| | | |
|---|---|---|
| Watts (OK) | Wyden | Zeliff |
| Wolf | Yates | Zimmer |

NOT VOTING—29

| | | |
|---|---|---|
| Andrews | Maloney | Spratt |
| Bateman | McDade | Thurman |
| Collins (MI) | McIntosh | Towns |
| Condit | Moakley | Tucker |
| Cooley | Ortiz | Waxman |
| de la Garza | Owens | Williams |
| Filner | Rangel | Wilson |
| Hayes | Reynolds | Young (AK) |
| Herger | Rose | Young (FL) |
| Kaptur | Scarborough | |

☐ 0910

The Clerk announced the following pair:

On this vote:

Mr. Scarborough for, with Mr. Filner against.

Mr. GILMAN, Mr. STOKES, and Ms. FURSE changed their vote from ''aye'' to ''no.''

Messrs. JONES, KIM, MFUME, BARCIA, HEFNER, and JEFFERSON, Ms. WOOLSEY, Mrs. KELLY, and Ms. MCKINNEY changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

## PERSONAL EXPLANATION

Mrs. MALONEY. Mr. Speaker, I inadvertently missed rollcall vote 627. Had I been present, I would have voted ''yes.''

The CHAIRMAN. It is now in order to consider amendment No. 2–1 printed in part 2 of House Report 104–223.

AMENDMENT NO. 2–1 OFFERED BY MR. STUPAK

Mr. STUPAK. Mr. Chairman, I offer an amendment, numbered 2–1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2–1 offered by Mr. STUPAK: Page 14, beginning on line 8, strike section 243 through page 16, line 9, and insert the following (and conform the table of contents accordingly):

**SEC. 243. REMOVAL OF BARRIERS TO ENTRY.**

(a) IN GENERAL.—No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide interstate or intrastate telecommunications services.

(b) STATE AND LOCAL AUTHORITY.—Nothing in this section shall affect the ability of a State or local government to impose, on a competitively neutral basis and consistent with section 247 (relating to universal service), requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

(c) LOCAL GOVERNMENT AUTHORITY.—Nothing in this Act affects the authority of a local government to manage the public rights-of-way or to require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for use of the rights-of-way on a nondiscriminatory basis, if the compensation required is publicly disclosed by such government.

(d) EXCEPTION.—In the case of commercial mobile services, the provisions of section 332(c)(3) shall apply in lieu of the provisions of this section.

The CHAIRMAN. Pursuant to the rule, the gentleman from Michigan [Mr. STUPAK] will be recognized for 5 minutes, and a Member opposed will be recognized for 5 minutes.

Does the gentleman from Virginia rise to claim the time?

Mr. BLILEY. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I am offering this amendment with the gentleman from Texas [Mr. BARTON] to protect the authority of local governments to control public rights-of-way and to be fairly compensated for the use of public property. I have a chart here which shows the investment that our cities have made in our rights-of-way.

☐ 0915

Mr. Chairman, as this chart shows, the city spent about $100 billion a year on rights-of-way, and get back only about 3 percent, or $3 billion, from the users of the right-of-way, the gas companies, the electric company, the private water companies, the telephone companies, and the cable companies.

You heard that the manage's amendment takes care of local government and local control. Well, it does not. Local governments must be able to distinguish between different telecommunication providers. The way the manager's amendment is right now, they cannot make that distinction.

For example, if a company plans to run 100 miles of trenching in our streets and wires to all parts of the cities, it imposes a different burden on the right-of-way than a company that just wants to string a wire across two streets to a couple of buildings.

The manager's amendment states that local governments would have to charge the same fee to every company, regardless of how much or how little they use the right-of-way or rip up our streets. Because the contracts have been in place for many years, some as long as 100 years, if our amendment is not adopted, if the Stupak-Barton amendment is not adopted, you will have companies in many areas securing free access to public property. Taxpayers paid for this property, taxpayers paid to maintain this property, and it simply is not fair to ask the taxpayers to continue to subsidize telecommunication companies.

In our free market society, the companies should have to pay a fair and reasonable rate to use public property. It is ironic that one of the first bills we passed in this House was to end unfunded Federal mandates. But this bill, with the management's amendment, mandates that local units of government make public property available to whoever wants it without a fair and reasonable compensation.

The manager's amendment is a $100 billion mandate, an unfunded Federal mandate. Our amendment is supported by the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the National Conference of State Legislatures and the National Governors Association. The Senator from Texas on the Senate side has placed our language exactly as written in the Senate bill.

Say no to unfunded mandates, say no to the idea that Washington knows best. Support the Stupak-Barton amendment.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. BARTON], the coauthor of this amendment.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, first I want to thank the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], and the gentleman from Colorado [Mr. SCHAEFER], for trying to work out an agreement on this amendment. We have been in negotiations right up until this morning, and were very close to an agreement, but we have not quite been able to get there.

I thank the gentleman from Michigan [Mr. STUPAK] for his leadership on this. This is something that the cities want desperately. As Republicans, we should be with our local city mayors, our local city councils, because we are for decentralizing, we are for true Federalism, we are for returning power as close to the people as possible, and that is what the Stupak-Barton amendment does.

It explicitly guarantees that cities and local governments have the right to not only control access within their city limits, but also to set the compensation level for the use of that right-of-way.

It does not let the city governments prohibit entry of telecommunications service providers for pass through or for providing service to their community. This has been strongly endorsed by the League of Cities, the Council of Mayors, the National Association of Counties. In the Senate it has been put into the bill by the junior Republican Senator from Texas [KAY BAILEY HUTCHISON].

The Chairman's amendment has tried to address this problem. It goes part of the way, but not the entire way. The Federal Government has absolutely no business telling State and local government how to price access to their local right-of-way. We should vote for localism and vote against any kind of Federal price controls. We should vote for the Stupak-Barton amendment.

Mr. BLILEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I rise in strong opposition to this Stupak amendment because it is going to allow the local governments to slow down and even derail the movement to real competition in the local telephone

market. The Stupak amendment strikes a critical section of the legislation that was offered to prevent local governments from continuing their longstanding practice of discriminating against new competitors in favor of telephone monopolies.

The bill philosophy on this issue is simple: Cities may charge as much or as little as they wanted in franchise fees. As long as they charge all competitors equal, the amendment eliminates that yet critical requirement.

If the consumers are going to certainly be looked at under this, they are going to suffer, because the cities are going to say to the competitors that come in, we will charge you anything that we wish to.

The manager's amendment already takes care of the legitimate needs of the cities and manages the rights-of-way and the control of these. Therefore, the Stupak amendment is at best redundant. In fact, however, it goes far beyond the legitimate needs of the cities.

Last night, just last night, we had talked about this in the author's amendment and we thought we worked out a deal, and we tried to work out a deal. All of a sudden I find that the gentleman, the author of the amendment, reneged on that particular deal, and now all of a sudden is saying well, we want 8 percent of the gross, the gross, of the people who are coming in. This is a ridiculous amendment. It should not be allowed, and we should vote against it.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, thanks to an amendment offered last year by the gentleman from Colorado [Mr. SCHAEFER], and adopted by the committee, the bill today requires local governments that choose to impose franchise fees to do so in a fair and equal way to tell all communication providers. We did this in response to mayors and other local officials.

The so-called Schaefer amendment, which the Stupak amendment seeks to change, does not affect the authority of local governments to manage public rights-of-way or collect fees for such usage. The Schaefer amendment is necessary to overcome historically based discrimination against new providers.

In many cities, the incumbent telephone company pays nothing, only because they hold a century-old charter, one which may even predate the incorporation of the city itself. In many cases, cities have made no effort to correct this unfairness.

If local governments continue to discriminate in the imposition of franchise fees, they threaten to Balkanize the development of our national telecommunication infrastructure.

For example, in one city, new competitors are assessed up to 11 percent of gross revenues as a condition for doing business there. When a percentage of revenue fee is imposed by a city on a telecommunication provider for use of rights-of-way, that fee becomes a cost of doing business for that provider, and, if you will, the cost of a ticket to enter the market. That is anticompetitive.

The cities argue that control of their rights-of-way are at stake, but what does control of right-of-way have to do with assessing a fee of 11 percent of gross revenue? Absolutely nothing.

Such large gross revenue assessments bear no relation to the cost of using a right-of-way and clearly are arbitrary. It seems clear that the cities are really looking for new sources of revenue, and not merely compensation for right-of-way.

We should follow the example of States like Texas that have already moved ahead and now require cities like Dallas to treat all local telecommunications equally. We must defeat the Barton-Stupak amendment.

Mr. STUPAK. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

(Ms. PELOSI asked and was given permission to revise and extend her remarks.)

Ms. PELOSI. Mr. Chairman, I rise in strong support of the Stupak-Barton amendment, which is a vote for local control over zoning in our communities.

Mr. STUPAK. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I rise in support of Stupak-Barton, that would ensure cities and counties obtain appropriate authority to manage local right-of-way.

Mr. STUPAK. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS].

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Chairman, I congratulate my colleague from Michigan [Mr. STUPAK] on this very important amendment.

Mr. STUPAK. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have heard a lot from the other side about gross revenues. You are right. The other side is trying to tell us what is best for our local units of government. Let local units of government decide this issue. Washington does not know everything. You have always said Washington should keep their nose out of it. You have been for control. This is a local control amendment, supported by mayors, State legislatures, counties, Governors. Vote yes on the Stupak-Barton amendment.

Mr. BLILEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first of all, let me say that I was a former mayor and a city councilman. I served as president of the Virginia Municipal League, and I served on the board of directors of the National League of Cities. I know you have all heard from your mayors, you have heard from your councils, and they want this. But I want you to know what you are doing.

If you vote for this, you are voting for a tax increase on your cable users, because that is exactly what it is. I commend the gentleman from Texas [Mr. BARTON], I commend the gentleman from Michigan [Mr. STUPAK] who worked tirelessly to try to negotiate an agreement.

The cities came back and said 10 percent gross receipts tax. Finally they made a big concession, 8 percent gross receipts tax. What we say is charge what you will, but do not discriminate. If you charge the cable company 8 percent, charge the phone company 8 percent, but do not discriminate. That is what they do here, and that is wrong.

I would hope that Members would defeat the amendment.

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

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. STUPAK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Michigan [Mr. STUPAK] will be postponed until after the vote on amendment 2–4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider amendment No. 2–2 offered by the gentleman from Michigan [Mr. CONYERS].

PARLIAMENTARY INQUIRY

Mr. NADLER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NADLER. Mr. Chairman, can the Chair simply state if it plans to roll other votes? Some of us were waiting around for this vote.

The CHAIRMAN. It is the intention of the Chair to roll the next two votes on the next two amendments, 2–2 and 2–3, until after a vote on 2–4. We will debate the first Markey amendment.

Mr. NADLER. Could the Chair use names, please?

The CHAIRMAN. We will roll the next two amendments, the Conyers and Cox-Wyden amendments, until after the vote on the first Markey amendment.

AMENDMENT 2–2 AS MODIFIED OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer a modified amendment.

The Clerk read as follows:

Amendment as modified offered by Mr. CONYERS: Page 26, strike line 6 and insert the following:

''(c) COMMISSION AND ATTORNEY GENERAL REVIEW.—

Page 26, lines 8 and 10, page 27, lines 6 and 9, strike ''Commission'' and insert ''Commission and Attorney General''.

Page 27, lines 4 and 12, insert ''COMMISSION'' before ''DECISION''.

Page 27, after line 21, insert the following new paragraph:

''(5) ATTORNEY GENERAL DECISION.—

''(A) PUBLICATION.—Not later than 10 days after receiving a verification under this section, the Attorney General shall publish the verification in the Federal Register.

''(B) AVAILABILITY OF INFORMATION.—The Attorney General shall make available to the public all information (excluding trade secrets and privileged or confidential commercial or financial information) submitted by the Bell operating company in connection with the verification.

''(C) COMMENT PERIOD.—Not later than 45 days after a verification is published under subparagraph (A), interested persons may submit written comments to the Attorney General, regarding the verification. Submitted comments shall be available to the public.

''(D) DETERMINATION.—After the time for comment under subparagraph (C) has expired, but not later than 90 days after receiving a verification under this subsection, the Attorney General shall issue a written determination, with respect to approving the verification with respect to the authorization for which the Bell operating company has applied. If the Attorney General fails to issue such determination in the 90-day period beginning on the date the Attorney General receives such verification, the Attorney General shall be deemed to have issued a determination approving such verification on the last day of such period.

''(E) STANDARD FOR DECISION.—The Attorney General shall approve such verification unless the Attorney General finds there is a dangerous probability that such company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter.

''(F) PUBLICATION.—Not later than 10 days after issuing a determination under subparagraph (E), the Attorney General shall publish a brief description of the determination in the Federal Register.

''(G) FINALITY.—A determination made under subparagraph (E) shall be final unless a petition with respect to such determination is timely filed under subparagraph (H).

''(H) JUDICIAL REVIEW.—

''(i) FILING OF PETITION.—Not later than 30 days after a determination by the Attorney General is published under subparagraph (F), the Bell operating company that submitted the verification, or any person who would be injured in its business or property as a result of the determination regarding such company's engaging in provision of interLATA services, may file a petition for judicial review of the determination in the United States Court of Appeals for the District of Columbia Circuit. The United States Court of Appeals for the District of Columbia shall have exclusive jurisdiction to review determinations made under this paragraph.

''(ii) CERTIFICATION OF RECORD.—As part of the answer to the petition, the Attorney General shall file in such court a certified copy of the record upon which the determination is based.

''(iii) CONSOLIDATION OF PETITIONS.—The court shall consolidate for judicial review all petitions filed under this subparagraph with respect to the verification.

''(iv) JUDGMENT.—The court shall enter a judgment after reviewing the determination in accordance with section 706 of title 5 of the United States Code. The determination required by subparagraph (E) shall be affirmed by the court only if the court finds that the record certified pursuant to clause (ii) provides substantial evidence for that determination.''

Page 29, line 8, insert ''and the Attorney General's'' after ''the Commission's''.

Mr. CONYERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

□ 0930

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. CONYERS] will be recognized for 15 minutes, and a Member in opposition to the amendment is recognized for 15 minutes.

Mr. BLILEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I yield myself 3 minutes.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Chairman, I began this discussion on an amendment to reinstate the Department of Justice's traditional review role when considering Bell entry into new lines of business by congratulating the chairman of the full committee, the gentleman from Illinois [Mr. HYDE]. In the committee bill that the Committee on the Judiciary reported, we were able to come together and bring forward an amendment exactly like the one that is now being brought forward.

