriers to competition—including the MFJ interLATA restriction—will benefit consumers by lowering prices and accelerating innovation. The legislation contemplates that the FCC should act favorably and expeditiously on Bell company petitions to compete in the long distance business. There are various conditions for interLATA relief. These include the establishment of Sate-by-State interconnection agreements that satisfy the 14 point check list outlined in Sec. 271 of the bill. Bell companies also have to show they face competition from a facilities based carrier. They can also show that they have not received a legitimate request for interconnection from a competing service provider within three months of enactment.

In short, interLATA relief should be granted as soon as competing communications service providers reach an interconnection agreement. In some States these agreements have already been put in place with the approval of state public service commissions. In those instances, we see no reason why the FCC should not act immediately and favorably on a Bell company's petition to compete, once the test for facilities based competition is satisfied.

Congress fully expects the FCC to recognize and further its intent to open all communications markets to competition at the earliest possible date. The debate over removing legal and regulatory barriers to competition has been resolved with this legislation. Unnecessary delays will do nothing more than invite vested interests to "game" the regulatory process to prevent or delay competition.

The time has come to let consumers—not bureaucrats—choose.

Mr. HARKIN. Mr. President, today we are voting on the approval of historic telecommunications legislation that will reshape the landscape of the entire communications industry and affect every household in this country. The future success of America's economy and society is inextricably linked to the universe of telecommunications. After a decade of intense debate, this legislation rewrites the Nation's communications laws from top to bottom.

The bill before us, S. 652, has come a long way and survived many battles. It is not a perfect bill in the sense that no one got everything they wanted—but I believe it will unleash a new era in telecommunications that will forever change our society and make our Nation a key driver on the information superhighway. We should applaud this amazing effort and support the conference report to S. 562.

The debate over this measure has never been about the need for reform—everyone agrees that it's time. The real debate has been over how we reform our telecommunications law. The 1934 Communications Act serves our country as the cornerstone of communications law in the United States. The current regulatory structure set up by the 1934 act is based on the premise that information transmitted over wires can be easily distinguished from information transmitted through the air. So regulations were put in place to treat cable, broadcast, and telephone industries separately and for the most part, to preclude competition.

However, advances in technology have brought us to a melding of telephone, video, computers, and cable. Digital technology allows all media to speak the same language. These once neat regulatory categories between telecommunications industries have started to blur and the assumptions upon which they are based are fast becoming obsolete.

The essential purpose of this measure is to foster competition by removing barriers between distinct telecommunications industries and allowing everyone to compete in each other's business. But how do we increase competition while simultaneously ensuring that everyone is playing on a level playing field?

Coming from a rural State, this was an especially important question for me. The overall goal of this legislation is to increase competition and I wholeheartedly believe that increased competition will benefit consumers. However, we must also recognize that telecommunications competition is limited in some areas, especially in many rural areas. The high cost of providing telecommunications to rural areas is prohibitive for most telecommunications service providers without some incentive. The 1934 communications bill understood this and adopted a principle called universal service, which was thankfully maintained and updated in S. 652.

The universal service concept charged the FCC with responsibility for "making available, so far as possible to all people of the United States a rapid, efficient, nationwide, and world-wide wire and radio communications service with adequate facilities at reasonable charges." So far we have done a heck of a job: 98 percent of American homes have television and radio, 94 percent have telephone, close to 80 percent have a VCR, while 65 percent subscribe to cable TV—96 percent have the option.

Without universal service protections, advanced telecommunications will blow right by rural America creating a society of information haves and have nots. S.652 recognizes that the definition of universal service is evolving as the technology changes. S. 652 requires the FCC to establish a Federal-State joint board to recommend rules to reform the universal service system. The Joint Board will base its policies on principles which understands that access to quality, advanced telecommunications services should be provided to all Americans at a reasonable cost.

I was particularly pleased to support an amendment, now in the bill before us, which guarantees that our nation's K-12 schools, libraries and rural health care providers have affordable access to advanced telecommunications services for education. As Congress moves forward on this bold legislation it is vital to provide a mechanism to assure that children and other community users have access to the information superhighway. The information superhighway must be available and affordable to all Americans through schools and libraries.

And in the midst of the great battles among corporate titans like the Baby Bells and the major long distance carriers it's also important to balance the needs of the little guy. Small businesses are the backbone of economic and community life in this country. I was proud to put forward two provisions, included in this bill, which maintained the integrity of small businesses in the telecommunications revolution.

My first provision amended the telecommunications bill to allow companies with under 5 percent of the market nationally, to continue offering joint marketing services. Under current law, joint marketing companies can approach a business and offer to provide

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them local and long distance service together, at a low rate. The business therefore gets a low cost integrated service, with the convenience of having only one vendor and one bill to deal with for all their telephone service. In an effort to prevent the big long distance companies from having a competitive advantage, the original telecommunications bill would have prohibited joint marketing.

Such a prohibition would have put small company owners like Clark McLeod out of business. Mr. McLeod has been offering joint marketing services to businesses in Iowa for several years. In the process he has created thousands of jobs and filled a need for service. While I think any prohibition on joint marketing is anti-competitive, my proposal will at least allow the many innovative companies like Mr. McLeod, to continue their operations and continue to provide the services valued by so many Iowans.

My other small business provision prevents the Bell Operating companies from entering into the alarm industry before a level playing field exists. The burglar and alarm industry is unique among small businesses in the telecommunications industry. It is the only information service which is competitively available in every community across the nation. This highly competitive $10 billion industry is not dominated by large companies. Instead, it is dominated by approximately 13,000 small businesses employing, on average, less than ten workers. Vigorous competition among alarm industry companies benefits consumers by providing high quality service at lower prices.

Lastly, I am pleased that the Senate unanimously adopted two amendments I wrote to crack down on phone scams where enterprising swindlers have used the telephone to scam unsuspecting customers out of their hard earned money.

Today, it is all too easy for telemarketing rip-off artists to profit from the current system. The operators of many of these promotions set up telephone boiler rooms for a few months, stealing thousands of dollars from innocent victims. These scam artists often prey on our senior citizens. Then they simply disappear. They take the money and run—moving on to another location to start all over again.

My provision will protect consumers by providing law enforcement the authority to more quickly obtain the name, address, and physical location of businesses suspected of telemarketing fraud. It makes it easier for officers to identify and locate these operations and close them down. This change was requested by the U.S. Postal Inspection Service—our chief mail and wire fraud enforcement agency. They do a very good job and this provision gives them an important new tool to protect the elderly and other Americans from scam artists and swindlers.

