

NTIA ORGANIZATION AND AUTHORIZATION ACT

NOVEMBER 19, 1991.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DINGELL, from the Committee on Energy and Commerce, submitted the following

REPORT

[To accompany H.R. 3031]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 3031) to provide a statutory charter, and to authorize appropriations, for the National Telecommunications and Information Administration, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "NTIA Organization and Authorization Act".

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds the following:

(1) Telecommunications and information are vital to the public welfare, national security, and competitiveness of the United States.

(2) Rapid technological advances being made in the telecommunications and information fields make it imperative that the United States maintain effective national and international policies and programs capable of taking advantage of continued advancements.

(3) Telecommunications and information policies and recommendations advancing the strategic interests and the international competitiveness of the United States are essential aspects of the Nation's involvement in international commerce.

(4) There is a critical need for competent and effective telecommunications and information research and analysis and national and international policy development, advice, and advocacy by the Executive Branch of the Federal Government.

(5) As one of the largest users of the Nation's telecommunications facilities and resources, the Federal Government must manage its radio spectrum use and other internal communications operations in the most efficient and effective manner possible.

(6) It is in the national interest to codify the authority of the National Telecommunications and Information Administration, an agency in the Department of Commerce, as the Executive Branch agency principally responsible for advising the President on telecommunications and information policies, and for carrying out the related functions it currently performs, as reflected in Executive Order 12046.

(b) POLICY.—The NTIA shall seek to advance the following policies:

(1) promoting the benefits of technological development in the United States for all users of telecommunications and information facilities;

(2) fostering national safety and security, economic prosperity, and the delivery of critical social services through telecommunications;

(3) facilitating and contributing to the full development of competition, efficiency, and free flow of commerce in domestic and international telecommunications market;

(4) fostering full and efficient use of telecommunications resources, including effective use of the radio spectrum by the Federal Government, in a manner which encourages the most beneficial uses thereof in the public interest; and

(5) furthering scientific knowledge about telecommunications and information.

SEC. 3. ORGANIZATION.

(a) ADMINISTRATION.—There shall be within the Department of Commerce an administration to be known as the "National Telecommunications and Information Administration".

(b) HEAD OF ADMINISTRATION.—The head of the NTIA shall be an Assistant Secretary for Communications and Information, who shall be appointed by the President, by and with the advice and consent of the Senate.

SEC. 4. FUNCTIONS.

(a) IN GENERAL.—The Secretary shall assign to the Assistant Secretary and the NTIA responsibility for the performance of the Secretary's communications and information functions.

(b) **COMMUNICATIONS AND INFORMATION FUNCTIONS.**—The functions to be assigned by the Secretary under subsection (a) include (but are not limited to) the following functions transferred to the Secretary by Reorganization Plan Number 1 of 1977 and Executive Order 12046:

(1) The authority delegated by the President to the Secretary to assign frequencies to radio stations or classes or radio stations belonging to and operated by the United States, including the authority to amend, modify, or revoke such assignments, but not including the authority to make final disposition of appeals from frequency assignments.

(2) The authority to authorize a foreign government to construct and operate a radio station at the seat of Government of the United States, but only upon recommendation of the Secretary of State and after consultation with the Attorney General and the Chairman of the Commission.

(3) Functions relating to the communications satellite system, including authority vested in the President by section 201(a) of the Communications Satellite Act of 1962 (47 U.S.C. 721(a)) and delegated to the Secretary of Commerce under Executive Order 12046, as follows:

(A) Aid in the planning and development of the commercial communications satellite system and the execution of a national program for the operation of such a system.

(B) Conduct a continuous review of all phases of the development and operation of such system, including the activities of the communications satellite corporation authorized in section 301 of the Communications Satellite Act of 1962 (47 U.S.C. 731).

(C) Coordinate, in consultation with the Secretary of State, the activities of governmental agencies with responsibilities in the field of telecommunications, so as to ensure that there is full and effective compliance at all times with the policies set forth in the Communications Satellite Act of 1962.

(D) Make recommendations to the President and others as appropriate, with respect to steps necessary to ensure the availability and appropriate utilization of the communications satellite system for general government purposes in consonance with section 201(a)(6) of the Communications Satellite Act of 1962 (47 U.S.C. 721(a)(6)).

(E) Help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the communications satellite system with existing communications facilities both in the United States and abroad.

