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Law A Legislative History of the Telecommunications  
of 1996 Pub. L. No. 104-104 110 Stat. 56 1996  
the Communications Decency Act S7928 1997

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"(2) PROCESS FOR RELOCATION.—Any person seeking to relocate a Federal Government station that has been assigned a frequency within a band allocated for mixed Federal and non-Federal use may submit a petition for such relocation to NTIA. The NTIA shall limit the Federal Government station's operating license to secondary status when the following requirements are met—

"(A) the person seeking relocation of the Federal Government station has guaranteed reimbursement through money or in-kind payment of all relocation costs incurred by the Federal entity, including all engineering, equipment, site acquisition and construction, and regulatory fee costs;

"(B) the person seeking relocation completes all activities necessary for implementing the relocation, including construction of replacement facilities (if necessary and appropriate) and identifying and obtaining on the Federal entity's behalf new frequencies for use by the relocated Federal Government station (where such station is not relocating to spectrum reserved exclusively for Federal use); and

"(C) any necessary replacement facilities, equipment modifications, or other changes have been implemented and tested to ensure that the Federal Government station is able to successfully accomplish its purposes.

"(3) RIGHT TO RECLAIM.—If within one year after the relocation the Federal Government station demonstrates to the Commission that the new facilities or spectrum are not comparable to the facilities or spectrum from which the Federal Government station was relocated, the person seeking such relocation must take reasonable steps to remedy any defects or reimburse the Federal entity for the costs of returning the Federal Government station to the spectrum from which such station was relocated.

"(g) FEDERAL ACTION TO EXPEDITE SPECTRUM TRANSFER.—Any Federal Government station which operates on electromagnetic spectrum that has been identified for reallocation for mixed Federal and non-Federal use in the Spectrum Reallocation Final Report shall, to the maximum extent practicable through the use of the authority granted under subsection (f) and any other applicable provision of law, take action to relocate its spectrum use to other frequencies that are reserved for Federal use or to consolidate its spectrum use with other Federal Government stations in a manner that maximizes the spectrum available for non-Federal use. Notwithstanding the timetable contained in the Spectrum Reallocation Final Report, the President shall seek to implement the reallocation of the 1710 to 1755 megahertz frequency band by January 1, 2000. Subsection (c)(4) of this section shall not apply to the extent that a non-Federal user seeks to relocate or relocates a Federal power agency under subsection (f).

"(h) DEFINITIONS.—For purposes of this section—

"(1) FEDERAL ENTITY.—The term 'Federal entity' means any Department, agency, or other element of the Federal government that utilizes radio frequency spectrum in the conduct of its authorized activities, including a Federal power agency.

"(2) SPECTRUM REALLOCATION FINAL REPORT.—The term 'Spectrum Reallocation Final Report' means the report submitted by the Secretary to the President and Congress in compliance with the requirements of subsection (a)."

(d) REALLOCATION OF ADDITIONAL SPECTRUM.—The Secretary of Commerce shall, within 9 months after the date of enactment of this Act, prepare and submit to the President and the Congress a report and timetable recommending the reallocation of the three frequency bands (225–400 megahertz, 3625–3650

megahertz, and 5650–5925 megahertz) that were discussed but not recommended for reallocation in the Spectrum Reallocation Final Report under section 113(a) of the National Telecommunications and Information Administration Organization Act. The Secretary shall consult with the Federal Communications Commission and other Federal agencies in the preparation of the report, and shall provide notice and an opportunity for public comment before submitting the report and timetable required by this section.

PRESSLER AMENDMENT NO. 1257

Mr. PRESSLER proposed an amendment to amendment No. 1256 proposed by Mr. STEVENS to the bill S. 652, supra; as follows:

At the end of the matter proposed to be inserted, insert the following:

(e) BROADCAST AUXILIARY SPECTRUM REALLOCATION.—

(1) ALLOCATION OF SPECTRUM FOR BROADCAST AUXILIARY USES.—Within one year after the date of enactment of this Act, the Commission shall allocate the 4835–4898 megahertz band transferred to the Commission under section 113(b) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(b)) for broadcast auxiliary uses.

(2) MANDATORY RELOCATION OF BROADCAST AUXILIARY USES.—Within 7 years after the date of enactment of this Act, all licenses of broadcast auxiliary spectrum in the 2025–2075 megahertz band shall relocate into spectrum allocated by the Commission under paragraph (1). The Commission shall assign and grant licenses for use of the spectrum allocated under paragraph (1)—

(A) in a manner sufficient to permit timely completion of relocation; and

(B) without using a competitive bidding process.

(3) ASSIGNING RECOVERED SPECTRUM.—Within 5 years after the date of enactment of this Act, the Commission shall allocate the spectrum recovered in the 2025–2075 megahertz band under paragraph (2) for use by new licenses for commercial mobile services or other similar services after the relocation of broadcast auxiliary licenses, and shall assign such licenses by competitive bidding.

PRESSLER (AND HOLLINGS) AMENDMENT NO. 1258

Mr. PRESSLER (for himself and Mr. HOLLINGS) proposed an amendment to the bill S. 652, supra; as follows:

On page 2, in the item relating to section 102 in the table of contents, strike "subsidiary" and insert "affiliate".

On page 2, after the item relating to section 106 in the table of contents, insert the following:

SEC. 107. Coordination for telecommunications network-level interoperability .....

On page 2, after the item relating to section 225 in the table of contents, insert the following:

SEC. 226. Nonapplicability of Modification of Final Judgment .....

On page 3, after the item relating to section 311 in the table of contents, insert the following:

SEC. 312. Direct Broadcast Satellite ...

