

UNITED STATES GOVERNMENT  
memorandum

DATE: April 29, 1983  
REPLY TO  
ATTN OF: Jack Lee, Legislation *JK*  
SUBJECT: Mark-up of Authorization Bill

TO: Chairman and Commissioners  
Bureau and Office Chiefs

The House Subcommittee on Telecommunications, Consumer Protection and Finance held the mark-up session on H.R. 2755 (the FCC Authorization Bill for FY 84 and 85).

The bill with the FCC and PBS Authorizations also contained our requested changes to Sections 316 and 503 of the Communications Act. It was passed without further amendments and will be reported favorably to the full Energy and Commerce Committee. (Copy of the bill is attached.)

Chairman Wirth opened with a statement which is attached. Note particularly the last paragraph of the statement. During the mark-up Congressman Leland (Tex.) engaged in a colloquy with Chairman Wirth about his concerns on the Commission's program for recruiting minorities, especially minority professionals. Congresswoman Collins (Ill.) and Congressman Bates (Calif.) also expressed their concerns on the same subject.

Chairman Wirth and Congressman Swift (Wash.) also expressed concerns about universal telephone service.

Attachment

AS MOST OF YOU ARE AWARE, TELEPHONE COMPANIES IN MOST STATES HAVE PROPOSED SIGNIFICANT INCREASES IN LOCAL RATES. IN MANY CASES, THESE INCREASES HAVE BEEN ATTRIBUTED TO "COMPETITIVE FACTORS "AND THE " LOSS OF THE LONG DISTANCE SUBSIDY."

BUT THERE HAS BEEN NO REGULATORY ACTION THAT COMPLETELY ELIMINATES THE LONG DISTANCE SUBSIDY; THE EXTENT TO WHICH IT IS DIMINISHED WILL DEPEND UPON THE ACCESS CHARGES THAT THE TELEPHONE COMPANIES THEMSELVES MUST FILE.

I AM CONCERNED, THEREFORE, THAT SOME TELEPHONE COMPANIES MAY BE GROSSLY OVERSTATING THE NEED FOR THE PROPOSED RATE HIKES; I AM SKEPTICAL OF THE 80% INCREASES IN RESIDENTIAL RATES THAT HAVE BEEN FILED IN A NUMBER OF STATES.

THE FCC MUST SOON REVIEW ACCESS TARIFFS FOR CONSISTENCY WITH THE ACCESS CHARGE ORDER, AS WELL AS WITH THE COMMUNICATIONS ACT'S UNIVERSAL SERVICE MANDATE. WE ARE GIVING THE COMMISSION THE RESOURCES TO CONDUCT AS CAREFUL A REVIEW AS POSSIBLE. WE WOULD EXPECT THE COMMISSION TO ALLOW ONLY THE MINIMUM INCREASE IN FLAT MONTHLY CHARGES NEEDED TO PREVENT THE THREAT OF BYPASS -- AND NO MORE.

IN ADDITION TO ADOPTING THE ACCESS CHARGE PLAN DESCRIBED

ABOVE, THE FCC HAS TAKEN AN NUMBER OF OTHER STEPS INTENDED TO DEREGULATE COMPETITIVE SEGMENTS OF THE TELECOMMUNICATIONS INDUSTRY, AND TO BRING PRICING AND COST ALLOCATION INTO CLOSER ALIGNMENT WITH GROWING COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY. MOREOVER, THE DIVESTITURE OF AT&T WILL OCCUR, UNDER FEDERAL COURT SUPERVISION, ON JANUARY 1, 1984.

WHILE EACH OF THESE ACTIONS -- SUCH AS CHANGES IN DEPRECIATION SCHEDULES FOR TELEPHONE NETWORK EQUIPMENT, THE DEREGULATION OF HOME AND OFFICE TELEPHONE EQUIPMENT, AND THE POTENTIAL LOSS BY THE DIVESTED LOCAL COMPANIES OF TOLL REVENUE -- MAY WELL BE NECESSARY AND DESIRABLE, THEY MAY HAVE A CUMULATIVE EFFECT ON TELEPHONE RATES THAT COULD JEOPARDIZE UNIVERSAL SERVICE.