I also succeeded in adopting a provision to help stop another outrageous phone scam that has added hundreds, even thousands of dollars, to a family's phone bill. Worst of all, this ripoff exposes young people to dial-a-porn phone sex services—even when families take the step of placing a block on extra cost 900-number calls from their home.

Companies promoting phone sex, psychic readings and other questionable services—often targeted at adolescents—use 800-numbers for calls and then patch them through to 900-number service via access codes. My amendment closes the loophole that allows these unseemly services to swindle families and restores public confidence in toll free 800-numbers.

If we pass this bill today, these provisions will become the law of the land. As Microsoft giant, Bill Gates said in a recent interview with Newsweek,

The revolution in communications is just beginning. It is crucial that a broad set of people participate in the debate about how this technology should be shaped. If that can be done the highway will serve the purposes users want. Then it will * * * become a reality.

This bill is a starting point, a gateway to the revolution, that allows all Americans to participate. I urge my colleagues to support this conference report.

Mr. LEVIN. Mr. President, I would like to engage my colleague from Nebraska, the author of Title V of the telecommunications conference report, in a colloquy. I have a number of questions I hope you can answer to help clarify the intent of title V.

Is a company such as Compuserve which provides access to all mainframes on the Internet liable for anything on those mainframes which its users view?

Is a company like Compuserve which maintains its own mainframe and which allows people to post material on its mainframe liable for prohibited material that other people post there in the absence of an intent that it be used for a posting of prohibited material?

Is the entity that maintains a mainframe, such as a university, that allows a person to post material on its mainframe liable for prohibited material that other people post there in the absence of an intent that it be used for a posting of prohibited material?

When a user accesses prohibited material on a mainframe that was posted by a third party, does that constitute an "initiation" of transmission for which the entity maintaining the mainframe or the entity providing access to the mainframe is liable?

Mr. EXON. I appreciate the questions raised by my colleague, Senator LEVIN. These questions are important and helpful. In general, the legislation is directed at the creators and senders of obscene and indecent information. For instance, new section 223(d)(1) holds liable those persons who knowingly use an interactive computer service to send indecent information or to display indecent information to persons under 18 years of age. You can't use a computer to give pornography to children.

The legislation generally does not hold liable any entity that acts like a common carrier without knowledge of messages it transmits or hold liable an entity which provides access to another system over which the access provider has no ownership of content. Just like in other pornography statutes, Congress does not hold the mailman liable for the mail that he/she delivers. Nothing in CDA repeals the protections of the Electronic Message Privacy Act.

For instance, new section 223(e)(1) states that "no person shall be held to have violated subsection (a) or (d) solely for providing access or connection to or from a facility, system, or network not under that person's control, * * * that does not include the creation of the content of the communication." In other words, the telephone companies, the computer services such as Compuserve, universities that provide access to sites on Internet which they do not control, are not liable.

There are some circumstances, however, in which a computer service or telephone company or university could be held liable. If, for instance, the access provider is a conspirator with an entity actively involved in creating the proscribed information (223(e)(2)), or if the access provider owns or controls a facility, system, or network engaged in providing that information (223(e)(3)), the access provider could potentially be held liable. Access providers are responsible for what's on their system. They are generally not responsible for what's on someone else's system.

Even in these cases, however, an access provider that is involved in providing access to minors can take advantage of an affirmative defense against any liability if the entity takes "good faith, reasonable, effective, and appropriate actions * * * to restrict or prevent access by minors to such communications "(223(e)(5)). The Federal Communications Commission may describe procedures which would be taken as evidence of good faith. One such good faith method is set forth in the legislation itself—the access provider will not be liable if it has restricted access to such communications by requiring use of a verified credit card or adult access code (223(e)(5)(B)). This affirmative defense is similar to the defense provided under current law for so-called "dial-a-porn" providers.

I hope that this response provides clarification to the Senator.

Mr. LEVIN. Yes; it does, and I thank my friend from Nebraska for that clarification.

Mr. President, when the telecommunications reform bill was before the Senate in June, I supported giving the Justice Department a role to ensure that existing monopoly powers are not used to take advantage of the new markets being entered. While

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the effort to give the Justice Department a role in this process was not successful at that time, I'm pleased to see a Justice Department role included in the final version of the bill. This is good news for American consumers.

In addition to including a role for the Justice Department in determining when there is adequate competition in the local exchange, some of the other problems I had with the earlier bill have also been addressed in the conference report. For example, it protects the right of local governments to maintain access to their rights-of-way.

I believe we should try to keep obscene material from being transmitted on the Internet and by other electronic media. That is a constitutional standard that is well known. But the words used in title V of the bill dealing with this matter include "filthy" and "indecent," broad and vague enough so they are unlikely to meet the constitutional test. These words do, however, exist in current law covering telephone calls. That's why it's useful to have an expedited review to test the constitutionality of this provision which the bill provides for.

I don't think the intent of Title V is to hold Internet service providers liable for content they did not create or initiate. The previous colloquy with my colleague from Nebraska who is the sponsor of this provision developed this in greater detail.

While there are some problems with the bill, on the whole, it strikes a better balance between making needed regulatory changes to encourage technological innovations while maintaining adequate protections of the public interest than earlier versions of the bill. I will therefore vote for the conference report before the Senate today.

Mr. MOYNIHAN. Mr. President, I rise in support of the conference report to S. 652, the Telecommunications Competition and Deregulation Act. This legislation will promote significant new investment in and improvement of our Nation's telecommunications infrastructure. It will heighten opportunities to export American goods overseas. It will increase competition in many industries—the telephone industry, cable television, utilities, long-distance telephone service providers, telecommunications equipment manufacturers, and the alarm industry, to name several—leading to greater economic efficiency. Above all, the telecommunications bill marks a victory for consumers, who will enjoy lower prices and better services.

Mr. President, I voted against the bill when the Senate first considered it last June because I was concerned about a provision which purported to prohibit computer transmission of obscene or indecent material, particularly to minors. Such activity is, of course, reprehensible. But I voted against that amendment, No. 1362, which the Senate adopted, because I feared that we were taking action improvidently and without adequate consideration for its constitutional and practical implications.

I remain concerned that the conference report's provisions dealing with computer transmission of obscene or indecent material and language may be overly broad, but this is a matter for the courts to decide and the conferees have paved the way for expedited judicial review of the measure's constitutionality. Therefore, if this language is determined to be troublesome when put into practice, the courts will be able to correct it at the earliest possible moment.

Notwithstanding my concern about this particular matter, the bill on balance is meritorious and I urge the adoption of the conference report.

