However, I do not think it is particularly fair to deny this benefit to the spouse of the deceased. It is this person who is most likely to be responsible for the funeral expenses if there is no estate to handle this financial matter. Obviously, these expenses can be very costly.

I was not in Congress at the time, but this change was made when Congress was attempting to make as many cost cuts in the Social Security system as possible because of projected financial problems. In retrospect, the fund has generated healthy surpluses.

This legislation would correct this problem so that any surviving spouse, as long as one of the spouses is insured through Social Security, would be eligible to receive the burial benefit.

I urge my colleagues to support this bill and improve the Social Security death benefit for those who deserve it most.

BROADBAND INTERNET ACCESS ACT

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 2001

Mr. ENGLISH. Mr. Speaker, today I am reintroducing the Broadband Internet Access Act, which is a bipartisan bill to encourage the spread of high-speed Internet technology in rural and low-income communities.

Much in the role that canals played at the turn of the 19th century and the railroad played later in the century, the Internet is the critical infrastructure of our age. Communities without access will suffer as jobs and investment moves to connected communities. People in the rural or low-income communities are excluded from the personal and economic benefits of a high-speed information flow—a digital divide. The Broadband Internet Access Act of 2001 addresses the disparity in the availability of high-speed Internet access, also known as broadband services, in the United States.

Underserved communities—typically rural and low-income areas—are lagging seriously behind. The digital divide compromises the enormous gains that could be achieved by the Internet economy. The Internet is a valuable tool and every American should have the opportunity to get up to speed on the information superhighway.

I am submitting a technical explanation of the bill that is designed to stimulate the growth of high-speed Internet services.

BROADBAND INTERNET ACCESS TAX CREDIT

(New Sec. 48A of the Code)

PRESENT LAW

Present law does not provide a credit for investments in telecommunications infrastructure.

EXPLANATION OF PROVISION

The bill provides a credit equal to 10 percent of the qualified expenditures incurred by the taxpayer with respect to qualified equipment with which ''current generation'' broadband services are delivered to subscribers in rural and underserved areas. In addition, the bill provides a credit equal to 20 percent of the qualified expenditures incurred by the taxpayer with respect to qualified equipment with which ''next generation'' broadband services are delivered to subscribers in rural areas, underserved areas, and to residential subscribers.

Current generation broadband services is defined as the transmission of signals at a rate of at least 1.5 million bits per second to the subscriber and at a rate of at least 200,000 bits per second from the subscriber. Next generation broadband services is defined as the transmission of signals at a rate of at least 22 million bits per second to the subscriber and at a rate of at least 5 million bits per second from the subscriber. Taxpayers will be permitted to substantiate their satisfaction of the required transmission rates through statistically significant test data demonstrating satisfaction of the required transmission rates, by providing evidence that all relevant subscribers were provided with a written guarantee that the required transmission rates would be satisfied, or through any other reasonable method. For this purpose, the fact that certain subscribers are not able to access such services at the required transmission rates due to limitations in equipment outside of the control of the provider, or in equipment other than qualified equipment, shall not be taken into account.

A rural area is any census tract which is not within 10 miles of any incorporated or census designated place with a population of more than 25,000 and which is not within a county with a population density of more than 500 people per square mile. An underserved area is any census tract which is located in an empowerment zone, enterprise community, renewal zone or low-income community. A residential subscriber is any individual who purchases broadband service to be delivered to his or her dwelling.

QUALIFIED EXPENDITURES

Qualified expenditures are those amounts otherwise chargeable to the capital account with respect to the purchase and installation of qualified equipment for which depreciation is allowable under section 168. Qualified expenditures are those that are incurred by the taxpayer after December 31, 2001, and before January 1, 2006.

The expenditures are taken into account for purposes of claiming the credit in the first taxable year in which broadband service is delivered to at least 10 percent of the specified type of subscribers which the qualified equipment is capable of serving in an area in which the provider has legal or contractual area access rights or obligations. For this purpose, it is intended that the subscribers which the equipment is capable of serving will be determined by the least capable link in the system. For example, if a system has a packet switch capable of serving 10,000 subscribers, followed by a digital subscriber line access multiplexer (''DSLAM'') capable of serving only 2,000 subscribers, then the area which the equipment is capable of serving is the area served by the 2,000 DSLAM lines.

Although the credit only applies with respect to qualified expenditures incurred during specified periods, the fact that the expenditures are not taken into account until a later period will not affect the taxpayer's eligibility for the credit. For example, if a taxpayer incurs qualified expenditures with respect to equipment providing next generation broadband services in 2004, but the taxpayer does not satisfy the 10 percent subscription threshold until 2005, the taxpayer will be eligible for the credit in 2005 (assuming the other requirements of the bill are satisfied). To substantiate their satisfaction of the 10 percent subscription threshold, taxpayers will be required to provide such information as is required by the Secretary, which may include relevant customer data or evidence of independent certification.

In the case of a taxpayer that incurs expenditures for equipment capable of serving both subscribers in qualifying areas and other areas, qualified expenditures are determined by multiplying otherwise qualified expenditures by the ratio of the number of potential qualifying subscribers to all potential subscribers the qualified equipment would be capable of serving, as determined by the least capable link in the system. Taxpayers may use any reasonable method to determine the relevant total potential subscriber population, based on the most recently published census data. In addition, for purposes of substantiating the total potential subscriber population which equipment is capable of serving, taxpayers will be required to provide such information as is required by the Secretary, which may include manufacturer's equipment ratings or evidence of independent certification.

QUALIFIED EQUIPMENT

Qualified equipment must be capable of providing broadband services at any time to each subscriber who is utilizing such services. It is intended that this standard would be satisfied if a subscriber utilizing broadband services through the equipment is able to receive the specified transmission rates in at least 99 out of 100 attempts.

In the case of a telecommunications carrier, qualified equipment is equipment that extends from the last point of switching to the outside of the building in which the subscriber is located. In the case of a commercial mobile service carrier, qualified equipment is equipment that extends from the customer side of a mobile telephone switching office to a transmission/reception antenna (including the antenna) of the subscriber. In the case of a cable operator or open video system operator, qualified equipment is equipment that extends from the customer side of the headend to the outside of the building in which the subscriber is located. In the case of a satellite carrier or other wireless carrier (other than a telecommunications carrier), qualified equipment is equipment that extends from a transmission/reception antenna (including the antenna) to a transmission/reception antenna on the outside of the building used by the subscriber. In addition, any packet switching equipment deployed in connection with other qualified equipment is qualified equipment, regardless of location, provided that it is the last such equipment in a series as part of transmission of a signal to a subscriber or the first in a series in the transmission of a signal from a subscriber. Finally, multiplexing and demultiplexing equipment and other equipment making associated applications deployed in connection with other qualified equipment is qualified equipment only if it is located between qualified packet switching equipment and the subscriber's premises.

Although a taxpayer must incur the expenditures directly in order to qualify for the credit, the taxpayer may provide the requisite broadband services either directly or indirectly. For example, if a partnership constructs qualified equipment or otherwise incurs qualified expenditures, but the requisite services are provided by one or more of its partners, the partnership will be eligible for the credit (assuming the other requirements of the bill are satisfied). It is anticipated that the Secretary will issue regulations or other published guidance demonstrating how the requirements of the bill are satisfied in such situations.

EFFECTIVE DATE

The provision is effective for expenditures incurred after December 31, 2001.