Mr. Chairman, I yield to the distinguished gentleman from Virginia (Mr. BLILEY).

□ 1345

Mr. BLILEY. Mr. Chairman, this gentleman has reviewed the amendment and finds it acceptable and urges Members to vote for it.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, I thank the gentleman very much and I want to congratulate him on his amendment. I think he is adding substantially to the nature of this bill, in the change which is taking place internationally, its impact upon the United States, and how fully we should understand it. I thank the gentleman very much.

Mr. TRAFICANT. Mr. Chairman, reclaiming my time, I appreciate the gentleman's comments, and I am hoping that impact is going to be favorable.

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Chairman, I wanted to thank my friend for offering the amendment, congratulate him on it, and suggest that not only do we not have any opposition to the amendment, but we gratefully and warmly embrace it, and I would urge all Members to support it.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment, as modified, was agreed to.

The CHAIRMAN. The committee will rise informally.

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

MESSAGE FROM THE PRESIDENT

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

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

COMMUNICATIONS SATELLITE COMPETITION AND PRIVATIZATION ACT OF 1998

The Committee resumed its sitting.

AMENDMENT NO. 4 OFFERED BY MR. GILMAN

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. GILMAN:

Page 33, line 5, strike ''the Congress''; and insert ''the Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate''.

Page 33, beginning on line 20, strike ''Committee on'' and all that follows through ''of the Senate'' on line 22 and insert the following: ''Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate''.

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

Mr. GILMAN. Mr. Chairman, I commend the gentleman from Virginia (Mr. BLILEY) for taking up this complicated issue of international satellite policy. Furthermore, I support the basic purpose of this measure, which is to move ahead with privatizing the intergovernmental satellite organizations. It is an important undertaking to meet the current telecommunications marketplace.

However, in consultation with the distinguished ranking minority member of the House Committee on International Relations, the gentleman from Indiana (Mr. HAMILTON), I am offering an amendment to make a simple change to the bill before us. It merely adds the House and Senate Committees on International Relations to the committees required to be consulted prior to the meetings of the INTELSAT or Inmarsat Assembly of Parties, and revises the annual reporting requirement to also include these committees.

We are interested in this legislation because changing international communication satellite policy has foreign policy implications. I want to be clear we are not seeking to interfere with the Committee on Commerce's jurisdiction to determine telecommunications policy, but the State Department is the lead agency in the negotiations with the intergovernmental satellite organizations.

State traditionally has had the lead in multiagency teams negotiating with any international organizations. Inclusion of the Committee on International Relations in the reporting and consultative process allows the committees to perform their fundamental oversight responsibilities.

I hope the chairman will be willing to accept this amendment. This bill raises other concerns, which were flagged in testimony by the administration last fall. These issues, such as including specific directives on the conduct of the negotiations, deserve further consideration.

I have a concern about the expanded responsibilities given to the Federal Communications Commission in this bill for the multilateral negotiations aimed at privatizing INTELSAT. The President should have the discretion of ensuring that our State Department, and any other relevant government agency, plays a role in this process.

I look forward to continuing to work with the Committee on Commerce as the bill proceeds through the process.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Chairman, I have reviewed the amendment and think it is a fair proposition. The State Department plays an important role in international negotiations, including regarding the intergovernmental satellite organizations.

My understanding is that this amendment is not intended to and in no way does affect the jurisdictional interests of our committees in the bill. Does the gentleman agree?

Mr. GILMAN. Mr. Chairman, reclaiming my time, this amendment has no impact nor is it intended to have an impact on our committees' jurisdictional interest.

Mr. BLILEY. Mr. Chairman, if the gentleman will continue to yield, with that understanding, I think we are prepared to accept the amendment.

Mr. GILMAN. I thank the chairman for his considerable consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GILMAN).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MR. TAUZIN

Mr. TAUZIN. Mr. Chairman, I offer an amendment. It is amendment No. 7.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. TAUZIN:

Page 28, beginning on line 14, strike section 642 through page 29, line 24, and redesignate the succeeding sections accordingly.

Mr. TAUZIN. Mr. Chairman, let me first apologize for the complexities in this bill. There is no way for us to deal with satellite policy and the extraordinary nature by which this highly technical industry has developed without some very technical provisions.

Let me secondly again compliment the chairman and the gentleman from Massachusetts (Mr. MARKEY) for the bill. It is a good attempt at accomplishing something which must be accomplished very soon, and that is the privatization of the government organizations, INTELSAT and Inmarsat, which service telecommunications needs across the world.

Let me thirdly point out that the amendment I offer is in no way, shape, or form designed to gut this bill. It does not. It is a very targeted amendment which deals with a single provision in the bill, which many of us believe ought not be in the bill if we want a bill passed to accomplish its good purposes.

Now, what is the provision that this amendment deletes? It is a very simple provision. It is a provision that says that the contracts that COMSAT has negotiated with companies like AT&T and MCI, those contracts to provide services over their network, could be abrogated by those customers unilaterally, at their own will, within a couple years. In effect, the provision in this bill is a grant of right by Congress to companies that have executed willfully, freely, contracts with COMSAT to then decide they will no longer keep

those contracts and move their business to another company.

Now, is it our business to be abrogating contracts? Well, my colleagues will hear from the opponents of my amendment that this concept called ''fresh look'' is something that is often employed when monopolies are regulated and competitive market places are established. That is true, ''fresh look'' is a concept employed. ''Fresh look'' is available today to any competitor who wants to go to the FCC or to the courts and argue that it has a contract with COMSAT that was entered into in an anti-competitive mode.

Companies have done that. In fact, PanAmSat, one of COMSAT's competitors, went to the FCC and argued that the contracts that COMSAT had signed with some customers were, in fact, anti-competitive contracts and the FCC ought to order them abrogated. They lost that case. They took it to the district court and the district court ruled against them.

The district court ruled, in effect, that the contracts we are talking about here, signed by AT&T and MCI with COMSAT, were contracts that were willfully negotiated; that, in fact, contracts they signed on a long-term basis with COMSAT after turning down offers by PanAmSat and other competitors, willfully signed; and contracts that even allowed MCI and AT&T, indeed, to reroute their services when they wanted over their competitors. They were not anti-competitive contracts at all. The court ruled in favor of COMSAT that its contracts were valid, not anti-competitive, and that they should be honored.

Now, this bill does something very strange. This bill does not say that PanAmSat and others have a right to go and challenge these contracts. They now have that right. This bill overturns the district court, overturns the FCC, and gives to AT&T and MCI and the other customers the right unilaterally not to honor their contracts anymore, without any finding that COMSAT has done anything wrong or that these contracts are anti-competitive to any extent.

In effect, this bill asks my colleagues and myself, as Members of Congress, to vote to abrogate private contracts that the courts have already determined were freely and willfully entered into. This bill asks my colleagues and I to abrogate contracts that should be honored by the parties to that contract.

Now, why does it do that? Does it do it to punish COMSAT for bad behavior? No. The bill says that whether or not COMSAT does a good job in deregulating INTELSAT and Inmarsat, whether or not INTELSAT and Inmarsat do a great job of privatizing and deregulating their operations, if everything goes right, this bill still abrogates COMSAT's contracts with these people.

