

105TH CONGRESS
2D SESSION

S. 2348

To amend the Communications Act of 1934 to reduce telephone rates, provide advanced telecommunications services to schools, libraries, and certain health care facilities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 1998

Mr. BURNS introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To amend the Communications Act of 1934 to reduce telephone rates, provide advanced telecommunications services to schools, libraries, and certain health care facilities, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Schools and Libraries
5 Internet Access Act”.

1 **SEC. 2. REPEAL OF FEDERAL COMMUNICATIONS COMMIS-**
 2 **SION AUTHORITY.**

3 Section 254 of the Communications Act of 1934 (47
 4 U.S.C. 254) is amended—

5 (1) in subsection (b)—

6 (A) by striking paragraph (6); and

7 (B) by redesignating paragraph (7) as
 8 paragraph (6);

9 (2) in subsection (c)—

10 (A) in paragraph (1)(A), by striking “edu-
 11 cation, public health, or”; and

12 (B) by striking paragraph (3); and

13 (3) by striking subsection (h).

14 **SEC. 3. REDUCTION OF EXCISE TAX ON TELEPHONE AND**
 15 **OTHER COMMUNICATIONS SERVICES.**

16 (a) PHASE-OUT OF TAX.—Section 4251(b)(2) of the
 17 Internal Revenue Code of 1986 is amended to read as fol-
 18 lows:

19 “(2) APPLICABLE PERCENTAGE.—The term
 20 ‘applicable percentage’ means—

21 “(A) 3.0 percent with respect to amounts
 22 paid pursuant to bills first rendered before Jan-
 23 uary 1, 1999; and

24 “(B) 1.0 percent with respect to amounts
 25 paid pursuant to bills first rendered on or after
 26 January 1, 1999, and before October 1, 2003.”

1 (b) REPEAL OF TAX.—Subchapter B of chapter 33
 2 of the Internal Revenue Code of 1986 is repealed effective
 3 with respect to bills first rendered on or after October 1,
 4 2003.

5 **SEC. 4. TELECOMMUNICATIONS TECHNOLOGY TRUST**
 6 **FUND.**

7 (a) IN GENERAL.—Chapter 98 of the Internal Reve-
 8 nue Code of 1986 is amended by inserting after section
 9 9410 the following:

10 **“SEC. 9511. TELECOMMUNICATIONS TECHNOLOGY TRUST**
 11 **FUND.**

12 “(a) CREATION OF TRUST FUND.—There is estab-
 13 lished in the Treasury of the United States a trust found
 14 to be known as the ‘Telecommunications Technology
 15 Trust Fund’, consisting of such amounts as may be appro-
 16 priated or credited pursuant to this section or section
 17 9602(b).

18 “(b) TRANSFER TO TELECOMMUNICATIONS TECH-
 19 NOLOGY TRUST FUND AMOUNTS EQUIVALENT OF CER-
 20 TAIN TAXES.—There are hereby appropriated to the Tele-
 21 communications Technology Trust Fund amounts equiva-
 22 lent to 100 percent of the taxes received in Treasury after
 23 December 31, 1998, under section 4251 (relating to tax
 24 on communications).

1 “(c) EXPENDITURES FROM TELECOMMUNICATIONS
 2 TECHNOLOGY TRUST FUND.—Amounts in the Tele-
 3 communications Technology Trust Fund shall be available
 4 for making expenditures to carry out the provisions of sec-
 5 tion 106 of the National Telecommunications and Infor-
 6 mation Administration Organization Act.

7 “(d) SUNSET.—The provisions of this section shall
 8 cease to be effective on October 1, 2003.”.