(F) Assist in the preparation of Presidential action documents for consideration by the President as may be appropriate under section 201(a) of the Communications Satellite Act of 1962 (47 U.S.C. 721(a)), make necessary recommendations to the President in connection therewith, and keep the President informed with respect to the carrying out of the Communications Satellite Act of 1962.

(G) Serve as the chief point of liaison between the President and the corporation.

(H) The NTIA shall timely submit to the President each year the report (including evaluations and recommendations) provided for in 404(a) of the Communications Satellite Act of 1962 (47 U.S.C. 744(a)).

(I) The NTIA shall coordinate the performance of the functions of part 3 of this subsection with the Secretary of State. The corporation and other concerned Executive agencies shall provide the NTIA with such assistance, documents, and other cooperation as will enable the NTIA to carry out these functions.

(4) Serving as the President's principal adviser on telecommunications policies pertaining to the Nation's economic and technological advancement and to the regulation of the telecommunications industry.

(5) Advising the Director of the Office of Management and Budget on the development of policies relating to the procurement and management of Federal telecommunications systems.

(6) Conducting studies and evaluations concerning telecommunications research and development and concerning the initiation, improvement, expansion, testing, operation and use of Federal telecommunications systems and advising agencies of the results of such studies and evaluations.

(7)(A) Developing and setting forth, in coordination with the Secretary of State and other interested agencies, plans, policies and programs which relate to international telecommunications issues, conferences, and negotiations.

(B) Coordinating economic, technical, operational, and related preparations for United States participation in international telecommunications conferences and negotiations.

(C) Providing advice and assistance to the Secretary of State on international telecommunications policies to strengthen the position and serve the best interests of the United States in support of the Secretary of State's responsibility for the conduct of foreign affairs.

(8) Providing for the coordination of the telecommunications activities of the Executive Branch and assisting in the formulation of policies and standards for those activities, including (but not limited to) considerations of interoperability, privacy, security, spectrum use, and emergency readiness.

(9) Developing and setting forth telecommunications policies pertaining to the Nation's economic and technological advancement and to the regulation of the telecommunications industry.

(10) Ensuring that the views of the Executive Branch on telecommunications matters are effectively presented to the Commission and, in coordination with the Director of the Office of Management and Budget, to the Congress.

(11) Establishing policies concerning spectrum assignments and use by radio stations belonging to and operated by the United States.

(12) Developing, in cooperation with the Commission, a comprehensive long-range plan for improved management of all electromagnetic spectrum resources and—

(A) performing analysis, engineering, and administrative functions, including the maintenance of necessary files and databases, as necessary for the performance of assigned functions for the management of electromagnetic spectrum;

(B) conducting research and analysis of electromagnetic propagation, radio systems characteristics, and operating techniques affecting the utilization of the electromagnetic spectrum in coordination with specialized, related research and analysis performed by other Federal agencies in their areas of responsibility; and

(C) conducting research and analysis in the general field of telecommunications sciences in support of assigned functions and in support of other Government agencies;

(13) Conducting studies and making recommendations concerning the impact of the convergence of computer and communications technology.

(14) Coordinating Federal telecommunications assistance to State and local governments.

(15) Conducting and coordinating economic and technical analyses of telecommunications policies, activities, and opportunities in support of assigned functions.

(16) Contracting for studies and reports relating to any aspect of assigned functions.

(17) Participating, as appropriate, in evaluating the capability of telecommunications resources, in recommending remedial actions, and in developing policy options.

(18) Participating with the National Security Council and the Director of the Office of Science and Technology Policy in carrying out their responsibilities under sections 4-1, 4-2, and 4-3 of Executive Order 12046.

(19) The authority to establish coordinating committees pursuant to section 10 of Executive Order 11556.

(20) As permitted by law, establishing such interagency committees and working groups composed of representatives of interested agencies and consulting with such departments and agencies as may be necessary for the effective performance of assigned functions.

(c) **ADDITIONAL COMMUNICATIONS AND INFORMATION FUNCTIONS.**—Additional functions to be assigned to the NTIA by the Secretary under subsection (a) include performance of functions under section 504 of the Communications Satellite Act of 1962 (47 U.S.C. 753(a)), and administration of the Public Telecommunications Facilities Program (47 U.S.C. 390-393), and the National Endowment for Children's Educational Television (47 U.S.C. 394).

