

107TH CONGRESS
2D SESSION

S. 2603

To establish the Digital Opportunity Investment Trust.

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2002

Mr. DODD (for himself and Mr. JEFFORDS) introduced the following bill;
which was read twice and referred to the Committee on Health, Edu-
cation, Labor, and Pensions

A BILL

To establish the Digital Opportunity Investment Trust.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Digital Opportunity
5 Investment Trust Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The First Morrill Act (7 U.S.C. 301 et
9 seq.), enacted in 1862, and the Second Morrill Act
10 (7 U.S.C. 321 et seq.), enacted in 1890, brought
11 about a significant change in the system of edu-

1 cation in the United States by providing for the sale
2 of public lands in the West and the dedication of the
3 proceeds of those sales to funding the establishment
4 of practical, accessible land grant colleges and uni-
5 versities across the Nation.

6 (2) The land grant colleges and universities
7 have a focus on research, teaching, and outreach,
8 and continue to this day to be leaders in higher edu-
9 cation by providing affordable access to high-quality
10 postsecondary education.

11 (3) The land grant colleges and universities also
12 emerged as one of the greatest sources of advanced
13 research that leverages the United States economy
14 and powers the Nation's global competitiveness.

15 (4) The land grant colleges and universities, in
16 conjunction with the Cooperative State Research,
17 Education, and Extension Service, serve to dissemi-
18 nate information learned from research and link re-
19 search activities to larger societal needs.

20 (5) The potential of advanced Internet, digital
21 spectrum, and other telecommunications technologies
22 to increase the quality and reach of educational re-
23 sources has barely been tapped.

24 (6) Numerous local and regional educational
25 and community organizations are repositories of

1 knowledge, information, and educational resources
2 and programs that, in terms of accessibility to the
3 potential beneficiaries, are fragmented and uncoordi-
4 nated.

5 (7) The Telecommunications Act of 1996 and
6 the Balanced Budget Act of 1997 established a
7 framework for the transitions from analog to digital
8 television and for the auction of publicly owned ana-
9 log spectrum.

10 (8) It has been estimated that the auction of
11 analog spectrum could yield over \$20,000,000,000 in
12 revenues for the Treasury of the United States.

13 (9) It is both necessary and appropriate that a
14 substantial portion of the auction funds, stemming
15 as they do from the telecommunications sector, be
16 returned for use in that sector. Therefore, there
17 should be created a multibillion dollar trust, with the
18 trust's funding coming from revenues earned by the
19 Federal Government from auctions of the publicly
20 owned electromagnetic spectrum, which is the 21st
21 century equivalent of the Nation's public lands of an
22 earlier time.

1 **SEC. 3. ESTABLISHMENT OF TRUST.**

2 (a) IN GENERAL.—There is established a trust to be
3 known as the “Digital Opportunity Investment Trust” (re-
4 ferred to in this Act as the “Trust”).

5 (b) FUNDS.—

6 (1) IN GENERAL.—The Trust shall consist of
7 such amounts as are transferred to the Trust under
8 paragraph (2) and any interest earned on the invest-
9 ment of amounts in the Trust under section 5.

10 (2) TRANSFER OF FUNDS.—The Secretary of
11 the Treasury shall transfer each fiscal year quarter,
12 through fiscal year 2020, from the general fund of
13 the Treasury to the Trust, an amount equal to 50
14 percent of the cash payment received by the Federal
15 Government during the preceding fiscal year quarter
16 from—

17 (A) auctions of the publicly owned electro-
18 magnetic spectrum; and

19 (B) licensing fees derived from the publicly
20 owned electromagnetic spectrum.

21 (c) ADMINISTRATION OF THE TRUST.—

22 (1) DIRECTOR AND DEPUTY DIRECTOR OF THE
23 TRUST.—The chairman of the National Science
24 Board shall appoint the following:

25 (A) A Director of the Trust to administer
26 the Trust.

1 (B) A Deputy Director of the Trust to as-
2 sist and advise the Director of the Trust.

3 (2) ADVISORY BOARD.—

4 (A) ESTABLISHMENT.—An Advisory Board
5 (referred to in this Act as the “Board”) shall
6 be established to advise in the administration of
7 Trust funds, consisting of 8 members who—

8 (i) are citizens of the United States;

9 (ii) are not regular full-time employ-
10 ees of the Federal Government;

11 (iii) are eminent in such fields as edu-
12 cation, telecommunications or information
13 technology, labor, cultural and civic affairs,
14 or the arts and humanities; and

15 (iv) will provide, as nearly as prac-
16 ticable, a broad representation of various
17 regions of the United States, various pro-
18 fessions and occupations, and various
19 kinds of talent and experience appropriate
20 to the functions and responsibilities of the
21 Trust.

