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(Original Signature of Member)

106TH CONGRESS
2D SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. GOODLATTE (for himself, Mr. BOUCHER, Mr. BAKER, Mrs. EMERSON, Mrs. CAPPS, Mrs. BONO, Mr. OBERSTAR, Mr. EWING, Mr. GILCHREST, Mr. METCALF, Mr. QUINN, Mr. BASS, Mr. LATHAM, Mr. KILDEE, Mr. PHELPS, Mr. MCINNIS, Mr. RAHALL, Mr. BUYER, Mr. WATKINS, Mr. FROST, Mr. BALDACCI, Mr. GOODE, Mr. PETERSON of Minnesota, Mr. HINCHEY, Mr. BOYD, Mr. WALDEN of Oregon, Mr. OLVER, Mr. FLETCHER, Mr. COLLINS, Mr. THORNBERRY, Mrs. CUBIN, Mr. NETHERCUTT, Mr. WICKER, Mr. LAHOOD, Mr. BOEHLERT, Mr. GOODLING, Mr. HERGER, Mr. NUSSLE, Mr. RADANOVICH, Mr. EHRLICH, Mr. HASTINGS of Washington, Mr. THUNE, Mr. COOKSEY, Mr. HILLEARY, Mrs. FOWLER, Mr. BONILLA, Mr. BALLENGER, Mr. SKEEN, Mr. SHIMKUS, Mr. PICKERING, Mr. ADERHOLT, Mr. SHERWOOD, Mr. UPTON, Mr. HAYES, Mr. PETERSON of Pennsylvania, Mr. SMITH of Texas, and Mr. VITTER) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which



desire such service in unserved and underserved rural areas by December 31, 2006.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Local Broadcast
5 Signal Act”.

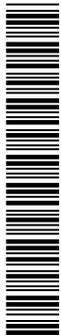
6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) In 1936, most of the rural United States
9 did not have access to electrical service enjoyed by
10 the rest of the United States, and this lack of elec-
11 trical service inhibited economic development in the
12 rural areas of the United States.

13 (2) In response to this lack of service, Congress
14 enacted the Rural Electrification Act of 1936 (also
15 known as the Norris-Rayburn Rural Electrification
16 Act) which established the Rural Electric Adminis-
17 tration to ensure that all Americans have access to
18 electrical service and to promote rural development.

19 (3) The program under the Rural Electrifica-
20 tion Act of 1936 has successfully brought electricity
21 to all parts of the rural United States and has stim-
22 ulated rural development throughout the United
23 States.



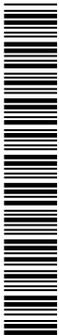
1 (4) In 1949, most of the rural United States
2 did not have access to telephone service enjoyed by
3 the rest of the United States, and this lack of elec-
4 trical service inhibited economic development in the
5 rural areas of the United States.

6 (5) In response to this lack of service, Congress
7 amended the Rural Electrification Act of 1936 to as-
8 sure that the rural United States has access to tele-
9 communications services, including telephone serv-
10 ices, distance learning, and telemedicine in order to
11 promote rural development.

12 (6) The programs under these amendments
13 have successfully brought telecommunications to all
14 parts of the United States and has stimulated rural
15 development throughout the United States.

16 (7) Public Law 93-32 amended the Rural Elec-
17 trification Act of 1936 to establish a revolving fund
18 for insured and guaranteed loans.

19 (8) The reorganization of the Department of
20 Agriculture by Public Law 103-354 created the
21 Rural Utilities Service (RUS) within the Depart-
22 ment of Agriculture and assigned it the responsi-
23 bility for administering programs of federally-guar-
24 anteed loans.



1 (9) The Rural Utilities Service now manages a
2 portfolio of federally-guaranteed loans in excess of
3 \$42,000,000,000.

4 (10) The Rural Utilities Service has granted
5 loans for the purpose of telecommunications services
6 to more than 800 borrowers, including telephone and
7 electricity cooperatives, in all States of the United
8 States.