On page 9, line 8, after "Act," insert "The Commission may modify any provision of the GTE Consent Decree or the Modification of Final Judgment that it administers."

On page 9, line 15, strike "Commission" and insert "Commission".

On page 9, line 19, strike "Modification of Final Judgment" and insert "Modification of Final Judgment".

On page 11 beginning on line 4, strike "those companies" and insert "any company".

On page 11, line 6, strike "Judgment," and insert "Judgment to the extent such company provides telephone exchange service or exchange access service."

On page 12, line 3, insert "directly" after "available".

On page 12, beginning with "The term" on line 5, strike through line 8.

On page 12, line 13, insert "only" after "shall".

On page 12, line 15, after "services" insert "for voice, data, image, graphics, or video that it does not own, control, or select, except that the Commission shall continue to determine whether the provision of fixed and mobile satellite service shall be treated as common carriage."

On page 14, between lines 10 and 11, insert the following:

"(t) 'LATA' means a local access and transport area as defined in United States v. Western Electric Co., 569 F. Supp. 990 (U.S. District Court, District of Columbia) and subsequent judicial orders relating thereto, except that, with respect to commercial mobile services, the term 'LATA' means the geographic areas defined or used by the Commission in issuing licenses for such services."

On page 16, line 17, strike "software;" and insert "software, to the extent defined in implementing regulations by the Commission)".

On page 17, line 12, strike "carrier;" and insert "carrier at just and reasonable rates;"

On page 19, line 4, strike "of such services," and insert "of providing those services to that carrier."

On page 19, line 5, strike "services;" and insert "services in accordance with section 214(d)(5);".

On page 21, beginning on line 7, strike "within 15 days after the State receives" and insert "at the same time as it submits".

On page 21, line 17, strike "notify" and insert "provide a copy of the petition and any documentation to".

On page 21, beginning in line 17, strike "of its petition".

On page 23, line 23, insert "feasible" after "technically".

On page 28, line 5, strike the closing quotation marks and the second period.

On page 28, between lines 5 and 6, insert the following:

"(I) REVIEW OF INTERCONNECTION STANDARDS.—Beginning 3 years after the date of enactment of the Telecommunications Act of 1996 and every 3 years thereafter, the Commission shall review the standards and requirements for interconnection established under subsection (b). The Commission shall complete each such review within 180 days and may modify or waive any requirements or standards established under subsection (b) if it determines that the modification or waiver meets the requirements of section 260."

On page 28, line 20, strike "SUBSIDIARY" and insert "AFFILIATE".

On page 28, line 21, strike "SUBSIDIARY" and insert "AFFILIATE".

On page 28, beginning on line 24, strike "(its subsidiaries and affiliates) which provides telephone exchange service" and insert "any affiliate) which is a local exchange carrier that is subject to the requirements of section 251(a)".

On page 29, line 2, strike "a subsidiary" and insert "one or more affiliates".

On page 29, line 3, strike "is" and insert "are".

On page 29, line 4, strike "provides telephone exchange service" and insert "is subject to the requirements of section 251(a)".

On page 29, line 6, strike "meets" and insert "meet".

On page 29, beginning in line 8, strike "SUBSIDIARY" and insert "AFFILIATE".

On page 29, line 10, strike "subsidiary" and insert "affiliate".

On page 30, line 4, strike "subsidiary" and insert "affiliate".

On page 30, beginning on line 10, strike "a subsidiary and any other subsidiary or affiliate of such company;" and insert "an affiliate".

On page 30, beginning on line 14, strike "a subsidiary or any other subsidiary or affiliate of such company;" and insert "an affiliate".

On page 30, beginning on line 19, strike "entity that provides telephone exchange service".

On page 30, beginning on line 22, strike "a subsidiary and any other subsidiary or affiliate of such company" and insert "an affiliate".

On page 31, line 2, strike "subsidiary" and insert "affiliate".

On page 31, beginning on line 3, strike "company, and any other subsidiary or affiliate of such".

On page 31, line 6, strike "pany, its subsidiaries or affiliates," and insert "pany or affiliate".

On page 31, beginning on line 11, strike "company, its subsidiaries or affiliates," and insert "company or affiliate".

On page 31, line 15, strike "tions; and" and insert "tions, unbundled to the smallest element that is technically feasible and economically reasonable to provide, and at just and reasonable rates that are not higher on a per-unit basis than those charged for such services to any affiliate of such company; and".

On page 31, beginning on line 16, strike "a subsidiary" and insert "an affiliate".

On page 31, line 20, strike "subsidiary" and insert "affiliate".

On page 32, line 2, strike "a subsidiary" and insert "an affiliate".

On page 32, line 19, strike "or its affiliates".

On page 33, line 1, strike "subsidiary" and insert "affiliate".

On page 33, line 5, strike "and".

On page 33, line 6, strike "subsidiary" and insert "affiliate".

On page 33, line 11, strike "service," and insert "service; and".

On page 33, between lines 11 and 12, insert the following:

"(6) may provide any InterLATA or intraLATA facilities or services to its InterLATA affiliate if such services or facilities are made available to all carriers at the same rates and on the same terms and conditions.

On page 33, line 15, strike "subsidiary or".

On page 33, beginning on line 20, strike "subsidiaries and".

On page 34, line 1, insert "with any affiliated entity required by this section or with any unaffiliated entity" after "shared".

On page 34, between lines 19 and 20, insert the following:

"(3) SUBSCRIBER LIST INFORMATION.—For purposes of this subsection, the term "customer proprietary information" does not include subscriber list information.

On page 35, line 7, strike "subsidiary" and insert "affiliate".

On page 35, line 10, strike "subsidiary" and insert "affiliate".

