FCC REAUTHORIZATION ACT OF 2016

REPORT
OF THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
ON
S. 2644

September 20, 2016.—Ordered to be printed
FCC REAUTHORIZATION ACT OF 2016

SEPTEMBER 20, 2016.—Ordered to be printed

Mr. THUNE, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2644]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2644) to reauthorize the Federal Communications Commission for fiscal years 2017 and 2018, and for other purposes, having considered the same, reports favorably thereon with an amendment (in the nature of a substitute) and recommends that the bill (as amended) do pass.

PURPOSE OF THE BILL

The purpose of S. 2644 is to reauthorize the Federal Communications Commission (FCC or Commission) through fiscal year (FY) 2018 and make certain policy modifications so that the Commission may continue to execute and enforce the Nation’s communications laws.

BACKGROUND AND NEEDS

The FCC, an independent United States Government agency formed to regulate interstate and foreign communications, was established under the Communications Act of 1934 (47 U.S.C. 151 et seq.). Today, the FCC is made up of five Senate-confirmed commissioners (FCC Commissioners) and has approximately 1,650 full-time employees. The Commission has not been authorized since FY 1991.

Since the FCC was last authorized, the communications landscape has been dramatically transformed by personal computing, digital technology, mobile services, and the Internet. This bill aims to ensure the Commission’s operations and statutory authorities are up-to-date with today’s marketplace.
Provisions in this bill will improve congressional oversight of the FCC, ensure better data to inform Commission programs and decision-making, better protect consumers, and ultimately help improve deployment and adoption of fixed and wireless communications in all parts of the country and among all citizens, particularly tribal, veteran, and rural populations. FCC Commissioners have repeatedly testified before Congress that congressional reauthorization of the FCC is useful and that a consistent legislative reauthorization process would produce a more responsible and productive relationship between the FCC and Congress.

A section of this bill would amend the Communications Act of 1934 to require that multi-line telephone systems (MLTS), such as those found in hotels, hospitals, and offices, be designed and configured in a way that permits users to directly initiate a call to 9-1-1 without dialing any additional digits (for example, having to dial “9” to access an “outside line”). This section, known as the Kari’s Law Act of 2016, would facilitate access to emergency services without requiring callers to know the dialing idiosyncrasies of these systems.

A section of this bill would amend section 227 of the Communications Act of 1934 (47 U.S.C. 227) to enhance and expand the authority of the Commission to combat fraudulent activity utilizing misleading or inaccurate caller identification information. Over the past several years, both the Commission and Congress have been made aware of the growth of such fraudulent activity utilizing calls originating from outside of the United States, text messaging services, and IP-enabled voice services, as well as the need to provide consumers with the additional tools to help avoid such fraudulent activity. This section of the bill would expand prohibitions already placed on such fraudulent activity in section 227 of that Act and help make sure that the law keeps up with the new technologies being used to harm consumers. It also would provide consumers with additional information that they can use to protect themselves from these abusive fraudulent practices.

LEGISLATIVE HISTORY

On March 18, 2015, the Committee held a hearing entitled, “Oversight of the Federal Communications Commission”, during which the Committee heard testimony from each of the five FCC Commissioners.

On March 2, 2016, the Committee held a hearing entitled, “Oversight of the Federal Communications Commission”, during which the Committee heard testimony from each of the five FCC Commissioners.

On March 7, 2016, Senator Thune introduced S. 2644, a bill to reauthorize the FCC. Senator Nelson is a cosponsor of the bill.

On April 27, 2016, the Committee held an Executive Session during which S. 2644 was considered. The bill was approved unanimously, by voice vote, and was ordered to be reported with a substitute amendment offered by Senator Thune, and with further amendments. The substitute amendment offered by Senator Thune added a consumer protection provision addressing spoofing, substantially similar to S. 2558, and a provision related to directly dialing 9-1-1 from MLTS, substantially similar to S. 2553.
Eighteen first degree amendments to the substitute amendment were agreed to (en bloc) by voice vote, including: an amendment offered by Senator Daines to require the Inspector General of the FCC to concurrently submit its semi-annual reports to the Commission and Congress; an amendment offered by Senator Daines to require the GAO to report on the E-rate program; an amendment offered by Senators Daines and Cantwell to require the Government Accountability Office (GAO) to consider whether the FCC's regulatory fee structure has a disparate impact on small-sized payors; an amendment offered by Senators Fischer, Ayotte, Wicker, Klobuchar, Manchin, and Schatz to require the Commission to report on the Universal Service Rural Health Care Program; an amendment offered by Senators Johnson and Heller to require the Commission to include a disclaimer in any press release regarding a notice of apparent liability; an amendment offered by Senator Moran to require the Commission to report on the use of certain proceeds to conduct spectrum auctions; an amendment offered by Senators Moran and Udall to ensure that the Chief Information Officer of the Commission has the authority to participate in budget decisions related to information technology; an amendment offered by Senators Rubio and Gardner to require the GAO to study and report on Federal spectrum and spectrum technology; an amendment offered by Senator Sullivan to require the GAO to study and report on filing requirements under the Universal Service Fund (USF) programs; an amendment offered by Senator Blumenthal to require the FCC to complete a rulemaking related to cramming; an amendment offered by Senators Blumenthal and Booker to require the Commission to take action relating to promoting broadband Internet access service for veterans; an amendment offered by Senators Booker and Johnson to require the GAO to study the Internet Protocol transition; an amendment offered by Senators Cantwell, Daines, and Udall to require the FCC to report on the 600 MHz incentive auction and the TV Broadcaster Relocation Fund; an amendment offered by Senators Cantwell, Daines, and Udall to require the Commission to determine the impact of universal service support on tribes; an amendment offered by Senators Klobuchar and Fischer to improve the section of the substitute amendment related to directly dialing 9-1-1 from MLTS; an amendment offered by Senators Manchin and Heller to require the GAO to report on issues relating to the National Broadband Map; an amendment offered by Senators Manchin, Gardner, Ayotte, Daines, Fischer, Johnson, Klobuchar, and Peters to require the FCC to study and report on the feasibility of conducting mobile broadband coverage drive testing in rural areas; and an amendment offered by Senator Peters to require the Commission to report on its broadband deployment data collection practices.

**Estimated Costs**

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:
S. 2644—FCC Reauthorization Act of 2016

Summary: S. 2644 would authorize appropriations totaling $728 million for the operations of the Federal Communication Commission (FCC) for 2017 and 2018. Assuming appropriation of those amounts, CBO estimates that implementing S. 2644 would have a gross cost of $705 million over the 2017–2021 period. CBO estimates that all appropriations to the FCC would be offset by fees authorized to be collected under current law. Assuming that future appropriation acts allow the FCC to continue to collect such fees, CBO estimates that net discretionary spending under S. 2644 would be reduced by $23 million over the 2017–2021 period.

Enacting S. 2644 would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that the net effects would be negligible over the 2017–2026 period. Enacting the bill would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2644 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the mandate would impose no costs on state, local, or tribal governments.

S. 2644 would impose private-sector mandates, as defined in UMRA. Based on information from industry sources and information about existing state laws, CBO estimates that the aggregate costs of the mandates would fall below the annual threshold established in UMRA for private-sector mandates ($154 million in 2016, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary effect of S. 2644 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross FCC Spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Authorization Level</td>
<td>370</td>
<td>358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>728</td>
</tr>
<tr>
<td>Estimated Outlays</td>
<td>315</td>
<td>345</td>
<td>42</td>
<td>3</td>
<td>0</td>
<td>705</td>
</tr>
<tr>
<td>Offsetting Collections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Authorization Level</td>
<td>-370</td>
<td>-358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-728</td>
</tr>
<tr>
<td>Estimated Outlays</td>
<td>-370</td>
<td>-358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-728</td>
</tr>
<tr>
<td>Net FCC Spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Authorization Level</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estimated Outlays</td>
<td>-55</td>
<td>-13</td>
<td>42</td>
<td>3</td>
<td>0</td>
<td>-23</td>
</tr>
</tbody>
</table>

Note: FCC = Federal Communications Commission.