A SIMPLE COMMITMENT TO "MONITOR" THE IMPACT OF THESE CHANGES IS NOT SUFFICIENT. WE EXPECT INSTEAD THAT THE FCC WILL USE PART OF THE FUNDS WE ARE AUTHORIZING TODAY TO INSTITUTE AN INQUIRY OR A RULEMAKING PROCESS TO INVESTIGATE AND EVALUATE THIS GRAVE POTENTIAL PROBLEM. WE COMMEND STRONGLY THE MICHIGAN PUBLIC SERVICE COMMISSION'S RECENT PETITION TO OPEN SUCH A PROCEEDING.

98TH CONGRESS  
1ST SESSION

# H. R. 2755

To authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1983

Mr. WIRTH (for himself and Mr. DINGELL) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes.

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

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Federal  
5 Communications Commission Authorization Act of 1983".

6 FEDERAL COMMUNICATIONS COMMISSION

7 APPROPRIATIONS AUTHORIZATION

8 SEC. 2. (a) Section 6 of the Communications Act of  
9 1934 (47 U.S.C. 156) is amended to read as follows:

1                   **“AUTHORIZATION OF APPROPRIATIONS**

2           **“SEC. 6. There are authorized to be appropriated for**  
 3 **the administration of this Act by the Commission**  
 4 **\$91,156,000, together with sums as may be necessary for**  
 5 **increases resulting from adjustments in salary, pay, retire-**  
 6 **ment, other employee benefits required by law, and other**  
 7 **nondiscretionary costs, for each of the fiscal years 1984 and**  
 8 **1985.”.**

9           **(b) The amendment made by subsection (a) shall apply**  
 10 **with respect to fiscal years beginning after September 30,**  
 11 **1983.**

12 **PUBLIC BROADCASTING APPROPRIATIONS AUTHORIZATION**

13           **SEC. 3. Section 396(k)(1)(C) of the Communications Act**  
 14 **of 1934 (47 U.S.C. 396(k)(1)(C)) is amended by striking out**  
 15 **“, and \$130,000,000 for each of the fiscal years 1984, 1985,**  
 16 **and 1986.” and inserting in lieu thereof “, \$145,000,000 for**  
 17 **fiscal year 1984, \$153,000,000 for fiscal year 1985, and**  
 18 **\$162,000,000 for fiscal year 1986.”.**

19                   **FEDERAL COMMUNICATIONS COMMISSION**20                               **ADMINISTRATIVE MATTERS**

21           **SEC. 4. (a) Section 316 of the Communications Act of**  
 22 **1934 (47 U.S.C. 316) is amended—**

23                   **(1) in subsection (a), by inserting “(1)” after “(a)”**  
 24 **and by striking out “and shall be given reasonable op-**  
 25 **portunity” and all that follows and inserting in lieu**

1       thereof “and shall be given reasonable opportunity, of  
2       at least thirty days, to protest such proposed order of  
3       modification; except that where safety of life or prop-  
4       erty is involved, the Commission may by order provide  
5       for a shorter period of notice.”;

6               (2) by adding at the end of subsection (a) the fol-  
7       lowing new paragraphs:

8       “(2) Any other licensee or permittee who believes its  
9       license or permit would be modified by the proposed action  
10      may also protest the proposed action before its effective date.

11      “(3) A protest filed pursuant to this subsection shall be  
12      subject to the requirements of section 309 for petitions to  
13      deny.”; and

14              (3) in subsection (b), by inserting before the period  
15      at the end thereof the following: “; except that, with  
16      respect to any issue that addresses the question of  
17      whether the proposed action would modify the license  
18      or permit of a person described in subsection (a)(2),  
19      such burdens shall be as determined by the Commis-  
20      sion”.

21      (b) Section 503(b)(5) of such Act (47 U.S.C. 403(b)(5)) is  
22      amended by inserting, before the period in the second sen-  
23      tence, the following: “or if the person involved is transmit-  
24      ting on frequencies assigned for use in a service in which

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1 individual station operation is authorized by rule pursuant to  
2 section 307(e)".

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