Mr. SMITH of Texas. Mr. Speaker, the founding members of today's U.S. Border Patrol were Texas Rangers, sheriffs, and cowboys who patrolled the Texas frontier looking for smugglers, rustlers, and illegal aliens. From their rough beginnings they have grown into a present-day force of over 8,000 full time Border Patrol agents and supporting staff.

The 1996 immigration reform law, which I introduced, authorized the hiring of 5,000 additional Border Patrol agents over 5 years. So far more than 2,000 agents have been added to the force in just the past 3 years.

This has had a significant positive effect in deterring and reducing illegal immigration and drug trafficking. However, the Clinton administration has continued to oppose increasing the size of the Border Patrol, despite widespread support and proven results.

The Border Patrol, which must guard 8,000 miles of border against drug smugglers, alien smugglers, criminals, and terrorists, still has fewer personnel than the Chicago city police department. The administration's own drug czar, General Barry McCaffrey, estimated that at least 20,000 Border Patrol agents are needed to control the flow of drugs into our country. And a recent academic study estimated that 16,000 agents are needed for the Southwestern border alone.

I hope this great 75th anniversary of the Border Patrol will give the administration one more opportunity to reconsider its opposition to increasing the ranks of the Border Patrol.

But the administration's foot-dragging should not obscure the central purpose of this resolution, which is to recognize the courage, dedication, and professionalism of the thousands of American men and women who have worn the Border patrol uniform with pride and served their country with distinction.

At great risk and sometimes even at the cost of the lives, Border Patrol agents have guarded our frontiers for 75 years. By day and by night, in the blazing hot Southwestern desert and in Rocky Mountain snowstorms, they have fought and triumphed.

Through this resolution sponsored by my good friend and fellow Texan SILVESTRE REYES, himself a career Border Patrol agent who was responsible for Operation Hold the Line in El Paso, we honor the Border Patrol today.

Mr. FILNER. Mr. Speaker, I rise today first to thank my distinguished colleague Congressman SILVESTRE REYES for bringing this tribute to the floor today. SILVER, you have provided a daily, living example to us in the House of the professionalism and dedication of this great 75-year-old organization. The Border Patrol is one of the most important law enforcement organizations in my community of San Diego. It is responsible for keeping our border community safe. Because of the Border Patrol, our country and our communities are protected. We are protected against criminals who would cross the border; we are protected against drugs that could flow across our border; because of Operation Gatekeeper, we are protected against the flows of desperate immigrants running across our backyards and up our freeways; we are protected because Border Patrol personnel, from the inspectors to the agents put their lives on the line daily to keep ours safe.

For 75 years, the Border Patrol has acted as one of the first lines of defense for our country. I want to thank the members of the Border Patrol and especially honor the 86 members of the Patrol who have lost their lives so ours could be safe. It is a fitting tribute to them, this day before Veteran's Day—they are our Veterans in the war to protect our Border.

Mr. BACHUS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 122.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATIONS SATELLITE COMPETITION AND PRIVATIZATION ACT OF 1999

Mr. TAUZIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3261) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

The Clerk read as follows:

H.R. 3261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Communications Satellite Competition and Privatization Act of 1999''.

SEC. 2. PURPOSE.

It is the purpose of this Act to promote a fully competitive global market for satellite communication services for the benefit of consumers and providers of satellite services and equipment by fully privatizing the intergovernmental satellite organizations, INTELSAT and Inmarsat.

SEC. 3. REVISION OF COMMUNICATIONS SATELLITE ACT OF 1962.

The Communications Satellite Act of 1962 (47 U.S.C. 101) is amended by adding at the end the following new title:

''TITLE VI—COMMUNICATIONS COMPETITION AND PRIVATIZATION

''Subtitle A—Actions To Ensure Procompetitive Privatization

''SEC. 601. FEDERAL COMMUNICATIONS COMMISSION LICENSING.

''(a) LICENSING FOR SEPARATED ENTITIES.—

''(1) COMPETITION TEST.—The Commission may not issue a license or construction permit to any separated entity, or renew or permit the assignment or use of any such license or permit, or authorize the use by any entity subject to United States jurisdiction of any space segment owned, leased, or operated by any separated entity, unless the Commission determines that such issuance, renewal, assignment, or use will not harm competition in the telecommunications market of the United States. If the Commission does not make such a determination, it shall deny or revoke authority to use space segment owned, leased, or operated by the separated entity to provide services to, from, or within the United States.

''(2) CRITERIA FOR COMPETITION TEST.—In making the determination required by paragraph (1), the Commission shall use the licensing criteria in sections 621 and 623, and shall not make such a determination unless the Commission determines that the privatization of any separated entity is consistent with such criteria.

''(b) LICENSING FOR INTELSAT, INMARSAT, AND SUCCESSOR ENTITIES.—

''(1) COMPETITION TEST.—The Commission shall substantially limit, deny, or revoke the authority for any entity subject to United States jurisdiction to use space segment owned, leased, or operated by INTELSAT or Inmarsat or any successor entities to provide non-core services to, from, or within the United States, unless the Commission determines—

''(A) after April 1, 2001, in the case of INTELSAT and its successor entities, that INTELSAT and any successor entities have been privatized in a manner that will not harm competition in the telecommunications markets of the United States; or

''(B) after April 1, 2000, in the case of Inmarsat and its successor entities, that Inmarsat and any successor entities have been privatized in a manner that will not harm competition in the telecommunications markets of the United States.

''(2) CRITERIA FOR COMPETITION TEST.—In making the determination required by paragraph (1), the Commission shall use the licensing criteria in sections 621, 622, and 624, and shall not make such a determination unless the Commission determines that such privatization is consistent with such criteria.

''(3) CLARIFICATION: COMPETITIVE SAFEGUARDS.—In making its licensing decisions under this subsection, the Commission shall consider whether users of non-core services provided by INTELSAT or Inmarsat or successor or separated entities are able to obtain non-core services from providers offering services other than through INTELSAT or Inmarsat or successor or separated entities, at competitive rates, terms, or conditions. Such consideration shall also include whether such licensing decisions would require users to replace equipment at substantial costs prior to the termination of its design life. In making its licensing decisions, the Commission shall also consider whether competitive alternatives in individual markets do not exist because they have been foreclosed due to anticompetitive actions undertaken by or resulting from the INTELSAT or Inmarsat systems. Such licensing decisions shall be made in a manner which facilitates achieving the purposes and goals in this title and shall be subject to notice and comment.

''(c) ADDITIONAL CONSIDERATIONS IN DETERMINATIONS.—In making its determinations and licensing decisions under subsections (a) and (b), the Commission shall take into consideration the United States obligations and commitments for satellite services under the Fourth Protocol to the General Agreement on Trade in Services.

''(d) INDEPENDENT FACILITIES COMPETITION.—Nothing in this section shall be construed as precluding COMSAT from investing in or owning satellites or other facilities independent from INTELSAT and Inmarsat, and successor or separated entities, or from providing services through reselling capacity over the facilities of satellite systems independent from INTELSAT and Inmarsat, and successor or separated entities. This subsection shall not be construed as restricting the types of contracts which can be executed or services which may be provided by COMSAT over the independent satellites or facilities described in this subsection.

"SEC. 602. INTELSAT OR INMARSAT ORBITAL LOCATIONS.

''(a) REQUIRED ACTIONS.—Unless, in a proceeding under section 601(b), the Commission determines that INTELSAT or Inmarsat have been privatized in a manner that will not harm competition, then—

''(1) the President shall oppose, and the Commission shall not assist, any registration for new orbital locations for INTELSAT or Inmarsat—

''(A) with respect to INTELSAT, after April 1, 2001; and

''(B) with respect to Inmarsat, after April 1, 2000; and

''(2) the President and Commission shall, consistent with the deadlines in paragraph (1), take all other necessary measures to preclude procurement, registration, development, or use of new satellites which would provide non-core services.

''(b) EXCEPTION.—

''(1) REPLACEMENT AND PREVIOUSLY CONTRACTED SATELLITES.—Subsection (a) shall not apply to—

''(A) orbital locations for replacement satellites (as described in section 622(2)(B)); and

''(B) orbital locations for satellites that are contracted for as of March 25, 1998, if such satellites do not provide additional services.

''(2) LIMITATION ON EXCEPTION.—Paragraph (1) is available only with respect to satellites designed to provide services solely in the C and Ku for INTELSAT, and L for Inmarsat bands.

"SEC. 603. ADDITIONAL SERVICES AUTHORIZED.

''(a) SERVICES AUTHORIZED DURING CONTINUED PROGRESS.—

''(1) CONTINUED AUTHORIZATION.—The Commission may issue an authorization, license, or permit to, or renew the license or permit of, any provider of services using INTELSAT or Inmarsat space segment, or authorize the use of such space segment, for additional services (including additional applications of existing services) or additional areas of business, subject to the requirements of this section.

''(2) ADDITIONAL SERVICES PERMITTED UNDER NEW CONTRACTS UNLESS PROGRESS FAILS.—If the Commission makes a finding under subsection (b) that conditions required by such subsection have not been attained, the Commission may not, pursuant to paragraph (1), permit such additional services to be provided directly or indirectly under new contracts for the use of INTELSAT or Inmarsat space segment, unless and until the Commission subsequently makes a finding under such subsection that such conditions have been attained.

''(3) PREVENTION OF EVASION.—The Commission shall, by rule, prescribe means reasonably designed to prevent evasions of the limitations contained in paragraph (2) by customers who did not use specific additional services as of the date of the Commission's most recent finding under subsection (b) that the conditions of such subsection have not been obtained.

''(b) REQUIREMENTS FOR ANNUAL FINDINGS.—

''(1) GENERAL REQUIREMENTS.—The findings required under this subsection shall be made, after notice and comment, on or before January 1 of 2000, 2001, and 2002. The Commission shall find that the conditions required by this subsection have been attained only if the Commission finds that—

''(A) substantial and material progress has been made during the preceding period at a rate and manner that is probable to result in achieving pro-competitive privatizations in accordance with the requirements of this title; and

''(B) neither INTELSAT nor Inmarsat are hindering competitors' or potential competitors' access to the satellite services marketplace.