By fiscal year, in millions of dollars—

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INCREASES OR DECREASES (—) IN SPENDING SUBJECT TO APPROPRIATIONS*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross FCC Spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Authorization Level</td>
<td>370</td>
<td>358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>728</td>
</tr>
<tr>
<td>Estimated Outlays</td>
<td>315</td>
<td>345</td>
<td>42</td>
<td>3</td>
<td>0</td>
<td>705</td>
</tr>
<tr>
<td>Net FCC Spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Authorization Level</td>
<td>-370</td>
<td>-358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-728</td>
</tr>
<tr>
<td>Estimated Outlays</td>
<td>-370</td>
<td>-358</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-728</td>
</tr>
</tbody>
</table>

Note: FCC = Federal Communications Commission.

*Basis of estimate: For this estimate, CBO assumes that this bill will be enacted near the start of fiscal year 2017 and that the authorized and estimated amounts will be appropriated near the beginning of each fiscal year. Estimated outlays are based on historical spending for FCC activities.
Spending Subject to Appropriation

S. 2644 would authorize the appropriation of $361 million in 2017 and $349 million in 2018 for the FCC’s operations. The FCC’s appropriation for 2016 was $384 million. In addition, the bill would authorize the appropriation of such sums as may be necessary to cover other costs, such as future pay raises for employees. On the basis on information provided by the FCC about personnel costs, CBO estimates that those authorizations would total $9 million per year. Based on the agency’s historical spending patterns, CBO estimates that implementing S. 2644 would result in gross outlays of $314 million in 2017 and $705 million over the 2017–2021 period, assuming appropriation of the authorized and estimated amounts.

The FCC’s gross spending is offset by regulatory fees. The amount collected each year is specified in annual appropriations acts and over recent years has covered the entire amount appropriated. Assuming that future appropriations acts would require collections to fully offset the funding provided to the agency, CBO estimates that the proceeds from those fees would total $728 million over the 2017–2021 period. Because CBO estimates that the FCC generally does not spend all of its annual appropriation, implementing S. 2644 would reduce net discretionary outlays by $23 million over the 2017–2021 period.

S. 2644 also would direct the Government Accountability Office (GAO) to conduct several studies and reports on aspects of the FCC’s operations. Based on the costs of similar reports conducted by GAO, CBO estimates that work would cost less than $500,000 in fiscal year 2017.

Direct Spending

Section 8 would extend the Universal Service Fund’s (USF) exemption from provisions of the Antideficiency Act, through fiscal year 2018. Created by the Telecommunications Act of 1996, the USF redistributes income from interstate telecommunications carriers to other telecommunication carriers that provide services to high-cost areas, low-income households, schools, libraries, and non-profit health care providers in rural areas. The cash flows from the USF appear in the budget as revenues (for fund collections) and as direct spending (for amounts distributed from the fund).

Under current law, the USF has a temporary exemption from the Antideficiency Act that will expire at the end of calendar year 2017. (That exemption was first provided in 2005.) The current exemption affects spending for one of the fund’s initiatives, the Schools and Libraries program, which distributes funds to institutions to provide affordable Internet and telecommunications services. When the USF receives and approves an application for the Schools and Libraries program, it obligates funds to be paid to the recipient pending compliance with certain grant conditions. Under the exemption, the USF is able to obligate funds for schools and libraries before it has collected sufficient amounts to meet those obligations. Without the exemption, the USF would not be able to obligate funds for schools and libraries until sufficient resources to meet such obligations became available. That program spent $2.1 billion in fiscal year 2015. By extending the exemption, S. 2644 would allow the program to obligate and spend funds faster than it would without the exemption.
CBO does not expect that the USF would collect or spend more as a result of the exemption; rather, we estimate that the timing of the spending would change. CBO estimates that under the exemption in S. 2644, spending in 2019 would be $152 million higher, and lower over the 2020–2021 period by the same amount. However, CBO estimates that the changes in the rate of spending would have no net effect over the 2017–2026 period.

Pay-As-You-Go Considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR S. 2644, AS ORDERED REPORTED BY THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION ON APRIL 27, 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Pay-As-You-Go Impact</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>152</td>
<td>−91</td>
<td>−61</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Increase in long term direct spending and deficits: CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

Intergovernmental and private-sector impact: S. 2644 contains an intergovernmental mandate as defined in UMRA. The bill would preempt state laws that govern the default configurations of a multi-line telephone system (MLTS) for 9-1-1 phone calls. Although the preemption would limit the application of state laws and regulations, CBO estimates that the bill would impose no duty on state, local, or tribal governments that would result in additional spending or a loss of revenues.

S. 2644 would impose private-sector mandates, as defined in UMRA, by requiring private entities responsible for manufacturing, importing, selling, leasing, or installing a multi-line telephone system to ensure that the system allows users to directly dial 9-1-1 without first dialing any additional digit such as “9.” In addition, entities that install such systems would be required to ensure the system provides an additional notification to a central location, either at the facility or otherwise, when a 9-1-1 call is placed if the system can be configured to do so without hardware upgrades. Based on information from industry sources, most MLTS systems already contain direct-dial and on-site notification functionality, and any costs associated with updating systems to meet the bill’s requirements would be small. In addition, several states and some local governments already have laws that require direct dialing for 9-1-1 from MLTS systems.

In total, CBO estimates that the incremental costs to comply with the mandates would fall below the annual threshold established in UMRA for private-sector mandates ($154 million in 2016, adjusted annually for inflation).

Estimate approved by: H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

Persons outside the United States would be covered by the bill's prohibition on misleading or inaccurate caller identification information. Persons engaged in manufacturing, importing, selling, leasing, or installing MLTS would be covered by the bill's requirements for such systems' configuration. Otherwise, the number of persons covered by this legislation should be consistent with current levels.

ECONOMIC IMPACT

S. 2644 would authorize the appropriation of funds for the FCC's programs and is not expected to negatively impact the Nation's economy. To the contrary, economic benefits should follow from implementation of the legislation. The legislation is intended to improve the effectiveness and efficiency of current FCC regulatory activities, ensure better public safety communications, promote broadband deployment and adoption, and reduce consumer harms related to misleading or inaccurate caller identification information and unauthorized charges on mobile communications service bills.

PRIVACY

The reported bill is not expected to have an adverse effect on the personal privacy of any individuals.

PAPERWORK

The Committee does not anticipate an increased paperwork burden on regulated entities as a result of this legislation. To the contrary, the Committee generally intends, and legislatively directs where appropriate, that administrative burdens on private sector sources of information are considered and not increased in the implementation of this bill. S. 2644 would require the FCC and the Comptroller General to issue various reports in order to ensure the goals of the legislation are met and to inform further congressional oversight and legislative activity.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section would provide that the Act may be cited as the "FCC Reauthorization Act of 2016".
Sec. 2. Table of contents.
This section would provide a table of contents for the bill.

Sec. 3. Definitions.
This section would provide definitions for certain terms for purposes of the bill.

Sec. 4. Authorization of appropriations.
This section would amend section 6 of the Communications Act of 1934 (47 U.S.C. 156) to authorize funding for the FCC for FY 2017 and FY 2018. The Committee would direct, consistent with current law, that the Commission will assess and collect fees pursuant to section 9 of the Communications Act of 1934 (47 U.S.C. 159) to offset appropriations provided under this authorization.

For FY 2017, the bill would authorize funding for the FCC at $361,116,000, including not less than $11,751,000 for salaries and expenses of the Office of Inspector General and not more than $16,867,000 for necessary expenses of the Commission associated with moving to a new facility or reconfiguring the existing facility.

For FY 2018, the bill would authorize funding for the FCC at $348,711,000, including not less than $11,904,000 for salaries and expenses of the FCC's Office of the Inspector General.

Sec. 5. Terms of office and vacancies.
This section would amend section 4(c) of the Communications Act of 1934 (47 U.S.C. 154(c)) to clarify that all commissioners, whether appointed to full five-year terms or to fill vacancies that occur during a term, may remain at the FCC beyond such term's expiration as provided by the Communications Act of 1934, in what is commonly referred to as a "holdover period."

Sec. 6. Submission of copy of certain documents to Congress.
This section would amend section 4 of the Communications Act of 1934 (47 U.S.C. 154) to require the Commission to provide Congress with certain documents the Commission submits to the Administration, including budget estimates and requests, legislative recommendations, congressional testimony, and comments on legislation. This statutory requirement would be similar to that placed on other independent agencies, such as the Consumer Product Safety Commission, the Surface Transportation Board, and the Federal Energy Regulatory Commission.