9 **SEC. 5. PROVISION OF TELECOMMUNICATIONS SERVICES**
 10 **TO SCHOOLS, LIBRARIES, AND RURAL**
 11 **HEALTH CARE PROVIDERS.**

12 Part A of the National Telecommunications and In-
 13 formation Administration Organization Act (47 U.S.C.
 14 901 et seq.) is amended by adding at the end the following
 15 new section:

16 **“SEC. 106. PROVISION OF ADVANCED TELECOMMUNI-**
 17 **CATIONS SERVICES.**

18 “(a) PROVISION OF CERTAIN TELECOMMUNICATIONS
 19 AND RELATED SERVICES.—

20 “(1) GRANTS AUTHORIZED.—The Secretary (or
 21 the Secretary’s designee) shall award a grant for a
 22 fiscal year to each State having an approved plan
 23 under paragraph (3) for the following purposes:

24 “(A) To assist in acquiring telecommuni-
 25 cations and related services which are necessary

1 for the provision of health care services, includ-
2 ing instruction relating to such telecommuni-
3 cations and related services, by any public or
4 nonprofit health care provider that serves per-
5 sons who reside in a rural area, as defined in
6 section 1886(d)(2)(D) of the Social Security
7 Act (42 U.S.C. 1395ww(d)(2)(D)).

8 “(B) To assist in acquiring telecommuni-
9 cations and related services for elementary
10 schools, secondary schools, and libraries for
11 educational purposes.

12 “(2) ALLOCATION OF FUNDS.—From amounts
13 appropriated pursuant to subsection (b), the Sec-
14 retary shall allocate to each of the 50 States, the
15 District of Columbia, and the Commonwealth of
16 Puerto Rico as follows, except that no State shall re-
17 ceive less than $\frac{1}{2}$ of 1 percent of such amount:

18 “(A) Fifty percent shall be allocated
19 among such jurisdictions on the basis of their
20 relative populations of individuals aged five
21 through 17, as determined by the Secretary on
22 the basis of the most recent satisfactory data.

23 “(B) Fifty percent shall be allocated
24 among such jurisdictions in accordance with the
25 relative amounts such jurisdictions received

1 under part A of title I of the Elementary and
2 Secondary Education Act of 1965 for the pre-
3 ceding fiscal year.

4 “(3) STATE PLANS.—In order for a State to re-
5 ceive a grant or an allocation of funds under this
6 part for any fiscal year, such State shall have in ef-
7 fect for such fiscal year a State plan. Such plan
8 shall—

9 “(A) designate the State educational agen-
10 cy (as such term is defined in section 14101 of
11 the Elementary and Secondary Education Act
12 of 1965) as the State agency responsible for the
13 administration of the program assisted under
14 this part;

15 “(B) set forth a program under which
16 funds paid to the State in accordance with this
17 section will be expended solely for—

18 “(i) acquiring certain telecommuni-
19 cations and related services under sub-
20 section (a); and

21 “(ii) administration of the State plan,
22 except that the amount used for adminis-
23 tration of the State plan in any fiscal year
24 shall not exceed 2 percent of the amount

1 available to such State under this section
2 for such fiscal year;

3 “(C) set forth criteria to be used in allot-
4 ting funds among the eligible entities in the
5 State, taking into consideration the relative eco-
6 nomic need of the eligible entities, including the
7 number of students or other persons who are—

8 “(i) living in areas with high con-
9 centrations of low-income families;

10 “(ii) from or part of a low-income
11 family; and

12 “(iii) living in sparsely populated
13 areas; and

14 “(D) contain assurance that funds paid to
15 the State in accordance with this section will be
16 expended in accordance with the regulations
17 prescribed by the Secretary under paragraph
18 (5).

19 “(4) TERMS AND CONDITIONS.—Telecommuni-
20 cations and related services and network capacity
21 provided to a school, library, or health care provider
22 under this section may not be sold, resold, or other-
23 wise transferred by such user in consideration for
24 money or any other thing of value.

1 “(5) RULEMAKING AUTHORITY.—The Secretary
2 (or the Secretary’s designee) shall prescribe such
3 regulations as may be necessary to establish quali-
4 fications and conditions to carry out the provisions
5 of this section. Such regulations shall include cri-
6 teria by which States shall determine, in the case of
7 any acquisition of telecommunications and related
8 services for elementary schools, secondary schools,
9 and libraries for educational purposes that includes
10 the installation of equipment within any such school
11 or library, whether the installation is essential to
12 permit such school or library to have access to ad-
13 vanced technologies.

