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1ST SESSION

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To amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 19, 1999

Mr. BAUCUS (for himself, Mr. HARKIN, Mr. DASCHLE, Mr. KERREY, Mr. DURBIN, Mr. JOHNSON, Mr. WELLSTONE, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BRYAN, Mr. REID, Mr. LEAHY, Mr. WYDEN, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006.

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 “21st Century Rural
5 Utility Service Rural Development Enhancement Through
6 Local Information Act”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) In 1936, most of the rural United States
4 did not have access to electrical service enjoyed by
5 the rest of the United States, and this lack of elec-
6 trical service inhibited economic development in the
7 rural areas of the United States.

8 (2) In response to this lack of service, Congress
9 enacted the Rural Electrification Act of 1936 (also
10 known as the Norris-Rayburn Rural Electrification
11 Act) which established the Rural Electric Adminis-
12 tration to ensure that all Americans have access to
13 electrical service and to promote rural development.

14 (3) The program under the Rural Electrifica-
15 tion Act of 1936 has successfully brought electricity
16 to all parts of the rural United States and has stim-
17 ulated rural development throughout the United
18 States.

19 (4) In 1949, most of the rural United States
20 did not have access to telephone service enjoyed by
21 the rest of the United States, and this lack of elec-
22 trical service inhibited economic development in the
23 rural areas of the United States.

24 (5) In response to this lack of service, Congress
25 amended the Rural Electrification Act of 1936 to as-
26 sure that the rural United States has access to tele-

1 communications services, including telephone serv-
2 ices, distance learning, and telemedicine in order to
3 promote rural development.

4 (6) The programs under these amendments
5 have successfully brought telecommunications to all
6 parts of the United States and has stimulated rural
7 development throughout the United States.

8 (7) Public Law 93–32 amended the Rural Elec-
9 trification Act of 1936 to establish a revolving fund
10 for insured and guaranteed loans.

11 (8) The reorganization of the Department of
12 Agriculture by Public Law 103–354 created the
13 Rural Utilities Service (RUS) within the Depart-
14 ment of Agriculture and assigned it the responsi-
15 bility for administering programs of federally-guar-
16 anteed loans.

17 (9) The Rural Utilities Service now manages a
18 portfolio of federally-guaranteed loans in excess of
19 \$42,000,000,000.

20 (10) The Rural Utilities Service has granted
21 loans for the purpose of telecommunications services
22 to more than 800 borrowers, including telephone and
23 electricity cooperatives, in all States of the United
24 States.

1 (11) Senate Rule XXV provides that the Com-
2 mittee on Agriculture, Nutrition, and Forestry of
3 the Senate shall have jurisdiction over all legislation
4 relating primarily to “Rural development, rural elec-
5 trification, and watersheds”.

6 (12) Consistent with Senate Rule XXV, all leg-
7 islation establishing, modifying, and extending rural
8 infrastructure loan programs has originated in or
9 been reported by the Committee on Agriculture, Nu-
10 trition, and Forestry of the Senate.

11 (13) Local television coverage is vitally impor-
12 tant for rural development efforts.

13 (14) Local television programming broadcasts
14 crop reports, local news, weather reports, public
15 service announcements, and advertisements by local
16 businesses, all of which are important for rural de-
17 velopment.

18 (15) In today’s age of modern communications,
19 rural communities often receive the majority of their
20 information from satellite platforms.

21 (16) Today, the top 67 television markets in the
22 United States are capable of receiving local tele-
23 vision signals directly from satellites.

1 (17) The rest of the United States, including
 2 most of the rural United States, is not able to re-
 3 ceive local television signals via satellite.

4 (18) Without access to local television signals,
 5 the development of the rural United States is greatly
 6 inhibited.

7 (19) Just as important public purposes were
 8 served by bringing electricity to the rural United
 9 States and then by bringing telephone service to the
 10 rural United States, so the United States would be
 11 served by ensuring that the rural United States can
 12 receive local television signals via satellite.