Mr. WARNER. Mr. President, today I rise to associate myself with the comments of the distinguished chairman of the Commerce Committee, Senator PRESSLER, and with the comments of the able majority leader, Mr. DOLE, regarding the conference report to S. 652, the Telecommunications Competition and Deregulation Act of 1995.

Mr. President, this is indeed a historic day in the annals of the Senate. By an overwhelming vote of 91 yeas to 5 nays, the Senate passed legislation which will revolutionize the telecommunications industry.

This landmark legislation will promote increased competition among telecommunications service providers and will remove Depression-era restrictions which have impaired the growth of this dynamic industry.

This bill will enact much needed reforms so that the telecommunications industry is prepared to meet the challenges, and opportunities, of the 21st century. The conference report language, while not perfect, represents a marked improvement over current law.

Consumers and firms in my own Commonwealth of Virginia will gain under this landmark legislation. Virginia is home to a rapidly developing high-technology and telecommunications industry. Northern Virginia, in particular, is at the forefront of this technological revolution and is poised to build on that lead under the bill.

Virginia's consumers will benefit from increased services and benefits at a lower cost as telecommunications providers compete for their business. At the same time, this legislation is pro-family and will assist parents in overseeing the type of programming that their children view.

In short, Mr. President, both consumers and industry will benefit from the passage of this historic bill. I would like to take this occasion to commend the distinguished chairman of the Senate Commerce Committee, Senator PRESSLER, and Chairman BLILEY of the House Commerce Committee, and the distinguished majority leader, Senator DOLE, for their leadership in bringing this critical legislation to the floor of the U.S. Senate. Most importantly, I want to thank the numerous Virginians who, over the past year, have provided me with their views and guidance on this issue.

Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I rise in support of the conference report for the Telecommunications Act of 1995. This legislation establishes real progress on important issues and I am pleased to provide my support.

This legislation creates a new regulatory structure for the rapidly evolving communications technology and fills an important need. The current regulatory scheme divides industries, like local telephone service and long-distance service, broadcast television, and cable television.

A new regulatory framework is needed, to permit the creation of new companies, new services, and promote competition between the previously separated lines of business. Stronger competition in the communications industry will bring new services to the market, present more choices for the public and lower prices to consumers. This bill significantly deregulates the communications industry to permit that competition to take place.

During consideration of the bill, I joined many of my colleagues in urging several components and I was pleased to see that a number of these important proposals were able to be incorporated in this legislation. Among the issues included were:

The V-Chip requirement, which will assist families to monitor television in their homes to protect children from unsuitable and inappropriate TV programming, including sex or violence. During the state of the union speech, President Clinton called for passage of the telecommunications legislation with the V-chip and a content ratings system for television programming. I am pleased Congress could address the concerns of families across America and incorporate these provisions.

The cable scrambling amendment I offered with Senator LOTT requiring cable companies to scramble indecent or sexually explicit materials to assist parents to protect minors.

Senator EXON's provisions to control access to indecent materials will require the operators of computer networks, like America Online, to screen out indecent materials for children. Conferees had a difficult time reconciling different proposals and I am pleased the provisions could be accommodated.

Assisting high-technology industry from inappropriate standards and requirements: During consideration of the bill, some of California's leading high-technology firms and computer companies raised a concern that regulations prepared by the FCC would deny flexibility and limit the computer industries' ability to develop standards based on market needs. Computer companies including Apple, Motorola, and Echelon, urge adoption of a provision prohibiting the FCC from developing overbroad regulations that could impede progress in the computer industry. I was pleased these provisions to

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allow the computer industry to develop and meet the needs of the market were incorporated.

I know my colleagues on both sides of the aisle don't want to stand in the way of technological innovation or consumer choice. When the Senate initially considered the legislation last May, Chairman PRESSLER observed that the computer industry has transformed America and that computer industry competition has brought huge benefits to our homes, schools and workplaces. These provisions preserve that competition, and keeps the government away from premature standards setting.

Adoption of a stronger role for the Justice Department to review competition in the telecommunications industry: In the years since the break-up of AT&T, the Justice Department has developed the expertise to promote competition in the communications industry and protect consumers. It would be a shame to squander that expertise just as new concerns for competition and fairness arise under this bill. With the passage of this legislation, we will enter a new era of telecommunications policy and the experience of the Justice Department will be critical in protecting strong competition and consumer interests.

Important steps to promote universal service: In the 1930's, the nation's universal service goals involved providing telephone service to everyone, but as communications have evolved, the concept of universal service also must develop and evolve as well. The bill recognizes the need to modernize the concept of universal service and will provide for telephone service discounts for schools, libraries and hospitals to protect against our station splitting into the high-technology haves and have-nots.

When this legislation came before the Senate last spring, I joined with our colleague Senator KEMPTHORNE raising concerns about the impact on our Nation's cities and counties. As a former mayor, I know how important it is to protect the cities' bridges, roads and other public rights-of-way. I know the local government officials remain concerned about the bill and the preemption provisions.

While legislative adjustments addressed some of the concerns of State and local governments, cities, counties and States remain concerned about the future and the possibility they could be brought to Washington before the Federal Communications Commission to defend local laws, regulations or fee.

The revised language clarifies that cities can impose fees on communications providers like cable companies, as long as the fees are imposed in a way that does not discriminate between different competitors and the fees are fair and reasonable. Further, the preemption authority only applies to communications issues and if the cities have other authority to regulate communications provider, they may continue to charge fees.

I am pleased that section 253(c) recognizes the historic authority of State and local governments to regulate and require compensation for the use of public rights-of-way. It further recognizes that State and local governments may apply different management and compensation requirements to different telecommunications providers' to the extent that they make different use of the public rights-of-way. Section 253 (c) also makes clear that section 253 (a) is inapplicable to right-of-way management and compensation requirements so long as those entities that make similar demands on the public rights-of-way are treated in a competitively neutral and nondiscriminatory manner.

As for the issue of FCC preemption, while I favored the complete elimination of the preemption provision, I am pleased that the committee could accept the view that authorizes the Commission to preempt the enforcement only of State or local requirements that violate subsection (a) or (b), but not (c). The courts, not the Commission, will address disputes under section 253(c).

The overwhelming vote in the House on the amendment offered by Representative BARTON and Representative STUPAK, as well as the unanimous acceptance of Senator GORTON's amendment in the Senate, indicate that the Congress wishes to protect the legitimate authority of local governments to manage and receive compensation for use of the rights-of-way.

