

105TH CONGRESS
1ST SESSION

S. 435

To provide children with improved access to health care.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 1997

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To provide children with improved access to health care.

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. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Healthy Children’s Pilot Program Act of 1997”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Definitions.
- Sec. 4. Grants for establishment of State pilot programs.
- Sec. 5. Program requirements.
- Sec. 6. Payments to States.
- Sec. 7. Requirements with respect to vouchers.
- Sec. 8. Reports.
- Sec. 9. Healthy Children’s Trust Fund.
- Sec. 10. Authorization of appropriations.

Sec. 11. Spectrum auctions.

Sec. 12. Regulations.

1 **SEC. 2. PURPOSE.**

2 It is the purpose of this Act to establish a pilot pro-
 3 gram to meet the health care needs of a substantial por-
 4 tion of the estimated 10,000,000 children without health
 5 insurance and who are not eligible for medical assistance
 6 under a State plan under title XIX of the Social Security
 7 Act (42 U.S.C. 1396 et seq.).

8 **SEC. 3. DEFINITIONS.**

9 In this Act:

10 (1) **ELIGIBLE CHILD.**—The term “eligible
 11 child” means an American citizen or lawful perma-
 12 nent resident of the United States who is—

13 (A) with respect to fiscal year 1999, under
 14 6 years of age;

15 (B) with respect to fiscal year 2000, under
 16 9 years of age;

17 (C) with respect to fiscal year 2001, under
 18 13 years of age; and

19 (D) with respect to fiscal year 2002, under
 20 18 years of age.

21 (2) **FAMILY.**—

22 (A) **IN GENERAL.**—The term “family”
 23 means an individual and includes the individ-
 24 ual’s dependents (if any) but only if such an in-

1 dividual or dependent is a citizen or lawful per-
2 manent resident of the United States.

3 (B) DEPENDENT.—The term “dependent”
4 means, with respect to any individual, any per-
5 son who is—

6 (i) the spouse of such individual, or

7 (ii) under regulations of the Sec-
8 retary, a child (including an adopted child)
9 of such individual and who is under 18
10 years of age.

11 (3) PARTICIPATING STATE.—The term “partici-
12 pating State” means any State that establishes a
13 program and submits an application for a grant
14 under section 5.

15 (4) POVERTY LINE.—The term “poverty line”
16 means the income official poverty line (as defined by
17 the Office of Management and Budget, and revised
18 annually in accordance with section 673(2) of the
19 Omnibus Budget Reconciliation Act of 1981) appli-
20 cable to a family of the size involved.

21 (5) SECRETARY.—The term “Secretary” means
22 the Secretary of Health and Human Services.

23 **SEC. 4. GRANTS FOR ESTABLISHMENT OF STATE PILOT**
24 **PROGRAMS.**

25 (a) GRANTS.—

1 (1) IN GENERAL.—The Secretary shall award a
2 block grant to a State to enable the State to plan
3 and establish a pilot program that meets the re-
4 quirements of section 5 to provide vouchers to eligi-
5 ble children residing in the State to enable such chil-
6 dren to enroll in a health plan offered in the State.

7 (2) PLANNING GRANTS.—Grants awarded
8 under paragraph (1) for fiscal year 1998 shall be
9 used by States for planning with respect to the State
10 pilot programs under this Act. A State shall not be
11 required to issue vouchers under a pilot program
12 under this Act until fiscal year 1999.

13 (b) DESIGNATION OF STATE AGENCY.—A State shall
14 designate an appropriate State agency to administer the
15 State pilot program established under this Act.

16 **SEC. 5. PROGRAM REQUIREMENTS.**

17 (a) IN GENERAL.—A State pilot program meets the
18 requirements of this section if under the program, the
19 State—

20 (1) provides vouchers to eligible children in ac-
21 cordance with section 7 to enable such children to
22 enroll in health plans that provide coverage for pre-
23 ventive, primary and acute care;

24 (2) provides information on the availability of
25 vouchers under this Act; and

1 (3) comply with any other requirements estab-
2 lished by the Secretary.