(d) **AGENCY CONSULTATION.**—Federal agencies shall consult with the Assistant Secretary and the NTIA to ensure that their conduct of telecommunications activities is consistent with the policies developed under subsection (b)(11).

(e) **ADVISORY COMMITTEES AND INFORMAL CONSULTATIONS WITH INDUSTRY.**—To the extent the Assistant Secretary deems it necessary to continue the Interdepartmental Radio Advisory Committee, such Committee shall serve as an advisory commit-

tee to the Assistant Secretary and the NTIA. As permitted by law, the Assistant Secretary may establish one or more telecommunications or information advisory committees (or both) composed of experts in the telecommunications and/or information areas outside the Government. The NTIA may also informally consult with industry as appropriate to carry out the most effective performance of its functions.

(f) **EXPENDITURES.**—(1) The NTIA may make such expenditures as may be necessary for the execution of the functions vested in the NTIA and as may be appropriated by the Congress in accordance with authorizations of appropriations established in section 5. All expenditures of the NTIA, including all necessary expenses for transportation incurred by NTIA employees, upon any official business in any other places than in the city of Washington, DC shall be allowed and paid on the presentation of itemized vouchers approved by the Assistant Secretary or by such other officers as may be designated by the Assistant Secretary for that purpose.

(2) The Assistant Secretary shall submit to the appropriate committees of Congress, and publish in the Federal Register, quarterly reports specifying the reimbursements which the NTIA has accepted under section 1353 of title 31, United States Code.

(g) **GENERAL PROVISIONS.**—(1) The NTIA shall issue such rules and regulations as may be necessary to carry out the functions assigned under this Act.

(2) All Executive agencies are authorized and directed to cooperate with the NTIA and to furnish it with such information, support and assistance, not inconsistent with law, as it may require in the performance of its functions.

(3) Nothing in this Act reassigns any function that is, on the date of enactment of this Act, vested by law or executive order in the Federal Communications Commission or the Department of State, or any officer thereof.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the administration of the NTIA \$18,719,000 for fiscal year 1992 and \$21,000,000 for fiscal year 1993, and such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs.

SEC. 6. SPECTRUM MANAGEMENT ACTIVITIES.

(a) **REVISION OF REGULATIONS.**—Within 180 days after the date of the enactment of this Act, the NTIA shall amend its regulations to improve its spectrum management activities.

(b) **REQUIREMENTS FOR REVISIONS.**—The amendments required by subsection (a) shall—

(1) provide for a period at the beginning of each meeting of the Interdepartmental Radio Advisory Committee to be open to the public to make presentations and receive advice;

(2) include provisions that will require major policy proposals that are not classified and that involve spectrum management to be published in the Federal Register, and that the public be permitted adequate opportunity for review and comment;

(3) include provisions that will require that major policy decisions that are not classified and that involve spectrum management be published in the Federal Register;

(4) include provisions that will require that nonclassified spectrum management information be made available to the public, including access to electronic data bases;

(5) establish procedures that provide for the prompt and impartial consideration of requests for access to Government spectrum by the public, which procedures shall include provisions that will require the disclosure of the status and ultimate disposition of any such request.

(c) **CERTIFICATION TO CONGRESS.**—Not later than 180 days following the date of the enactment of this Act, the NTIA shall certify to the Congress that it has complied with the provisions of this Act.

SEC. 7. DEFINITIONS.

As used in this Act—

(1) the term "NTIA" means the National Telecommunications and Information Administration;

(2) the term "Assistant Secretary" means the Assistant Secretary for Communications and Information of the Department of Commerce;

(3) the term "Secretary" means the Secretary of Commerce;

(4) the term "Commission" means the Federal Communications Commission;

and

(5) the term "corporation" means the communications satellite corporation authorized in title III of the Communications Satellite Act of 1962 (47 U.S.C. 731-735).

PURPOSE AND SUMMARY

H.R. 3031, as reported by the Committee on Energy and Commerce, codifies the authority of, and authorizes appropriations for, the National Telecommunications and Information Administration (NTIA). H.R. 3031 authorizes a total of \$18,719,000 for fiscal year 1992 and \$21,000,000 for fiscal year 1993, plus such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law and other non-discretionary costs for FY 1992 and 1993.