On page 35, line 19, strike "subsidiary" and insert "affiliate".

On page 35, line 24, after the period insert closing quotation marks and another period.

On page 35, strike lines 1 through 9.

On page 35, line 14, strike "subsidiary" and insert "affiliate".

On page 40, line 15, after the period insert "The Commission may establish a different definition of universal service for schools, libraries, and hospitals for purposes of section 264."

On page 41, strike lines 1 through 5.

On page 41, line 6, strike "(e)" and insert "(d)".

On page 41, line 12, strike "(f)" and insert "(e)".

On page 41, line 21, strike "(g)" and insert "(f)".

On page 42, line 5, strike "maintenance and" and insert "provision, maintenance, and".

On page 42, line 7, strike "(h)" and insert "(g)".

On page 42, line 9, strike "consumers" and insert "customers".

On page 42, line 11, strike "consumers" and insert "customers".

On page 42, line 12, strike "(i)" and insert "(h)".

On page 42, beginning with "Telecommunications" on line 13, strike through the period on line 15 and insert "Telecommunications carriers may not use noncompetitive services to subsidize competitive services."

On page 42, beginning on line 20, strike "(and may, in the public interest, bear less than a reasonable share or no share)".

On page 42, line 23, strike "(j)" and insert "(i)".

On page 47, line 3, strike "fine" and insert "sum".

On page 47, line 5, strike "establishing" and insert "determining".

On page 48, line 7, strike "fine of" and insert "sum of up to".

On page 48, between lines 17 and 18, insert the following:

(c) TRANSITION RULE.—A rural telephone company is eligible to receive universal service support payments under section 253(e) of the Communications Act of 1934 as if such company were an essential telecommunications carrier until such time as the Commission, with respect to interstate services, or a State, with respect to intrastate services, designates an essential telecommunications carrier or carriers for the area served by such company under section 214 of that Act.

On page 49, line 17, strike "basis" and insert "basis within 120 days after the application is filed."

On page 51, line 4, insert "and provides universal service by means of its own facilities" after "214(d)".

On page 54, line 21, before "Local" insert "STATE AND".

On page 54, line 22, before "local" insert "State or".

On page 55, line 9, strike "immediately" and insert "promptly".

On page 56, line 3, strike "title; and" and insert "title for the provision of telecommunications services; and".

On page 56, line 5, strike "affiliate," and insert "affiliate for the provision of telecommunications services".

On page 57, beginning with line 8, strike through line 16 on page 63.

On page 64, line 1, insert "that it owns, controls, or selects" before "directly".

On page 64, line 13, insert "video programming provided by others" after "carries".

On page 64, line 14, insert "that it owns, controls, or selects" before "over".

On page 64, line 15, strike "subsidiary" and insert "affiliate".

On page 64, strike lines 22 through 24 and insert the following:

"(1) the carrier does not use its telecommunications services to subsidize its provision of video programming.

On page 65, strike lines 1 through 6, and insert the following:

"(B) To the extent that a Bell operating company provides cable service as a cable operator, it shall provide such service through an affiliate that meets the requirements of section 252(a), (b), and (d) and the Bell operating company's telephone exchange services and exchange access services shall meet the requirements of subparagraph (A)(1) and section 252(c); except that, to the extent the Bell operating company provides cable service utilizing its own telephone exchange facilities, section 252(c) shall not require the Bell operating company to make video programming services capacity available on a non-discriminatory to other video programming services providers basis.

On page 65, line 8, strike "subsidiary" and insert "affiliate".

On page 65, line 18, after the period insert the following: "Nothing in this Act precludes a video programming provider making use of a common carrier video platform from being treated as an operator of a cable system for purposes of section 111 of title 17, United States Code."

On page 65, line 25, insert "common carrier" before "video".

On page 66, line 1, strike "the video" and insert "that".

On page 66, line 6, insert "common carrier" before "video".

On page 66, line 6, after the period insert the following: "If the area covered by the common carrier video platform includes more than one franchising area, then the Commission shall determine the number of channels allocated to public, educational, and governmental entities that may be eligible for such rates for that platform."

On page 67, line 1, insert "local" before "broadcast".

On page 67, line 2, insert "identified under section 614" after "stations".

On page 68, beginning on line 11, strike "consistent with the other provisions of title VI of the Communications Act of 1934 (47 U.S.C. 521 et seq.)."

On page 69, between lines 19 and 20, insert the following:

(a) CHANGE IN DEFINITION OF CABLE SYSTEM.—Section 602(7) (47 U.S.C. 522(7)) is amended by striking out "(B) a facility that serves only subscribers in 1 or more multiple unit dwellings under common ownership, control, or management, unless such facility or facilities uses any public right-of-way;" and inserting "(B) a facility that serves subscribers without using any public right-of-way;"

On page 69, line 20, Strike "(a)" and insert "(b)".

On page 70, line 22, strike "(b)" and insert "(c)".

On page 71, between lines 2 and 3, insert the following:

(d) PROGRAM ACCESS.—Section 628 (47 U.S.C. 628) is amended—

(1) by striking subsection (c)(5); and

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

"(1) COMMON CARRIERS.—Any provision that applies to a cable operator under this section shall apply to a telecommunications carrier that provides video programming directly to subscribers. Any such provision that applies to a satellite cable programming vendor in which a cable operator has an attributable interest shall apply to any satellite cable programming vendor in which such common carrier has an attributable interest.

"(2) SUNSET.—This section and the regulations required under this section shall cease to be effective on October 5, 2002."