3 (b) APPLICATION.—With respect to a State pilot pro-
4 gram established under this Act, to be eligible to receive
5 payments under section 6, a State shall prepare and sub-
6 mit to the Secretary an application at such time, in such
7 manner, and containing such information as the Secretary
8 may require, including a plan for implementing the State
9 pilot program.

10 (c) MAINTENANCE OF EFFORT.—

11 (1) IN GENERAL.—The State, in utilizing the
12 proceeds of a grant received under this Act, shall
13 maintain the expenditures of the State for programs
14 designed to provide health care coverage for children
15 residing in the State at a level equal to not less than
16 the level of such expenditures maintained by the
17 State for the fiscal year preceding the first fiscal
18 year for which a grant is received by the State under
19 this Act.

20 (2) CREDITING PROVISION.—Notwithstanding
21 paragraph (1), a State that is required to maintain
22 expenditures under paragraph (1) for health care
23 coverage for children that duplicates the coverage re-
24 quired under this Act, may use amounts provided

1 under the grant to offset State expenditures for such
2 duplicative coverage.

3 **SEC. 6. PAYMENTS TO STATES.**

4 (a) IN GENERAL.—The Secretary shall provide for
5 payment to each participating State for each calendar
6 quarter, beginning with any quarter beginning on or after
7 the date that occurs 180 days after the date of enactment
8 of this Act, in an amount equal to—

9 (1) 100 percent of the total amount estimated
10 by the Secretary to be expended by the State during
11 such quarter for vouchers under the State pilot pro-
12 gram described in section 5; and

13 (2) 5 percent of the total amount estimated by
14 the Secretary to be expended by the State during
15 such quarter for proper and efficient administration
16 of the State pilot program described in section 5.

17 (b) REDUCTION IN AMOUNT.—If amounts appro-
18 priated for a fiscal year under section 10 are insufficient
19 to make payments to States as provided for in subsection
20 (a), the payment to each State under such subsection shall
21 be ratably reduced based on the amount by which such
22 appropriated amount is less than the total amount re-
23 quired for payments under such subsection.

1 **SEC. 7. REQUIREMENTS WITH RESPECT TO VOUCHERS.**

2 (a) **QUALIFIED FAMILIES.**—With respect to each cal-
 3 endar year, in the case of a qualified family (as defined
 4 in subsection (b)), the State shall provide for payment
 5 through a voucher of the voucher amount (specified in
 6 subsection (c)), which may be applied against the cost of
 7 the premium for enrollment of an eligible child in a health
 8 plan.

9 (b) **QUALIFIED FAMILY.**—For purposes of this sec-
 10 tion:

11 (1) **IN GENERAL.**—Subject to paragraph (2),
 12 the term “qualified family” means a family of which
 13 the family income does not exceed 235 percent of
 14 the poverty line for a family of the size involved.

15 (2) **NOT QUALIFIED DURING CERTAIN PERIODS**
 16 **OF ELIGIBILITY.**—

17 (A) **IN GENERAL.**—A family is not eligible
 18 for a voucher under this section if the child or
 19 children of such family is eligible for—

20 (i) medical assistance under title XIX
 21 of the Social Security Act (42 U.S.C. 1396
 22 et seq.); or

23 (ii) health care coverage under an em-
 24 ployer sponsored health plan.

25 (B) **TRANSITION RULE.**—With respect to
 26 the first fiscal year during which vouchers are

1 available under a State pilot program under
 2 this Act, a family shall not be eligible for such
 3 a voucher during such year if the child or chil-
 4 dren of such family were eligible for—

5 (i) medical assistance under title XIX
 6 of the Social Security Act (42 U.S.C. 1396
 7 et seq.) during the preceding fiscal year; or

8 (ii) health care coverage under an em-
 9 ployer sponsored health plan during the
 10 preceding fiscal year.

11 (c) AMOUNT OF VOUCHER.—

12 (1) IN GENERAL.—The amount of a voucher
 13 specified in this subsection for a qualified family is
 14 the lesser of—

15 (A) the annual premium paid by the family
 16 for such year for coverage of an eligible child
 17 under a health plan in which the child is en-
 18 rolled; or

19 (B) the voucher percentage (specified in
 20 paragraph (2)).