BACKGROUND AND NEED FOR LEGISLATION

Background

NTIA first was established in 1978 as the Executive branch agency principally responsible for the development and presentation of domestic and international telecommunications and information policy. These functions were originally vested in two agencies: the Office of Telecommunications Policy (OTP) of the Executive Office of the President and the Office of Telecommunications within the Department of Commerce. In 1978, these two organizations were dissolved by Executive Order. Most of the responsibilities and functions formerly performed by the OTP were assigned to the newly created NTIA, an independent agency within the Department of Commerce. NTIA has since become the chief advisor to the Executive Branch on domestic and international telecommunications policy. Other functions of the OTP, primarily those associated with the foreign affairs aspects of international telecommunications, were assigned to the Department of State. NTIA has been headed by an Assistant Secretary who reports directly to the Secretary of Commerce.

NTIA has several broad organizational goals and functions. NTIA is the primary agency responsible for the development and presentation of domestic and international telecommunications and information policy for the Executive Branch; for management of the radio spectrum assigned to federal government users, and for performing research in telecommunication sciences. In consultation with the Federal Communications Commission (FCC), the United States Department of State, and other federal agencies, NTIA develops and presents United States plans and policies at international communications conferences and related meetings. NTIA also serves as the principal federal telecommunications research and engineering laboratory through the Institute for Telecommunication Sciences (ITS), headquartered in Boulder, Colorado. Further, NTIA administers the Public Telecommunications Facilities Program (PTFP) to provide grants to extend delivery of public telecommunication services to reach as many citizens of the U.S. as possible, and strengthen capabilities of existing public television and radio stations to provide services.

Another of NTIA's primary responsibilities is to develop policy regarding the management and allocation of the federal govern-

ment's portion of the radio frequency spectrum. Nearly every federal department or agency uses the spectrum for its communications facilities. The federal government uses the spectrum for, among other purposes, national defense, weather monitoring, air traffic control, and police communications. The government has priority of access to approximately 40 percent of all usable spectrum allocations. NTIA currently operates with about 300 employees, more than two-thirds of whom have duties primarily related to radio spectrum management and research, and PTFP administration.

NTIA Policy Agenda and Initiatives

Domestic Issues

In performance of its domestic policy functions, NTIA conducts studies in areas of significant interest; testifies on legislation affecting the telecommunications and information industries; makes policy recommendations to the FCC; and works to increase minority participation in the telecommunications industry. In 1990, NTIA's Office of Policy Analysis and Development coordinated three major domestic policy initiatives: spectrum use and management, domestic telecommunications infrastructure, and globalization of the media.

Spectrum

In February 1991, NTIA released a study, "U.S. Spectrum Management Policy: Agenda for the Future." The study examined a wide array of issues currently before the Committee and the Administration. The study assessed the adequacy of current spectrum management structures, procedures and regulations. In addition, the study examined policy alternatives to spur technological innovation through effective spectrum planning, licensing, and engineering, and considered the role of the spectrum given developments in alternative technologies such as broadband fiber. The study also detailed possibilities for raising revenues through spectrum auctions.

Infrastructure

NTIA pursues policy initiatives that would enhance the capabilities of existing telecommunications networks and develop new networks that employ state-of-the-art technologies such as broadband networks. Through its Telecommunications Infrastructure Inquiry, NTIA polled several telecommunications policy and industry groups to pose questions relating to the role of government in promoting development of national telecommunications networks; the ways in which those networks contribute to U.S. competitiveness and quality of life; and the technological improvements that are changing the basic capabilities of telecommunications networks. NTIA's Notice of Inquiry elicited comments from more than 130 parties and received replies from more than 40 parties.

Globalization

As part of the Omnibus Trade and Competitiveness Act of 1988, the Department of Commerce was directed to conduct a report on

United States competitiveness in the international telecommunications marketplace. In the report titled, "Telecommunications in a Global Economy: Competitiveness at a Crossroads," submitted by NTIA and the International Trade Administration, the Department of Commerce held that, despite some strengths in high technology, the U.S. telecommunications industry faces difficult challenges from foreign manufacturers and service providers. The report contains recommendations designed to increase U.S. telecommunications competitiveness.

Provision of Video Services by Telephone Operating Companies

In an attempt to foster competition in the multi-channel video programming marketplace, NTIA submitted a report in 1988 that proposed amending the cable franchise process to enable local telephone companies to offer a "video dial tone." NTIA recommended eliminating the local cable franchise requirement for video programmers that lease common carrier transmission facilities from local telephone companies. Under the NTIA video dial tone plan, common carriers would be permitted to transmit video programming but would be prohibited from supplying program content. According to NTIA, the availability of a common carrier video dial tone would have an immediate and positive effect on existing cable operators, causing them to be more responsive to consumers in terms of quality and programming choices. Such a change would also result in enhancements to exchange telephone facilities.

