

The Telecommunications Development Fund Reform Act ("TDFIA") rectifies this drafting oversight to close the loophole created by the FCC. The TDFIA renames the bidders' initial deposits as "up-front payments" and preserves existing law treatment of the interest earned on these payments. The TDFIA also defines the additional deposits made by successful bidders as "down payments" and treats these down payments the same way as existing law treats the bidders' initial deposits/up-front payments, i.e., the down payment funds will be required to be placed in an interest-bearing escrow account and, upon issuance of the license, the interest earned will be required to be remitted to the TDF.

The amendments made by the TDFIA are purely prospective in effect, applying only to future FCC spectrum auctions. The amendments would have no effect on existing down payments held by the FCC in connection with previously conducted auctions. In particular, the TDFIA would have no effect on the controversy or pending litigation related to the so-called "NextWave" licenses, and would not affect any bidder's entitlement to a refund of deposited funds or any bidder's claim for payment of interest on any refund.

The FCC does not oppose these provisions of the TDFIA.

Finally, the 1996 Act requires the TDF to satisfy the requirements of the Federal Credit Reform Act of 1990 ("FCRA"), 2 U.S.C. § 661 et seq., prior to making loans. Except for this reference, the FCRA applies only to loans made by Federal Government agencies.

One of the purposes of the FCRA was to "place the cost of [Federal] credit programs on a budgetary basis equivalent to other Federal spending." 2 U.S.C. § 661(2). Consistent with this purpose, among the provisions of the FCRA are requirements for "budgetary authority" in an appropriations act to cover the cost of new Federal loans or loan guarantees, 2 U.S.C. § 661c(b), and application of budgetary accounting requirements to loans subject to the FCRA, 2 U.S.C. § 661c(d). These requirements have no logical application to the TDF's funds, which are not subject to congressional appropriations or the Federal budget process. The Office of Management and Budget, to which administration and oversight of the FCRA is entrusted, concurs with this view.

Imposing the requirements of the FCRA on loans made by the TDF has erected an insurmountable barrier to the use of loans by the TDF as a financing option, notwithstanding the intent of the 1996 Act that the TDF be authorized to make loans to credit-worthy small businesses. By making TDF subject to FCRA, TDF would be required to obtain appropriations before it could make loans to prospective borrowers. Requiring the TDF to comply with the FCRA makes no sense from a policy standpoint (TDF receives no appropriated funds) and can only be explained as a drafting error.

The TDFIA repeals this requirement to enable the TDF to enjoy the same flexibility in making loans as any other non-governmental entity. The amendment to the TDF's loan authority made by the TDFIA preserves the requirement that the TDF comply with any other "applicable" Federal law in making loans to eligible small businesses. The amendment to the TDF's loan authority made by the TDFIA is narrowly focused and does not affect the existing substantive criteria of the 1996 Act

under which the TDF is authorized to make loans.

Madam Speaker, I hope that the Commerce Committee will schedule hearings on this important technical amendment to the 1996 Telecommunications Act and report the Bill to the full House for consideration early in this Session. I invite my colleagues to join me in passing this important legislation at a time when infusion of additional capital investment into struggling small telecommunications companies may help create jobs, stimulate new technology and expand telecommunications services to under-served urban and rural areas of the nation suffering from the current economic slowdown. This legislation can stimulate important economic activity without enactment of new taxes, appropriation of additional federal funds or any adverse effect on the federal budget deficit. I recommend it to my colleagues for their consideration and thank Mr. UPTON and Mrs. WILSON for their support of this worthy endeavor.

Mr. STEARNS. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). All time having expired, pursuant to the order of the House of Tuesday, February 11, 2003, the bill is considered read for amendment and the previous question is ordered.

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.

Mr. STEARNS. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

AMERICAN SPIRIT FRAUD PREVENTION ACT

Mr. STEARNS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 346) to amend the Federal Trade Commission Act to increase civil penalties for violations involving certain proscribed acts or practices that exploit popular reaction to an emergency or major disaster declared by the President, and to authorize the Federal Trade Commission to seek civil penalties for such violations in actions brought under section 3 of that Act.

The Clerk read as follows:

H.R. 346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Spirit Fraud Prevention Act".

SEC. 2. INCREASE IN PENALTIES FOR UNFAIR OR DECEPTIVE ACTS OR PRACTICES EXPLOITING REACTION TO CERTAIN EMERGENCIES AND MAJOR DISASTERS.

(a) VIOLATIONS OF PROHIBITION AGAINST UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—Section 5(m)(1) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)) is amended by adding at the end the following:

"(D) In the case of a violation involving an unfair or deceptive act or practice in an emergency period or disaster period, the amount of the civil penalty under this paragraph shall be double the amount otherwise provided in this paragraph, if the act or practice exploits popular reaction to the national emergency, major disaster, or emergency that is the basis for such period.

"(E) In this paragraph—

"(i) the term 'emergency period' means the period that—

"(I) begins on the date the President declares a national emergency under the National Emergencies Act (50 U.S.C. 1601 et seq.); and

"(II) ends on the expiration of the 1-year period beginning on the date of the termination of the national emergency; and

"(ii) the term 'disaster period' means the 1-year period beginning on the date the President declares an emergency or major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)."

(b) VIOLATIONS OF OTHER LAWS ENFORCED BY THE FEDERAL TRADE COMMISSION.—Section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by adding at the end the following:

"(e)(1) If a person, partnership, or corporation is found, in an action under subsection (b), to have committed a violation involving an unfair or deceptive act or practice in an emergency period or a disaster period, and if the act or practice exploits popular reaction to the national emergency, major disaster, or emergency that is the basis for such period, the court, after awarding equitable relief (if any) under any other authority of the court, shall hold the person, partnership, or corporation liable for a civil penalty of not more than \$22,000 for each such violation.

"(2) In this subsection—

"(A) the term 'emergency period' means the period that—

"(i) begins on the date the President declares a national emergency under the National Emergencies Act (50 U.S.C. 1601 et seq.); and

"(ii) ends on the expiration of the 1-year period beginning on the date of the termination of the national emergency; and

"(B) the term 'disaster period' means the 1-year period beginning on the date the President declares an emergency or major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. STEARNS) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS).

GENERAL LEAVE

Mr. STEARNS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material in the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?