21 (2) VOUCHER PERCENTAGE.—For purposes of
 22 paragraph (1), the term “voucher percentage”
 23 means—

24 (A) with respect to a family the family in-
 25 come of which does not exceed 185 percent of

1 the poverty line for a family of the size in-
2 volved, 100 percent; or

3 (B) with respect to a family the family in-
4 come of which equals or exceeds 186 percent,
5 but does not exceed 235 percent, of the poverty
6 line for a family of the size involved, 100 per-
7 cent reduced (but not below zero percent) by
8 .86 percentage point for each 1 percentage
9 point (or portion thereof) that such family's in-
10 come equals or exceeds 186 percent of the pov-
11 erty line applicable to a family of the size in-
12 volved.

13 (3) LIMITATION.—The Secretary shall, through
14 regulations, determine the amount of vouchers under
15 this subsection.

16 (d) APPLICATION FOR ASSISTANCE.—

17 (1) IN GENERAL.—Any family may file an ap-
18 plication for a voucher under this section at any
19 time in accordance with this subsection.

20 (2) USE OF SIMPLE FORM.—The State shall
21 use an application which shall be as simple in form
22 as possible and understandable to the average indi-
23 vidual. The application may require attachment of
24 such documentation as deemed necessary by the
25 State in order to ensure eligibility for assistance.

1 (3) AVAILABILITY OF FORMS.—The State shall
2 make application forms available through health care
3 providers and plans, public assistance offices, public
4 libraries, and at other locations (including post of-
5 fices) accessible to a broad cross-section of families.

6 (4) SUBMISSION OF APPLICATION FORM.—An
7 application form under this subsection may be sub-
8 mitted in such manner as the State shall provide.

9 (5) PERMITTING SUBMISSION OF REVISED AP-
10 PLICATION.—During a year, a family may submit a
11 revised application to reflect changes in the esti-
12 mated income of the family, including changes in
13 employment status of family members, during the
14 year. The voucher amount shall be revised to reflect
15 such a revised application.

16 (6) ENROLLMENT AT POINT OF APPLICA-
17 TION.—To the extent practicable, the State shall
18 provide for the option of enrollment in a health plan
19 as part of the application and approval process for
20 assistance under this section.

21 (e) DETERMINATION OF ELIGIBILITY.—

22 (1) IN GENERAL.—The State shall provide in a
23 prompt manner for—

1 (A) a determination of eligibility on each
2 application for a voucher submitted under sub-
3 section (d), and

4 (B) notice of such determination to the
5 family involved.

6 (2) ELECTION WITH RESPECT TO INCOME DE-
7 TERMINATION.—As elected by a family at the time
8 of submission of an application for a voucher under
9 this section, income shall be determined either—

10 (A) by multiplying by a factor of 4 the in-
11 come for the 3-month period immediately pre-
12 ceding the month in which the application is
13 made, or

14 (B) based upon estimated income for the
15 entire year in which the application is submit-
16 ted.

17 (f) USE OF VOUCHER.—A voucher provided to a fam-
18 ily under this section shall be remitted by any individual
19 in such family to the health plan for payment by the State
20 of the costs incurred in enrolling an eligible child for cov-
21 erage under the plan. The health plan shall make proper
22 adjustments in billing statements to reflect such family's
23 remaining premium obligations (if any).

24 (g) RECONCILIATION.—The State shall provide for
25 an annual reconciliation of the total amount of the vouch-

1 ers that a family received during a year as compared to
2 the amount of the voucher that should have been provided
3 under this section with respect to the family based on the
4 actual income of the family during the year involved.

5 (h) DETERMINATIONS OF INCOME.—For purposes of
6 this section:

7 (1) IN GENERAL.—The term “income” means
8 adjusted gross income (as defined in section 62(a) of
9 the Internal Revenue Code of 1986)—

10 (A) determined without regard to sections
11 135, 162(l), 911, 931, and 933 of such Code;
12 and

13 (B) increased by—

14 (i) the amount of interest received or
15 accrued which is exempt from tax, plus

16 (ii) the amount of social security ben-
17 efits (described in section 86(d) of such
18 Code) which is not includible in gross in-
19 come under section 86 of such Code.

