

Public Law 97-35
97th Congress

An Act

To provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for the fiscal year 1982. Aug. 13, 1981
[H.R. 3982]

SHORT TITLE

SECTION 1. This Act may be cited as the “Omnibus Budget Reconciliation Act of 1981”. Omnibus Budget
Reconciliation
Act of 1981.

TABLE OF CONTENTS

Title I. Agriculture, forestry, and related programs.
 Title II. Armed services and defense-related programs.
 Title III. Banking, housing, and related programs.
 Title IV. District of Columbia.
 Title V. Education programs.
 Title VI. Human services programs.
 Title VII. Employment programs.
 Title VIII. School lunch and child nutrition programs.
 Title IX. Health services and facilities.
 Title X. Energy and energy-related programs.
 Title XI. Transportation and related programs.
 Title XII. Consumer product safety and communications.
 Title XIII. International affairs.
 Title XIV. Department of Interior and related programs.
 Title XV. Department of Justice and related provisions.
 Title XVI. Maritime and related programs.
 Title XVII. Civil service and postal service programs; governmental affairs generally.
 Title XVIII. Water resource development and economic development programs.
 Title XIX. Small business.
 Title XX. Veterans' programs.
 Title XXI. Medicare, medicaid, and maternal and child health.
 Title XXII. Federal Old-Age, Survivors, and Disability Insurance program.
 Title XXIII. Public assistance programs.
 Title XXIV. Unemployment compensation.
 Title XXV. Trade adjustment assistance.
 Title XXVI. Low-income home energy assistance.
 Title XXVII. Health professions.

PURPOSE

SEC. 2. It is the purpose of this Act to implement the recommendations which were made by specified committees of the House of Representatives and the Senate pursuant to directions contained in part A of title III of the first concurrent resolution on the budget for the fiscal year 1982 (H. Con. Res. 115, 97th Congress), and pursuant to the reconciliation requirements which were imposed by such concurrent resolution as provided in section 310 of the Congressional Budget Act of 1974.

31 USC 1331.

PUBLIC LAW 97-35—AUG. 13, 1981

Product Safety Commission after the date of the enactment of this Act; and the amendments made by sections 1202, 1203, and 1206 of this subtitle shall apply with respect to regulations under the Consumer Product Safety Act, the Federal Hazardous Substances Act, and the Flammable Fabrics Act for which notices of proposed rulemaking are issued after August 14, 1981.

Subtitle B—Communications

CHAPTER 1—PUBLIC BROADCASTING

SHORT TITLE

SEC. 1221. This chapter may be cited as the "Public Broadcasting Amendments Act of 1981".

AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC TELECOMMUNICATIONS FACILITIES

SEC. 1222. Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended by inserting after "1981," the following: "\$20,000,000 for fiscal year 1982, \$15,000,000 for fiscal year 1983, and \$12,000,000 for fiscal year 1984,".

GRANTS FOR CONSTRUCTION AND PLANNING

SEC. 1223. (a) Section 392(a)(4) of the Communications Act of 1934 (47 U.S.C. 392(a)(4)) is amended by striking out "only" and inserting in lieu thereof "primarily", and by inserting before the semicolon at the end thereof the following: ", and that the use of such public telecommunications facilities for purposes other than the provision of public telecommunications services will not interfere with the provision of such public telecommunications services as required in this part".

(b) Section 392(g)(2) of the Communications Act of 1934 (47 U.S.C. 392(g)(2)) is amended—

(1) by striking out "only" and inserting in lieu thereof "primarily"; and

(2) by striking out "(unless" and all that follows through "do so)" and inserting in lieu thereof the following: "(or the use of such public telecommunications facilities for purposes other than the provision of public telecommunications services interferes with the provision of such public telecommunications services as required in this part)".

DECLARATION OF POLICY REGARDING CORPORATION

SEC. 1224. Section 396(a)(5) of the Communications Act of 1934 (47 U.S.C. 396(a)(5)) is amended by striking out "and", and by inserting before the semicolon at the end thereof the following: ", and which will constitute a source of alternative telecommunications services for all the citizens of the Nation".

BOARD OF DIRECTORS OF CORPORATION

SEC. 1225. (a)(1) Section 396(c) of the Communications Act of 1934 (47 U.S.C. 396(c)) is amended to read as follows:

"Board of Directors

"(c)(1) The Corporation for Public Broadcasting shall have a Board of Directors (hereinafter in this section referred to as the 'Board'), consisting of 10 members appointed by the President, by and with the advice and consent of the Senate, and the President of the Corporation. No more than 6 members of the Board appointed by the President may be members of the same political party. The President of the Corporation shall serve as the Chairman of the Board.

