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uncorrected OCR text.

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

The result was announced—yeas 83, nays 4, as follows:

(Rollcall Vote No. 247 Leg.)

## YEAS—83

Abraham	Feingold
Alaska	Feinstein
Baccus	Ford
Bennett	Frist
Bingaman	Glenn
Bond	Graham
Bradley	Grams
Breaux	Grassley
Brown	Gregg
Bryce	Harkin
Bumpers	Hatch
Burns	Hatchfield
Campbell	Heflin
Chafee	Hollings
Coats	Hutchinson
Cochran	Inhofe
Cohen	Inouye
Conrad	Jeffords
Craig	Johnston
D'Amato	Kassebaum
Daschle	Kempthorne
DeWine	Kerrey
Dodd	Kerry
Dole	Kohl
Domestic	Kyl
Dorgan	Lautenberg
Ezron	Leahy
Faircloth	Levin

## NAYS—4

Byrd	Murray
Gorton	Reid

## NOT VOTING—13

Aasbrock	Helms	Specter
Bidan	Kennedy	Stevens
Boyer	Nunn	Thomas
Coverdell	Shelby	
Graham	Slimmon	

So the amendment (No. 1267) was agreed to.

Mr. DOLE. Mr. President, I call for the regular order, thereby making the pending business amendment No. 1255.

The PRESIDING OFFICER. Regular order has been called.

## AMENDMENT NO. 1255, AS MODIFIED

Mr. DOLE. I send a modification of my amendment to the desk. This has been agreed to by the Democratic leader and the managers.

The PRESIDING OFFICER. The Senator has the right to modify the amendment. The amendment will be so modified.

The amendment (No. 1255), as modified, is as follows:

On page 9, strike lines 4 through 12 and insert the following:

(c) TRANSFER OF MFJ.—After the date of enactment of this Act, the Commission shall administer any provision of the Modification of Final Judgment not overridden or superseded by this Act. The District Court for the District of Columbia shall have no further jurisdiction over any provision of the Modification of Final Judgment administered by the Commission under this Act or the Communications Act of 1934. The Commission may, consistent with this Act (and the amendments made by this Act), modify any provision of the Modification of Final Judgment that it administers.

(d) GTE CONSENT DECREE.—This Act shall supersede the provisions of the Final Judgment entered in United States v. GTE Corp., No. 83-1236 (D.C. D.C.), and such Final Judgment shall not be enforced after the effective date of this Act.

On page 40, line 9, strike "to enable them" and insert "which are determined by the

Commission to be essential in order for Americans".

On page 40, beginning on line 11, strike "Nation. At a minimum, universal service shall include any telecommunications services that" and insert "Nation, and which".

On page 70, between lines 21 and 22, insert the following:

(b) GREATER DEREGULATION FOR SMALLER CABLE COMPANIES.—Section 623 (47 U.S.C. 543) is amended by adding at the end thereof the following:

"(m) SPECIAL RULES FOR SMALL COMPANIES.—

"(1) IN GENERAL.—Subsection (a), (b), or (c) does not apply to a small cable operator with respect to—

"(A) cable programming services, or  
 "(B) a basic service tier that was the only service tier subject to regulation as of December 31, 1994.

In any franchise area in which that operator serves 35,000 or fewer subscribers.

"(2) DEFINITION OF SMALL CABLE OPERATOR.—For purposes of this subsection, the term "small cable operator" means a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and does not, directly or through an affiliate, own or control a daily newspaper or a tier 1 local exchange carrier."

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

On page 71, line 3, strike "(c)" and insert "(d)".

On page 79, strike lines 7 through 11 and insert the following:

(1) IN GENERAL.—The Commission shall modify its rules for multiple ownership set forth in 47 CFR 73.3556 by—

(A) eliminating the restrictions on the number of television stations owned under subdivisions (e)(1)(ii) and (iii); and

(B) changing the percentage set forth in subdivision (e)(2)(ii) from 25 percent to 35 percent.