''(2) FIRST FINDING.—In making the finding required to be made on or before January 1, 2000, the Commission shall not find that the conditions required by this subsection have been attained unless the Commission finds that—

''(A) COMSAT has submitted to the INTELSAT Board of Governors a resolution calling for the pro-competitive privatization of INTELSAT in accordance with the requirements of this title;

''(B) the United States has submitted such resolution at the first INTELSAT Assembly of Parties meeting that takes place after such date of enactment; and

''(C) the INTELSAT Assembly of Parties has created a working party to consider and make recommendations for the pro-competitive privatization of INTELSAT consistent with such resolution.

''(3) SECOND ANNUAL FINDING.—In making the finding required to be made on or before January 1, 2001, the Commission shall not find that the conditions required by this subsection have been attained unless the INTELSAT Assembly of Parties has approved a recommendation for the pro-competitive privatization of INTELSAT in accordance with the requirements of this title.

''(4) THIRD ANNUAL FINDING.—In making the finding required to be made on or before January 1, 2002, the Commission shall not find that the conditions required by this subsection have been attained unless the pro-competitive privatization of INTELSAT in accordance with the requirements of this title has been achieved by such date.

''(5) CRITERIA FOR EVALUATION OF HINDERING ACCESS.—The Commission shall not make a determination under paragraph (1)(B) unless the Commission determines that INTELSAT and Inmarsat are not in any way impairing, delaying, or denying access to national markets or orbital locations.

''(c) EXCEPTION FOR SERVICES UNDER EXISTING CONTRACTS IF PROGRESS NOT MADE.—This section shall not preclude INTELSAT or Inmarsat or any signatory thereof from continuing to provide additional services under an agreement with any third party entered into prior to any finding under subsection (b) that the conditions of such subsection have not been attained.

"Subtitle B—Federal Communications Commission Licensing Criteria: Privatization Criteria

"SEC. 621. GENERAL CRITERIA TO ENSURE A PRO-COMPETITIVE PRIVATIZATION OF INTELSAT AND INMARSAT.

''The President and the Commission shall secure a pro-competitive privatization of INTELSAT and Inmarsat that meets the criteria set forth in this section and sections 622 through 624. In securing such privatizations, the following criteria shall be applied as licensing criteria for purposes of subtitle A:

''(1) DATES FOR PRIVATIZATION.—Privatization shall be obtained in accordance with the criteria of this title of—

''(A) INTELSAT as soon as practicable, but no later than April 1, 2001; and

''(B) Inmarsat as soon as practicable, but no later than April 1, 2000.

''(2) INDEPENDENCE.—The successor entities and separated entities of INTELSAT and Inmarsat resulting from the privatization obtained pursuant to paragraph (1) shall—

''(A) be entities that are national corporations; and

''(B) have ownership and management that is independent of—

''(i) any signatories or former signatories that control access to national telecommunications markets; and

''(ii) any intergovernmental organization remaining after the privatization.

''(3) TERMINATION OF PRIVILEGES AND IMMUNITIES.—The preferential treatment of INTELSAT and Inmarsat shall not be extended to any successor entity or separated entity of INTELSAT or Inmarsat. Such preferential treatment includes—

''(A) privileged or immune treatment by national governments;

''(B) privileges or immunities or other competitive advantages of the type accorded INTELSAT and Inmarsat and their signatories through the terms and operation of the INTELSAT Agreement and the associated Headquarters Agreement and the Inmarsat Convention; and

''(C) preferential access to orbital locations, including any access to orbital locations that is not subject to the legal or regulatory processes of a national government that applies due diligence requirements intended to prevent the warehousing of orbital locations.

''(4) PREVENTION OF EXPANSION DURING TRANSITION.—During the transition period prior to full privatization, INTELSAT and Inmarsat shall be precluded from expanding into additional services (including additional applications of existing services) or additional areas of business.

''(5) CONVERSION TO STOCK CORPORATIONS.—Any successor entity or separated entity created out of INTELSAT or Inmarsat shall be a national corporation established through the execution of an initial public offering as follows:

''(A) Any successor entities and separated entities shall be incorporated as private corporations subject to the laws of the nation in which incorporated.

''(B) An initial public offering of securities of any successor entity or separated entity shall be conducted no later than—

''(i) April 1, 2001, for the successor entities of INTELSAT; and

''(ii) April 1, 2000, for the successor entities of Inmarsat.

''(C) The shares of any successor entities and separated entities shall be listed for trading on one or more major stock exchanges with transparent and effective securities regulation.

''(D) A majority of the board of directors of any successor entity or separated entity shall not be subject to selection or appointment by, or otherwise serve as representatives of—

''(i) any signatory or former signatory that controls access to national telecommunications markets; or

''(ii) any intergovernmental organization remaining after the privatization.

''(E) Any transactions or other relationships between or among any successor entity, separated entity, INTELSAT, or Inmarsat shall be conducted on an arm's length basis.

''(6) REGULATORY TREATMENT.—Any successor entity or separated entity shall apply through the appropriate national licensing authorities for international frequency assignments and associated orbital registrations for all satellites.

''(7) COMPETITION POLICIES IN DOMICILIARY COUNTRY.—Any successor entity or separated entity shall be incorporated and headquartered in a nation or nations that—

''(A) have effective laws and regulations that secure competition in telecommunications services;

''(B) are signatories of the World Trade Organization Basic Telecommunications Services Agreement; and

''(C) have a schedule of commitments in such Agreement that includes non-discriminatory market access to their satellite markets.

''(8) RETURN OF UNUSED ORBITAL LOCATIONS.—INTELSAT, Inmarsat, and any successor entities and separated entities shall not be permitted to warehouse any orbital location that—

''(A) as of March 25, 1998, did not contain a satellite that was providing commercial services, or, subsequent to such date, ceased to contain a satellite providing commercial services; or

''(B) as of March 25, 1998, was not designated in INTELSAT or Inmarsat operational plans for satellites for which construction contracts had been executed.

Any such orbital location of INTELSAT or Inmarsat and of any successor entities and separated entities shall be returned to the International Telecommunication Union for reallocation.

''(9) APPRAISAL OF ASSETS.—Before any transfer of assets by INTELSAT or Inmarsat to any successor entity or separated entity, such assets shall be independently audited for purposes of appraisal, at both book and fair market value.

''(10) LIMITATION ON INVESTMENT.—Notwithstanding the provisions of this title, COMSAT shall not be authorized by the Commission to invest in a satellite known as K–TV, unless Congress authorizes such investment.

''SEC. 622. SPECIFIC CRITERIA FOR INTELSAT.

''In securing the privatizations required by section 621, the following additional criteria with respect to INTELSAT privatization shall be applied as licensing criteria for purposes of subtitle A:

''(1) NUMBER OF COMPETITORS.—The number of competitors in the markets served by INTELSAT, including the number of competitors created out of INTELSAT, shall be sufficient to create a fully competitive market.

''(2) PREVENTION OF EXPANSION DURING TRANSITION.—

''(A) IN GENERAL.—Pending privatization in accordance with the criteria in this title, INTELSAT shall not expand by receiving additional orbital locations, placing new satellites in existing locations, or procuring new or additional satellites except as permitted by subparagraph (B), and the United States shall oppose such expansion—

''(i) in INTELSAT, including at the Assembly of Parties;

''(ii) in the International Telecommunication Union;

''(iii) through United States instructions to COMSAT;

''(iv) in the Commission, through declining to facilitate the registration of additional orbital locations or the provision of additional services (including additional applications of existing services) or additional areas of business; and

''(v) in other appropriate fora.

''(B) EXCEPTION FOR CERTAIN REPLACEMENT SATELLITES.—The limitations in subparagraph (A) shall not apply to any replacement satellites if—

''(i) such replacement satellite is used solely to provide public-switched network voice telephony or occasional-use television services, or both;

''(ii) such replacement satellite is procured pursuant to a construction contract that was executed on or before March 25, 1998; and

''(iii) construction of such replacement satellite commences on or before the final date for INTELSAT privatization set forth in section 621(1)(A).

''(3) TECHNICAL COORDINATION AMONG SIGNATORIES.—Technical coordination shall not be used to impair competition or competitors, and coordination under Article XIV(d) of the INTELSAT Agreement shall be eliminated.

''SEC. 623. SPECIFIC CRITERIA FOR INTELSAT SEPARATED ENTITIES.

''In securing the privatizations required by section 621, the following additional criteria with respect to any INTELSAT separated entity shall be applied as licensing criteria for purposes of subtitle A:

''(1) DATE FOR PUBLIC OFFERING.—Within one year after any decision to create any separated entity, a public offering of the securities of such entity shall be conducted.

''(2) PRIVILEGES AND IMMUNITIES.—The privileges and immunities of INTELSAT and its signatories shall be waived with respect to any transactions with any separated entity, and any limitations on private causes of action that would otherwise generally be permitted against any separated entity shall be eliminated.

''(3) INTERLOCKING DIRECTORATES OR EMPLOYEES.—None of the officers, directors, or employees of any separated entity shall be individuals who are officers, directors, or employees of INTELSAT.

''(4) SPECTRUM ASSIGNMENTS.—After the initial transfer which may accompany the creation of a separated entity, the portions of the electromagnetic spectrum assigned as of the date of enactment of this title to INTELSAT shall not be transferred between INTELSAT and any separated entity.

''(5) REAFFILIATION PROHIBITED.—Any merger or ownership or management ties or exclusive arrangements between a privatized INTELSAT or any successor entity and any separated entity shall be prohibited until 15 years after the completion of INTELSAT privatization under this title.

''SEC. 624. SPECIFIC CRITERIA FOR INMARSAT.

''In securing the privatizations required by section 621, the following additional criteria with respect to Inmarsat privatization shall be applied as licensing criteria for purposes of subtitle A:

''(1) MULTIPLE SIGNATORIES AND DIRECT ACCESS.—Multiple signatories and direct access to Inmarsat shall be permitted.

''(2) PREVENTION OF EXPANSION DURING TRANSITION.—Pending privatization in accordance with the criteria in this title, Inmarsat should not expand by receiving additional orbital locations, placing new satellites in existing locations, or procuring new or additional satellites, except for specified replacement satellites for which construction contracts have been executed as of March 25, 1998, and the United States shall oppose such expansion—

''(A) in Inmarsat, including at the Council and Assembly of Parties;

''(B) in the International Telecommunication Union;

''(C) through United States instructions to COMSAT;

''(D) in the Commission, through declining to facilitate the registration of additional orbital locations or the provision of additional services (including additional applications of existing services) or additional areas of business; and

''(E) in other appropriate fora.