(e) EXPEDITED DECISION-MAKING FOR MARKET DETERMINATIONS UNDER SECTION 614.—

(1) IN GENERAL.—Section 614(h)(1)(C)(iv) (47 U.S.C. 614(h)(1)(C)(iv)) is amended to read as follows:

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

(2) APPLICATION TO PENDING REQUESTS.—The amendment made by paragraph (1) shall apply to—

(A) any request pending under section 614(h)(1)(C) of the Communications Act of 1934 (47 U.S.C. 614(h)(1)(C)) on the date of enactment of this Act; and

(B) any request filed under that section after that date.

On page 71, line 3, strike “(c)” and insert “(f)”.

On page 71, beginning with line 7 strike through line 3 on page 73 and insert the following:

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

(1) by inserting the following after subsection (a)(4):

“(5) The term ‘telecommunications carrier’ shall have the meaning given such term in subsection (3)(n) of this Act, except that, for purposes of this section, the term shall not include any person classified by the Commission as a dominant provider of telecommunications services as of January 1, 1995.”

(2) by inserting after “conditions” in subsection (c)(1) a comma and the following: “or access to poles, ducts, conduits, and rights-of-way as provided in subsection (f).”;

(3) by inserting after subsection (d)(2) the following:

“(3) This subsection shall apply to the rate for any pole attachment used by a cable television system solely to provide cable service. Until the effective date of the regulations required under subsection (e), this subsection shall also apply to the pole attachment rates for cable television systems (or for any telecommunications carrier that was not a party to any pole attachment agreement prior to the date of enactment of the Telecommunications Act of 1995) to provide any telecommunications service or any other service subject to the jurisdiction of the Commission.”; and

(4) by adding at the end thereof the following:

“(e)(1) The Commission shall, no later than 2 years after the date of enactment of the Telecommunications Act of 1995, prescribe regulations in accordance with this subsection to govern the charges for pole attachments by telecommunications carriers. Such regulations shall ensure that utilities charge just and reasonable and non-discriminatory rates for pole attachments.

“(2) A utility shall apportion the cost of providing space on a pole, duct, conduit, or right-of-way other than the usable space among entities so that such apportionment equals the sum of—

“(A) two-thirds of the cost of providing space other than the usable space that would be allocated to such entity under an equal apportionment of such costs among all attachments, plus

“(B) the percentage of usable space required by each such entity multiplied by the cost of space other than the usable space; but in no event shall such proportion exceed the amount that would be allocated to such entity under an equal apportionment of such costs among all attachments.

“(3) A utility shall apportion the cost of providing usable space among all entities according to the percentage of usable space required for each entity. Costs shall be apportioned between the usable space and the space on a pole, duct, conduit, or right-of-way other than the usable space on a proportionate basis.

“(4) The regulations required under paragraph (1) shall become effective 5 years after the date of enactment of the Telecommunications Act of 1995. Any increase in the rates for pole attachments that result from the adoption of the regulations required by this subsection shall be phased in equal annual increments over a period of 5 years beginning on the effective date of such regulations.

“(f)(1) A utility shall provide a cable television system or any telecommunications carrier with nondiscriminatory access to any pole, duct, conduit, or right-of-way owned or controlled by it.

“(3) Notwithstanding paragraph (1), a utility providing electric service may deny a cable television system or telecommunications carrier access to its poles, ducts, conduits, or rights-of-way, on a non-discriminatory basis where there is insufficient capacity and for reasons of safety, reliability, and generally applicable engineering purposes.

“(g) A utility that engages in the provision of telecommunications services shall impute to its costs of providing such services (and charge any affiliate, subsidiary, or associate company engaged in the provision of such services) an amount equal to the pole attachment rate for which such company would be liable under this section.”

On page 73, line 12, strike “holding”.

On page 74, beginning on line 6, strike “engaged in any activity described in paragraph (1)”.

On page 774, line 6, strike “to that Act,” and insert “to.”

On page 74, line 9, strike “review any such activity,” and insert “review, any activity described in paragraph (1).”

On page 74, beginning with line 13, strike through line 12 on page 76 and insert the following:

(3) APPLICABILITY OF TELECOMMUNICATIONS REGULATION.—Nothing in this section shall affect the authority of the Federal Communications Commission under the Communications Act of 1934, or the authority of State commissions under State laws concerning the provision of telecommunications services, to regulate the activities of an associate company engaged in activities described in paragraph (1).

(b) PROHIBITION OF CROSS-SUBSIDIZATION.—Nothing in the Public Utility Holding Company Act of 1935 shall preclude the Federal Energy Regulatory Commission or a State commission from exercising its jurisdiction under otherwise applicable law to determine whether a public utility company may recover in rates the costs of any activity described in subsection (a)(1) which is performed by an associate company regardless of whether such costs are incurred through the direct or indirect purchase of goods and services from such associate company.

(c) ASSUMPTION OF LIABILITIES.—Any public utility company that is an associate company of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not issue any security for the purpose of financing the acquisition, ownership, or operation of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the State commission. Any public utility company that is an associate company of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not assume any obligation or liability as guarantor, endorser, surety, or otherwise by the public utility in respect of any security of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the Senate commission.

(d) PLEDGING OR MORTGAGING UTILITY ASSETS.—Any public utility company that is an associate company of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not pledge, mortgage, or otherwise use as collateral any utility assets of the public utility or utility assets of any subsidiary company thereof for the benefit of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the State commission.

(e) BOOKS AND RECORDS.—An associate company engaged in activities described in subsection (a)(1) which is an associate company of a registered holding company shall maintain books, records, and account separate from the registered holding company which identify all transactions with the registered holding company and its other associate companies and provide access to books, records, and accounts to State commissions and the Federal Energy Regulatory Commission under the same terms of access, disclosure, and procedures as provided in section 201(g) of the Federal Power Act.

