pass on suspension in bipartisan fashion our satellite reform and privatization legislation, H.R. 3261. The fact that we will pass this decisively and that no one has indicated he or she will vote against this bill indicates the widespread support in the House for this legislation. It is high time to end the current cartel-like ownership and management structure of INTELSAT and Inmarsat. They must not only be privatized, they must be privatized in a pro-competitive market. We must eliminate their privileges and immunities, warehoused orbital locations or frequencies, and limit their ability to use their governmental privileges to expand their services and assets pending privatization. There is no reason for government to be providing commercial communications services. We must also replace monopoly control with competition and provide full direct access in the United States to INTELSAT and Inmarsat. As the author and manager of this legislation, I think it is important to specify what will be the legislative history for H.R. 3261. With the exception of section 641, the deletion of old section 642, the addition of section 649, and several other changes, H.R. 3261 is identical to the bill the House passed on May 6, 1998, H.R. 1872. We have put this legislation on the suspension calendar because Members already voted for the same text by a margin of 403 to 16. Because most of the bill is identical to last year’s bill, it is unnecessary to go through the Committee hearing and report process again this year. Thus, no report will be filed with H.R. 3261. Instead, we intend that the Committee report for H.R. 1872 (See House Rpt. 105–494), the record for the legislative hearing held on September 30, 1997, and the floor debate on H.R. 1872, in relevant part, be used as legislative history for H.R. 3261.

What follows is a specific discussion of changes that have been made in H.R. 3261 when compared to H.R. 1872, which, when taken together with the H.R. 1872 legislative history discussed above, will serve as the legislative history for H.R. 3261.

Section 601(b)(1) advances the dates for the privatization of INTELSAT and Inmarsat respectively, from January 1, 2002 to April 1, 2001, for INTELSAT, and from January 1, 2001 to April 1, 2000, for Inmarsat. The reason for this change is that it has become clear that the long transition periods provided in H.R. 1872 are no longer necessary. Both organizations have taken some steps toward some form of privatization. For example, Inmarsat moved to end its intergovernmental status, although it still has not proceeded with an initial public offering of its stock. Moreover, the INTELSAT Assembly of Parties announced some steps which could move INTELSAT in the direction of privatization.

Section 602(a)(1)(A) and section 621(1) also have been changed to reflect the new dates set out in section 601(b)(1). Similarly, the dates set out in the Federal Communications Commission to make annual findings and report to Congress on INTELSAT’s progress toward privatization have been advanced to reflect the fact that longer transition periods are not needed. Thus, the first Commission finding is required on or before January 1, 2000.

Furthermore, the fact that over a year has elapsed since passage of H.R. 1872, the number of annual findings has been reduced from four to three, with the second finding of H.R. 1872 now included in the first annual finding scheduled for April 1, 2002. The last finding is due January 1, 2002, which is later than the April 1, 2001 date established for INTELSAT privatization. It may be appropriate to make the FCC finding date the same as the privatization date of April 1, 2001 at the next stage in the legislative process.

Finally, there have been changes in the dates by which the privatized INTELSAT and Inmarsat must conduct initial public offerings of their shares; from January 1, 2001 to April 1, 2001 for INTELSAT, and from January 1, 2000 to April 1, 2000 for Inmarsat. Section 624 deals specifically with Inmarsat. While there already have been some changes in the Inmarsat structure and some provisions of this section may need to be adjusted, such as the reference to the Inmarsat Signatory, this section is still applicable. While Inmarsat has conducted what it deems to be a privatization, that privatization has not been conducted in a pro-competitive manner.

Section 641 of H.R. 3261 ends the monopoly of COMSAT over access to the U.S. market for INTELSAT and Inmarsat. The Commission is to comply with section 641, by adopting orders ensuring the full implementation of all forms of direct access as provided in section 641(a).

Section 641 of H.R. 1872 dealt with various issues raised by ending COMSAT’s exclusive access to INTELSAT and Inmarsat. We do not believe it necessary for the new section 641 to address these issues. First, given the changes at Inmarsat, and the provisions of other parts of the legislation dealing with Inmarsat, such as section 624(1), there is no need to specify direct access to Inmarsat in the new section 641. Second, it is appropriate to permit both non-investment, or contract, direct access (also known as Level 3) and investment (also known as Level 4) direct access to INTELSAT immediately upon enactment of this legislation. All such direct access is in the public interest. It will increase competition for access to INTELSAT services and lower prices for consumers of INTELSAT services.

The Commission currently has the authority to pursue contract or Level 3 direct access. As was the case with respect to H.R. 1872, by including provisions on direct access in H.R. 3261, we do not intend to imply that there is a need to amend any provision of the Communications Satellite Act of 1962 to provide for direct access.