This paragraph shall not be construed as limiting the maintenance, assistance or improvement of the GMDSS.

''(3) NUMBER OF COMPETITORS.—The number of competitors in the markets served by Inmarsat, including the number of competitors created out of Inmarsat, shall be sufficient to create a fully competitive market.

''(4) REAFFILIATION PROHIBITED.—Any merger or ownership or management ties or exclusive arrangements between Inmarsat or any successor entity or separated entity and ICO shall be prohibited until 15 years after the completion of Inmarsat privatization under this title.

''(5) INTERLOCKING DIRECTORATES OR EMPLOYEES.—None of the officers, directors, or employees of Inmarsat or any successor entity or separated entity shall be individuals who are officers, directors, or employees of ICO.

''(6) SPECTRUM ASSIGNMENTS.—The portions of the electromagnetic spectrum assigned as of the date of enactment of this title to Inmarsat—

''(A) shall, after January 1, 2006, or the date on which the life of the current generation of Inmarsat satellites ends, whichever is later, be made available for assignment to all systems (including the privatized Inmarsat) on a nondiscriminatory basis and in a manner in which continued availability of the GMDSS is provided; and

''(B) shall not be transferred between Inmarsat and ICO.

''(7) PRESERVATION OF THE GMDSS.—The United States shall seek to preserve space segment capacity of the GMDSS.

''SEC. 625. ENCOURAGING MARKET ACCESS AND PRIVATIZATION.

''(a) NTIA DETERMINATION.—

''(1) DETERMINATION REQUIRED.—Within 180 days after the date of enactment of this section, the Secretary of Commerce shall, through the Assistant Secretary for Communications and Information, transmit to the Commission—

''(A) a list of Member countries of INTELSAT and Inmarsat that are not Members of the World Trade Organization and that impose barriers to market access for private satellite systems; and

''(B) a list of Member countries of INTELSAT and Inmarsat that are not Members of the World Trade Organization and that are not supporting pro-competitive privatization of INTELSAT and Inmarsat.

''(2) CONSULTATION.—The Secretary's determinations under paragraph (1) shall be made in consultation with the Federal Communications Commission, the Secretary of State, and the United States Trade Representative, and shall take into account the totality of a country's actions in all relevant fora, including the Assemblies of Parties of INTELSAT and Inmarsat.

''(b) IMPOSITION OF COST-BASED SETTLEMENT RATE.—Notwithstanding—

''(1) any higher settlement rate that an overseas carrier charges any United States carrier to originate or terminate international message telephone services; and

''(2) any transition period that would otherwise apply,

the Commission may by rule prohibit United States carriers from paying an amount in excess of a cost-based settlement rate to overseas carriers in countries listed by the Commission pursuant to subsection (a).

''(c) SETTLEMENTS POLICY.—The Commission shall, in exercising its authority to establish settlements rates for United States international common carriers, seek to advance United States policy in favor of cost-based settlements in all relevant fora on international telecommunications policy, including in meetings with parties and signatories of INTELSAT and Inmarsat.

''Subtitle C—Deregulation and Other Statutory Changes

''SEC. 641. ACCESS TO INTELSAT.

''(a) ACCESS PERMITTED.—Beginning on the date of enactment of this title, users or providers of telecommunications services shall be permitted to obtain direct access to INTELSAT telecommunications services and space segment capacity through purchases of such capacity or services from, or through investment in, INTELSAT.

''(b) RULEMAKING.—Within 180 days after the date of enactment of this title, the Commission shall complete a rulemaking, with notice and opportunity for submission of comment by interested persons, to determine

if users or providers of telecommunications services have sufficient opportunity to access INTELSAT space segment capacity directly from INTELSAT to meet their service or capacity requirements. If the Commission determines that such opportunity to access does not exist, the Commission shall take appropriate action to facilitate such direct access pursuant to its authority under this Act and the Communications Act of 1934. The Commission shall take such steps as may be necessary to prevent the circumvention of the intent of this section.

''(c) CONTRACT PRESERVATION.—Nothing in this section shall be construed to permit the abrogation or modification of any contract.

"SEC. 642. SIGNATORY ROLE.

''(a) LIMITATIONS ON SIGNATORIES.—

''(1) NATIONAL SECURITY LIMITATIONS.—The Federal Communications Commission, after a public interest determination, in consultation with the executive branch, may restrict foreign ownership of a United States signatory if the Commission determines that not to do so would constitute a threat to national security.

''(2) NO SIGNATORIES REQUIRED.—The United States Government shall not require signatories to represent the United States in INTELSAT or Inmarsat or in any successor entities after a pro-competitive privatization is achieved consistent with sections 621, 622, and 624.

''(b) CLARIFICATION OF PRIVILEGES AND IMMUNITIES OF COMSAT.—

''(1) GENERALLY NOT IMMUNIZED.—Notwithstanding any other law or executive agreement, COMSAT shall not be entitled to any privileges or immunities under the laws of the United States or any State on the basis of its status as a signatory of INTELSAT or Inmarsat.

''(2) LIMITED IMMUNITY.—COMSAT and any other company functioning as United States signatory to INTELSAT or Inmarsat shall not be liable for action taken by it in carrying out the specific, written instruction of the United States issued in connection with its relationships and activities with foreign governments, international entities, and the intergovernmental satellite organizations.

''(3) PROVISIONS PROSPECTIVE.—Paragraph (1) shall not apply with respect to liability for any action taken by COMSAT before the date of enactment of the Communications Satellite Competition and Privatization Act of 1999.

''(c) PARITY OF TREATMENT.—Notwithstanding any other law or executive agreement, the Commission shall have the authority to impose similar regulatory fees on the United States signatory which it imposes on other entities providing similar services.

"SEC. 643. ELIMINATION OF PROCUREMENT PREFERENCES.

''Nothing in this title or the Communications Act of 1934 shall be construed to authorize or require any preference, in Federal Government procurement of telecommunications services, for the satellite space segment provided by INTELSAT, Inmarsat, or any successor entity or separated entity.

"SEC. 644. USE OF ITU TECHNICAL COORDINATION.

''The Commission and United States satellite companies shall utilize the International Telecommunication Union procedures for technical coordination with INTELSAT and its successor entities and separated entities, rather than INTELSAT procedures.

"SEC. 645. TERMINATION OF COMMUNICATIONS SATELLITE ACT OF 1962 PROVISIONS.

''Effective on the dates specified, the following provisions of this Act shall cease to be effective:

''(1) Date of enactment of this title: Sections 101 and 102; paragraphs (1), (5) and (6) of section 201(a); section 301; section 303; section 502; and paragraphs (2) and (4) of section 504(a).

''(2) On the effective date of the Commission's order that establishes direct access to INTELSAT space segment: Paragraphs (1), (3) through (5), and (8) through (10) of section 201(c); and section 304.

''(3) On the effective date of the Commission's order that establishes direct access to Inmarsat space segment: Subsections (a) through (d) of section 503.

''(4) On the effective date of a Commission order determining under section 601(b)(2) that Inmarsat privatization is consistent with criteria in sections 621 and 624: Section 504(b).

''(5) On the effective date of a Commission order determining under section 601(b)(2) that INTELSAT privatization is consistent with criteria in sections 621 and 622: Paragraphs (2) and (4) of section 201(a); section 201(c)(2); subsection (a) of section 403; and section 404.

"SEC. 646. REPORTS TO CONGRESS.

''(a) ANNUAL REPORTS.—The President and the Commission shall report to the Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate within 90 calendar days of the enactment of this title, and not less than annually thereafter, on the progress made to achieve the objectives and carry out the purposes and provisions of this title. Such reports shall be made available immediately to the public.

''(b) CONTENTS OF REPORTS.—The reports submitted pursuant to subsection (a) shall include the following:

''(1) Progress with respect to each objective since the most recent preceding report.

''(2) Views of the Parties with respect to privatization.

''(3) Views of industry and consumers on privatization.

''(4) Impact privatization has had on United States industry, United States jobs, and United States industry's access to the global marketplace.

"SEC. 647. CONSULTATION WITH CONGRESS.

''The President's designees and the Commission shall consult with the Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate prior to each meeting of the INTELSAT or Inmarsat Assembly of Parties, the INTELSAT Board of Governors, the Inmarsat Council, or appropriate working group meetings.

"SEC. 648. SATELLITE AUCTIONS.

''Notwithstanding any other provision of law, the Commission shall not have the authority to assign by competitive bidding orbital locations or spectrum used for the provision of international or global satellite communications services. The President shall oppose in the International Telecommunication Union and in other bilateral and multilateral fora any assignment by competitive bidding of orbital locations or spectrum used for the provision of such services.

"SEC. 649. EXCLUSIVITY ARRANGEMENTS.

''(a) IN GENERAL.—No satellite operator shall acquire or enjoy the exclusive right of handling telecommunications to or from the United States, its territories or possessions, and any other country or territory by reason of any concession, contract, understanding, or working arrangement to which the satellite operator or any persons or companies controlling or controlled by the operator are parties.

''(b) EXCEPTION.—In enforcing the provisions of this section, the Commission—

''(1) shall not require the termination of existing satellite telecommunications services under contract with, or tariff commitment to, such satellite operator; but

''(2) may require the termination of new services only to the country that has provided the exclusive right to handle telecommunications, if the Commission determines the public interest, convenience, and necessity so requires.

"Subtitle D—Negotiations To Pursue Privatization

"SEC. 661. METHODS TO PURSUE PRIVATIZATION.

''The President shall secure the pro-competitive privatizations required by this title in a manner that meets the criteria in subtitle B.

"Subtitle E—Definitions

"SEC. 681. DEFINITIONS.

''(a) IN GENERAL.—As used in this title:

''(1) INTELSAT.—The term 'INTELSAT' means the International Telecommunications Satellite Organization established pursuant to the Agreement Relating to the International Telecommunications Satellite Organization (INTELSAT).