I am concerned that mayors, county commissioners, and State utility commissioners, including California Public Utility Commissioner, are concerned that State telephone regulations will be preeempted. This is an important issue in California where 31 companies have applied to begin offering services in July. Under the bill, California's efforts to license more competitors to offer local phone service could be preempted and slowed down if the Federal Government acts or declines to act. Under the bill, the State will be preempted and prohibited from acting contrary to the Federal decision.

I am troubled by the significant uncertainty which remains regarding the role of cities, counties, and States who may face added burdens. Earlier, the unfunded mandates legislation was signed into law, yet the Congressional Budget Office acknowledges that the legislation includes unfunded mandates for State and local governments. Further, CBO recognizes it lacks the ability to evaluate the potential cost. I will continue to monitor this issue and, if necessary, Congress may need to return to evaluate the balance between our State and local governments and the Federal Government on telecommunications policy.

Mr. President, the legislation raises important issues and represents important progress for the Nation. As a result of the bill, we can move forward with new technology, new products, and new services. The bill will open up exciting new challenges and opportunities and we should embrace them. I look forward to these exciting new challenges. While I remain concerned about mandates and the role of cities, States, and counties in our telecommunication policy, I am pleased by the exciting opportunities presented by the legislation. I am pleased to lend my support.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina has 14 minutes. The Senator from South Dakota has 6 minutes.

Mr. HOLLINGS. Mr. President, let me, as we acknowledge the contributions of so many—specifically on Senator STEVENS' staff, I meant to mention our friend Earl Comstock. I worked with him throughout the years on our Commerce Committee, and he was really diligent, along with Senator LOTT's staff, in the early days, Chip Pickering and now Kevin Pritchett, and, of course, Senator LOTT himself over there, along with Senator STEVENS.

On our side, you would have to comment on the contribution of Senator FORD, who has been down there helping us orchestrate everything. He was been there since the early times helping us, along with Senator EXON and his contribution on cyberporn and its control; Senator ROCKEFELLER, along with Senator SNOWE in the Snowe-Rockefeller particular amendment relative to the discounted rates of the schools, the libraries, the hospitals.

Senator BREAUX of Louisiana has been very, very active on this measure. I certainly want to thank him.

The reason we do this, Mr. President, to go right to the point while we have a minute, is so the public can understand the involvement.

We had involved in this particular measure and in the conference report, which has just been adopted, incidentally, over on the House side by a vote of 414 to 16. I do not know what happened to 16 people, how they got misled. I do not see why we did not get a unanimous vote, but, in any event, it shows the wonderful work done by Chairman BLILEY, Congressman MARKEY, and the others over on the House side.

Look at the entities involved: The regional Bell operating companies. They have a tremendous interest and influence, and the long-distance companies. I think that was the real contest. I mentioned earlier that on every Friday, we got together the RBOC's, the regional companies, and every Monday the staff would work. It was all on top of the table. There was no downtown lawyering and that kind of thing. It was all on top of the table with the long-distance companies. Necessarily, the long-distance companies had been thrown into competition at the time of the divestiture back some 10 years ago. And Bob Allen, chairman of AT&T said, "Look, I have a third less personnel. I am doing a third more work and

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making an increased profit." So as they downsized, as they call it, and became competitive, the best proof that competition has worked is with MCI and Sprint and AT&T and the rest of them that come in under that particular description.

But the long-distance companies have been so aggressive that they were beginning to move into the local exchange. I know of one particular concern this Senator had in the southern region where our friends at MCI said they were going to move into Atlanta with our friends of Bell South. Bell South is, yes, a monopoly, but it was a control monopoly whereby they could not get into long distance.

It was to our interest and the public interest, of course, that they not be cherry picked. In other words, take off the wonderful market of Atlanta and just leave the rest of the State wanting. That had occurred in downtown New York City with Teleport. So we wanted them to come in on an even-steven, balanced basis. Trying to work that out was really the task to bring them on board where they all approved of this particular bill and supported this particular bill. Not that they are 100 percent in agreement with every feature, obviously, but they realize this is a mammoth step forward in trying to bring the communications law of America into the modern technological age.

So we had the guidance of the 8(c) test from our friend Judge Greene where he ruled that there be no substantial possibility of using monopoly power to impede competition. Every word meant something to every communications lawyer. So we had to really get a checklist of "unbundling" and "dialing parity" and "access," and all these things to be agreed upon.

It took actually weeks on every one of those particular measures all last year where we worked around the clock to get it balanced and not overweighted one way and not let long distance come in and market without the ability, let us say, of our Bell companies to joint market also.

So we were educated about that and came around to a balance in this particular measure and now have the support of, and can you imagine of all of these entities supporting this particular measure: The regional Bell operating companies, the long-distance companies, the broadcasters, the cable TV companies, the cellular, satellite companies, the newspapers, burglar alarm, electronic publishing, public utilities, pay phones, minority groups, computers were vitally interested in the outcome of this particular measure, the schools, libraries, the hospitals. Snowe-Rockefeller, the Secretary of Education, Dick Reilly, and the administration were strong in this information superhighway of our distinguished Vice President.

The Department of Justice worked diligently to make sure it was not just a casual thing to send a letter or opinion over to the Federal Communications Commission and just be thrown in the wastebasket; that it should be given substantial weight to their opinion to make sure that no monopolistic tendencies and actual entities develop in opening up the markets for competition. The State public service commissions had to be coached and brought along. The cities, the retailers of equipment, the privacy groups, the local competition or competitors like Teleport, the manufacturers, the rural telephone companies, the independent program producers. I can go on and on. But we now have the support of every one of these groups.

I think we have it because we feel very strongly that the public interest has been protected in the long-distance section, in the broadcast section and carried over from the 1934 Telecommunications Act. The antitrust laws have been protected, as I pointed out.

One of the big disputes that we had was the takeover of 50 percent of the broadcast market in the United States. Mr. President, I could be President if I had that. I would call up Madison Avenue and say, "You're not going to advertise your Miller High Life unless," and then I would complete my thought. You can control 50 percent of the television advertising in this country, and we also already saw a tendency by cable news—CNN did not want to carry certain parts of advertisements because it was against their interest. We tried to protect against that.

But if you had 50 percent, you might as well forget it, because the money is there, they buy it out, they control it. You could become the President, as we can see right now on the buying of the Presidency up in the distinguished State of New Hampshire where the distinguished Presiding Officer lives. I as a candidate, if I take the public moneys, am limited to $600,000. But if I have millions, I have spent millions, go to Channel 5 in Boston and cover Highway 128 going up to Nashua where half of the population of that great State resides.

It is not so much the flat tax as it is the sweep of the television control and the purchase. We will get to that later on with campaign financing, because I have a one-line constitutional amendment: The Congress of the United States is hereby empowered to control expenditures in Federal elections.

