

TO ALLOW SERVICEMEMBERS TO TERMINATE THEIR
 CABLE, SATELLITE TELEVISION, AND INTERNET AC-
 CESS SERVICE CONTRACTS WHILE DEPLOYED

JULY 24, 2018.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. ROE of Tennessee, from the Committee on Veterans' Affairs,
 submitted the following

R E P O R T

[To accompany H.R. 2409]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the
 bill (H.R. 2409) to allow servicemembers to terminate their cable,
 satellite television, and Internet access service contracts while de-
 ployed, having considered the same, report favorably thereon with-
 out amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary	2
Background and Need for Legislation	2
Hearings	2
Subcommittee Consideration	3
Committee Consideration	3
Committee Votes	3
Committee Oversight Findings	3
Statement of General Performance Goals and Objectives	3
New Budget Authority, Entitlement Authority, and Tax Expenditures	3
Earmarks and Tax and Tariff Benefits	4
Committee Cost Estimate	4
Congressional Budget Office Estimate	4
Federal Mandates Statement	5
Advisory Committee Statement	5
Constitutional Authority Statement	5
Applicability to Legislative Branch	5
Statement on Duplication of Federal Programs	5
Disclosure of Directed Rulemaking	5
Section-by-Section Analysis of the Legislation	6
Changes in Existing Law Made by the Bill as Reported	6

PURPOSE AND SUMMARY

H.R. 2409 would amend the Servicemembers Civil Relief Act (SCRA) to allow a service member to terminate a commercial mobile, telephone exchange, internet access, or multichannel video programming service contract at any time after the date the service member receives military orders to relocate for at least 90 days to a location that does not support such service contract. Currently, such provision applies to a cellular telephone service or telephone exchange service contract. Representative Ryan Costello of Pennsylvania introduced H.R. 2409 on May 11, 2017.

BACKGROUND AND NEED FOR LEGISLATION

Section 2 of SCRA sets out that the purpose of SCRA is to “(1) to provide for, strengthen, and expedite the national defense through protection extended by this Act to servicemembers of the United States to enable such persons to devote their entire energy to the defense needs of the Nation; and (2) to provide for the temporary suspension of judicial and administrative proceedings and transactions that may adversely affect the civil rights of servicemembers during their military service.” In order to meet these goals section 305A of SCRA authorizes a servicemember to terminate their cell phone contract at no cost to the servicemember if they receive orders to relocate for a period longer than 90 days to an area that doesn’t support the contract. The rationale for this provision is to allow a servicemember to devote their energy to defense of the country and not be burdened by a cell phone contract or the costs associated with cancelling a contract (most cellphone companies impose a fee for early termination of a cell phone contract). The Committee believes that the goals of this section are laudable and necessary but that it is in need of reform to include new technology (the companies of which also impose termination fees for breaking a contract) under these protections. Therefore, this bill would amend section 305A to include protections already afforded to servicemembers for cell phone contracts but to also include cable, satellite television and internet access contracts. The Committee believes the inclusion of these contracts reflect the current reality that most servicemembers have contracts for cable or satellite television and/or internet access and, if they should need to terminate the contact due to an ordered relocation they should be given the same treatment as cell phone contracts under SCRA.

HEARINGS

On May 23, 2018, the Subcommittee on Economic Opportunity held a legislative hearing on several bills pending before the Subcommittee including H.R. 2409.

The following witnesses testified:

The Honorable Julia Brownley, U.S. House of Representatives, 26th District, California; The Honorable Scott Peters, U.S. House of Representatives, 52nd District, California; The Honorable Brad Wenstrup, U.S. House of Representatives, 2nd District, Ohio; The Honorable Cheri Bustos, U.S. House of Representatives, 17th District, Illinois; The Honorable Ryan Costello, U.S. House of Representatives, 6th District, Pennsylvania; Ms. Margarita Devlin, Principal Deputy Under Sec-

retary for Benefits, Veterans Benefits Administration, U.S. Department of Veterans Affairs; Mr. John Kamin, Assistant Director, Veterans Employment and Education Division, The American Legion; Ms. Lauren Augustine, Vice President of Government Affairs, Student Veterans of America; and Ms. Rebecca Burgess, Program Manager, Program on American Citizenship, American Enterprise Institute.