In testimony provided to the Subcommittee on Telecommunications and Finance in 1991, NTIA testified that it believes that increased competition is the best mechanism for improving cable service to rural subscribers in the long term. NTIA expressed the Administrator's strong support of legislation that would permit the entry of telephone companies into the cable television marketplace, thus promoting competition in the delivery of video services.

Advanced/High Definition Television

NTIA works closely with other federal agencies and organizations to assess technology options for the introduction of advanced television systems in the United States. NTIA's Institute of Telecommunication Sciences (ITS) is developing measures of broadcast performance in real world situations, and performance specifications to assess the quality of advanced television systems over different media. NTIA continues to participate in the international proceedings of the CCIR (Consultative Committee on International Radio) pertaining to Advanced Television (ATV). The Assistant Secretary of NTIA is an ex-officio member of the FCC ATV Advisory Committee on Advanced Television Service. In 1992 and beyond, ITS will take propagation measurements related to advanced television to broaden its growing statistical database of terrain types and environmental characteristics.

Minority Assistance

In 1991, NTIA's Minority Telecommunications Development Program (MTDP), designed and implemented a training program (ComTrain) for new minority broadcasters. Funded by the Minority

Business Development Agency (MBDA), ComTrain acts as a clearinghouse to match new broadcast licensees with training at established broadcast stations in other markets. In addition to hosting "brainstorming" sessions for corporate planners and strategists who explore new business opportunities, MTDP and the FCC co-sponsored a minority conference on telecommunications business opportunities in the 1990s.

International Policy Initiatives and Issues

NTIA develops and advocates policies for the advancement of United States interests in international telecommunications through international conference preparation activities and participation in bilateral trade negotiations. NTIA has taken an increasingly active role in international telecommunications issues; particularly in the U.S. Government effort to reduce foreign barriers to world-wide telecommunications trade. In addition to helping remove trade barriers faced by American firms in foreign markets, NTIA has participated in the activities of the International Telecommunication Union (ITU), through which it has protected U.S. interests in the critical areas of technical standards development and radio frequency spectrum allocation.

NTIA has prepared and served on U.S. Government delegations to meetings of the Organization for Economic Cooperation and Development (OECD) and the General Agreement on Trade and Tariffs (GATT) with regard to international telecommunications services and trade policy developments. Representatives from NTIA led various U.S. delegations to meetings of the ITU's two consultative bodies—the Consultative Committee on International Radio (CCIR) and the Consultative Committee on International Telegraph and Telephone (CCITT).

In 1990, NTIA chaired an Executive Branch committee which developed initial United States policy initiatives for the 1992 World Administrative Radio Conference (WARC). Decisions will be made at the WARC conference that will set radio frequency standards affecting new and innovative telecommunications services. In addition, NTIA chaired a group within the Organization of American States (OAS) charged with developing common western hemisphere views and united positions prior to the WARC conference.

NTIA also is active in developing policies directed at improving the telecommunications capabilities of Eastern European countries. During the past year, NTIA met with senior officials of Eastern European nations to assess those nations' telecommunications infrastructures, to determine their needs, and to identify resources available for improving those nations' basic telephone and mass media communications systems.

Additionally, NTIA officials served as members of delegations to meetings of the International Telecommunications Satellite Organization (INTELSAT) and the International Maritime Satellite Organization (INMARSAT). NTIA involvement has helped ensure a fair and open process and has curtailed attempts to enact regulatory barriers within these international bodies.

Technical Support and Policy Making Programs

As the federal government's principal technical telecommunications resources, NTIA's Institute for Telecommunications Sciences (ITS) has provided leadership and technical expertise to several critical international telecommunications groups, including the CCIR and the CCITT working groups. ITS has focused particularly on developing standards for Integrated Services Digital Networks (ISDN).

ISDN technology will provide for high speed, high capacity information carrying systems, using a variety of modes (e.g. fiber optics, satellites, and broadcast technologies). ISDN networks would carry multiple traffic sources across great distances, instantaneously. The development of ISDN technologies are expected to influence hundreds of billions of dollars in worldwide telecommunications investments over the next decade, and will have a profound effect on U.S. industry participation and competitiveness.