20 (2) FAMILY INCOME.—The term “family in-
21 come” means, with respect to a family, the sum of
22 the income for all members of the family, not includ-
23 ing the income of a dependent child with respect to
24 which no return is required under the Internal Reve-
25 nue Code of 1986.

1 **SEC. 8. REPORTS.**

2 (a) BY STATES.—Not later than 18 months after the
3 implementation of a State pilot program under this Act,
4 and annually thereafter, the State shall prepare and sub-
5 mit to the Secretary a report concerning the implementa-
6 tion of the State pilot program under this section for the
7 year involved. Such report shall include a description of
8 the State pilot program and data concerning the number
9 and amount of vouchers received by eligible children under
10 such program.

11 (b) BY SECRETARY.—Not later than 2 years after the
12 date of enactment of this Act, and annually thereafter,
13 the Secretary shall prepare and submit to the appropriate
14 committees of Congress a report concerning the implemen-
15 tation of State pilot programs under this section for the
16 year involved. Such report shall include a compilation of
17 the data contained in the Date reports submitted under
18 subsection (a) for the year involved.

19 **SEC. 9. HEALTHY CHILDREN'S TRUST FUND.**

20 (a) ESTABLISHMENT.—There is established in the
21 Treasury of the United States a fund, to be known as the
22 “Healthy Children’s Trust Fund” (hereafter in this sec-
23 tion referred to as the “Fund”), consisting of such
24 amounts as are transferred to the Fund under subsection
25 (b) and any interest earned on investment of amounts in
26 the Fund.

1 (b) TRANSFERS TO FUND.—

2 (1) IN GENERAL.—The Secretary of the Treas-
3 ury shall transfer to the Fund amounts equivalent to
4 amounts received in the Treasury as a result of the
5 amendments made by section 11.

6 (2) TRANSFERS BASED ON ESTIMATES.—The
7 amounts transferred by paragraph (1) shall annually
8 be transferred to the Fund within 30 days after the
9 President signs an appropriations Act for the De-
10 partments of Labor, Health and Human Services,
11 and Education, and related agencies, or by the end
12 of the first quarter of the fiscal year. Proper adjust-
13 ment shall be made in amounts subsequently trans-
14 ferred to the extent prior estimates were in excess
15 of or less than the amounts required to be trans-
16 ferred.

17 (c) OBLIGATIONS FROM FUND.—With respect to the
18 amounts made available in the Fund in a fiscal year, the
19 Secretary shall distribute such amounts in accordance
20 with this Act.

21 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

22 There is authorized to be appropriated from the
23 Healthy Children's Trust Fund established under section
24 9, \$250,000,000 for fiscal year 1998, \$1,350,000,000 for
25 fiscal year 1999, \$2,050,000,000 for fiscal year 2000,

1 \$2,700,000,000 for fiscal year 2001, and \$3,650,000,000
2 for fiscal year 2002, to carry out this Act.

3 **SEC. 11. SPECTRUM AUCTIONS.**

4 (a) EXTENSION AND EXPANSION OF AUCTION AU-
5 THORITY.—

6 (1) AMENDMENTS.—Section 309(j) of the Com-
7 munications Act of 1934 (47 U.S.C. 309(j)) is
8 amended—

9 (A) by striking paragraphs (1) and (2) and
10 inserting the following:

11 “(1) GENERAL AUTHORITY.—If, consistent with
12 the obligations described in paragraph (6)(E), mutu-
13 ally exclusive applications are accepted for any ini-
14 tial license or construction permit, then the Commis-
15 sion shall grant such license or permit to a qualified
16 applicant through a system of competitive bidding
17 that meets the requirements of this subsection.