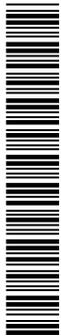
9 (11) Local television coverage is vitally impor-
10 tant for rural development efforts.

11 (12) Local television programming broadcasts
12 crop reports, local news, weather reports, public
13 service announcements, and advertisements by local
14 businesses, all of which are important for rural de-
15 velopment.

16 (13) In today's age of modern communications,
17 rural communities often receive the majority of their
18 information from satellite platforms.

19 (14) The rest of the United States, including
20 most of the rural United States, is not able to re-
21 ceive local television signals via satellite.

22 (15) Without access to local television signals,
23 the development of the rural United States is greatly
24 inhibited.



1 (16) Just as important public purposes were
 2 served by bringing electricity to the rural United
 3 States and then by bringing telephone service to the
 4 rural United States, so the United States would be
 5 served by ensuring that the rural United States can
 6 receive local television signals via satellite.

7 (17) It is in the public interest that the Rural
 8 Utilities Service of the Department of Agriculture
 9 utilize existing and new loan guarantee programs to
 10 promote rural development by ensuring that the
 11 rural United States has access to the signals of local
 12 television stations by multichannel video providers.

13 **SEC. 3. RURAL LOCAL TELEVISION SIGNALS.**

14 The Rural Electrification Act of 1936 (7 U.S.C. 901
 15 et seq.) is amended by adding at the end the following:

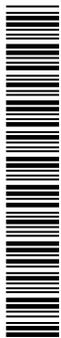
16 **“TITLE VI—RURAL LOCAL**
 17 **TELEVISION SIGNALS**

18 **“SEC. 501. DEFINITIONS.**

19 “In this title:

20 “(1) ADMINISTRATOR.—The term ‘Adminis-
 21 trator’ means the Administrator of the Rural Utili-
 22 ties Service.

23 “(2) AFFILIATE.—The term ‘affiliate’ means
 24 any person or entity that controls, or is controlled



1 by, or is under common control with, another person
2 or entity.

3 “(3) BORROWER.—The term ‘borrower’ means
4 any person or entity receiving a loan guarantee
5 under this title.

6 “(4) COST.—

7 “(A) IN GENERAL.—The term ‘cost’ means
8 the estimated long-term cost to the Government
9 of a loan guarantee or modification thereof, cal-
10 culated on a net present value basis, excluding
11 administrative costs and any incidental effects
12 on governmental receipts or outlays.

13 “(B) LOAN GUARANTEES.—For purposes
14 of this paragraph the cost of a loan
15 guarantee—

16 “(i) shall be the net present value, at
17 the time when the guaranteed loan is dis-
18 bursed, of the estimated cash flows of—

19 “(I) payments by the Govern-
20 ment to cover defaults and delin-
21 quencies, interest subsidies, or other
22 payments; and

23 “(II) payments to the Govern-
24 ment, including origination and other
25 fees, penalties, and recoveries; and

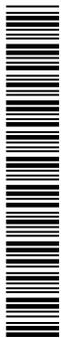


1 “(ii) shall include the effects of
2 changes in loan terms resulting from the
3 exercise by the guaranteed lender of an op-
4 tion included in the loan guarantee con-
5 tract, or by the borrower of an option in-
6 cluded in the guaranteed loan contract.

7 “(C) COST OF MODIFICATION.—The cost
8 of the modification shall be the difference be-
9 tween the current estimate of the net present
10 value of the remaining cash flows under the
11 terms of a loan guarantee contract, and the
12 current estimate of the net present value of the
13 remaining cash flows under the terms of the
14 contract, as modified.

15 “(D) DISCOUNT RATE.—In estimating net
16 present value, the discount rate shall be the av-
17 erage interest rate on marketable Treasury se-
18 curities of similar maturity to the cash flows of
19 the guarantee for which the estimate is being
20 made.