I appreciate the chairman's role in this matter.

The amendment is identical to the test approved by the Committee on the Judiciary, as I have said earlier this year, on a bipartisan basis. Everyone on the committee, with the exception of one vote, supported our amendment. It was named the Hyde-Conyers amendment. It received wide support, and I hope we continue to do that.

It provides simply that the Justice Department disapprove any Bell request to enter long-distance business as long as there is a dangerous probability that such entry will substantially impede competition.

Point No. 1: This amendment on the Department of Justice role is more modest than the same provision for a Department of Justice role in the Brooks-Dingell bill that passed the House on suspension by 430 to 5 last year. So, my colleagues, we are not starting new ground. This is not anything different. It has received wide scrutiny and wide support. It is a matter that should not be in contention and should never have been omitted from either bill and certainly not the manager's amendment.

The Justice Department is the principal Government agency responsible for antitrust enforcement. Please understand that the 1984 consent decree has given the Department of Justice decades of expertise in telecommunications issues. By contrast, the FCC has no antitrust background whatsoever.

Remember, we are taking the court completely out of the picture. So what we have is no more court reviews or waivers. We have a total deregulation of the business. Unless we put this amendment in, we will not have a modest antitrust responsibility in this huge, complex circumstance.

Given this state of facts, it makes unquestionable sense to allow the antitrust division to continue to safeguard competition and preserve jobs. For the last 10 years the Justice Department has done an excellent job in keeping local prices, which have gone up, and long-distance rates, which have gone down.

The amendment I'm offering will reinstate the Department of Justice's traditional review role when considering Bell entry into new lines of business. The amendment is identical to the test approved by the Judiciary Committee earlier this year on a bipartisan 29 to 1 basis. It provides that the Justice Department must disapprove a Bell request to enter the long-distance business so long as there is a dangerous probability that such entry will substantially impede competition.

This should not even be a point of contention. The Justice Department is the principal Government agency responsible for antitrust enforcement. Its role in the 1984 AT&T consent decree has given it decades of expertise in telecommunications issues. The FCC by contrast has no antitrust background whatsoever. Many in this body have slated the FCC for extinction or significant downsizing.

Given this state of facts it makes unquestionable sense to allow the Antitrust Division to continue to safeguard competition and preserve jobs. For the last 10 years the Justice Department has been given an independent role in reviewing Bell entry into new lines of business, and the result has been a 70-percent reduction in long-distance prices and an explosion in innovation.

At a time when the Bells continue to control 99 percent of the local exchange market, I, for one, think we should have the Antitrust Division continue in this role. Don't be fooled by the FCC checklist—the Bells could meet every single item on that list and still maintain monopoly control of the local exchange market.

Last Congress this body approved—by an overwhelming 430 to 5 vote—a bill which provided the Justice Department with a far stronger review than my amendment does. It's no secret that I would have preferred to see this same review role given to the Justice Department this Congress. However, in the spirit of bipartisan compromise I agreed to a more lenient review role with Chairman HYDE when the Judiciary Committee considered telecommunications legislation. I was shocked when this very reasonable compromise test

was completely ignored when the two committees sought to reconcile their legislation.

Finally, I would note that the amendment has been revised to clarify that any determinations made by the Attorney General are fully subject to judicial review. It was never my intent to deny the Bells or any other party the right to appeal any adverse determination, so to accomplish this purpose I have borrowed the precise language from the Judiciary bill.

I urge the Members to vote for this amendment which gives a real role to the Justice Department and goes a long way toward safeguarding a truly competitive telecommunications marketplace. In an industry that represents 15 percent of our economy, we owe it to our constituents to do everything possible to make sure we do not return to the days of monopoly abuses.

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

Mr. BLILEY. Mr. Chairman, I yield myself 1 minute.

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Michigan [Mr. CONYERS].

The core principle behind H.R. 1555 is that Congress and not the Federal court judge should set telecommunications policy. This is one of the few issues that seems to have universal agreement, that Congress should reassert its proper role in setting national communications policy.

My colleagues, last November the citizens of this country said, loud and clear, we want less Government, less regulation. Getting a decision out of two Federal agencies is certainly a lot harder than getting it out of one. For that reason alone, this amendment ought to be defeated.

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

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT], a member of the committee.

(Mr. BRYANT of Texas asked and was given permission to revise and extend his remarks.)

Mr. BRYANT of Texas. Mr. Chairman, the gentleman from Michigan [Mr. CONYERS] made a very important point a moment ago when he pointed out that last year when we passed the bill by an enormous margin, we had a stronger Justice Department provision in the bill than we do, than even the Conyers amendment today would be.

The House has adopted the manager's amendment over our strong objections, but for goodness sakes consider the fact that, while the gentleman from Virginia [Mr. BLILEY] makes the point that we have decided that Congress shall make the decision with regard to communications law rather than the courts, Congress cannot make the decisions with regard to every single case out there.

As is the case throughout antitrust law, all we are saying with the Conyers amendment is that the Justice Department ought to be able to render a judgment on whether or not entry into this line of business by one of the Bell companies is going to impede competition rather than advance it.

Now, what motive would the Justice Department have to do anything other than their best in this matter? They have done a fine job in this area now for many, many years. The Conyers amendment would just come along and say, we are going to continue to have them exercise some judgment.

What we had in the bill before was that when there is no dangerous probability that a company who is trying to enter one of these lines of business or its affiliates would successfully use its market power and the Bell companies have enormous market power, to substantially impede competition, and the Attorney General finds that to be the case, there will be no problem with going forward.

When they find otherwise, there will be a problem with going forward, and we want there to be a problem with going forward. For goodness sakes, we know that the developments with regard to competition in the last 12 years are a result of a court, a sanction agreement, supervised by a judge. I do not know that that is the best process, but the fact of the matter is we allowed competition where it did not exist before.

Why would we now come along and take steps that would move us in the direction of impeding competition or essentially impeding competition? Give the Justice Department the right to look at it as they look at so many other antitrust matters. The President has asked for it. I think clearly we asked for it a year ago.

Let us keep with that principle.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, there are three things wrong with this amendment. The first is the agency which will be administering it, the Justice Department. The Justice Department is in good part responsible for the unfair situation which this country confronts in telecommunications. The Justice Department and a gaggle of AT&T lawyers have been administering pricing and all other matters relative to telecommunications by both the Baby Bells and by AT&T. So if there are things that are wrong now, it is Justice which has presided.

The second reason is that if we add the Justice Department to a sound and sensible regulatory system, it will create a set of circumstances under which it will become totally impossible to have expeditious and speedy decisions of matters of importance and concern to the American people.

The decisions that need to be made to move our telecommunications policy forward can simply not be made where you have a two-headed hydra trying to address the telecommunications problems of this country.

Now, the third reason: I want Members to take a careful look at the graph I have before me. It has been said that a B–52 is a group of airplane parts flying in very close formation. The amendment now before us would set up a B–52 of regulation. If Members look, they will find that those in the most limited income bracket will face a rate structure which is accurately represented here. It shows how long-distance prices have moved for people who are not able to qualify for some of the special goody-goody plans, not the people in the more upper income brackets who qualify for receiving special treatment.

This shows how AT&T, Sprint and MCI rates have flown together. They have flown as closely together as do the parts of a B–52. Note when AT&T goes down, Sprint and MCI go down. When MCI or AT&T go up, the other companies all go up. They fly so closely together that you cannot discern any difference.

This will tell anyone who studies rates and competition that there is no competition in the long distance market. What is causing the vast objection from AT&T, MCI and Sprint is the fact that they want to continue this cozy undertaking without any competition from the Baby Bells or from anybody else.

If Members want competition, the way to get it is to vote against the Conyers amendment. If you do not want it and you want this kind of outrage continuing, then I urge you to vote for the amendment offered by the gentleman from Michigan [Mr. CONYERS] who is my good friend.

Mr. CONYERS. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I say to my very dear colleague and the dean of the Michigan delegation, that ain't what he said when the Brooks-Dingell bill came up only last year, and he had a tougher provision with the Department of Justice handling this important matter.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BERMAN], a very able member of the Committee on the Judiciary.

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Everything that my friend from Michigan [Mr. DINGELL] said about the question of competition can be assumed to be true, and none of it would cause Members to vote against the Conyers amendment. Because I do not think we should put artificial restrictions on the ability of the Bell companies to go into long distance, I supported the manager's amendment because it got rid of a test that made it virtually impossible for them to ever enter that competition.

Now the only question is whether the Justice Department, that had the foresight starting under Gerald Ford, finishing under Ronald Reagan, to break

up the Bell monopolies, should be allowed to have a meaningful role, a role defined by a test which is so restrictive that it says, unless, unless the burden supports, the assumption is with the Bell companies. It says unless the Attorney General finds that there is a dangerous probability that such company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter, it is an extremely rigorous test that must be met to stop them from entering the market. But it gives the division that has been historically empowered to decide whether there is anticompetitive practices a role in deciding whether or not that entry will impede competition.

This place voted last year by an overwhelming vote for a test that was far more rigorous, a test that said that they could not enter unless we found there was no substantial possibility that they could use monopoly power to impede competition. Do not overreach, the proponents of Bell entry into long distance, do not over reach. Do not shut the Justice Department out from an historic role that they have had, that they should have, to look at whether or not there is a high probability that they will cause, they will exercise monopoly power.

Support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. HYDE], the chairman of the Committee on the Judiciary.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I want to congratulate the gentleman from Michigan for reviving the judiciary bill which did pass our committee 29 to 1, because it does go a long way toward establishing or reestablishing a principle that I believe in; namely, that antitrust laws should be reviewed and administered by that department of government specifically designed to do that, and that is the Department of Justice.

□ 0945

When a Baby Bell enters into manufacturing or into long distance, antitrust questions are brought into play. The Department of Justice, it seems to me, is the appropriate agency to oversee that transition and analyze the competitive implications.

Once the bills are in these new lines of business and operating, it becomes a regulatory proposition and then oversight by the Federal Communications Commission is appropriate.

Mr. Chairman, what the gentleman from Michigan [Mr. CONYERS] has done is to propose a more meaningful role for the Department of Justice, which is what the Judiciary Committee wanted to do. But the problem is, that DOJ comes in at the tail end of the regulatory process. It becomes a double hurdle for a Baby Bell trying to get into manufacturing or long distance. It is not the same quick, clean expedited process that we had in our legislation (H.R. 1528).

So, it adds additional hurdles for a company, a Bell company seeking to get into manufacturing or long distance. It will add considerably to the amount of time that is consumed. A Bell company can make all of the right moves and do everything it wants, and then at the end of the process be shot down by the Department of Justice.

Mr. Chairman, I had proposed and preferred a dual-track, dual-agency situation where options could be chosen by the Bells to get into these new businesses, but that is not to be.

Having said what I have just said, I do approve and appreciate the fact that a more expansive role is proposed to the Department of Justice in dealing with these important antitrust issues. After all, it is an antitrust decree that we are modifying, the modified final judgment.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER], ranking minority member of the Committee on the Judiciary.

Mrs. SCHROEDER. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Michigan [Mr. CONYERS]. What we are doing here is we are getting ready to unleash these huge, huge economic forces. They are huge.

The Justice Department, I wish it were much stronger, to be perfectly honest. Last year, the bill that people voted for had this type of language in it. It is an independent agency. It is not the FCC.

Mr. Chairman, it seems to me that if we are getting ready to unleash these huge forces on the American consumer, we ought to want some watchdog, some watchdog out there someplace.

Granted, we want competition, but what we may end up with is one guy owning everything. If my colleagues want the Justice Department for heaven's sakes, vote ''yes.''

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, the most difficult issue in this bill has been how the local loop is opened to competition. No question, that is where the focus of the controversy has been. It is a delicate question.

Mr. Chairman, what we have attempted to do is to open this in a sensible and fair way to all competitors. Consequently, we created a checklist on how that loop is opened. We have the involvement of the State public utility commissions in every State in that particular question. We have reviews by the Federal Communications Commission that the loop is open. Consequently, there is no need to give the Department of Justice a role in the opening of that loop.

We have worked with our good friends on the Committee on the Judiciary coming up with a consultative role for the Justice Department. It was never envisioned by Judge Greene in the modified final judgment that Justice would have a permanent role and this is the time we made the break. This is the time we move this telecommunications industry into the 21st century.

Mr. Chairman, a sixth of our economy is involved in this particular industry. Central to opening up telecommunications to competition is to open the loop correctly and as quickly as possible, because in opening the loop and creating competition, we have more services, we have newer technologies, and we have these at lower costs to the consumer. That is a desired result and that is something that we have worked for this particular bill.

Mr. Chairman, that is why we have spent so much time on how this loop is opened and there is no need for Justice to have an expanded role.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. SCHIFF], a member of the Committee on the Judiciary from the other side of the aisle.

Mr. SCHIFF. Mr. Chairman, I want to make it clear, first, that I agree completely with the direction of the bill. I voted in favor of the manager's amendment of the gentleman from Virginia [Mr. BLILEY], because I think we want to go from the courts, the Congress, and ultimately get Congress out of this and let companies compete.

Mr. Chairman, I think the future is one of companies that compete in different areas simultaneously. Each company will offer telephone services, entertainment services, and so forth. But we must remember that this whole matter has arised from an antitrust situation. Even though we want all companies, including the regional Bells, to participate in all aspects of business enterprise, the fact of the matter is that there is still basically a control of the local telephone market.

For that reason, Mr. Chairman, for a period of time, the Department of Justice should have a specific identifiable role in this bill. That is why I urge my fellow Members of the House to support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. HASTINGS].

Mr. HASTINGS of Florida. Mr. Chairman, I am not a member of the Committee on the Judiciary, but I am interested in its findings.

Mr. Chairman, H.R. 1555 assigns to the FCC the regulatory functions to ensure that the Bell companies have complied with all of the conditions that we have imposed on their entry into long distance. This bill requires the Bell companies to interconnect with their competitors and to provide them the features, functions and capabilities of the Bell companies' networks that the new entrants need to compete.

The bill also contains other checks and balances to ensure that competition occurs in local and long distance growth. The Justice Department still has the role that was granted to it under the Sherman and Clayton Acts, and other antitrust laws. Their role is to enforce the antitrust laws and ensure that all companies comply with the requirements of the bill.