The amendment under this section also would direct the FCC's Office of the Inspector General to file its semiannual reports with various congressional committees at the same time such reports are filed with the Commission. This would not affect the requirements of section 5(b) of the Inspector General Act of 1978 (5 U.S.C. App.).

The Committee intends that this section will improve congressional oversight of the FCC and help ensure its independence.

Sec. 7. GAO report of FCC regulatory fee structure.
This section would direct the GAO, within 180 days of enactment, to report on the current regulatory fee assessments and adjustment process of the Commission. The Committee intends that this report would inform the FCC and recommend adjustments to
such structure, including considering whether Congress should seek to modernize the Commission’s regulatory fee structure to accurately and fairly reflect the current workload of the FCC and the benefits provided to fee payors.

Sec. 8. Application of Antideficiency Act to universal service program.

This section would amend section 302 of the Universal Service Antideficiency Temporary Suspension Act (title III of Public Law 108—494; 118 Stat. 3998) to extend the USF program’s exemption from the Antideficiency Act (31 U.S.C. 1341, 1342, 1349-1351, 1511-1519; ADA) through the end of FY 2018. The exemption currently expires on December 31, 2017. Due to the disruption caused by a 2004 Executive Branch interpretation of the ADA, which delayed USF program distributions for several months, Congress has repeatedly extended this exemption through appropriations legislation. The Committee expects to continue its examination of whether the ADA should apply to the USF.

Sec. 9. Deposits for spectrum auctions.

This section would amend section 309(j)(8)(C) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(C)) to eliminate the requirement that the FCC hold spectrum auction participants’ upfront payments in interest bearing accounts at private banks and instead direct such deposits to be placed in the Treasury. This provision was favorably reported by the Committee as S. 2319 in December 2015.

Sec. 10. Joint Board recommendation.

This section would prohibit the FCC from adopting a 2004 USF Joint Board recommendation regarding single line or primary line restrictions on universal service support payments that could be harmful to rural communications providers and rural constituents.

Sec. 11. Spoofing prevention.

This section would amend section 227 of the Communications Act of 1934 (47 U.S.C. 227) to close existing legal loopholes that allow fraudulent caller ID information to be conveyed through texts, certain IP-enabled voice services, and calls originating outside the United States. Section 227(e) of the Communications Act prohibits the knowing transmission of misleading or inaccurate caller identification information with the intent to defraud, cause harm, or wrongfully obtain any thing of value. This amendment to that section would crack down on this practice, known as “caller ID spoofing”, by extending the prohibition on spoofing to cover all voice calls, including those originating outside the United States if the recipient of the call is within the United States, and all calls made using IP-enabled voice services. It also would prohibit caller ID spoofing via text messaging as such term is defined in this section.

This section also would require the Commission to publish consumer education materials, updated regularly and posted online, that provide information on how to avoid scams that rely upon misleading or inaccurate caller identification information. The section would require the GAO to study FCC and Federal Trade Commission actions to combat spoofing and to make recommendations ac-
Accordingly. The section would provide a rule of construction stating that nothing in the section shall affect or modify the Commission’s authority under the Telephone Consumer Protection Act of 1991 (Public Law 102—243; 105 Stat. 2394) or the CAN-SPAM Act of 2003 (15 U.S.C. 7701 et seq.).

Nothing in the section is intended to affect the regulatory classification of text messages or other services.

Sec. 12. Kari’s law.

This section would amend title VII of the Communications Act of 1934 (47 U.S.C. 601 et seq.) to require that MLTS, such as those often found in hotels, hospitals, and offices, be designed and configured in a way that permits users to directly initiate a call to 9-1-1 without dialing any additional digits (for example, without having to dial “9” to access an “outside line”). This new section of the Communications Act of 1934 would not prohibit other 9–1–1 emergency dialing patterns (for example, 9-9-1-1) from also initiating a call to a public safety answering point, provided the dialing pattern 9–1–1 remains available to users. In addition, if an MLTS can be configured to provide notification to a central location at the facility where the system is being installed, or to a person or organization with responsibility for safety or security for the location, a person engaged in the business of installing MLTS would be required to configure the system to also call that central location, person, or organization when a call to 9-1-1 is initiated using the system. This new section’s requirements would apply to manufacturers, importers, sellers, lessors, and installers of MLTS, beginning two years after enactment.

The Committee intends that a person or entity contracting with an unaffiliated person or entity to install an MLTS would generally not be considered to be engaged in the business of installing an MLTS. For example, the owner or operator of an office building or hotel who hires an unaffiliated telecommunications firm to install an MLTS would likely not be considered to be engaged in the business of installing an MLTS.

This new section of the Communications Act of 1934 would grant the FCC authority to prescribe regulations to carry out the section, provided that such regulations, to the extent practicable, are technologically neutral. Neither the section, nor regulations prescribed under the section, would prevent any State from enforcing a State law that is not inconsistent with the section.

The Committee recognizes and commends the voluntary efforts undertaken by the hotel industry and MLTS manufacturers and vendors to implement direct dial access to 911. The Committee encourages a continuation of those efforts with respect to those MLTS that are manufactured, imported, offered for first sale or lease, first sold or leased, or installed within two years of the bill’s enactment.

Sec. 13. Rulemaking relating to cramming.

This section would direct the FCC, within two years of enactment, to complete a rulemaking relating to cramming. For purposes of this section, the term “cramming” is defined to mean the act of placing unauthorized charges on a wireline, wireless, or bundled services telephone bill of a consumer. This section would require the Commission to consider as part of its rulemaking meas-
ures related to blocking the placement of third party charges on consumers’ telephone bills under the criteria used in a prior consent decree with a mobile voice and data provider related to cramming. The Committee intends for the FCC to formalize certain practices related to blocking third-party charges such as those that were previously agreed to and implemented by several of the Nation’s largest mobile voice and data providers.

Sec. 14. Rulemaking relating to promoting broadband internet access service for veterans.

This section would direct the FCC, within 90 days of enactment, to release a Notice of Inquiry relating to examining and promoting broadband Internet access service for veterans, in particular low-income veterans and veterans residing in rural areas. The intent of this section is to establish a record that examines critical broadband resources for America’s veterans, especially as they transition from the armed services to full participation in civilian society.

Sec. 15. Impact of universal service support on tribes.

This section would amend section 254 of the Communications Act of 1934 (47 U.S.C. 254) to direct the FCC, by December 31, 2017, to develop and implement metrics to measure the impact of universal service support on the deployment and adoption of broadband on tribal land among residents, schools and libraries, health care facilities, and rural health care providers. Further, this section would direct the Commission, beginning in 2018, to prepare and submit a biennial report to Congress that analyzes the impact of universal service support on tribes and tribal land. The amendment to that section also would include specific language directing the FCC to ensure that, in carrying out these directives, any data collection efforts do not result in a net increase in administrative burden on private sector sources of information. These requirements would terminate on December 31, 2032.

Sec. 16. Chief Information Officer authority.

This section would direct the FCC to ensure that its Chief Information Officer (CIO) has the authority to participate in decisions regarding the Commission’s budget planning process related to information technology (IT). The section further provides that amounts appropriated to the FCC that are available for IT would be allocated within the Commission in the manner specified by or approved by its CIO, in consultation with its Chief Financial Officer and budget officials. The Committee intends to increase the CIO’s authority over the budget, governance and personnel processes for the Commission’s IT investments.

It is the hope of the Committee that this would enhance the Commission’s IT procurement process, but the Committee does not intend that this section would alter or otherwise limit the Commission’s discretion to delegate authority to the FCC’s Office of Managing Director concerning the management of the FCC’s personnel or budget.
Sec. 17. Disclaimer for press releases regarding notices of apparent liability.

This section would require the FCC to include in any press release regarding the issuance of a notice of apparent liability (NAL) a disclaimer explaining that such NAL should be treated only as allegations and that the amount of any forfeiture penalty proposed represents the maximum penalty the Commission may impose for the violations alleged in the NAL. The Committee intends for this section to help reduce confusion regarding the content and purpose of NALs, which are not findings of guilt.

Sec. 18. Federal spectrum transparency and value.