21 “(E) FISCAL YEAR ASSUMPTIONS.—When
22 funds of a loan guarantee under this title are
23 obligated, the estimated cost shall be based on
24 the current assumptions, adjusted to incor-



1 porate the terms of the loan contract, for the
2 fiscal year in which the funds are obligated.

3 “(5) CURRENT.—The term ‘current’ has the
4 meaning given that term in section 250(c)(9) of the
5 Balanced Budget and Emergency Deficit Control
6 Act of 1985.

7 “(6) DESIGNATED MARKET AREA.—The term
8 ‘designated market area’ has the meaning given that
9 term in section 122(j) of title 17, United States
10 Code.

11 “(7) LOAN GUARANTEE.—The term ‘loan guar-
12 antee’ means any guarantee, insurance, or other
13 pledge with respect to the payment of all or part of
14 the principal or interest on any debt obligation of a
15 non-Federal borrower to the Federal Financing
16 Bank or a non-Federal lender, but does not include
17 the insurance of deposits, shares, or other
18 withdrawable accounts in financial institutions.

19 “(8) MODIFICATION.—The term ‘modification’
20 means any Government action that alters the esti-
21 mated cost of an outstanding loan guarantee (or
22 loan guarantee commitment) from the current esti-
23 mate of cash flows, including the sale of loan assets,
24 with or without recourse, and the purchase of guar-
25 anteed loans.



1 “(9) COMMON TERMS.—Except as provided in
2 paragraphs (1) through (9), any term used in this
3 title that is defined in the Communications Act of
4 1934 (47 U.S.C. 151 et seq.) has the meaning given
5 the term in that Act.

6 **“SEC. 502. LOAN GUARANTEES.**

7 “(a) PURPOSE.—The purpose of this title is to enable
8 the Administrator to provide such loan guarantees as are
9 necessary to ensure improved access to the signals of local
10 television stations by multichannel video providers to all
11 households which desire such service in unserved and un-
12 derserved rural areas by December 31, 2006.

13 “(b) ASSISTANCE TO BORROWERS.—Subject to the
14 appropriations limitation under subsection (c)(2), the Ad-
15 ministrator may provide loan guarantees to borrowers to
16 finance projects to provide local television broadcast sig-
17 nals by providers of multichannel video services including
18 direct broadcast satellite licensees and licensees of multi-
19 channel multipoint distribution systems, to areas that do
20 not receive local television broadcast signals over commer-
21 cial for-profit direct-to-home satellite distribution systems.
22 A borrower that receives a loan guarantee under this title
23 may not transfer any part of the proceeds of the monies
24 from the loans guaranteed under this program to an affil-
25 iate of the borrower.



1 “(c) UNDERWRITING CRITERIA; PREREQUISITES.—

2 “(1) IN GENERAL.—The Administrator shall
3 administer the underwriting criteria developed under
4 subsection (f)(1) to determine which loans are eligi-
5 ble for a guarantee under this title.

6 “(2) AUTHORITY TO MAKE LOAN GUARAN-
7 TEES.—The Administrator shall be authorized to
8 guarantee loans under this title only to the extent
9 provided for in advance by appropriations Acts.

10 “(3) PREREQUISITES.—In addition to meeting
11 the underwriting criteria under paragraph (1), a
12 loan is not eligible for a loan guarantee under this
13 title unless—

14 “(A) the loan is made to finance the acqui-
15 sition, improvement, enhancement, construction,
16 deployment, launch, or rehabilitation of the
17 means by which local television broadcast sig-
18 nals will be delivered to an area not receiving
19 such signals over commercial for-profit direct-
20 to-home satellite distribution systems;

21 “(B) the proceeds of the loan will not be
22 used for operating expenses;

23 “(C) the total amount of all such loans
24 may not exceed in the aggregate
25 \$1,250,000,000;



1 “(D) the loan does not exceed
2 \$100,000,000, except that 1 loan under this
3 title may exceed \$100,000,000, but shall not
4 exceed \$625,000,000;

5 “(E) the loan bears interest and penalties
6 which, in the Administrator’s judgment, are not
7 unreasonable, taking into consideration the pre-
8 vailing interest rates and customary fees in-
9 curred under similar obligations in the private
10 capital market; and

11 “(F) the Administrator determines that
12 taking into account the practices of the private
13 capital markets with respect to the financing of
14 similar projects, the security of the loan is ade-
15 quate.