(2) RADIO OWNERSHIP.—The Commission shall modify its rules set forth in 47 CFR 73.3555 by eliminating any provision limiting the number of AM or FM broadcast stations which may be owned or controlled by one entity either nationally or in a particular market. The Commission may refuse to approve the transfer or issuance of an AM or FM broadcast license to a particular entity if it finds that the entity would thereby obtain an undue concentration of control or would thereby harm competition. Nothing in this section shall require or prevent the Commission from modifying its rules contained in 47 CFR 73.3555(c) governing the ownership of both a radio and television broadcast stations in the same market.

On page 79, line 12, strike "(2)" and insert "(3)".

On page 79, line 18, strike "(3)" and insert "(4)".

On page 79, line 21, strike "(4)" and insert "(5)".

On page 79, line 22, strike "modification required by paragraph (1)" and insert "modifications required by paragraphs (1) and (2)".

On page 117, line 22, strike "REGULATIONS," and insert "REGULATIONS; ELIMINATION OF UNNECESSARY REGULATIONS AND FUNCTIONS."

On page 117, line 23, strike "(a) BIENNIAL REVIEW.—" before "Part".

On page 118, between lines 20 and 21, insert the following:

(b) ELIMINATION OF UNNECESSARY COMMUNICATIONS REGULATIONS AND FUNCTIONS.

(1) REPEAL SETTING OF DEPRECIATION RATES.—The first sentence of section 220(b) (47 U.S.C. 220(b)) is amended by striking "shall prescribe for such carriers" and in-

serting "may prescribe, for such carriers as it determines to be appropriate."

(2) USE OF INDEPENDENT AUDITORS.—Section 220(c) (47 U.S.C. 220(c)) is amended by adding at the end thereof the following: "The Commission may obtain the services of any person licensed to provide public accounting services under the law of any State to assist with, or conduct, audits under this section. While so employed or engaged in conducting an audit for the Commission under this section, any such person shall have the powers granted the Commission under this subsection and shall be subject to subsection (f) in the same manner as if that person were an employee of the Commission."

(3) SIMPLIFICATION OF FEDERAL-STATE COORDINATION PROCESS.—The Commission shall simplify and expedite the Federal-State coordination process under section 410 of the Communications Act of 1934.

(4) PRIVATIZATION OF SHIP RADIO INSPECTIONS.—Section 385 (47 U.S.C. 385) is amended by adding at the end thereof the following:

"In accordance with such other provisions of law as apply to government contracts, the Commission may enter into contracts with any person for the purpose of carrying out such inspections and certifying compliance with those requirements, and may, as part of any such contract, allow any such person to accept reimbursement from the license holder for travel and expense costs of any employee conducting an inspection or certification."

(5) MODIFICATION OF CONSTRUCTION PERMIT REQUIREMENT.—Section 319(d) (47 U.S.C. 319(d)) is amended by striking the third sentence and inserting the following: "The Commission may waive the requirement for a construction permit with respect to a broadcasting station in circumstances in which it deems prior approval to be unnecessary. In those circumstances, a broadcaster shall file any related license application within 10 days after completing construction."

(6) LIMITATION ON SILENT STATION AUTHORIZATIONS.—Section 312 (47 U.S.C. 312) is amended by adding at the end of the following:

"(g) If a broadcasting station fails to transmit broadcast signals for any consecutive 12-month period, then the station license granted for the operation of that broadcast station expires at the end of that period, notwithstanding any provision, term, or condition of the license to the contrary."

(7) EXPEDITING INSTRUCTIONAL TELEVISION FIXED SERVICE PROCESSING.—The Commission shall delegate, under section 5(c) of the Communications Act of 1934, the conduct of routine instructional television fixed service cases to its staff for consideration and final action.