14 “(6) DEFINITIONS.—For purposes of this sec-
15 tion:

16 “(A) ELEMENTARY AND SECONDARY
17 SCHOOLS.—The terms ‘elementary schools’ and
18 ‘secondary schools’ have the same meanings
19 given those terms in paragraphs (14) and (25),
20 respectively, of section 14101 of the Elementary
21 and Secondary Education Act of 1965.

22 “(B) HEALTH CARE PROVIDER.—The term
23 ‘health care provider’ includes—

1 “(i) post-secondary educational insti-
 2 tutions offering health care instructions,
 3 teaching hospitals, and medical schools;

4 “(ii) community health centers or
 5 health centers providing health care to mi-
 6 grants;

7 “(iii) local health departments or
 8 agencies;

9 “(iv) community mental health cen-
 10 ters;

11 “(v) not-for-profit hospitals;

12 “(vi) rural health clinics; and

13 “(vii) consortia of health care provid-
 14 ers consisting of 1 or more of the above
 15 described entities.

16 “(C) ELIGIBLE ENTITIES.—Notwithstand-
 17 ing subparagraph (A) or (B), no entity shall be
 18 entitled to receive grants authorized under this
 19 section if such entity operates as other than a
 20 not-for-profit business, is a school described in
 21 subparagraph (A) with an endowment of more
 22 than \$50,000,000, or is a library or library con-
 23 sortium not eligible for assistance from a State
 24 library administrative agency under the Library
 25 Services and Technology Act.

1 “(b) EXPENDITURE AUTHORITY.—

2 “(1) APPROPRIATIONS FROM TRUST FUND.—

3 “(A) AUTHORIZATION.—Subject to sub-
 4 paragraphs (B) and (C), there are authorized to
 5 be appropriated from the Telecommunications
 6 Technology Trust Fund, established pursuant
 7 to section 9511 of the Internal Revenue Code of
 8 1986, such funds as may be necessary for each
 9 of the fiscal years 1999 through 2003 to
 10 fund—

11 “(i) the grants authorized by section
 12 (a)(1); and

13 “(ii) such expenditures as may be nec-
 14 essary to administer the programs estab-
 15 lished by this section.

16 “(B) LIMITATION BASED ON COLLEC-
 17 TIONS.—No amount may be appropriated pur-
 18 suant to subparagraph (A) for a fiscal year for
 19 grants pursuant to section (a)(1) that in the
 20 aggregate exceed 100 percent of the trust fund
 21 receipts credited to the Telecommunications
 22 Technology Trust Fund with respect to the pre-
 23 ceding fiscal year.

24 “(C) FISCAL YEAR 1999 LIMITATION.—The
 25 amount appropriated under subparagraph (A)

1 for fiscal year 1999 shall not exceed
2 \$1,700,000,000.

3 “(D) UNEXPENDED BALANCES.—Any bal-
4 ances in the Telecommunications Technology
5 Trust Fund after deduction of the amount ap-
6 propriated under subparagraph (A) for any fis-
7 cal year are authorized to be transferred to and
8 deposited in the general fund of the Treasury,
9 to the extent so provided in an appropriations
10 Act.

11 “(2) APPROPRIATIONS AFTER EXPIRATION OF
12 TAX RECEIPTS.—For fiscal year 2004 and each of
13 the succeeding fiscal years, there are authorized to
14 be appropriated, from funds in the Treasury not
15 otherwise appropriated, not to exceed \$500,000,000
16 to fund—

17 “(A) the grants authorized by section
18 (a)(1); and

19 “(B) such expenditures as may be nec-
20 essary to administer the programs established
21 by this section.”.

22 **SEC. 6. EFFECTIVE DATES.**

23 (a) DELAYED DATE.—The amendments made by sec-
24 tions 2 and 5 of this Act shall be effective 180 days after
25 the date of enactment of this Act.

1 (b) IMMEDIATE EFFECT.—The amendments made by
2 sections 3 and 4 of this Act shall be effective on the date
3 of enactment of this Act.

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