16 “(4) ADDITIONAL CRITERIA.—In addition to
17 the requirements of paragraphs (1), (2), and (3), a
18 loan for which a guarantee is sought under this title
19 shall meet any additional criteria promulgated under
20 subsection (f)(1).

21 “(d) ADDITIONAL REQUIREMENTS.—The Adminis-
22 trator may not make a loan guarantee under this title
23 unless—

24 “(1) repayment of the obligation is required to
25 be made within a term of the lesser of—



1 “(A) 25 years from the date of its execu-
2 tion; or

3 “(B) the useful life of the primary assets
4 used in the delivery of relevant signals;

5 “(2) the Administrator has been given the as-
6 surances and documentation necessary to review and
7 approve the guaranteed loans; and

8 “(3) the Administrator makes a determination
9 in writing that—

10 “(A) the applicant has given reasonable as-
11 surances that the assets, facilities, or equipment
12 will be utilized economically and efficiently;

13 “(B) necessary and sufficient regulatory
14 approvals, spectrum rights, and delivery permis-
15 sions have been received by project participants
16 to assure the project’s ability to repay obliga-
17 tions under this title; and

18 “(C) repayment of the obligation can rea-
19 sonably be expected, including the use of an ap-
20 propriate combination of credit risk premiums
21 and collateral offered by the applicant to pro-
22 tect the Federal Government.

23 “(e) APPROVAL OF NTIA REQUIRED.—

24 “(1) IN GENERAL.—The Administrator may not
25 issue a loan guarantee under this title unless the



1 National Telecommunications and Information Ad-
2 ministration consults with the Administrator and
3 certifies that the issuance of the loan guarantee is
4 consistent with subsection (a).

5 “(2) CERTIFICATION.—The Administrator shall
6 provide the appropriate information on each loan
7 guarantee application recommended by the Adminis-
8 trator to the National Telecommunications and In-
9 formation Administration for certification. The Na-
10 tional Telecommunications and Information Admin-
11 istration shall make the determination required
12 under this subsection within 90 days, without regard
13 to the provision of chapter 5 of title 5, United States
14 Code, and sections 10 and 11 of the Federal Advi-
15 sory Committee Act (5 U.S.C. App.).

16 “(f) REQUIREMENTS.—

17 “(1) IN GENERAL.—Not later than 180 days
18 after the date of enactment of this title, the Admin-
19 istrator shall consult with an independent public ac-
20 counting firm to develop underwriting criteria relat-
21 ing to the issuance of loan guarantees, appropriate
22 collateral and cash flow levels for the types of loan
23 guarantees that might be issued under this title, and
24 such other matters as the Administrator determines
25 appropriate.



1 “(2) AUTHORITY OF ADMINISTRATOR.—In lieu
2 of or in combination with appropriations of budget
3 authority to cover the costs of loan guarantees as re-
4 quired under section 504(b)(1) of the Federal Credit
5 Reform Act of 1990, the Administrator may accept
6 on behalf of an applicant for assistance under this
7 title a commitment from a non-Federal source to
8 fund in whole or in part the credit risk premiums
9 with respect to the applicant’s loan. The aggregate
10 of appropriations of budget authority and credit risk
11 premiums described in this paragraph with respect
12 to a loan guarantee may not be less than the cost
13 of that loan guarantee.