Now, why would we want to do that? Are we just mean? Are we interested in special interest kind of laws that gives customers to one company instead of another? Has COMSAT done anything that requires us to take away their contract rights and to let their customers out? To all of these things I hope the answer is no, and I hope my colleagues will vote for this amendment which takes this single provision out of the bill and protects contracts that deserve protection in the free market.

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

While I appreciate my colleague's support of the general goals of the bill, I cannot support his amendment. ''Fresh look'' is a policy used by the FCC in the past to foster competition in a market previously characterized as noncompetitive. Once the FCC removed a barrier to competition and enabled others to compete, in none of the previous instances did a court find the FCC's use of ''fresh look'' amounted to a taking, nor does our bill.

First, our bill does not abrogate private contracts; it merely gives consumers who entered into contracts with COMSAT, when it was the monopoly, the opportunity to renegotiate those contracts once that monopoly has ended. Most customers will probably stay with COMSAT if it provides quality service at a reasonable rate.

We have public statements of support for ''fresh look'' from a number of users, including the long-distance companies and the maritime users who have benefitted in the past when the FCC required ''fresh look'' in other instances.

The gentleman notes that ''fresh look'' will enable the long-distance carriers to get out of their contract obligations with COMSAT. Those contracts for INTELSAT capacity were entered into when COMSAT was a monopoly for such capacity.

To claim that these contracts were entered into voluntarily and, therefore, Congress should not permit their renegotiation, reminds me of a story I heard from a member of Parliament from another country. He was telling how he had flown to the States with his own country's government-owned airline instead of taking a U.S. carrier like he usually does. He asked the flight attendant if there was a choice for dinner that night. She paused for a moment and said, yes, there is a choice; you can either have dinner or not. Well, he voluntarily chose to take what was offered.

And the carriers voluntarily entered into contracts with the monopoly distributor of INTELSAT services. They could have chosen voluntarily not to have satellite redundancy, and, if there was a failure on their own cables, risk losing their customers; but they chose instead to contract with the monopolist rather than risk losing their customers during cable outages.

But that is not the kind of choice our bill is after. Under our bill, in January 2000, when direct access or competition to COMSAT for IGO access is permitted and COMSAT's monopoly is thereby terminated, then users will be able to negotiate with new interest. What is wrong with letting users negotiate lower rates? Their consumers will benefit from carriers' lower costs.

Second, the provision in the bill would not result in an unconstitutional taking of COMSAT's property. Takings are most often found with real estate. COMSAT has no property right in its FCC licenses. While it may argue it has a property right in its service contracts, the frustration of contracts due to economic regulation by Congress is not a permissible taking of property.

☐ 1400

Frustration of contracts is not unconstitutional, but I do not think a court would even find frustration or abrogation. A ''fresh look'' merely gives COMSAT's customers a chance to renegotiate once competitors are available.

Third, COMSAT has no reasonable expectation in the status quo that would be tantamount to a property right, since COMSAT has been operating in a heavily regulated environment since we created it back in 1962, under a statute in which we expressly reserve the right to alter the regulatory landscape governing COMSAT at any time.

Moreover, the provisions would not subject the U.S. Government to any liability under the Tucker Act or any other statute, because they do not result in an unconstitutional taking.

Moreover, COMSAT still has a monopoly for INTELSAT and Inmarsat services. It makes eminent sense and is consistent with FCC precedent to enable COMSAT's customers to take advantage of the presence of new competitors once COMSAT's monopoly is eliminated under the bill. Without ''fresh look,'' the elimination of COMSAT's monopoly will have less of a competitive impact, since customers will be unable to take advantage of new opportunities if they are locked into long-term commitments entered into when COMSAT was the only game in town.

There has been a lot of double-speak that COMSAT does not have a monopoly because of fiber optic and satellite competitors, and this Congress should not be adjudicating whether COMSAT has a monopoly but should leave it to the courts to decide. That is a whole lot of nonsense.

Congress' action, in passing the Satellite Communications Act of 1962 resulted in COMSAT obtaining a monopoly. And the FCC implemented that act so that today COMSAT and COMSAT alone may offer INTELSAT and Inmarsat services. Sure, COMSAT has competition from the long distance providers on their fiber-optic cables on certain routes and from some private systems with video and other services, but that does not mean they do not have a monopoly for INTELSAT and Inmarsat services. And only INTELSAT and Inmarsat have a global, ubiquitous reach that gives them a

special place in the international market.

I urge defeat of the amendment.

Mr. DINGELL. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I would like my colleagues to listen to the language of the bill that the amendment would strike. And it begins with the fact that every year everyone who has a contract with COMSAT may do something under this legislation which says, ''permit users or providers of telecommunications services that previously entered into contracts under a tariff commitment with COMSAT to have an opportunity at their discretion for a reasonable period of time,'' and I note each year they may do this, ''to renegotiate those contracts or commitments on rates, terms, and conditions or other provisions, notwithstanding any term or volume commitments or early termination of charges in any such contracts with COMSAT.''

What we are literally doing is saying that COMSAT has no contract which will stand for more than 1 year and will be constantly subject to repudiation by every provider or by every customer.

Now, if that is not a violation of the contract clauses of the Constitution or of the fifth amendment provisions with regard to the protection of property rights, then I am the Queen of the May. And I would remind all of my colleagues that this is going to subject the United States to enormous liability for being sued for having interfered with the rights under contract and for having interfered with the property rights of COMSAT. Imagine how we would run a corporation if we were afflicted with that kind of provision. Let me just read something else.

PanAmSat, one of the well-known fat cats that is at the bottom of this mess and which is a major pusher of this legislation, sued COMSAT. A Federal judge considered all the pleadings, all the facts, and he decided in favor of COMSAT. Why? He said, and this is a quote from the judge, ''Moreover, although the record does not reflect that COMSAT entered into long-term contracts with many common carriers, nothing in the record suggests that COMSAT secured any of the contracts by means of any anticompetitive act against PAS. On the contrary, the record suggests that, for their own reasons, the common carriers elected to secure long-term deals with COMSAT only after considering and rejecting offers from PAS.''

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Chairman, I am confused. I just heard from the chairman of the committee that this was like that meal on the British airlines, he either had to eat or not eat; there was no other option.

Is my colleague telling me that the people who signed these contracts had other options to sign with PanAmSat and turned them down?

Mr. DINGELL. Mr. Chairman, reclaiming my time, the answer to the question is yes. The answer to the question is also that the Federal judge involved here considered the questions in a much more thoughtful, careful, and responsible way after hearing all the pleadings than did my beloved friend, the chairman of the committee, who has not apparently been privy to the kind of information that the judge was.

Here we had a fair hearing. Everybody had a chance to have their say, not something which we have seen here.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Chairman, I know the gentleman would not want to mislead the committee.

On page 28, section 642 of the bill, it says that they have a fair opportunity at their discretion for a reasonable period of time to renegotiate those contracts, a one-time deal.

Mr. DINGELL. Mr. Chairman, reclaiming my time, every year.

Mr. BLILEY. Mr. Chairman, If the gentleman would further yield, no, not every year.