18 “(2) EXEMPTIONS.—The competitive bidding
19 authority granted by this subsection shall not apply
20 to licenses or construction permits issued by the
21 Commission—

22 “(A) that, as the result of the Commission
23 carrying out the obligations described in para-
24 graph (6)(E), are not mutually exclusive;

1 “(B) for public safety radio services, in-
2 cluding non-Government uses the sole or prin-
3 cipal purpose of which is to protect the safety
4 of life, health, and property and which are not
5 made commercially available to the public; or

6 “(C) for initial licenses or construction
7 permits for new terrestrial digital television
8 services assigned by the Commission to existing
9 terrestrial broadcast licensees to replace their
10 current television licenses, unless—

11 “(i) the Commission, not later than
12 180 days after the date of enactment of
13 the Healthy Children’s Pilot Program Act
14 of 1997, after notice and public comment,
15 submits to Congress a report on the use of
16 the authority provided in this subsection
17 for the assignment of initial licenses or
18 construction permits for use of the electro-
19 magnetic spectrum allocated but not as-
20 signed as of the date of enactment of that
21 Act for television broadcast services; and

22 “(ii) the Congress amends this sub-
23 section to authorize the use of the author-
24 ity provided by this subsection for such li-
25 censes or permits.

1 Except as provided in this subparagraph, the
2 Commission may not assign initial licenses or
3 construction permits under this title to terres-
4 trial commercial television broadcast licensees
5 to replace their existing broadcast licenses be-
6 fore November 15, 1996.”; and

7 (B) by striking “1998” in paragraph (11)
8 and inserting “2002”.

9 (2) CONFORMING AMENDMENT.—Subsection (i)
10 of section 309 of such Act is repealed.

11 (3) EFFECTIVE DATE.—The amendment made
12 by paragraph (1)(A) shall not apply with respect to
13 any license or permit for a terrestrial radio or tele-
14 vision broadcast station for which the Federal Com-
15 munications Commission has accepted mutually ex-
16 clusive applications on or before the date of enact-
17 ment of this Act.

18 (b) COMMISSION OBLIGATION TO MAKE ADDITIONAL
19 SPECTRUM AVAILABLE BY AUCTION.—

20 (1) IN GENERAL.—The Federal Communica-
21 tions Commission shall complete all actions nec-
22 essary to permit the assignment, by September 30,
23 2002, by competitive bidding pursuant to section
24 309(j) of the Communications Act of 1934 (47

1 U.S.C. 309(j)) of licenses for the use of bands of
2 frequencies that—

3 (A) individually span not less than 25
4 megahertz, unless a combination of smaller
5 bands can, notwithstanding the provisions of
6 paragraph (7) of such section, reasonably be ex-
7 pected to produce greater receipts;

8 (B) in the aggregate span not less than
9 100 megahertz;

10 (C) are located below 3 gigahertz; and

11 (D) have not, as of the date of enactment
12 of this Act—

13 (i) been designated by Commission
14 regulation for assignment pursuant to such
15 section;

16 (ii) been identified by the Secretary of
17 Commerce pursuant to section 113 of the
18 National Telecommunications and Infor-
19 mation Administration Organization Act;
20 or

21 (iii) been reserved for Federal Govern-
22 ment use pursuant to section 305 of the
23 Communications Act of 1934 (47 U.S.C.
24 305).

1 The Commission shall conduct the competitive
2 bidding for not less than one-half of such aggregate
3 spectrum by September 30, 2000.

4 (2) CRITERIA FOR REASSIGNMENT.—In making
5 available bands of frequencies for competitive bidding
6 pursuant to paragraph (1), the Commission
7 shall—

8 (A) seek to promote the most efficient use
9 of the spectrum;

10 (B) take into account the cost to incumbent
11 licensees of relocating existing uses to
12 other bands of frequencies or other means of
13 communication;

14 (C) take into account the needs of public
15 safety radio services;

16 (D) comply with the requirements of international
17 agreements concerning spectrum allocations;
18

19 (E) take into account the costs to satellite
20 service providers that could result from multiple
21 auctions of like spectrum internationally for
22 global satellite systems; and

23 (F) take into account the amounts reasonably
24 expected to be transferred pursuant to section
25 9.