We have had bipartisan support, a majority vote. All we lack is two-thirds for that particular amendment. I go back to the day when our colleague from Louisiana, Senator Russell Long, was electing in 1974 about the Federal Election Campaign Practices Act and said every mother's son was going to be able to run for President. Nobody was going to be able to buy it. Now they are buying it. But let me go back to communications.

We are about to vote. We protected the 50 percent. We never would yield on that. That would be embarrassing for anybody to stand on the floor and ask for it. To tell you, the only reason I agreed to 35 percent is CBS. Westinghouse already has 32 percent, and we did not want to have to go backwards. Twenty-five percent is enough.

We protected the rural areas. The distinguished chairman of our committee, Senator PRESSLER, Senator STEVENS of Alaska, and Senator BURNS of Montana and all, they protected those rural areas. Any competitor that comes in must serve the entire rural area. They cannot just come in and take a part. The public service commissions or authorities will determine how competition will occur in those rural areas. The infrastructure sharing is provided for from the regional Bell operating companies to help them sustain. We learned a lot with that blooming airline deregulation.

I see I have a colleague who wants a few minutes. I want to yield to make sure he can comment.

The RBOC's, the checklist, and the long distance I have touched on. Universal service: Every carrier, Mr. President, coming into the local market shall contribute.

We have the Rockefeller provision and Senator EXON's cyberporn provision, which he is momentarily ready to address.

How much time do I have left?

The PRESIDING OFFICER. About 3 minutes 10 seconds.

Mr. HOLLINGS. I yield that to my colleague from Nebraska.

Mr. EXON. I thank my friend from South Carolina. My heartiest congratulations to Senator PRESSLER, the chairman of the committee, and my friend and colleague from South Carolina, the ranking member, for a job well done under some extreme circumstances. I congratulate you. I understand that the House has just agreed to the conference report by an overwhelming majority. I think the same thing will happen here.

Mr. President, I am pleased to voice my enthusiastic support for this most significant piece of telecommunications legislation since the enactment of the Communications Act of 1934.

As a Conference Committee member and author and backer of key provisions of the bill I believe that this legislation is good for American families, children and citizens in rural America.

Too often progress and discussions of this legislation has been segregated to the business pages of many of America's newspapers. Too much attention has been paid to how this bill affects large corporations. This legislation is not only about large corporations. It is legislation which will touch every person's life. It will open unprecedented economic, educational and information opportunities for all Americans.

Few pieces of legislation considered by this or any other Congress have so embraced the concerns and needs of America's children and families as has this legislation. I am very proud of the fact that this legislation includes the

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Communications Decency Act which I introduced earlier this Congress and in the last Congress to protect children from indecent, pornographic communications on the Internet and other computer services and to protect all Americans from computer obscenity and electronic stalking. With the passage of this bill, the Congress will help make the Information Superhighway safer for kids and families to travel. The current lawlessness on the Internet has opened a virtual Triple-X (XXX)-rated bookstore in the bedrooms of every child with a computer. This law alone will not clean up the Internet. Parental supervision, industry cooperation along with strict law enforcement, need to work together to make this exciting new technology the family friendly resource that it should be.

I am especially pleased that the conference report also included legislation Senator GRASSLEY and I put forward to crack down on those who use various means of communications to lure children into illegal sexual activity.

Concurrent with our efforts to make the Internet and other computer services safe for families and children, this bill includes legislation which will help turn the information revolution to the benefit of all Americans but especially for America's children. The Snowe-Rockefeller-Exon-Kerrey amendment which is part of this bill creates a unique partnership with private industry. It will ensure discount telecommunications rates for schools, libraries and rural health care facilities. This landmark provision will, perhaps, give children in Harvard and Cambridge, NE, opportunities to use telecommunications technologies to learn from libraries and scholars at Harvard and Cambridge Universities.

Another area of critical importance is in enacting legislation to require new televisions to contain the so-called V-chip which will give families an opportunity to block violent, vulgar or other objectionable entertainment programming from their TV set. If successfully implemented, this legislation will lead to the objective rating of programs and give to parents the power to bar from their homes those programs which assault their values. I was proud to co-sponsor the Senate V-chip amendment.

Mr. President, this legislation also represents a major victory for rural America. The conference report gives approval to the so-called farm-team provisions. These provisions assure that rural citizens enjoy telephone technologies and prices which are comparable to those in urban areas. The provisions also allow rural phone companies to pool resources with each other and with cable companies to share new technologies and to give states the power to prevent unfair cherry-picking competition in rural markets. Under the farm-team provisions States can require new telephone competitors to offer service to an entire community rather than just a select few highly profitable rural phone users. The provisions also give the Federal and State regulators flexibility in dealing with small and mid-sized phone companies. Too often, one-size-fits-all regulation needlessly pushes up costs for Nebraska's home town phone companies.

The farm team, by the way, is a group of rural Senators which pushed a package of rural-oriented reforms during last year's consideration of telecommunications legislation. As a charter member of the farm team along with Senators BOB KERREY, JAY ROCKEFELLER, BYRON DORGAN, TED STEVENS, and the current chairman of the Commerce Committee Senator LARRY PRESSLER, it is very gratifying that our ideas on universal service, rural markets, regulatory flexibility and preferential rates for schools, libraries and rural health care facilities are now central principles of America's future telecommunications policies.

In a real sense this legislation is less about big corporation and more about changing the way Americans live, work and learn. No one will be untouched by this legislation. New options may confuse and frustrate some consumers at first, but will bring new services, new choices and more affordable prices to all Americans.

The barriers to investment and innovation have been removed while protecting the essential elements of a free market. The telecommunications reform bill does not disrupt the Nation's antitrust laws and does not change the Justice Department's role in policing unfair competition and predatory pricing.

Mr. President, most importantly this legislation illustrates that a Congress can make revolutionary change when it puts party labels aside and works together not as Democrats and Republicans but as Americans. I congratulate Senators HOLLINGS and PRESSLER and all the members of both parties and both Houses who brought this complex piece of legislation together.

Thank you, Mr. President.

Mrs. BOXER. I would like to congratulate Senator EXON and the other members of the conference on bringing this very important conference report to the floor today. However, I would like to bring their attention to one section that is very troubling to me.

Section 507 amends a preexisting section of the Criminal Code, 18 U.S.C. 1462, and applies to the Internet. Now, it is my understanding that your intent behind adopting this provision was to place reasonable restrictions on obscenity on the Internet. I support this goal. However, a section of this act may be construed to curb discussions about abortion. It seems to me this provision would certainly be unconstitutional.

