

108TH CONGRESS
1ST SESSION

S. 1854

Entitled the “Digital Opportunity Investment Trust Act”.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 12, 2003

Mr. DODD (for himself, Ms. SNOWE, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

Entitled the “Digital Opportunity Investment Trust Act”.

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 “Digital Opportunity
5 Investment Trust Act”.

6 **SEC. 2. ESTABLISHMENT OF TRUST.**

7 (a) IN GENERAL.—There is established a trust to be
8 known as the “Digital Opportunity Investment Trust” (re-
9 ferred to in this Act as the “Trust”).

10 (b) FUNDS.—

1 (1) IN GENERAL.—The Trust shall consist of
2 such amounts as are transferred to the Trust under
3 paragraph (2) and any interest earned on the invest-
4 ment of amounts in the Trust under section 4.

5 (2) TRANSFER OF FUNDS.—The Secretary of
6 the Treasury shall transfer each fiscal year quarter,
7 through fiscal year 2020, from the general fund of
8 the Treasury to the Trust, an amount equal to 30
9 percent of the cash payment received by the Federal
10 Government during the preceding fiscal year quarter
11 from—

12 (A) auctions of the publicly owned electro-
13 magnetic spectrum; and

14 (B) fees derived from the usage of the pub-
15 licly owned electromagnetic spectrum, excluding
16 the fees imposed by the Federal Communica-
17 tions Commission to defray the costs of the
18 Commission’s operations associated with the
19 electromagnetic spectrum.

20 (c) ADMINISTRATION OF THE TRUST.—

21 (1) BOARD.—

22 (A) ESTABLISHMENT.—A board (referred
23 to in this Act as the “Board”) shall be estab-
24 lished to oversee the administration of Trust
25 funds, consisting of 9 members appointed by

1 the President, by and with the advice and con-
2 sent of the Senate, who—

3 (i) reflect representation from the
4 public and private sectors;

5 (ii) are not regular full-time employ-
6 ees of the Federal Government;

7 (iii) are eminent in such fields as edu-
8 cation, telecommunications, information
9 technology, labor and workforce develop-
10 ment, cultural and civic affairs, or the arts
11 and humanities; and

12 (iv) will provide, as nearly as prac-
13 ticable, a broad representation of various
14 regions of the United States, various pro-
15 fessions and occupations, and various
16 kinds of talent and experience appropriate
17 to the functions and responsibilities of the
18 Trust.

19 (B) RECOMMENDATIONS.—The Majority
20 Leader of the Senate, the Minority Leader of
21 the Senate, the Speaker of the House of Rep-
22 resentatives, and the Minority Leader of the
23 House of Representatives shall submit to the
24 President recommendations of individuals to
25 serve as members of the Board.

1 (C) TERMS OF APPOINTMENT.—

2 (i) DATE.—Members of the Board
3 shall be appointed not later than 90 days
4 after the date of enactment of this Act.

5 (ii) TERMS.—

6 (I) IN GENERAL.—Each member
7 of the Board shall be appointed for 6
8 years (except as provided in subclause
9 (II)), with terms set to expire in non-
10 Federal election years.

11 (II) STAGGERED TERMS.—From
12 the first Board—

13 (aa) 3 members shall serve
14 for a term of 6 years;

15 (bb) 3 members shall serve
16 for a term of 4 years; and

17 (cc) 3 members shall serve
18 for a term of 2 years.

19 (iii) VACANCIES.—A vacancy on the
20 Board shall not affect the Board's powers,
21 and shall be filled in the same manner as
22 the original member was appointed.

23 (D) CHAIR AND VICE-CHAIR.—

24 (i) SELECTION.—The Board shall se-
25 lect, from among the members of the

1 Board, an individual to serve for a 2-year
2 term as Chair of the Board and an indi-
3 vidual to serve for a 2-year term as vice-
4 Chair of the Board.

5 (ii) CONSECUTIVE TERMS.—An indi-
6 vidual may not serve for more than 2 con-
7 secutive terms as Chair of the Board.

8 (E) MEETINGS.—

9 (i) FIRST MEETING.—Not later than
10 30 days after the date on which all of the
11 members of the Board have been con-
12 firmed, the Chair of the Board shall call
13 the first meeting of the Board.

14 (ii) QUORUM.—A majority of the
15 members of the Board shall constitute a
16 quorum, but a lesser number of members
17 may hold hearings.

18 (F) BOARD PERSONNEL MATTERS.—

19 (i) COMPENSATION.—Members of the
20 Board shall receive no additional pay, al-
21 lowances, or benefits by reason of the
22 members' service on the Board.

23 (ii) TRAVEL EXPENSES.—The mem-
24 bers of the Board shall be allowed travel
25 expenses, including per diem in lieu of sub-

1 sistence, at rates authorized for employees
2 of agencies under subchapter I of chapter
3 57 of title 5, United States Code, while
4 away from their homes or regular places of
5 business in the performance of services for
6 the Board.

7 (2) DIRECTOR.—A majority of the members of
8 the Board shall select a Director of the Trust who
9 shall serve at the discretion of the Board and shall
10 be responsible for hiring all personnel of the Trust
11 and instituting procedures to carry out the policies
12 and priorities established by the Board.