(8) DELEGATION OF EQUIPMENT TESTING AND CERTIFICATION TO PRIVATE LABORATORIES.—Section 302 (47 U.S.C. 302) is amended by adding at the end of the following:

"(e) The Commission may—  
 "(1) authorize the use of private organizations for testing and certifying the compliance of devices or home electronic equipment and systems with regulations promulgated under this section;

"(2) accept as prima facie evidence of such compliance "the certification by any such organization; and  
 "(3) establish such qualifications and standards as it deems appropriate for such private organizations, testing, and certification."

(9) MAKING LICENSE MODIFICATION UNIFORM.—Section 303(f) (47 U.S.C. 303(f)) is amended by striking "unless, after a public hearing," and inserting "unless"

(10) PERMIT OPERATION OF DOMESTIC SHIP AND AIRCRAFT RADIOS WITHOUT LICENSE.—Section 307(e) (47 U.S.C. 307(e)) is amended by—

(A) striking "service and the citizens band radio service" in paragraph (1) and inserting

"service, citizens band radio service, domestic ship radio service, domestic aircraft radio service, and personal radio service"; and

(B) striking "service" and "citizens band radio service" in paragraph (3) and inserting "service," "citizens band radio service," "domestic ship radio service," "domestic aircraft radio service," and "personal radio service";

(11) **EXPEDITED LICENSING FOR FIXED MICROWAVE SERVICE.**—Section 309(b)(2) (47 U.S.C. 309(b)(2)) is amended by striking subparagraphs (A) and redesignating subparagraphs (B) through (G) as (A) through (F), respectively.

(12) **ELIMINATE FCC JURISDICTION OVER GOVERNMENT-OWNED SHIP RADIO STATIONS.**—

(A) Section 305 (47 U.S.C. 305) is amended by striking subsection (b) and redesignating subsections (c) and (d) as (b) and (c), respectively.

(B) Section 302(2) (47 U.S.C. 302(2)) is amended by striking "except a vessel of the United States Maritime Administration, the Inland and Coastwise Waterways Service, or the Panama Canal Company."

(13) **MODIFICATION OF AMATEUR RADIO EXAMINATION PROCEDURES.**—

(A) Section 4(F)(H)(N) (47 U.S.C. 4(F)(4)(B)) is amended by striking "transmissions, or in the preparation or distribution of any publication used in preparation for obtaining amateur station operator licenses," and inserting "transmission."

(B) The Commission shall modify its rules governing the amateur radio examination process by eliminating burdensome record maintenance and annual financial certification requirements.

(14) **STREAMLINE NON-BROADCAST RADIO LICENSE RENEWALS.**—The Commission shall modify its rules under section 309 of the Communications Act of 1934 (47 U.S.C. 309) relating to renewal of nonbroadcast radio licenses so as to streamline or eliminate comparative renewal hearings where such hearings are unnecessary or unduly burdensome. On page 117, between lines 21 and 22, insert the following:

**(d) REGULATORY RELIEF.**—

(1) **STREAMLINED PROCEDURES FOR CHANGES IN CHARGES, CLASSIFICATIONS, REGULATIONS, OR PRACTICES.**—

(A) Section 204(a) (47 U.S.C. 204(a)) is amended—

(i) by striking "12 months" the first place it appears in paragraph (2)(A) and inserting "6 months";

(ii) by striking "effective," and all that follows in paragraph (2)(A) and inserting "effective"; and

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

"(3) A local exchange carrier may file with the Commission a new or revised charge, classification, regulation, or practice on a streamlined basis. Any such charge, classification, regulation, or practice shall be deemed lawful and shall be effective 7 days (in the case of a reduction in rates) or 15 days (in the case of an increase in rates) after the date on which it is filed with the Commission unless the Commission takes action under paragraph (1) before the end of that 7-day or 15-day period, as is appropriate."

(B) Section 206(b) (47 U.S.C. 206(b)) is amended—

(i) by striking "12 months" the first place it appears in paragraph (1) and inserting "6 months"; and

(ii) by striking "filed," and all that follows in paragraph (1) and inserting "filed."