ITS continues to foster cooperation with industry with regard to research and engineering. Such cooperation greatly spurs technological development that will open new U.S. trade opportunities. By promoting research to encourage the development of advanced telecommunication systems, ITS efforts will assist U.S. companies attempting to compete in foreign markets.

Public Telecommunications Facilities Program (PTFP)

In 1990, NTIA awarded 111 grants totalling \$20.7 million to public telecommunications entities in 43 states, American Samoa, Puerto Rico, and the Virgin Islands. NTIA received 297 applications for PTFP funding; 276 requesting \$59.8 million in matching federal funds were accepted for consideration. Grants were given for 100 broadcast and 11 nonbroadcast projects.

Approximately 22 percent of 1990 PTFP grants were to extend service to those few areas of the country not yet served by public broadcasting; 52 grant projects, totalling almost \$11 million in federal awards, went to replace essential equipment at existing public broadcast stations.

Total Quality Management

In 1990, NTIA began implementation of Total Quality Management (TQM) principles in all program areas, focusing on continuous process improvement and the needs of customers. NTIA submitted an extensive application for the Department of Commerce Quality Award documenting previous quality improvements and ongoing TQM implementation activities.

HEARINGS

NTIA officials have testified at numerous oversight hearings of the Committee's Subcommittee on Telecommunications and Finance. On June 6, 1991, the Subcommittee held a hearing to consider legislation authorizing appropriations for NTIA. Testimony at this hearing was received from the Honorable Janice Obuchowski, Assistant Secretary for Communications and Information, United States Department of Commerce.

COMMITTEE CONSIDERATION

On June 6, 1991, the Subcommittee on Telecommunications and Finance met in open session and ordered reported the bill H.R. 2558, amended, by a voice vote, a quorum being present, which was then introduced as a clean bill (H.R. 3031) to be reported to the full Committee. On July 25, 1991, the Committee met in open session and ordered reported the bill H.R. 3031, with an amendment, by a voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Subcommittee held oversight hearings and made findings that are reflected in the legislative report.

COMMITTEE ON GOVERNMENT OPERATIONS

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

COMMITTEE COST ESTIMATE

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the Committee believes that the cost incurred in carrying out H.R. 3031 would be \$18,719,000 for FY 1992 and \$21,000,000 for FY 1993.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 15, 1991.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 3031, the NTIA Organization and Authorization Act. Enactment of H.R. 3031 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES F. BLUM
(For Robert D. Reischauer).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, AUGUST 15, 1991

1. Bill number: H.R. 3031.
2. Bill title: NTIA Organization and Authorization Act.
3. Bill status: As ordered reported by the House Committee on Energy and Commerce, July 31, 1991.
4. Bill purpose: H.R. 3031 provides a statutory charter for the National Telecommunications and Information Administration (NTIA) and authorizes appropriations for fiscal years 1992 and 1993. In addition, the bill directs the NTIA to improve its spectrum management activities.

The bill authorizes appropriations for the NTIA of \$18.7 million for fiscal year 1992, \$21.0 million for fiscal year 1993, and an indefinite amount for pay and benefit increases required by law.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995	1996
Specified authorization level.....	18.7	21.0			
Estimated additional authorization.....		.7			
Total estimated authorization.....	18.7	21.7			
Estimated outlays.....	15.0	20.1	4.2	1.1	

The costs of this bill fall within budget function 370.

Basis of estimate: This estimate assumes that the full amounts authorized will be appropriated prior to the beginning of each fiscal year. CBO estimates the amount necessary to provide for anticipated pay and benefit increases to be \$0.7 million in fiscal year 1993. Outlays are based on historical spending patterns.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. CBO estimates that enactment of H.R. 3031 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

7. Estimated cost to State and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: John Webb.

11. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee makes the following statement with regard to the inflationary impact of the reported bill: H.R. 3031 will have no inflationary impact.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title

This section designates this Act as the "NTIA Organization and Authorization Act."

Section 2. Findings and Policy

This section enumerates the several findings made by Congress regarding domestic and international telecommunications policy and outlines the goals of that policy. The Committee finds that the rapidly developing telecommunications and information industries are vital to the national interest of the United States, and requires that the government maintain effective policies and programs to keep pace with the rapid technological advancement in these industries. Because telecommunications policies are linked inextricably with American international competitiveness and commerce,

there is a need for coordinated domestic and international policy development by the Executive Branch. The Committee believes it is in the national interest to codify the authority of the NTIA to fulfill the need for a centralized agency to advise the President on telecommunications and information policies.