This section would require the Comptroller General, within two years after enactment and biennially thereafter, to submit a spectrum opportunity cost study and report on the opportunity cost for each specific Federal spectrum band between 150 megahertz and 6000 megahertz assigned to, or allocated for use by Federal entities. For purposes of these reports, “opportunity cost” would be defined as the dollar value of spectrum if it were to be reallocated, on a licensed or unlicensed basis, to the highest commercial alternative that does not have access to that spectrum. This section would require the Comptroller General to take into account the national security implications, cost, time, and any other limitations of the potential transfer of Federal spectrum, and the ability of Federal entities to move to new bands or to share bands currently allocated or assigned for Federal use. The section further would require the Comptroller General to take into account observed market valuations of spectrum in spectrum auctions as well as secondary market transactions.

This section also would require the Comptroller General, within two years after enactment and then every five years thereafter, to provide to Congress a spectrum technology study that examines the technologies and equipment used by Federal entities, and whether those technologies are the most spectrum-efficient available. The Comptroller General would be directed to take into account the limitations on the acceptance of new technology and equipment given the complex national security considerations, and the impact of accepting new technology and equipment on mission effectiveness. In the event the Comptroller General determines that the technologies and equipment are not the most spectrum-efficient available, the Comptroller General would be required to determine the costs and benefits of upgrading technologies and equipment, including potential problems with such upgrading.

The requirements of this section would terminate 10 years after the first spectrum opportunity cost study and report is submitted. The studies required under this section do not attempt to quantify the noneconomic value of existing Federal uses of spectrum, or to make any comparison between the opportunity cost and such existing use. The Committee recognizes that the Federal Government utilizes spectrum in a myriad of ways to protect the American people and serve the public interest, and that the value of existing and contingent Federal use of spectrum is not and should not be determined solely by the opportunity cost.
Sec. 19. Study and report on filing requirements under Universal Service Fund programs.

This section would require the GAO, within 180 days of enactment, to submit a report that analyzes the filing requirements and the financial impact of those requirements for carriers participating in the USF’s programs and recommendations on how to consolidate redundant filing requirements. The Committee intends to limit the financial impact of USF program filing requirements to encourage program participation, but only to the extent that such limit does not undermine effective program administration, particularly related to requirements that prevent waste, fraud, and abuse.

Sec. 20. Feasibility study on mobile broadband coverage drive testing in rural areas.

This section would require the FCC to study the feasibility of conducting mobile broadband coverage drive testing in rural areas using the delivery systems of the United States Postal Service, commercial entities, and any other appropriate means. The Commission would be directed to submit a report to Congress within 180 days after enactment with the results of the study and, if the FCC determines that drive testing is not feasible, recommendations for other methods of testing considered feasible. The Committee intends the study and report in this section to help improve the accuracy of wireless broadband mapping, which is critical for the administration of universal service and other programs and for effective policymaking related to broadband deployment and adoption.

Sec. 21. Study on Internet Protocol transition.

This section would require the GAO, within 270 days of enactment, to submit a report on the potential benefits of the Internet Protocol transition and the preparedness of the Federal Government to efficiently facilitate that transition. The GAO would be required to examine how the Federal Government is working with public and private sector stakeholders and how it can best facilitate the transition in rural and low-income communities. The Committee intends to ensure that the transition of telecommunications services in the United States from legacy telephone services to Internet Protocol-based services proceeds efficiently and that benefits of modern communications networks can be realized, including by residents living in rural and low-income communities.

Sec. 22. Report on incentive auction repack.

This section would require the FCC to submit two reports regarding different aspects of the ongoing broadcast spectrum incentive auction under section 6403(c) of the Middle Class Tax Relief and Job Creation Act of 2012 (47 U.S.C. 1452(c)). The first report, to be submitted within 105 days of the completion of the forward auction portion of the incentive auction, would contain an analysis of: how many and which broadcast television licensees have submitted TV broadcaster relocation forms; the aggregate amount of reimbursements requested from the TV Broadcaster Relocation Fund and an estimate of resources currently available to make reimbursements; how many TV stations will be required to relocate to a new channel assignment; and the status of bilateral spectrum coordination with Canada and Mexico.
The second report, to be submitted within 240 days of the forward auction’s completion, would contain: a construction schedule for the relocation of TV stations to new channel assignments following the completion of the forward auction; a projection of whether broadcast TV viewers will face any service disruptions as a result of relocation; a projection of the impact of relocation of TV stations on rural areas of the United States and TV broadcast translator services; and what steps may be taken to accelerate relocation and expedite successful forward auction bidders’ use of spectrum.

The Committee is aware of concerns about potential local TV broadcast viewer disruption, the adequacy of relocation funding, potential difficulties in relocating broadcast facilities, and potential delays in deploying commercial services in the 600 megahertz spectrum band following the broadcast spectrum incentive auction. The Committee intends that the reports required by this section will provide critical and timely information to Congress and the public about possible challenges raised by the incentive auction that will aid policymakers.

Sec. 23. Report on Universal Service Rural Health Care Program.

This section would require the FCC, within 270 days of enactment, to submit a report that assesses the Universal Service Rural Health Care Program. The report would be required to include data on the amount of funding the program has distributed to health care providers in each State; the types of advanced telecommunications and information services the program has funded; the types of providers funded; an assessment of the Telecommunications Program, including its efficacy, need, and whether it should be transitioned into the Healthcare Connect Fund; and a summary of comments in response to a Notice of Inquiry that would be required by this section evaluating whether the Program is meeting the goals of section 254(h) of the Communications Act of 1934 (47 U.S.C. 254(h)).

The Committee intends to obtain an assessment of the Universal Service Rural Health Care Program, which began as a pilot program in 2013, including how effectively the program has been operating and whether it should be expanded in scope. This report is intended to provide Congress and the public with the relevant analysis to consider such questions.

Sec. 24. GAO report relating to the E-rate program.

This section would require the GAO, within 180 days of enactment, to report on the E-rate program, including a determination of what gaps still exist in internet connectivity for schools and libraries; a review of the Second E-rate Modernization Order, including whether the order has resulted in overbuilding and duplication; and, recommendations as to how the E-rate program can be improved.

Sec. 25. GAO report.

This section would direct the GAO, within 1 year of enactment, to report on how the FCC ensures the broadband data it collects is accurate, complete, and reliable, including how making the data available on the National Broadband Map (NBM) aids in that goal; the extent to which Federal agencies and other entities rely on
NBM data to award broadband grants and loans or determine where Federal funds will be used to deploy broadband in areas already serviced by providers; the actions the Commission has taken to address the limitations of the NBM; the extent to which interested parties have challenged the accuracy of information in the NBM; and whether the FCC should collect data for NBM from additional or alternative commercial sources. The Committee intends to better determine whether the FCC is taking appropriate action to ensure the broadband data it collects is accurate, complete, and reliable, particularly in rural areas where there remain gaps in broadband service coverage.

Sec. 26. Reports related to spectrum auctions.

This section would amend section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) to require the FCC to provide information to Congress in a timely manner concerning its spectrum auction planning and the money it spends on such planning.

This section would amend current law to require the FCC to submit a detailed justification for the use of proceeds for purposes of conducting spectrum auctions in the preceding FY. Currently, the Commission provides such information for the second preceding FY, which some congressional authorizers and appropriators have complained may not provide adequate information on which to analyze FCC requests for auction planning funding.

This section would further amend current law to require the FCC, not later than September 30, 2016, and annually thereafter, to make publicly available an estimate of spectrum auctions that may be conducted in the upcoming 12-month period. This estimate would be required to also identify, to the extent possible, the bands of frequencies the Commission expects to include in the auctions. The Committee acknowledges that the estimate provided under this section is not binding on the FCC, which will conduct auctions subject to applicable laws and regulations and when in the public interest to do so. The Commission may include in such estimates such qualifications and caveats as it deems appropriate to avoid undue reliance on such estimates.

This section would require the FCC, not later than April 1, 2017, and annually thereafter, to submit a report containing a detailed justification for the use of auctions proceeds retained by the Commission for the costs of developing and implementing auctions. It is the Committee's intent that, consistent with Commission past practice, these reports include an itemized statement of all funds expended for purposes of conducting competitive bidding.

Sec. 27. FCC broadband data collection report.

This section would direct the FCC, within 18 months of enactment, to report on its broadband deployment and subscription data collection practices. The report would be required to include a review of the data collected through the Form 477 process for both fixed and mobile broadband; an explanation of how the agency ensures that the data submitted though the Form 477 process is accurate; recommendations on how the Commission can improve these data collection practices; and, with respect to any regulatory recommendation made in the report, a plan for implementing such recommendations. The FCC would also be required to provide an
opportunity for public comment on the report in order to solicit recommendations.