''(2) INMARSAT.—The term 'Inmarsat' means the International Mobile Satellite Organization established pursuant to the Convention on the International Maritime Organization.

''(3) SIGNATORIES.—The term 'signatories'—

''(A) in the case of INTELSAT, or INTELSAT successors or separated entities, means a Party, or the telecommunications entity designated by a Party, that has signed the Operating Agreement and for which such Agreement has entered into force or to which such Agreement has been provisionally applied; and

''(B) in the case of Inmarsat, or Inmarsat successors or separated entities, means either a Party to, or an entity that has been designated by a Party to sign, the Operating Agreement.

''(4) PARTY.—The term 'Party'—

''(A) in the case of INTELSAT, means a nation for which the INTELSAT agreement has entered into force or been provisionally applied; and

''(B) in the case of Inmarsat, means a nation for which the Inmarsat convention has entered into force.

''(5) COMMISSION.—The term 'Commission' means the Federal Communications Commission.

''(6) INTERNATIONAL TELECOMMUNICATION UNION.—The term 'International Telecommunication Union' means the intergovernmental organization that is a specialized agency of the United Nations in which member countries cooperate for the development of telecommunications, including adoption of international regulations governing terrestrial and space uses of the frequency spectrum as well as use of the geostationary satellite orbit.

''(7) SUCCESSOR ENTITY.—The term 'successor entity'—

''(A) means any privatized entity created from the privatization of INTELSAT or Inmarsat or from the assets of INTELSAT or Inmarsat; but

''(B) does not include any entity that is a separated entity.

''(8) SEPARATED ENTITY.—The term 'separated entity' means a privatized entity to whom a portion of the assets owned by INTELSAT or Inmarsat are transferred prior to full privatization of INTELSAT or Inmarsat, including in particular the entity whose structure was under discussion by

INTELSAT as of March 25, 1998, but excluding ICO.

''(9) ORBITAL LOCATION.—The term 'orbital location' means the location for placement of a satellite on the geostationary orbital arc as defined in the International Telecommunication Union Radio Regulations.

''(10) SPACE SEGMENT.—The term 'space segment' means the satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment used to support the operation of satellites owned or leased by INTELSAT, Inmarsat, or a separated entity or successor entity.

''(11) NON-CORE SERVICES.—The term 'non-core services' means, with respect to INTELSAT provision, services other than public-switched network voice telephony and occasional-use television, and with respect to Inmarsat provision, services other than global maritime distress and safety services or other existing maritime or aeronautical services for which there are not alternative providers.

''(12) ADDITIONAL SERVICES.—The term 'additional services' means Internet services, high-speed data, interactive services, non-maritime or non-aeronautical mobile services, Direct to Home (DTH) or Direct Broadcast Satellite (DBS) video services, or Ka-band services.

''(13) INTELSAT AGREEMENT.—The term 'INTELSAT Agreement' means the Agreement Relating to the International Telecommunications Satellite Organization ('INTELSAT'), including all its annexes (TIAS 7532, 23 UST 3813).

''(14) HEADQUARTERS AGREEMENT.—The term 'Headquarters Agreement' means the International Telecommunication Satellite Organization Headquarters Agreement (November 24, 1976) (TIAS 8542, 28 UST 2248).

''(15) OPERATING AGREEMENT.—The term 'Operating Agreement' means—

''(A) in the case of INTELSAT, the agreement, including its annex but excluding all titles of articles, opened for signature at Washington on August 20, 1971, by Governments or telecommunications entities designated by Governments in accordance with the provisions of the Agreement; and

''(B) in the case of Inmarsat, the Operating Agreement on the International Maritime Satellite Organization, including its annexes.

''(16) INMARSAT CONVENTION.—The term 'Inmarsat Convention' means the Convention on the International Maritime Satellite Organization (Inmarsat) (TIAS 9605, 31 UST 1).

''(17) NATIONAL CORPORATION.—The term 'national corporation' means a corporation the ownership of which is held through publicly traded securities, and that is incorporated under, and subject to, the laws of a national, state, or territorial government.

''(18) COMSAT.—The term 'COMSAT' means the corporation established pursuant to title III of the Communications Satellite Act of 1962 (47 U.S.C. 731 et seq.)

''(19) ICO.—The term 'ICO' means the company known, as of the date of enactment of this title, as ICO Global Communications, Inc.

''(20) REPLACEMENT SATELLITE.—The term 'replacement satellite' means a satellite that replaces a satellite that fails prior to the end of the duration of contracts for services provided over such satellite and that takes the place of a satellite designated for the provision of public-switched network and occasional-use television services under contracts executed prior to March 25, 1998 (but not including K–TV or similar satellites). A satellite is only considered a replacement satellite to the extent such contracts are equal to or less than the design life of the satellite.

''(21) GLOBAL MARITIME DISTRESS AND SAFETY SERVICES OR GMDSS.—The term 'global maritime distress and safety services' or 'GMDSS' means the automated ship-to-shore distress alerting system which uses satellite and advanced terrestrial systems for international distress communications and promoting maritime safety in general. The GMDSS permits the worldwide alerting of vessels, coordinated search and rescue operations, and dissemination of maritime safety information.

''(b) COMMON TERMINOLOGY.—Except as otherwise provided in subsection (a), terms used in this title that are defined in section 3 of the Communications Act of 1934 have the meanings provided in such section.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Massachusetts (Mr. MARKEY) each will control 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TAUZIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 3261, the Communications Satellite Competition and Privatization Act of 1999. In 1962, Congress passed the Communications Satellite Act. It was well intended and indeed may have fit the times. But the world has changed in the almost 40 years since then, particularly in telecommunications and space technology. It is high time the law caught up with reality.

As many of my colleagues know, I have been working on this issue with the gentleman from Virginia (Mr. BLILEY) for a number of years now. The gentleman from Virginia has led the effort to author and to pass in the last Congress, indeed, this bill through the House and on to the Senate. This year, along with the gentleman from Massachusetts, the gentleman from Virginia introduced H.R. 1872. That bill was passed by 403–16. This year, we have gotten together again, made modifications to the bill, and I think we have a stronger consensus around the bill than we even had last year. I am pleased indeed to join the gentleman from Virginia (Mr. BLILEY) along with the gentleman from Massachusetts (Mr. MARKEY), the gentleman from Ohio (Mr. OXLEY) and a number of others who have joined him as cosponsors of the original bill.

The bill now incorporates in identical form, with minor changes regarding dates, all of last year's provisions with respect to privatization and reform that were reported out of the committee and passed by the House last year. However, the bill is different with respect to two issues. It enhances the direct access section and eliminates the section known as ''fresh look.'' Thus, we have acted on the basis of the hard work of the committee and the House of last year but in the process of building consensus, we have changed some important provisions.

The international satellite communications market is dominated now by the intergovernmental organization known as INTELSAT as well as by Inmarsat, which has done a limited form of privatization. These organizations use their market power to expand into services that the private sector is frankly chomping at the bit to provide. INTELSAT is run by a combination of the world's governments and is owned by a consortium of national telecommunications monopolies and dominant players, by government monopolies, for government monopolies, of government monopolies. Its supporters call it a ''cooperative.'' The gentleman from Virginia would call it indeed a ''cartel.''

Thus, it is critical not only that INTELSAT and Inmarsat be privatized but also that real competition be unleashed in this sector. A privatized cartel, Mr. Speaker, is still a cartel, the gentleman from Virginia will tell you. Today, the owners of these organizations are often the same folks that control licensing decisions and foreign market access. Thus, they have the ability and the incentive to make it hard for U.S. satellite companies to enter and to compete in their national telecom markets.

The only effective way to foster procompetitive privatization in an intergovernmental organization is to indeed use access to the U.S. market as part of the leverage. INTELSAT is treaty-based. You cannot sue them, tax them or regulate them as you would a private company. So this legislation eliminates the diplomatic privileges and unfair immunities that would give INTELSAT and COMSAT a leg up on their private sector competitors in a private sector marketplace of competition. No one in that market should be above the law.

Finally, the legislation ends the monopoly over access to INTELSAT from the U.S. held by COMSAT. The bill permits free competition, known as direct access. According to the FCC, COMSAT'S average margin in reselling INTELSAT services is still an amazing 68 percent. It is not bad if you can get it, but consumers could do, I suspect, a lot better.

Consumers and taxpayers will benefit from the lower prices that this legislation will bring. Businesses and their employees will benefit as new markets will open. And the American people will benefit by bringing satellite policy into the 21st century.

Mr. Speaker, I want to thank and commend the gentleman from Massachusetts who has been a stalwart with the gentleman from Virginia in bringing this issue through the Committee on Commerce and to the floor.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

I begin by praising the chairman of the full committee the gentleman from Virginia (Mr. BLILEY) for his excellent work on this bill and for the excellent work of the subcommittee chairman for bringing this new version of the legislation out to the floor at this time. As the gentleman from Louisiana pointed out, I worked over the last several years with the gentleman from Virginia to fashion legislation in this area. While we were able to pass it through the House of Representatives last year with more than 400 votes, we were unsuccessful in reaching final resolution with the Senate. This is an effort, working with the gentleman from Louisiana now, with his refinements, to move the bill ultimately to the President's desk. I think that what we are doing here tonight is going to make it much more likely that we are going to see that end result. Working in tandem with the gentleman from Michigan (Mr. DINGELL) and with all the other members of the Committee on Commerce, I think we have got that goal line now in our sight.

Back in 1962 when COMSAT was created, the telecommunications sector around the globe was dominated by monopolies. In the United States, we only had one company, AT&T. It had 1.2 million employees. As a result, the construct of COMSAT and INTELSAT reflected the nature of the telecommunications industry at that point in time back in 1962. It is not surprising that the act reflected that period in time. It was immediately post-Sputnik. There was a paranoia that gripped the free world. There was a sense that we were slipping behind. There was a real understanding that the only way in which we could catch up is if the government, not only the government of our country but the governments of all of the free nations of the world banded together to launch these satellites that would make it possible for us to catch up and surpass the Soviet Union and their allies in the space race. Back then, it took national efforts to build, to launch and to maintain satellites in orbit.