The Department of Justice enforces the antitrust laws of this country. It is a role that they have performed well. The Department of Justice is not, and should not be, a regulating agency. It is an enforcement agency.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BECERRA], a very able member of the Committee on the Judiciary.

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Mr. Chairman, let us not forget that the Ma Bell operating company, AT&T was broken up because the company used its control of local telephone companies to frustrate long-distance competition. It was the Justice Department that pursued the case against AT&T, through Republican and Democratic administrations, to stop those abuses.

Mr. Chairman, the standard that is in the Conyers amendment, which is the standard adopted and passed by the Committee on the Judiciary, Republican and Democrats, except for 1 member voting for it, is the standard that we are trying to get included now. It is a standard that is softer than the standard that was passed by 430 to 5 last year by this same House.

It is a standard that is softened for the regional operating companies to be able to pursue and it is a very rigorous standard that the Justice Department must meet in order to be able to stop a local company from coming in.

Mr. Chairman, let us not forget that the Republican Congress is trying to eliminate the FCC, and now they are asking the FCC to be the watchdog for consumers in this area. We should have a safety net for consumers and ratepayers.

Vote for the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Roanoke, VA [Mr. GOODLATTE], a member of the Committee on the Judiciary.

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Chairman, I rise in strong opposition to the Conyers amendment.

Mr. Chairman, when Congress acts to end the current judicial consent decree management of the telecommunications industry, the Department of Justice should not simply take over. H.R. 1555 preserves all of the Department of Justice's antitrust powers. I agree with the chairman of my committee that when there are antitrust violations, the Department of Justice should step in.

Mr. Chairman, the Conyers amendment would dramatically increase the Department's statutory authority to regulate the telecommunications industry, a role for which the Department of Justice was never intended.

Currently, the Federal Communications Commission and the public service commissions in all 50 States and the District of Columbia regulate the telecommunications industry to protect consumers.

This combination of Federal and State regulatory oversight is effective and will continue unabated under both the House and the Senate legislation. There is no reason why two Federal entities, the Federal Communications Commission and the Department of Justice, should have independent authority in this area once Congress has set a clear policy.

The Department of Justice seeks to assume for itself the role currently performed by Judge Greene. The Department, in effect, wants to keep on doing things the way they are, but they are going to replace Judge Greene with themselves.

Mr. Chairman, I voted for the separate standard for the Department of Justice in the Committee on the Judiciary, but that was presuming, as the chairman of the committee informed us, it would be the sole separate standard. Now, they are seeking to impose that standard on top of the authority provided to the Federal Communications Commission in the bill.

All of the tests, one after the other, that the FCC will require, will have to be met and then a dual review will be imposed where the Department of Justice will step in at the end.

Mr. Chairman, I urge opposition to the amendment and support for the bill.

Mr. Chairman, I include the following for the RECORD.

STATEMENT OF REPRESENTATIVE GOODLATTE ON H.R. 1555, AUGUST 2, 1995

Mr. Chairman, I rise in support of H.R. 1555.

Mr. Chairman, I want to thank Chairmen HYDE, BLILEY and FIELDS for their able leadership in bringing this important legislation to the House floor. The American people will benefit from the increased availability of communications services, increased number of jobs, and a strengthened global competitiveness from this bill.

Throughout the debate on this legislation, I have aimed at bringing these benefits to Americans as soon as possible. I continue to believe that this goal can best be achieved by lifting all government-imposed entry restrictions in all telecommunications markets at the same time. Whether they are State laws that pervent cable companies or long distance companies from competing in the local exchange or the AT&T consent decree that prevents the Bell companies from competing in the long distance market, these artificial government-imposed restraints all inhibit the development of real competition.

Under this legislation, State laws that today prevent local competition will be lifted. Upon enactment, the local telephone exchange will be legally opened for any competitor to enter.

But the bill does not stop here and merely trust to fate. It goes further. It requires the Bell companies and other local exchange carriers such as GTE and Sprint-United to unbundle their networks and to resell to competitors the unbundled elements, features, functions, and capabilities that those new entrants need to compete in the local market. It also requires State commissions and the FCC to verify that the local carriers meet these obligations.

It gives new entrants the incentive to build their own local facilities-based networks, rather than simply repackaging and reselling the local services of the local telephone company. This is important if the information superhighway is to be truly competitive.

The bill also contains cross checks to ensure either that facilities-based competition is present in the local exchange or that the Bell companies have done all that the bill requires of them before they will be permitted to offer interLATA services and to manufacture. This is a strong incentive for them to comply with the requirements of this legislation.

It will take time for the Bell companies to satisfy all of the conditions in the bill. This built-in delay will provide the long distance and cable companies a head start into the local exchange.

The bill recognizes that there are several significant problems with such a government-mandated head start. And, it deals with those issues. While the bill does not create the simultaneity of entry that the Bell companies have requested, it also does not impose the artificial delay sought by the long distance companies.

This bill achieves a sound public policy. First, it gets the conditions right. Second, it requires verification that the conditions have been met. Third, it assures that they have begun to work. Then, fourth, it lets full competition flourish by lifting the remaining restrictions on the Bell companies.

You don't have to take my word on the soundness of this approach. None other than the Department of Justice advocated it 8 years ago.

As a member of the Judiciary Committee, I have been following this particular matter for several years. In 1987 the Department filed its first and only Triennial Review with the Decree Court. It recommended that if a Bell company shows that an area in its region is free of regulatory barriers to competition, then the interLATA restrictions should be lifted, even if—the Department noted—a residual core of local exchange services remains a natural monopoly at that time. That is, when there are no restrictions on either facilities-based intraLATA competition or on resale of Bell company services, interLATA relief should be granted.

The Department acknowledged that, with the removal of entry barriers and the requirement for resale of local exchange services, a majority of customers would likely stay with local exchange carriers and some areas of local exchange might remain natural monopolies. Nevertheless, it believed that the potential for discrimination would be significantly reduced because of (1) increased alternatives, especially for higher volume customers, and (2) increased need for Bell companies to interconnect with private networks.

Bell companies, according to the Department, immediately would be subject to substantial competitive pressures. The threat or possibility of competition would be sufficient that the residual risk posed by the Bell companies could be contained effectively through regulatory controls, according to the DOJ.

Noting that competition will reduce intraLATA toll and private line rates, the Department correctly concluded that only basic local exchange service and residential

exchange access would remain as services capable of being inflated to cover misallocated costs of competitive activities. Indeed, intraLATA toll competition has been and is allowed in virtually every state and has already significantly eroded the Bell companies' market share of these services. Moreover, competition in the exchange access market also has grown significantly as the successes of companies like Teleport and MFS attest.

And, some very powerful and well-financed companies have targeted the local telephone market for competition. Companies like MCI are investing in local networks. So are cable companies that already have strong local presences. Significantly, AT&T has spent billions to move back into local telephony through its acquisition of McCraw Cellular and its success in bidding on PCS licenses.

As the Department prognosticated, this leaves only local services as a potential source of subsidy. However, as it also correctly recognized, basic local exchange and residential services are a very unlikely source of subsidy.

Those rates have been and are currently subsidized by other rates (i.e., residential rates are below costs and therefore cannot subsidize other services). And, they are beyond the unilateral power of the Bell companies to raise.

State regulators have clearly demonstrated over the years that they are unwilling to let basic residential charge rise. It is important to note that this bill preserves the State's ability to prevent the Bell companies from raising local exchange rates.

The bill also prevents interconnection rates from being the source of subsidy as it requires those rates to be just and reasonable before the Bell companies get intraLATA relief. It eliminates the Bell companies' ability to use their local exchange networks in a discriminatory fashion to impede their competitors.

This legislation achieves the conditions that DOJ set forth eight years ago, and in my view goes even further by requiring regulatory verifications before the Bell companies are actually relieved of the intraLATA restriction. First, upon enactment, it lifts all state and local laws that have previously barred cable and long distance companies from competing in the local exchange services market. In other words, it will ensure that there are no legal barriers to facilities-based competition.

Second, it not only requires the Bell companies to resell their local services, but it also identifies the elements, features, functions and capabilities that the Bell companies and other local exchange carriers will have to unbundle for their competitors. Although AT&T was required to resell its long distance services to its competitors in order to spur long distance competition, it was not required to make new services for its competitors through unbundling. Moreover, the bill's requirements on unbundling and resale are far more detailed and precise and therefore more enforceable by the commission, courts and competitors than the Department's general resale condition.

In the final analysis, Mr. Chairman, I support this bill because it strikes a balance that will bring competition in cable and telephony to the American people. It may not come as soon as some want or, indeed, as soon as I want, but it won't be delayed as long as others desire.

I am comforted as well that I do not have to take all of this on blind faith. I believe that the FCC and the State commissions will make sure the competition rolls out quickly and fairly and that local rate payers will not foot the bill. I am also sure that the Department of Justice is fully capable under this legislation of not only monitoring these developments but of playing an active role in the continued enforcement of the antitrust laws to shape the most robustly competitive telecommunications market in the world.

The American people deserve nothing less. We should not disappoint them. We should delay no further.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. LOFGREN], a member of the Committee on the Judiciary.

Ms. LOFGREN. Mr. Chairman, like many of my colleagues, I have heard from Baby Bells, long-distance carriers, until I am really tired of hearing from them. What I have done is call Silicon Valley, who basically does not care about the Bells or the long-distance carriers. They do care about competition.

Mr. Chairman, the advice I have gotten is that there should be a little role for the Department of Justice. I realize that there are some on the Democratic side of the aisle, including the White House, who feel that this measure is way too weak; that we should have a much bigger role. Honestly I disagree with them.

Mr. Chairman, I think the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] got it exactly right. A very high threshold, a 180-day turnaround, and a break in case things do not turn out the way we hope.

Mr. Chairman, I urge support of the amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN], a member of the Committee on Commerce.

(Mr. TAUZIN asked and was given permission to revise and extend his remarks.)

Mr. TAUZIN. Mr. Chairman, I have with me a small chart that shows the result of judge-made law when it comes to telecommunications. What we just debated on the manager's amendment was to end the system of the LATA lines, the lines on the map drawn by the judge regulating communications policy in America.

Mr. Chairman, this is one of those LATA lines, a line of restriction of competition. This line runs through Louisiana, through one of my parishes in Louisiana, separating the town of Hornbeck and Leesville.

Mr. Chairman, they are in the same parish. The school board in that parish, in order to communicate from one office to the other, has to buy a line that runs from Shreveport to Lafayette back to Leesville at a cost per year of $43,000 more than they would have to pay if they could simply call 16 miles across these two communities.

Mr. Chairman, the court-ordered line has cost that school board $43,000. This is the kind of court-made law we avoid in this bill. Let us not give it back to the Justice Department. Let us write communications law in this Chamber.

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Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I would really like to thank the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] for their leadership and for their bipartisan approach to this amendment. I think that we should not be looking at the long-distance providers on one side and the regional Bells on the other side.

Really, what the input of the Committee on the Judiciary in this amendment is, is to simply go right down the middle in dealing with competition, by enhancing the opportunity for competition. In fact, unlike my colleagues who have opposed it, this is not a override. This equates to the Department of Justice and the FCC working together and complementing each other.

Mr. Chairman, what it says is, there will not be a limitation, there will not be a prohibition of the Antitrust Division of the DOJ from reviewing for acts that impede competition. The FCC and DOJ will work together, and the dual responsibility will not hinder the other. The DOJ will not delay the regional Bell's entry into other markets, for there is a time frame in which they must respond; and the courts are not there to inhibit, but are there to give the opportunity for any judicial review that either party to access. This is a fair amendment.

I believe that we must get away from who said what in this debate, and focus on competition for the consumers. Let us make this a better bill and support this amendment, Mr. Chairman.

I must rise in support of a strong role of the Justice Department to help ensure that the telecommunications industry is truly competitive. The telecommunications industry is a critically important industry as we enter the 21st century. The Conyers amendment provides a reasonable role for the Justice Department to determine whether competition exists in the telecommunications markets. The Justice Department, through its Anti-trust Division, has considerable experience in carrying out this important function. The Justice Department needs and deserves more than a consultative role that is envisioned in the manager's amendment to H.R. 1555.

The standard of review proposed in this amendment is a medium standard that allows the Justice Department to prohibit local telephone companies from entering long-distance services or manufacturing equipment if ''there is a dangerous probability that the Bell company or its affiliates would successfully use market power to substantially impede competition'' in the market. The amendment also provides the right to judicial review. This standard was overwhelmingly approved in the

House Judiciary Committee by a vote of 29 to 1. Let us ensure competition by supporting this amendment. The Conyers amendment will help the regional Bells, the long-distance providers, and most of all, our consuming public.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. WATERS], who has followed this matter with great interest.

Ms. WATERS. Mr. Chairman, I rise in support of the Conyers amendment. Just once this year, we should do something that protects consumers; this amendment would accomplish that purpose.

Mr. Chairman, we are entering a brave new world in telecommunications law. In theory, the deregulatory provisions contained in this legislation will unleash a new era of competition between local and long-distance carriers, as well as between the telecommunications and cable industries.

However, free market competition is predicated on nonmonopolistic power relationships between competing firms. The Conyers amendment would ensure that local telephone companies would not impede competition through monopoly behavior.

The Conyers compromise language would perfect language currently in the bill. It would preserve the Justice Department's traditional role as the primary enforcer of antitrust statutes. It would do so alongside, not in conflict with, the regulatory responsibilities of the FCC.

Mr. Chairman, this bill is an experiment. No one knows for sure what the outcome will be as we enter the 21st century telecommunications world. I ask for an ''aye'' vote.

Mr. CONYERS. Mr. Chairman, I yield 45 seconds to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, I thank the gentleman and rise in support of the Conyers amendment.

This amendment will protect consumers of the long-distance market from potential anticompetitive conduct by Bell companies which currently monopolize local telephone service, but without the consuming bureaucratic requirements unfairly tying up the Bell companies. An active Department of Justice role will not delay a Bell entry into the market because the Justice Department would be required to reach its decision within 3 months.

Because the Conyers amendment is a balanced amendment designed to protect America's consumers from the dangers of anticompetitive conduct, Mr. Chairman, I urge my colleagues to vote ''yes'' on the Conyers amendment. It is in the best interest of the consumer.

Mr. CONYERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

(Ms. KAPTUR asked and was given permission to revise and extend her remarks.)