13 (20) It is in the public interest that the Rural
 14 Utilities Service of the Department of Agriculture
 15 utilize existing and new loan guarantee programs to
 16 promote rural development by ensuring that the
 17 rural United States has access to the signals of local
 18 television stations by multichannel video providers.

19 **SEC. 3. RURAL LOCAL TELEVISION SIGNALS.**

20 The Rural Electrification Act of 1936 (7 U.S.C. 901
 21 et seq.) is amended by adding at the end the following:

22 **“TITLE VI—RURAL LOCAL**
 23 **TELEVISION SIGNALS**

24 **“SEC. 501. DEFINITIONS.**

25 “In this title:

1 “(1) ADMINISTRATOR.—The term ‘Adminis-
2 trator’ means the Administrator of the Rural Utili-
3 ties Service.

4 “(2) AFFILIATE.—The term ‘affiliate’ means
5 any person or entity that controls, or is controlled
6 by, or is under common control with, another person
7 or entity.

8 “(3) BORROWER.—The term ‘borrower’ means
9 any person or entity receiving a loan guarantee
10 under this title.

11 “(4) COST.—

12 “(A) IN GENERAL.—The term ‘cost’ means
13 the estimated long-term cost to the Government
14 of a loan guarantee or modification thereof, cal-
15 culated on a net present value basis, excluding
16 administrative costs and any incidental effects
17 on governmental receipts or outlays.

18 “(B) LOAN GUARANTEES.—For purposes
19 of this paragraph the cost of a loan
20 guarantee—

21 “(i) shall be the net present value, at
22 the time when the guaranteed loan is dis-
23 bursed, of the estimated cash flows of—

24 “(I) payments by the Govern-
25 ment to cover defaults and delin-

1 quencies, interest subsidies, or other
2 payments; and

3 “(II) payments to the Govern-
4 ment, including origination and other
5 fees, penalties, and recoveries; and

6 “(ii) shall include the effects of
7 changes in loan terms resulting from the
8 exercise by the guaranteed lender of an op-
9 tion included in the loan guarantee con-
10 tract, or by the borrower of an option in-
11 cluded in the guaranteed loan contract.

12 “(C) COST OF MODIFICATION.—The cost
13 of the modification shall be the difference be-
14 tween the current estimate of the net present
15 value of the remaining cash flows under the
16 terms of a loan guarantee contract, and the
17 current estimate of the net present value of the
18 remaining cash flows under the terms of the
19 contract, as modified.

20 “(D) DISCOUNT RATE.—In estimating net
21 present value, the discount rate shall be the av-
22 erage interest rate on marketable Treasury se-
23 curities of similar maturity to the cash flows of
24 the guarantee for which the estimate is being
25 made.

1 “(E) FISCAL YEAR ASSUMPTIONS.—When
2 funds of a loan guarantee under this title are
3 obligated, the estimated cost shall be based on
4 the current assumptions, adjusted to incor-
5 porate the terms of the loan contract, for the
6 fiscal year in which the funds are obligated.

7 “(5) CURRENT.—The term ‘current’ has the
8 meaning given that term in section 250(c)(9) of the
9 Balanced Budget and Emergency Deficit Control
10 Act of 1985.

11 “(6) DESIGNATED MARKET AREA.—The term
12 ‘designated market area’ has the meaning given that
13 term in section 122(j) of title 17, United States
14 Code.

15 “(7) LOAN GUARANTEE.—The term ‘loan guar-
16 antee’ means any guarantee, insurance, or other
17 pledge with respect to the payment of all or part of
18 the principal or interest on any debt obligation of a
19 non-Federal borrower to the Federal Financing
20 Bank or a non-Federal lender, but does not include
21 the insurance of deposits, shares, or other
22 withdrawable accounts in financial institutions.