The Committee intends that this section will help optimize the broadband data the FCC collects via its Form 477 process in order to obtain a more accurate understanding of the state of broadband deployment and adoption, thereby ensuring that the agency’s decision-making is made based on a sound factual foundation. The Committee also intends that all Form 477 data collection activities and evaluations by the Commission appropriately consider the burdens of data collection on private sector sources of information.

CHANGES IN EXISTING LAW

COMMUNICATIONS ACT OF 1934

[47 U.S.C. 151 et seq.]

SEC. 4. FEDERAL COMMUNICATIONS COMMISSION.

[47 U.S.C. 154]

(a) NUMBER OF COMMISSIONERS; APPOINTMENT.—The Federal Communications Commission (in this Act referred to as the “Commission”) shall be composed of five commissioners appointed by the President, by and with the advice and consent of the Senate, one of whom the President shall designate as chairman.

(b) QUALIFICATIONS.—

(1) Each member of the Commission shall be a citizen of the United States.

(2)(A) No member of the Commission or person employed by the Commission shall—

(i) be financially interested in any company or other entity engaged in the manufacture or sale of telecommunications equipment which is subject to regulation by the Commission;

(ii) be financially interested in any company or other entity engaged in the business of communication by wire or radio or in the use of the electromagnetic spectrum;

(iii) by financially interested in any company or other entity which controls any company or other entity specified in clause (i) or clause (ii), or which derives a significant portion of its total income from ownership of stocks, bonds, or other securities of any such company or other entity; or

(iv) be employed by, hold any official relation to, or own any stocks, bonds, or other securities of, any person significantly regulated by the Commission under this Act;

(B)(i) The Commission shall have authority to waive, from time to time, the application of the prohibitions established in subparagraph (A) to persons employed by the Commission if the Commission determines that the finan-
cial interests of a person which are involved in a particular case are minimal, except that such waiver authority shall be subject to the provisions of section 208 of title 18, United States Code. The waiver authority established in this subparagraph shall not apply with respect to members of the Commission.

(ii) In any case in which the Commission exercises the waiver authority established in this subparagraph, the Commission shall publish notice of such action in the Federal Register and shall furnish notice of such action to the appropriate committees of each House of the Congress. Each such notice shall include information regarding the identity of the person receiving the waiver, the position held by such person, and the nature of the financial interests which are the subject of the waiver.

(3) The Commission, in determining whether a company or other entity has a significant interest in communications, manufacturing, or sales activities which are subject to regulation by the Commission, shall consider (without excluding other relevant factors)—

(A) the revenues, investments, profits, and managerial efforts directed to the related communications, manufacturing, or sales activities of the company or other entity involved, as compared to the other aspects of the business of such company or other entity;
(B) the extent to which the Commission regulates and oversees the activities of such company or other entity;
(C) the degree to which the economic interests of such company or other entity may be affected by any action of the Commission; and
(D) the perceptions held by the public regarding the business activities of such company or other entity.

(4) Members of the Commission shall not engage in any other business, vocation, profession, or employment while serving as such members.

(5) The maximum number of commissioners who may be members of the same political party shall be a number equal to the least number of commissioners which constitute a majority of the full membership of the Commission.

(c) TERMS OF OFFICE; VACANCIES.—Commissioners shall be appointed for terms of five years and until their successors are appointed and have been confirmed and taken the oath of office, except that they shall not continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office; except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the Commissioner whom he succeeds. No vacancy in the Commission shall impair the right of the remaining commissioners to exercise all the powers of the Commission.

(c)(1) A commissioner shall be appointed for a term of 5 years;

(B) except as provided in subparagraph (C), may continue to serve after the expiration of the fixed term of office of the com-
missioner until a successor is appointed and has been confirmed and taken the oath of office; and
(C) may not continue to serve after the expiration of the session of Congress that begins after the expiration of the fixed term of office of the commissioner.

(2) Any person chosen to fill a vacancy in the Commission—
(A) shall be appointed for the unexpired term of the commissioner that the person succeeds;
(B) except as provided in subparagraph (C), may continue to serve after the expiration of the fixed term of office of the commissioner that the person succeeds until a successor is appointed and has been confirmed and taken the oath of office; and
(C) may not continue to serve after the expiration of the session of Congress that begins after the expiration of the fixed term of office of the commissioner that the person succeeds.

(3) No vacancy in the Commission shall impair the right of the remaining commissioners to exercise all the powers of the Commission.

* * * * * *

(p) BUDGET ESTIMATES AND REQUESTS; LEGISLATIVE RECOMMENDATIONS, TESTIMONY, AND COMMENTS ON LEGISLATION; SEMIANNUAL REPORTS.—

(1) BUDGET ESTIMATES AND REQUESTS.—If the Commission submits any budget estimate or request to the President or the Office of Management and Budget, the Commission shall concurrently transmit a copy of that estimate or request to Congress.

(2) LEGISLATIVE RECOMMENDATIONS, TESTIMONY, AND COMMENTS ON LEGISLATION.—
(A) IN GENERAL.—If the Commission submits any legislative recommendations, testimony, or comments on legislation to the President or the Office of Management and Budget, the Commission shall concurrently transmit a copy thereof to Congress.

(B) PROHIBITION.—No officer or agency of the United States may require the Commission to submit legislative recommendations, testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review prior to the submission of the recommendations, testimony, or comments to Congress.

(3) OFFICE OF INSPECTOR GENERAL SEMIANNUAL REPORTS.—
(A) IN GENERAL.—Notwithstanding section 5(b) of the Inspector General Act of 1978 (5 U.S.C. App.), the Inspector General of the Commission shall concurrently submit each semiannual report required under such section 5(b) to the Commission and to the appropriate committees or subcommittees of Congress.

(B) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) shall be construed to modify the requirement for the Commission to submit to the appropriate committees or subcommittees of Congress each such semiannual report together with a report by the Commission under such section 5(b).
SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

(b) In addition to the amounts authorized to be appropriated under this section, not more than 4 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission during fiscal year 1990 are authorized to be made available to the Commission until expended to defray the fully distributed costs of such fees collection.

(c) Of the amounts appropriated pursuant to subsection (a) for fiscal year 1991, such sums as may be necessary not to exceed $2,000,000 shall be expended for upgrading and modernizing equipment at the Commission’s electronic emissions test laboratory located in Laurel, Maryland.

(d) Of the sum appropriated in any fiscal year under this section, a portion, in an amount determined under section 9(b), shall be derived from fees authorized by section 9.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for the administration of this Act by the Commission, other than the activities described in subsection (b), $361,116,000 for fiscal year 2017 and $348,711,000 for fiscal year 2018, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each such fiscal year.

(b) OFFICE OF INSPECTOR GENERAL.—Of the amounts appropriated under subsection (a), not less than $11,751,000 for fiscal year 2017 and not less than $11,904,000 for fiscal year 2018 shall be for salaries and expenses of the Office of Inspector General of the Commission.

(c) NEW OR RECONFIGURED FACILITY.—Of the amounts appropriated under subsection (a) for fiscal year 2017, such sums as may be necessary not to exceed $16,867,000 shall remain available until expended for necessary expenses of the Commission associated with moving to a new facility or reconfiguring the existing facility to significantly reduce space consumption.

(d) OFFSETTING COLLECTIONS.—Of the sum appropriated in any fiscal year under this section, a portion, in an amount determined under section 9(b), shall be derived from fees authorized by section 9.