"(2) The 10 members of the Board appointed by the President (A) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as education, cultural and civic affairs, or the arts, including radio and television; and (B) shall be selected so as to provide as nearly as practicable a broad representation of various regions of the Nation, various professions and occupations, and various kinds of talent and experience appropriate to the functions and responsibilities of the Corporation.

"(3) Of the members of the Board appointed by the President under paragraph (1), one member shall be selected from among individuals who represent the licensees and permittees of public television stations, and one member shall be selected from among individuals who represent the licensees and permittees of public radio stations.

"(4) The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act.

"(5) The term of office of each member of the Board appointed by the President shall be 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. No member of the Board shall be eligible to serve in excess of 2 consecutive terms of 5 years each.

"(6) Any vacancy in the Board shall not affect its power, but shall be filled in the manner consistent with this Act.

"(7) Members of the Board shall attend not less than 50 percent of all duly convened meetings of the Board in any calendar year. A member who fails to meet the requirement of the preceding sentence shall forfeit membership and the President shall appoint a new member to fill such vacancy not later than 30 days after such vacancy is determined by the Chairman of the Board."

D.C. Code
29-1000 *et seq.*

47 USC 396 note.

(2)(A) The amendment made in paragraph (1) shall not affect the continuation in office of any individual serving on the Board of Directors of the Corporation for Public Broadcasting on the date of the enactment of this Act.

(B) The first 5 vacancies occurring on the Board after October 1, 1983 (other than any vacancy in the office of Chairman) shall not be filled, so as to reduce the membership of the Board to 10 members in addition to the Chairman of the Board.

(b) Section 396(d) of the Communications Act of 1934 (47 U.S.C. 396(d)) is amended to read as follows:

"Election of Vice Chairman; Compensation

"(d)(1) Members of the Board shall annually elect one or more of their members as a Vice Chairman or Vice Chairmen.

"(2) The members of the Board shall not, by reason of such membership, be deemed to be officers or employees of the United

PUBLIC LAW 97-35—AUG. 13, 1981

States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this subpart, be entitled to receive compensation at the rate of \$150 per day, including traveltime. No Board member shall receive compensation of more than \$10,000 in any fiscal year. While away from their homes or regular places of business, Board members shall be allowed travel and actual, reasonable, and necessary expenses.”.

(c) Section 396(e)(1) of the Communications Act of 1934 (47 U.S.C. 396(e)(1)) is amended—

(1) by striking out “the Chairman and any” and inserting in lieu thereof “a”; and

(2) by inserting “for services rendered” after “Corporation” the sixth time it appears therein.

REPORT TO CONGRESS

SEC. 1226. Section 396(i)(1) of the Communications Act of 1934 (47 U.S.C. 396(i)(1)) is amended by striking out “February” and inserting in lieu thereof “May”.

FINANCING; COMMUNITY ADVISORY BOARDS

SEC. 1227. (a) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(1) by striking out “and” each place it appears therein;

(2) by inserting “1984, 1985, and 1986,” after “1983,”; and

(3) by inserting before the period at the end thereof the following: “, and \$130,000,000 for each of the fiscal years 1984, 1985, and 1986”.

(b) Section 396(k)(2)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(2)(B)) is amended—

(1) by striking out “quarterly” and inserting in lieu thereof “fiscal year”; and

(2) by striking out “, in such amounts” and all that follows through “quarter”.

(c)(1) Section 396(k)(3)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)) is amended to read as follows:

“(3)(A)(i) The Corporation shall establish an annual budget for use in allocating amounts from the Fund. Of the amounts appropriated into the Fund available for allocation for any fiscal year—

“(I) not more than 5 percent of such amounts shall be available for the administrative expenses of the Corporation;

“(II) not less than 5 percent of such amounts shall be available for other expenses incurred by the Corporation, including research, training, technical assistance, engineering, instructional support, payment of interest on indebtedness, capital costs relating to telecommunications satellites, the payment of programming royalties and other fees, and the costs of interconnection facilities and operations (as provided in clause (iv)(I)), except that the total amount available for obligation for any fiscal year under this subclause and subclause (I) shall not exceed 10 percent of the amounts appropriated into the Fund available for allocation for such fiscal year;

“(III) 75 percent of the remainder (after allocations are made under subclause (I) and subclause (II)) shall be allocated in accordance with clause (ii)(I); and

“(IV) 25 percent of such remainder shall be allocated in accordance with clause (iii).

“(ii) Of the amounts allocated under clause (i)(III) for any fiscal year—

“(I) 75 percent of such amounts shall be available for distribution among the licensees and permittees of public television stations pursuant to paragraph (6)(B); and

“(II) 25 percent of such amounts shall be available for distribution under subparagraph (B)(i) for public television programming.

“(iii) Of the amounts allocated under clause (i)(IV) for any fiscal year—

“(I) not less than 50 percent of such amounts (as determined under paragraph (6)(A)) shall be available for distribution among the licensees and permittees of public radio stations pursuant to paragraph (6)(B); and

“(II) not more than 50 percent of such amounts (as determined under paragraph (6)(A)) shall be available for distribution under subparagraph (B)(i) for public radio.