(f) INDEPENDENT AUDIT AUTHORITY FOR STATE COMMISSIONS.—

(1) STATE MAY ORDER AUDIT.—Any State commission with jurisdiction over a public utility company that—

(A) is an associate company of a registered holding company, and

(B) transacts business, directly or indirectly, with a subsidiary company, affiliate, or associate company of that holding company engaged in any activity described in subsection (a)(1),

may order an independent audit to be performed, no more frequently than on an annual basis, of all matters deemed relevant by the selected auditor that reasonably relate to retail rates; provided such matters relate, directly or indirectly, to transactions or transfers between the public utility company subject to its jurisdiction and the subsidiary company, affiliate, or associate company engaged in that activity.

(2) SELECTION OF FIRM TO CONDUCT AUDIT.—

(A) If a State commission orders an audit in accordance with paragraph (1), the public utility company and the State commission shall jointly select within 60 days a firm to perform the audit. The firm selected to perform the audit shall possess demonstrated qualifications relating to:

(1) competency, including adequate technical training and professional proficiency in each discipline and necessary to carry out the audit, and

(2) independence and objectivity, including that the firm be free from personal or external impairments to independence, and should assume an independent position with the State commission and auditee, making certain that the audit is based upon an impartial consideration of all pertinent facts and responsible opinions.

(B) The public utility company and the company engaged in activities under subsection (a)(1) shall cooperate fully with all reasonable requests necessary to perform the audit and the public utility company shall bear all costs of having the audit performed. The reasonable costs of such audits shall be included in rates.

(3) AVAILABILITY OF AUDITOR'S REPORT.—The auditor's report shall be provided to the State commission within 6 months after the selection of the auditor, and provided to the public utility company 60 days thereafter.

(g) REQUIRED NOTICES.—

(1) AFFILIATE CONTRACTS.—A State commission may order any public utility company that is an associate company of a registered holding company and that is subject

to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not assume any obligation or liability as guarantor, endorser, surety, or otherwise by the public utility in respect of any security of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the Senate commission.

(2) PLEDGING OR MORTGAGING UTILITY ASSETS.—Any public utility company that is an associate company of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not pledge, mortgage, or otherwise use as collateral any utility assets of the public utility or utility assets of any subsidiary company thereof for the benefit of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the State commission.

(3) BOOKS AND RECORDS.—An associate company engaged in activities described in subsection (a)(1) which is an associate company of a registered holding company shall maintain books, records, and account separate from the registered holding company which identify all transactions with the registered holding company and its other associate companies and provide access to books, records, and accounts to State commissions and the Federal Energy Regulatory Commission under the same terms of access, disclosure, and procedures as provided in section 201(g) of the Federal Power Act.

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(1) competency, including adequate technical training and professional proficiency in each discipline and necessary to carry out the audit, and

(2) independence and objectivity, including that the firm be free from personal or external impairments to independence, and should assume an independent position with the State commission and auditee, making certain that the audit is based upon an impartial consideration of all pertinent facts and responsible opinions.

(B) The public utility company and the company engaged in activities under subsection (a)(1) shall cooperate fully with all reasonable requests necessary to perform the audit and the public utility company shall bear all costs of having the audit performed. The reasonable costs of such audits shall be included in rates.

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(3) BOOKS AND RECORDS.—An associate company engaged in activities described in subsection (a)(1) which is an associate company of a registered holding company shall maintain books, records, and account separate from the registered holding company which identify all transactions with the registered holding company and its other associate companies and provide access to books, records, and accounts to State commissions and the Federal Energy Regulatory Commission under the same terms of access, disclosure, and procedures as provided in section 201(g) of the Federal Power Act.

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(A) is an associate company of a registered holding company, and

(B) transacts business, directly or indirectly, with a subsidiary company, affiliate, or associate company of that holding company engaged in any activity described in subsection (a)(1),

may order an independent audit to be performed, no more frequently than on an annual basis, of all matters deemed relevant by the selected auditor that reasonably relate to retail rates; provided such matters relate, directly or indirectly, to transactions or transfers between the public utility company subject to its jurisdiction and the subsidiary company, affiliate, or associate company engaged in that activity.

(2) SELECTION OF FIRM TO CONDUCT AUDIT.—

(A) If a State commission orders an audit in accordance with paragraph (1), the public utility company and the State commission shall jointly select within 60 days a firm to perform the audit. The firm selected to perform the audit shall possess demonstrated qualifications relating to:

(1) competency, including adequate technical training and professional proficiency in each discipline and necessary to carry out the audit, and

(2) independence and objectivity, including that the firm be free from personal or external impairments to independence, and should assume an independent position with the State commission and auditee, making certain that the audit is based upon an impartial consideration of all pertinent facts and responsible opinions.

(B) The public utility company and the company engaged in activities under subsection (a)(1) shall cooperate fully with all reasonable requests necessary to perform the audit and the public utility company shall bear all costs of having the audit performed. The reasonable costs of such audits shall be included in rates.

(3) AVAILABILITY OF AUDITOR'S REPORT.—The auditor's report shall be provided to the State commission within 6 months after the selection of the auditor, and provided to the public utility company 60 days thereafter.

(g) REQUIRED NOTICES.—

(1) AFFILIATE CONTRACTS.—A State commission may order any public utility company that is an associate company of a registered holding company and that is subject

to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not assume any obligation or liability as guarantor, endorser, surety, or otherwise by the public utility in respect of any security of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the Senate commission.

(2) PLEDGING OR MORTGAGING UTILITY ASSETS.—Any public utility company that is an associate company of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not pledge, mortgage, or otherwise use as collateral any utility assets of the public utility or utility assets of any subsidiary company thereof for the benefit of an associate company engaged in activities described in subsection (a)(1) without the prior approval of the State commission.