23 “(8) MODIFICATION.—The term ‘modification’
24 means any Government action that alters the esti-
25 mated cost of an outstanding loan guarantee (or

1 loan guarantee commitment) from the current esti-
 2 mate of cash flows, including the sale of loan assets,
 3 with or without recourse, and the purchase of guar-
 4 anteed loans.

5 “(9) COMMON TERMS.—Except as provided in
 6 paragraphs (1) through (9), any term used in this
 7 title that is defined in the Communications Act of
 8 1934 (47 U.S.C. 151 et seq.) has the meaning given
 9 the term in that Act.

10 **“SEC. 502. LOAN GUARANTEES.**

11 “(a) PURPOSE.—The purpose of this title is to enable
 12 the Administrator to provide such loan guarantees as are
 13 necessary to ensure improved access to the signals of local
 14 television stations by multichannel video providers to all
 15 households which desire such service in unserved and un-
 16 derserved rural areas by December 31, 2006.

17 “(b) ASSISTANCE TO BORROWERS.—Subject to the
 18 appropriations limitation under subsection (c)(2), the Ad-
 19 ministrator may provide loan guarantees to borrowers to
 20 finance projects to provide local television broadcast sig-
 21 nals by providers of multichannel video services including
 22 direct broadcast satellite licensees and licensees of multi-
 23 channel multipoint distribution systems, to areas that do
 24 not receive local television broadcast signals over commer-
 25 cial for-profit direct-to-home satellite distribution systems.

1 A borrower that receives a loan guarantee under this title
 2 may not transfer any part of the proceeds of the monies
 3 from the loans guaranteed under this program to an affil-
 4 iate of the borrower.

5 “(c) UNDERWRITING CRITERIA; PREREQUISITES.—

6 “(1) IN GENERAL.—The Administrator shall
 7 administer the underwriting criteria developed under
 8 subsection (f)(1) to determine which loans are eligi-
 9 ble for a guarantee under this title.

10 “(2) AUTHORITY TO MAKE LOAN GUARAN-
 11 TEES.—The Administrator shall be authorized to
 12 guarantee loans under this title only to the extent
 13 provided for in advance by appropriations Acts.

14 “(3) PREREQUISITES.—In addition to meeting
 15 the underwriting criteria under paragraph (1), a
 16 loan is not eligible for a loan guarantee under this
 17 title unless—

18 “(A) the loan is made to finance the acqui-
 19 sition, improvement, enhancement, construction,
 20 deployment, launch, or rehabilitation of the
 21 means by which local television broadcast sig-
 22 nals will be delivered to an area not receiving
 23 such signals over commercial for-profit direct-
 24 to-home satellite distribution systems;

1 “(B) the proceeds of the loan will not be
2 used for operating expenses;

3 “(C) the total amount of all such loans
4 may not exceed in the aggregate
5 \$1,250,000,000;

6 “(D) the loan does not exceed
7 \$100,000,000, except that 1 loan under this
8 title may exceed \$100,000,000, but shall not
9 exceed \$625,000,000;

10 “(E) the loan bears interest and penalties
11 which, in the Administrator’s judgment, are not
12 unreasonable, taking into consideration the pre-
13 vailing interest rates and customary fees in-
14 curred under similar obligations in the private
15 capital market; and

16 “(F) the Administrator determines that
17 taking into account the practices of the private
18 capital markets with respect to the financing of
19 similar projects, the security of the loan is ade-
20 quate.

21 “(4) ADDITIONAL CRITERIA.—In addition to
22 the requirements of paragraphs (1), (2), and (3), a
23 loan for which a guarantee is sought under this title
24 shall meet any additional criteria promulgated under
25 subsection (f)(1).