14 “(3) CREDIT RISK PREMIUM AMOUNT.—The
15 Administrator shall determine the amount required
16 for credit risk premiums under this subsection on
17 the basis of—

18 “(A) the circumstances of the applicant,
19 including the amount of collateral offered;

20 “(B) the proposed schedule of loan dis-
21 bursements;

22 “(C) the borrower’s business plans for pro-
23 viding service;

24 “(D) financial commitment from the
25 broadcast signal provider; and

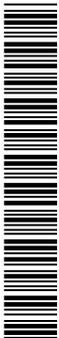


1 “(E) any other factors the Administrator
2 considers relevant.

3 “(4) PAYMENT OF PREMIUMS.—Credit risk pre-
4 miums under this subsection shall be paid to an ac-
5 count established in the Treasury which shall accrue
6 interest and such interest shall be retained by the
7 account, subject to paragraph (5).

8 “(5) COHORTS OF LOANS.—In order to main-
9 tain sufficient balances of credit risk premiums to
10 adequately protect the Federal Government from
11 risk of default, while minimizing the length of time
12 the Government retains possession of those balances,
13 the Administrator in consultation with the Office of
14 Management and Budget shall establish cohorts of
15 loans. When all obligations attached to a cohort of
16 loans have been satisfied, credit risk premiums paid
17 for the cohort, and interest accrued thereon, which
18 were not used to mitigate losses shall be returned to
19 the original source on a pro rata basis.

20 “(g) CONDITIONS OF ASSISTANCE.—A borrower shall
21 agree to such terms and conditions as are sufficient, in
22 the judgment of the Administrator to ensure that, as long
23 as any principal or interest is due and payable on such
24 obligation, the borrower—



1 “(1) will maintain assets, equipment, facilities,
2 and operations on a continuing basis;

3 “(2) will not make any discretionary dividend
4 payments that reduce the ability to repay obligations
5 incurred under this section; and

6 “(3) will remain sufficiently capitalized.

7 “(h) LIEN ON INTERESTS IN ASSETS.—Upon pro-
8 viding a loan guarantee to a borrower under this title, the
9 Administrator shall have liens which shall be superior to
10 all other liens on assets of the borrower equal to the un-
11 paid balance of the loan subject to such guarantee.

12 “(i) PERFECTED INTEREST.—The Administrator and
13 the lender shall have a perfected security interest in those
14 assets of the borrower fully sufficient to protect the Ad-
15 ministrator and the lender.

16 “(j) INSURANCE POLICIES.—In accordance with
17 practices of private lenders, as determined by the Adminis-
18 trator, the borrower shall obtain, at its expense, insurance
19 sufficient to protect the interests of the Federal Govern-
20 ment, as determined by the Administrator.

21 “(k) AUTHORIZATION OF APPROPRIATIONS.—For the
22 additional costs of the loans guaranteed under this title,
23 including the cost of modifying the loans as defined in sec-
24 tion 502 of the Congressional Budget Act of 1974 (2
25 U.S.C. 661(a)), there are authorized to be appropriated



1 for fiscal years 2000 through 2006, such amounts as may
2 be necessary. In addition there are authorized to be appro-
3 priated such sums as may be necessary to administer this
4 title. Any amounts appropriated under this subsection
5 shall remain available until expended.

6 **“SEC. 503. ADMINISTRATION OF LOAN GUARANTEES.**

7 “(a) APPLICATIONS.—The Administrator shall pre-
8 scribe the form and contents for an application for a loan
9 guarantee under section 502.

10 “(b) ASSIGNMENT OF LOAN GUARANTEES.—The
11 holder of a loan guaranteed under this title may assign
12 the loan guarantee in whole or in part, subject to such
13 requirements as the Administrator may prescribe.