But much has changed in the last 35 years, since President Kennedy signed the original COMSAT bill into law, since INTELSAT and subsequently Inmarsat were made a part of the international telecommunications infrastructure. Today, we have private individuals with their own money willing to build and to launch satellites into space. America leads in these cutting edge technologies, and the satellite market alone is a multibillion-dollar market sector and employs tens of thousands of workers throughout the country.

In my opinion in the post-GATT, post-NAFTA world, these are the areas that America must win. These are the areas that we should be the primary beneficiaries of as a people. These are the areas where our citizens, our workers should garner a disproportionate share of the jobs since it was the very same workers as taxpayers that footed the bill to stand down the Soviet Union by making the investment in these satellite technologies, by cobbling together these international alliances which made the inevitable defeat of the Soviet Union, reflecting the internal contradictions of their system all the more obvious as we surrounded them with democratic institutions.

Today, largely because of the Federal Government, largely because of the antitrust actions taken by the Reagan administration's breaking up AT&T back in 1982, we now have robust, competitive communications markets all across our country. Ironically, it is now a Federal district judge appointed by Ronald Reagan who is now calling for the dissolution of the monopoly control which Microsoft has over the computer marketplace. So this has been a bipartisan effort over the years, moving from this original period of monopoly to this new era of competition across all lines. It has been done, thank God, on a bipartisan basis, liberal and conservative; right wing, left wing; Louisiana and Massachusetts, working together.

Mr. Speaker, that 1962 model is no longer sustainable. In fact, it is counterproductive to American interests today. It is time to update the INTELSAT and Inmarsat law, two international governmental organizations who are not going to compete against U.S. satellite companies on even ground, or even space, to put it more accurately, simply because we ask them to do so politely. They will not give it up politely. No monopoly gives up anything politely. Sometimes it takes an antitrust case brought by the Reagan administration against AT&T or a Reagan judge against Microsoft. Sometimes it takes legislation. That is what we are doing here this evening, the legislative route.

And, Mr. Speaker, while the U.S. State Department has failed repeatedly to secure effective pro-competitive commitments in international meetings, all we ever are left with are weak commitments, vague promises or worse.

As part of our previous policy discussions over the years, other U.S. companies were repeatedly told that we could not have private sector companies in America have direct access to the INTELSAT system. In other words, no other American company could bypass the exclusive resale role that policymakers bequeathed to COMSAT 37 years ago. We were told to ignore the fact that almost half of the world had already liberalized such access to INTELSAT in their home countries. Finally, earlier this year, the FCC took an initial step in making access to INTELSAT more competitive by permitting a minimum level of direct access, so-called Level 3 direct access.

Now we are being told that private sector companies in the United States should be prohibited from going to Level 4 direct access. That is, allowing other U.S. companies in addition to COMSAT to make private investments in INTELSAT. What kind of free market do we have when private companies are prevented from risking their own money in investments? Are we to ignore the United Kingdom, Argentina and about two dozen other countries that have already demonopolized and deregulated their market and fully liberalized investment opportunities in this fashion? It is time for us to fully embrace the free market in international satellite communications, and this bill will help us to do just that.

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Level three access only partially achieves the objectives of full and fair competition. Level three access would give others the ability to obtain INTELSAT capacity at the wholesale level, but would leave COMSAT free to subsidize its rate with the 18 percent return it receives on its investment in the INTELSAT system as one of the shareholders in the consortium and the exclusive U.S. shareholder. Level four access, on the other hand, would eliminate the incentive for COMSAT to cross-subsidize by enabling COMSAT's competitors the opportunity to secure the same 18 percent return.

Now, level four access is already available in the United Kingdom and Argentina and Chile and France and New Zealand and Sweden and Denmark, in Ireland and Singapore and China, Ecuador, Jordan, Sri Lanka, Kazakhstan, and over a dozen other countries now modeling their telecommunications systems increasingly on us, and here we have this last bastion of monopoly. It is essential that the United States, having led the way, now join these other countries.

Mr. Speaker, our goal for COMSAT, the U.S. signatory, is that it evolve into a commercial company like any other American commercial company, without any special status or advantages, but also without any special obligations. In a new competitive environment, we have high hopes that COMSAT will succeed and that its corporate future is bright.

We believe that the additional changes made by the gentleman from Louisiana (Mr. TAUZIN) to the legislation moves us very close to a final resolution. I think his suggestions were wise and they are now incorporated in this legislation.

I look forward to meeting with the Senate so that we can have additional discussions on this historic legislation and so that we can move forward along with our local satellite bill, our E-signature legislation in making the kinds of historic changes that make it possible for the private sector to be innovative, for the private sector to create the jobs, to be able to create the wealth which will be, ultimately, the

real peace dividend for Americans and ultimately exporting these concepts across the globe.

I thank the gentleman for all of his great work. I stand, as usual, in admiration for his usual leadership.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume just briefly, and then I have requests for time that I will honor.

Let me first thank my friend from Massachusetts for those very eloquent and kind words. It occurred to me as he was addressing the topic that the United States decision to create these international bodies along with countries around the world led, in fact, to the launching of communications satellites that are now serving the entire globe.

To a large measure, it was those satellites beaming real information, the truth, across a wall in Berlin to citizens who were locked inside of a totalitarian system that could survive only by continuing to lie to them about how bad things were in the West and how bad democracies were and how awful free market systems were. It was those satellites that looked across that wall into grocery stores full of food in Houston, Texas and Massachusetts and Louisiana and gave a lie to all of those old messages that the Soviet Union had unfortunately piled upon their own citizens to convince them that their system was somehow better. When they turned around and went to grocery stores in Moscow and could not buy cabbage, could not buy potatoes, it suddenly dawned on them that the lie would not hold anymore, and the wall, indeed, had to come down.

The irony is that the satellite system that our governments helped construct, ending up creating freedom, of breaking down walls like the Berlin Wall all over the world, and democracies and free markets now are beginning to flourish across the globe as the old systems have crumbled, the old systems of totalitarianism, communism and, in fact, controlled markets that simply did not work.

So satellites gave and are giving the world freedom. And now, we in the House of Representatives are making another historic decision, that now it is time to free up the satellite system, to make it free and competitive, just like it has helped to free up the competitive juices of the economies of the world and to give people freedom across the world.

It is a kind of an ironic twist that now, the good work of these satellites and of our government decisions are now leading us to a place in time when we can free up satellites now to be just as competitive as the forces they themselves helped to unleash across the globe. That is indeed an irony. It is also an irony that we meet today on this satellite freedom bill right after we passed SHVA, the Satellite Home Viewers Act, which was also a bill designed to free up competition and the delivery of telephone services here in America.

Mr. Speaker, I want to say a special word to the gentleman from Massachusetts (Mr. MARKEY) before I yield to the gentleman from Florida (Mr. STEARNS). We took on this battle together years and years ago, long before we joined hands on the floor of the House in 1992 in that historic battle to create direct access to programming for the satellites that created direct access to television for millions of Americans and that may, indeed, be the first real competition to monopoly cable across America. Again today we are joining hands in an effort, along with the gentleman from Virginia (Mr. BLILEY) and others, to free up satellite communications to competition across the world.

It has been an extraordinary pleasure for me, coming from the Bayou country of Louisiana, to know and to work with the likes of the gentleman from Massachusetts (Mr. MARKEY) and to share with him his intelligence, his wisdom, his wit and his leadership. I thank the gentleman so much for that privilege, and it is indeed an honor to join the gentleman tonight in another great historic effort.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I want to commend the distinguished chairman of the Subcommittee on Telecommunications and the distinguished ranking member for bringing this important legislation to the House floor today. Obviously, I think all of us agree it is a very good first step for more competition and more openness in the global satellite telecommunications market. I just want to bring some concern to the Members, my colleagues, that I am hoping will be worked out in the conference report with the Senate.

This bill imposes I think a condition on lifting the outdated ownership cap of COMSAT. One of the key elements to reforming and normalizing the operation of COMSAT is allowing its acquisition by Lockheed Martin. The satellite reform bill contains language that appears to allow the Lockheed Martin-COMSAT acquisition to be complete, but it attaches some conditions of implementing an FCC order on direct access to lifting these caps. There is some concern of mine that it is not clear whether the September 15, 1999 direct access order must be implemented or another future FCC direct access action must be taken. Either way, this is somewhat of a concern of mine.

I think it is some type of restriction on the ability of Lockheed Martin and COMSAT to complete their merger, and of course this merger has already been approved by the Department of Justice. I think these two American companies have waited for over a year for the Federal Government to provide the needed regulatory and legislative approval for their transaction, but I wanted to express this concern.

Mr. Speaker, the bill is excellent. This is just a concern I am voicing, of course. I want to thank the chairman and the ranking member for their efforts on this bill, and I hope that when it moves to the Senate, that the restrictions on the Lockheed Martin-COMSAT merger will be effective.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume to, in conclusion, thank everyone who has worked on this legislation. We have reached a point where it is time to introduce COMSAT fully to the private marketplace. We have worked long and hard to reach this point, much of the original investment being made by the Federal Government. In fact, the Star Wars program itself was a program of putting 100 to 200 satellites in the sky and contracting with aerospace companies, AT&T, to communicate so that we could shoot down 2,000 or 3,000 Soviet missiles within 2 to 3 minutes, and it required tremendous telecommunications capacity, point to multi-point communications.

Ultimately, that system will probably never be deployed, but the peace dividend that has flown from it is that companies like Hughes that were defense contractors moved over and took the same concepts over and created Direct TV, the satellite dish company. The same thing is true in company after company. The government investment that was initially made in order to thwart the ambitions of the Soviet Union were ultimately turned into things which benefited the American people in its peaceful application. This is another benefit which the American people should get and all of the other companies that have been created subsequent to the construction of INTELSAT and COMSAT.

Mr. Speaker, my hope is that the bill passes this evening, goes to a conference quickly with the Senate, and that we can resolve the differences and produce another great marketplace victory for the American people as a post-Cold War dividend.

Mr. Speaker, I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I rise in support of H.R. 3261.

First, I want to commend Chairman BLILEY for removing a particularly controversial provision that was included in the satellite privatization bill he authored last year. The so-called "fresh look" provision would have resulted in privately negotiated contracts being abrogated arbitrarily by order of the U.S. Government. The removal of this provision is a good first step toward enacting sensible satellite privatization legislation this Congress.