(3) BOOKS AND RECORDS.—An associate company engaged in activities described in subsection (a)(1) which is an associate company of a registered holding company shall maintain books, records, and account separate from the registered holding company which identify all transactions with the registered holding company and its other associate companies and provide access to books, records, and accounts to State commissions and the Federal Energy Regulatory Commission under the same terms of access, disclosure, and procedures as provided in section 201(g) of the Federal Power Act.

(f) INDEPENDENT AUDIT AUTHORITY FOR STATE COMMISSIONS.—

(1) STATE MAY ORDER AUDIT.—Any State commission with jurisdiction over a public utility company that—

(A) is an associate company of a registered holding company, and

(B) transacts business, directly or indirectly, with a subsidiary company, affiliate, or associate company of that holding company engaged in any activity described in subsection (a)(1),

may order an independent audit to be performed, no more frequently than on an annual basis, of all matters deemed relevant by the selected auditor that reasonably relate to retail rates; provided such matters relate, directly or indirectly, to transactions or transfers between the public utility company subject to its jurisdiction and the subsidiary company, affiliate, or associate company engaged in that activity.

(2) SELECTION OF FIRM TO CONDUCT AUDIT.—

to the jurisdiction of the State commission to provide quarterly reports listing any contracts, leases, transfers, or other transactions with an associate company engaged in activities described in subsection (a)(1).

(2) **ACQUISITION OF AN INTEREST IN ASSOCIATE COMPANIES.**—Within 10 days after the acquisition by a registered holding company of an interest in an associate company that will engage in activities described in subsection (a)(1), any public utility company that is an associate company of such company shall notify each State commission having jurisdiction over the retail rates of such public utility company of such acquisition. In the notice an officer on behalf of the public utility company shall attest that, based on then current information, such acquisition and related financing will not materially impair the ability of such public utility company to meet its public service responsibility, including its ability to raise necessary capital.

(b) **DEFINITIONS.**—Any term used in this section that is defined in the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.) has the same meaning as it has in that Act. The terms "telecommunications service" and "information service" shall have the same meanings as those terms have in the Communications Act of 1934.

(1) **IMPLEMENTATION.**—Not later than 1 year after the date of enactment of this Act, the Federal Communications Commission shall promulgate such regulations as may be necessary to implement this section.

(j) **EFFECTIVE DATE.**—This section takes effect on the date of enactment of this Act.

On page 78, line 14, insert "all of" after "the".

On page 78, beginning on line 15, strike "service which is intended for and available to the general public" and insert "services".

On page 78, line 17, strike "is" and insert "are".

On page 78, line 19, strike "may" and insert "shall".

On page 80, beginning on line 16, strike "comment (and a hearing on the record if it finds that there are credible allegations of serious violations by the licensee of this Act or the Commission's rules or regulations)," and insert "comment".

On page 81, line 11, after "determines" insert a comma and "after notice and opportunity for a hearing".

On page 82, between lines 4 and 5, insert the following:

(3) The amendments made by this subsection apply to applications filed after May 31, 1995.

On page 84, line 15, insert "at just and reasonable rates" before "where".

On page 87, line 22, strike "of such services," and insert "of providing those services to that carrier".

On page 87, line 24, strike "services," and insert "services in accordance with section 214(d)(5)".

On page 88, line 4, strike "area," and insert "area where that company is the dominant provider of wireline telephone exchange service or exchange access service".

On page 88, line 5, after "market" insert "in such telephone exchange area".

On page 88, line 6, strike "or exchange access service".

On page 88, line 7, strike "interexchange" and insert "InterLATA".

On page 88, line 16, strike "subsidiary or" and insert "AFFILIATE".

On page 91, line 22, strike "SUBSIDIARY;" and insert "AFFILIATE".

On page 91, line 24, strike "SUBSIDIARY;" and insert "AFFILIATE".

On page 92, line 6, strike "subsidiary or".

On page 93, line 13, strike "A" and insert "Effective on the date of enactment of the Telecommunications Act of 1995, a".

On page 93, line 14, strike "subsidiary or".

On page 93, strike lines 18 and 19 and insert "service".

On page 93, line 21, strike "A" and insert "Effective on the date of enactment of the Telecommunications Act of 1995, a".

On page 93, line 22, insert "or its affiliate" before "may".

On page 93, line 23, strike "to the purposes of—" and insert "to—".

On page 94, line 10, strike "or".

On page 94, line 15, after the comma insert "or".

On page 94, between lines 15 and 16, insert the following:

"(iv) providing alarm monitoring services."

On page 97, line 11, after "audio," insert "alarm monitoring services".

On page 97, beginning with line 23, strike through line 2 on page 98.

On page 98, line 3, strike "(2)" and insert "(1)".

On page 98, line 8, strike "(3)" and insert "(2)".

On page 98, line 12, strike the closing quotation marks and the second period.

On page 98, between lines 12 and 13, insert the following:

"(g) **CERTAIN SERVICE APPLICATIONS TREATED AS IN-REGION SERVICE APPLICATIONS.**—For purposes of this section, a Bell operating company application to provide 800 service, private line service, or their equivalents that—

"(1) terminate in an area where the Bell operating company is the dominant provider of wireline telephone exchange service or exchange access service, and

"(2) allow the called party to determine the InterLATA carrier,

shall be considered an in-region service subject to the requirements of subsection (c) and not of subsection (d)".