(3) **EXTENSIONS OF LINES UNDER SECTION 314; ARMIS REPORTS.**—Notwithstanding section 306, the Commission shall permit any local exchange carrier—

(A) to be exempt from the requirements of section 314 of the Communications Act of 1934 for the extension of any line; and

(B) to file cost allocation manuals and ARMIS reports annually, to the extent such carrier is required to file such manuals or reports.

(3) **FOREBEARANCE AUTHORITY NOT LIMITED.**—Nothing in this subsection shall be construed to limit the authority of the Commission or a State to waive, modify, or forebear from applying any of the requirements to which reference is made in paragraph (1) under any other provision of this Act other law.

On page 118, line 20, strike the closing quotation marks and the second period.

On page 118, between lines 20 and 21, insert the following:

"(c) **CLASSIFICATION OF CARRIERS.**—In classifying carriers according to 47 CFR 32.11 and in establishing reporting requirements pursuant to 47 CFR part 43 and 47 CFR 64.903, the Commission shall adjust the revenue requirements to account for inflation as of the release date of the Commission's Report and Order in CC Docket No. 91-141, and annually thereafter. This subsection shall take effect on the date of enactment of the Telecommunications Act of 1995."

On page 119, line 4, strike "may" and insert "shall".

On page 120, between lines 3 and 4, insert the following:

"(c) **END OF REGULATION PROCESS.**—Any telecommunications carrier, or class of telecommunications carriers, may submit a petition to the Commission requesting that the Commission exercise the authority granted under this section with respect to that carrier or those carriers, or any service offered by that carrier or carriers. Any such petition shall be deemed granted if the Commission does not deny the petition for failure to meet the requirements for forbearance under subsection (a) within 90 days after the Commission receives it, unless the 90-day period is extended by the Commission. The Commission may extend the initial 90-day period by an additional 60 days if the Commission finds that an extension is necessary to meet the requirements of subsection (a). The Commission may grant or deny a petition in whole or in part and shall explain its decision in writing."

On page 120, line 4, strike "(c) and insert "(d)".

On page 53, after line 25, insert the following:

**SEC. 107. COORDINATION FOR TELECOMMUNICATIONS NETWORK-LEVEL INTEROPERABILITY.**

(a) **IN GENERAL.**—To promote nondiscriminatory access to telecommunications networks by the broadest number of users and vendors of communications products and services through—

(1) coordinated telecommunications network planning and design by common carriers and other providers of telecommunications services; and

(2) interconnection of telecommunications networks, and of devices with such networks, to ensure the ability of users and information providers to seamlessly and transparently transmit and receive information between and across telecommunications networks.

the Commission may participate, in a manner consistent with its authority and practice prior to the date of enactment of this Act, in the development by appropriate voluntary industry standards-setting organizations to promote telecommunications network-level interoperability.

(b) **DEFINITION OF TELECOMMUNICATIONS NETWORK-LEVEL INTEROPERABILITY.**—As used in this section, the term "telecommunications network-level interoperability" means the ability of 2 or more telecommuni-

cations networks to communicate and interact in concert with each other to exchange information without degeneration.

(c) **COMMISSION'S AUTHORITY NOT LIMITED.**—Nothing in this section shall be construed as limiting the existing authority of the Commission.

On page 68, line 13, strike the closing quotation marks and the second period.

On page 68, between lines 13 and 14, insert the following:

"(6) **ACQUISITIONS; JOINT VENTURES; PARTNERSHIPS; JOINT USE OF FACILITIES.**—

"(A) **LOCAL EXCHANGE CARRIERS.**—No local exchange carrier or any affiliate of such carrier owned by, operated by, controlled by, or under common control with such carrier may purchase or otherwise acquire more than a 10 percent financial interest, or any management interest, in any cable operator providing cable service within the local exchange carrier's telephone service area.

"(B) **CABLE OPERATORS.**—No cable operator or affiliate of a cable operator that is owned by, operated by, controlled by, or under common ownership with such cable operator may purchase or otherwise acquire, directly or indirectly, more than a 10 percent financial interest, or any management interest, in any local exchange carrier providing telephone exchange service within such cable operator's franchise area.