“(iv)(I) Subject to the provisions of clause (v), the Corporation shall defray an amount equal to 50 percent of the total costs of interconnection facilities and operations to facilitate the availability of public television and radio programs among public broadcast stations.

“(II) Of the amounts received as the result of any contract, lease agreement, or any other arrangement under which the Corporation directly or indirectly makes available interconnection facilities, 50 percent of such amounts shall be distributed to the licensees and permittees of public television stations and public radio stations. The Corporation shall not have any authority to establish any requirements, guidelines, or limitations with respect to the use of such amounts by such licensees and permittees.

“(v) If the expenses incurred by the Corporation under clause (i)(II) for any fiscal year for—

“(I) capital costs relating to telecommunications satellites;

“(II) the payment of programming royalties and other fees; and

“(III) the costs of interconnection facilities and operations (as provided in clause (iv));

exceed 6 percent of the amounts appropriated into the Fund available for allocation for such fiscal year, then 75 percent of such excess costs shall be defrayed by the licensees and permittees of public television stations from amounts available to such licensees and permittees under clause (ii)(I) and 25 percent of such excess costs shall be defrayed by the licensees and permittees of public radio stations from amounts available to such licensees and permittees under clause (iii)(I).”

(2) Section 396(k)(3)(B)(i) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(B)(i)) is amended to read as follows:

“(B)(i) The Corporation shall utilize the funds allocated pursuant to subparagraph (A)(ii)(II) and subparagraph (A)(iii)(II), and a significant portion of such other funds as may be available to the Corporation, to make grants and contracts for production of public television or radio programs by independent producers and production entities and public telecommunications entities, and for acquisition of such programs by public telecommunications entities. Of the funds utilized pursuant to this clause, a substantial amount shall be reserved for distribution to independent producers and production entities for the production of programs.”

(3) Section 396(k)(3)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(B)) is amended—

(A) in clause (ii) thereof, by striking out “contained in the annual budget established by the Corporation under clause (i)” and inserting in lieu thereof “available for distribution under clause (i)”; and

(B) by striking out clause (iii) and clause (iv) thereof.

(4) The amendments made in this subsection shall apply to fiscal years beginning after September 30, 1983. 47 USC 396 note.

(d)(1) Section 396(k)(6)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(6)(A)) is amended to read as follows:

“(6)(A) The Corporation, in consultation with public radio stations and with National Public Radio (or any successor organization), shall determine the percentage of funds allocated under subclause (I) and subclause (II) of paragraph (3)(A)(iii) for each fiscal year. The Corporation, in consultation with such organizations, also shall conduct an annual review of the criteria and conditions applicable to such allocations.”

(2) Section 396(k)(6)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(6)(B)) is amended—

(A) by striking out the first sentence thereof;

(B) in the second sentence thereof, by inserting “under paragraph (3)(A)(ii)(I)” after “stations”; and

(C) in the last sentence thereof, by inserting “under paragraph (3)(A)(iii)(I)” after “radio stations”.

(3) The amendments made in this subsection shall apply to fiscal years beginning after September 30, 1983. 47 USC 396 note.

(e) Section 396(k)(7) of the Communications Act of 1934 (47 U.S.C. 396(k)(7)) is amended to read as follows:

“(7) The funds distributed pursuant to paragraph (3)(A) may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming.”

(f) Section 396(k)(8) of the Communications Act of 1934 (47 U.S.C. 396(k)(8)) is amended to read as follows:

“(8) Any public telecommunications entity which—

“(A) receives any funds pursuant to this subpart for any fiscal year; and

“(B) during such fiscal year has filed or was required to file a return with the Internal Revenue Service declaring unrelated business income related to station operations under sections 501, 511, and 512 of the Internal Revenue Code of 1954;

shall refund to the Corporation an amount equal to the amount of unrelated business income tax paid as stated in such filed return.” 26 USC 501, 511, 512.

(g)(1) Section 396(k)(9)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)(A)) is amended—

(A) by inserting “(other than any station which is owned and operated by a State, a political or special purpose subdivision of a State, or a public agency)” after “public broadcast station”;

(B) by inserting after “assure that” the following: “(i) its advisory board meets at regular intervals; (ii) the members of its advisory board regularly attend the meetings of the advisory board; and (iii)”; and

(C) by striking out “reasonably reflects” and inserting in lieu thereof “are reasonably representative of”.

(2) Section 396(k)(9)(D) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)(D)) is amended by inserting “(other than any station which is owned and operated by a State, a political or special purpose

subdivision of a State, or a public agency)" after "public broadcast station".

