

105TH CONGRESS
1ST SESSION

H. R. 2320

To establish an education satellite loan guarantee program to facilitate the development of an integrated, national and global telecommunications system dedicated to instruction and used solely for communications among Federal, State, and local instructional institutions and agencies and instructional resource providers.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1997

Mr. BROWN of California (for himself and Mrs. MORELLA) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To establish an education satellite loan guarantee program to facilitate the development of an integrated, national and global telecommunications system dedicated to instruction and used solely for communications among Federal, State, and local instructional institutions and agencies and instructional resource providers.

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

3 **SECTION 1. PURPOSE.**

4 It is the purpose of this Act—

1 (1) to develop a communications satellite sys-
2 tem which is accessible to educational and instruc-
3 tional programming and can be provided free from
4 preemption; and

5 (2) to provide an initial loan that will be de-
6 signed to fund United States participation in, and
7 show United States support for, a national or inter-
8 national organization designed to use the resources
9 of satellite technology and other telecommunications
10 to increase and maintain the accessibility and af-
11 fordability of education and instructional training
12 services around the world.

13 **SEC. 2. EDUCATIONAL SATELLITE LOAN GUARANTEE**
14 **PROGRAM.**

15 (a) PROGRAM AUTHORIZED.—

16 (1) IN GENERAL.—The Secretary of Commerce
17 is authorized to carry out a program to guarantee,
18 for a period of not more than 3 years, any lender
19 against loss of principal or interest on a loan de-
20 scribed in paragraph (2) made by such lender to a
21 non-Federal, nonprofit, public corporation—

22 (A) whose charter is designed for affili-
23 ation with State and local instructional institu-
24 tions and agencies, and other distance learning
25 and instructional resource providers;

1 (B) whose governing board includes mem-
2 bers representing elementary and secondary
3 education, vocational and technical education,
4 community and State colleges, and universities;
5 and

6 (C) whose sole purpose is to acquire and
7 operate a communications satellite system dedi-
8 cated to transmitting instructional program-
9 ming.

10 (2) ELIGIBLE LOANS.—The Secretary of Com-
11 merce only shall guarantee a loan under this Act
12 if—

13 (A) the non-Federal, nonprofit, public cor-
14 poration described in paragraph (1) has—

15 (i) investigated all practical means to
16 acquire a communications satellite system;

17 (ii) reported to the Secretary the find-
18 ings of such investigation; and

19 (iii) recommended the most cost-effec-
20 tive, high-quality communications satellite
21 system to meet the purpose of this Act;
22 and

23 (B) the proceeds of such loan are used
24 solely to acquire and operate a communications

1 satellite system dedicated to transmitting in-
2 structional programming.

3 (3) DEFINITIONS.—For purposes of this sub-
4 section—

5 (A) the term “acquire” includes acquisition
6 through lease, purchase, or donation; and

7 (B) the term “communications satellite
8 system” means one or more communications
9 satellites capable of providing service from
10 space, including transponder capacity, on such
11 satellite or satellites.

12 (b) LOAN AMOUNT LIMITATIONS.—The Secretary of
13 Commerce may not guarantee more than \$100,000,000 in
14 loans described in subsection (a), with respect to the pro-
15 gram assisted under this section, of which—

16 (1) not more than \$85,000,000 shall be for the
17 guarantee of such loans the proceeds of which are
18 used to acquire a communications satellite system;
19 and

20 (2) not more than \$15,000,000 shall be for the
21 guarantee of such loans the proceeds of which are
22 used to pay the costs of not more than 3 years of
23 operating and management expenses associated with
24 providing the communications satellite system serv-
25 ices described in subsection (a).

1 (c) LIQUIDATION OR ASSIGNMENT.—

2 (1) IN GENERAL.—In order for a lender to re-
3 ceive a loan guarantee under this section such lender
4 shall agree to assign to the United States any right
5 or interest in the communications satellite system or
6 communications satellite system services that such
7 lender possesses upon payment by the Secretary of
8 Commerce on such loan guarantee.

9 (2) DISPOSITION.—The United States may ex-
10 ercise, retain, or dispose of any right or interest ac-
11 quired pursuant to paragraph (1) in any manner the
12 United States deems fit, upon the recommendation
13 of the Secretary of Commerce.

14 (d) SPECIAL RULE.—Any loan guaranteed under this
15 section shall be guaranteed with full faith and credit of
16 the United States.

17 (e) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated such sums as may be
19 necessary for each fiscal year to carry out this section.

○