"(C) **JOINT VENTURE.**—A local exchange carrier and a cable operator whose telephone service area and cable franchise area, respectively, are in the same market may not enter into any joint venture or partnership to provide video programming directly to subscribers or to provide telecommunications services within such market.

"(D) **EXCEPTION.**—Notwithstanding subparagraphs (A), (B), and (C) of this paragraph, a local exchange carrier (with respect to a cable system located in its telephone service area) a cable operator (with respect to the facilities of a local exchange carrier used to provide telephone exchange service in its cable franchise area) may obtain a controlling interest in, management interest in, or enter into a joint venture or partnership with such system or facilities to the extent that such system or facilities only serve incorporated or unincorporated—

"(i) places or territories that have fewer than 50,000 inhabitants; and

"(ii) are outside an urbanized area, as defined by the Bureau of the Census.

"(E) **WAIVER.**—The Commission may waive the restrictions of subparagraph (A), (B), or (C) only if the Commission determines that, because of the nature of the market served by the affected cable system or facilities used to provide telephone exchange service—

"(i) the incumbent cable operator or local exchange carrier would be subjected to undue economic distress by the enforcement of such provisions,

"(ii) the system or facilities would not be economically viable if such provisions were enforced, or

"(iii) the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

"(F) **JOINT USE.**—Notwithstanding subparagraphs (A), (B), and (C), a telecommunications carrier may obtain within such carrier's telephone service area, with the concurrence of the cable operator on the rates, terms, and conditions, the use of that portion of the transmission facilities of such a cable system extending from the last multiterminal to the premises of the end user in excess of the capacity that the cable operator uses to provide its own cable

services. A cable operator that provides access to such portion of its transmission facilities to one telecommunications carrier shall provide nondiscriminatory access to such portion of its transmission facilities to any other telecommunications carrier requesting such access.

"(G) SAVINGS CLAUSE.—Nothing in this paragraph affects: (i) the authority of a local franchising authority (in the case of the purchase or acquisition of a cable operator, or a joint venture to provide cable service) or a State Commission (in the case of the acquisition of a local exchange carrier, or a joint venture to provide telephone exchange service) to approve or disapprove a purchase, acquisition, or joint venture; or (ii) the anti-trust laws, as described in section 7(a) of the Telecommunications Competition and Deregulation Act of 1995."

On page 70, line 7, strike "services," and insert "services provided by cable systems other than small cable systems, determined on a per-channel basis as of June 1, 1995, and redetermined, and adjusted if necessary, every 2 years thereafter."

On page 70, line 21, strike "area," and insert "area, but only if the video programming services offered by the carrier in that area are comparable to the video programming services provided by the unaffiliated cable operator in that area."

On page 79, before line 12, insert the following:

"(3) LOCAL MARKETING AGREEMENT.—Nothing in this Act shall be construed to prohibit the continuation or renewal of any television local marketing agreement that is in effect on the date of enactment of this Act and that is in compliance with the Commission's regulations.

On page 88, line 4, strike "area," and insert "area or until 36 months have passed since the enactment of the Telecommunications Act of 1995, whichever is earlier."

On page 88, line 5, after "carrier" insert "that serves greater than 5 percent of the nation's presubscribed access lines".

Mr. DASCHLE. Mr. President, Senator HOLLINGS and I have crafted a package of provisions designed to strike a better balance between consumer protections and market deregulation. These safeguards are designed to protect consumers by expanding services and keeping them affordable.

This is accomplished in four ways.

First, it improves the cable rate regulation provisions in the bill without compromising the important deregulatory changes that will spur competition and provide consumers with more choices.

Specifically, the amendment improves the cable rate regulation provision of the committee bill by strengthening the bad actor test. Rates for the upper tiers of cable service will be found unreasonable only if they significantly exceed the national average rate for comparable cable service for systems other than small cable systems determined on a per channel basis as of June 1, 1995, and adjusted every 2 years.