Although I support passage today so we can move the process forward to Conference with the Senate, I still have serious concerns with a number of provisions contained in the Bliley bill. The privatization criteria mandated are so rigorous they cannot possibly be achieved, let alone in the limited time frame set forth. The penalties for non-compliance are so severe that they will, at best, significantly

disrupt the provision of Intelsat's services to many users in this country. At worst, these penalties will cause the ultimate expulsion of Intelsat from the U.S. market. Either result would be detrimental to the interests of U.S. consumers, and is diametrically opposed to the stated purposes of this bill—that is, to create more competition for satellite services, not less.

There is no disagreement between me and Chairman BLILEY that Intelsat should be privatized as quickly as possible. Unfortunately, the U.S. cannot, by legislative fiat, simply impose its will on 143 foreign countries who are signatories to the Intelsat treaty. I believe the Bliley bill, as currently constructed, would actually undermine American diplomatic efforts currently underway to secure an Intelsat privatization.

Mr. Speaker, I am hopeful that through negotiations with the Senate, which already has unanimously approved a more reasonable bill to achieve privatization of Intelsat, we ultimately will enact a truly pro-competitive, pro-consumer solution.

Mr. ENGEL. Mr. Speaker, I rise today in support of H.R. 3261, the Communications Satellite Competition and Privatization Act. This legislation is designed to promote the privatization of Intelsat and open foreign markets to U.S. companies. Once enacted, this bill will bring to American consumers the benefits of lower rates and more services. Its passage is long overdue.

After almost 40 years, it is time to overhaul the 1960s' era U.S. international satellite communications policy from one that is dominated by intergovernmental organizations such as Intelsat and Inmarsat to one that lets private companies compete in an unfettered market.

This bill benefits both U.S. companies and U.S. consumers. I commend Chairman BLILEY, MR. TAUZIN and Mr. MARKEY and their staffs for their efforts to produce a bipartisan, compromise bill, of which I am a proud cosponsor. In particular, the removal of the so-called 'Fresh Look' provision improves the bill greatly and adds to the reasons it should pass in the House of Representatives.

Mr. Speaker, the bill eliminates the privileges and immunities of Intelsat and ends Comsat's monopoly access to Intelsat. Comsat has enjoyed for years a monopoly over Intelsat access, which, according to the Federal Communications Commission, has permitted Comsat to mark-up Intelsat's charges by an average of 68%. It is time to permit the same level of comprehensive direct assess to U.S. companies that is available to many other countries.

To better understand the critical direct access provisions in H.R. 3261, we need to remember that although Comsat is a private corporation, it did not arise from normal marketplace forces. Instead, it was created by the Congress in the Communications Satellite Act of 1962 for a specific purpose: to assist in the development of a global satellite system. As part of this role and to ensure that no provider would dominate the market, Comsat became a ''middleman'', investing in the global system and reselling satellite services to entities providing tele-communications services to end users.

While Comsat's ''middleman'' role may have served an important purpose when the global satellite system was in its infancy, the rationale for this role—that one entity should control access to Intelsat—no longer exists. Today, we can no longer justify a government-endorsed subsidy to Comsat or any other private successor company when fair competition is the only force to control costs and protect consumers.

I urge that members support H.R. 3261. As a member of the Commerce Committee and its Subcommittee on Telecommunications which considered this legislation, I firmly believe that the bill will increase competition, open foreign markets, and create new business opportunities for U.S. companies.

Mr. SHAYS. Mr. Speaker, I rise in support of H.R. 3261, the Communications Satellite Competition and Privatization Act. This legislation will reform international satellite policies that are nearly 40 years old.

The world of telecommunications has changed dramatically since 1962, when it was believed that only governments could finance and manage a global satellite system. Back then, Americans had rotary phones they leased from the one and only telephone company in the United States. Today, a rapidly growing number of Americans carry cellular phones wherever they go. They wear pagers and send e-mails across the world. And yet, we still have the same structure for international satellite communications that was designed before Neil Armstrong walked on the moon.

The result is a distorted marketplace, stifled competition and innovation, and increased prices for consumers.

H.R. 3261 will put an end to the last remaining telecommunications monopoly in the United States. The bill promotes competition and opens foreign markets for U.S. companies by privatizing the intergovernmental satellite organizations—called Intelsat and Inmarsat—that dominate international commercial satellite communications. These organizations operate as a cartel-like structure comprised of the national telephone monopolies and dominant companies of its member organizations.

Today, private companies such as PanAmSat, GE Americom, Teledesic and Motorola have the ability to offer high-quality international satellite communications services. But these companies cannot compete with Intelsat because of the advantages bestowed upon this organization.

Mr. Speaker, I want to thank Chairman TOM BLILEY of the Commerce Committee for his leadership in bringing this important bill to the floor. I also would like to thank Congressmen BILLY TAUZIN and EDWARD MARKEY for their work in crafting this pro-trade, pro-consumer legislation.

The promotion of a competitive satellite communications marketplace is a goal we should all support and I urge my colleagues to support this bill.

Mr. TAUZIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. TAUZIN) that the House suspend the rules and pass the bill, H.R. 3261.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that the Committee on Commerce be discharged from further consideration of the Senate bill (S. 376) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Open-market Reorganization for the Betterment of International Telecommunications Act''.

SEC. 2. PURPOSE.

It is the purpose of this Act to promote a fully competitive domestic and international market for satellite communications services for the benefit of consumers and providers of satellite services by fully encouraging the privatization of the intergovernmental satellite organizations, INTELSAT and Inmarsat, and reforming the regulatory framework of the COMSAT Corporation.

SEC. 3. FINDINGS.

The Congress finds that:

(1) International satellite communications services constitute a critical component of global voice, video and data services, play a vital role in the integration of all nations into the global economy and contribute toward the ability of developing countries to achieve sustainable development.

(2) The United States played a pivotal role in stimulating the development of international satellite communications services by enactment of the Communications Satellite Act of 1962 (47 U.S.C. 701–744), and by its critical contributions, through its signatory, the COMSAT Corporation, in the establishment of INTELSAT, which has successfully established global satellite networks to provide member countries with worldwide access to telecommunications services, including critical lifeline services to the developing world.

(3) The United States played a pivotal role in stimulating the development of international satellite communications services by enactment of the International Maritime Satellite Telecommunications Act (47 U.S.C. 751–757), and by its critical contributions, through its signatory, COMSAT, in the establishment of Inmarsat, which enabled member countries to provide mobile satellite services such as international maritime and global maritime distress and safety services to include other satellite services, such as land mobile and aeronautical communications services.

(4) By statute, COMSAT, a publicly traded corporation, is the sole United States signatory to INTELSAT and, as such, is responsible for carrying out United States commitments under the INTELSAT Agreement and the INTELSAT Operating Agreement. Pursuant to a binding Headquarters Agreement, the United States, as a party to INTELSAT, has satisfied many of its obligations under the INTELSAT Agreement.

(5) In the 37 years since enactment of the Communications Satellite Act of 1962, satellite technology has advanced dramatically,

large-scale financing options have improved immensely and international telecommunications policies have shifted from those of natural monopolies to those based on market forces, resulting in multiple private commercial companies around the world providing, or preparing to provide, the domestic, regional, and global satellite telecommunications services that only INTELSAT and Inmarsat had previously had the capabilities to offer.

(6) Private commercial satellite communications systems now offer the latest telecommunications services to more and more countries of the world with declining costs, making satellite communications an attractive complement as well as an alternative to terrestrial communications systems, particularly in lesser developed countries.

(7) To enable consumers to realize optimum benefits from international satellite communications services, and to enable these systems to be competitive with other international telecommunication systems, such as fiber optic cable, the global trade and regulatory environment must support vigorous and robust competition.

(8) In particular, all satellite systems should have unimpeded access to the markets that they are capable of serving, and the ability to compete in a fair and meaningful way within those markets.

(9) Transforming INTELSAT and Inmarsat from intergovernmental organizations into conventional satellite services companies is a key element in bringing about the emergence of a fully competitive global environment for satellite services.

(10) The issue of privatization of any State-owned firm is extremely complex and multifaceted. For that reason, the sale of a firm at arm's length does not automatically, and in all cases, extinguish any prior subsidies or government conferred advantages.

(11) It is in the interest of the United States to negotiate the removal of its reservation in the Fourth Protocol to the General Agreement on Trade in Services regarding INTELSAT's and Inmarsat's access to the United States market through COMSAT as soon as possible, but such reservation cannot be removed without adequate assurance that the United States market for satellite services will not be disrupted by such INTELSAT or Inmarsat access.

(12) The Communications Satellite Act of 1962, and other applicable United States laws, need to be updated to encourage and complete the pro-competitive privatization of INTELSAT and Inmarsat, to update the domestic United States regulatory regime governing COMSAT, and to ensure a competitively neutral United States framework for the provision of domestic and international telecommunications services via satellite systems.

SEC. 4. ESTABLISHMENT OF SATELLITE SERVICES COMPETITION; PRIVATIZATION.

The Communications Satellite Act of 1962 (47 U.S.C. 701) is amended by adding at the end the following:

"TITLE VI—SATELLITE SERVICES COMPETITION AND PRIVATIZATION

''SUBTITLE A—TRANSITION TO A PRIVATIZED INTELSAT

"SEC. 601. POLICY OF THE UNITED STATES.

''It is the policy of the United States to—

''(1) encourage INTELSAT to privatize in a pro-competitive manner as soon as possible, but not later than January 1, 2002, recognizing the need for a reasonable transition and process to achieve a full, pro-competitive restructuring; and

''(2) work constructively with its international partners in INTELSAT, and with INTELSAT itself, to bring about a prompt restructuring that will ensure fair competition, both in the United States as well as in the global markets served by the INTELSAT system; and

''(3) encourage Inmarsat's full implementation of the terms and conditions of its privatization agreement.

"SEC. 602. ROLE OF COMSAT.

''(a) ADVOCACY.—As the United States signatory to INTELSAT, COMSAT shall act as an aggressive advocate of pro-competitive privatization of INTELSAT. With respect to the consideration within INTELSAT of any matter related to its privatization, COMSAT shall fully consult with the United States Government prior to exercising its voting rights and shall exercise its voting rights in a manner fully consistent with any instructions issued. In the event that the United States signatory to INTELSAT is acquired after enactment of this section, the President and the Commission shall assure that the instructional process safeguards against conflicts of interest.