SEC. 227. RESTRICTIONS ON USE OF TELEPHONE EQUIPMENT.1

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

1 The amendments made to section 227 of the Communications Act of 1934 (47 U.S.C. 227) shall take effect on the date that is 6 months after the date on which the Commission prescribes regulations under section 11(a)(4) of this Act.
(1) The term "automatic telephone dialing system" means equipment which has the capacity—
(A) to store or produce telephone numbers to be called, using a random or sequential number generator; and
(B) to dial such numbers.
(2) The term "established business relationship", for purposes only of subsection (b)(1)(C)(i), shall have the meaning given the term in section 64.1200 of title 47, Code of Federal Regulations, as in effect on January 1, 2003, except that—
(A) such term shall include a relationship between a person or entity and a business subscriber subject to the same terms applicable under such section to a relationship between a person or entity and a residential subscriber; and
(B) an established business relationship shall be subject to any time limitation established pursuant to paragraph (2)(G).
(3) The term "telephone facsimile machine" means equipment which has the capacity (A) to transcribe text or images, or both, from paper into an electronic signal and to transmit that signal over a regular telephone line, or (B) to transcribe text or images (or both) from an electronic signal received over a regular telephone line onto paper.
(4) The term "telephone solicitation" means the initiation of a telephone call or message for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, which is transmitted to any person, but such term does not include a call or message (A) to any person with that person's prior express invitation or permission, (B) to any person with whom the caller has an established business relationship, or (C) by a tax exempt nonprofit organization.
(5) The term "unsolicited advertisement" means any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person's prior express invitation or permission, in writing or otherwise.

(e) Prohibition on Provision of Misleading or Inaccurate Caller Identification Information.—
(1) IN GENERAL.—It shall be unlawful for any person within the United States, [in connection with any telecommunications service or IP-enabled voice service] or any person outside the United States if the recipient of the call is within the United States, in connection with any voice service or text messaging service, to cause any caller identification service to knowingly transmit misleading or inaccurate caller identification information with the intent to defraud, cause harm, or wrongfully obtain anything of value, unless such transmission is exempted pursuant to paragraph (3)(B).
(2) PROTECTION FOR BLOCKING CALLER IDENTIFICATION INFORMATION.—Nothing in this subsection may be construed to prevent or restrict any person from blocking the capability of any caller identification service to transmit caller identification information.
(3) REGULATIONS.—
(A) IN GENERAL.—Not later than 6 months after the date of enactment of the Truth in Caller ID Act of 2009, the Commission shall prescribe regulations to implement this subsection.

(B) CONTENT OF REGULATIONS.—

(i) IN GENERAL.—The regulations required under subparagraph (A) shall include such exemptions from the prohibition under paragraph (1) as the Commission determines is appropriate.

(ii) SPECIFIC EXEMPTION FOR LAW ENFORCEMENT AGENCIES OR COURT ORDERS.—The regulations required under subparagraph (A) shall exempt from the prohibition under paragraph (1) transmissions in connection with—

(I) any authorized activity of a law enforcement agency; or

(II) a court order that specifically authorizes the use of caller identification manipulation.

(4) REPORT.—Not later than 6 months after the enactment of the Truth in Caller ID Act of 2009, the Commission shall report to Congress whether additional legislation is necessary to prohibit the provision of inaccurate caller identification information in technologies that are successor or replacement technologies to telecommunications service or IP-enabled voice service.

(5) PENALTIES.—

(A) CIVIL FORFEITURE.—

(i) IN GENERAL.—Any person that is determined by the Commission, in accordance with paragraphs (3) and (4) of section 503(b), to have violated this subsection shall be liable to the United States for a forfeiture penalty. A forfeiture penalty under this paragraph shall be in addition to any other penalty provided for by this Act. The amount of the forfeiture penalty determined under this paragraph shall not exceed $10,000 for each violation, or 3 times that amount for each day of a continuing violation, except that the amount assessed for any continuing violation shall not exceed a total of $1,000,000 for any single act or failure to act.

(ii) RECOVERY.—Any forfeiture penalty determined under clause (i) shall be recoverable pursuant to section 504(a).

(iii) PROCEDURE.—No forfeiture liability shall be determined under clause (i) against any person unless such person receives the notice required by section 503(b)(3) or section 503(b)(4).

(iv) 2-YEAR STATUTE OF LIMITATIONS.—No forfeiture penalty shall be determined or imposed against any person under clause (i) if the violation charged occurred more than 2 years prior to the date of issuance of the required notice or notice of apparent liability.

(B) CRIMINAL FINE.—Any person who willfully and knowingly violates this subsection shall upon conviction thereof be fined not more than $10,000 for each violation, or 3
times that amount for each day of a continuing violation, in lieu of the fine provided by section 501 for such a violation. This subparagraph does not supersede the provisions of section 501 relating to imprisonment or the imposition of a penalty of both fine and imprisonment.

(6) Enforcement by States.—

(A) In General.—The chief legal officer of a State, or any other State officer authorized by law to bring actions on behalf of the residents of a State, may bring a civil action, as parens patriae, on behalf of the residents of that State in an appropriate district court of the United States to enforce this subsection or to impose the civil penalties for violation of this subsection, whenever the chief legal officer or other State officer has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a violation of this subsection or a regulation under this subsection.

(B) Notice.—The chief legal officer or other State officer shall serve written notice on the Commission of any civil action under subparagraph (A) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide such notice immediately upon instituting such civil action.

(C) Authority to Intervene.—Upon receiving the notice required by subparagraph (B), the Commission shall have the right—

(i) to intervene in the action;

(ii) upon so intervening, to be heard on all matters arising therein; and

(iii) to file petitions for appeal.

(D) Construction.—For purposes of bringing any civil action under subparagraph (A), nothing in this paragraph shall prevent the chief legal officer or other State officer from exercising the powers conferred on that officer by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(E) Venue; Service or Process.—

(i) Venue.—An action brought under subparagraph (A) shall be brought in a district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(ii) Service of Process.—In an action brought under subparagraph (A)—

(I) process may be served without regard to the territorial limits of the district or of the State in which the action is instituted; and

(II) a person who participated in an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.
(7) EFFECT ON OTHER LAWS.—This subsection does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a political subdivision of a State, or of an intelligence agency of the United States.

(8) DEFINITIONS.—For purposes of this subsection:

(A) CALLER IDENTIFICATION INFORMATION.—The term “caller identification information” means information provided by a caller identification service regarding the telephone number of, or other information regarding the origination of, a call made using a [telecommunications service or IP-enabled voice service] voice service or a text message sent using a text messaging service.

(B) CALLER IDENTIFICATION SERVICE.—The term “caller identification service” means any service or device designed to provide the user of the service or device with the telephone number of, or other information regarding the origination of, a call made using a [telecommunications service or IP-enabled voice service] voice service or a text message sent using a text messaging service. Such term includes automatic number identification services.

(C) IP-ENABLED VOICE SERVICE.—The term “IP-enabled voice service” has the meaning given that term by section 9.3 of the Commission’s regulations (47 C.F.R. 9.3), as those regulations may be amended by the Commission from time to time.

(C) TEXT MESSAGE.—The term “text message”—

(i) means a message consisting of text, images, sounds, or other information that is transmitted from or received by a device that is identified as the transmitting or receiving device by means of a 10-digit telephone number;

(ii) includes a short message service (commonly referred to as “SMS”) message, an enhanced message service (commonly referred to as “EMS”) message, and a multimedia message service (commonly referred to as “MMS”) message; and

(iii) does not include a real-time, 2-way voice or video communication.

(D) TEXT MESSAGING SERVICE.—The term “text messaging service” means a service that permits the transmission or receipt of a text message, including a service provided as part of or in connection with a voice service.

(E) VOICE SERVICE.—The term “voice service”—

(i) means any service that furnishes voice communications to an end user using resources from the North American Numbering Plan or any successor to the North American Numbering Plan adopted by the Commission under section 251(e)(1); and

(ii) includes transmissions from a telephone facsimile machine, computer, or other device to a telephone facsimile machine.
(9) LIMITATION.—Notwithstanding any other provision of this section, subsection (f) shall not apply to this subsection or to the regulations under this subsection.

SEC. 254. UNIVERSAL SERVICE.

(a) PROCEDURES TO REVIEW UNIVERSAL SERVICE REQUIREMENTS.—

(1) FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE.—Within one month after the date of enactment of the Telecommunications Act of 1996, the Commission shall institute and refer to a Federal-State Joint Board under section 410(c) a proceeding to recommend changes to any of its regulations in order to implement sections 214(e) and this section, including the definition of the services that are supported by Federal universal service support mechanisms and a specific timetable for completion of such recommendations. In addition to the members of the Joint Board required under section 410(c), one member of such Joint Board shall be a State-appointed utility consumer advocate nominated by a national organization of State utility consumer advocates. The Joint Board shall, after notice and opportunity for public comment, make its recommendations to the Commission 9 months after the date of enactment of the Telecommunications Act of 1996.

