

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1278

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.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 25), 1995

Mr. BURNS introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## 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 facilitate the acqui-  
5        sition of a dedicated communications satellite system on  
6        which instruction, education, and training programming  
7        can be collocated and 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 may carry out a program to guarantee any lender  
6 against loss of principal or interest on a loan de-  
7 scribed in subsection (b) made by such lender to a  
8 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  
25 sector; and

1           (E) has as its sole purpose the acquisition  
2           and operation of an integrated communications  
3           satellite system and other telecommunications  
4           facilities dedicated to transmitting instruction,  
5           education, 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 satellite transponder  
12          capacity owned or leased by a department or agency  
13          of the Federal Government or unused satellite trans-  
14          ponder capacity owned or leased by a non-Federal  
15          broadcast organization for reuse by schools, colleges,  
16          community colleges, universities, State agencies, li-  
17          braries, and other distant education centers at com-  
18          petitive, low costs, subject only to preemption for na-  
19          tional security purposes.

20          (3) ENCOURAGEMENT OF INTERCONNEC-  
21          TIVITY.—A corporation that meets the requirements  
22          of paragraph (1) shall encourage the  
23          interconnectivity of elementary and secondary  
24          schools, colleges, and community colleges, univer-  
25          sities, State agencies, libraries, and other distant

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

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

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

23 (1) the corporation described in subsection  
24 (a)(1) has—

1 (A) investigated all practical means of ac-  
2 quiring a communications satellite system;

3 (B) reported to the Secretary the findings  
4 of such investigation; and

5 (C) identified for acquisition the most cost-  
6 effective, high-quality communications satellite  
7 system to meet the purpose of this Act; and

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

12 (c) LOAN GUARANTEE LIMITATIONS.—The Secretary  
13 of Commerce may not guarantee more than \$270,000,000  
14 in loans under the program under this section, of which—

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

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

1       nications satellite system referred to in subsection  
2       (a)(1)(E).

3       (d) LIQUIDATION OR ASSIGNMENT.—

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

11          (2) DISPOSITION.—The Secretary may exercise,  
12      retain, or dispose of any right or interest acquired  
13      pursuant to paragraph (1) in any manner that the  
14      Secretary considers appropriate.

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

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

21      (g) DEFINITIONS.—In this section:

22          (1) The term “acquire” includes acquisition  
23      through lease, purchase, or donation.

24          (2) The term “communications satellite sys-  
25      tem” means one or more communications satellites

1       capable of providing service from space, including  
2       transponder capacity, on such satellite or satellites.

3             (3) The term “national security preemption”  
4       means preemption by the Federal Government for  
5       national security purposes.

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