''(b) ANNUAL REPORTS.—The President and the Commission shall report annually to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, respectively, on the progress being made by INTELSAT and Inmarsat to privatize and complete privatization in a pro-competitive manner.

"SEC. 603. RESTRICTIONS PENDING PRIVATIZATION.

''(a) INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to carriers (other than the United States signatory) or end users in the United States until July 1, 2001 or until INTELSAT achieves a pro-competitive privatization pursuant to section 613 (a) if privatization occurs earlier.

''(b) Notwithstanding subsection (a), INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to any foreign signatory, or affiliate thereof, and no carrier, other than the United States signatory, nor any end user, shall be permitted to invest directly in INTELSAT.

''(c) Pending INTELSAT's privatization, the Commission shall ensure that the United States signatory is compensated by direct access users for the costs it incurs in fulfilling its obligations under this Act.

''(d) The provisions of subsections (b) and (c) shall remain in effect only until INTELSAT achieves a pro-competitive privatization pursuant to section 613 (a).

''SUBTITLE B—ACTIONS TO ENSURE PRO-COMPETITIVE SATELLITE SERVICES

"SEC. 611. PRIVATIZATION.

''(a) IN GENERAL.—The President shall seek a pro-competitive privatization of INTELSAT as soon as practicable, but no later than January 1, 2002. Such privatization shall be confirmed by a final decision of the INTELSAT Assembly of Parties and shall be followed by a timely initial public offering taking into account relative market conditions.

''(b) ENSURE CONTINUATION OF PRIVATIZATION.—The President and the Commission shall seek to ensure that the privatization of Inmarsat continues in a pro-competitive manner.

"SEC. 612. PROVISION OF SERVICES IN THE UNITED STATES BY PRIVATIZED AFFILIATES OF INTERGOVERNMENTAL SATELLITE ORGANIZATIONS.

''(a) IN GENERAL.—With respect to any application for a satellite earth station or space station under title III of the Communications Act of 1934 (47 U.S.C 301 et seq.) or any application under section 214 of that Act (47 U.S.C. 214), or any letter of intent to provide service in the United States via non-United States licensed space segment, submitted by a privatized IGO affiliate or successor, the Commission—

''(1) shall apply a presumption in favor of entry to an IGO affiliate or successor licensed by a WTO Member for services covered by United States commitments under the WTO Basic Telecom Agreement;

''(2) may attach conditions to any grant of authority to an IGO affiliate or successor that raises the potential for competitive harm; or

''(3) shall in the exceptional case in which an application by an IGO affiliate or successor would pose a very high risk to competition in the United States satellite market, deny the application.

''(b) DETERMINATION FACTORS.—In determining whether an application to serve the United States market by an IGO affiliate raises the potential for competitive harm or risk under subsection (a)(2), the Commission shall determine whether any potential anti-competitive or market distorting consequences of continued relationships or connections exist between an IGO and its affiliates including—

''(1) whether the IGO affiliate is structured to prevent anti-competitive practices such as collusive behavior or cross-subsidization;

''(2) the degree of affiliation between the IGO and its affiliate;

''(3) whether the IGO affiliate can directly or indirectly benefit from IGO privileges and immunities;

''(4) the ownership structure of the affiliate and the effect of IGO and other Signatory ownership and whether the affiliate is independent of IGO signatories or former signatories who control telecommunications market access in their home territories;

''(5) the existence of clearly defined arm's-length conditions governing the affiliate-IGO relationship including separate officers, directors, employees, and accounting systems;

''(6) the existence of fair market valuing for permissible business transactions between an IGO and its affiliate that is verifiable by an independent audit and consistent with normal commercial practice and generally accepted accounting principles;

''(7) the existence of common marketing;

''(8) the availability of recourse to IGO assets for credit or capital;

''(9) whether an IGO registers or coordinates spectrum or orbital locations on behalf of its affiliate; and

''(10) whether the IGO affiliate has corporate charter provisions prohibiting re-affiliation with the IGO after privatization.

''(c) SUNSET.—The provisions of subsection (b) shall cease to have effect upon approval of the application pursuant to section 613.

''(d) PUBLIC INTEREST DETERMINATION.—Nothing in this Act affects the Commission's ability to make a public interest determination concerning any application pertaining to entry into the United States market.

"SEC. 613. PRESIDENTIAL NEGOTIATING OBJECTIVES AND FCC CRITERIA FOR PRIVATIZED IGOs.

''(a) IN GENERAL.—Upon a final decision of the INTELSAT Assembly of Parties creating the legal structure and characteristics of the privatized INTELSAT and recognizing that Inmarsat transitioned into a private company on April 15, 1999, the President shall within 30 days report to the Congress on the extent to which such privatization framework meets each of the criteria in subsection (c), and whether taking into consideration all other relevant competitive factors, entry of a privatized INTELSAT or Inmarsat into the United States market will not be likely to distort competition.

''(b) PURPOSE OF PRIVATIZATION CRITERIA.—The criteria provided in subsection (c) shall be used as—

''(1) the negotiation objectives for achieving the privatization of INTELSAT no later than January 1, 2002, and also for Inmarsat;

''(2) the standard for measuring, pursuant to subsection (a), whether negotiations have resulted in an acceptable framework for achieving the pro-competitive privatization of INTELSAT and Inmarsat; and

''(3) licensing criteria by the Commission in making its independent determination of whether the certified framework for achieving the pro-competitive privatization of INTELSAT and Inmarsat has been properly implemented by the privatized INTELSAT and Inmarsat.

''(c) PRIVATIZATION CRITERIA.—A pro-competitively privatized INTELSAT or Inmarsat—

''(1) has no privileges or immunities limiting legal accountability, commercial transparency, or taxation and does not unfairly benefit from ownership by former signatories who control telecommunications market access to their home territories;

''(2) has submitted to the jurisdiction of competition and independent regulatory authorities of a nation that is a signatory to the World Trade Organization Agreement on Basic Telecommunications and that has implemented or accepted the agreement's reference paper on regulatory principles;

''(3) can offer assurance of an arm's-length relationship in all respects between itself and any IGO affiliate;

''(4) has given due consideration to the international connectivity requirements of thin route countries;

''(5) can demonstrate that the valuation of assets to be transferred post-privatization is in accordance with generally accepted accounting principles;

''(6) has access to orbital locations and associated spectrum post-privatization in accordance with the same regulatory processes and fees applicable to other commercial satellite systems;

''(7) conducts technical coordinations post-privatization under normal, established ITU procedures;

''(8) has an ownership structure in the form of a stock corporation or other similar and accepted commercial mechanism, and a commitment to a timely initial public offering has been established for the sale or purchase of company shares;

''(9) shall not acquire, or enjoy any agreements or arrangements which secure, exclusive access to any national telecommunications market; and

''(10) will have accomplished a privatization consistent with the criteria listed in this subsection at the earliest possible date, but not later than January 1, 2002, for INTELSAT and Inmarsat.

''(d) FCC INDEPENDENT DETERMINATION ON IMPLEMENTATION.—After the President has made a report to Congress pursuant to subsection (a), with respect to any application for a satellite earth station or space station under title III of the Communications Act of 1934 (47 U.S.C. 301) or any application under section 214 of the Communications Act of 1934 (47 U.S.C. 214), or any letter of intent to provide service in the United States via a non-United States licensed space segment, submitted by a privatized affiliate prior to the privatized IGO, or by a privatized IGO, the Commission shall determine whether the enumerated objectives for a pro-competitive privatization of INTELSAT and Inmarsat under this section have been implemented with respect to the privatized IGO, but in making that consideration, may neither contract or expand the privatization criteria in subsection (c).

''(e) AUTHORITY TO DENY AN APPLICATION.—Nothing in this section affects the Commission's authority to condition or deny an application on the basis of the public interest.

"SEC. 614. FAILURE TO PRIVATIZE IN A TIMELY MANNER.

''(a) REPORT.—In the event that INTELSAT fails to fully privatize as provided in section 611 by January 1, 2002, the President shall—

''(1) instruct all instrumentalities of the United States Government to grant a preference for procurement of satellite services from commercial private sector providers of satellite space segment rather than IGO providers;

''(2) immediately commence deliberations to determine what additional measures should be implemented to ensure the rapid privatization of INTELSAT;

''(3) no later than March 31, 2002, issue a report delineating such other measures to the Committee on Commerce of the House of Representatives, and Committee on Commerce, Science, and Transportation of the Senate; and

''(4) withdraw as a party from INTELSAT.

''(b) RESERVATION CLAUSE.—The President may determine, after consulting with Congress, that in consideration of privatization being imminent, it is in the national interest of the United States to provide a reasonable extension of time for completion of privatization.

''SUBTITLE C—COMSAT GOVERNANCE AND OPERATION

"SEC. 621. ELIMINATION OF PRIVILEGES AND IMMUNITIES.

''(a) COMSAT.—COMSAT shall not have any privilege or immunity on the basis of its status as a signatory or a representative of the United States to INTELSAT and Inmarsat, except that COMSAT retains its privileges and immunities—

''(1) for those actions taken in its role as the United States signatory to INTELSAT or Inmarsat upon instruction of the United States Government; and

''(2) for actions taken when acting as the United States signatory in fulfilling signatory obligations under the INTELSAT Operating Agreement.

''(b) NO JOINT OR SEVERAL LIABILITY.—If COMSAT is found liable for any action taken in its status as a signatory or a representative of the party to INTELSAT, any such liability shall be limited to the portion of the judgment that corresponds to COMSAT's percentage of the responsibility, as determined by the trier of fact.

''(c) PROSPECTIVE EFFECT OF ELIMINATION.—The elimination of privileges and immunities contained in this section shall apply only to actions or decisions taken by COMSAT after the date of enactment of the Open-market Reorganization for the Betterment of International Telecommunications Act.

"SEC 622. ABROGATION OF CONTRACTS PROHIBITED.

''Nothing in this Act or the Communications Act of 1934 (47 U.S.C. 151 et seq.) shall be construed to modify or invalidate any contract or agreement involving COMSAT, INTELSAT, or any terms or conditions of such agreement in force on the date of enactment of the Open-market Reorganization for the Betterment of International Telecommunications Act, or to give the Commission authority, by rule-making or any other means, to invalidate any such contract or agreement, or any terms and conditions of such contract or agreement.