(3) Section 396(k)(9)(E) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)(E)) is amended by inserting "(other than any station which is owned and operated by a State, a political or special purpose subdivision of a State, or a public agency)" after "public broadcast station".

RECORDS AND AUDIT

SEC. 1228. (a) Section 396(l)(1)(A) of the Communications Act of 1934 (47 U.S.C. 396(l)(1)(A)) is amended by inserting ", except that such requirement shall not preclude shared auditing arrangements between any public telecommunications entity and its licensee where such licensee is a public or private institution" after "United States".

(b) Section 396(l)(3)(B) of the Communications Act of 1934 (47 U.S.C. 396(l)(3)(B)) is amended—

(1) in clause (ii) thereof, by striking out "an annual" and inserting in lieu thereof "a biannual"; and

(2) in clause (iii) thereof, by striking out "annually" and inserting in lieu thereof "biannually".

EDITORIALIZING AND SUPPORT OF POLITICAL CANDIDATES PROHIBITED

SEC. 1229. Section 399 of the Communications Act of 1934 (47 U.S.C. 399) is amended to read as follows:

"EDITORIALIZING AND SUPPORT OF POLITICAL CANDIDATES PROHIBITED

47 USC 396.

"SEC. 399. No noncommercial educational broadcasting station which receives a grant from the Corporation under subpart C of this part may engage in editorializing. No noncommercial educational broadcasting station may support or oppose any candidate for political office."

USE OF BUSINESS OR INSTITUTIONAL LOGOGRAMS

SEC. 1230. Subpart D of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397) is amended by adding at the end thereof the following new section:

"USE OF BUSINESS OR INSTITUTIONAL LOGOGRAMS

"Business or institutional logogram."
47 USC 399A.

"SEC. 399A. (a) For purposes of this section, the term 'business or institutional logogram' means any aural or visual letters or words, or any symbol or sign, which is used for the exclusive purpose of identifying any corporation, company, or other organization, and which is not used for the purpose of promoting the products, services, or facilities of such corporation, company, or other organization.

"(b) Each public television station and each public radio station shall be authorized to broadcast announcements which include the use of any business or institutional logogram and which include a reference to the location of the corporation, company, or other organization involved, except that such announcements may not interrupt regular programming.

"(c) The provisions of this section shall not be construed to limit the authority of the Commission to prescribe regulations relating to the manner in which logograms may be used to identify corporations, companies, or other organizations."

OFFERING OF CERTAIN SERVICES, FACILITIES, OR PRODUCTS BY PUBLIC
BROADCAST STATIONS

SEC. 1231. Subpart D of part IV of title III of the Communications Act of 1934, as amended in section 1230, is further amended by adding at the end thereof the following new section:

“OFFERING OF CERTAIN SERVICES, FACILITIES, OR PRODUCTS BY PUBLIC
BROADCAST STATIONS

“SEC. 399B. (a) For purposes of this section, the term ‘advertisement’ means any message or other programming material which is broadcast or otherwise transmitted in exchange for any remuneration, and which is intended—

“Advertisement.”
47 USC 399B.

“(1) to promote any service, facility, or product offered by any person who is engaged in such offering for profit;

“(2) to express the views of any person with respect to any matter of public importance or interest; or

“(3) to support or oppose any candidate for political office.

“(b)(1) Except as provided in paragraph (2), each public broadcast station shall be authorized to engage in the offering of services, facilities, or products in exchange for remuneration.

“(2) No public broadcast station may make its facilities available to any person for the broadcasting of any advertisement.

“(c) Any public broadcast station which engages in any offering specified in subsection (b)(1) may not use any funds distributed by the Corporation under section 396(k) to defray any costs associated with such offering. Any such offering by a public broadcast station shall not interfere with the provision of public telecommunications services by such station. 47 USC 396.

“(d) Each public broadcast station which engages in the activity specified in subsection (b)(1) shall, in consultation with the Corporation, develop an accounting system which is designed to identify any amounts received as remuneration for, or costs related to, such activities under this section, and to account for such amounts separately from any other amounts received by such station from any source.”.

STUDY ON ALTERNATIVE FINANCING FOR PUBLIC TELECOMMUNICATIONS

SEC. 1232. (a)(1) A study shall be conducted in accordance with the provisions of this section regarding options which may be available to public telecommunications entities, the Public Broadcasting Service, and National Public Radio with respect to the development of sources of revenue in addition to the sources of revenue available to such entities and organizations on the date of the enactment of this Act. Such study shall be completed not later than July 1, 1982, and a report shall be submitted to the Congress in accordance with subsection (i). 47 USC 396 note.

(2) The study required in paragraph (1) shall seek to identify funding options which also will ensure that public telecommunications as a source of alternative and diverse programming will be maintained and enhanced, and that public telecommunications services will continue to expand and be available to increasing numbers of citizens throughout the Nation.

Report to
Congress.