Statements for the record were submitted by:

U.S. Department of Defense; U.S. Department of Justice; Tragedy Assistance Program for Survivors; and Paralyzed Veterans of America

SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of H.R. 2409.

COMMITTEE CONSIDERATION

On July 12, 2018, the full Committee met in open markup session, a quorum being present, and ordered H.R. 2409 to be reported favorably to the House of Representatives by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, there were no recorded votes taken on amendments or in connection with ordering H.R. 2409 reported to the House. A motion by Representative Tim Walz of Minnesota to report H.R. 2409 favorably to the House of Representatives was adopted by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are to extend protections for servicemembers related to cancellation of certain contracts under SCRA to include contracts for telephone exchange, internet access, or multichannel video programming service.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 2409 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 2409, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 2409 provided by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 19, 2018.

Hon. PHIL ROE, M.D.,
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2409, a bill to allow service members to terminate their cable, satellite television, and Internet access service contracts while deployed.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Logan Smith.

Sincerely,

MARK P. HADLEY
(For Keith Hall, Director).

Enclosure.

H.R. 2409—A bill to allow servicemembers to terminate their cable, satellite television, and Internet access service contracts while deployed

Under current law, service members may terminate cellular and landline telephone service contracts without penalty if the service member receives orders to move to a location in which the telephone service provider does not provide service. H.R. 2409 would add contracts for Internet and multichannel video programming services to the list of covered service contracts. The bill would require service members to return any provider-owned equipment to the service provider within 10 days of the disconnection of service. CBO estimates that H.R. 2409 would have no effect on the federal budget.

Enacting H.R. 2409 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 2409 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

By prohibiting multichannel video programming and Internet providers from imposing early termination or reconnection fees,

H.R. 2409 would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). Because some municipal governments provide Internet access, the bill would impose an intergovernmental mandate in addition to the private-sector mandate on private providers of those services. CBO estimates that the costs of the mandate would not exceed the thresholds established in UMRA for intergovernmental or private-sector mandates (\$80 million and \$160 million in 2018, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Logan Smith (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 2409 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 2409.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, H.R. 2409 is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 2409 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 2409 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 115th Cong. (2017), the Committee estimates that H.R. 2409 contains no directed rulemaking that would require the Secretary to prescribe regulations.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Terminations of multichannel video programming and internet access service contracts

Section 1(a) of the bill would amend section 305(A) of the SCRA by:

(1) amending the section heading to add “, Multichannel Video Programming, and Internet Access” after “Telephone”;

(2) in subsection (b) striking “cellular telephone service or telephone exchange service” and inserting “commercial mobile service, telephone exchange service, internet access service, or multichannel video programming service”;

(3) in subsection (c) inserting “for commercial mobile service or telephone exchange service” before “terminated”;

(4) in subsection (d) in the matter preceding paragraph (1), by striking “cellular telephone service” and inserting “commercial mobile service”;

(5) in subsection (e) adding a new paragraph that would require that if a servicemember terminates a contract under this section they must return any provider-owned consumer premises equipment to the service provider not later than 10 days after the date on which the service is disconnected.

(6) amending subsection (g) to define “commercial mobile service” as the meaning provided by section 322(d) of the communications Act of 1934 (47 U.S.C. 332(d)). This subsection would also define “multichannel video programming service” as a subscription service offered by a multichannel video programming distributor, as defined by section 602 of the Communications Act of 1934 (47 U.S.C. 522), over a system the distributor owns or controls. This subsection would also define “provider-owned consumer premises equipment” as any equipment that the provider of internet access service or multichannel video programming service rents or loans to a customer during the provision of that service, including gateways, routers, cable modems, voice-capable modems, cableCARDS, converters, digital adapters, remote controls, and other equipment provided.

Section 1(b) of the bill would make several clerical amendments including:

(1) changing the title heading for title III of the SCRA by striking “TELEPHONE” and inserting “COMMUNICATIONS”

(2) amending the table of contents to reflect the changes made by this section.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

SERVICEMEMBERS CIVIL RELIEF ACT**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Servicemembers Civil Relief Act”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

* * * * *

[**TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS,
ASSIGNMENT, LEASES, TELEPHONE SERVICE CONTRACTS**

*TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS,
ASSIGNMENT, LEASES, COMMUNICATIONS SERVICE CONTRACTS*

* * * * *

[Sec. 305A. Termination of telephone service contracts.]
Sec. 305A. Termination of telephone, multichannel video programming, and Internet access service contracts.