1 “(d) ADDITIONAL REQUIREMENTS.—The Adminis-
2 trator may not make a loan guarantee under this title
3 unless—

4 “(1) repayment of the obligation is required to
5 be made within a term of the lesser of—

6 “(A) 25 years from the date of its execu-
7 tion; or

8 “(B) the useful life of the primary assets
9 used in the delivery of relevant signals;

10 “(2) the Administrator has been given the as-
11 surances and documentation necessary to review and
12 approve the guaranteed loans; and

13 “(3) the Administrator makes a determination
14 in writing that—

15 “(A) the applicant has given reasonable as-
16 surances that the assets, facilities, or equipment
17 will be utilized economically and efficiently;

18 “(B) necessary and sufficient regulatory
19 approvals, spectrum rights, and delivery permis-
20 sions have been received by project participants
21 to assure the project’s ability to repay obliga-
22 tions under this title; and

23 “(C) repayment of the obligation can rea-
24 sonably be expected, including the use of an ap-
25 propriate combination of credit risk premiums

1 and collateral offered by the applicant to pro-
2 tect the Federal Government.

3 “(e) APPROVAL OF NTIA REQUIRED.—

4 “(1) IN GENERAL.—The Administrator may not
5 issue a loan guarantee under this title unless the
6 National Telecommunications and Information Ad-
7 ministration consults with the Administrator and
8 certifies that—

9 “(A) the issuance of the loan guarantee is
10 consistent with subsection (a); and

11 “(B) consistent with subsection (b), the
12 project to be financed by a loan guaranteed
13 under this section is not likely to have a sub-
14 stantial adverse impact on competition between
15 multichannel video programming distributors
16 that outweighs the benefits of improving access
17 to the signals of a local television station by a
18 multichannel video provider.

19 “(2) CERTIFICATION.—The Administrator shall
20 provide the appropriate information on each loan
21 guarantee application recommended by the Adminis-
22 trator to the National Telecommunications and In-
23 formation Administration for certification. The Na-
24 tional Telecommunications and Information Admin-
25 istration shall make the determination required

1 under this subsection within 90 days, without regard
2 to the provision of chapter 5 of title 5, United States
3 Code, and sections 10 and 11 of the Federal Advisory
4 Committee Act (5 U.S.C. App.).

5 “(f) REQUIREMENTS.—

6 “(1) IN GENERAL.—Not later than 180 days
7 after the date of enactment of this title, the Admin-
8 istrator shall consult with the Office of Management
9 and Budget and an independent public accounting
10 firm to develop underwriting criteria relating to the
11 issuance of loan guarantees, appropriate collateral
12 and cash flow levels for the types of loan guarantees
13 that might be issued under this title, and such other
14 matters as the Administrator determines appro-
15 priate.

16 “(2) AUTHORITY OF ADMINISTRATOR.—In lieu
17 of or in combination with appropriations of budget
18 authority to cover the costs of loan guarantees as re-
19 quired under section 504(b)(1) of the Federal Credit
20 Reform Act of 1990, the Administrator may accept
21 on behalf of an applicant for assistance under this
22 title a commitment from a non-Federal source to
23 fund in whole or in part the credit risk premiums
24 with respect to the applicant’s loan. The aggregate
25 of appropriations of budget authority and credit risk

1 premiums described in this paragraph with respect
2 to a loan guarantee may not be less than the cost
3 of that loan guarantee.

4 “(3) CREDIT RISK PREMIUM AMOUNT.—The
5 Administrator shall determine the amount required
6 for credit risk premiums under this subsection on
7 the basis of—

8 “(A) the circumstances of the applicant,
9 including the amount of collateral offered;

10 “(B) the proposed schedule of loan dis-
11 bursements;

12 “(C) the borrower’s business plans for pro-
13 viding service;

14 “(D) financial commitment from the
15 broadcast signal provider;

16 “(E) approval of the Office of Management
17 and Budget; and

18 “(F) any other factors the Administrator
19 considers relevant.

20 “(4) PAYMENT OF PREMIUMS.—Credit risk pre-
21 miums under this subsection shall be paid to an ac-
22 count established in the Treasury which shall accrue
23 interest and such interest shall be retained by the
24 account, subject to paragraph (5).

