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Senate

The Senate was not in session today. Its next meeting will be held on Monday, August 31, 1998, at 12 noon.

House of Representatives

TUESDAY, AUGUST 4, 1998

The House met at 9:00 a.m.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 21, 1997 the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member except the majority leader, the minority leader or the minority whip limited to not to exceed 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

LOSING PERSPECTIVE ON TELECOMMUNICATION ISSUES

Mr. BLUMENAUER. Mr. Speaker, at times I fear we are losing our perspective on the telecommunication issues. Yet again this week, we see that the e-rate is in the cross hairs.

I want to be very clear that I am a strong supporter of the e-rate. I believe that this Congress made a commitment to assist schools and libraries across the country in their efforts to provide America's school children with access to the Information Highway. Thousands have taken us at our word and we must honor that commitment, a commitment that is grounded in the Telecommunications Act of 1996, where we extended a part of the universal service program, in place administratively for the past 60 years, that provides telephone services to high-cost rural areas to extend that service to be clear that the e-rate is a part of that fundamental responsibility.

In 1997, the FCC issued its first notice of proposed rulemaking to make this expenditure a reality, capping at 2-and-a-quarter billion dollars per year, resources for eligible schools and libraries who would receive discounts ranging from 20 to 90 percent, depending on whether that school or library is disadvantaged or located in a high-cost area. Unfortunately, due to a variety of controversies, we found that this program has been dramatically reduced, and yet there are some who feel that it should be eliminated altogether.

What were the controversies that initiated this problem? Well, it was first and foremost I think brought about by those pesky surcharges that appeared on items of the bills. Those surcharges appeared to be for the e-rate only, but in fact, those were phone charges that would be responsible for the entire range of universal service activities.

For example, only 19 cents of AT&T's 93 cent surcharge would go to schools and libraries. But it did, in fact, stir up 2 fundamental issues, one dealing with the administrative problems associated with the program; and the second, the question about whether or not this was somehow a new tax to provide Internet services.

Mr. Speaker, it is true that there have been administrative problems associated with the e-rate, and, in fact, I agree with the critics who have called it into question. But the fact is that the FCC has taken steps to put in place the recommendations that have been required at the same time that they have cut the program down to $1.9 billion.

The second issue here is whether or not the e-rate is a tax. I think it is important for us to look back in history. The United States Appeals Court has already examined the administratively established universal service program and have concluded that it did not represent a tax, it was not an inappropriate delegation of the power to tax. The court found that instead, it was ensuring affordable rates for specified services, not designated primarily as a means of raising revenue.

The addition of a support mechanism for schools and libraries does not change that fundamental nature of the universal service, and I think it is, indeed, a great stretch of the imagination to suggest that this is attached.

At times I fear we are losing our perspective on the telecommunication industry. At a time when long-distance bills are now at their lowest point in history, when AT&T and MCI, GTE and Bell Atlantic have agreed to or are looking at mergers that total $100 billion, at a time when the industry has saved billions of dollars as a result of the telecommunication reform, controversy has erupted over this little, tiny element which would represent less than 1 cent per day, per customer to provide Internet access for America's schools and libraries.

Mr. Speaker, I hope that we do not abandon our commitment that Congress has made and that we support the

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