And on page 62 of the report it repeats it again, a one-time opportunity to renegotiate contracts of commitments on rates, terms, and conditions.

Mr. DINGELL. Mr. Chairman, the staff of this committee has been very good in changing the language of the bill in the report, something which regrettably they are not capable of doing.

What we have here before us is a very simple matter. They are interfering here under this legislation with the rights of contract. They are interfering here with property rights. And they are going to have a liability for the taxpayers of this country under the Tucker Act, and it is going to be billions of dollars.

They also have before them a case where the matters have been considered by a Federal judge, having heard from PAS, having heard from COMSAT, having heard all the facts. He said, people go to COMSAT after they have heard from the others and given them a full opportunity to compete.

Ms. ESHOO. Mr. Chairman, I move to strike the last word, and I rise in opposition to the Tauzin amendment.

Mr. Chairman, first I think that, for all of our House colleagues, there was a statement that was made earlier that this is a very complex issue, and we owe it to our colleagues that were not part of the debate on the Committee on Commerce to offer them some clarity.

What is this amendment about? This amendment is about a provision in the bill entitled ''fresh look,'' and what it would do is strike it; it would take it out of the bill. Now, why did the committee pass the bill out to the floor with this particular component, this element of the bill, and why did we find it important?

First of all, ''fresh look'' is a critical component of the bill. Why? Because it is what will help consumers realize the benefits of competition and doing away with a monopoly. The service providers are going to have to be able to take full advantage of direct access to INTELSAT so that the bill provides consumers what we are promising them, and that is competition.

It does not do any good to say to companies, ''Okay, go ahead, negotiate the best deal possible'' if, in fact, they are still locked into something that they agreed to when they were still a monopoly. And so ''fresh look'' is a provision in the bill that will allow companies, one time only in the year 2000, to take a ''fresh look'' and to move on from there into a procompetitive environment and leaving the monopolistic environment behind.

''Fresh look'' will enable companies to take advantage of privatization, which is really what the underpinnings of this legislation are all about. So again, if my colleagues support privatization and procompetition, then they will vote ''no'' on this provision.

''Fresh look'' is necessary. We must be able to take a fresh look in order to be competitive. I urge my colleagues to vote ''no'' on the Tauzin amendment.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in very strong support of the Tauzin amendment. I was also supportive of the amendment offered by my colleague, the gentlewoman from Maryland (Mrs. MORELLA).

I rise in support of this amendment because I believe that a contract should have the highest regard by this body. In fact, the Constitution prohibits us from abrogating contracts.

The fact of the matter is, as the gentleman from Michigan (Mr. DINGELL) and as the gentleman from Louisiana (Mr. TAUZIN) and others have pointed out, the judge found that there were alternatives. In other words, there were parties with whom the parties dealing with COMSAT could have dealt with alternatively.

The judge found that for economic reasons, obviously of their choosing, they did not do so. In fact, they made an independent judgment to enter into a contract. They may not like that contract now. This is not an unusual circumstance.

On the Subcommittee on Treasury, Postal Service, and General Government, for instance, on the telephone contract that the Federal Government had, we were constantly looked to to abrogate the contract and allow new competition prior to the term of the contract expiring. So this is not unusual. Parties to contracts often come to the Congress or to the legislatures and seek for a new deal or, as this amendment says, a ''fresh look.''

Well, ''fresh looks'' are nice. ''I liked the contract a year ago, but I do not

like it now. So how about a fresh look, troops? Let us look at it one more time, freshly.'' Well, the person that does not like the contract may think that is very nice, but the other person with whom the contract was made may think to themselves that is a jaundiced look, not a fresh look; it is a look that they have taken advantage of the contract for as long as they determined was advantageous to them, but now, ''Guess what? I want to change the deal.''

Mr. Chairman, I would hope my colleagues would support the Tauzin amendment. This ''fresh look'' provision that is contained in the bill is not fair. It is not fair because it says that the contracts that were entered into freely, as the judge said, do not need to be honored.

It is my understanding from the gentleman from Louisiana (Mr. TAUZIN), and I do not purport to be an expert on the technical nuances of this particular piece of legislation, but I am informed that in fact these contracts have a term. They are not unlimited. These parties are not bound by these contracts in perpetuity.

In point of fact, the contracts have a term that will end; and at that time, under the contract, as is fair and every American understands, at that time the parties will have the opportunity to have a fresh look, not legislatively mandated but mandated by the agreement of these two parties in their contract.

The sanctity of contracts is critical to the free market system in which we flourish. The sanctity of contracts is one of the things, as a lawyer, we learn to honor from the very beginning, which is why it is so important to make sure that a contract was in fact entered into, because once entered into, it cannot be abrogated by either party without damages occurring.

Again, that is another reason, Mr. Chairman, we ought to adopt the Tauzin amendment and reject the provision of the bill. Why? Because these are private stockholders, who have invested their money, who are going to sustain a loss if these contracts are abrogated; and, if so, we may well subject the Government to over a billion dollars in damages I am informed. Think of that, over a billion dollars in damages. Why? Because this contract sought to give relief to parties who voluntarily entered into a contract and who now want a fresh look.

□ 1415

Mr. Chairman, we can change the policy, but we ought to change it prospectively. We ought to say we are going to change the rules and when the contract is over, you are going to play under these new set of rules. But the parties that entered into a contract under a set of rules will play under those rules for the term of the contract. That is elementary, my Dear Watson, if I can coin a phrase.

I would hope that this amendment would pass, that it would pass handily, and we would send a message to those who enter into contracts. As long as those contracts are entered into freely, they will be honored by this legislative body.

Mr. WELDON of Florida. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I rise in opposition to the Tauzin amendment regarding fresh look. H.R. 1872 holds much promise for expanding consumer choices and lowering consumer costs of international satellite communications. This amendment would jeopardize all of that. A key reason H.R. 1872 will benefit consumers is that it will end the current monopoly that COMSAT enjoys by statute as the sole reseller of INTELSAT and Inmarsat services in the United States. Currently users of these satellite systems have no choice but to go through COMSAT to purchase INTELSAT and Inmarsat services. In some cases, such as some telephone and television services, there are few or no choices except to use the INTELSAT and Inmarsat satellites.

A recent study estimated that U.S. customers would save $1.5 billion over 10 years once monopoly access to INTELSAT and Inmarsat ends. H.R. 1872, the bill before us, permits COMSAT's customers to renegotiate their contracts once the monopoly is ended. Fresh look is an established way to transition from a monopoly market to a competitive market. The FCC has applied the fresh look policy before when new competitive choices were made available to customers. It has allowed customers to renegotiate long-term contracts entered into when no competition existed.

Today COMSAT is the sole U.S. reseller or distributor of INTELSAT and Inmarsat services. Each and every user of those satellite systems in the United States has no choice but to enter into a contract with COMSAT for these services. These are long-term contracts. The bill will end this monopoly. Thus, it is critical to creating the new competitive environment that customers be given the opportunity to renegotiate, take a fresh look at the long-term contracts they entered into when the statutorily created monopoly was in force. Without fresh look, these customers will be locked into long-term contracts and denied the benefits of the new competitive choices. Competition will truly be meaningless if all customers are locked into long-term contracts.