The Committee establishes the following broad goals for NTIA: (1) Promoting technological development of telecommunications and information facilities; (2) Fostering national security, prosperity, and the delivery of critical social services through telecommunications; (3) Facilitating the free flow of commerce in domestic and international telecommunications markets; (4) Fostering full and efficient use of telecommunications resources, including efficient management of the radio spectrum by the Federal Government; (5) Furthering scientific knowledge about telecommunications and information.

Section 3. Organization

This section provides formal statutory organization for NTIA. The Committee is concerned that NTIA's current status renders it vulnerable to attempts by the Department of Commerce to change its responsibilities and activities in a manner that could diminish NTIA's effectiveness. Furthermore, the Committee believes that NTIA requires statutory authorization to place the agency on an equal footing with other Executive agencies. The Committee finds that the statutory authorization provided by this legislation will help ensure that NTIA retains its preeminent status as a leader in the development of telecommunications policy.

Section 3 established an administration within the Department of Commerce to be known as the National Telecommunications and Information Administration. This section further specifies that NTIA shall be headed by an Assistant Secretary for Communications and Information, appointed by the President, with the advice and consent of the Senate.

Section 4. Functions

This section stipulates several functions for the NTIA: (1) the authority to assign frequencies to radio stations; (2) the authority to permit a foreign country to operate a radio station at the seat of Government of the United States upon the recommendation of the State Department; (3) the function of aiding the planning and development of the commercial communications and satellite system and the responsibility to conduct a continuous review of this system and advise the President regarding the appropriate use of the system; (4) serving as the President's principal adviser on telecommunications policies.

In addition, the NTIA is directed to conduct studies to evaluate telecommunications research and development concerning the operation of Federal telecommunications systems and advise the OMB on procurement of those systems. In conjunction with the State Department, NTIA will continue to coordinate and develop policies and programs which relate to international telecommunications issues and negotiations. NTIA will also aid in developing telecommunications policy pertaining to technological advance-

ment and regulation of the telecommunications and information industries.

H.R. 3031 requires NTIA to establish policies concerning effective spectrum management and assignment to radio stations operated by the Federal Government. In cooperation with the FCC, NTIA will develop comprehensive long-range planning for management of electromagnetic spectrum resources. NTIA will serve as the primary agency responsible for advising the President on the improvement of spectrum management by Federal telecommunications facilities. NTIA is also charged with coordinating Federal telecommunications assistance to State and local governments; conducting analyses and reports in support of its assigned functions; and participating with the National Security Council and the Director of the Office of Science and Technology Policy in their responsibilities codified in Executive Order 12046.

Additional functions of the NTIA include the following: administration of the Public Telecommunications Facilities Program (PTFP) and the National Endowment for Children's Educational Television; and informal consultation with industry as needed to ensure the most efficient performance of NTIA functions. The Assistant Secretary also would be empowered to establish various advisory committees composed of experts in the telecommunications and information areas outside the Government. The NTIA would be permitted to make such expenditures necessary to execute the functions outlined by the bill and as may be authorized and appropriated by Congress.

The Committee intends that nothing in the legislation would reassign any function currently vested in the FCC.

Section 5. Authorization of Appropriations

The legislation authorizes an appropriation for the NTIA of \$18,719,000 for fiscal year 1992 and \$21,000,000 for fiscal year 1993, and such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs.

Section 6. Spectrum Management Activities

The Committee has reviewed NTIA's 1991 publication "U.S. Spectrum Management Policy: Agenda for the Future," and commends the Agency for the comprehensive nature of the publication. While certain of its conclusions remain extremely controversial, the Committee endorses several recommendations that pertain to the spectrum management activities of NTIA.

Within 180 days after enactment, NTIA is required to adopt procedures and policies to provide time at the beginning of each meeting of the Interdepartmental Radio Advisory Committee for the public to make presentations and receive advice; publish non-classified major policy proposals in the Federal Register, and permit adequate opportunity for review; and establish procedures for consideration of requests for access to Government spectrum by the public. Within 180 days after enactment, the NTIA will certify compliance with the provisions of the Act to Congress.