On page 98, beginning with line 13, strike through line 2 on page 99 and insert the following:

(C) **LONG DISTANCE ACCESS FOR COMMERCIAL MOBILE SERVICES.**—

(1) **IN GENERAL.**—Notwithstanding any restriction or obligation imposed pursuant to the Modification of Final Judgment or other consent decree or proposed consent decree prior to the date of enactment of this Act, a person engaged in the provision of commercial mobile services (as defined in section 332(d)(1) of the Communications Act of 1934), insofar as such person is so engaged, shall not be required by court order or otherwise to provide equal access to interchange telecommunications carriers, except as provided by this section. Such a person shall ensure that its subscribers can obtain unblocked access to the provider of interchange services of the subscriber's choice through the use of an interchange carrier identification code assigned to such provider, except that the requirements for unblocking shall not apply to mobile satellite services unless the Commission finds it to be in the public interest.

(2) **EQUAL ACCESS REQUIREMENT CONDITIONS.**—The Commission may only require a person engaged in the provision of commercial mobile services to provide equal access to interchange carriers if—

(A) such person, insofar as such person is so engaged, is subject to the interconnection obligations of section 251(a) of the Communications Act of 1934, and

(B) the Commission finds that such requirement is in the public interest.

On page 99, line 23, strike "thereunder," and insert a comma and "except that neither a Bell operating company nor any of its affiliates may engage in such manufacturing in conjunction with a Bell operating company not so affiliated or any of its affiliates".

On page 99, beginning on line 25, strike "Upon the enactment of the Telecommunications Act of 1995," and insert "Upon adoption of rules by the Commission under section 252".

On page 110, line 8, strike "SUBSIDIARY;" and insert "AFFILIATE".

On page 100, line 15, "subsidiary" and insert "affiliate".

On page 100, beginning on line 22, strike "subsidiary" and insert "affiliate".

On page 101, line 2, strike "subsidiary" and insert "affiliate".

On page 101, line 6, strike "subsidiary" and insert "affiliate".

On page 101, strike lines 15 and 16 and insert the following:

(2) **NONDISCRIMINATION STANDARDS.**—

On page 101, line 25, after "controls" insert a comma and "or on which is acting on its behalf or on behalf of its affiliate".

On page 102, between lines 5 and 6, insert the following:

"(C) A Bell operating company shall, consistent with the antitrust laws, engage in joint network planning and design with local exchange carriers operating in the same area of interest. No participant in such planning shall be allowed to delay the introduction of new technology or the deployment of facilities to provide telecommunications services, and agreement with such other carriers shall not be required as a prerequisite for such introduction or deployment. A Bell operating company shall provide, to other local exchange carriers operating in the same area of interest, timely information on the planned deployment of telecommunications equipment, including software integral to such telecommunications equipment and upgrades of that software.

On page 102, line 6, strike "(C)" and insert "(D)".

On page 102, line 6, strike "subsidiary" and insert "affiliate".

On page 102, line 12, strike "(D)" and insert "(E)".

On page 102, line 19, strike "subsidiaries or".

On page 103, line 4, strike "section," and insert "section, and otherwise to prevent discrimination and cross-subsidization in a Bell operating company's dealings with its affiliate and with third parties".

On page 103, line 15, strike "CARRIERS" and insert "PARTIES".

On page 103, line 16, strike "local exchange carrier" and insert "party".

On page 103, line 18, strike "subsidiary or".

On page 104, beginning on line 1, strike "local exchange carrier" and insert "party".

On page 4, strike lines 4 through 19, and insert the following:

(g) **APPLICATION TO BELL COMMUNICATIONS RESEARCH.**—

(1) **IN GENERAL.**—Nothing in this section—

(A) provides any authority for Bell Communications Research, or any successor entity, to manufacture or provide telecommunications equipment or to manufacture customer premises equipment; or

(B) prohibits Bell Communications Research, or any successor entity, from engaging in any activity in which it is lawfully engaged on the date of enactment of the Telecommunications Act of 1995, including providing a centralized organization for the provision of engineering, administrative, and other services (including serving as a single point of contact for coordination of the Bell operating companies to meet national security and emergency preparedness requirements).

On page 105, line 12, strike "subsidiary or".

On page 105, beginning on line 13, strike "company, subsidiary, or affiliate" and insert "company or affiliate".

On page 106, line 22, strike "subsidiary" and insert "affiliate".

On page 107, beginning with "service" on line 8, strike through line 8 and insert the following: "service suspended if its right to provide that service is conditioned upon its meeting those obligations."

On page 107, line 11, strike "this section" and insert "section 251 or 255".

On page 108, line 23, strike "subsidiary or" and insert "and".

On page 110, line 2, strike "subsidiaries and".

On page 110, beginning on line 15, strike "subsidiaries and".

On page 110, line 21, strike "subsidiaries or".

On page 111, line 17, strike "punish" and insert "to impose sanctions on".

On page 111, line 20, strike "subsidiary or".

On page 111, line 24, insert "or an affiliate" after "company".

On page 112, line 1, strike "December 31, 1994," and insert "June 1, 1995,".

On page 112, line 4, strike "subsidiary or".

On page 112, beginning with "services," on line 8 strike through line 10 and insert "services."

On page 113, between lines 3 and 4, insert the following:

**SEC. 228. NONAPPLICABILITY OF MODIFICATION OF FINAL JUDGMENT.**

Notwithstanding any other provision of law or of any judicial order, no person shall be subject to the provisions of the Modification of Final Judgment solely by reason of having acquired commercial mobile service or private mobile service assets or operations previously owned by a Bell operating company or an affiliate of a Bell operating company.

On page 113, line 19, strike "residential".

On page 113, line 23, strike "Where only a single carrier provides a service" and insert "Until sufficient competition exists."