13 (d) TRUST FUND USES.—

14 (1) USES OF FUNDS.—In order to achieve the
15 objectives of this Act, the Director of the Trust,
16 after consultation with the Board, may use Trust
17 funds—

18 (A) to help underwrite the digitization of
19 the collections in the Nation’s universities, mu-
20 seums, libraries, and cultural institutions;

21 (B) to enable schools, community colleges,
22 universities, libraries, museums, civic organiza-
23 tions, cultural, arts, and humanities centers,
24 and nonprofit agencies or organizations de-
25 scribed in section 501(c)(3) of the Internal Rev-

1 enue Code of 1986 that are exempt from tax
2 under section 501(a) of such Code to take ad-
3 vantage of innovative telecommunications and
4 information technologies;

5 (C) to support basic and applied research,
6 development, and demonstrations of innovative-
7 based learning systems, including assessment
8 tools and other system components;

9 (D) to develop applications of research, in-
10 cluding the creation of prototypes, models, and
11 pilot projects, as well as the initial production
12 of content and software for digital and informa-
13 tion technologies for use in educational cur-
14 ricula and other educational purposes, including
15 job training, skills training, public safety, civic
16 information, and lifelong learning;

17 (E) to develop innovative technologies for
18 training and dissemination of public informa-
19 tion for safety and homeland security;

20 (F) to develop new tools and means of dis-
21 semination for innovative advances in job train-
22 ing and retraining; and

23 (G) to conduct assessments of legal, regu-
24 latory, and other issues that must be resolved
25 to ensure rapid development and use of ad-

1 vanced learning technologies and legislative or
2 other remedies that may remove barriers or cre-
3 ate incentives that can help make use of the in-
4 novations developed pursuant to this Act.

5 (2) CONTRACTS AND GRANTS.—

6 (A) IN GENERAL.—In order to carry out
7 the activities described in paragraph (1), the
8 Director of the Trust, with the agreement of a
9 majority of the members of the Board, may
10 award contracts and grants to nonprofit public
11 institutions (with or without private partners)
12 and competent for-profit organizations and indi-
13 viduals.

14 (B) PUBLIC DOMAIN.—

15 (i) IN GENERAL.—The research and
16 development properties and materials asso-
17 ciated with a project in which a majority
18 of the funding used to carry out the
19 project is from a grant or contract under
20 this Act shall be freely and nonexclusively
21 available to the general public.

22 (ii) EXEMPTION.—The Director of the
23 Trust may exempt specific projects from
24 the requirement of clause (i) if the Direc-
25 tor of the Trust and a majority of the

1 members of the Board determine that the
2 general public will benefit significantly in
3 the long run due to the project not being
4 freely and nonexclusively available to the
5 general public.

6 (C) EVALUATION OF PROPOSALS.—To the
7 extent practicable, proposals for such contracts
8 or grants shall be evaluated on the basis of
9 comparative merit by panels of experts who rep-
10 resent diverse interests and perspectives, and
11 who are appointed by the Director of the Trust.

12 (3) COOPERATION.—The Director of the Trust,
13 after consultation with the Board, may cooperate
14 with business, industry, philanthropy, and local and
15 national public service institutions, including enhanc-
16 ing the work of such public service institutions by
17 seeking new ways to put telecommunications and in-
18 formation technologies to work in their areas of in-
19 terest.

20 **SEC. 3. ACCOUNTABILITY AND REPORTING.**

21 (a) REPORT.—

22 (1) IN GENERAL.—Not later than April 30 of
23 each year, the Director of the Trust shall prepare a
24 report for the preceding fiscal year, ending Sep-
25 tember 30, and shall submit such report to the As-

1 Assistant Secretary of the National Telecommuni-
2 cations and Information Administration.

3 (2) CONTENTS.—The report shall include—

4 (A) a comprehensive and detailed report of
5 the Trust’s operations, activities, financial con-
6 dition, and accomplishments, and such rec-
7 ommendations as the Director of the Trust de-
8 termines appropriate; and

9 (B) a comprehensive and detailed inventory
10 of funds distributed from the Trust during the
11 preceding fiscal year.

12 (3) SUBMISSION TO THE PRESIDENT AND CON-
13 GRESS.—The Assistant Secretary of the National
14 Telecommunications and Information Administration
15 shall submit the report received pursuant to para-
16 graph (1) to the President and the appropriate com-
17 mittees of Congress.

18 (b) TESTIMONY.—The Chair of the Board, other
19 members of the Board, and the Director and principal offi-
20 cers of the Trust shall testify before appropriate commit-
21 tees of Congress, upon request of such committees, with
22 respect to—

23 (1) the report prepared under subsection (a)(1);
24 and

1 (2) any other matter that such committees may
2 determine appropriate.

3 **SEC. 4. INVESTMENT OF TRUST FUNDS.**

4 (a) IN GENERAL.—The Director of the Trust, after
5 consultation with the Board and the Director of the Office
6 of Management and Budget, shall invest the funds of the
7 Trust in interest-bearing obligations of the United States
8 or in obligations guaranteed as to both principal and inter-
9 est by the United States.

10 (b) EXPENDITURES.—

11 (1) IN GENERAL.—The Director of the Trust
12 shall not undertake grant or contract activities
13 under this Act until the Trust has received the inter-
14 est or other proceeds from the investment of the
15 Trust funds for not less than 1 year's duration.
16 Thereafter, upon approval of the annual budget of
17 the Trust, the Director of the Trust may commence
18 such grant or contract activities at the start of each
19 fiscal year.

20 (2) OBLIGATION OF FUNDS.—

21 (A) IN GENERAL.—Except as provided in
22 subparagraph (B), in awarding grants or con-
23 tracts or making other expenditures, the Direc-
24 tor of the Trust shall not obligate funds from
25 the Trust that exceed the proceeds received

1 from the investment of the funds in the Trust
2 during the preceding fiscal year.

3 (B) CARRY OVER.—Funds from the Trust
4 that are available for obligation for a fiscal year
5 that are not obligated for such fiscal year shall
6 remain available for obligation for the suc-
7 ceeding fiscal year.

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