Ms. KAPTUR. Mr. Chairman, I rise in strong support of the Conyers amendment to referee the gigantic money interests who have their hands in the pockets of the American people.

There has been enough money spent on lobbying this bill to sink a battleship.

I wish to insert in the RECORD a partial list of what over $40 million in lobbying contributions has bought. I leave it to the American people to make their own judgments. This bill is living proof of what unlimited money can do to buy influence and the Congress of the United States.

POLITICAL CONTRIBUTIONS BY REGIONAL BELL OPERATING COMPANIES [RBOC] HARD MONEY PAC CONTRIBUTIONS TO MEMBERS OF CONGRESS YEAR TO DATE 1995 [1]

| | Democrats | Republicans |
|---|---|---|
| Ameritech | 38,950 | 113,588 |
| Bell Atlantic | 2,100 | 12,466 |
| Pacific Telesis | 10,500 | 27,949 |
| Southwestern Bell | 29,600 | 48,200 |
| Partial total YTD | 78,150 | 202,203 |

[1] Several of the RBOC's have chosen to report their contributions less frequently than once a month, as the law allows. Figures are not available for Bellsouth, NYNEX, or U.S. West.

POLITICAL CONTRIBUTIONS BY REGIONAL BELL OPERATING COMPANIES [RBOC] SOFT MONEY FIRST QUARTER 1995

| Name | Democratic | Republican |
|---|---|---|
| Ameritech | 250 | 0 |
| Bell Atlantic | 3,000 | 25,000 |
| BellSouth | 0 | 15,000 |
| Nynex | 20,000 | 25,000 |
| Southwestern Bell | 0 | 0 |
| Pacific Telesis | 250 | 22,000 |
| US West | 0 | 15,000 |
| Total | 23,500 | 122,000 |

[Excerpts from Common Cause newsletter, June 5, 1995]

''ROBBER BARONS OF THE '90s''

Telecommunications industries, which stand to gain billions of dollars from the congressional overhaul of telecommunications policy, have used $39,557,588 in political contributions during the past decade to aid their fight for less regulation and greater profits, according to a Common Cause study released today.

The four major telecommunications industries involved in this legislative battle—local telephone services, long distance service providers, broadcasters and cable interests—contributed $30.9 million in political action committee (PAC) funds to congressional candidates, and $8.6 million in soft money to Democratic and Republican national party committees, during the period January 1985 through December 1994, the Common Cause study found.

*Top telecommunications industry PAC and soft money contributors, 1985–1994*

| | |
|---|---|
| AT&T | $6,523,445 |
| BellSouth Corp | 2,928,673 |
| GTE Corp | 2,899,056 |
| Natl Cable Television Assn | 2,211,214 |
| Ameritech Corp | 1,936,899 |
| Pacific Telesis | 1,742,512 |
| US West | 1,666,920 |
| Natl Assn Of Broadcasters | 1,629,988 |
| Bell Atlantic | 1,559,011 |
| Sprint | 1,531,596 |

''A strong case can be made that the war over telecommunications reform has done more to line the pockets of lobbyist and lawmakers than any other issue in the past decade.''—Kirk Victor, National Journal

Among the key findings of the Common Cause study:

Local telephone services made $17.3 million in political contributions during the past decade. Long distance providers gave $9.5 million in political contributions; cable television interests gave $8 million; and broadcasters gave $4.7 million.

The biggest single telecommunications industry donation came from Tele-Communications Inc, the country's biggest cable company. The company gave a $200,000 soft money contribution to the Republican National Committee five days before the last November's elections.

Telecommunication PACs were especially generous to members of two key committees that recently passed bills to rewrite telecommunication regulations. House Commerce Committee members received, on average, more than $65,000 each from telecommunications PACs; Senate Commerce Committee members received, on average, more than $107,000 each.

Two-thirds of House freshmen received PAC contributions from telecommunications interests immediately following their November election wins. Between November 9 and December 31, 1994, telecommunications PACs gave new Representatives-elect a total $115,500.

In January, top executives of telecommunications companies that gave a total $23.5 million in political contributions during the past decade were invited to closed-door meetings with Republican members of the House Commerce Committee. Consumer and rate-payer groups—who were not major political donors—were not invited to the special meetings.

Lobbyists for the telecommunications industry represent a wide array of Washington insiders. For example, former Reagan and Bush Administration officials represent long distance providers, while a former Clinton official represents local telephone interests. Lobbying on behalf of broadcast interests are former aids to both Republican and Democratic Members of Congress.

In addition to their political contributions during the past decade, telecommunications interests contributed $221,000 in soft money to the Republican National Committee during the first three months of 1995. (Democratic National Committee soft money information for the first six months of 1995 will be available in July.)

HOUSE COMMERCE COMMITTEE MEMBERS RECEIVE ON AVERAGE $65,000 EACH FROM TELECOM PACS—DOUBLE THE HOUSE AVERAGE

Telecommunications industry lobbyists ''have seldom met more receptive lawmakers,'' than the members of the House Commerce Committee.—The New York Times

Telecommunications industry Pacs gave a total $6,676,147 in contributions to current Senators during the past decade, an average $66,761 per Senator, according to the Common Cause study.

SENATE COMMERCE COMMITTEE MEMBERS RECEIVE ON AVERAGE $107,000 EACH FROM TELECOM PACS

The Common Cause study found that members of the Senate Commerce, Science and Transportation Committee received nearly twice as much PAC money on average from telecommunications interests during the past decade as other Senators—an average of $107,730 compared to $57,152 received by Senators not on the committee.

''ROBBER BARONS OF THE '90S''

''By and large, the public is not represented by the lawyers and the lobbyists in Washington. The few public advocates are overwhelmed financially. It's all very fine to say that you are in favor of competition. I am. The Administration is. Congress is. But competition won't give you everything the country needs from communications companies. We've got to be able to stand up to

business on certain occasions and say, 'It's not just about competition, it's about the public interest.'"—Reed Hundt, Federal Communications Commission Chair as quoted in The New Yorker

Mr. CONYERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Michigan [Miss COLLINS].

(Miss COLLINS of Michigan asked and was given permission to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Chairman, I rise in strong support of the Conyers amendment and urge my colleagues to adopt it.

Many have argued during this debate that we must deregulate the telecommunications industry, and by eliminating any role for the Department of Justice in determining Regional Bell operating company entry into long distance, we are working toward and goal. Well I think you are making a terrible mistake if you confuse forbidding the proper anti-trust role of the Department of Justice with deregulation.

The Republicans in this body should recall it was under the Reagan administration that the Department of Justice broke up the Bell system over a decade ago. That decision has been an undisputed success. Without the role played by the Department of Justice, consumers would still be renting large rotary black phones and paying too much for long distance services. The Department of Justice actions promoted competition, not regulation.

Without the Department of Justice role, we can expect those communication's attorneys to be in court, fighting endless anti-trust battles. The role we give the Department of Justice in this amendment will make it less likely that we will end up back in court, and the Department will ensure that anti-trust violations would be minimal, prior to the decision granting a Bell operating company the ability to offer long distance service.

Calling this amendment regulatory, is doing a disservice to the potential for true deregulation—which is full competition in all markets. The structure provided by the Department of Justice ensures that the markets will develop quickly, and with less litigation.

Mr. Chairman, I urge my colleagues to support this amendment. I yield back the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. HINCHEY].

(Mr. HINCHEY asked and was given permission to revise and extend his remarks.)

Mr. HINCHEY. Mr. Chairman, this bill has been described as a clash between the super rich and the super wealthy. That Is unquestionably true, but in the clash of these titans, the question is, who stands for the American public?

The answer to that question is, without the Conyers amendment, no one. The American people stand naked before the potential excesses of these giants unless we have some protection from them offered by the Justice Department.

There is an incredibly high standard in this bill, Mr. Chairman. There must be a dangerous probability of substantially impeding justice before the Justice Department comes in. Let us pass the Conyers amendment and protect the American people.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, I thank the gentleman from Michigan [Mr. CONYERS] for yielding the time.

The FCC is essentially the agency that would be able to consult with the Department of Justice under the manager's mark that we passed this morning. But when we talk about going from a monopoly industry, which telecom was after 1934, to a competition-based industry, the competition agency, those who keep the rule, those who decide if there is a dangerous probability, if those gigantic billionaires players are being fair, is the Department of Justice.

Mr. Chairman, I simply say that the Conyers amendment makes sure that fairness is done, that the referee is in place. I urge my colleagues to support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 2½ minutes to the gentleman from Ohio [Mr. OXLEY] for purposes of closing the debate on our side.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Chairman, I rise in opposition to the Conyers amendment. This bill in all of its forms does not repeal the Sherman Act. We have had the Sherman Act for over 100 years.

It does not repeal the Clayton Act passed in 1914. Anticompetitive behavior will be reviewed by the Justice Department, whether it is the telecommunications industry or whether it is the trucking industry or any other kind of industry that we are talking about. The Justice Department is not going away.

What we are trying to do, Mr. Chairman, or what the Conyers amendment seeks to do, is basically replace one court with another, except a different standard.

This amendment guts the underlying concept of this bill, which is pure competition, and the idea to get Congress back into the decisionmaking process. How long do we have to have telecommunications policy made by an unelected Federal judge who has no accountability to anyone; when are we going to get back to providing the kind of responsible decisionmaking that we are elected to do?

Mr. Chairman, I suggest to my colleagues that the underlying bill provides that kind of ability and accountability for the duly elected representatives of the people.

This amendment creates needless bureaucracy by having not one, but two Federal agencies review the issue of Bell Co. entry into long distance. The purpose of this legislation is to create conditions for a competitive market and get the heavy hand of Government regulation out of the way. This Conyers amendment is inconsistent with that purpose.

Mr. Chairman, this is a huge opportunity to provide competitive forces in the marketplace away from Government. If we believe that competition and not bureaucracy is the answer to modernizing our telecommunications policy, to providing more choice in the marketplace, to providing lower prices, to making America the most competitive telecommunications industry in the entire world, we will vote against the Conyers amendment and support the underlying bill.

Mr. Chairman, I ask my colleagues to join me in opposition to the Conyers amendment.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. CONYERS], as modified.

The question was taken; and the chairman announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Michigan [Mr. CONYERS], as modified, will be postponed until after the vote on amendment 2–4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider the amendment, No. 2–3, printed in part 2 of House Report 104–223.

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

Mr. COX of California. Mr. Chairman, I offer an amendment numbered 2–3.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment number 2–3 offered by Mr. COX of California:'

Page 78, before line 18, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

**SEC. 104. ONLINE FAMILY EMPOWERMENT.**

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

**"SEC. PROTECTION FOR PRIVATE BLOCKING AND SCREENING OF OFFENSIVE MATERIAL; FCC REGULATION OF COMPUTER SERVICES PROHIBITED.**

''(a) FINDINGS.—The Congress finds the following:

''(1) The rapidly developing array of Internet and other interactive computer services available to individual Americans represent an extraordinary advance in the availability of educational and informational resources to our citizens.

''(2) These services offer users a great degree of control over the information that they receive, as well as the potential for even greater control in the future as technology develops.

''(3) The Internet and other interactive computer services offer a forum for a true diversity of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity.

''(4) The Internet and other interactive computer services have flourished, to the benefit of all Americans, with a minimum of government regulation.

''(5) Increasingly Americans are relying on interactive media for a variety of political,

educational, cultural, and entertainment services.

''(b) POLICY.—It is the policy of the United States to—

''(1) promote the continued development of the Internet and other interactive computer services and other interactive media;

''(2) preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by State or Federal regulation;

''(3) encourage the development of technologies which maximize user control over the information received by individuals, families, and schools who use the Internet and other interactive computer services;

''(4) remove disincentives for the development and utilization of blocking and filtering technologies that empower parents to restrict their children's access to objectionable or inappropriate online material; and

''(5) ensure vigorous enforcement of criminal laws to deter and punish trafficking in obscenity, stalking, and harassment by means of computer.

''(c) PROTECTION FOR 'GOOD SAMARITAN' BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.—No provider or user of interactive computer services shall be treated as the publisher or speaker of any information provided by an information content provider. No provider or user of interactive computer services shall be held liable on account of—

''(1) any action voluntarily taken in good faith to restrict access to material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

''(2) any action taken to make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

''(d) FCC REGULATION OF THE INTERNET AND OTHER INTERACTIVE COMPUTER SERVICES PROHIBITED.—Nothing in this Act shall be construed to grant any jurisdiction or authority to the Commission with respect to content or any other regulation of the Internet or other interactive computer services.

''(e) EFFECT ON OTHER LAWS.—

''(1) NO EFFECT ON CRIMINAL LAW.—Nothing in this section shall be construed to impair the enforcement of section 223 of this Act, chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

''(2) NO EFFECT ON INTELLECTUAL PROPERTY LAW.—Nothing in this section shall be construed to limit or expand any law pertaining to intellectual property.

''(3) IN GENERAL.—Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section.

''(f) DEFINITIONS.—As used in this section:

''(1) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

''(2) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service that provides computer access to multiple users via modem to a remote computer server, including specifically a service that provides access to the Internet.

''(3) INFORMATION CONTENT PROVIDER.—The term 'information content provider' means any person or entity that is responsible, in whole or in part, for the creation or development of information provided by the Internet or any other interactive computer service, including any person or entity that creates or develops blocking or screening software or other techniques to permit user control over offensive material.

''(4) INFORMATION SERVICE.—The term 'information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.''.

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. COX] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes. Who seeks time in opposition?

PARLIAMENTARY INQUIRY

Mr. COX of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COX of California. Mr. Chairman, given that no Member has risen in opposition, would the Chair entertain a unanimous-consent request?

The CHAIRMAN. If no Members seeks time in opposition, by unanimous consent another Member may be recognized for the other 10 minutes, or the gentleman may have the other 10 minutes.

Let me put the question again: Is there any Member in the Chamber who wishes to claim the time in opposition?

If not, is there a unanimous-consent request for the other 10 minutes?

Mr. WYDEN. There is, Mr. Chairman. Although I am not in opposition to this amendment, I would ask unanimous consent to have the extra time because of the many Members who would like to speak on it.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. COX] will be recognized for 10 minutes, and the gentleman from Oregon [Mr. WYDEN] will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Chairman, I wish to begin by thanking my colleague, the gentleman from Oregon [Mr. WYDEN], who has worked so hard and so diligently on this effort with all of our colleagues.