"SEC. 623. PERMITTED COMSAT INVESTMENT.

''Nothing in this Act shall be construed as precluding COMSAT from investing in or owning satellites or other facilities independent from INTELSAT, or from providing services through reselling capacity over the facilities of satellite systems independent from INTELSAT. This section shall not be construed as restricting the types of contracts which can be executed or services which may be provided by COMSAT over the independent satellites or facilities described in this subsection.

''SUBTITLE D—GENERAL PROVISIONS

"SEC. 631. PROMOTION OF EFFICIENT USE OF ORBITAL SLOTS AND SPECTRUM.

''All satellite system operators authorized to access the United States market should make efficient and timely use of orbital and spectrum resources in order to ensure that these resources are not warehoused to the detriment of other new or existing satellite system operators. Where these assurances cannot be provided, satellite system operators shall arbitrate their rights to these resources according to ITU procedures.

"SEC. 632. PROHIBITION ON PROCUREMENT PREFERENCES.

''Except pursuant to section 615 of this Act, nothing in this title or the Communications Act of 1934 (47 U.S.C. 151 et seq.) shall be construed to authorize or require any preference in Federal Government procurement of telecommunications services, for the satellite space segment provided by INTELSAT or Inmarsat, nor shall anything in this title or that Act be construed to result in a bias against the use of INTELSAT or Inmarsat through existing or future contract awards.

"SEC. 633. SATELLITE AUCTIONS.

''Notwithstanding any other provision of law, the Commission shall not assign by competitive bidding orbital locations or spectrum used for the provision of international or global satellite communications services. The President shall oppose in the International Telecommunications Union and in other bilateral and multilateral negotiations any assignment by competitive bidding of orbital locations, licenses, or spectrum used for the provision of such services.

"SEC. 634. RELATIONSHIP TO OTHER LAWS.

''Whenever the application of the provisions of this Act is inconsistent with the provisions of the Communications Act of 1934, the provisions of this Act shall govern.

"SEC. 635. EXCLUSIVITY ARRANGEMENTS.

''(a) IN GENERAL.—No satellite operator shall acquire or enjoy the exclusive right of handling traffic to or from the United States, its territories or possessions, and any other country or territory by reason of any concession, contract, understanding, or working arrangement to which the satellite operator or any persons or companies controlling or controlled by the operator are parties.

''(b) EXCEPTION.—In enforcing the provisions of this subsection, the Commission—

''(1) shall not require the termination of existing satellite telecommunications services under contract with, or tariff commitment to, such satellite operator; but

''(2) may require the termination of new services only to the country that has provided the exclusive right to handle traffic, if the Commission determines the public interest, convenience, and necessity so requires.

''SUBTITLE E—DEFINITIONS

"SEC. 641. DEFINITIONS.

''(a) IN GENERAL.—In this title:

''(1) INTELSAT.—The term 'INTELSAT' means the International Telecommunications Satellite Organization established pursuant to the Agreement Relating to the International Telecommunications Satellite Organization.

''(2) INMARSAT.—The term 'Inmarsat' means the International Mobile Satellite Organization established pursuant to the Convention on the International Maritime Satellite Organization and may also refer to INMARSAT Limited when appropriate.

''(3) COMSAT.—The term 'COMSAT' means the corporation established pursuant to title III of this Act and its successors and assigns.

''(4) SIGNATORY.—The term 'signatory' means the telecommunications entity designated by a party that has signed the Operating Agreement and for which such Agreement has entered into force.

''(5) PARTY.—The term 'party' means, in the case of INTELSAT, a nation for which the INTELSAT agreement has entered into force or been provisionally applied, and in the case of INMARSAT, a nation for which the Inmarsat convention entered into force.

''(6) COMMISSION.—The term 'Commission' means the Federal Communications Commission.

''(7) INTERNATIONAL TELECOMMUNICATION UNION; ITU.—The terms 'International Telecommunication Union' and 'ITU' mean the intergovernmental organization that is a specialized agency of the United Nations in which member countries cooperate for the development of telecommunications, including adoption of international regulations governing terrestrial and space uses of the frequency spectrum as well as use of the geostationary orbital arc.

''(8) PRIVATIZED INTELSAT.—The term 'privatized INTELSAT' means any entity created from the privatization of INTELSAT from the assets of INTELSAT.

''(9) PRIVATIZED INMARSAT.—The term 'privatized Inmarsat' means any entity created from the privatization of Inmarsat from the assets of Inmarsat, namely INMARSAT, Ltd.

''(10) ORBITAL LOCATION.—The term 'orbital location' means the location for placement of a satellite in geostationary orbits as defined in the International Telecommunication Union Radio Regulations.

''(11) SPECTRUM.—The term 'spectrum' means the range of frequencies used to provide radio communication services.

''(12) SPACE SEGMENT.—The term 'space segment' means the satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment used to support the operation of satellites owned or leased by INTELSAT and Inmarsat or an IGO successor or affiliate.

''(13) INTELSAT AGREEMENT.—The term 'INTELSAT agreement' means the agreement relating to the International Telecommunications Satellite Organization, including all of its annexes (TIAS 7532, 23 UST 3813).

''(14) OPERATING AGREEMENT.—The term 'operating agreement' means—

''(A) in the case of INTELSAT, the agreement, including its annex but excluding all titles of articles, opened for signature at Washington on August 20, 1971, by governments or telecommunications entities designated by governments in accordance with the provisions of The Agreement; and

''(B) in the case of Inmarsat, the Operating Agreement on the International Maritime Satellite Organization, including its annexes.

''(15) HEADQUARTERS AGREEMENT.—The term 'headquarters agreement' means the binding international agreement, dated November 24, 1976, between the United States and INTELSAT covering privileges, exemptions, and immunities with respect to the location of INTELSAT's headquarters in Washington, D.C.

''(16) DIRECT-TO-HOME SATELLITE SERVICES.—The term 'direct-to-home satellite services' means the distribution or broadcasting of programming or services by satellite directly to the subscriber's premises without the use of ground receiving or distribution equipment, except at the subscriber's premises or in the uplink process to the satellite.

''(17) IGO.—The term 'IGO' means the Intergovernmental Satellite organizations, INTELSAT and Inmarsat.

''(18) IGO AFFILIATE.—The term 'IGO affiliate' means any entity in which an IGO owns or has owned an equity interest of 10 percent or more.

''(19) IGO SUCCESSOR.—The term 'IGO Successor' means an entity which holds substantially all the assets of a pre-existing IGO.

''(20) GLOBAL MARITIME DISTRESS AND SAFETY SERVICES.—The term 'global maritime distress and safety services' means the automated ship-to-shore distress alerting system which uses satellite and advanced terrestrial systems for international distress communications and promoting maritime safety in general, permitting the worldwide alerting of vessels, coordinated search and rescue operations, and dissemination of maritime safety information.

''(b) COMMON TERMS.—Except as otherwise provided in subsection (a), terms used in this title that are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153) have the meaning provided in that section.''.

SEC. 5. CONFORMING CHANGES.

(a) REPEAL OF FEDERAL COORDINATION AND PLANNING PROVISIONS.—Section 201 of the Communications Satellite Act of 1962 (47 U.S.C. 721) is amended to read as follows:

''SEC. 201. IMPLEMENTATION OF POLICY.

''The Federal Communications Commission, in its administration of the Communications Act of 1934, shall make rules and regulations to carry out the provisions of this Act.''.

(b) REPEAL OF GOVERNMENT-ESTABLISHED CORPORATION PROVISIONS.—

(1) IN GENERAL.—Section 301 of the Communications Satellite Act of 1962 (47 U.S.C. 731) is amended to read as follows:

''SEC. 301. CORPORATION.

''The corporation organized under the provisions of this title, as this title existed before the enactment of the Open-market Reorganization for the Betterment of International Telecommunications Act, known as COMSAT, and its successors and assigns, are subject to the provisions of this Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.''.

(2) CONFORMING CHANGES.—Title III of the Communications Satellite Act of 1962 (47 U.S.C. 731 et seq.) is amended—

(A) by striking ''**CREATION OF A COMMUNICATIONS SATELLITE**'' in the caption of title III;

(B) by striking sections 302, 303, and 304;

(C) by redesignating section 305 as section 302; and

(D) by striking subsection (c) of section 302, as redesignated.

(c) REPEAL OF CERTAIN MISCELLANEOUS PROVISIONS.—Title IV of the Communications Satellite Act of 1962 (47 U.S.C. 741 et seq.) is amended—

(1) by striking section 402;

(2) by striking subsection (a) of section 403 and redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(3) by striking section 404.

SEC. 6. INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS ACT AMENDMENTS.

(a) REPEAL OF SUPERSEDED AUTHORITY.—Title V of the Communications Satellite Act of 1962 (47 U.S.C. 751 et seq.) is amended—

(1) by striking sections 502, 503, 504, and 505; and

(2) by inserting after section 501 the following:

''SEC. 502. GLOBAL SATELLITE SAFETY SERVICES AFTER PRIVATIZATION OF BUSINESS OPERATIONS OF INMARSAT.

''In order to ensure the continued provision of global maritime distress and safety satellite telecommunications services after privatization of the business operations of Inmarsat, the President may maintain membership in the International Mobile Satellite Organization on behalf of the United States.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which the International Mobile Satellite Organization ceases to operate directly a global mobile satellite system.

MOTION OFFERED BY MR. TAUZIN

Mr. TAUZIN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TAUZIN moves that the House strike all after the enacting clause of a Senate bill, S. 376, and insert the text of the bill, H.R. 3261, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3261) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that the House insist on its amendment and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana? The Chair hears none and, without objection, appoints the following conferees: Messrs. BLILEY, TAUZIN, OXLEY, DINGELL, and MARKEY.

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that when the House adjourn today that it adjourn to meet at 2 p.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

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CONTINUATION OF NATIONAL EMERGENCY WITH REGARD TO WEAPONS OF MASS DESTRUCTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–158)

The SPEAKER pro tempore (Mr. BARRETT of Nebraska) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons (''weapons of mass destruction''—