1 “(5) COHORTS OF LOANS.—In order to main-
 2 tain sufficient balances of credit risk premiums to
 3 adequately protect the Federal Government from
 4 risk of default, while minimizing the length of time
 5 the Government retains possession of those balances,
 6 the Administrator in consultation with the Office of
 7 Management and Budget shall establish cohorts of
 8 loans. When all obligations attached to a cohort of
 9 loans have been satisfied, credit risk premiums paid
 10 for the cohort, and interest accrued thereon, which
 11 were not used to mitigate losses shall be returned to
 12 the original source on a pro rata basis.

13 “(g) CONDITIONS OF ASSISTANCE.—A borrower shall
 14 agree to such terms and conditions as are sufficient, in
 15 the judgment of the Administrator to ensure that, as long
 16 as any principal or interest is due and payable on such
 17 obligation, the borrower—

18 “(1) will maintain assets, equipment, facilities,
 19 and operations on a continuing basis;

20 “(2) will not make any discretionary dividend
 21 payments that reduce the ability to repay obligations
 22 incurred under this section; and

23 “(3) will remain sufficiently capitalized.

24 “(h) LIEN ON INTERESTS IN ASSETS.—Upon pro-
 25 viding a loan guarantee to a borrower under this title, the

1 Administrator shall have liens which shall be superior to
 2 all other liens on assets of the borrower equal to the un-
 3 paid balance of the loan subject to such guarantee.

4 “(i) PERFECTED INTEREST.—The Administrator and
 5 the lender shall have a perfected security interest in those
 6 assets of the borrower fully sufficient to protect the Ad-
 7 ministrator and the lender.

8 “(j) INSURANCE POLICIES.—In accordance with
 9 practices of private lenders, as determined by the Adminis-
 10 trator, the borrower shall obtain, at its expense, insurance
 11 sufficient to protect the interests of the Federal Govern-
 12 ment, as determined by the Administrator.

13 “(k) SPECIAL PROVISION FOR SATELLITE CAR-
 14 RIERS.—No satellite carrier that provided television
 15 broadcast signals to subscribers on October 1, 1999, and
 16 no company that is an affiliate of any such carrier, shall
 17 be eligible for a loan guarantee under this section if either
 18 the carrier or its affiliate holds a license for unused spec-
 19 trum that would be suitable for delivering local television
 20 signals into unserved and underserved markets.

21 “(l) AUTHORIZATION OF APPROPRIATIONS.—For the
 22 additional costs of the loans guaranteed under this title,
 23 including the cost of modifying the loans as defined in sec-
 24 tion 502 of the Congressional Budget Act of 1974 (2
 25 U.S.C. 661(a)), there are authorized to be appropriated

1 for fiscal years 2000 through 2006, such amounts as may
 2 be necessary. In addition there are authorized to be appro-
 3 priated such sums as may be necessary to administer this
 4 title. Any amounts appropriated under this subsection
 5 shall remain available until expended.

6 **“SEC. 503. ADMINISTRATION OF LOAN GUARANTEES.**

7 “(a) APPLICATIONS.—The Administrator shall pre-
 8 scribe the form and contents for an application for a loan
 9 guarantee under section 502.

10 “(b) ASSIGNMENT OF LOAN GUARANTEES.—The
 11 holder of a loan guaranteed under this title may assign
 12 the loan guarantee in whole or in part, subject to such
 13 requirements as the Administrator may prescribe.

14 “(c) MODIFICATIONS.—The Administrator may ap-
 15 prove the modification of any term or condition of a loan
 16 guarantee including the rate of interest, time of payment
 17 of interest or principal, or security requirements, if the
 18 Administrator finds in writing that—

19 “(1) the modification is equitable and is in the
 20 overall best interests of the United States;

21 “(2) consent has been obtained from the bor-
 22 rower and the lender;

23 “(3) the modification is consistent with the ob-
 24 jective underwriting criteria developed in consulta-
 25 tion with the Office of Management and Budget and

1 an independent public accounting firm under section
2 502(f);

3 “(4) the modification does not adversely affect
4 the Federal Government’s interest in the entity’s as-
5 sets or loan collateral;

6 “(5) the modification does not adversely affect
7 the entity’s ability to repay the loan; and

8 “(6) the National Telecommunications and In-
9 formation Administration does not object to the
10 modification on the ground that it is inconsistent
11 with the certification under section 502(e).