We are talking about the Internet now, not about telephones, not about television or radios, not about cable TV, not about broadcasting, but in technological terms and historical terms, an absolutely brand-new technology.

The Internet is a fascinating place and many of us have recently become acquainted with all that it holds for us in terms of education and political discourse.

We want to make sure that everyone in America has an open invitation and feels welcome to participate in the Internet. But as you know, there is some reason for people to be wary because, as a Time Magazine cover story recently highlighted, there is in this vast world of computer information, a literal computer library, some offensive material, some things in the bookstore, if you will, that our children ought not to see.

As the parent of two, I want to make sure that my children have access to this future and that I do not have to worry about what they might be running into on line. I would like to keep that out of my house and off of my computer. How should we do this?

Some have suggested, Mr. Chairman, that we take the Federal Communications Commission and turn it into the Federal Computer Commission, that we hire even more bureaucrats and more regulators who will attempt, either civilly or criminally, to punish people by catching them in the act of putting something into cyberspace.

Frankly, there is just too much going on on the Internet for that to be effective. No matter how big the army of bureaucrats, it is not going to protect my kids because I do not think the Federal Government will get there in time. Certainly, criminal enforcement of our obscenity laws as an adjunct is a useful way of punishing the truly guilty.

Mr. Chairman, what we want are results. We want to make sure we do something that actually works. Ironically, the existing legal system provides a massive disincentive for the people who might best help us control the Internet to do so.

I will give you two quick examples: A Federal court in New York, in a case involving CompuServe, one of our online service providers, held that CompuServe would not be liable in a defamation case because it was not the publisher or editor of the material. It just let everything come onto your computer without, in any way, trying to screen it or control it.

But another New York court, the New York Supreme Court, held that Prodigy, CompuServe's competitor, could be held liable in a $200 million defamation case because someone had posted on one of their bulletin boards, a financial bulletin board, some remarks that apparently were untrue about an investment bank, that the investment bank would go out of business and was run by crooks.

Prodigy said, ''No, no; just like CompuServe, we did not control or edit that information, nor could we, frankly. We have over 60,000 of these messages each day, we have over 2 million subscribers, and so you cannot proceed with this kind of a case against us.''

The court said, ''No, no, no, no, you are different; you are different than CompuServe because you are a family-friendly network. You advertise yourself as such. You employ screening and blocking software that keeps obscenity off of your network. You have people who are hired to exercise an emergency delete function to keep that kind of

material away from your subscribers. You don't permit nudity on your system. You have content guidelines. You, therefore, are going to face higher, stricker liability because you tried to exercise some control over offensive material.''

□ 1015

Mr. Chairman, that is backward. We want to encourage people like Prodigy, like CompuServe, like America Online, like the new Microsoft network, to do everything possible for us, the customer, to help us control, at the portals of our computer, at the front door of our house, what comes in and what our children see. This technology is very quickly becoming available, and in fact every one of us will be able to tailor what we see to our own tastes.

We can go much further, Mr. Chairman, than blocking obscenity or indecency, whatever that means in its loose interpretations. We can keep away from our children things not only prohibited by law, but prohibited by parents. That is where we should be headed, and that is what the gentleman from Oregon [Mr. WYDEN] and I are doing.

Mr. Chairman, our amendment will do two basic things: First, it will protect computer Good Samaritans, online service providers, anyone who provides a front end to the Internet, let us say, who takes steps to screen indecency and offensive material for their customers. It will protect them from taking on liability such as occurred in the Prodigy case in New York that they should not face for helping us and for helping us solve this problem. Second, it will establish as the policy of the United States that we do not wish to have content regulation by the Federal Government of what is on the Internet, that we do not wish to have a Federal Computer Commission with an army of bureaucrats regulating the Internet because frankly the Internet has grown up to be what it is without that kind of help from the Government. In this fashion we can encourage what is right now the most energetic technological revolution that any of us has ever witnessed. We can make it better. We can make sure that it operates more quickly to solve our problem of keeping pornography away from our kids, keeping offensive material away from our kids, and I am very excited about it.

There are other ways to address this problem, some of which run head-on into our approach. About those let me simply say that there is a well-known road paved with good intentions. We all know where it leads. The message today should be from this Congress we embrace this new technology, we welcome the opportunity for education and political discourse that it offers for all of us. We want to help it along this time by saying Government is going to get out of the way and let parents and individuals control it rather than Government doing that job for us.

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

Mr. WYDEN. Mr. Chairman, I rise to speak on behalf of the Cox-Wyden amendment. In beginning, I want to thank the gentleman from California [Mr. COX] for the chance to work with him. I think we all come here because we are most interested in policy issues, and the opportunity I have had to work with the gentleman from California has really been a special pleasure, and I want to thank him for it. I also want to thank the gentleman from Michigan [Mr. DINGELL], our ranking minority member, for the many courtesies he has shown, along with the gentleman from Massachusetts [Mr. MARKEY], and, as always, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] have been very helpful and cooperative on this effort.

Mr. Chairman and colleagues, the Internet is the shining star of the information age, and Government censors must not be allowed to spoil its promise. We are all against smut and pornography, and, as the parents of two small computer-literate children, my wife and I have seen our kids find their way into these chat rooms that make their middle-aged parents cringe. So let us all stipulate right at the outset the importance of protecting our kids and going to the issue of the best way to do it.

The gentleman from California [Mr. COX] and I are here to say that we believe that parents and families are better suited to guard the portals of cyberspace and protect our children than our Government bureaucrats. Parents can get relief now from the smut on the Internet by making a quick trip to the neighborhood computer store where they can purchase reasonably priced software that blocks out the pornography on the Internet. I brought some of this technology to the floor, a couple of the products that are reasonably priced and available, simply to make clear to our colleagues that it is possible for our parents now to childproof the family computer with these products available in the private sector.

Now what the gentleman from California [Mr. COX] and I have proposed does stand in sharp contrast to the work of the other body. They seek there to try to put in place the Government rather than the private sector about this task of trying to define indecent communications and protecting our kids. In my view that approach, the approach of the other body, will essentially involve the Federal Government spending vast sums of money trying to define elusive terms that are going to lead to a flood of legal challenges while our kids are unprotected. The fact of the matter is that the Internet operates worldwide, and not even a Federal Internet censorship army would give our Government the power to keep offensive material out of the hands of children who use the new interactive media, and I would say to my colleagues that, if there is this kind of Federal Internet censorship army that somehow the other body seems to favor, it is going to make the Keystone Cops look like crackerjack crime-fighter.

Mr. Chairman, the new media is simply different. We have the opportunity to build a 21st century policy for the Internet employing the technologies and the creativity designed by the private sector.

I hope my colleagues will support the amendment offered by gentleman from California [Mr. COX] and myself, and I reserve the balance of my time.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, Members of the House, this is a very good amendment. There is no question that we are having an explosion of information on the emerging superhighway. Unfortunately part of that information is of a nature that we do not think would be suitable for our children to see on our PC screens in our homes.

Mr. Chairman, the gentleman from Oregon [Mr. WYDEN] and the gentleman from California [Mr. COX] have worked hard to put together a reasonable way to provide those providers of the information to help them self-regulate themselves without penalty of law. I think it is a much better approach than the approach that has been taken in the Senate by the Exon amendment. I would hope that we would support this version in our bill in the House and then try to get the House-Senate conference to adopt the Cox-Wyden language.

So, Mr. Chairman, it is a good piece of legislation, a good amendment, and I hope we can pass it unanimously in the body.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentlewoman from Missouri [Ms. DANNER] who has also worked hard in this area.

Ms. DANNER. Mr. Chairman, I wish to engage the gentleman from Oregon [Mr. WYDEN] in a brief colloquy.

Mr. Chairman, I strongly support the gentleman's efforts, as well as those of the gentleman from California [Mr. COX], to address the problem of children having untraceable access through on-line computer services to inappropriate and obscene pornographic materials available on the Internet.

Telephone companies must inform us as to whom our long distance calls are made. I believe that if computer on-line services were to include itemized billing, it would be a practical solution which would inform parents as to what materials their children are accessing on the Internet.

It is my hope and understanding that we can work together in pursuing technology based solutions to the problems

we face in dealing with controlling the transfer of obscene materials in cyberspace.

Mr. WYDEN. Mr. Chairman, will the gentlewoman yield?

Ms. DANNER. I yield to the gentleman from Oregon.

Mr. WYDEN. Mr. Chairman, I thank my colleague for her comments, and we will certainly take this up with some of the private-sector firms that are working in this area.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I would like to point out to the House that, as my colleagues know, this is a very important issue for me, not only because of our district, but because I have got four small children at home. I got them from age 3 to 11, and I can tell my colleagues I get E-mails on a regular basis from my 11-year-old, and my 9-year-old spends a lot of time surfing the Internet on America Online. This is an important issue to me. I want to be sure we can protect them from the wrong influences on the Internet.

But I have got to tell my colleagues, Mr. Chairman, the last person I want making that decision is the Federal Government. In my district right now there are people developing technology that will allow a parent to sit down and program the Internet to provide just the kind of materials that they want their child to see. That is where this responsibility should be, in the hands of the parent.

That is why I was proud to cosponsor this bill, that is what this bill does, and I urge my colleagues to pass it.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Chairman, I will bet that there are not very many parts of the country where Senator EXON's amendment has been on the front page of the newspaper practically every day, but that is the case in Silicon Valley. I think that is because so many of us got on the Internet early and really understand the technology, and I surf the Net with my 10-year-old and 13-year-old, and I am also concerned about pornography. In fact, earlier this year I offered a life sentence for the creators of child pornography, but Senator EXON's approach is not the right way. Really it is like saying that the mailman is going to be liable when he delivers a plain brown envelope for what is inside it. It will not work. It is a misunderstanding of the technology. The private sector is out giving parents the tools that they have. I am so excited that there is more coming on. I very much endorse the Cox-Wyden amendment, and I would urge its approval so that we preserve the first amendment and open systems on the Net.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. GOODLATTE].

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman from Oregon [Mr. WYDEN] for yielding this time to me, and I rise in strong support of the Cox-Wyden amendment. This will help to solve a very serious problem as we enter into the Internet age. We have the opportunity for every household in America, every family in America, soon to be able to have access to places like the Library of Congress, to have access to other major libraries of the world, universities, major publishers of information, news sources. There is no way that any of those entities, like Prodigy, can take the responsibility to edit out information that is going to be coming in to them from all manner of sources onto their bulletin board. We are talking about something that is far larger than our daily newspaper. We are talking about something that is going to be thousands of pages of information every day, and to have that imposition imposed on them is wrong. This will cure that problem, and I urge the Members to support the amendment.

□ 1030

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee.

Mr. MARKEY. Mr. Chairman, I want to congratulate the gentleman from Oregon and the gentleman from California for their amendment. It is a significant improvement over the approach of the Senator from Nebraska, Senator EXON.

This deals with the reality that the Internet is international, it is computer-based, it has a completely different history and future than anything that we have known thus far, and I support the language. It deals with the content concerns which the gentlemen from Oregon and California have raised.

Mr. Chairman, the only reservation which I would have is that they add in not only content but also any other type of registration. I think in an era of convergence of technologies where telephone and cable may converge with the Internet at some point and some ways it is important for us to ensure that we will have an opportunity down the line to look at those issues, and my hope is that in the conference committee we will be able to sort those out.

Mr. WYDEN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, I just want to take the time to thank him and also the gentleman from California for this fine work. This is a very sensitive area, very complex area, but it is a very important area for the American public, and I just wanted to congratulate him and the gentleman from California on how they worked together in a bipartisan fashion.

Mr. WYDEN. Mr. Chairman, I yield myself such time as I may consume. I thank the gentleman for his kindness.

Mr. Chairman, in conclusion, let me say that the reason that this approach rather than the Senate approach is important is our plan allows us to help American families today.

Under our approach and the speed at which these technologies are advancing, the marketplace is going to give parents the tools they need while the Federal Communications Commission is out there cranking out rules about proposed rulemaking programs. Their approach is going to set back the effort to help our families. Our approach allows us to help American families today.

Mr. COX of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to respond briefly to the important point in this bill that prohibits the FCC from regulating the Internet. Price regulation is at one with usage of the Internet.

We want to make sure that the complicated way that the Internet sends a document to your computer, splitting it up into packets, sending it through myriad computers around the world before it reaches your desk is eventually grasped by technology so that we can price it, and we can price ration usage on the Internet so more and more people can use it without overcrowding it.

If we regulate the Internet at the FCC, that will freeze or at least slow down technology. It will threaten the future of the Internet. That is why it is so important that we not have a Federal computer commission do that.

Mr. GOODLATTE. Mr. Chairman, Congress has a responsibility to help encourage the private sector to protect our children from being exposed to obscene and indecent material on the Internet. Most parents aren't around all day to monitor what their kids are pulling up on the net, and in fact, parents have a hard time keeping up with their kids' abilities to surf cyberspace. Parents need some help and the Cox-Wyden amendment provides it.

The Cox-Wyden amendment is a thoughtful approach to keep smut off the net without government censorship.

We have been told it is technologically impossible for interactive service providers to guarantee that no subscriber posts indecent material on their bulletin board services. But that doesn't mean that providers should not be given incentives to police the use of their systems. And software and other measures are available to help screen out this material.

Currently, however, there is a tremendous disincentive for online service providers to create family friendly services by detecting and removing objectionable content. These providers face the risk of increased liability where they take reasonable steps to police their systems. A New York judge recently sent the online services the message to stop policing by ruling that Prodigy was subject to a $200 million libel suit simply because it did exercise some control over profanity and indecent material.

The Cox-Wyden amendment removes the liability of providers such as Prodigy who currently make a good faith effort to edit the smut

from their systems. It also encourages the online services industry to develop new technology, such as blocking software, to empower parents to monitor and control the information their kids can access. And, it is important to note that under this amendment existing laws prohibiting the transmission of child pornography and obscenity will continue to be enforced.

The Cox-Wyden amendment empowers parents without Federal regulation. It allows parents to make the important decisions with regard to what their children can access, not the government. It doesn't violate free speech or the right of adults to communicate with each other. That's the right approach and I urge my colleagues to support this amendment.

The Chairman. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from California [Mr. COX].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. COX of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from California [Mr. COX] will be postponed until after the vote on amendment 2–4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider amendment No. 2–4 printed in part 2 of House Report 104–223.