22 (B) APPOINTMENT OF MEMBERS.—The
23 members of the Board shall be appointed as fol-
24 lows:

1 (i) 4 members of the Board shall be
2 appointed by the President.

3 (ii) 2 members of the Board shall be
4 appointed by—

5 (I) the Majority Leader of the
6 Senate, if such individual is not of the
7 same political party as the President;
8 or

9 (II) the Minority Leader of the
10 Senate, if such individual is not of the
11 same political party as the President.

12 (iii) 2 members of the Board shall be
13 appointed by—

14 (I) the Majority Leader of the
15 House of Representatives, if such in-
16 dividual is not of the same political
17 party as the President; or

18 (II) the Minority Leader of the
19 House of Representatives, if such in-
20 dividual is not of the same political
21 party as the President.

22 (C) TERMS OF APPOINTMENT.—

23 (i) DATE.—Members of the Board
24 shall be appointed not later than 180 days
25 after the date of enactment of this Act.

1 (ii) TERMS.—Each member of the
2 Board shall be appointed for the life of the
3 Board.

4 (iii) VACANCIES.—A vacancy on the
5 Board shall not affect the Board's powers,
6 and shall be filled in the same manner as
7 the original member was appointed.

8 (D) MEETINGS.—

9 (i) FIRST MEETING.—Not later than
10 30 days after the date on which all of the
11 members of the Board have been ap-
12 pointed, the chairman of the National
13 Science Board shall call the first meeting
14 of the Board.

15 (ii) QUORUM.—A majority of the
16 members of the Board shall constitute a
17 quorum, but a lesser number of members
18 may hold hearings.

19 (E) BOARD PERSONNEL MATTERS.—

20 (i) COMPENSATION.—Members of the
21 Board shall receive no additional pay, al-
22 lowances, or benefits by reason of the
23 members' service on the Board.

24 (ii) TRAVEL EXPENSES.—The mem-
25 bers of the Board shall be allowed travel

1 expenses, including per diem in lieu of sub-
 2 sistence, at rates authorized for employees
 3 of agencies under subchapter I of chapter
 4 57 of title 5, United States Code, while
 5 away from their homes or regular places of
 6 business in the performance of services for
 7 the Board.

8 (F) DUTIES.—

9 (i) IN GENERAL.—Not later than 6
 10 months after the Board first meets pursu-
 11 ant to subparagraph (D)(i), the Board
 12 shall complete and submit to the Director
 13 of the Trust and the Deputy Director of
 14 the Trust—

15 (I) a management plan and im-
 16 plementation strategy for the Trust;

17 (II) a detailed national research
 18 plan identifying critical challenges to
 19 telecommunications and education and
 20 the research and development needed
 21 to meet the challenges; and

22 (III) recommendations on how
 23 best to manage the Trust.

24 (ii) AUTHORIZATION OF APPROPRIA-
 25 TIONS.—There is authorized to be appro-

priated to carry out this subparagraph
\$4,000,000 for fiscal year 2003.

(d) TRUST FUND USES.—

(1) USES OF FUNDS.—In order to achieve the
objectives of this Act, which include enhancing Fed-
eral education programs, the Director of the Trust,
after consultation with the Deputy Director of the
Trust and the Board, may use Trust funds—

(A) to supplement Federal funds for Fed-
eral education programs;

(B) to serve as a venture capital fund for
the Nation's nonprofit educational and public
service institutions by being dedicated to inno-
vation, experimentation, and research in uti-
lizing new telecommunications and information
technologies across the widest possible range of
public purposes;

(C) to invest in new and promising ideas
and prototypes that use advanced telecommuni-
cations and information to deliver public infor-
mation and education in the broadest sense to
all Americans throughout their lifetimes;

(D) to enable schools, community colleges,
universities, libraries, museums, civic organiza-
tions, and cultural, arts, humanities centers,

1 and nonprofit agencies or organizations de-
 2 scribed in section 501(c)(3) of the Internal Rev-
 3 enue Code of 1986 that are exempt from tax
 4 under section 501(a) of such Code to take ad-
 5 vantage of innovative telecommunications and
 6 information technologies to reach outside their
 7 walls and into homes, schools, and the work-
 8 place;

9 (E) for innovative technologies to reach
 10 nontraditional learners, including—

11 (i) senior citizens;

12 (ii) individuals with disabilities; and

13 (iii) members of the workforce; and

14 (F) to develop innovative strategies to
 15 improve—

16 (i) the teaching of mathematics and
 17 science; and

18 (ii) the academic achievement of stu-
 19 dents in mathematics and science.