12 “(d) PRIORITY MARKETS.—

13 “(1) IN GENERAL.—To the maximum extent
14 practicable, the Administrator shall give priority to
15 projects which serve the most underserved rural
16 markets, as determined by the Administrator. In
17 making prioritization determinations, the Adminis-
18 trator shall consider prevailing market conditions,
19 feasibility of providing service, population, terrain,
20 and other factors the Administrator determines ap-
21 propriate.

22 “(2) PRIORITY RELATING TO CONSUMER COSTS
23 AND SEPARATE TIER OF SIGNALS.—The Adminis-
24 trator shall give priority to projects that—

1 “(A) offer a separate tier of local broad-
2 cast signals; and

3 “(B) provide lower projected costs to con-
4 sumers of such separate tier.

5 “(3) PERFORMANCE SCHEDULES.—Applicants
6 for priority projects under this section shall enter
7 into stipulated performance schedules with the Ad-
8 ministrators.

9 “(4) PENALTY.—The Administrator may assess
10 a borrower a penalty not to exceed 3 times the inter-
11 est due on the guaranteed loan, if the borrower fails
12 to meet its stipulated performance schedule. The
13 penalty shall be paid to the account established by
14 the Treasury under section 502.

15 “(5) LIMITATION ON CONSIDERATION OF MOST
16 POPULATED AREAS.—The Administrator shall not
17 provide a loan guarantee for a project that is pri-
18 marily designed to serve the 40 most populated des-
19 ignated market areas and shall take into consider-
20 ation the importance of serving rural markets that
21 are not likely to be otherwise offered service under
22 section 122 of title 17, United States Code, except
23 through the loan guarantee program under this title.

24 “(e) COMPLIANCE.—The Administrator shall enforce
25 compliance by an applicant and any other party to the

1 loan guarantee for whose benefit assistance is intended,
 2 with the provisions of this title, regulations issued here-
 3 under, and the terms and conditions of the loan guarantee,
 4 including through regular periodic inspections and audits.

5 “(f) COMMERCIAL VALIDITY.—For purposes of
 6 claims by any party other than the Administrator, a loan
 7 guarantee or loan guarantee commitment shall be conclu-
 8 sive evidence that the underlying obligation is in compli-
 9 ance with the provisions of the title, and that such obliga-
 10 tion has been approved and is legal as to principal, inter-
 11 est, and other terms. Such a guarantee or commitment
 12 shall be valid and incontestable in the hands of a holder
 13 thereof, including the original lender or any other holder,
 14 as of the date when the Administrator granted the applica-
 15 tion therefore, except as to fraud or material misrepresen-
 16 tation by such holder.

17 “(g) DEFAULTS.—The Administrator shall prescribe
 18 regulations governing a default on a loan guaranteed
 19 under this title.

20 “(h) RIGHTS OF THE ADMINISTRATOR.—

21 “(1) SUBROGATION.—If the Administrator au-
 22 thorizes payment to a holder, or a holder’s agent,
 23 under subsection (g) in connection with a loan guar-
 24 antee made under section 502, the Administrator

1 shall be subrogated to all of the rights of the holder
2 with respect to the obligor under the loan.

3 “(2) DISPOSITION OF PROPERTY.—The Admin-
4 istrator may complete, recondition, reconstruct, ren-
5 ovate, repair, maintain, operate, rent, sell, or other-
6 wise dispose of any property or other interests ob-
7 tained under this section in a manner that maxi-
8 mizes taxpayer return and is consistent with the
9 public convenience and necessity.