AMENDMENT NO. 2–4 OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment, numbered 2–4.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY of Massachusetts: page 126, after line 16, insert the following new subsection (and redesignate the succeeding subsections and accordingly):

(f) STANDARD FOR UNREASONABLE RATES FOR CABLE PROGRAMMING SERVICES.—Section 623(c)(2) of the Act (47 U.S.C. 543(c)) is amended to read as follows:

''(2) STANDARD FOR UNREASONABLE RATES.—The Commission may only consider a rate for cable programming services to be unreasonable if such rate has increased since June 1, 1995, determined on a per-channel basis, by a percentage that exceeds the percentage increase in the Consumer Price Index for All Urban Consumers (as determined by the Department of Labor) since such date.''.

Page 127, line 4, strike ''or 5 percent'' and all that follows through ''greater,'' on line 6.

Page 129, strike lines 16 through 21 and insert the following:

''(d) UNIFORM RATE STRUCTURE.—A cable operator shall have a uniform rate structure throughout its franchise area for the provision of cable services.''.

Page 130, line 16, insert ''and'' after the semicolon, and strike line 20 and all that follows through line 2 on page 131 and insert the following:

''directly to subscribers in the franchise area and such franchise area is also served by an unaffiliated cable system.''.

Page 131, strike line 6 and all that follows through line 21, and insert the following:

''(m) SMALL CABLE SYSTEMS.—

''(1) SMALL CABLE SYSTEM RELIEF.—A small cable system shall not be subject to subsections (a), (b), (c), or (d) in any franchise area with respect to the provision of cable programming services, or a basic service tier where such tier was the only tier offered in such area on December 31, 1994.

''(2) DEFINITION OF SMALL CABLE SYSTEM.—For purposes of this subsection, 'small cable system' means a cable system that—

''(A) directly or through an affiliate, serves in the aggregate fewer than 250,000 cable subscribers in the United States; and

''(B) directly serves fewer than 10,000 cable subscribers in its franchise area.''.

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from Virginia [Mr. BLILEY] seek the time in opposition?

Mr. BLILEY. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself at this point 3 minutes.

Mr. Chairman, the consumers of America should be placed upon red alert. We now reach an issue which I think every person in America can understand who has even held a remote control clicker in their hands.

The bill that we are now considering deregulates all cable rates over the next 15 months. But for rural America, rural America, the 30 percent of America that considers itself to the rural, their rates are deregulated upon enactment of this bill.

Now, the proponents are going to tell you, do not worry, there is going to be plenty of competition in cable. That will keep rates down. For those of you in rural America, ask yourself this question: In two months do you think there will be a second cable company in your town? Because if there is not a second cable company in your town, your rates are going up because your cable company, as a monopoly, will be able to go back to the same practices which they engaged in up to 1992 when finally we began to put controls on this rapid increase two and three and four times the rate of inflation of cable rates across this country.

The gentleman from Connecticut [Mr. SHAYS] and I have an amendment that is being considered right now on the floor of Congress which will give you your one shot at protecting our cable ratepayers against rate shock this year and next across this country, whether you be rural or urban or suburban.

We received a missive today from the Governor of New Jersey, Christine Whitman. She wants an aye vote on the Markey-Shays bill. Christine Whitman. She does not want her cable rates to go up because she knows, and she says it right here, there is no competition on the horizon for most of America.

So this amendment is the most important consumer protection vote which you will be taking in this bill and one of the two or three most important this year in the U.S. Congress.

Make no mistake about it. There will be no competition for most of America. There will be no control on rates going up, and you will have to explain why, as part of a telecommunications bill that was supposed to reduce rates, you allowed for monopolies, monopolies in 97 percent of the communities in America to once again go back to their old practices.

Mr. BLILEY. Mr. Chairman, I yield myself 1 minute.

The Markey amendment, Mr. Chairman, tracks the disastrous course of the 1992 cable law by requiring the cable companies to jump through regulatory hoops to escape the burdensome rules imposed on them after the law was enacted.

The Markey amendment fails to take into account the changing competitive video marketplace that has evolved in the last 2 years. Direct broadcast satellite has taken off, particularly in rural areas, and there will be nearly 5-million subscribers by the end of the year. With the equipment costs now being folded into the monthly charge for this service, this competitive technology will explode in the next few years.

The telephone industry will be permitted to offer cable on the date of enactment and will provide formidable competition immediately. There are numerous market and technical trials going on now to ramp up to that competition.

The Markey amendment turns back the clock. It seeks to continue the government regulation and micromanagement that has unfairly burdened the industry over the past several years.

Vote ''no'' on Markey and duplicate the Senate, they overwhelmingly voted it down over there.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Chairman, it's Christmas in August in Washington. On the surface, the Communications Act of 1995 looks like a Christmas gift to the people and the communications industries. You've heard the buzz words: competition, lower rates, and more choices. But a closer look reveals another story.

While the cable provisions in the bill will give a sweet gift to the cable industry, the American consumer, and especially those in rural America, will wake up on Christmas morning to nothing more than less competition, higher cable rates, and less choice.

The bill as it stands immediately deregulates rate controls on small cable systems—those which serve an average of almost 30 percent of cable subscribers in America and account for at least 70 percent of all cable systems. This bill discourages competition in these markets because it deregulates these cable companies regardless of

whether they face substantial competition in the marketplace.

In some cases, the bill immediately removes cable rate controls for systems serving over 50 percent of subscribers. In my home State of Tennessee, cable systems reaching more than 30 percent of subscribers, or 348,027 subscribers, would see immediate deregulation, and these subscribers would see nothing but higher rates and no choice.

That's the reason I am proud to support the Markey-Shays cable amendment to the Communications Act of 1995. This amendment would protect consumers from cable price-gouging by keeping rate regulations on small cable companies until effective cable competition in the marketplace offers consumers a choice.

I urge my colleagues to support this amendment. Otherwise, Congress will give their constituents a Christmas gift they will not forget.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Chairman, I rise in strong opposition to this amendment. When we reregulated cable 3 years ago, I was absolutely opposed to that. I voted against it in subcommittee, I voted against it in full committee, and I voted against it on the floor, and I voted to sustain the President's veto when he tried to veto the legislation.

We do not need to be regulating cable rates. Cable is not a necessity. The Federal Government has absolutely no right to be setting prices for cable television. The amendment that is before us would do that.

We have wisely in the legislation deregulated 90 percent of the cable industry. We should keep the bill as it is, we should vote against the Markey amendment.

I would vote against it two times, three times, four times if I had the constitutional authority to do so, but I am going to vote against it once.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Chairman, I want to thank the gentleman from Massachusetts [Mr. MARKEY] for the good work that he has done on behalf of the consumers of America.

Mr. Chairman, I rise in support of the Markey-Shays amendment for the simple reason that I do not want to return to the days when the cable companies of this country were increasing their prices at three times the rate of inflation while dramatically reducing their services.

Since the passage of the 1992 Cable Act, the American consumer has finally seen relief in the form of significantly reduced cable rates. In my district alone, millions of dollars have been saved by cable subscribers. But the bill we are debating here this morning would severely threaten the consumer protection that was established by the 1992 act.

In its current form, H.R. 1555 would abolish FCC regulation of cable systems thereby allowing cable companies to once again raise rates arbitrarily. It would open a window of opportunity for cable owners to cash in one last time at the expense of the American consumer. We cannot allow this to happen.

The Markey-Shays amendment would continue FCC regulation of cable systems until effective competition is established. It is a proconsumer amendment that would protect millions of Americans from an unnecessary rate hike and I strongly urge its passage.

□ 1045

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. NORWOOD].

Mr. NORWOOD. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

Mr. Chairman, the Markey cable amendment embodies all that is wrong with Government regulation. It sets prices for a private industry, cable television. It lowers the threshold for price controls to systems with 10,000 or fewer subscribers. It lowers the complaint threshold from 5 percent of subscribers to 10—yes 10, individual subsbribers—to which the FCC can respond with a rate review. Mr. Chairman, I have seen the amount of paperwork a cable operator can be asked to provide the FCC in response to a complaint. It is absolutely unbelievable. And this amendment would make it more likely that cable operators would have to fill out these massive forms for the FCC. H.R. 1555 promotes deregulation and competition in all telecommunications industries, including cable. Mr. Chairman, I strongly urge my colleagues to reject this effort at price control and regulation of the cable industry.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Markey-Shays amendment to protect Americans from unaffordable cable rate increases.

Cable rates hit home with consumers in Connecticut and across the country. That is why the only bill Congress passed over President Bush's veto was the 1992 Cable Act to keep TV rates down. Now is not the time to backtrack on that progress.

We would all like to see competition pushing cable rates down, but the telecommunications bill before us will remove protections against price increases before there is any guarantee of competition. Under this bill, every time you hit the clicker, it might as well sound like a cash register recording the higher costs viewers will face. Consumer groups estimate that this bill will raise rates for popular channels such as CNN and ESPN by an average of $5 per month.

The Markey-Shays amendment will protect television viewers from unreasonable rate increases until there truly is competition in the cable TV market. The amendment will also retain important safeguard that protect the right of consumers to protest unreasonable rate hikes.

I urge my colleagues to support the Markey-Shays amendment so that hard-working Americans will not be priced out of the growing information age.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN], a member of the committee.

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in opposition to the Markey amendment. In 1992 we fought a royal battle on the floor of this House, a battle designed clearly to begin the process of creating competition in the cable programming marketplace. The problem in 1992 was not the lack of Government regulation, although that contributed to the problem in 1992. The problem was that because cable monopoly companies vertically integrated, controlled by the programming and the distribution of cable programming, cable companies could decide not to let competition happen. They could refuse to sell to direct broadcast satellite, they could refuse to sell to microwave systems, they could refuse to sell to alternative cable systems. The result was competition was stifled. The demand rose in this House for reregulation.

The good news is that in 1992, despite a veto by the President, this House and the other body overrode that veto, adopted the Tauzin program access provision to the cable bill, and created, for the first time in this marketplace, real competition.

Mr. Chairman, are you not excited by those direct broadcast television ads you see on television, where you see a direct satellite now beaming to a dish no bigger than this to homes 150 channels with incredible programming? Are you not excited in rural America that you have an alternative to the cable, or, where you do not have a cable, you now have program access? Are you not excited when microwave systems are announced in your community and when you hear the telephone company will soon be in the cable business?

That is competition. Competition regulates the marketplace much better than the schemes of mice and men here in Washington, DC.

Consumers choosing between competitive offerings, consumers choosing the same products offered by different suppliers, in different stores, in the same town. Keep prices down, keep service up. Competition, yes; reregulation, no.

Mr. MARKEY. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], the cosponsor of the amendment.

Mr. SHAYS. Mr. Chairman, competition, yes. Competition, yes. But now we do not have competition. Ninety-seven percent of all systems do not have competition. And this bill, unamended, allows for those companies, most of them, nearly 50 percent of them, to be deregulated.

We say yes, we are going to allow the small companies to be deregulated, the small ones, under 600,000 subscribers. Six hundred thousand subscribers is small? That system is worth $1.2 billion.

We do not have competition now. Deregulate when you have competition. There are 97 percent of the systems that do not have competition. The whole point here is to make sure that companies that are not competing, that have a monopoly, are not allowed to set monopolistic prices.

One of the reasons why we overrode the President's veto, 70 of us on the Republican side, we recognized that consumers were paying monopolistic prices. Deregulate when you have competition. The bill in 1992 said when you had competition, there would not be regulation. The reason why we have regulation is these are monopolies.

I know Members have not had a lot of sleep, but I hope the staff that is listening will tell their Members that we are going to deregulate these companies and they are going to set monopolistic prices, and they are going to come to their Congressman and say, ''Why did you vote to deregulate a monopoly?''

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MANTON], a member of the committee.

Mr. MANTON. Mr. Chairman, I rise in opposition to the Markey amendment.

I thank the gentleman for yielding me this time and would like to take this opportunity to commend him for his fine work on this legislation.

Mr. Chairman, the cable television industry is poised to compete with local telephone companies in offering consumers advanced communications services. Yet to make that happen, we must relax burdensome and unwarranted regulations that are choking the ability of the cable industry to invest in the new technology and services that will allow them to compete.

The proponents of the Markey amendment said in 1992 that rate regulation was a placeholder until competition arrived in the video marketplace.

Well, that competition is here. Today, cable television is being challenged by an aggressive and burgeoning direct broadcast satellite industry and other wireless video services. And with the enactment of H.R. 1555, the Nation's telephone companies, will be permitted to offer video services directly to the consumer.

Mr. Chairman, it is also important for my colleagues to understand what H.R. 1555 does not do. It does not repeal the 1992 Cable Act. Cities will retain the authority to regulate rates for basic cable services and to impose stringent customer service standards. H.R. 1555 does not alter the program access, must carry or retransmission consent provisions of the 1992 Cable Act.

Quite modestly, H.R. 1555 will end rate regulation of expanded basic cable entertainment programming 15 months after the enactment of the legislation, plenty of time for the telcos to get into the video business.

Mr. Chairman, cable programming is an enormously popular and valuable service in the world of video entertainment. But just because it's good and people like it, doesn't mean the Federal Government should regulate it.

I urge my colleagues to reject the Markey amendment.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH], a member of the committee.

Mr. DEUTSCH. Mr. Chairman, I would like to thank the chairman of the committee for yielding me this time.

Mr. Chairman, the crux of this issue is, is there competition in this industry at this time on the issues of this amendment? I think the answer to that is that there is.

Let us be very specific about what the amendment does. The amendment would keep regulation on nonbasic services. Basic service would continue regulation beyond the 15-month period. For nonbasic service, for HBO, Cinemax, and things like that.

There is competition today in just about any place in this country, and I know for a fact in my community you can buy a minisatellite dish. You can go to Blockbuster Video and rent a video. Many people choose that. Cable passes 97 percent of the homes in this country, yet only 60 percent of those homes choose to purchase cable systems.

What this bill does is it gives an opportunity for this country to enter a new age, an age for competition throughout our telecommunications. The major opportunity is there for the phone systems for competition through the cable system.

Again, in my own area of south Florida, cable systems are actively marketing competition in commercial lines, today, against phone systems. That is something they want to do in the short term, tomorrow.

If this bill has any chance of creating this synergism, the new technologies, the things that will be available that are beyond our imagination, the opportunity of cable systems to be part of that competition is a necessary component.