1 (3) NOTIFICATION TO NTIA.—The Commission
2 shall notify the Secretary of Commerce if—

3 (A) the Commission is not able to provide
4 for the effective relocation of incumbent licens-
5 ees to bands of frequencies that are available to
6 the Commission for assignment; and

7 (B) the Commission has identified bands
8 of frequencies that are—

9 (i) suitable for the relocation of such
10 licensees; and

11 (ii) allocated for Federal Government
12 use, but that could be reallocated pursuant
13 to part B of the National Telecommuni-
14 cations and Information Administration
15 Organization Act (as amended by this sec-
16 tion).

17 (c) IDENTIFICATION AND REALLOCATION OF FRE-
18 QUENCIES.—The National Telecommunications and Infor-
19 mation Administration Organization Act (47 U.S.C. 901
20 et seq.) is amended—

21 (1) in section 113, by adding at the end the fol-
22 lowing new subsections:

23 “(f) ADDITIONAL REALLOCATION REPORT.—If the
24 Secretary receives a notice from the Commission pursuant
25 to section 11(b)(3) of the Healthy Children’s Pilot Pro-

1 gram Act of 1997, the Secretary shall prepare and submit
2 to the President and the Congress a report recommending
3 for reallocation for use other than by Federal Government
4 stations under section 305 of the 1934 Act (47 U.S.C.
5 305), bands of frequencies that are suitable for the uses
6 identified in the Commission's notice.

7 “(g) RELOCATION OF FEDERAL GOVERNMENT STA-
8 TIONS.—

9 “(1) IN GENERAL.—In order to expedite the ef-
10 ficient use of the electromagnetic spectrum and not-
11 withstanding section 3302(b) of title 31, United
12 States Code, any Federal entity which operates a
13 Federal Government station may accept payment in
14 advance or in-kind reimbursement of costs, or a
15 combination of payment in advance and in-kind re-
16 imbursement, from any person to defray entirely the
17 expenses of relocating the Federal entity's oper-
18 ations from one or more radio spectrum frequencies
19 to another frequency or frequencies, including, with-
20 out limitation, the costs of any modification, replace-
21 ment, or reissuance of equipment, facilities, operat-
22 ing manuals, regulations, or other expenses incurred
23 by that entity. Any such payment shall be deposited
24 in the account of such Federal entity in the Treas-
25 ury of the United States. Funds deposited according

1 to this paragraph shall be available, without appro-
2 priation or fiscal year limitation, only for the oper-
3 ations of the Federal entity for which such funds
4 were deposited under this paragraph.

5 “(2) PROCESS FOR RELOCATION.—Any person
6 seeking to relocate a Federal Government station
7 that has been assigned a frequency within a band al-
8 located for mixed Federal and non-Federal use may
9 submit a petition for such relocation to NTIA. The
10 NTIA shall limit or terminate the Federal Govern-
11 ment station’s operating license when the following
12 requirements are met:

13 “(A) the person seeking relocation of the
14 Federal Government station has guaranteed to
15 defray entirely, through payment in advance,
16 in-kind reimbursement of costs, or a combina-
17 tion thereof, all relocation costs incurred by the
18 Federal entity, including all engineering, equip-
19 ment, site acquisition and construction, and
20 regulatory fee costs;

21 “(B) the person seeking relocation com-
22 pletes all activities necessary for implementing
23 the relocation, including construction of replace-
24 ment facilities (if necessary and appropriate)
25 and identifying and obtaining on the Federal

1 entity’s behalf new frequencies for use by the
2 relocated Federal Government station (where
3 such station is not relocating to spectrum re-
4 served exclusively for Federal use);

5 “(C) any necessary replacement facilities,
6 equipment modifications, or other changes have
7 been implemented and tested to ensure that the
8 Federal Government station is able to success-
9 fully accomplish its purposes; and

10 “(D) NTIA has determined that the pro-
11 posed use of the spectrum frequency band to
12 which the Federal entity will relocate its oper-
13 ations is—

14 “(i) consistent with obligations under-
15 taken by the United States in international
16 agreements and with United States na-
17 tional security and public safety interests;
18 and

19 “(ii) suitable for the technical charac-
20 teristics of the band and consistent with
21 other uses of the band.

22 In exercising its authority under subparagraph
23 (D)(i), NTIA shall consult with the Secretary of
24 Defense, the Secretary of State, or other appro-
25 priate officers of the Federal Government.