* * * * *

TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS, ASSIGNMENT, LEASES, [TELEPHONE] COMMUNICATIONS SERVICE CONTRACTS

* * * * *

SEC. 305A. TERMINATION OF TELEPHONE, MULTICHANNEL VIDEO PROGRAMMING, AND INTERNET ACCESS SERVICE CONTRACTS.

(a) **TERMINATION BY SERVICEMEMBER.**—

(1) **TERMINATION.**—A servicemember may terminate a contract described in subsection (b) at any time after the date the servicemember receives military orders to relocate for a period of not less than 90 days to a location that does not support the contract.

(2) **NOTICE.**—In the case that a servicemember terminates a contract as described in paragraph (1), the service provider under the contract shall provide such servicemember with written or electronic notice of the servicemember’s rights under such paragraph.

(3) **MANNER OF TERMINATION.**—Termination of a contract under paragraph (1) shall be made by delivery of a written or electronic notice of such termination and a copy of the servicemember’s military orders to the service provider, delivered in accordance with industry standards for notification of

terminations, together with the date on which the service is to be terminated.

(b) COVERED CONTRACTS.—A contract described in this subsection is a contract for **cellular telephone service or telephone exchange service** *commercial mobile service, telephone exchange service, Internet access service, or multichannel video programming service* entered into by the servicemember before receiving the military orders referred to in subsection (a)(1).

(c) RETENTION OF TELEPHONE NUMBER.—In the case of a contract for *commercial mobile service or telephone exchange service* terminated under subsection (a) by a servicemember whose period of relocation is for a period of three years or less, the service provider under the contract shall, notwithstanding any other provision of law, allow the servicemember to keep the telephone number the servicemember has under the contract if the servicemember re-subscribes to the service during the 90-day period beginning on the last day of such period of relocation.

(d) FAMILY PLANS.—In the case of a contract for **cellular telephone service** *commercial mobile service* entered into by any individual in which a servicemember is a designated beneficiary of the contract, the individual who entered into the contract may terminate the contract—

(1) with respect to the servicemember if the servicemember is eligible to terminate contracts pursuant to subsection (a); and

(2) with respect to all of the designated beneficiaries of such contract if all such beneficiaries accompany the servicemember during the servicemember's period of relocation.

(e) OTHER OBLIGATIONS AND LIABILITIES.—**For any**

(1) *IN GENERAL.*—*For any contract terminated under this section, the service provider under the contract may not impose an early termination charge, but any tax or any other obligation or liability of the servicemember that, in accordance with the terms of the contract, is due and unpaid or unperformed at the time of termination of the contract shall be paid or performed by the servicemember. If the*

(2) *REINSTATEMENT OF SERVICE.*—*If the servicemember re-subscribes to the service provided under a covered contract during the 90-day period beginning on the last day of the servicemember's period of relocation, the service provider may not impose a charge for reinstating service, other than the usual and customary charges for the installation or acquisition of customer equipment imposed on any other subscriber.*

(3) *RETURN OF PROVIDER-OWNED EQUIPMENT.*—*If a servicemember terminates a contract under subsection (a), the servicemember shall return any provider-owned consumer premises equipment to the service provider not later than 10 days after the date on which service is disconnected.*

(f) RETURN OF ADVANCE PAYMENTS.—Not later than 60 days after the effective date of the termination of a contract under this section, the service provider under the contract shall refund to the servicemember any fee or other amount to the extent paid for a period extending until after such date, except for the remainder of the monthly or similar billing period in which the termination occurs.

(g) DEFINITIONS.—For purposes of this section:

[(1) The term “cellular telephone service” means commercial mobile service, as that term is defined in section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d)).]

(1) The term “commercial mobile service” has the meaning given that term in section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d)).

(2) The term “multichannel video programming service” means a subscription video service offered by a multichannel video programming distributor, as that term is defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522), over a system the distributor owns or controls.

(3) The term “provider-owned consumer premises equipment” means any equipment that a provider of Internet access service or multichannel video programming service rents or loans to a customer during the provision of that service, including gateways, routers, cable modems, voice-capable modems, CableCARDS, converters, digital adapters, remote controls, and any other equipment provided.

[(2)] (4) The term “telephone exchange service” has the meaning given that term under section 3 of the Communications Act of 1934 (47 U.S.C. 153).

* * * * *