(2) COMMISSION ACTION.—The Commission shall initiate a single proceeding to implement the recommendations from the Joint Board required by paragraph (1) and shall complete such proceeding within 15 months after the date of enactment of the Telecommunications Act of 1996. The rules established by such proceeding shall include a definition of the services that are supported by Federal universal service support mechanisms and a specific timetable for implementation. Thereafter, the Commission shall complete any proceeding to implement subsequent recommendations from any Joint Board on universal service within one year after receiving such recommendations.

(l) INTERNET SAFETY POLICY REQUIREMENT FOR SCHOOLS AND LIBRARIES.—

(1) IN GENERAL.—In carrying out its responsibilities under subsection (h), each school or library to which subsection (h) applies shall—

(A) adopt and implement an Internet safety policy that addresses—

(i) access by minors to inappropriate matter on the Internet and World Wide Web;
(ii) the safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications;
(iii) unauthorized access, including so-called “hacking”, and other unlawful activities by minors online;
(iv) unauthorized disclosure, use, and dissemination of personal identification information regarding minors; and
(v) measures designed to restrict minors’ access to materials harmful to minors; and
(B) provide reasonable public notice and hold at least one public hearing or meeting to address the proposed Internet safety policy.

(2) LOCAL DETERMINATION OF CONTENT.—A determination regarding what matter is inappropriate for minors shall be made by the school board, local educational agency, library, or other authority responsible for making the determination. No agency or instrumentality of the United States Government may—
(A) establish criteria for making such determination;
(B) review the determination made by the certifying school, school board, local educational agency, library, or other authority; or
(C) consider the criteria employed by the certifying school, school board, local educational agency, library, or other authority in the administration of subsection (h)(1)(B).

(3) AVAILABILITY FOR REVIEW.—Each Internet safety policy adopted under this subsection shall be made available to the Commission, upon request of the Commission, by the school, school board, local educational agency, library, or other authority responsible for adopting such Internet safety policy for purposes of the review of such Internet safety policy by the Commission.

(4) EFFECTIVE DATE.—This subsection shall apply with respect to schools and libraries on or after the date that is 120 days after the date of the enactment of the Children’s Internet Protection Act.

(m) IMPACT OF UNIVERSAL SERVICE SUPPORT ON TRIBES.—
(1) DEFINITION.—In this subsection, the term “tribal land” means land included in the definition of “Tribal lands” in section 54.400 of title 47, Code of Federal Regulations, or any successor regulation.

(2) MEASURING IMPACT OF UNIVERSAL SERVICE SUPPORT ON TRIBAL LAND.—
(A) DEVELOPMENT OF METRICS.—Not later than December 31, 2017, for each universal service support mechanism, the Commission shall develop and implement metrics to measure the impact of universal service support on the deployment and adoption of broadband, including—
(i) deployment on tribal land and adoption by residents of tribal land;
(ii) adoption by—
(I) schools and libraries located on tribal land; and
(II) schools and libraries that serve large numbers of residents of tribal land; and
(iii) adoption by—
(I) health care facilities located on tribal land; and
(II) rural health care providers that serve large numbers of residents of tribal land.

(B) DATA.—In developing and implementing metrics under subparagraph (A), the Commission shall rely on data collected from multiple sources, including—

(i) data collected by the Commission or the Universal Service Administrative Company in the course of administering the universal service support mechanisms;

(ii) data collected by—

(I) other agencies such as the Department of Education, the Department of Health and Human Services, the Bureau of Indian Affairs (including data on the Rights of Way on Indian Land Final Rule (25 C.F.R. 169)), and the Department of Commerce; and

(II) tribal, State, and local governments;

(iii) data collected by tribally-owned and non-tribally-owned broadband service providers; and

(iv) other private sector sources of information.

(3) ANALYZING AND REPORTING ON IMPACT OF UNIVERSAL SERVICE SUPPORT ON TRIBES AND TRIBAL LAND.—Beginning in 2018, the Commission shall prepare and submit to Congress a biennial report that—

(A) includes the measurements taken under paragraph (2);

(B) addresses ways to improve the efficacy of universal service support on tribal land and for residents of tribal land with regard to broadband deployment and adoption;

(C) identifies barriers to broadband adoption and deployment on tribal land;

(D) addresses ways to overcome the barriers described in subparagraph (C);

(E) addresses ways to improve the collection of data or use of open data sources by the Commission to better measure the deployment and adoption of broadband on tribal land;

(F) examines ways to implement or improve measurements that show the impact of universal service support on members of tribes who do not live on tribal land; and

(G) examines ways to implement or improve measurements that show the impact of universal service support on eligible schools, libraries, and rural health care providers that are not located on tribal land but serve large numbers of residents of tribal land.

(4) NO INCREASE IN ADMINISTRATIVE BURDEN.—In carrying out this subsection, the Commission shall ensure that any data collection efforts do not result in a net increase in the administrative burden on private sector sources of information.

(5) WORKING GROUP.—The Commission shall convene a multi-stakeholder working group to examine ways to establish metrics under paragraph (2) that—

(A) do not place additional burdens on carriers; and

(B) utilize open data resources.

(6) SUNSET.—This subsection shall terminate on December 31, 2032.
SEC. 309. APPLICATION FOR LICENSE.

(a) CONSIDERATIONS IN GRANTING APPLICATION.—Subject to the provisions of this section, the Commission shall determine, in the case of each application filed with it to which section 308 applies, whether the public interest, convenience, and necessity will be served by the granting of such application, and, if the Commission, upon examination of such application and upon consideration of such other matters as the Commission may officially notice, shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application.

(j) USE OF COMPETITIVE BIDDING.—

(1) GENERAL AUTHORITY.—If, consistent with the obligations described in paragraph (6)(E), mutually exclusive applications are accepted for any initial license or construction permit, then, except as provided in paragraph (2), the Commission shall grant the license or permit to a qualified applicant through a system of competitive bidding that meets the requirements of this subsection.

(8) TREATMENT OF REVENUES.—

(A) GENERAL RULE.—Except as provided in subparagraphs (B), (D), (E), (F), and (G), all proceeds from the use of a competitive bidding system under this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code.

(B) RETENTION OF REVENUES.—Notwithstanding subparagraph (A), the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from such proceeds for the costs of developing and implementing the program required by this subsection. Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis. Such offsetting collections are authorized to remain available until expended. No sums may be retained under this subparagraph during any fiscal year beginning after September 30, 1998, if the annual report of the Commission under section 4(k) for the [second] preceding fiscal year fails to include in the itemized statement required by paragraph (3) of such section a statement of each expenditure made for purposes of conducting competitive bidding under this subsection during such [second] preceding fiscal year.

(C) DEPOSIT AND USE OF AUCTION ESCROW ACCOUNTS.—Any deposits the Commission may require for the qualification of any person to bid in a system of competitive bidding pursuant to this subsection shall be deposited in an interest bearing account at a financial institution designated for purposes of this subsection by the Commission (after consultation with the Secretary of the Treasury). Within 45 days following the conclusion of the competitive bidding—
(i) the deposits of successful bidders shall be paid to the Treasury, except as otherwise provided in subparagraphs (D)(ii), (E)(ii), (F), and (G);

(ii) the deposits of unsuccessful bidders shall be returned to such bidders; and

(iii) the interest accrued to the account shall be deposited in the general fund of the Treasury, where such amount shall be dedicated for the sole purpose of deficit reduction.

(C) DEPOSITS.—Any deposits the Commission may require for the qualification of any person to bid in a system of competitive bidding pursuant to this subsection shall be deposited in the Treasury. Within 45 days following the conclusion of the competitive bidding—

(i) the deposits of successful bidders shall be credited to the deposit fund of the Treasury, except as otherwise provided in subparagraphs (D)(ii), (E)(ii), (F), and (G); and

(ii) the deposits of unsuccessful bidders shall be returned to such bidders.

(D) PROCEEDS FROM REALLOCATED FEDERAL SPECTRUM.—

(i) IN GENERAL.—Except as provided in clause (ii), cash proceeds attributable to the auction of any eligible frequencies described in section 113(g)(2) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(g)(2)) shall be deposited in the Spectrum Relocation Fund established under section 118 of such Act, and shall be available in accordance with that section.