14 “(c) MODIFICATIONS.—The Administrator may ap-
15 prove the modification of any term or condition of a loan
16 guarantee including the rate of interest, time of payment
17 of interest or principal, or security requirements, if the
18 Administrator finds in writing that—

19 “(1) the modification is equitable and is in the
20 overall best interests of the United States;

21 “(2) consent has been obtained from the bor-
22 rower and the lender;

23 “(3) the modification is consistent with the ob-
24 jective underwriting criteria developed in consulta-



1 tion with an independent public accounting firm
2 under section 502(f);

3 “(4) the modification does not adversely affect
4 the Federal Government’s interest in the entity’s as-
5 sets or loan collateral;

6 “(5) the modification does not adversely affect
7 the entity’s ability to repay the loan; and

8 “(6) the National Telecommunications and In-
9 formation Administration does not object to the
10 modification on the ground that it is inconsistent
11 with the certification under section 502(e).

12 “(d) PRIORITY MARKETS.—

13 “(1) IN GENERAL.—To the maximum extent
14 practicable, the Administrator shall give priority to
15 projects which serve the most underserved rural
16 markets, as determined by the Administrator. In
17 making prioritization determinations, the Adminis-
18 trator shall consider prevailing market conditions,
19 feasibility of providing service, population, terrain,
20 and other factors the Administrator determines ap-
21 propriate.

22 “(2) PRIORITY RELATING TO CONSUMER COSTS
23 AND SEPARATE TIER OF SIGNALS.—The Adminis-
24 trator shall give priority to projects that—



1 “(A) offer a separate tier of local broad-
2 cast signals; and

3 “(B) provide lower projected costs to con-
4 sumers of such separate tier.

5 “(3) PERFORMANCE SCHEDULES.—Applicants
6 for priority projects under this section shall enter
7 into stipulated performance schedules with the Ad-
8 ministrators.

9 “(4) PENALTY.—The Administrator may assess
10 a borrower a penalty not to exceed 3 times the inter-
11 est due on the guaranteed loan, if the borrower fails
12 to meet its stipulated performance schedule. The
13 penalty shall be paid to the account established
14 under section 502.

15 “(5) LIMITATION ON CONSIDERATION OF MOST
16 POPULATED AREAS.—The Administrator shall not
17 provide a loan guarantee for a project that is pri-
18 marily designed to serve the 40 most populated des-
19 ignated market areas and shall take into consider-
20 ation the importance of serving rural markets that
21 are not likely to be otherwise offered service under
22 section 122 of title 17, United States Code, except
23 through the loan guarantee program under this title.

24 “(e) COMPLIANCE.—The Administrator shall enforce
25 compliance by an applicant and any other party to the



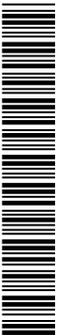
1 loan guarantee for whose benefit assistance is intended,
2 with the provisions of this title, regulations issued here-
3 under, and the terms and conditions of the loan guarantee,
4 including through regular periodic inspections and audits.

5 “(f) COMMERCIAL VALIDITY.—For purposes of
6 claims by any party other than the Administrator, a loan
7 guarantee or loan guarantee commitment shall be conclu-
8 sive evidence that the underlying obligation is in compli-
9 ance with the provisions of the title, and that such obliga-
10 tion has been approved and is legal as to principal, inter-
11 est, and other terms. Such a guarantee or commitment
12 shall be valid and incontestable in the hands of a holder
13 thereof, including the original lender or any other holder,
14 as of the date when the Administrator granted the applica-
15 tion therefore, except as to fraud or material misrepresen-
16 tation by such holder.

17 “(g) DEFAULTS.—The Administrator shall prescribe
18 regulations governing a default on a loan guaranteed
19 under this title.

20 “(h) RIGHTS OF THE ADMINISTRATOR.—

21 “(1) SUBROGATION.—If the Administrator au-
22 thORIZES payment to a holder, or a holder’s agent,
23 under subsection (g) in connection with a loan guar-
24 antee made under section 502, the Administrator

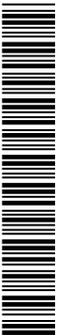


1 shall be subrogated to all of the rights of the holder
2 with respect to the obligor under the loan.