I know there has been a lot of smoke generated about this and how this would operate as a taking of property. I do not believe that giving customers an opportunity for a fresh look at their contracts would result in such a taking. This is not a new policy. The FCC has applied it successfully in several occasions.

Moreover, the courts have never accorded contracts the status of protected property because contract rights are subject to changes in the law. COMSAT is a creature of Congress and Congress expressly retained broad rights over COMSAT and the right to change the 1962 law.

Fresh look does not punish COMSAT. COMSAT and its customers are free to continue their contracts. As long as COMSAT provides high quality services at competitive rates, underlying competitive rates, it has nothing to fear. Customers will be the real winners here and whether they stay with a newly competitive COMSAT or choose a new alternative will be their choice.

Fresh look is pro-consumer. It gives users the right, not the obligation, to renegotiate their contracts in light of the new competitive choices. It is essential to end the monopoly. I urge my colleagues to vote against this amendment.

Let me just add. I was very pleased to see this, a letter from one of the satellites users, CSX and its subsidiary Sea-Land, a large maritime shipping company, recounting its use of fresh look regarding 800 number portability. When fresh look was implemented for 800 numbers, CSX saved $4.5 million per year. CSX wrote the gentleman from Virginia (Mr. BLILEY) stating, ''We look forward to using the similar opportunity as provided for under H.R. 1872 so that we can pay competitive prices, rather than monopoly prices, for satellite services.''

Any claim that users do not want fresh look is false. All Members should vote against this amendment. It will harm consumers and prevent competition from developing.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I rise in very strong support of the Tauzin amendment. It is fair, it makes sense, and it may well save us over a billion dollars; that is, the taxpayers.

Fresh look really is not fresh look. It is really a fresh theft, as has been stated, because it is going to abrogate those contracts that had been willfully signed by an American company and its customers, I really believe, and others have felt the same way, legal authorities, that it is going to subject the U.S. Government to a successful takings claim.

The opponents of COMSAT have said that it has locked up the market with long-term contracts and so therefore the customers should be afforded an opportunity unilaterally to breach their contract to take a fresh look at any available competitor in the marketplace. This is not a sound idea. It is wrong. Therefore, the Tauzin amendment will eliminate the unconstitutional provisions that would abrogate COMSAT's contracts, which are property, and it would preserve the integrity of COMSAT's carrier contracts. Those contracts were entered into voluntarily by COMSAT and the largest international carriers. The government may not nullify the express terms of a company's contractual obligations without compensation. This amendment with these provisions makes

sense, it is appropriate, and it will save taxpayers money.

Mr. Chairman, I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Chairman, let me point out that this notion of fresh look is already in the law. The notion of fresh look is already in the law. It is a remedy that already exists for the parties. If they think they have a contract that was entered into where they did not really have a choice, like some of these proponents of the bill have pointed out, then they can go to the FCC, go to court and have that contract abrogated. They can do that today. In fact, as I said, PanAmSat tried. PanAmSat is a private satellite corporation owned by Hughes Satellite. They went to court and argued that some of the contracts that COMSAT had signed were in fact entitled to a fresh look. The court threw them out on summary judgment. They did not even have a trial. The court threw them out on summary judgment and said, ''There are no facts here to indicate that your contracts ought to be abrogated. In fact if you signed it, you ought to live by it and you ought to honor it.''

Why should we in this Congress overturn that court now and say it is okay for people to get out of their contracts? Did they have other choices? Yes. The court so ruled that they actually rejected other choices before signing up with COMSAT. Did they sign it willfully for their own reasons? The court so ruled. Were there other companies they could have gone to?

In 1996, the FCC ruled that there was sufficient competition in the space segment service market and ruled in fact that ''we find substantial competition in that marketplace with the introduction of satellite cable systems that compete with INTELSAT.'' The companies who signed these contracts had other choices. They rejected them. They signed with COMSAT. Now they would like to get out of them. They went to court to say, ''Let us out of these contracts.'' The court threw them out on their ear and said, ''You're not even entitled to a trial. You're out on summary judgment. Your contracts are going to be honored by this court.'' But not by this Congress? Your contract is your word, your bond, you are going to live by it. But not by this Congress? What right do we have under our Constitution to tell some people it is okay to get out of your contracts? When you sign a contract to get some services for your company, would you like it if I told those people who signed up with you they can get out whenever they want? You would think I am out of bounds, and I would be. And Congress would be out of bounds if we in fact abrogated these contracts. I urge my colleagues to adopt this amendment.

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

Mrs. MORELLA. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, what happens every time this provision comes into play is that the competitors, the providers, the suppliers and the customers of COMSAT then get together and they renegotiate the contract, and COMSAT has got to constantly reduce rates, reduce rates, reduce rates.

As the distinguished gentlewoman has said and as the gentleman from Louisiana has said, COMSAT now is subject to fresh look. The FCC about a week or 10 days ago took a look at this. What did they find? First of all, they found that COMSAT is not a dominant carrier. They are a nondominant carrier.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. MORELLA) has expired.

(On request of Mr. DINGELL, and by unanimous consent, Mrs. MORELLA was allowed to proceed for 1 additional minute.)

Mrs. MORELLA. Mr. Chairman, I continue to yield to the gentleman.

Mr. DINGELL. Mr. Chairman, they also did something else. They looked at whether or not the Commission should utilize this extraordinary remedy of fresh look. They said it was not necessary. They said it was not proper. They said it was not justified. Yet here we in the Congress, with no hearings, with no information, simply with power for prejudice and enormous lobbying effort by COMSAT's competitors are going to simply put into place this fresh look provision. And we are going to subject our constituents and the taxpayers to billions of dollars in liability for our stupidity.

I thank the gentlewoman for yielding.

Mrs. MORELLA. Mr. Chairman, I agree with the two speakers that just preceded me on my time, and I urge this body to vote for the Tauzin amendment.

Mr. DEUTSCH. Mr. Chairman, I move to strike the requisite number of words. I think this is a personal record. I do not think I have ever spoken on a bill on the floor of this House three times in one afternoon, but I am going to do that because some of the debate, some of the comments by other Members have done it at least three times as well.

Just going through what the bill does and the present reality in the market I think is critical for everyone to have a very keen understanding before they vote. The legislation absolutely provides that people who have entered into a contract in 2000 would have an ability, a one-time ability to renegotiate that contract.

Let us talk about why people entered into those contracts. They entered into those contracts because they had no choice. Today if you want to call from Washington, D.C. to Africa, there is only one way to do it, and that is through COMSAT. I do not know what definition of monopoly my colleagues are using, but that is a definition of monopoly. We keep hearing the fact, we have two sides of this debate, some saying there is a monopoly, some saying there is not a monopoly. Let me again talk in specifics. There are locations where there is underground cable. For instance, if you want to call from here to England, you can actually go through an underground cable. So in that market there is competition. But for a significant part of this market there is no competition at all but a government-granted monopoly that we as the United States Congress granted.