(3) The study required in paragraph (1), in examining funding alternatives, also shall seek to determine appropriate means for ensuring that the use of such funding alternatives does not interfere

Temporary
Commission on
Alternative
Financing for
Public
Telecommuni-
cations.

with the content and quality of programming appearing on public television and radio.

(b)(1) The study required in subsection (a)(1) shall be conducted by a commission to be known as the Temporary Commission on Alternative Financing for Public Telecommunications (hereinafter in this section referred to as the "Commission").

(2) The Commission shall consist of the Chairman of the Federal Communications Commission (or a member of the Commission designated by the Chairman); the Assistant Secretary of Commerce for Communications and Information (or his delegate); the heads of the Corporation for Public Broadcasting, National Public Radio, and the National Association of Public Television Stations (or their delegates); the Chairman and the ranking minority member of the Committee on Commerce, Science, and Transportation of the Senate (or any members of such committee designated by them); and the Chairman and ranking minority member of the Committee on Energy and Commerce of the House of Representatives (or any members of such committee designated by them).

(3) In addition to the members of the Commission specified in paragraph (2), an officer or employee of a public television station and an officer or employee of a public radio station shall serve as members of the Commission. Such members shall be selected by the members of the Commission specified in paragraph (2). Such selection shall be made at the first meeting conducted by the Commission.

Definitions.

(4) For purposes of this subsection, the terms "public television station" and "public radio station" have the same meaning as the term "public broadcast station" in section 397(6) of the Communications Act of 1934 (47 U.S.C. 397(6)).

(c) The members of the Commission shall serve without compensation, but the Federal Communications Commission shall make funds available to reimburse such members for travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Federal Government service are allowed expenses under section 5703 of title 5, United States Code.

(d) The Chairman of the Federal Communications Commission (or the person designated by the Chairman under subsection (b)(2)) shall serve as Chairman of the Commission.

(e) The Commission shall meet at the call of the Chairman or a majority of the members of the Commission. Six members of the Commission shall constitute a quorum.

(f)(1) Upon request of the Commission, the Federal Communications Commission shall furnish the Commission with such personnel and support services as may be necessary to assist the Commission in carrying out its duties and functions under this section. The Commission shall not be required to pay or reimburse the Federal Communications Commission for such personnel and support services.

(2) The Assistant Secretary of Commerce for Communications and Information, and the heads of the Corporation for Public Broadcasting, the Public Broadcasting Service, National Public Radio, and the National Association of Public Television Stations, each are authorized to furnish the Commission with such personnel and support services as each such organization considers necessary or appropriate to assist the Commission in carrying out its duties and functions under this section.

(g) The Commission shall have authority to hold such hearings, sit and act at such times and places, and take such testimony as the Commission considers advisable. The Commission shall seek to obtain the testimony and advice of business representatives, persons repre-

senting public interest groups, and other persons and organizations which have an interest in public broadcasting.

(h) The Commission shall be exempt from section 10(e), section 10(f), and section 14 of the Federal Advisory Committee Act (5 U.S.C. Appendix).

(i) The Commission shall submit a report to the Congress containing the results of the study required in subsection (a)(1) not later than July 1, 1982. Such report shall include an evaluation of each option with respect to the development of additional sources of revenue, and shall include recommendations for such legislative or other action as the Commission considers necessary or appropriate.

Report to Congress.

(j)(1) Except as provided in paragraph (2), the Commission shall terminate at the end of the 90-day period following the date of the submission of the report required in subsection (i).

Termination.

(2) If the Commission decides to establish the demonstration program specified in section 1233, then the Commission shall reconvene after the termination of the demonstration program conducted under section 1233 for the purpose of carrying out the functions of the Commission specified in section 1233(e). The Commission shall terminate at the end of the 90-day period following the date of the submission of the report required in section 1233(e).

DEMONSTRATION PROGRAM REGARDING ADVERTISING

SEC. 1233. (a) The Temporary Commission on Alternative Financing for Public Telecommunications established in section 1232 may establish a demonstration program in accordance with this section for the purpose of determining the feasibility of permitting public television station licensees and public radio station licensees to broadcast advertising announcements. If the Commission decides to establish such demonstration program, then the Commission shall establish and carry out such demonstration program in accordance with the provisions of subsection (b) through subsection (f).

47 USC 396 note.

(b)(1)(A) The Commission shall establish the demonstration program as soon as practicable after the date of the enactment of this Act. The Commission shall permit public broadcast station licensees to begin the broadcasting of qualifying advertising not later than January 1, 1982, except that such licensees may begin such advertising before such date if the Commission completes the establishment of the demonstration program before such date.

(B) Such broadcasting of qualifying advertising shall be carried out during the 18-month period beginning January 1, 1982 (or beginning on such earlier date as may be authorized by the Commission under subparagraph (A)), except that such broadcasting of qualifying advertising shall terminate not later than June 30, 1983. The demonstration program shall terminate at the end of such period.

