

106TH CONGRESS
1ST SESSION

H. R. 727

To amend the Communications Act of 1934 to provide for explicit and stable funding for Federal support of universal telecommunications services through the creation of a Telecommunications Trust Fund.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 1999

Mr. KLINK (for himself, Mr. DICKEY, Mr. HOLDEN, Mr. BRADY of Pennsylvania, Mr. GREEN of Texas, and Mr. ENGLISH) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Communications Act of 1934 to provide for explicit and stable funding for Federal support of universal telecommunications services through the creation of a Telecommunications Trust Fund.

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 “Telecommunications
5 Trust Act”.

1 **SEC. 2. PURPOSE.**

2 It is the purpose of this Act to prevent the imposition
3 of additional telephone charges to support the provision
4 of universal telecommunications services by dedicating to
5 such support the revenues of telephone excise taxes al-
6 ready in effect on the date of enactment of this Act.

7 **SEC. 3. PROVISION OF UNIVERSAL SERVICES FROM APPRO-**
8 **PRIATIONS OF EXCISE TAXES.**

9 (a) AMENDMENT.—Section 254 of the Communica-
10 tions Act of 1934 (47 U.S.C. 254) is amended by adding
11 at the end the following new subsection:

12 “(1) PROVISION OF UNIVERSAL SERVICES FROM AP-
13 PROPRIATIONS OF EXCISE TAXES.—

14 “(1) TERMINATION OF CONTRIBUTIONS; EX-
15 CLUSIVE SOURCE OF FUNDS.—The contributions of
16 providers of interstate telecommunications services
17 pursuant to subsections (b)(4) and (d) shall cease to
18 be required for any period beginning on or after the
19 date on which funds appropriated pursuant to para-
20 graph (2) of this subsection are first available for
21 Federal universal service support. The Commission
22 may continue to distribute any balances of such con-
23 tributions that remain unallocated on such date, but,
24 other than such balances, the funds appropriated
25 under paragraph (2) shall constitute the exclusive
26 source of funds for the provision of any type of Fed-

1 eral universal service support, including rural, high-
2 cost, lifeline, programs under subsection (h), or any
3 other program of Federal universal service support.

4 “(2) AUTHORIZATION OF APPROPRIATIONS.—

5 There are authorized to be appropriated for fiscal
6 year 1999 and each of the 5 succeeding fiscal years,
7 from the Telecommunications Trust Fund estab-
8 lished by section 9511 of the Internal Revenue Code,
9 such sums as may be necessary to provide Federal
10 universal service support pursuant to this section,
11 including support pursuant to subsection (h) of this
12 section.

13 “(3) AVAILABILITY ON SCHOOL YEAR BASIS.—

14 Appropriations for any fiscal year that are available
15 to carry out subsection (h) may, in accordance with
16 regulations of the Commission, be made available for
17 obligation by the recipient on the basis of an aca-
18 demic or school year differing from such fiscal year.
19 Notwithstanding any other provision of law, unless
20 enacted in specific limitation of the provisions of this
21 subsection, any funds from such appropriations dur-
22 ing any fiscal year which are not obligated and ex-
23 pended prior to the beginning of the fiscal year suc-
24 ceeding the fiscal year for which such funds were ap-

1 appropriated shall remain available for obligation and
 2 expenditure during such succeeding fiscal year.

3 “(4) APPORTIONMENT OF FUNDS.—Funds from
 4 any such appropriation shall be apportioned in ac-
 5 cordance with regulations prescribed by the Commis-
 6 sion to carry out the purposes of this section.”.

7 (b) CONFORMING AMENDMENT.—Section 254(d) of
 8 such Act is amended by adding at the end the following:
 9 “This subsection and subsection (b)(4) shall cease to be
 10 effective on the date described in subsection (l)(1).”.

11 **SEC. 4. ADVANCED COMMUNICATIONS TRUST FUND.**

12 (a) IN GENERAL.—Chapter 98 of the Internal Reve-
 13 nue Code of 1986 is amended by inserting after section
 14 9510 the following:

15 **“SEC. 9511. TELECOMMUNICATIONS TRUST FUND.**

16 “(a) CREATION OF TRUST FUND.—There is estab-
 17 lished in the Treasury of the United States a trust fund
 18 to be known as the ‘Telecommunications Trust Fund’,
 19 consisting of such amounts as may be appropriated or
 20 credited pursuant to this section or section 9602(b).

21 “(b) TRANSFER TO ADVANCED TELECOMMUNI-
 22 CATIONS TRUST FUND AMOUNTS EQUIVALENT TO CER-
 23 TAIN TAXES.—There are hereby appropriated to the Tele-
 24 communications Trust Fund amounts equivalent to 100
 25 percent of the taxes received in the Treasury after Decem-

ber 31, 1998, under section 4251 (relating to tax on communications).

“(c) EXPENDITURES FROM ADVANCED TELECOMMUNICATIONS TRUST FUND.—Amounts in the Telecommunications Trust Fund shall be available, as provided in appropriations Acts, only to provide for Federal universal service support mechanisms pursuant to section 254 of the Communications Act of 1934.”.

SEC. 5. EFFECTIVE DATES; TRANSITION.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), this Act and the amendments made by this Act shall be effective on July 1, 1999.

(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

(A) the authorization of appropriations in section 254(l)(2) of the Communications Act of 1934, as amended by section 3 of this Act, is effective upon enactment; and

(B) the Federal Communications Commission may prescribe such regulations or take such other action as is necessary to the implementation of the amendments made by this Act at any time after such date of enactment.

1 (b) TRANSITION.—In order to effect a transition to
2 the provision of telecommunications services in accordance
3 with the amendments made by this Act, the Federal Com-
4 munications Commission shall prescribe such regulations
5 and take such other actions as may be necessary to pro-
6 vide for the allocation or refund of unused universal serv-
7 ice contributions and obligations.

○