Let me talk about abrogating contracts. It is a very serious thing that we ought to think about. In the State of Florida that I represent, there are only two times in the Florida judicial system that there is a 12-person jury, when the death penalty is a possibility or when you are going to be taking someone's property. If someone has a potential penalty in Florida of life imprisonment, it is a six-person jury. But in Florida if we are going to take one foot of your property, it is a 12-person jury.

□ 1430

So let me tell my colleagues something. I come from a State where we take property rights very, very, very seriously. This is not an issue about property rights and taking. It is an issue of how are we going to implement a new competitive paradigm in telecommunications. And again the facts are that we have done this before. And for the third time, I am going to mention what we have done before; that when AT&T was broken up, the exact same procedure was used. Contracts that were in place were allowed to be renegotiated because of why and how those contracts were implemented.

Mr. Chairman, I urge the defeat of the amendment and passage of the bill.

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. DEUTSCH. I yield to the gentleman from Louisiana.

Mr. TAUZIN. I just want to point out to the gentleman that not only can someone call Athens by many other providers other than COMSAT, COMSAT is not even a dominant carrier to Athens.

Mr. DEUTSCH. I said Africa.

Mr. TAUZIN. Africa?

Mr. DEUTSCH. Africa.

Mr. TAUZIN. To Africa, to many countries in Africa. They have fiberoptic services to many countries that compete with the satellite services.

Mr. DEUTSCH. As my colleague knows, again my understanding is that on thin routes to Africa they are not classified as nondominant.

Mr. OXLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, while I appreciate the rationale behind the ''fresh look'' provisions of this bill and I agree that the privatization we seek must be pro-competitive, it is my view that the abrogation of private contracts called for by this bill is simply not justified by the

admittedly worthy goal of accelerating the transition to a more competitive marketplace. It is not appropriate in my opinion for this Congress to allow corporations to simply walk away from legal contracts because we believe that there may have been better deals for them in the offing. With privatization the transition to a competitive market will come soon enough, and these contracts will expire and be renegotiated in the normal course of business without the kind of congressional interference in the process.

My sense is that we should go very, very slowly when Congress is dealing with the issue of abrogating contracts. This is a very serious issue. Those of us who studied contracts in law school learned, probably on the first day, that contracts have a particularly meaningful role in our business world and that those contracts and particularly the breaking of those contracts should be taken very, very seriously and with a great deal of caution, particularly by the national legislative body, the Congress of the United States.

We should allow the marketplace to work its will in due course without resorting to heavy-handed tactics. After all, the bill is premised on the idea that competition will cause market participants to realize new efficiencies and alternate ways of doing business. The incentives are already there for telecommunication firms to seek out the most efficient access to international communications. And while it may be tempting, Mr. Chairman, to try to jump start the competitive process through these ''fresh look'' measures, I think we are getting a little ahead of ourselves. We should allow the private sector to work its will and without abrogating the privacy of these contracts.

Mr. Chairman, we can argue as to whether or not free agency has ruined baseball, but the truth is that telecommunication companies today are already free agents without ''fresh look.''

I encourage support for the amendment to remove these provisions.

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Chairman, I just wanted to congratulate the vice chairman of the Subcommittee on Telecommunications, Trade, and Consumer Protection for his excellent statement just now, not only in support of the motion that will not abrogate contract rights, indeed that is something we learned in law school, but to point out that the opinion of the Washington Legal Foundation went on to say that if we did that in this bill, that would amount to the most sweeping congressional abrogation of private contract rights of a single company without any judicial determination of wrongdoing.

That is unprecedented in U.S. history. Not only are we doing something that I think we learned is wrong in law school, but Congress would be doing something, according to this report, that is unprecedented in terms of its sweep, in terms of how many contracts we would abrogate and declare illegal when the courts have upheld those contracts up until this date.

I want to thank the vice chairman for his excellent statement and encourage him in support of this amendment.

Mr. OXLEY. Mr. Chairman, I thank the gentleman from Louisiana for his comments and would simply point out that in this kind of area, we ought to walk very, very softly before we consider these kinds of abrogation of contracts. This is very serious business, and I would caution that, in fact, the marketplace is working, that those telecommunication companies out there will be able to renegotiate, will be able to sign new contracts in the due course of business. We ought not to interfere with that right of contract. It would be a serious mistake on the part of this Congress.

Mr. HASTERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as my colleagues know, one of the things, I just recently came back from a trip to Chile.

Now we think Chile is a Third World nation stuck down the end of the Western Hemisphere. Mr. Chairman, one of the interesting things was we went to make a phone call in Chile. If we wanted to call the United States, we could call the United States cheaper from Chile then we could from the United States back to Chile.

Now we always thought we had the best competition, the best system, the best service and the cheapest rates. If we wanted to call Japan from Chile, we have the best rates from Chile to Japan instead of Japan to Chile. If we wanted to call Argentina, which is right across the mountains maybe 45 miles away from Santiago into Argentina, rates were cheaper if we called from Chile into Argentina. Why? Because there are eight telephone companies, all with individual contracts. If we sign up for one phone company and somebody got a better price, we can arbitrate that contract and we can get with the next company. Why? Because they have the ability to hook up with those satellites, there is competition up there, and they go for the best price.

Now we may want to protect some entities that made contracts before this system changed, but the system has changed. Competition is there. The world is opening up. And all we are saying is those companies that were tied into the old contracts under the old system before the universe changed, let them step back, let them take a fresh look, let them renegotiate, and let consumers win, because when we come down to it, ''fresh look'' is a simple concept.

I say let consumers, that is right, consumers, negotiate their contracts with COMSAT once competition is permitted. It is a commonsense system, it is a situation that we ought to reject this amendment and stay with the good work of the chairman of the committee.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Chairman, I want to correct a statement the gentleman from Michigan in his previous statement said, that we had no hearings on ''fresh look.'' We had a hearing on September 30, 1997, in the Subcommittee on Telecommunications Trade, and Consumer Protection, and indeed Mr. Jack Gleason from NTIA testified for the administration, testified in favor of ''fresh look.''

Now let us talk about ''fresh look.'' ''Fresh look'' gives a customer the choice to renegotiate that contract once they have alternative providers to choose from. Now sure, AT&T has a cable, Sprint has a cable, MCI has a cable, but they have to sign up with COMSAT to get to INTELSAT because of redundancy. If anything happens to their cable, they have to have a backup, and the FCC has used ''fresh look'' on several occasions, most recently when implementing the Telecommunication Act of 1996, and no one ever thought of taking suit against them when they did.

We had ''fresh look'' occurring annually in one version of this bill, but to accommodate the concerns of the gentleman from Louisiana (Mr. TAUZIN) we revised the ''fresh look'' provision to tie it to the date of direct access. Direct access means allowing, for the first time, competition for access to INTELSAT and Inmarsat in the U.S., and if there is not the opportunity to take advantage of it, direct access does not mean much. ''Fresh look'' will allow customers locked into those long-term take-or-pay contracts, when they had no choice if they wanted to play in the game but to sign those contracts, the advantage of new competitors. And COMSAT will have the opportunity to renegotiate with them, and I suspect that will keep most of them.

It is the job of elected representatives, not the FCC, to make sure that this happens. Moreover, the FCC may decide it is not worth fighting COMSAT in court, and since COMSAT sues at the drop of a hat, they may be able to fend it off. It is up to the FCC to implement it, but we need to tell them to do so.