10 “(3) WARRANTS.—To ensure that the United
11 States Government is compensated for the risk in
12 making guarantees under this title, the Adminis-
13 trator shall enter into contracts under which the
14 Government, contingent on the financial success of
15 the borrower, would participate in a percentage of
16 the gains of any for profit borrower or its security
17 holders in connection with the project funded by
18 loans so guaranteed.

19 “(i) ACTION AGAINST OBLIGOR.—The Administrator
20 may bring a civil action in an appropriate district court
21 of the United States in the name of the United States
22 or of the holder of the obligation in the event of a default
23 on a loan guaranteed under this title. The holder of a
24 guarantee shall make available to the Administrator all
25 records and evidence necessary to prosecute the civil ac-

tion. The Administrator may accept property in full or partial satisfaction of any sums owed as a result of default. If the Administrator receives, through the sale or other disposition of such property, an amount greater than the aggregate of—

“(1) the amount paid to the holder of a guarantee under subsection (g); and

“(2) any other cost to the United States of remedying the default, the Administrator shall pay such excess to the obligor.

“(j) BREACH OF CONDITIONS.—The Attorney General shall commence a civil action in a court of appropriate jurisdiction to enjoin any activity which the Administrator finds is in violation of this title, regulations issued hereunder, or any conditions which were duly agreed to, and to secure any other appropriate relief, including relief against any affiliate of the borrower.

“(k) ATTACHMENT.—No attachment or execution may be issued against the Administrator or any property in the control of the Administrator prior to the entry of final judgment to such effect in any State, Federal, or other court.

“(l) INVESTIGATION CHARGE AND FEES.—

“(1) APPRAISAL FEE.—The Administrator may charge and collect from an applicant a reasonable

1 fee for appraisal for the value of the equipment or
 2 facilities for which the loan guarantee is sought, and
 3 for making necessary determinations and findings.
 4 The fee may not, in the aggregate, be more than
 5 one-half of one percent of the principal amount of
 6 the obligation. The fee imposed under this para-
 7 graph shall be used to offset the administrative costs
 8 of the program.

9 “(2) LOAN ORIGATION FEE.—The Adminis-
 10 trator may charge a loan origination fee.

11 “(m) ANNUAL AUDIT.—The Comptroller General of
 12 the United States shall annually audit the administration
 13 of this title and report the results of the audit to the Com-
 14 mittee on Agriculture, Nutrition, and Forestry of the Sen-
 15 ate and the Committee on Agriculture of the House of
 16 Representatives.

17 “(n) INDEMNIFICATION.—An affiliate of the bor-
 18 rower shall indemnify the Government for any losses it
 19 incurs as a result of—

20 “(1) a judgment against the borrower;

21 “(2) any breach by the borrower of its obliga-
 22 tions under the loan guarantee agreement;

23 “(3) any violation of the provisions of this title
 24 by the borrower;

1 “(4) any penalties incurred by the borrower for
 2 any reason, including the violation of the stipulated
 3 performance; and

4 “(5) any other circumstances that the Adminis-
 5 trator determines to be appropriate.

6 “(o) SUNSET.—The Administrator may not approve
 7 a loan guarantee under this title after December 31, 2006.

8 **“SEC. 504. RETRANSMISSION OF LOCAL TELEVISION**
 9 **BROADCAST STATIONS.**

10 “A borrower shall be subject to applicable rights, obli-
 11 gations, and limitations of title 17, United States Code.
 12 If a local broadcast station requests carriage of its signal
 13 and is located in a market not served by a satellite carrier
 14 providing service under a statutory license under section
 15 122 of title 17, United States Code, the borrower shall
 16 carry the signal of that station without charge and shall
 17 be subject to the applicable rights, obligations, and limita-
 18 tions of sections 338, 614, and 615 of the Communica-
 19 tions Act of 1934.”.

○