1 “(3) RIGHT TO RECLAIM.—If within 1 year
2 after the relocation the Federal Government station
3 demonstrates to the Commission that the new facili-
4 ties or spectrum are not comparable to the facilities
5 or spectrum from which the Federal Government
6 station was relocated, the person seeking such relo-
7 cation must take reasonable steps to remedy any de-
8 fects or pay the Federal entity for the costs of re-
9 turning the Federal Government station to the spec-
10 trum from which such station was relocated.

11 “(h) FEDERAL ACTION TO EXPEDITE SPECTRUM
12 TRANSFER.—Any Federal Government station which op-
13 erates on electromagnetic spectrum that has been identi-
14 fied for reallocation for mixed Federal and non-Federal
15 use in any reallocation report under subsection (a) shall,
16 to the maximum extent practicable through the use of the
17 authority granted under subsection (g) and any other ap-
18 plicable provision of law, take action to relocate its spec-
19 trum use to other frequencies that are reserved for Fed-
20 eral use or to consolidate its spectrum use with other Fed-
21 eral Government stations in a manner that maximizes the
22 spectrum available for non-Federal use. Subsection (c)(4)
23 shall not apply to the extent that a non-Federal user seeks
24 to relocate or relocates a Federal power agency under sub-
25 section (g).

1 “(i) DEFINITION.—For purposes of this section, the
2 term ‘Federal entity’ means any department, agency, or
3 other instrumentality of the Federal Government that uti-
4 lizes a Government station license obtained under section
5 305 of the 1934 Act (47 U.S.C. 305).”; and

6 (2) in section 114(a)(1), by striking “(a) or
7 (d)(1)” and inserting “(a), (d)(1), or (f)”.

8 (d) IDENTIFICATION AND REALLOCATION OF
9 AUCTIONABLE FREQUENCIES.—The National Tele-
10 communications and Information Administration Organi-
11 zation Act (47 U.S.C. 901 et seq.) is
12 amended—

13 (1) in section 113(b)—

14 (A) by striking the heading of paragraph
15 (1) and inserting “INITIAL REALLOCATION RE-
16 PORT.—”;

17 (B) by inserting “in the first report re-
18 quired by subsection (a)” after “recommend for
19 reallocation” in paragraph (1);

20 (C) by inserting “or (3)” after “paragraph
21 (1)” each place it appears in paragraph (2);

22 and

23 (D) by inserting after paragraph (2) the
24 following new paragraph:

1 “(3) SECOND REALLOCATION REPORT.—In ac-
2 cordance with the provisions of this section, the Sec-
3 retary shall recommend for reallocation in the sec-
4 ond report required by subsection (a), for use other
5 than by Federal Government stations under section
6 305 of the 1934 Act (47 U.S.C. 305), a single fre-
7 quency band that spans not less than an additional
8 20 megahertz, that is located below 3 gigahertz, and
9 that meets the criteria specified in paragraphs (1)
10 through (5) of subsection (a).”; and

11 (2) in section 115—

12 (A) in subsection (b), by striking “the re-
13 port required by section 113(a)” and inserting
14 “the initial reallocation report required by sec-
15 tion 113(a)”; and

16 (B) by adding at the end the following new
17 subsection:

18 “(c) ALLOCATION AND ASSIGNMENT OF FRE-
19 QUENCIES IDENTIFIED IN THE SECOND REALLOCATION
20 REPORT.—With respect to the frequencies made available
21 for reallocation pursuant to section 113(b)(3), the Com-
22 mission shall, not later than 1 year after receipt of the
23 second reallocation report required by such section, pre-
24 pare, submit to the President and the Congress, and im-
25 plement, a plan for the allocation and assignment under

1 the 1934 Act of such frequencies. Such plan shall propose
2 the immediate allocation and assignment of all such fre-
3 quencies in accordance with section 309(j) of the 1934 Act
4 (47 U.S.C. 309(j)).”.

5 **SEC. 12. REGULATIONS.**

6 The Secretary may issue regulations and interim final
7 regulations to implement the pilot program established
8 under this Act.

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