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Louisiana and really congratulate him because, as my colleagues know, together with the chairman and this gentleman, he brought an important issue before us, something that needs to be moved forward and talked, and I think we have to do it with a balance, and I would be happy to hear what the gentleman has to say.

Mr. TAUZIN. Mr. Chairman, I wanted to point out the gentleman from Michigan merely said that we did not have

hearings on these contracts that we are abrogating, not on the issue of ''fresh look''; and secondly, to point out when the administration did testify on ''fresh look,'' here is what they said.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. HASTERT) has expired.

(On request of Mr. TAUZIN, and by unanimous consent, Mr. HASTERT was allowed to proceed for 1 additional minute.)

Mr. TAUZIN. Mr. Chairman, here is what the administration said. It said that even if a fresh look at INTELSAT and Inmarsat services, ordered hypothetically, were to allow the signatures and direct users to get a better deal, it is unlikely that consumers would benefit; and they said for the same reason that competition already exists at ''fresh look'' at INTELSAT and Inmarsat contracts, in those countries, is unlikely to benefit consumers significantly. It seems to me they were testifying against the use of ''fresh look,'' not for it.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this is a very important amendment. We have to understand that the whole field of telecommunications has been revolutionized since the early 1980s. We all operated in the United States and around the globe under the presumption that a monopoly was natural, that there was only one place we could go for everything that we expect as services in the telecommunications field. All of that has changed since the early 1980s.

For example, in 1982 when AT&T was broken up, it was the largest company not only in the United States but in the world. We had one telephone company. There was no Bell South, there was no NYNEX. MCI and Sprint were tiny little companies. No U.S. West, no Southwestern Bell; it did not exist. We had one company, one-stop shopping. We all thought it was a natural monopoly.

When the Justice Department broke it up even as Congress was beginning to move to break it up, we said to every customer in America, part of that consent decree, we can choose another long distance telephone company if we want, we can have a fresh look. We do not have to be tied into any long-term contracts we had with AT&T. We are starting a new world, one in which we are encouraging competition in the marketplace.

Now this phenomenon manifests itself over and over again as we break down these monopolies. It happens in all kinds of service areas. And the FCC has taken the precaution where necessary in other areas in order to accomplish this goal. For example, when the FCC in 1992 ordered expanded interconnection rules and allowed local telephone competitors greater ability to compete for special access services, the FCC allowed customers who typically had signed contracts for 6, 7, 8 or more years the opportunity to renegotiate their terms or switch to new competitors in the marketplace without termination penalties, because there was now competition in this marketplace. And maybe something that is even more familiar or typical in ordinary American life; that is, when people dial 1–800 The Card for American Express or 1–800 Flowers, and a customer has ever dealt with them over the years, they might have said, well, that is a good service; but what if I switch from AT&T over to MCI? Well, what we said through the FCC was they could take their number with them. There was portability. They were not going to be locked into AT&T. We had to create some means by which the newer companies could compete against the old monopoly.

Now that is really intended to open up opportunities for dozens, for hundreds of new companies to get in and to compete, to break down the old models. We are not the Soviet Union, we are not Japan, we are not Germany. We wanted to be number one, and we wanted dozens, hundreds of companies out into these fields.

□ 1445

That is what is making us special in the world right now.

As a matter of fact, if we look back at the 1980s, after the tearing down of the Berlin Wall, the breakup of AT&T might be looked back at historically as maybe the greatest and most important decision that was made in our country, because we were opening up opportunities for customers to have different choices and for more competitors to get into the marketplace. And the core, central part of looking at this ''fresh look'' issue is that because COMSAT has been a monopoly, that when the monopoly goes away, the customers should be freed up to look for better opportunities, once. Take their one-time-only opportunity to look around, shop around.

However, here is what we know: that because competitors to COMSAT have never had direct access to INTELSAT, according to the Federal Communications Commission, there has been a 68 percent markup in the price charged by INTELSAT, 68 percent. Now, when direct access is allowed, should not these customers who have been locked into the old monopoly have the freedom of going out and getting the best deal in the marketplace? Do we not want every company in the United States to have the lowest possible cost in all of their telecommunications services, so whatever they do inside of their company is much more competitive as they sell their product around the world.

That is what this is all about, after all, lower energy prices, lower electricity prices, lower telecommunications prices; it is the cost of hundreds of thousands of companies in America in terms of the product they are trying to make. We are trying to lower the cost here.

Give them a fresh look, let them go out. If NBC or CNN or any other company in the America that buys their telecommunications services wholesale who wants to get a fresh look, why should they not be allowed to get the benefit of this policy?

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MARKEY) has expired.

(By unanimous consent, Mr. MARKEY was allowed to proceed for 1 additional minute.)

Mr. MARKEY. Mr. Chairman, this is a one-time-only, free-agency ability.

Mr. Chairman, for many years, major league baseball did not allow players to go out and contract with other clubs. Players were locked in. They might have signed a contract with the team they were with, like the Red Sox or the Yankees, in the 1930s and 1940s, the 1950s or the 1960s, but they were tied to them. A player could not sign with another team. But when free agency came around, you were free to look around; then a player signed a new contract and was bound to that contract.

We have to have one-time-only free agency for all of these companies in America that have been tied into the monopoly. Then we can say to the rest of the world, tear down those barriers to the entry of American companies into free competition across the globe. This is the other wall that has been up to Americans going across the globe. The Berlin Wall came down; so too must these telecommunications barriers, because that is the area where America has to be number one if we are going to get the benefits of the post-Cold War era.

Mr. STEARNS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, not withstanding all of the grand rhetoric that my colleague, the gentleman from Massachusetts (Mr. MARKEY), just gave us, this issue comes down to perhaps two major points.

Do we believe that COMSAT is today monopolizing the industry? Mr. Chairman, I want to include for the RECORD the FCC ruling of April 24, 1998 that says, ''The commission declares COMSAT nondominant in competitive markets.'' The commission says, it ''granted the request of COMSAT Corporation for a reclassification as a nondominant carrier in five product markets, which account for 85 percent of COMSAT's INTELSAT revenues.''

Now, will my colleague from Massachusetts agree that what is being done here is the equivalent of Congress going back and looking at Microsoft and saying, oh, Microsoft, you are a monopoly, and then mandating that any contract that Microsoft would sign would be open to renegotiation. I do not think Members of the Congress would agree to do that. I believe no United States court would allow the abrogation of Microsoft's private contracts, and I believe the U.S. courts will not let stand the abrogation of COMSAT's private contracts.

We took an oath. When we came into Congress, we took an oath to abide by the Constitution. We are talking about the fifth amendment here.

I can show my colleagues example after example where COMSAT is not the monopoly that my good friend from Massachusetts portrays it to be. But let me say in all deference now to the chairman, I am on his bill, his original bill. I think he is making a courageous stand to deregulate an industry that should have been deregulated some time ago. But notwithstanding that, this bill can be improved by the Tauzin amendment, and that is why I stand in support of it.