Mr. EXON. I appreciate the Senator's raising the issue of this provision. I certainly agree with her that any discussion about abortion is protected by the first amendment guarantee of free speech. I certainly agree that nothing in this title should be interpreted to inhibit free speech about the topic of abortion.

Further, she is quite right that our interest in adopting this provision was to curb the spread of obscenity—speech that is not protected by the first amendment—from the Internet in order to protect our children.

Mrs. BOXER. Mr. President, with that assurance, I feel comfortable supporting this bill. And I hope that my colleagues who were also concerned about this provision will now feel comfortable supporting this bill. Once again, I thank the Senator for clarifying this point, and for his hard work on this bill.

Mr. EXON. Mr. President those who have fought all efforts to bring some level of decency to the Internet have employed all sorts of rhetorical devices to defeat the Communications Decency Act.

The latest attack comes from those who suggest that amendments originally in the House bill to title 18 section 1462 somehow revive obsolete provisions of the Comstock Act—(related in information on abortion)—which courts have essentially determined to be unconstitutional. The amendments to title 18 merely clarify that the current laws which prohibit the importation, transportation, or distribution of obscene materials apply to computers.

The conference committee went to great lengths in section 507(c) to underline that the changes to the Criminal Code are clarifying and do not change the substantive coverage of the current law. The Congress last amended section 1463 in 1994 by increasing penalties for violations of this section. Nothing in this legislation prohibits constitutionally protected speech and this legislation does not revive other-wise dead provisions of that law any more than the 1994 amendment revived those very provisions.

I thank the Chair and I thank again those who put this act together. I am pleased that it is about to pass the U. S. Senate.

I yield the floor.

Mr. DOLE. Mr. President, we are on the verge of passing the most important piece of legislation in this Congress. By unleashing competition in the communications industry, America will have more jobs, a stronger economy, and more opportunity. It is a real economic stimulus package with one big difference: It relies on private-sector America, and not big government.

Mr. President, this bill has been in the works for over a decade. It has stumped Congress after Congress. I know that because I introduced the first deregulation bill after the breakup of the old "Ma Bell" system back in 1986, 10 years ago.

There is no doubt about it. This conference report was crafted in a bipartisan, I think nonpartisan, manner. It could not have been accomplished

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without the hard work of Chairman PRESSLER and his staff. Senator HOLLINGS has played a key role for years on this important issue.

I want to say an additional word about Senator PRESSLER. I know the committee chairman sometimes gets a little anxious and comes to the leader quite often about, "When are you going to take up my bill?" And I can report that I did not get by one day without Senator PRESSLER asking me that at least two or three times.

So I want to congratulate Senator PRESSLER for his dogged determination. I am very proud of the work he has done and the work of the other Members in the conference. We have some differences. We think there are still some things that should be addressed.

I am satisfied with the letter which I have received from the FCC with reference to spectrum. I do not have any desire to put a roadblock in the way of the spectrum option. But I wish to make certain the taxpayers get their money's worth. If it is not worth anything, that is fine. Let us have public hearings. Let us get it all out in the open. Let us make a decision, and then let us make that determination.

I am proud of the fact that this bill willl pass in a Republican Congress. It is no small feat. It was only 3 years ago Congress reregulated the cable TV industry. That is not to say that cable TV did not have its problems, because it certainly did. The difference is Republicans believe competition and not Government is the best regulator of the marketplace. Competition also means more choices for the American people. And choice provides the highest level of consumer protection.

It has been a tough bill to put together and some issues were resolved and some were not resolved. Important issues like the foreign ownership provision that were dropped, they would have helped American corporations pry open foreign markets that have been closed for too long. Or maybe it was the relaxation of the broadcast ownership rule which would have given the little guy access to capital and thereby be a stronger competitor. There could have also been language included that would have forbidden the FCC from regulating the Internet. At the same time, we did take steps to help parents protect their children from indecent material that is prevalent on this new service.

I do not mean to take anything away from the bill and how it will propel our country into the next century. Instead, I wish to point out there is still much to be done. I think everybody has agreed to that.

I have also been openly critical of the provision in the telecommunications bill that would junk all television sets in the country and create a giant welfare program for television broadcasters. I have worked closely with Chairman PRESSLER, who has also been critical of this issue for some time, Senator MCCAIN, the Speaker, and many others.

So we have the letter. I am satisfied with it. They said, in any event, they would not be prepared until 1997, and it seems to me we are not going to retard progress in any way. We are just going to find out what the facts are. If it is worth $10 billion, $20 billion, $30 billion, $70 billion, or zero, the public will know after public hearings. We think the American taxpayers are entitled to at least that assurance. When we are talking about reducing the rate of growth of certain programs—Medicaid, Medicare, welfare—we ought to make certain we are not going at the bottom and giving somebody at the top a windfall. And again maybe someday, if we live long enough, this may be covered by the networks, the spectrum. I doubt it. They will be covering Members of Congress who might be going overseas on important business. But it could be that they might cover this, how much it is worth to them and how much it is worth to broadcasting generally.

I think it should happen. There should not be a double standard is what they keep telling us. I agree with them. So I expect we would have objective reporting on this particular issue.

Today we secured a letter signed by all five Commissioners at the Federal Communications Commission. These Commissioners stood with me, despite intense lobbying to do otherwise. That is courage and we owe them our thanks.

In that letter, these Commissioners committed to Congress,

> Any award of initial licenses or construction permits for advanced television services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may resolving this issue.

I am determined to turn the FCC's commitment to us into a victory for the American taxpayer. But Congress will conduct hearings in the full light of day on this issue. We will follow through and address this issue. For those who think this is an idle threat, guess again. Because we will give this our utmost scrutiny.

Now, those may sound like tough words, but, Mr. President, taxpayers deserve nothing less.

In closing, let me also assure those skeptics that these letters are not—I repeat, are not—about saving face. It is about saving the American taxpayer billions of dollars and stopping a giveaway, a giant corporate welfare program.

Mr. President, despite this profound flaw, which we will fix, this legislation will create jobs and benefits that we yet cannot imagine.

I ask unanimous consent that the FCC letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, February 1, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN PRESSLER: Thank you very much for your letter this morning about the concerns expressed by Senate Majority Leader Dole and others regarding the distribution of additional spectrum to television broadcasters. We share the determination of you, Senator Dole and others to protect American taxpayers. As you know, under current law and pursuant to the language of the Telecommunications Act of 1996 (should it become law), the Commission lacks authority to auction, or charge broadcasters for the use of, the spectrum that has been identified for the provision of these broadcast services. In addition, given the many administrative steps necessary to implement any assignment of digital broadcast licenses, we would not be in a position to issue those licenses any earlier than 1997.

