

104TH CONGRESS
1ST SESSION

H. R. 1908

To establish an education satellite loan guarantee program for communications among education, Federal, State, and local institutions and agencies and instructional and educational resource providers.

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 1995

Mrs. MORELLA (for herself and Mr. BROWN of California) introduced the following bill; which was referred to the Committee on Economic and Educational Opportunities

A BILL

To establish an education satellite loan guarantee program for communications among education, Federal, State, and local institutions and agencies and instructional and educational resource providers.

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

3 **SECTION 1. PURPOSE.**

4 It is the purpose of this Act to acquire a dedicated
5 communications satellite system on which instruction, edu-
6 cation, and training programming can be collocated and
7 free from preemption.

1 **SEC. 2. EDUCATIONAL SATELLITE LOAN GUARANTEE PRO-**
2 **GRAM.**

3 (a) PROGRAM AUTHORIZED.—

4 (1) IN GENERAL.—The Secretary of Commerce
5 is authorized to carry out a program to guarantee
6 any lender against loss of principal or interest on a
7 loan described in subsection (b) made by such lender
8 to a nonprofit, public corporation that—

9 (A) is recognized for expertise in governing
10 and operating educational and instructional
11 telecommunications in schools, colleges, librar-
12 ies, State agencies, workplaces, and other dis-
13 tant education centers;

14 (B) was in existence as of January 1,
15 1992;

16 (C) the charter of which is designed for af-
17 filiation with Federal, State, and local edu-
18 cational and instructional institutions and agen-
19 cies, and other distant education and instruc-
20 tional resource providers;

21 (D) has a governing board that includes
22 members representing elementary and second-
23 ary education, community and State colleges,
24 universities, elected officials and the private sec-
25 tor; and

1 (E) has as its sole purpose the acquisition
2 and operation of an integrated communications
3 satellite system and other telecommunications
4 dedicated to transmitting instruction, edu-
5 cation, and training programming.

6 (2) INTERIM ACQUISITION OF TRANSPONDER
7 CAPACITY.—As an interim measure to acquire a
8 communications satellite system dedicated to in-
9 struction, education, and training programming, a
10 corporation that meets the requirements of para-
11 graph (1) may acquire unused transponder capacity
12 owned or leased by Federal Government agencies
13 and unused transponder capacity owned or leased by
14 non-Federal broadcast organizations for reuse by
15 schools, colleges, community colleges, universities,
16 State agencies, libraries, and other distant education
17 centers at competitive, low costs, subject only to pre-
18 emption for national security purposes.

19 (3) ENCOURAGEMENT OF INTERCONNEC-
20 TIVITY.—A corporation that meets the requirements
21 of paragraph (1) shall encourage interconnectivity
22 between elementary and secondary schools, colleges,
23 and community colleges, universities, State agencies,
24 libraries, and other distant education centers with
25 ground facilities and services of United States do-

1 mestic common carriers, international common car-
2 riers, and ground facilities and services of satellite,
3 cable, and other private communications systems, to
4 ensure technical compatibility and interconnectivity
5 of the space segment with existing communications
6 facilities in the United States and foreign countries,
7 to best serve United States education, instruction,
8 and training needs and to achieve cost-effective,
9 interoperability for friendly end-user, “last mile” ac-
10 cess and use.

11 (4) TECHNICAL AND TRAINING NEEDS.—A cor-
12 poration that meets the requirements of paragraph
13 (1) shall determine the technical and training needs
14 of education users and providers to facilitate coordi-
15 nated and efficient use of a communications satellite
16 system dedicated to instruction, education, and
17 training to further unlimited access for schools, col-
18 leges, community colleges, universities, State agen-
19 cies, libraries, and other distant education centers.

20 (b) ELIGIBLE LOANS.—The Secretary of Commerce
21 only shall guarantee a loan under this section if—

22 (1) the authorized corporation described in
23 paragraph (1) has—

24 (A) investigated all practical means to ac-
25 quire a communications satellite system;

1 (B) reported to the Secretary the findings
2 of such investigation; and

3 (C) recommended the most cost-effective,
4 high-quality communications satellite system to
5 meet the purpose of this Act; and

6 (2) the proceeds of such loan are used solely to
7 acquire and operate a communications satellite sys-
8 tem dedicated to transmitting instruction, education,
9 and training programming.

10 (c) LOAN AMOUNT LIMITATIONS.—The Secretary of
11 Commerce shall not guarantee more than \$270,000,000
12 in loans described in subsection (a) pursuant to the pro-
13 gram assisted under this section, of which—

14 (1) not more than \$250,000,000 shall be for
15 the guarantee of such loans the proceeds of which
16 are used to acquire communications satellite system;
17 and

18 (2) not more than \$20,000,000 shall be used
19 for the guarantee of such loans the proceeds of
20 which are used to pay the costs of not more than 4
21 years of operating and management expenses associ-
22 ated with providing integrated communications sat-
23 ellite system services described in subsection (a).

24 (d) LIQUIDATION OR ASSIGNMENT.—

1 (1) IN GENERAL.—In order for a lender to re-
2 ceive a loan guarantee under this section such lender
3 shall agree to assign to the United States any right
4 or interest in the communications satellite system or
5 communications satellite system services that such
6 lender possesses upon payment by the Secretary of
7 Commerce on such loan guarantee.

8 (2) DISPOSITION.—The United States may ex-
9 ercise, retain, or dispose of any right or interest ac-
10 quired pursuant to paragraph (1) in any manner the
11 United States deems fit, upon the recommendation
12 of the Secretary of Commerce.

13 (e) SPECIAL RULE.—Any loan guarantee under this
14 section shall be guaranteed with full faith and credit of
15 the United States.

16 (f) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated such sums as may be
18 necessary for each fiscal year to carry out this section.

19 (g) DEFINITIONS.—For purposes of this sub-
20 section—

21 (1) the term “acquire” includes acquisition
22 through lease, purchase, or donation;

23 (2) the term “communications satellite system”
24 means one or more communications satellites capa-

1 ble of providing service from space, including trans-
2 ponder capacity, on such satellite or satellites; and
3 (3) the term “national security preemption”
4 means preemption by the Federal Government for
5 national security purposes, to exclude technical and
6 business purpose preemptions.

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