Mr. Chairman, I include for the RECORD the FCC ruling of April 24, 1998:

COMMISSION DECLARES COMSAT NON-DOMINANT IN COMPETITIVE MARKETS

The Commission has granted the request of Comsat Corporation for reclassification as a non-dominant common carrier in five product markets, which account for approximately 85% of Comsat's INTELSAT revenues. Specifically, the Commission found Comsat non-dominant in the provision of INTELSAT switched voice, private line, and occasional-use video services to markets that it determined to be competitive. It also found Comsat non-dominant in the provision of full-time video and earth station services in all markets. In the markets where Comsat has been reclassified as non-dominant, Comsat will be allowed to file tariffs on one day's notice, without economic cost support, in the same form as filed by other non-dominant common carriers, and the tariffs will be presumed lawful. By virtue of finding Comsat non-dominant in these markets, the Commission is eliminating rate of return regulation in these markets.

The Commission also indicated it expeditiously would initiate a proceeding to explore the legal, economic and policy implications of enabling users to have direct access to the INTELSAT system. Approximately 94 other countries permit direct access to the INTELSAT system.

The Commission denied Comsat's non-dominant reclassification request with respect to switched voice, private line and occasional-use video services to non-competitive markets where it found that Comsat remains dominant. It also denied Comsat's request that the Commission forbear under Section 10 of the Communications Act from enforcing the Commission's dominant common carrier tariff rules in non-competitive markets. The Commission considered but rejected Comsat's three-year ''price cap'' and ''uniform pricing'' proposals for these markets, and found that Comsat did not satisfy the statutory requirements for forbearance relief under the circumstances. The Commission indicated, however, that it would favorably consider in its analysis of any forbearance request a commitment by Comsat to (a) allow U.S. carriers and users to obtain Level-3 direct access to the INTELSAT system and (b) make an appropriate waiver of its INTELSAT derived immunity from suit and legal process. Such actions would promote competitive market conditions in the INTELSAT markets in which Comsat remains dominant.

The Commission also indicated that it will consider replacing rate of return regulation for Comsat's dominant markets with an alternative form of incentive-based regulation and, as part of its reclassification decision, the Commission issued a Notice of Proposed Rulemaking seeking public comment on its tentative conclusions that any alternative incentive-based regulation plan to be adopted should (a) enable users on non-competitive routes to benefit from competitive rates; (b) remain in effect indefinitely; and (c) allow users to benefit from reduced rates due to increases in efficiency and productivity. Comsat will be subject to alternative incentive-based regulation once such regulation is adopted in this proceeding.

Finally, the Commission found that Comsat's continued dominance in the provision of switched voice, private line and occasional-use video services to non-competitive markets was an insufficient basis for continuing to require structural separation between Comsat's INTELSAT services and other activities. It concluded that the costs of imposing such a requirement would exceed any potential benefits to competition. The Commission granted Comsat's request for the elimination of structural separation for its INTELSAT services because structural separation is no longer necessary to safeguard Comsat's competitors from Comsat leveraging its monopoly jurisdictional services to gain an advantage in competitive markets in which it is operating.

The 63 countries in which Comsat will continue to be considered dominant for switched voice and private line services are: Algeria, American Samoa, Angola, Armenia, Azerbaijan, Benin, Bolivia, Bosnia & Herzegovina, Botswana, Burkina, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Estonia, Ethiopia, French Polynesia, Gabon, Ghana, Guinea, Iran, Iraq, Jordan, Kenya, Lesotho, Libya, Lithuania, Malawi, Mali, Maritime-Atlantic, Maritime-Pacific, Mauritania, Mauritius, Federated States of Micronesia, Midway Atoll, Moldova, Mozambique, Namibia, Nauru, New Caledonia, Nicaragua, Niger, Northern Mariana Islands, Pacific Islands (Palau), Paraguay, Rwanda, Saint Helena, Senegal, Sierra Leone, Somalia, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Turks and Caicos Islands, Uganda, Western Samoa, Zaire, and Zambia.

The 142 countries in which Comsat will continue to be considered dominant for occasional-use video service are:

South America: Columbia, Grench Guiana, Guyana, Paraguay, Suriname, and Trinidad & Tobago.

Central America/Caribbean: Anguilla, Antigua, Aruba, Bahamas, Belize, Bermuda, British Virgin Islands, Cayman Islands, and Chagos Archipelago, Costa Rica, Dominica, Dominican Republic, El Salvador, Gibraltar, Grenada, Guadeloupe, Guatemala, Haiti, Honduras, Martinique, Montserrat, Netherlands Antilles, Panama, Saint Kitts & Nevis, Saint Lucia, Saint Vincent, and Turks & Caicos.

Western Europe: Cyprus, Greenland, Iceland, Malta, and Norway.

Eastern Europe: Albania, Belarus, Bulgaria, Czech Republic, Estonia, Lithuania, Macedonia, Moldova, Russia, Serbia, and Slovenia.

Middle East: Bahrain, Iran, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, and Yemen.

Africa: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Dem Rep Congo, Djibouti, Egypt, Eq. Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Saint Helena, Sao Tome, Senegal, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zaire, Zambia, and Zimbabwe.

Central Asia: Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgystan, Mongola, Myanmar, Tajikistan, Turkmenistan, and Uzbekistan.

South Asia: Bangladesh, India, Maldives, Nepal, Pakistan, and Sri Lanka.

Far East: Brunei, Cambodia, Laos, Malaysia, North Korea, South Korea, Thailand, and Vietnam.

Pacific Rim: American Samoa, Fiji, French Polynesia, Macau, Marshall Islands, Micronesia, Midway Islands, Nauru, New Caledonia, New Zealand, Palau, Papua New Guinea, Tonga, Vanatu, and Western Samoa.

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from Louisiana.

Mr. TAUZIN. I thank my friend for yielding and I thank him for his comments.

Mr. Chairman, let me say too, this is not about whether we want to break up the old monopoly of INTELSAT and Inmarsat, these multination, governmentally owned cartels. This is not about that. We all agree that that ought to happen. This is not about that.

This is simply about whether we in Congress are going to order the abrogation of contracts to an American company that have been tested in court and found to be voluntarily entered into when the people who entered those contracts had other options.

There are several questions we ought to ask: Did they have other options? The answer is yes. The court found in summary judgment, they could have signed with PanAmSat, they could have signed with Loral, Teledesic, Columbia, Meridian, ELLIPSO. They could have signed with many cable companies that offer fiberoptic cable across the Atlantic. They chose to sign with COMSAT voluntarily.

The second question that we should answer is, is, in fact, the ''fresh look'' applicable to these contracts? The answer is yes, it is already the law. Anybody can go test them in court.

The third question we should answer is, once they have been tested in court and found to be valid, voluntary contracts, should we in Congress substitute our judgments for the court's without a hearing on these contracts even, and declare that they can be abrogated? I suggest the gentleman put his finger on it.

We took an oath. If there is something that makes us special, I say to the gentleman from Massachusetts, it is that we took an oath to live by a Constitution that sets the rules for all of us, and the rules are that when one signs a contract voluntarily, one has other options, one was not coerced, then that person ought to live by that contract. It is called honor. And we in Congress ought to have enough honor to let the contracts signed in America be honored by the parties who signed them and not abrogate those contracts by congressional fiat. That is what this is all about, our oath under the Constitution, and the honor of the contracts and the parties who signed them, voluntarily, tested in court, proven in court to be voluntary, whether or not those contracts will be honored.