There are several other differences between H.R. 3261 and H.R. 1872 in section 641 regarding direct access. First, H.R. 3261 does not provide for or specifically authorize any signatory support costs. This is a change from H.R. 1872, which permitted compensation to INTELSAT signatories for support costs that the signatories would not otherwise be able to avoid under a direct access regime. Second, H.R. 3261 does not limit the ability of non-U.S. signatories of INTELSAT to provide direct access in the United States. Thus the sections of H.R. 1872 dealing with signatory fees and foreign signatories along with section 641(1)(A)(iii) regarding carrier pass through of savings realized as a result of direct access, were deleted.

H.R. 3261 does not grant the Commission authority to impose a signatory fee or limit direct access by foreign signatories nor should the statement indicating that the Commission has authority to implement direct access be interpreted as meaning that the Commission has the authority to impose signatory fee or limit direct access by foreign signatories.

New section 641 also does not direct the Commission to take action on COMSAT’s petition to be treated as a non-dominant common carrier because the FCC already has acted on this petition. Furthermore, section 641(4), stating that direct access regulation would be eliminated after a pro-competitive privatization of INTELSAT or Inmarsat is achieved was unnecessary and thus was deleted.

H.R. 3261 does not include an equivalent of section 642 of H.R. 1872 dealing with the renegotiation of monopoly contracts, which is also known as “fresh look.” The sections of H.R. 3261 do not include an equivalent of section 642.

New section 649 is intended to prevent U.S.-licensed international carriers and satellite operators from using leverage they may have in foreign markets to exclude other U.S.-licensed international carriers and satellite operators from gaining access to foreign markets. The effect of Section 649 is to apply this policy to all foreign satellite operators seeking to do business in the United States.

Exclusive market access is a critical barrier to the provision of competitive satellite services by United States companies. Mr. Speaker, I urge my colleagues to support this important legislation.

CONGRATULATING SOUTH GRAND PRAIRIE HIGH SCHOOL

HON. MARTIN FROST
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, November 17, 1999

Mr. FROST. Mr. Speaker, I want to congratulate South Grand Prairie High for winning one of 13 New American High School awards from the Department of Education. This designation recognizes South Grand Prairie’s tremendous efforts in raising academic standards and student achievement.

South Grand Prairie is a diverse high school of over 2,400 students. It reflects the changing demographics of the surrounding community, half of the student body comes from minority backgrounds, and 60 percent are English language learners. The school created a full-academy model that incorporates Advanced Placement-level curricula with career-oriented programs.

Students at South Grand Prairie pursue a rigorous academic program in an area that best suits them—Business and Computer Technology, Creative and Performing Arts, Health Science and Human Services, Humanities or Law, and Math, Science and Engineering. This allows students to raise their performance by capitalizing on their interests.
South Grand Prairie has enlisted the entire community in this effort. They have formed partnerships with local middle schools and area colleges. An Academic Advisory Board comprised of students, teachers, and prominent local business and industry leaders, has been formed to develop a curriculum and assessments of the program. And the Chamber of Commerce participates in a teacher-shading program which allows educators to understand the skills needed in the vocational areas in which they are teaching.

The results of this innovative program have been remarkable. South Grand Prairie has raised its students passage rate on Texas’ state math exam by 18 percent. South Grand Prairie students pass the state’s reading test at a 24 percent higher rate than the state average, and the school has higher SAT scores and rates of college enrollment than the state’s average.

Clearly, South Grand Prairie’s academic reforms have been a success, the school is highly deserving of the New American High School award. If South Grand Prairie represents the future in American education, the future looks bright indeed. Congratulations to Principal Roy Garcia and all of South Grand Prairie’s faculty and parents. Your school is a model for all of America’s high schools and you have made North Texas proud. I am pleased to be able to join South Grand Prairie officials at their White House award ceremony this Friday.

IN RECOGNITION OF THE 5TH ANNUAL COVENANT HOUSE WASHINGTON CANDLEDIGHT VIGIL

HON. ELEANOR HOLMES NORTON
OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, November 17, 1999

Ms. NORTON. Mr. Speaker, I rise today to recognize the Covenant House Candlelight Vigil, where I will speak on Tuesday, December 4, 1999. The Vigil is a national event held every year in early December in some 20 cities across the country. The Candlelight Vigil symbolizes community hope for the well being of all our children and highlights the plight of homeless, runaway, and at-risk children.

The Vigil in Washington alone has 3,000 concerned adults and youth marching, bearing candles and flashlights in support of youth. They will march shoulder to shoulder for a quarter of a mile to the Covenant House Washington Community Service Center, setting a tone of joy, solidarity, commitment, and hope. Similar rallies are held simultaneously at Covenant House sites across the country.

Since its inception in 1995, Covenant House Washington has invested over $13 million of private funding in our youth. They have given hundreds of youth a hand up by providing food, shelter, tutoring, life skills, job training, legal representation, and positive recreational opportunities.

Mr. Speaker, I ask all my colleagues to join me in honoring Covenant House Washington and their commitment to our most vulnerable young people and in recognizing the 1999 Covenant House Washington Candlelight Vigil.