If we can think back 15 years ago when none of us could have imagined the change in the technologies that have evolved, this is a case of hope versus fear.

Mr. Chairman, I urge the defeat of the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman very much for yielding me time.

Mr. Chairman, I rise with great excitement about the technology that is offered through this cable miracle. I only hope that the consumers can be excited as well. I stand here before you as a former chairperson of a local municipality's cable-TV committee, and I realize that basic rates have been regulated. But maybe the reason why so many do not opt in for cable TV is because of the rates on the other services.

So I think the Markey-Shays amendment is right on the mark. It acknowledges the technology, but it also comes squarely down for competition, and it responds to the needs of consumers in keeping the lid on what is a privilege held by the cable companies. It is a privilege to be in the cable TV business. It is big business. It is going to be more big business in the 21st century, and I encourage that. But at the same time, I think it is very important to have a system that provides for the regulation of rates so that we can have greater access to cable by our schools, for our public institutions, and, yes, for our citizens in urban and rural America. The rates are already too high!

Mr. Chairman, this amendment also allows the subscriber to more easily make complaints to the FCC. The real issue is to come down on the side of the consumer and to come down on the side of viable competition. Support the Markey-Shays amendment.

Mr. Chairman, I rise in support of the Markey-Shays amendment to H.R. 1555 because it provides reasonable and structured plan for deregulating cable rates for an existing cable system until a telephone company is providing competing services in the area.

This amendment is critically important because in many areas of the country, one cable company already has a monopoly on cable services. I am sure that many of my colleagues can attest to the complaints by constituents with respect to high rates and inadequate service when no competition exists in the local cable market.

This amendment is also necessary because it would eliminate rate regulation for many small cable systems with less than 10,000 subscribers in a franchise area and less than 250,000 subscribers nationwide.

Finally, this amendment provides an opportunity for consumers to petition the FCC to review rates if 10 subscribers complain as opposed to the bill's requirement that 5 percent of the subscribers must complain in order to trigger a review by the FCC.

I urge my colleagues to support true competition in the cable market by voting in favor of the Markey-Shays amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Chairman, while I applaud the leadership of the gentleman from Massachusetts [Mr. MARKEY], incredible leadership on telecommunications issues, I must oppose this amendment, because Federal regulation of cable which began in 1993 has not worked. Regulation has resulted in the decline of cable television programming and hurt the industry's ability to invest in technology that is going to improve information services to all Americans.

□ 1100

Because cable companies have information lines in home, cable has the potential to offer our constituents a choice in how to receive information. Cable systems pass over 96 percent of American homes with cables that carry up to 900 times as much information as the local phone company's wires.

Exensive regulations prevent the cable industry from raising the capital needed to make the billion dollar investments needed to upgrade their systems. Cable's high capacity systems can ultimately deliver virtually every type of communications service conceivable, allow consumers to choose between competing providers, voice, video, and data services.

I urge a ''no'' vote on this amendment.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. DINGELL], the ranking member of the Committee on Commerce.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment.

While many of us differ about parts of the bill, one thing is clear. H.R. 1555 deregulates cable before consumers have a competitive authorization alternative. The provisions of the bill very simply see to it, first of all, that so-called small systems are deregulated immediately and define a small system as one which has 600,000 subscribers. That is a market the size of the city of Las Vegas. So there is nothing small about those who will be deregulated immediately.

Beyond this, the provision will deregulate cable rates for more than 16 million households, nearly 30 percent of the total cable households in America, and it will do so at the end of the time it takes the President to sign this.

The bill will deregulate all cable rates in Alaska immediately, and more than 61 percent of rates in Georgia, and the rates of better than half of the subscribers in Arkansas, Maine, North Dakota, South Dakota, Minnesota, Nevada, and other States.

But there is more. This bill will deregulate by the calendar. What happens is that at the end of 15 months, whether there is competition in place or not, deregulation occurs. At that point, what protection will exist for the consumers of cable services in this country who do not have competition?

This amendment returns us to the rather sensible approach which we had when we passed the Cable Regulation Act some 2 years ago. It provides protection for the consumers. I urge my colleagues to support the amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. OXLEY], a member of the committee.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Chairman, since the passage of the 1992 Cable Act, the PCC staff has increased some 30 percent, making it one of the largest growing Federal bureaucracies in Washington. Most of the growth is due to the creation of the Cable Services Bureau.

Listen to this: When established, the Cable Service Bureau has a staff of 59. Since the passage of the Cable Act of 1992, it has increased and has quadrupled in size. The 1995 cable services budget stands at $186 million, a 35-percent increase from the Cable Act.

We do not need more bureaucrats telling the American public what they can and cannot pay for MTV and other cable services. It seems to me that the potential is clearly there for more and more competition. If we get bureaucracy in the way of competition, the bureaucracy always wins. It is important to understand the negative effects of the Cable Act of 1992. This amendment would exacerbate the terrible things that have happened since 1992.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, we gave away cable franchises in the early 1970s and made millionaires out of cable franchise owners. In 1984, we deregulated and made billionaires out of these organizations.

The argument that since deregulation bad things have happened to cable is simply not true. Their revenues have grown from 17 billion in 1990 to 25 billion in 1995. Their subscribers have grown from 54 million to 61 million during that same time period. Cable companies are making money. They are presently without competition. We should deregulate when we have competition, not before. That is the crux of this argument.

Mr. BLILEY. Mr. Chairman, I yield 3½ minutes to the gentleman from Colorado [Mr. SCHAEFER].

(Mr. SCHAEFER asked and was given permission to revise and extend his remarks.)

Mr. SCHAEFER. Mr. Chairman, I rise in opposition to this amendment and in support of H.R. 1555.

In 1992, I voted against the cable act because it was unjustified and would slow the growth of a dynamic industry. In fact, the 1992 act stifled the cable industry's ability to upgrade its plants, deploy new technology and add new channels. It also put several program networks out of business and delayed the launch of many other networks in this country.

Without some changes to the cable act, Congress will delay the introduction of new technologies and services to the consumer and will jeopardize the growth of competition in the telecommunications industry.

The Markey-Shays amendment should be rejected for two reasons: First, it looks to the past; second, it is bad policy.

H.R. 1555 is looking to the future. It will establish new competition between multiple service providers offering consumers greater choices, better quality and fairer prices.

The Markey-Shays amendment is based on outdated market conditions from the 1980's, and it seeks to shackle an industry that promises to deliver every conceivable information age service as well as local phone service.

The proposed amendment represents a last ditch effort to keep in place a failed system of regulation that has no place in the marketplace today.

The gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Connecticut [Mr. SHAYS] have argued that without their amendment cable prices would jump significantly and without justification. This simply is not true.

First, for most cable systems, the vast majority of cable subscribers rate regulations will remain in place for 15 months after 1,555 is enacted. This will provide ample time for more competition to develop. Competition, not extensive Federal regulation, is the best way to constrain prices that we have today.

Second, the sponsors of the pending cable rate amendment have overstated the history of cable prices after deregulation. For example, Mr. MARKEY has repeatedly cited a GAO statistic which suggests that cable rates tripled between deregulation in the mid 1980s and reregulation in 1992. What he ignores is that the number of channels offered by the cable system has also tripled.

As this chart very well explains it, back in the deregulation era, here we had between 1986, 58 cents per channel. And as you go to 11/91, 58 cents per channel. No changes.

The chart demonstrates the average cost of cable television. It remained constant over the particular time. And I would just say, by tying future cable rates to CPI, as the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Connecticut [Mr. SHAYS] are proposing, Congress will choke off the explosion of services and programs to our consumers. The time for total deregulation is there; 13 hundred pages of FCC regulations and 220 bureaucrats are running this system,

the cable bureau in this country under FCC. It is harming consumers by delaying introduction of new technology and services. Such regulations will also impede the cable industry's ability to offer other consumer advantages in this market.

I would just say that if we really want cable to be a part of this whole information highway, defeat the Markey-Shays amendment.

Mr. MARKEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we are now 3 minutes from casting the one vote that every consumer in America is going to understand. They may appreciate that you are going to give them the ability to have one more long distance company out there, but they have already, in fact, enjoy dozens of long distance companies in America. But every cable consumer in America knows that in their hometown there is only one cable company, and the telephone company is not coming to town soon.

Under Shays-Markey, when the telephone company comes to town, no more regulation. What the bill says right now is, even if the telephone company does not come to town, the cable companies can tip you upside down and shake your money out of your pockets.

So you answer this question: When cable rates go from $25 a month to $35 a month, every month, are you going to be able to explain that there is competition arriving in 3 or 4 years?

Keep rate controls until the telephone company shows up in town, then complete deregulation. That is what this bill is all about, competition. When the telephone company begins to compete, if it ever does, no rate control. But until they get there, every community in America for all intents and purposes is a cable monopoly. They are going right back to the same practices once you pass this bill.

Support the Shays-Markey amendment. Protect cable consumers until competition arrives.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] has 1 half minute to close.

Mr. BLILEY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS].

(Mr. FIELDS of Texas asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Chairman, this is a reregulatory dinosaur. Basic cable rates continue to be regulated under this bill.

We deregulate expanded basic in 15 months, when telephone will be competing with cable. But very importantly, in terms of competition with telephone companies, the only competitor in the residential marketplace will be the cable company. If you place regulations on cable, they will not be able to roll out the services so they can truly compete with telephone, which is what we want. It is a desired consumer benefit.

Mr. Chairman, I rise in opposition to the Markey cable re-regulation amendment. Today, we will hear from my friend from Massachusetts that there is not enough competition in the cable services arena and, therefore cable should not be deregulated. So one might ask, why would we want to limit one industry and place regulations which will prohibit cable from competing with the others?

The checklist in title 1 envisions a facilities-based competitor which will provide the consumer with an alternative in local phone service. The cable companies are ready to be that competitor; however, they cannot fully participate in the deployment of an alternative system if they must operate under the burdensome regulations imposed by the 1992 cable act. The truth is that cable companies are facing true competition. With the deployment of direct broadcast satellite systems and telephone entry into cable, the competitors have come.

H.R. 1555 takes a moderate approach toward deregulating cable. The basic tier remains regulated because that has become a lifeline service. The upper tiers, which are purely entertainment, are reregulated because consumers have a choice in that area.

We should not be picking favorites by keeping some sectors of the industry under regulations. It is time to allow everyone to compete fairly and without Government interference. I strongly urge my colleagues to oppose this amendment.

STATEMENT ON MUST CARRY/ADVANCED SPECTRUM

Section 336(b)(3) of the Communications Act, added by section 301 of the bill, makes clear that ancillary and supplemental services offered on designated frequencies are not entitled to must carry. It is not the intent of this provision to confer must carry status on advanced television or other video services offered on designated frequencies. Under the 1992 Cable Act, that issue is to be the subject of a Commission proceeding under section 614(b)(4)(B).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to the rule, the Chair announces that it will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings. This is a 15-minute vote.

The vote was taken by electronic device, and there were—ayes 148, noes 275, not voting 11, as follows:

[Roll No. 628]

AYES—148

Abercrombie
Baesler
Barcia
Barrett (WI)
Becerra
Beilenson
Bereuter
Bishop
Boehlert
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bunning
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
DeLauro
Dellums
Dingell
Doyle
Duncan
Durbin
Engel
Evans
Farr
Fattah
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Gejdenson
Gilman
Gonzalez
Gordon
Green
Gutierrez
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Horn
Hyde
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Leach
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney
Markey
Mascara
McCarthy
McDermott
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Minge
Mink
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Nussle
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pomeroy
Porter
Poshard
Rahall
Reed
Regula
Rivers
Roemer
Rogers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schumer
Scott
Serrano
Shays
Skelton
Slaughter
Stark
Stokes
Studds
Stupak
Tanner
Thompson
Torres
Torricelli
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Wise
Woolsey
Wyden
Wynn
Yates

NOES—275

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fazio
Fields (TX)
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hoyer
Hunter
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Matsui
McCollum
McCrery
McDade
McHale
McInnis
McIntosh

McKeon
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Richardson
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schiff
Schroeder
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Andrews
Bateman
Coburn
Hutchinson
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

☐ 1133

Messrs. MONTGOMERY, MARTINEZ, PAYNE of New Jersey, and BEVILL changed their vote from ''aye'' to ''no.''

Mrs. MEEK of Florida and Mr. HASTINGS of Florida changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 2–1 offered by the gentleman from Michigan [Mr. STUPAK], Amendment No. 2–2 as modified, offered by the gentleman from Michigan [Mr. CONYERS], and Amendment No. 2–3 offered by the gentleman from California [Mr. COX].

AMENDMENT NO. 2–1 OFFERED BY MR. STUPAK

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan [Mr. STUPAK] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 338, noes 86, not voting 10, as follows:

[Roll No. 629]

AYES—338

Abercrombie
Ackerman
Armey
Baesler
Baker (LA)
Baldacci
Barcia
Barr
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Blute
Boehlert
Bonilla
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Burton
Calvert
Camp
Canady
Cardin
Chambliss
Chapman
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Cubin
Cunningham
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Frank (MA)
Frelinghuysen
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hunter
Hyde
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
LaFalce
LaHood
Lantos
LaTourette
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McHugh
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornton
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Waldholtz
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff

NOES—86

Allard
Archer
Bachus
Baker (CA)
Ballenger
Barrett (NE)
Bilbray
Bliley
Boehner
Bono
Boucher
Bunn
Bunning
Burr
Buyer
Callahan
Castle
Chabot
Chenoweth
Christensen
Coleman
Combest
Cox
Crapo
Cremeans
Deal
DeLay
Deutsch
Dickey
Ewing
Fields (TX)
Fox
Franks (CT)
Franks (NJ)
Frisa
Ganske
Gillmor
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hefley
Herger
Hostettler
Houghton
Inglis
King
Kolbe
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Livingston
LoBiondo
Longley
McCrery
McInnis
Metcalf
Mica
Norwood
Oxley
Packard
Parker
Paxon
Rogers
Rohrabacher
Royce
Schaefer
Shadegg
Skeen
Souder
Stump
Talent
Tate
Thornberry
Vucanovich
Walker
Weller
White
Whitfield
Wicker
Zimmer

NOT VOTING—10

Andrews
Bateman
Hutchinson
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

☐ 1142

Mr. FOX of Pennsylvania and Mr. SHADEGG changed their vote from ''aye'' to ''no.''