This is a good bill, but this amendment improves a good bill by taking out a feature that I think is horrible, and my colleagues ought to think is horrible. No Member in Congress ought to go down to this floor today and vote to abrogate private contracts that have already been tested in court and proven to be honest and honorable and voluntary, and if my colleagues vote to abrogate contracts, I suggest that my colleagues have violated their oath to uphold the Constitution.

Mr. STEARNS. Mr. Chairman, let me conclude by saying, I think if we listen to this debate, we will realize that COMSAT faces significant competition, competition from underseas fiberoptic lines for voice, video and data service. In fact, many argue that fiberoptic lines are a more productive infrastructure than satellites because of their reliability and because of their greater capacity.

So after making these points, I think the Members have to decide if they think COMSAT is a monopoly, that is fine, but many of us have researched this and we do not think COMSAT is a monopoly any longer, and so that is why I support the Tauzin amendment.

Mr. KLINK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise really in support of the Tauzin amendment. If we go back to 1984, at that point the marketplace opened up. If we wanted to go pre-1984 and say we really need to take a fresh look, then perhaps this bill, as written, would make some sense.

But the point is that in 1984, competition was arrived at. Other satellites were out there, there were other opportunities. So the concept of ''fresh look'' may make sense in some situations, but it does not make sense in 1998 in this instance.

The idea that COMSAT should now be forced to renegotiate its contracts might make sense if COMSAT were a true monopoly, but as some have spoken before today, and I would like to add to it, they are not a monopoly. In fact, the FCC has declared COMSAT is a nondominant carrier in 85 percent of the business they do. Furthermore, there are a lot of competitors to INTELSAT satellites. COMSAT now carries 21 percent of the voice traffic. That is down from 70 percent just a few years ago, and it does not qualify as a monopoly. In video, COMSAT has only 42 percent of the market share. Again, hardly monopolistic when, a few years ago, they had almost 90 percent of the video marketplace.

In addition, if we were to require COMSAT to reopen all of its contracts, contracts that were legally negotiated in good faith, remember, we are then opening the Federal Government up to what I think are substantial damages. Now, do we want to send this bill before the taxpayers in our districts? Do we want to make them liable for the decision that we make here today? We should not try to privatize an international body, we should not try to privatize a communications industry in other countries by holding a gun to the head of an American company, a company that negotiated these contracts, that made business decisions based on requests of this Federal Government.

We asked them to do this. Imposing harsh sanctions on a U.S. company in order to get other countries to do what we want them to do does not make any sense at all.

I would go back to my comments a little earlier today about Cleavon Little holding a gun to himself in the movie ''Blazing Saddles.'' That is what we are doing. We are holding a gun to the head of an American company and telling the rest of the world, if you do not do what we want you to do, we are going to pull the trigger.

''Fresh look'' is a harsh sanction on a U.S. company. I say that we should support the Tauzin amendment and strike ''fresh look'' from this bill.

The CHAIRMAN (Mr. SNOWBARGER). The question is on the amendment offered by the gentleman from Louisiana (Mr. TAUZIN).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 80, noes 339, answered ''present'' 2, not voting 11, as follows:

[Roll No. 128]

AYES—80

Baker
Barcia
Barrett (NE)
Bartlett
Berry
Bilirakis
Boehner
Bonior
Boucher
Brady
Brown (OH)
Cannon
Chambliss
Clyburn
Collins
Condit
Conyers
Crapo
Cubin
Cummings
Davis (IL)
DeLay
Dingell
Doolittle
Doyle
Emerson
Ford
Furse
Gekas
Gilchrest
Hall (TX)
Hamilton
Hansen
Horn
Hoyer
John
Johnson, E. B.
Johnson, Sam
Jones
Klink
Kucinich
Lazio
Levin
Linder
Livingston
Martinez
Mascara
McCrery
McInnis
Meeks (NY)
Menendez
Mink
Morella
Nussle
Obey
Oxley
Pascrell
Peterson (MN)
Petri
Pombo
Redmond
Rivers
Rush
Sabo
Sandlin
Schaefer, Dan
Sensenbrenner
Sessions
Smith (MI)
Smith, Linda
Snowbarger
Stearns
Tauzin
Thompson
Towns
Traficant
Upton
Watt (NC)
Wynn
Young (AK)

NOES—339

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baldacci
Ballenger
Barr
Barrett (WI)
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Bilbray
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Bonilla
Bono
Borski
Boswell
Boyd
Brown (CA)
Brown (FL)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Capps
Castle
Chabot
Chenoweth
Clay
Clayton
Clement
Coble
Coburn
Combest
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (WI)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDade
McDermott
McGovern
McHale
McHugh
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Oberstar
Olver
Ortiz
Owens
Packard
Pallone
Pappas
Parker
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (PA)
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Salmon
Sanchez
Sanders
Sanford
Saxton
Scarborough
Schaffer, Bob
Schumer
Scott
Serrano
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Turner
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Yates
Young (FL)

ANSWERED ''PRESENT''—2

Cardin Sawyer

NOT VOTING—11

Bateman Gonzalez Radanovich
Carson Hastings (FL) Riggs
Christensen McNulty Skaggs
Fossella Neumann

☐ 1518

Messrs. CLAY, SPRATT, GALLEGLY, WATKINS and STOKES, and Mrs. CLAYTON and Mrs. MYRICK changed their vote from ''aye'' to ''no.''

Mr. YOUNG of Alaska changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RIGGS. Mr. Chairman, on Rollcall No.'s 127 and 128 I was unavoidably detained on other congressional business and unable to be present to vote. Had I been present, I would have voted "no" on both rollcall votes.

Mr. BLILEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to thank the Members for the debate. I want to thank the Members for their support of the bill. I particularly want to thank the gentleman from Massachusetts (Mr. MARKEY), the gentleman from Louisiana (Mr. TAUZIN), and the others who took part in the debate.

I would also especially like to thank my satellite team who labored very hard to open up the schools: Patricia Paoletta, Michael O'Reilly, Cliff Riccio, and Ed Hearst.

The CHAIRMAN. Are there other amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. EWING) having resumed the chair, Mr. SNOWBARGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1872) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes, pursuant to House Resolution 419, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 403, noes 16, answered ''present'' 2, not voting 11, as follows:

[Roll No. 129]

AYES—403

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Yates
Young (AK)
Young (FL)

NOES—16

Berry
Conyers
Dingell
Hamilton
Hoyer
John
Klink
Kucinich
Martinez
Menendez
Morella
Oberstar
Pascrell
Peterson (MN)
Taylor (MS)
Wynn

ANSWERED ''PRESENT''—2

Cardin Sawyer

NOT VOTING—11

Bateman Fossella Neumann
Carson Gonzalez Radanovich
Chenoweth Hastings (FL) Skaggs
Christensen McNulty

☐ 1542

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 1872, the bill just passed.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Virginia?

There was no objection.