On page 117, line 8, strike "upon request," and insert "requesting such information for the purpose of publishing directories in any format."

On page 117, between lines 21 and 22, insert the following:

(d) **CONFIDENTIALITY.**—A telecommunications carrier has a duty to protect the confidentiality of proprietary information of, and relating to, other common carriers and customers, including common carriers reselling the telecommunications services provided by a telecommunications carrier. A telecommunications carrier that receives such information from another carrier for purposes of provisioning, billing, or facilitating the resale of its service shall use such information only for such purpose, and shall not use such information for its own marketing efforts. Nothing in this subsection prohibits a carrier from using customer information obtained from its customers, either directly or indirectly through its agents—

(1) to provide, market, or bill for its services; or

(2) to perform credit evaluations on existing or potential customers.

On page 119, line 3, strike, "The" and insert "Notwithstanding section 332(c)(1)(A) of this Act, the".

On page 119, line 16, strike "ers," and insert "ers or the preservation and advancement of universal services;"

On page 121, line 23, strike "10401" and insert "14101".

On page 124, line 10, insert "or created" after "designated".

On page 124, line 16, strike "shall be assigned" and insert "shall be permitted to use".

On page 124, line 21, insert "As determined by the Commission" after "basis".

On page 126, line 8, insert "the Commission," before "the National".

On page 126, line 9, insert a comma after "Administration".

On page 128, strike lines 3 through 24.

On page 128, line 1, strike "(b)" and insert "(g)".

On page 129, line 6, strike "6" and insert "18".

On page 129, beginning on line 7, strike "undertake" and insert "commence".

On page 132, beginning on line 5, strike "designated as an essential telecommunications carrier under section 214(d)".

On page 132, line 14, after "areas," insert "A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the difference, if any, between the price for services provided to health care providers for rural areas and the price for similar services provided to other customers in comparable urban areas treated as a service obligation described in section 253(d) that is considered as part of its obligation to contribute to universal service under section 253(c)."

On page 132, strike lines 15 through 23 and insert the following:

(2) **Educational Providers and Libraries.**—All telecommunications carriers serving a geographic area shall, upon a bona fide request, provide to elementary schools, secondary schools and libraries universal services (as defined in Section 253) that permit such schools and libraries to provide or receive telecommunications services for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission and the States determine is appropriate and necessary to ensure affordable access to and use of such telecommunications by such entities. A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the amount of the discount, treated as a service obligation described in section 253(d) that is considered as part of its obligation to contribute to universal service under section 253(c)."

On page 132, strike lines 15 through 23 and insert the following:

(2) **Educational Providers and Libraries.**—All telecommunications carriers serving a geographic area shall, upon a bona fide request, provide to elementary schools, secondary schools and libraries universal services (as defined in Section 253) that permit such schools and libraries to provide or receive telecommunications services for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission and the States determine is appropriate and necessary to ensure affordable access to and use of such telecommunications by such entities. A telecommunications carrier providing service pursuant to this paragraph shall be entitled to have an amount equal to the amount of the discount, treated as a service obligation described in section 253(d) that is considered as part of its obligation to contribute to universal service under section 253(c)."

On page 133, beginning with "shall" on line 1, strike through line 6 and insert the following:

"shall, for essential telecommunications carriers providing service pursuant to subsection (a), include the amount of the support payments reasonably necessary to allow such carrier to provide such service to such users under section 253."

On page 135, line 8, strike the closing quotation marks and the second period.

On page 135, between lines 8 and 9, insert the following:

(e) **TERMS AND CONDITIONS.**—Telecommunications services and network capacity provided under this section may not be sold, resold, or otherwise transferred in consideration for money or any other thing of value."

On page 136, after line 21, insert the following:

**SEC. 312. DIRECT BROADCAST SATELLITE.**

(a) **DBS SIGNAL SECURITY.**—Section 705(e)(4) (47 U.S.C. 605(e)(4)) is amended by inserting "satellite delivered video or audio programming intended for direct receipt by subscribers in their residences or in their commercial or business premises," after "programming".

(b) **FCC JURISDICTION OVER DIRECT-TO-HOME SATELLITE SERVICES.**—Section 303 (47 U.S.C. 303) is amended by adding at the end thereof the following new subsection:

(v) Have exclusive jurisdiction to regulate the provision of direct-to-home satellite services. For purposes of this subsection, the term "direct-to-home satellite services" means the distribution or broadcasting of programming or services by satellite directly to the subscriber's premises without

the use of ground receiving or distribution equipment, except at the subscriber's premises, or used in the initial uplink process to the direct-to-home satellite."

**AUTHORITY FOR COMMITTEES TO MEET**

**COMMITTEE ON ARMED SERVICES**

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 10 a.m. on Wednesday, June 7, 1995, in open session, to receive testimony on the situation in Bosnia.

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

**COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS**

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 7, 1995, to conduct a hearing on pending nominations.

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

**COMMITTEE ON FINANCE**

Mr. HATCH. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Wednesday, June 7, 1995, beginning at 9:30 a.m. in room SD-215, to conduct a hearing on small business issues, including estate tax proposals and expensing of business equipment proposals.

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

**COMMITTEE ON FOREIGN RELATIONS**

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 7, 1995, at 10 a.m.

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

**COMMITTEE ON GOVERNMENTAL AFFAIRS**

Mr. HATCH. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, June 7, at 10 a.m. for a hearing on the subject: Duplication, Overlap and Fragmentation in Government Programs.

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

**SELECT COMMITTEE ON INTELLIGENCE**

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, June 7, 1995, at 2 p.m. to hold a closed hearing on intelligence matters.

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

**SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS**

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources be granted permission to meet during the session of the

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