We recognize the serious policy questions involved, and that you intend to hold hearings and enact legislation dealing with this issue as part of an overhaul of policies governing the electromagnetic spectrum. Any award of initial licenses or construction permits for Advanced Television Services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may adopt resolving this issue.

Very truly yours,

REED E. HUNDT,
Chairman.
JAMES H. QUELLO,
Commissioner.
ANDREW C. BARRETT,
Commissioner.
SUSAN NESS,
Commissioner.
RACHELLE B. CHONG,
Commissioner.

Mr. PRESSLER. How much time is remaining?

The PRESIDING OFFICER. Senator HOLLINGS's time has expired, and the Senator from South Dakota has 5 minutes 58 seconds.

Mr. PRESSLER. Mr. President, I yield 3 minutes to my colleague from Washington. I thank him very much for his work on this bill. It would not have happened without him.

Mr. GORTON. Mr. President, in dealing with highly complex and technical legislation, two requirements seem to me to be essential. The first is that those who have an interest in the legislation and have conflicts among themselves over what is most desirable, express their views so that Members can evaluate conflicting arguments and attempt to reach the truth.

Each of these interest groups gives lip service to the consumer interest and to competition, but it is only by testing the groups' competing ideas against one another that the consumer interest and competition can truly be served. That has clearly been the case in connection with the many year debate over telecommunications legislation. There were myriad interest groups. They had highly conflicting interests. I believe that we have reached good accommodations in connection with almost every one of those conflicts.

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But the second and even more important requirement for dealing with legislation of this type is that the Members who deal with the issue in the committees, and particularly those who are in charge, keep the public interest as their objective. In this connection, I want to say how much that has been the case with the junior Senator from South Carolina [Mr. HOLLINGS] during his leadership in this process. Most particularly, however, I offer my appreciation to Senator PRESSLER, who was willing to listen to everybody, but be the prisoner of no one, in arriving at the right answers in connection with this bill. He did so in the Senate proceedings, and he did so as chairman of the conference committee. The fact that we are here today passing, nearly unanimously, this important piece of legislation is a real tribute to him.

Personally, Mr. President, I should like to note two aspects of this comprehensive legislation. I have a great interest in the competitive nature of the wireless industry, and I am gratified that most of my suggestions in that connection, to strengthen the industry's competitive position, have been accepted. I am also delighted that we were able to protect our American children and the power of our American parents through the V-chip provisions and through other provisions, which will give more authority to family members to supervise what their children see.

Other details, obviously, cannot be gone into at the present time. This is a fine piece of legislation. As a result of the great work of our leaders, it will create employment for many tens of thousands of Americans, and ensure that telecommunications will be a cutting-edge industry in this country for many years to come.

I would like to clarify, and express my understanding, of a somewhat confusing provision in the bill regarding uniform pricing of cable rates. The conference report changes the uniform rate requirement in two essential ways. First, section 301(b)(2) of the legislation sunsets the uniform rate structure requirement in markets where the cable operator faces effective competition.

The second change to the uniform rate requirement is the addition of language that permits cable operators to offer bulk discounts to multiple dwelling units or MDU's. The language in this section permits cable operators to offer bulk discounts to MDU's, "except that a cable operator of a cable system that is not subject to effective competition may not charge predatory prices to a multiple dwelling unit."

I understand that there has been concern that this somewhat awkwardly worded section implicitly condones predatory pricing once there is competition in a market, or for subscribers who do not live in MDU's. Clearly it is not the intent of Congress to supersede the Sherman Act by allowing cable operators to engage in predatory pricing at any time or under any circumstances. In fact, the legislation includes a general antitrust savings clause in section 601(b). This clause guarantees that antitrust concerns still will be addressed in the telecommunications industry.

Mr. PRESSLER. I join in that praise of Senator DASCHLE and also Senator DOLE.

Mr. President, in closing this debate, let me say that we are passing a historic telecommunications bill that will have a sweeping impact. It is prospective, deregulatory, and it will affect every single American. It will have a great international impact. I know that our citizens will benefit greatly. There will be new devices and new technologies, and there will be lower prices. We are entering an era that is going to be like the Oklahoma land rush. There will be an explosion of new telecommunications opportunities for our citizens.

I thank all the Senators. I have had the privilege of visiting with all 100 Senators about this legislation. I also pay tribute to Congressman BLILEY, Congressman FIELDS, Congressman MARKEY, Congressman DINGELL, and others, whom I have had a chance, as chairman of the joint House-Senate conference, to become acquainted with. I have come to appreciate the work of a House-Senate conference. I want to pay tribute to our House colleagues who worked so hard on this legislation.

UNANIMOUS-CONSENT AGREEMENT

Mr. STEVENS. Mr. President, I ask unanimous-consent that, consistent with the law and the rules of the Senate Rules Committee, the maximum amount of copies of the Senate version of this conference report be printed and, if possible, that 50 copies be delivered to each Senator's office.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I want to thank everyone. I yield the remaining time to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report accompanying S. 652. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

Mr. FORD. I announce that the Senator from Connecticut [Mr. DODD] and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—91

Abraham	Faircloth	Lott
Akaka	Feinstein	Lugar
Ashcroft	Ford	Mack
Baucus	Frist	McConnell
Bennett	Glenn	Mikulski
Biden	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Bradley	Gregg	Nickles
Breaux	Harkin	Nunn
Brown	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burns	Helms	Reid
Byrd	Hollings	Robb
Campbell	Hutchison	Roth
Chafee	Inhofe	Santorum
Coats	Inouye	Sarbanes
Cochran	Jeffords	Shelby
Cohen	Johnston	Simpson
Conrad	Kassebaum	Smith
Coverdell	Kempthorne	Snowe
Craig	Kennedy	Specter
D'Amato	Kerrey	Stevens
Daschle	Kerry	Thomas
DeWine	Kohl	Thompson
Dole	Kyl	Thurmond
Domenici	Lautenberg	Warner
Dorgan	Levin	
Exon	Lieberman	

NAYS—5

Feingold	McCain	Wellstone
Leahy	Simon	

NOT VOTING—3

Dodd	Gramm	Rockefeller

So the conference report was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONFERENCE REPORT ON S. 652, THE TELECOMMUNICATIONS REFORM BILL

Mr. CHAFEE. Mr. President, I congratulate the managers of this bill and the leadership of the House and Senate on bringing to the floor this complex, overdue effort to bring our Nation's telecommunications laws into the 21st century. Although this legislation does not receive the attention in the media as do issues such as the Federal budget and tax cuts, its importance to our economy, to the livelihoods of all Americans, and to continued technological progress cannot be overstated. In fact, it has been said that the telecommunications reform bill is the most important piece of legislation we will pass in this Congress.