(ii) CERTAIN OTHER PROCEEDS.—Notwithstanding subparagraph (A) and except as provided in subparagraph (B), in the case of proceeds (including deposits and upfront payments from successful bidders) attributable to the auction of eligible frequencies described in paragraph (2) of section 113(g) of the National Telecommunications and Information Administration Organization Act that are required to be auctioned by section 6401(b)(1)(B) of the Middle Class Tax Relief and Job Creation Act of 2012, such portion of such proceeds as is necessary to cover the relocation or sharing costs (as defined in paragraph (3) of such section 113(g)) of Federal entities relocated from such eligible frequencies shall be deposited in the Spectrum Relocation Fund. The remainder of such proceeds shall be deposited in the Public Safety Trust Fund established by section 6413(a)(1) of the Middle Class Tax Relief and Job Creation Act of 2012.

(E) TRANSFER OF RECEIPTS.—

(i) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund to be known as the Digital Television Transition and Public Safety Fund.

(ii) PROCEEDS FOR FUNDS.—Notwithstanding subparagraph (A), the proceeds (including deposits and upfront payments from successful bidders) from the
use of a competitive bidding system under this subsection with respect to recovered analog spectrum shall be deposited in the Digital Television Transition and Public Safety Fund.

(iii) TRANSFER OF AMOUNT TO TREASURY.—On September 30, 2009, the Secretary shall transfer $7,363,000,000 from the Digital Television Transition and Public Safety Fund to the general fund of the Treasury.

(iv) RECOVERED ANALOG SPECTRUM.—For purposes of clause (i), the term “recovered analog spectrum” has the meaning provided in paragraph (15)(C)(vi).

(F) CERTAIN PROCEEDS DESIGNATED FOR PUBLIC SAFETY TRUST FUND.—Notwithstanding subparagraph (A) and except as provided in subparagraphs (B) and (D)(ii), the proceeds (including deposits and upfront payments from successful bidders) from the use of a system of competitive bidding under this subsection pursuant to section 6401(b)(1)(B) of the Middle Class Tax Relief and Job Creation Act of 2012 shall be deposited in the Public Safety Trust Fund established by section 6413(a)(1) of such Act.

(G) INCENTIVE AUCTIONS.—

(i) IN GENERAL.—Notwithstanding subparagraph (A) and except as provided in subparagraph (B), the Commission may encourage a licensee to relinquish voluntarily some or all of its licensed spectrum usage rights in order to permit the assignment of new initial licenses subject to flexible-use service rules by sharing with such licensee a portion, based on the value of the relinquished rights as determined in the reverse auction required by clause (ii)(I), of the proceeds (including deposits and upfront payments from successful bidders) from the use of a competitive bidding system under this subsection.

(ii) LIMITATIONS.—The Commission may not enter into an agreement for a licensee to relinquish spectrum usage rights in exchange for a share of auction proceeds under clause (i) unless—

(I) the Commission conducts a reverse auction to determine the amount of compensation that licensees would accept in return for voluntarily relinquishing spectrum usage rights; and

(II) at least two competing licensees participate in the reverse auction.

(iii) TREATMENT OF REVENUES.—Notwithstanding subparagraph (A) and except as provided in subparagraph (B), the proceeds (including deposits and upfront payments from successful bidders) from any auction, prior to the end of fiscal year 2022, of spectrum usage rights made available under clause (i) that are not shared with licensees under such clause shall be deposited as follows:

(I) $1,750,000,000 of the proceeds from the incentive auction of broadcast television spectrum required by section 6403 of the Middle Class Tax
Relief and Job Creation Act of 2012 shall be deposited in the TV Broadcaster Relocation Fund established by subsection (d)(1) of such section.

(II) All other proceeds shall be deposited—

(aa) prior to the end of fiscal year 2022, in the Public Safety Trust Fund established by section 6413(a)(1) of such Act; and

(bb) after the end of fiscal year 2022, in the general fund of the Treasury, where such proceeds shall be dedicated for the sole purpose of deficit reduction.

(iv) **Congressional Notification.**—At least 3 months before any incentive auction conducted under this subparagraph, the Chairman of the Commission, in consultation with the Director of the Office of Management and Budget, shall notify the appropriate committees of Congress of the methodology for calculating the amounts that will be shared with licensees under clause (i).

(v) **Definition.**—In this subparagraph, the term “appropriate committees of Congress” means—

(I) the Committee on Commerce, Science, and Transportation of the Senate;

(II) the Committee on Appropriations of the Senate;

(III) the Committee on Energy and Commerce of the House of Representatives; and

(IV) the Committee on Appropriations of the House of Representatives.

(18) **Estimate of Upcoming Auctions.**—

(A) Not later than September 30, 2016, and annually thereafter, the Commission shall make publicly available an estimate of what systems of competitive bidding authorized under this subsection may be initiated during the upcoming 12-month period.

(B) The estimate under subparagraph (A) shall, to the extent possible, identify the bands of frequencies the Commission expects to be included in each such system of competitive bidding.

**SEC. 721. DEFAULT CONFIGURATION OF MULTI-LINE TELEPHONE SYSTEMS FOR DIRECT DIALING OF 9–1–1.**

(a) **Definitions.**—In this section—

(1) the term “multi-line telephone system” has the meaning given the term in section 6502 of the Middle Class Tax Relief and Job Creation Act of 2012 (47 U.S.C. 1471); and

(2) the term “public safety answering point” has the meaning given the term in section 222(h) of this Act.

(b) **Multi-line Telephone System Functionality.**—A person engaged in the business of manufacturing, importing, selling, or leasing multi-line telephone systems may not manufacture or import...
for use in the United States or sell or lease or offer to sell or lease in the United States a multi-line telephone system unless the system’s technology would allow installation as specified in subsection (c).

(c) MULTI-LINE TELEPHONE SYSTEM INSTALLATION.—A person engaged in the business of installing a multi-line telephone system serving locations in the United States may not install such a system in the United States unless upon installation the system allows a call that is initiated when a user dials 9–1–1 from any station equipped with dialing facilities to be transmitted to the appropriate public safety answering point—

(1) without requiring the user to dial any additional digit, code, prefix, or post-fix, including any trunk-access code (such as the digit “9”); and

(2) regardless of whether the user is required to dial such a digit, code, prefix, or post-fix for other calls.

(d) OTHER 9–1–1 EMERGENCY DIALING PATTERNS.—Nothing in this section shall prohibit the configuration of a multi-line telephone system so that other 9–1–1 emergency dialing patterns will also initiate a call to a public safety answering point, provided that the dialing pattern 9–1–1 remains available to users.

(e) ON-SITE NOTIFICATION.—

(1) IN GENERAL.—A person engaged in the business of installing multi-line telephone systems, in installing a system described in paragraph (2), shall configure the system so that when a person at the facility where the system is installed initiates a call to 9–1–1 using the system, the system provides a notification to—

(A) a central location at the facility; or

(B) a person or organization with responsibility for safety or security for the location as designated by the manager or operator of the system.

(2) APPLICATION.—A system described in this paragraph is a multi-line telephone system that is able to be configured to provide the notification described in paragraph (1) without an improvement to the hardware of the system.

(f) REGULATIONS.—

(1) AUTHORITY.—The Commission may prescribe regulations to carry out this section.

(2) TECHNOLOGICALLY NEUTRAL.—Regulations prescribed under paragraph (1) shall, to the extent practicable, promote the purposes of this section in a technologically neutral manner.

(g) ENFORCEMENT.—This section shall be enforced under title V, except that section 501 applies only to the extent that the section provides for the imposition of a fine.

(h) EFFECT ON STATE LAW.—Nothing in this section or in regulations prescribed under this section shall be construed to prevent any State from enforcing any State law that is not inconsistent with this section.
SEC. 302. APPLICATION OF CERTAIN TITLE 31 PROVISIONS TO UNIVERSAL SERVICE FUND.

(a) In General.—During the period beginning on the date of enactment of this Act and ending on [December 31, 2017] September 30, 2018, section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply—

(1) to any amount collected or received as Federal universal service contributions required by section 254 of the Communications Act of 1934 (47 U.S.C. 254), including any interest earned on such contributions; nor

(2) to the expenditure or obligation of amounts attributable to such contributions for universal service support programs established pursuant to that section.

(b) Post-2005 Fulfillment of Protected Obligations.—Section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply after [December 31, 2017] September 30, 2018, to an expenditure or obligation described in subsection (a)(2) made or authorized during the period described in subsection (a).