Additionally, the amendment will deregulate a cable company only after a telephone company begins to provide video programming service comparable to the video service provided by the cable company.

Second, this amendment places reasonable limitations on the ability of

cable and telephone companies to eliminate each other as potential competitors through buyouts and mergers, except in rural areas where competition may not be viable. This is an important distinction to make. While the overall goal of this legislation is to increase competition, the universal service section and other pieces recognize the fact that competition will not work everywhere. This is especially true in rural areas like South Dakota.

The third important safeguard will allow small telephone companies to jointly market local exchange service with long distance service providers that carry less than 5 percent of the Nation's long distance business. This will allow consumers to realize the benefits of competition in the local telephone exchange, while preserving the competitive balance between the RBOC's and major long distance carriers. The amendment also will sunset the prohibition on joint marketing after 3 years.

Finally, a provision that was originally sponsored by Senator KERREY from Nebraska to promote network interoperability is a part of this package. Ensuring interoperability is an important part of building a seamless, national information infrastructure that will support education, business, and hospitals. This provision will not expand or limit the FCC's current authority over standards setting.

Mr. President, nothing in this agreement precludes existing local telephone marketing agreements from continuing. This amendment recognizes the need to help small broadcasters continue to diversify their broadcasts.

These steps are important not only to the successful passage of this legislation, but also the financial security of American consumers. It recognizes that companies need relief from burdensome Federal regulations, but also provides a mechanism that will protect consumers from unreasonable and unjustified rate hikes. Passage of S. 652 will require give and take on both sides. These measures are reasonable and prudent, and they ought to be adopted.

Mr. DOLE. I ask that the vote occur on this amendment at 12 noon and that the time be equally divided in the usual form.

Mr. KERREY. Reserving the right to object, Mr. President, I have not—

Mr. DOLE. This is Dole and Daschle combined.

Mr. HOLLINGS. It is the leadership amendment—Dole-Daschle amendment.

I am protecting the rights of Senator SIMON just for a minute. He wanted to be consulted on a particular section. If the Senator could withhold the request of time.

Mr. DASCHLE. For the information of all Senators, this is the combination of the legislation that the majority leader and I have been working on. He has a managers' amendment. I have been working with Senator HOLLINGS over the course of the last several days.

Instead of having two separate amendments, we have simply combined them. I think everyone is aware of the text of Senator HOLLINGS' and my amendment. We would be happy to share it with anybody. That is all we are doing, combining them into one vote, and limiting the time to about half an hour.

Mr. KERREY. Mr. President, I have to object until I have a chance to look at the amendment. I have looked at both amendments separately, but not together.

Mr. BUMPERS. Will this require a rollcall vote once we get consent?

Mr. DOLE. Not as far as I am concerned. The Senator from West Virginia would like a rollcall vote. That would be the last vote if we can work it out. If not, we will stay until we work it out.

Mr. DORGAN. Reserving the right to object, Mr. President.

Mr. DOLE. I withhold that request until the Senator from Nebraska has had an opportunity to look at the request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. DORGAN. If I might be recognized, I would support the request and hope the Senator from Nebraska will, as well.

I would only say that I had intended to offer a second-degree amendment to this on the issue of the elimination of the restrictions on the number of television stations that can be owned.

My understanding, and I have agreed not to offer a second-degree here, with the understanding that my right will be protected to offer an amendment to the bill on this subject.

That also is an important issue and I want that issue debated. I will forego a second-degree amendment so we can move this ahead. I want to be protected on the right.

Mr. DOLE. The Senator is correct, he would have that right.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, I understand that some negotiations were going on while we were in the quorum call.

I would like to note some of my feelings on this bill, because I will have a number of amendments and will be joining with others on amendments, including, for example, the amendment of the Senator from North Dakota, on VIII(c) and others.

Mr. President, the telecommunications bill that we are considering will have an enormous impact on multibillion-dollar cable, phone, and broadcast industries.

## **Document No. 33**