3 “(2) DISPOSITION OF PROPERTY.—The Admin-
4 istrator may complete, recondition, reconstruct, ren-
5 ovate, repair, maintain, operate, rent, sell, or other-
6 wise dispose of any property or other interests ob-
7 tained under this section in a manner that maxi-
8 mizes taxpayer return and is consistent with the
9 public convenience and necessity.

10 “(i) ACTION AGAINST OBLIGOR.—The Administrator
11 may bring a civil action in an appropriate district court
12 of the United States in the name of the United States
13 or of the holder of the obligation in the event of a default
14 on a loan guaranteed under this title. The holder of a
15 guarantee shall make available to the Administrator all
16 records and evidence necessary to prosecute the civil ac-
17 tion. The Administrator may accept property in full or
18 partial satisfaction of any sums owed as a result of de-
19 fault. If the Administrator receives, through the sale or
20 other disposition of such property, an amount greater than
21 the aggregate of—

22 “(1) the amount paid to the holder of a guar-
23 antee under subsection (g); and



1 “(2) any other cost to the United States of
2 remedying the default, the Administrator shall pay
3 such excess to the obligor.

4 “(j) BREACH OF CONDITIONS.—The Attorney Gen-
5 eral shall commence a civil action in a court of appropriate
6 jurisdiction to enjoin any activity which the Administrator
7 finds is in violation of this title, regulations issued here-
8 under, or any conditions which were duly agreed to, and
9 to secure any other appropriate relief, including relief
10 against any affiliate of the borrower.

11 “(k) ATTACHMENT.—No attachment or execution
12 may be issued against the Administrator or any property
13 in the control of the Administrator prior to the entry of
14 final judgment to such effect in any State, Federal, or
15 other court.

16 “(l) INVESTIGATION CHARGE AND FEES.—

17 “(1) APPRAISAL FEE.—The Administrator may
18 charge and collect from an applicant a reasonable
19 fee for appraisal for the value of the equipment or
20 facilities for which the loan guarantee is sought, and
21 for making necessary determinations and findings.
22 The fee may not, in the aggregate, be more than
23 one-half of one percent of the principal amount of
24 the obligation. The fee imposed under this para-



1 graph shall be used to offset the administrative costs
2 of the program.

3 “(2) LOAN ORIGINATION FEE.—The Adminis-
4 trator may charge a loan origination fee.

5 “(m) ANNUAL AUDIT.—The Comptroller General of
6 the United States shall annually audit the administration
7 of this title and report the results of the audit to the Com-
8 mittee on Agriculture, Nutrition, and Forestry of the Sen-
9 ate and the Committee on Agriculture of the House of
10 Representatives.

11 “(n) INDEMNIFICATION.—An affiliate of the bor-
12 rower shall indemnify the Government for any losses it
13 incurs as a result of—

14 “(1) a judgment against the borrower;

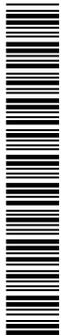
15 “(2) any breach by the borrower of its obliga-
16 tions under the loan guarantee agreement;

17 “(3) any violation of the provisions of this title
18 by the borrower;

19 “(4) any penalties incurred by the borrower for
20 any reason, including the violation of the stipulated
21 performance; and

22 “(5) any other circumstances that the Adminis-
23 trator determines to be appropriate.

24 “(o) SUNSET.—The Administrator may not approve
25 a loan guarantee under this title after December 31, 2006.



1 **“SEC. 504. RETRANSMISSION OF LOCAL TELEVISION**
2 **BROADCAST STATIONS.**

3 “A borrower shall be subject to applicable rights, obli-
4 gations, and limitations of title 17, United States Code.
5 If a local broadcast station requests carriage of its signal
6 and is located in a market not served by a satellite carrier
7 providing service under a statutory license under section
8 122 of title 17, United States Code, the borrower shall
9 carry the signal of that station without charge and shall
10 be subject to the applicable rights, obligations, and limita-
11 tions of sections 338, 614, and 615 of the Communica-
12 tions Act of 1934.”.