Termination.

(2)(A) The Corporation for Public Broadcasting, in consultation with the Commission, shall select not more than 10 public television station licensees and not more than 10 public radio station licensees to participate in the demonstration program.

(B) Such selection shall be made from among licensees which have expressed to the Corporation a desire to participate in the demonstration program, except that any public television station licensee or public radio station licensee which is represented on the Commission under section 1232(b)(3) shall not be eligible to participate in the demonstration program.

(C) If a licensee elects not to participate in the demonstration program, after receiving notice of its selection from the Corporation, then the Corporation shall select an alternate licensee.

26 USC 501.

(D) The exemption from income tax of any public broadcast station licensee under section 501(a) of the Internal Revenue Code of 1954, relating to exemption from taxation, shall not be affected by the participation of such licensee in the demonstration program.

(3) The Corporation shall make selections under paragraph (2), to the extent practicable, in a manner which ensures that—

(A) a representative geographical distribution of public broadcast station licensees will be achieved;

(B) licensees serving audiences and markets of various sizes will participate in the demonstration program;

(C) licensees with operating budgets of various sizes will participate in the demonstration program;

(D) different types of licensees will participate in the demonstration program; and

(E) in the case of public radio station licensees, licensees with different types of programming formats will participate in the demonstration program.

(c) Each public television station licensee or public radio station licensee which is selected by the Corporation for Public Broadcasting under subsection (b) shall be authorized to broadcast qualifying advertising in accordance with subsection (d).

(d)(1)(A) Except as provided in subparagraph (B), any qualifying advertising announcement which is broadcast by any public television station licensee or any public radio station licensee may be broadcast only at the beginning or at the end of regular programs, and may not interrupt regular programs.

(B) In the case of any regular program which is 2 or more hours in duration, any public radio station licensee may broadcast (subject to paragraph (2)) a qualifying advertising announcement during the program, but only (i) during a break in the program scheduled for station identification; or (ii) at other times which will not unduly disrupt the program.

(2) Any qualifying advertising announcements which are broadcast consecutively by any public television station licensee or any public radio station licensee may not exceed 2 minutes in duration. Such licensees may not engage in any such consecutive broadcasts of qualifying advertising announcements more than once during any 30-minute period.

Regulations.

(3)(A) The Commission shall prescribe regulations which specify the types of advertisements which may be broadcast by licensees during the demonstration program. The Commission may authorize licensees participating in the demonstration program to broadcast institutional advertisements and advertisements relating to specific products, services, or facilities. Licensees shall not be authorized or required to broadcast any advertisement which—

(i) is intended to promote any opinion or point-of-view regarding any matter of public importance or interest, any political issue, or any matter relating to religion; or

(ii) is intended to support or oppose any candidate for political office.

(B) The Federal Communications Commission shall have authority to determine in disputed cases whether any advertising announcement shall be considered to be qualifying advertising for purposes of this section.

(4) The Commission shall prescribe regulations which establish requirements relating to the sale of broadcast time for advertisements during the demonstration program. Such regulations may authorize—

Regulations.

(A) the assignment of broadcast time for advertisements through a system of random selection;

(B) the sale of broadcast time for advertisements which will be broadcast at the beginning or at the end of particular programs, or during particular portions of the broadcast day; or

(C) any other method for the sale of broadcast time which the Commission considers appropriate.

(5) The Commission shall have authority to prescribe regulations under paragraph (3) and paragraph (4) which establish different criteria and requirements applicable to the various licensees participating in the demonstration program, to the extent the Commission considers the establishment of such different criteria and requirements to be necessary to assist the Commission in preparing the report, and making the recommendations, required in subsection (e).

(6) Any issue regarding compliance with the provisions of this subsection shall be resolved by the Federal Communications Commission in accordance with its authority under the Communications Act of 1934 (47 U.S.C. 151 et seq.).

(e)(1) The Commission, as soon as practicable after the termination of the demonstration program under subsection (b)(1)(A), shall analyze the results of the demonstration program and shall submit a report to each House of the Congress regarding the demonstration program. Such report shall be submitted not later than October 1, 1983, and shall include—

Report to Congress.

(A) an examination of whether qualifying advertising had any influence or effect upon programming broadcast by the public broadcast station licensees involved;

(B) an analysis of the reaction of audiences to the broadcasting of such qualifying advertising;

(C) an examination of the extent to which businesses and other organizations engaged in the purchase of broadcast time for the broadcast of qualifying advertising;

(D) an analysis of whether the broadcasting of qualifying advertising had any impact upon the underwriting of programs; and

(E) any other findings or information which the Commission considers appropriate.

(2) Such report also shall include such recommendations for legislative or other action as the Commission considers appropriate, including a recommendation regarding whether public broadcast stations should be permitted to broadcast qualifying advertising on a permanent basis.