Messrs. ROBERTS, QUINN, and BILIRAKIS, and Mrs. SMITH of Washington changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 2–2, AS MODIFIED, OFFERED BY MR. CONYERS

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment 2–2. as modified, offered by the gentleman from Michigan [Mr. CONYERS] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 151, noes 271, not voting 12, as follows:

[Roll No. 630]

AYES—151

Abercrombie
Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bono
Borski
Brown (CA)
Bryant (TX)
Bunn
Canady
Cardin
Chabot
Chapman
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
Cremeans
Cunningham
Danner
DeFazio
DeLauro
Dellums
Dixon
Doggett
Durbin
Edwards
Evans
Farr
Fawell
Fazio
Filner
Flake
Foglietta
Ford
Frost
Furse
Gejdenson
Gekas
Gephardt
Gibbons
Gonzalez
Goss
Green
Gutierrez
Hall (OH)
Heineman
Hinchey
Hobson
Holden
Hostettler
Hoyer
Hyde
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kildee
Kleczka
Klink
Knollenberg
LaFalce
Lantos
LaTourette
Leach
Levin
Lewis (KY)
Lipinski
Lofgren
Luther
Martinez
Matsui
McCarthy
McCollum
McDermott
McHale
Meyers
Mfume
Miller (CA)
Mineta
Mink
Myers
Nadler
Neumann
Norwood
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Pomeroy
Poshard
Quillen
Ramstad
Rangel
Reed
Richardson
Rivers
Rogers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Skelton
Slaughter
Smith (MI)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Thomas
Thornton
Torres
Torricelli
Traficant
Tucker
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Whitfield
Woolsey
Wyden
Yates

NOES—271

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cubin
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Fattah
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hoekstra
Hoke
Horn
Houghton
Hunter
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Klug
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Lewis (CA)
Lewis (GA)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lowey
Lucas
Maloney
Manton
Manzullo
Markey
Martini
Mascara
McCrery
McDade
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myrick
Neal
Nethercutt
Ney
Nussle
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Seastrand
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Tiahrt
Torkildsen
Towns
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wilson
Wise
Wolf
Wynn
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Andrews
Bateman
Bishop
Hutchinson
McHugh
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1150

So the amendment, as modified, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. COX] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 420, noes 4, not voting 10, as follows:

[Roll No. 631]

AYES—420

Abercrombie
Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula

| | | |
|---|---|---|
| Richardson | Skaggs | Towns |
| Riggs | Skeen | Traficant |
| Rivers | Skelton | Tucker |
| Roberts | Slaughter | Upton |
| Roemer | Smith (MI) | Velazquez |
| Rogers | Smith (TX) | Vento |
| Rohrabacher | Smith (WA) | Visclosky |
| Ros-Lehtinen | Solomon | Volkmer |
| Rose | Spence | Vucanovich |
| Roth | Spratt | Waldholtz |
| Roukema | Stark | Walker |
| Roybal-Allard | Stearns | Walsh |
| Royce | Stenholm | Wamp |
| Rush | Stockman | Ward |
| Sabo | Stokes | Waters |
| Salmon | Studds | Watt (NC) |
| Sanders | Stump | Watts (OK) |
| Sanford | Stupak | Waxman |
| Sawyer | Talent | Weldon (FL) |
| Saxton | Tanner | Weldon (PA) |
| Schaefer | Tate | Weller |
| Schiff | Tauzin | White |
| Schroeder | Taylor (MS) | Whitfield |
| Schumer | Taylor (NC) | Wicker |
| Scott | Tejeda | Wilson |
| Seastrand | Thomas | Wise |
| Sensenbrenner | Thompson | Woolsey |
| Serrano | Thornberry | Wyden |
| Shadegg | Thornton | Wynn |
| Shaw | Tiahrt | Yates |
| Shays | Torkildsen | Young (FL) |
| Shuster | Torres | Zeliff |
| Sisisky | Torricelli | Zimmer |

NOES—4

| | |
|---|---|
| Hunter | Souder |
| Smith (NJ) | Wolf |

NOT VOTING—10

| | | |
|---|---|---|
| Andrews | Ortiz | Williams |
| Bateman | Reynolds | Young (AK) |
| Moakley | Scarborough | |
| Nethercutt | Thurman | |

□ 1156

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NETHERCUTT. Mr. Chairman, I was not recorded on rollcall vote No. 631. The RECORD should reflect that I would have voted ''aye.''

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY: Page 150, beginning on line 24, strike paragraph (1) through line 17 on page 151 and insert the following:

''(1) NATIONAL AUDIENCE REACH LIMITATIONS.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, controlling, or having a cognizable interest in, television stations which have an aggregate national audience reach exceeding 35 percent. Within 3 years after such date of enactment, the Commission shall conduct a study on the operation of this paragraph and submit a report to the Congress on the development of competition in the television marketplace and the need for any revisions to or elimination of this paragraph.''

Page 150, line 4, strike ''(a) AMENDMENT.—''.

Page 150, line 9, after ''section,'' insert ''and consistent with section 613(a) of this Act,''.

Page 154, strike lines 9 and 10.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

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

Mr. Chairman, the amendment which we are now considering addresses one of the most fundamental changes which has ever been contemplated in the history of our country. The bill, as it is presented to the floor, repeals for all intents and purposes all the cross-ownership rules, all of the ownership limitation rules, which have existed since the 1970's, the 1960's, to protect against single companies being able to control all of the media in individual communities and across the country.

□ 1200

In this bill it is made permissible for one company in your hometown to own the only newspaper, to own the cable system, to own every AM station, to own every FM station, to own the biggest television station and to own the biggest independent station, all in one community. That is too much media concentration for any one company to have in any city in the United States.

This amendment deals with a slice of that. The amendment to deal with all of it was not put in order by the Committee on Rules when it was requested as an amendment, but it does deal with a part of it. It would put a limitation on how many television stations, CBS, ABC, NBC, and Fox could own across our country, how many local TV stations, and whether or not in partnership with cable companies individual TV stations being owned by cable companies at the local level could partner to create absolutely impossible obstacles for the other local television broadcasters to overcome.

Who do we have supporting our amendment? We have just about every local CBS, ABC, and NBC affiliate in the United States that supports this amendment. We do not have ABC, CBS, and NBC in New York because they want to gobble up all the rest of America. This would be unhealthy, it would run contrary to American traditons of localism and diversity that have many voices, especially those at the local level that can serve as well as a national voice but with a balance.

Vote for the Markey amendment to keep limits on whether or not the national networks can gobble up the whole rest of the country and whether or not in individual cities and towns cable companies can purchase the biggest TV station or the biggest TV station can purchase the cable company and create an absolute block on other stations having the same access to viewers, having the same ability to get their point of view out as does that cable broadcasting combination in your hometown.

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

Mr. BLILEY. Mr. Chairman, I yield myself 2 minutes.

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Massachusetts [Mr. MARKEY] restricting the national ownership limitations on television stations to 35 percent of an aggregate national audience reach.

The gentleman's amendment would limit the ability of broadcast stations to compete effectively in a multichannel environment. Indeed, the Federal Communications Commission on this issue in its further notice of proposed rulemaking issued this year, the FCC noted that group ownership does not, I repeat does not result in a decrease in viewpoint diversity. According to the FCC the evidence suggests the opposite.

Mr. Chairman, I ask the Members to look at their own broadcast situation. Who owns your local ABC, NBC, CBS affiliate? Is it local? I venture to say that 90 percent of us the answer is no, they are owned by somebody else out of town. So it is a nonissue.

As to what the gentleman says about cross ownership and saturation, I invite the Members to read page 153 of the bill. The commission may deny the application if the commission determines that the combination of such station and more than one other nonbroadcast media of mass communication and would result in a undue concentration of media voices in the respective local market. This amendment is not needed. Vote it down.

Mr. Chairman, I rise in opposition to Mr. MARKEY'S amendment restricting the national ownership limitations on telephone stations to 35 percent of an aggregate national audience reach. Mr. MARKEY'S amendment would limit the ability of broadcast stations to compete effectively in a multichannel environment. Mr. MARKKEY'S amendment would limit the ability of broadcast stations to compete effectively in the multichannel environment. Mr. MARKEY defends the retention of an arbitrary limitation in the name of localism and diversity. The evidence, however, does not support his claim.

I would simply refer Mr. MARKEY to the findings of the Federal Communications Commission on this issue in its further notice of proposed rulemaking issued this year. The FCC noted that group ownership does not result in a decrease in viewpoint diversity. According to the FCC, the evidence suggests the opposite, that group television station owners generally allow local managers to make editorial and reporting decisions autonomously. Contrary to Mr. MARKEY'S suggestion that relaxation of these limits are anticompetitive, the FCC has found that in today's markets, common ownership of larger numbers of broadcast stations nationwide, or of more than one station in the market, will permit exploitation of economies of scale and reduce costs and permit improved service.

Finally, I would note that in its notice of proposed rulemaking, the FCC questioned whether an increase in concentration nationally has any effect on diversity or the local market. Most local stations are not local at all, but are run from headquarters found outside the State in which the TV station is located. Moreover,

many local stations are affiliated with networks. As a result, even though these stations are not commonly owned, they air the identical programming for a large portion of the broadcast day irrespective of the national ownership limits.

For these reasons, the amendment proposed by Mr. MARKEY is anticompetitive and I strongly urge my colleagues to oppose his amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, it goes without saying that media is a major force in our society. Some people even blame our crime problems, our moral decay on the media. Now, I am not willing to go that far, but I am concerned about putting the control of our ideas and messages in the hands of fewer and fewer people in this country.

Right now the national audience capture is 25 percent. That seems appropriate to me in light of the fact that there is no network that reaches 25 percent, but certainly 35 percent is a reasonable compromise. There is no reason to double the concentration to 50 percent. I think 35 percent is certainly appropriate.

We talk about small business. Mr. Chairman, this bill goes in the exact opposite direction. Even big businesses may not be able to get into the market if we pass this legislation. It is clearly a barrier to market interests. In fact, 10 years ago if this bill had been in place Fox television probably could not have gotten started. It represents a threat to local broadcast decisions. Please vote with the Markey amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Chairman, I rise in strong opposition to the Markey amendment.

The rules regulating broadcasters were written in the 1950's. but the world for which those broadcast provisions were necessary doesn't exist anymore. It's gone. Most of us have recognized that fact and bidden it a fond farewell.

But not the supporters of this amendment. They would take the U.S. broadcasting industry back to the days of the 1950's. This amendment would ensure that while every other industry in America surges ahead, U.S. broadcasters remain mired in rules written when the slide rule was still state-of-the-art technology.

We should be thankful that we didn't impose the same regulations on the computer industry as we have on the broadcast industry. If we had, we'd all still be using mechanical typewriters.

The Markey amendment is the equivalent of trying to stuff a full-grown man into boys clothes—they simply won't fit anymore. The broadcast industry has outgrown the rules written for it when it was still a child.

If I could direct your attention to the graph, you will see that to reach that 50 percent limit, one would have to buy a station in more than each of the top 25 markets out of the 211 television markets. That in itself is no small feat. But keep in mind the result: Broadcasters would own a mere 30 stations out of the 1,500 TV stations nationwide. Who has this money, the financing, for that would be mind boggling.

On the question of localism—it isn't lost. Networks and group-owned stations typically air more local coverage. Covering local news simply makes good business sense—give viewers what they want or go out of business. Business succeed by making people satisfied.

Opponents will also tell you we will lose diversity in the local market with this bill. That is simply not true. Just keep in mind the following:

The FCC can deny any combination if it will harm the preservation of diversity in the local market; and under no circumstance will the FCC allow less than three voices in a market.

We must reject this backward-looking amendment. We must reject the advice of the Rip Van Winkles of broadcasting who went to sleep in the 1950's and think we are still there.

If the supporters of this amendment had their way, smoke signals would still be cutting-edge technology.

The dire predictions about the harm of lifting broadcast restrictions remind me of Chicken Little's warning that the sky is falling. Ladies and gentlemen, the sky is not falling. Freeing broadcasters from outdated ownership rules will do us no harm. If I can steal from Shakespeare, the Markey amendment is ''full of sound and fury, signifying nothing.''

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Pittsburgh, PA [Mr. KLINK].

Mr. KLINK. Mr. Chairman, the Markey amendment is really very important to this bill. I will tell you that for us to have a free Nation, for people who are going to elect those of us who are their representatives in Government, they have to have different points of views.

I have had some experience in the broadcast industry for 24 years, and in fact I worked for Westinghouse, which is one of the companies who just this last week made national history in buying CBS, ABC is being bought by Disney.

I am talking to my colleagues in the business. They said, look, we are already merging news rooms. You have four or five different entities, radio and TV owned by Westinghouse and by CBS, we are merging news rooms, so before as a Member of Congress or as any public servant you may have three or four different people there gathering points of view you now have one.

So this is not a divergence of viewpoints. We are bringing all the viewpoints in there. We are creating information czars. We are creating a situation where a handful of people will in fact be able to control the opinions across this Nation, and what we are saying is, no, we do not want that, we want free broadcast, we want the broadcast signals which are owned by the people of this Nation, which are licensed by the FCC for these large corporations to broadcast on to continue.

I urge you to support the Markey amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. PAXON].

Mr. PAXON. Mr. Chairman, one of the major fallacies of Mr. MARKEY's arguments is that the broadcast ownership reform provisions will harm local ownership of broadcast stations.

There is an unfounded fear that networks or broadcasting groups will buy up local stations and drop local programming in favor of network programs or a bland, national fare—and that is just plain wrong.

First, under today's restrictive broadcast ownership provisions, 75 percent of television stations are owned by broadcast corporations, and of those companies, 90 percent are headquartered in States other than where their individual stations are located.

Second, networks cannot currently force an affiliate to air any specific network program. Local stations today enjoy the ''right of refusal'' which means they can air a local program instead of a network program. Nothing in H.R. 1555 will change this right of refusal.

Finally, and perhaps most important to broadcasters, is the fact that local programming is profitable. Good business sense dictates that broadcasters address the needs of the local community.

There will always be demand for local programming, especially local news, weather forecasts and traffic reports, since this is something that the networks just can't match.

In conclusion, we must also remember that H.R. 1555 does nothing to weaken existing antitrust laws regarding undue media concentration.

Mr. Chairman, I urge all of my colleagues to oppose the amendment by Mr. Markey.

The CHAIRMAN. The Committee will rise informally to receive a message.

## MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. WALKER) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.