

106TH CONGRESS
2^D SESSION

H. R. 4019

To place certain constraints and limitations on the authority of the Federal Communications Commission to review mergers and to impose conditions on licenses and other authorizations assigned or transferred in the course of mergers or other transactions.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2000

Mr. PICKERING (for himself, Mr. BURR of North Carolina, Mr. TAUZIN, Mr. DINGELL, Mr. BOUCHER, Mr. KLINK, Mr. GREEN of Texas, Mr. HALL of Texas, Mr. LARGENT, Mr. OXLEY, Mr. DEAL of Georgia, and Mr. FOSSELLA) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To place certain constraints and limitations on the authority of the Federal Communications Commission to review mergers and to impose conditions on licenses and other authorizations assigned or transferred in the course of mergers or other transactions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Telecommunications
5 Merger Review Act of 2000”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) The process by which the Federal Commu-
4 nications Commission currently reviews, and imposes
5 conditions upon, the transfer or assignment of per-
6 mits or licenses in the context of a merger, or other
7 conveyance of corporate control, is in need of re-
8 form.

9 (2) Currently, the Federal Communications
10 Commission's review of telecommunications industry
11 mergers often results in undue delay and introduces
12 uncertainty into the marketplace because of the un-
13 predictable standards for that review.

14 (3) The Communications Act of 1934 does not
15 empower the Federal Communications Commission,
16 in a review of a transfer or assignment of licenses,
17 to duplicate the work of the Department of Justice
18 or the Federal Trade Commission when reviewing a
19 merger or acquisition.

20 (4) The Federal Communications Commission
21 should only deny, and should impose only those con-
22 ditions on, the transfer or assignment of licenses
23 under the Communications Act of 1934 as necessary
24 to ensure that applicants are in compliance with ex-
25 isting Commission rules and regulations.

1 **SEC. 3. MODIFICATION OF AUTHORITY TO DENY OR CONDI-**
2 **TION LICENSES.**

3 Title IV of the Communications Act of 1934 (47
4 U.S.C. 401 et seq.) is amended by adding at the end the
5 following new section:

6 **“SEC. 417. LIMITATION ON COMMISSION AUTHORITY.**

7 “(a) LIMITATIONS.—In any proceeding to approve an
8 application to assign or transfer control of a license, per-
9 mit, or certificate pursuant to the provisions of section
10 214 or 310, the Commission—

11 “(1) may not deny such application unless—

12 “(A) the assignment or transfer of control
13 will result in a violation of the Commission’s
14 rules and regulations in effect on the date such
15 application is received by the Commission; and

16 “(B) such violation cannot be cured by the
17 conditional approval of the assignment or trans-
18 fer of control pursuant to the provisions of
19 paragraph (2);

20 “(2) may not condition approval of such appli-
21 cation except to the extent necessary to—

22 “(A) ensure that the assignee or transferee
23 is in compliance with all Commission rules and
24 regulations in effect on the date of such ap-
25 proval; or

1 “(B) permit the orderly disposition of as-
2 sets to comply with such rules and regulations;
3 and

4 “(3) shall complete all action on any such appli-
5 cation within 90 days after the date of receipt by the
6 Commission of the application, unless the applicant
7 requests an extension.

8 “(b) SHORTER DEADLINE FOR CERTAIN ACQUI-
9 TIONS.—In connection with an acquisition, directly or in-
10 directly, by one local exchange carrier or its affiliate of
11 the securities or assets of another local exchange carrier
12 or its affiliates in which the acquiring carrier or its affil-
13 iate does not, and by reason of the acquisition will not,
14 have direct or indirect ownership or control of more than
15 2 percent of the subscriber lines installed in the aggregate
16 in the United States, the deadline under subsection (a)(3)
17 shall be 60 days after the date of receipt of the applica-
18 tion, unless the applicant requests an extension.”.

19 **SEC. 4. EFFECTIVE DATE.**

20 (a) IN GENERAL.—The amendment made by section
21 3 shall apply with respect to any application for a license
22 or authorization described in section 417(a) of the Com-
23 munications Act of 1934 (as added by this Act) that is
24 pending on, or submitted to the Federal Communications
25 Commission on or after, the date of enactment of this Act.

1 (b) DEADLINES FOR PENDING APPLICATIONS.—With
2 respect to any such application pending before the Federal
3 Communications Commission for more than 30 days as
4 of the date of enactment of this Act, the Commission shall,
5 notwithstanding section 417(a)(3) of such Act (as so
6 added), complete all action on any such application within
7 60 days after such date of enactment, unless the applicant
8 requests an extension.

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