(f) For purposes of this section:

Definitions.

(1) The term "Commission" means the Temporary Commission on Alternative Financing for Public Telecommunications established in section 1232.

(2) The term "demonstration program" means the demonstration program which the Commission is authorized to establish in accordance with this section.

(3) The terms "public broadcast station", "public television station", and "public radio station" have the same meaning as the term "public broadcast station" in section 397(6) of the Communications Act of 1934 (47 U.S.C. 397(6)).

(4) The term "qualifying advertising" means any type of advertising specified by the Commission under subsection (d)(3)(A).

TECHNICAL AMENDMENTS

SEC. 1234. (a) Section 396(g) of the Communications Act of 1934 (47 U.S.C. 396(g)) is amended by striking out paragraph (5) thereof, and by redesignating paragraph (6) as paragraph (5).

(b) Section 397(15) of the Communications Act of 1934 (47 U.S.C. 397(15)) is amended by striking out ", Education, and Welfare" and inserting in lieu thereof "Human Services".

CHAPTER 2—TELEVISION AND RADIO BROADCASTING

TELEVISION AND RADIO LICENSE TERMS

SEC. 1241. (a) Section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended—

- (1) by inserting "television" after "operation of a";
- (2) by striking out "three years" each place it appears therein and inserting in lieu thereof "five years";
- (3) by inserting "(other than a radio broadcasting station)" after "class of station";
- (4) by inserting after the first sentence thereof the following new sentence: "Each license granted for the operation of a radio broadcasting station shall be for a term of not to exceed seven years.";
- (5) by inserting "television" after "in the case of" the first place it appears therein;
- (6) by inserting "for a term of not to exceed seven years in the case of radio broadcasting station licenses," after "licenses," the first place it appears therein; and
- (7) by inserting "for a term of" after "and" the third place it appears therein.

Effective date.
47 USC 307 note.

(b) The amendments made in subsection (a) shall apply to television and radio broadcasting licenses granted or renewed by the Federal Communications Commission after the date of the enactment of this Act.

GRANTING OF CERTAIN INITIAL LICENSES AND PERMITS BASED ON SYSTEM OF RANDOM SELECTION

SEC. 1242. (a) Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end thereof the following new subsection:

47 USC 308. "(i)(1) If there is more than one applicant for any initial license or construction permit which will involve any use of the electromagnetic spectrum, then the Commission, after determining the qualifications of each such applicant under section 308(b), shall have authority to grant such license or permit to a qualified applicant through the use of a system of random selection.

47 USC 409. "(2) The determination of the Commission under paragraph (1) with respect to the qualifications of applicants for an initial license or construction permit shall be made after notice and opportunity for a hearing, except that the provisions of section 409(c)(2) shall not apply in the case of any such determination.

Rules. "(3)(A) The Commission shall establish rules and procedures to ensure that, in the administration of any system of random selection

under this subsection, groups or organizations, or members of groups or organizations, which are underrepresented in the ownership of telecommunications facilities or properties will be granted significant preferences.

“(B) The Commission shall have authority to require each qualified applicant seeking a significant preference under subparagraph (A) to submit to the Commission such information as may be necessary to enable the Commission to make a determination regarding whether such applicant shall be granted such preference. Such information shall be submitted in such form, at such times, and in accordance with such procedures, as the Commission may require.

“(4)(A) The Commission, not later than 180 days after the effective date of this subsection, shall, after notice and opportunity for hearing, prescribe rules establishing a system of random selection for use by the Commission under this subsection in any instance in which the Commission, in its discretion, determines that such use is appropriate for the granting of any license or permit in accordance with paragraph (1).

Rules on random selection.

“(B) The Commission shall have authority to amend such rules from time to time to the extent necessary to carry out the provisions of this subsection. Any such amendment shall be made after notice and opportunity for hearing.”

(b) The Commission shall have authority to use the system of random selection established by the Commission under section 309(i) of the Communications Act of 1934, as added in subsection (a), with respect to any application for an initial license or construction permit which will involve any use of the electromagnetic spectrum and which—

47 USC 309 note.

(1) is filed with the Commission after the date of the enactment of this Act; or

(2) is pending before the Commission on such date of enactment but has not been designated for hearing on or before such date of enactment.

SPECIAL REQUIREMENTS RELATING TO BROADCASTING STATION LICENSE APPLICATIONS

SEC. 1243. Section 311 of the Communications Act of 1934 (47 U.S.C. 311) is amended by adding at the end thereof the following new subsection:

“(d)(1) If there are pending before the Commission two or more applications for a license granted for the operation of a broadcasting station, only one of which can be granted, it shall be unlawful, without approval of the Commission, for the applicants or any of them to effectuate an agreement whereby one or more of such applicants withdraws his or their application or applications in exchange for the payment of money, or the transfer of assets or any other thing of value by the remaining applicant or applicants.

