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110TH CONGRESS, 2d Session | SENATE | REPORT 110–348

TECHNICAL CORRECTION TO THE DEFICIT REDUCTION ACT

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 2607

JUNE 10, 2008.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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110TH CONGRESS *2d Session* | SENATE | REPORT 110–348

TECHNICAL CORRECTION TO THE DEFICIT REDUCTION ACT

JUNE 10, 2008.—Ordered to be printed

Mr. INOUYE, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2607]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2607) to make a technical correction to section 3009 of the Deficit Reduction Act of 2005, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 2607 is to accelerate the transition to digital television for low-power broadcasting facilities.

BACKGROUND AND NEEDS

The Digital Television Transition and Public Safety Act of 2005 (DTV Act), enacted as part of the Deficit Reduction Act of 2005, set February 17, 2009, as the deadline for the digital television transition. By this date, full-power broadcasters must return their analog spectrum and broadcast exclusively digital transmissions. However, low-power broadcasting facilities have no corresponding statutory obligation to switch to digital signals. As a result, more than 7,000 low-power broadcasting facilities in the United States may continue to broadcast in analog after February 17, 2009.

The DTV Act created two funds to assist low-power facilities with the digital transition. Four types of facilities are recognized as eligible for this assistance: Low-power television (LPTV) stations, Class A television stations, translators, and boosters. These facilities fall into two categories. First, there are translator and booster

stations. Translator and booster stations are repeaters that take a broadcast signal and transmit it again, thereby extending the range of the original broadcast signal. In rural areas, particularly in the western half of the United States, translators are used to lengthen the reach of many television broadcast stations. Consumers receiving over-the-air signals today via a booster or translator may be unaware that that some or all of their broadcast signals are provided over this kind of architecture.

Second, there are low-power television stations and Class A television stations. In 1982, the Federal Communications Commission (FCC) created low-power television service, allowing community-oriented television stations to broadcast over a small area. LPTV stations are operated by diverse groups and organizations, including high schools, colleges, religious groups, local governments, and individuals. The actual distance at which these stations can be viewed depends on a variety of factors, including regional topography, antenna height, and transmitter power. These stations have secondary spectrum priority. This means that they must not cause interference to the reception of existing or future full-power stations, must accept interference from full-power stations, and must yield to new full-power stations, where interference occurs. Class A stations are low-power stations but with primary spectrum status. In exchange for receiving this status, these stations must broadcast locally-produced programming for a set number of hours a day.

The first DTV Act fund directs the National Telecommunications and Information Agency (NTIA) to spend up to $10 million to implement a digital-to-analog conversion program for low-power facilities. This program is helpful for translator stations that wish to remain in analog following the transition. With a digital-to-analog conversion device, these facilities can convert the incoming digital signals of their corresponding full-power television station to analog format for retransmission on the translator's analog channel. Under the terms of the DTV Act, these funds are presently available to eligible stations that apply to the NTIA.

The second DTV Act fund directs the NTIA to spend up to $65 million to implement a program through which low-power facilities can receive reimbursement for digital equipment upgrades. This program will provide low-power stations with reimbursement for upgrades of their facilities from analog to digital, which would allow a low-power station to broadcast in digital. Under current law, these funds are not available until October 1, 2010, roughly 20 months after the transition. In addition, a technical error in the DTV Act directs payment to be made in fiscal year (FY) 2009, but separately does not permit payments until FY 2010. S. 2607 would change the date in the DTV Act that these funds are available to February 18, 2009. In addition, the bill ensures that these funds will be available for a longer period following the transition to reflect the rolling timeframe during which these facilities are expected to convert to digital.

LEGISLATIVE HISTORY

On February 7, 2008, Senator Snowe introduced S. 2607. Senators Stevens, Cantwell, McCaskill, and Smith are co-sponsors. On April 8, 2008, the Committee held an oversight hearing on the digital television transition. On April 24, 2008, the Committee held an

executive session at which S. 2607 was considered. The bill, without amendment, was approved by voice vote.

Staff assigned to this legislation are Jessica Rosenworcel, Democratic Senior Communications Counsel, Alex Hoehn-Saric, Democratic Communications Counsel, and Paul Nagle, Republican Chief Counsel.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 5, 2008.

Hon. DANIEL K. INOUYE,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2607, a bill to make a technical correction to section 3009 of the Deficit Reduction Act of 2005.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susan Willie.

Sincerely,

ROBERT A. SUNSHINE
(For Peter R. Orszag, Director).

Enclosure.

S. 2607—A bill to make a technical correction to section 3009 of the Deficit Reduction Act of 2005

Under current law, the National Telecommunications and Information Administration (NTIA) is authorized to reimburse certain low-power television stations in fiscal year 2009 for their costs to upgrade analog equipment to broadcast digital signals. The payments are to be made from spectrum auction proceeds deposited in the Digital Television Transition and Public Safety Fund.

S. 2607 would extend NTIA's authority to make those reimbursements through fiscal year 2012 and amend contradictory direction in current law regarding when such payments would start. Under current law, CBO assumes that those payments would be made over the next few years. Based on information from NTIA, CBO estimates that enacting S. 2607 would not change the agency's anticipated spending patterns, and thus would have no effect on direct spending. Enacting the bill would not affect revenues or spending subject to appropriation.

S. 2607 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

The number of persons covered by this legislation would be consistent with current levels of individuals affected.

ECONOMIC IMPACT

S. 2607 would have a positive impact on the nation's economy by facilitating the transition to digital television for low-power broadcasters.

PRIVACY

S. 2607 is not expected to have an adverse effect on the personal privacy of any individuals that will be impacted by this legislation.

PAPERWORK

S. 2607 would have minimal impact on current paperwork levels.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provision of the reported bill meets the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

S. 2607 would amend Section 3009(a) of the Deficit Reduction Act of 2005 to: (1) Extend payments under the Low-Power Television and Translator Upgrade Program through fiscal year 2012; and (2) allow low power broadcasters to receive upgrade funds beginning February 18, 2009.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE III—DIGITAL TELEVISION TRANSITION AND PUBLIC SAFETY

PUBLIC LAW 109–171

SEC. 3009. LOW-POWER TELEVISION AND TRANSLATOR UPGRADE PROGRAM.

(a) ESTABLISHMENT.—The Assistant Secretary shall make payments of not to exceed $65,000,000, in the aggregate, during [fiscal year 2009] *fiscal years 2009 through 2012; and* from the Digital Television Transition and Public Safety Fund established under section 309(j)(8)(E) of the Communications Act of 1934 (47 U.S.C.

309(j)(8)(E)) to implement and administer a program through which each licensee of an eligible low-power television station may receive reimbursement for equipment to upgrade low-power television stations from analog to digital in eligible rural communities, as that term is defined in section 610(b)(2) of the Rural Electrification Act of 1937 (7 U.S.C. 950bb(b)(2)). Such reimbursements shall be issued to eligible stations [no earlier than October 1, 2010] *on or after February 18, 2009*. Priority reimbursements shall be given to eligible low-power television stations in which the license is held by a non-profit corporation and eligible low-power television stations that serve rural areas of fewer than 10,000 viewers.

(b) ELIGIBLE STATIONS.—For purposes of this section, the term "eligible low-power television station" means a low-power television broadcast station, Class A television station, television translator station, or television booster station—

(1) that is itself broadcasting exclusively in analog format; and

(2) that has not converted from analog to digital operations prior to the date of enactment of the Digital Television Transition and Public Safety Act of 2005.

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