This bill recognizes that market forces and competition are the fuels that drive our Nation's economy. For too long, most sectors of our telecommunications industry, particularly the telephone industry, have been hamstrung by outdated laws that limit access to the marketplace. The great bulk of law in this area is actually some 61 years old. It should be obvious to everyone that communications technology has been revolutionized during these 61 years, and our laws ought to keep up with these changes in technology.

Since the 104th Congress began consideration of telecommunications reform early last year, there have been

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countless forces pulling the authors of this legislation is many different directions. There have been industry groups, individual companies, consumer groups, unions, think tanks, the administration, and many, many more all with an interest in this bill who have rightfully voiced their concerns as this process has gone forward. I admire the long hours of hard work performed by the Commerce Committee and its staff in sorting through the maze of this highly complex issue and producing this conference report. I certainly did not envy these individuals as they tackled this extraordinary difficult task.

While, as I have said, we all respect the ability of the free market to produce jobs and foster economic growth, there are many in Congress who are reluctant to let the marketplace operate completely freely in all telecommunications industries. For example, many of my colleagues are concerned that the regional Bell companies will take undue advantage of their ownership of local telephone networks to compete unfairly in the long distance market. On the other hand, many other colleagues are equally adamant that we should place very few restrictions on Bell companies as they are permitted to offer long distance service.

This debate over long distance represents just one of the many, many difficult balancing acts the managers of this bill struggled with. In short, my colleagues had to reconcile the views of those who wanted to let the marketplace more or less reign free with those who sought regulatory protection for industries and for consumers. And let me tell you, this was no easy task for the authors of this bill; I commend them for their legislative ability. No one is 100 percent happy with the final product, but I am confident that the benefits we will realize in enacting this bill in the way of job creation and technological progress are real. We can all be proud of the job done by the authors of this legislation.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks made by the distinguished Senator from Rhode Island. Those of us who have worked with the distinguished chairman and ranking member on this bill wish to acknowledge the great credit for their leadership, and for our distinguished majority leader and the minority leader for their backup assistance.

CLOTURE VOTE POSTPONED ON THE FARM BILL

Mr. DOLE. Mr. President, if I could have the attention of my colleagues, I ask that the cloture vote be postponed.

Let me indicate what we believe is in progress. We have been working for the last 2 or 3 hours with a number of Members on each side of the aisle and with Chairman LUGAR and the ranking member, Senator LEAHY, on the Senate Agriculture Committee. I am not certain if there is an agreement yet, but we may be close to an agreement. We think it would save a considerable amount of time if we could suspend it temporarily. I understand the Democrats have a conference at 5:30.

Mr. DASCHLE. Assuming we have an agreement to talk about, but I was told that we were close to an agreement. I felt it was important that we set a time, if it were possible to do that, and then immediately go back to the floor and continue our work.

Mr. DOLE. I know a number of Members have other engagements. I will be in a position, maybe by 6 o'clock, to indicate whether we have an agreement or do not have an agreement. If we do not have an agreement, we will vote on cloture. If we do have an agreement, we will try to get a time agreement and consider all amendments—en bloc?

Mr. DASCHLE. Hopefully.

The PRESIDING OFFICER. Is there objection to the request to set aside the cloture vote and to come back at 6 o'clock on this issue? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I can tell Members now that there will not be any votes for a while. We will try to give an a announcement at 6 o'clock. We hope we can have a short time agreement. If there is an agreement overall on the agriculture bill, we would not be here too late this evening. If not, we would have to come back tomorrow or sometime next week.

So I say to my colleagues that we will let you know as soon as we have any information. And I appreciate your cooperation.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Let me commend the distinguished Senator from South Dakota, and in particular our minority ranking member, the Senator from South Carolina [Mr. HOLLINGS] for the remarkable job he has done in bringing us to the point we achieved today. Were it not for his contribution and leadership and incredible determination over the last several months, we would simply not have achieved what we achieved this afternoon. Senator HOLLINGS deserves commendation on both sides of the aisle. I publicly want to again thank him for the effort that he put forth, for the remarkable teamwork that he demonstrated in allowing us the opportunity to at long last achieve what we have all hoped we could achieve.

So I commend Senator HOLLINGS and others who were involved, certainly the Senator from South Dakota, and I am very pleased with the result this afternoon.

I yield the floor.

RECOGNITION OF RONALD REAGAN'S 85TH BIRTHDAY

Mr. DOLE. Mr. President, I understand a resolution I am about to offer has been cleared on each side. I send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 229) in recognition of Ronald Reagan's 85th birthday.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, 16 years ago, America was flat on her back. Our economy was a disaster. The only things up were inflation, interest rates, and unemployment—all in or near double digits. Abroad, our resolve was questioned by our allies and doubted by our adversaries.

Many so-called experts—including some in the Government—surveyed the situation, wrung their hands, shook their heads, and pronounced that the United States was in decline: That our best days were far behind us.

But one man knew better. And that man was Ronald Reagan.

Ronald Reagan knew that power belonged with the people, not with the Government. He knew that the best solutions to our problems came not from bureaucrats on the Potomac, but from men and women on the Mississippi, the Colorado, and the Columbia.

Ronald Reagan knew that economic recovery could be achieved not through regulations and redtape, but by allowing the magic of the marketplace to work its wonders.

Ronald Reagan knew that America was right far more often than she was wrong.

Ronald Reagan knew that military strength was not the means to war, but the key to peace.

Ronald Reagan knew that world respect came not from appeasement, but from standing by your friends, by speaking up for freedom, and by drawing the line against dictators.

Ronald Reagan knew that America was still a shining city on a hill, and that our Nation's best days were truly yet to come.

It was this vision that Ronald Reagan presented in 1980 and 1984.

It was this vision that the voters approved in overwhelming margins.

It was this vision that brought hope and opportunity to millions.

It was this vision that revitalized America, and changed the world.

Mr. President, next Tuesday is Ronald Reagan's 85th birthday. And the resolution we pass today will extend to President Reagan the greetings and best wishes of the U.S. Senate.

And I know I speak for all Members of the Senate, when I say that our thoughts and prayers are with the President and Nancy.

Mr. WARNER. Mr. President, I rise tonight to wish Ronald Reagan, one of this country's, indeed, one of the world's, great leaders, a happy 85th birthday. The "Gipper" and his family—and friends joining across the

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