

107TH CONGRESS
1ST SESSION

S. 1668

To amend the Communications Act of 1934 to strengthen the limitations on the holding of any license, permit, operating authority by a foreign government or any entity controlled by a foreign government.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 8, 2001

Mr. HOLLINGS 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 strengthen the limitations on the holding of any license, permit, operating authority by a foreign government or any entity controlled by a foreign government.

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 “Foreign Government
5 Ownership Act of 2001”.

1 **SEC. 2. FOREIGN GOVERNMENT.**

2 Title VII of the Communications Act of 1934 (47
3 U.S.C. 601 et seq.) is amended by adding at the end there-
4 of the following:

5 **“SEC. 715. LIMITATIONS ON FOREIGN GOVERNMENT OWN-**
6 **ERSHIP.**

7 “(a) PROHIBITION.—Notwithstanding any other pro-
8 vision of this Act or any other law to the contrary, no
9 license, permit, or operating authority under this Act may
10 be granted to or held by a corporation, joint venture, part-
11 nership, other business organization, trust, or other entity
12 after the date of enactment of the Foreign Government
13 Ownership Act of 2001, if that corporation, joint venture,
14 partnership, other business organization, trust, or other
15 entity is directly or indirectly controlled by a foreign gov-
16 ernment or its representative, as determined under sub-
17 section (c).

18 “(b) PROHIBITION IS ABSOLUTE.—The Commission
19 may not waive the application of subsection (a) under any
20 other authority granted to the Commission under this or
21 any other Act or under any Commission order or rule.

22 “(c) TEST OF CONTROL.—A corporation, joint ven-
23 ture, partnership, other business organization, trust, or
24 other entity shall be considered to be directly or indirectly
25 controlled by a foreign government or its representatives
26 if—

1 “(1) more than 25 percent of the ownership,
2 voting rights, capital stock, or other interest in that
3 corporation or other entity is owned, held, or con-
4 trolled, directly or indirectly, by a foreign govern-
5 ment or its representatives;

6 “(2) a foreign government or its representatives
7 has the authority to approve or disapprove the ap-
8 pointment or employment of any officer of the cor-
9 poration, joint venture, partnership, other business
10 organization, trust, or other entity; or

11 “(3) a foreign government or its representative
12 has the authority to exercise control over such cor-
13 poration, joint venture, partnership, other business
14 organization, trust, or other entity in any other
15 manner.

16 “(d) REPRESENTATIVES.—A representative of a for-
17 eign government shall include any person or entity that
18 acts on the instruction of a foreign government.

19 “(e) ENFORCEMENT.—The Commission shall—

20 “(1) revoke any license, permit, or operating
21 authority held in violation of subsection (a); and

22 “(2) auction or otherwise reassign any such li-
23 cense, permit, or operating authority revoked under
24 paragraph (1) within 90 days after it is revoked.

1 “(f) TRANSITION PERIOD.—Notwithstanding sub-
2 section (e), the Commission may not commence enforce-
3 ment action under that subsection against a corporation,
4 joint venture, partnership, other business organization,
5 trust, or other entity to which this section applied for 6
6 months following the date of enactment of the Foreign
7 Government Ownership Act of 2001.”.

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