“(2) The request for Commission approval in any such case shall be made in writing jointly by all the parties to the agreement. Such request shall contain or be accompanied by full information with respect to the agreement, set forth in such detail, form, and manner as the Commission shall require.

“(3) The Commission shall approve the agreement only if it determines that (A) the agreement is consistent with the public interest, convenience, or necessity; and (B) no party to the agreement filed its license application for the purpose of reaching or carrying out such agreement.

“(4) For purposes of this subsection, an application shall be deemed to be pending before the Commission from the time such application is filed with the Commission until an order of the Commission granting or denying it is no longer subject to rehearing by the Commission or to review by any court.”

CHAPTER 3—REGULATORY AGENCIES

Subchapter A—Federal Communications Commission

AUTHORIZATION OF APPROPRIATIONS

SEC. 1251. (a) The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting after section 5 the following new section:

“AUTHORIZATION OF APPROPRIATIONS

47 USC 156.

“SEC. 6. There is authorized to be appropriated for the administration of this Act by the Commission \$76,900,000, together with 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, for each of the fiscal years 1982 and 1983.”

(b) Section 4(g) of the Communications Act of 1934 (47 U.S.C. 154(g)) is amended by striking out “from time to time may be appropriated for by Congress” and inserting in lieu thereof “may be appropriated for by the Congress in accordance with the authorizations of appropriations established in section 6”.

MANAGING DIRECTOR OF COMMISSION; ANNUAL REPORT

SEC. 1252. Section 5 of the Communications Act of 1934 (47 U.S.C. 155) is amended by adding at the end thereof the following new subsections:

“(f) The Commission shall have a Managing Director who shall be appointed by the Chairman subject to the approval of the Commission. The Managing Director, under the supervision and direction of the Chairman, shall perform such administrative and executive functions as the Chairman shall delegate. The Managing Director shall be paid at a rate equal to the rate then payable for level V of the Executive Schedule.

Report to
Congress.

“(g) The Commission shall submit an annual report to the Congress not later than January 31 of each year. Such report shall—

“(1) list the specific goals, objectives, and priorities of the Commission which shall be projected over 12-month, 24-month, and 36-month periods;

“(2) describe in detail the programs which are, or shall be, established to meet or carry out such goals, objectives, and priorities;

“(3) provide an evaluation of actions taken during the preceding year with regard to fulfilling the functions of the Commission; and

“(4) contain recommendations for legislative action required to enable the Commission to meet its objectives.”

UNIFORM SYSTEM OF ACCOUNTS

SEC. 1253. (a)(1) The Federal Communications Commission (hereinafter in this section referred to as the “Commission”) shall complete

the rulemaking proceeding relating to the revision of the uniform system of accounts used by telephone companies (Common Carrier Docket 78-196; notice of proposed rulemaking adopted June 28, 1978, 43 Federal Register 33560) as soon as practicable after the date of the enactment of this Act.

(2) Such uniform system shall require that each common carrier shall maintain a system of accounting methods, procedures, and techniques (including accounts and supporting records and memoranda) which shall ensure a proper allocation of all costs to and among telecommunications services, facilities, and products (and to and among classes of such services, facilities, and products) which are developed, manufactured, or offered by such common carrier.

(b) The Commission shall submit a report to each House of the Congress not later than one year after the date of the enactment of this Act. Such report shall include a summary of actions taken by the Commission in connection with the rulemaking proceeding specified in subsection (a), together with such other information as the Commission considers appropriate.

Report to
Congress.

Subchapter B—National Telecommunications and Information Administration

AUTHORIZATION OF APPROPRIATIONS

SEC. 1255. There is authorized to be appropriated for the administration of the National Telecommunications and Information Administration \$16,483,500, together with 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, for fiscal year 1982.

Subtitle C—Department of Commerce

AUTHORIZATION OF APPROPRIATIONS

SEC. 1261. There are authorized to be appropriated to the Secretary of Commerce for expenses necessary for the general administration of the Department of Commerce not to exceed \$33,472,300 for fiscal year 1982, \$33,472,300 for fiscal year 1983, and \$33,472,300 for fiscal year 1984.

TITLE XIII—INTERNATIONAL AFFAIRS

Subtitle A—Public Law 480

APPROPRIATION LIMITS

SEC. 1301. Notwithstanding any other provision of law, programs shall not be undertaken under title I (including title III) and title II of the Agricultural Trade Development and Assistance Act of 1954 during any calendar year which call for an appropriation of more than \$1,304,836,000 for the fiscal year 1982, \$1,320,292,000 for the fiscal year 1983, and \$1,402,278,000 for the fiscal year 1984.

7 USC 1733 note.

7 USC 1701,
1727, 1721.