20 (2) CONTRACTS AND GRANTS.—

21 (A) IN GENERAL.—In order to carry out
 22 the activities described in paragraph (1), the
 23 Director of the Trust, with the agreement of a
 24 majority of the members of the Board, may
 25 award contracts and grants to nonprofit public

institutions (with or without private partners)
for innovative and experimental ideas and techniques that—

(i) enhance learning;

(ii) broaden knowledge;

(iii) encourage an informed citizenry
and self-government;

(iv) make available to all citizens of
the United States the best of the Nation's
arts, humanities, and culture; and

(v) teach the skills and disciplines
needed in an information-based economy.

(B) EVALUATION OF PROPOSALS.—To the
extent practicable, proposals for such contracts
or grants shall be evaluated on the basis of
comparative merit by panels of experts who represent
diverse interests and perspectives, and
who are appointed by the Director of the Trust,
after consultation with the Deputy Director of
the Trust and the Board.

(C) TRAINING AND EDUCATION.—The Director
of the Trust, after consultation with the
Deputy Director of the Trust and the Board, in
awarding the contracts and grants under subparagraph
(A), may use Trust funds to finance

1 the development and testing of innovative mod-
2 els and materials for education in the use of
3 new telecommunications and information tech-
4 nologies.

5 (3) COURSES, MATERIALS, ARCHIVES, SOFT-
6 WARE, INFORMATION, PROGRAMS, RESOURCES, AND
7 SERVICES.—The Director of the Trust, after con-
8 sultation with the Deputy Director of the Trust and
9 the Board, may commission the development of on-
10 line courses, training materials, archives, software,
11 civic information, quality arts and cultural pro-
12 grams, and other digital resources and services of
13 the highest standards to meet the needs of all
14 United States citizens and help the citizens gain ac-
15 cess to the best minds and talents of society.

16 (4) COOPERATION.—The Director of the Trust,
17 after consultation with the Deputy Director of the
18 Trust and the Board, may cooperate with business,
19 industry, philanthropy, and local and national public
20 service institutions, including enhancing the work of
21 such public service institutions by seeking new ways
22 to put telecommunications and information tech-
23 nologies to work in their areas of interest.

24 (5) PUBLIC BROADCASTING.—The Director of
25 the Trust, after consultation with the Deputy Direc-

1 tor of the Trust and the Board, may use public
2 broadcasting's state-of-the-art digital transmission
3 system in carrying out the Trust's educational and
4 informational mission.

5 **SEC. 4. CONGRESS.**

6 (a) REPORT.—

7 (1) IN GENERAL.—Not later than April 30 of
8 each year, the Director of the Trust, after consulta-
9 tion with the Deputy Director of the Trust and the
10 Board, shall prepare a report for the preceding fiscal
11 year, ending September 30, and shall submit such
12 report to the chairman of the National Science
13 Board.

14 (2) CONTENTS.—The report shall include—

15 (A) a comprehensive and detailed report of
16 the Trust's operations, activities, financial con-
17 dition, and accomplishments, and such rec-
18 ommendations as the Director of the Trust,
19 after consultation with the Deputy Director of
20 the Trust and the Board, determines appro-
21 priate; and

22 (B) a comprehensive and detailed inventory
23 of funds distributed from the Trust during the
24 preceding fiscal year.

1 (3) SUBMISSION TO THE PRESIDENT AND CON-
2 GRESS.—The chairman of the National Science
3 Board shall promptly submit the report prepared
4 under paragraph (1) to the President and Congress.

5 (b) TESTIMONY.—The Director of the Trust, Deputy
6 Director of the Trust, and members of the Board shall
7 testify before appropriate committees of Congress, upon
8 request of such committees, with respect to—

9 (1) the report prepared under subsection (a)(1);
10 and

11 (2) any other matter that such committees may
12 determine appropriate.

13 **SEC. 5. INVESTMENT OF TRUST FUNDS.**

14 (a) IN GENERAL.—The Director of the Trust, after
15 consultation with the Deputy Director of the Trust, the
16 Board, the chairman of the National Science Board, and
17 the Director of the Office of Personnel Management, shall
18 invest the funds of the Trust in interest-bearing obliga-
19 tions of the United States or in obligations guaranteed as
20 to both principal and interest by the United States.

21 (b) EXPENDITURES.—The Director of the Trust,
22 after consultation with the Deputy Director of the Trust
23 and the Board, shall not undertake grant or contract ac-
24 tivities under this Act until the Trust has received the in-
25 terest or other proceeds from the investment of the Trust

1 funds for at least 1 year's duration. Thereafter, the Direc-
2 tor of the Trust, after consultation with the Deputy Direc-
3 tor of the Trust and the Board, may commence such grant
4 or contract activities at the start of each fiscal year. The
5 Director of the Trust, after consultation with the Deputy
6 Director of the Trust and the Board, in awarding grants
7 or contracts or making other expenditures, shall not obli-
8 gate funds from the Trust that exceed the proceeds re-
9 ceived from the investment of the funds in the Trust dur-
10 ing the preceding fiscal year.

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