

HUD's use of the grantee capacity building funds will support continued improvements and operations of the online reporting system used to track financial and activity progress.

Subsection (m) requires the Secretary to establish and implement procedures to prevent fraud, waste, and abuse of funds. Further, grantees will be required to have an internal auditor and to provide performance reports to HUD on a quarterly basis. This subsection also specifies that the sanction for failure to meet expenditure requirements, as determined by the Secretary, shall be recapture of funds and reallocation. The Secretary will only be able to take an alternative sanction if the action is necessary to achieve program goals in a timely manner.

Subtitle H – National Wireless Initiative

Section 271 – Definitions. This section defines several applicable terms used in this subtitle.

Part I – Auctions of Spectrum and Spectrum Management

Section 272 – Clarification of Authorities to Repurpose Federal Spectrum for Commercial Purposes. Subsections (a) and (b) permit Federal agencies to be fully reimbursed through the Spectrum Relocation Fund (SRF) for relocation costs (including planning costs that occur before an auction), to better enable agencies to evaluate the cost and scheduling implications of relocation activities, and thereby facilitate both an improved auction and relocation process while ensuring the continuity of agency missions. Also, subsection (b) allows for support of costs incurred by Federal agencies to allow shared and unlicensed use of spectrum assigned to agencies.

Subsection (c) permits Federal agencies to be reimbursed for costs incurred in accommodating additional non-Federal access to their frequencies, as well as for studies related to sharing bands among Federal users. Reimbursable costs to enable sharing are consistent with system modifications made in the context of relocation.

In addition, subsection (c) clarifies that the agencies are permitted to acquire state of the art replacement systems under the current-law standard of comparable capability of systems. Section 101(c) also permits agencies to hire term-limited civil servant and contractor support staff to implement relocation projects, and provides further authority for expenditures related to planning in advance of an auction. Subsection (c) furthermore clarifies that the SRF can be used to reimburse agencies for the cost of using commercial services, if these services are the most cost effective way of vacating Federal frequencies while maintaining agency missions.

Subsection (d) allows Federal agencies to enter into sharing arrangements with non-Federal entities, upon approval of NTIA and the Office of Management and Budget (OMB).

Subsection (e) provides authority to the Director of OMB to transfer amounts from the SRF for the costs of activities (including planning) directly attributable to relocation of Federal systems. This section also extends the period of funds availability in the SRF from 8 to 15 years, and provides additional flexibility beyond that period upon notification of the Congress. Furthermore, subsection (e) provides that up to 20 percent of the revenue from the auction of licenses associated with frequencies vacated by Federal agencies, or made available through sharing, may be used to enhance agency communications, radar and other spectrum using

capabilities; this funding availability for enhancements would be in addition to the relocation costs covered under the current authorities, which provide for maintaining comparable capability for agencies. Use of funds for enhancements, like current authorities for relocation cost reimbursement, would be subject to notification of the appropriate Congressional committees. Subsection (f) clarifies that proceeds from non-federal spectrum auctioned and paired with spectrum from federal inventories is available to support relocation activities after retention of revenues by the Federal Communications Commission to support its auctions program. Subsection (g) provides for a classified annex, if required, for any reports and notifications arising from the requirements of Sections 923 and 928 of Title 47, including the provisions of the bill.

Section 273 – Incentive Auction Authority. Subsection (a) authorizes the FCC to hold incentive auctions, where non-government holders of spectrum will be reimbursed for its value from a portion of auction proceeds in return for voluntarily relinquishing their spectrum rights. The method of determining the portion paid to licensees would be subject to review prior to implementation. This section would require the FCC to assign at least the first 84 megahertz from certain specified bands through a competitive bidding process.

Section 274 – Requirements When Repurposing Mobile Satellite Services Spectrum for Terrestrial Broadband Use. This section would require the FCC to recover a significant portion of the value of new terrestrial broadband deployment rights in certain spectrum frequencies that were originally set aside for satellite services either through competitive bidding procedures or spectrum fee authority.

Section 275 – Permanent Extension of Auction Authority. This section would make permanent FCC's authority to auction spectrum, which expires on September 30, 2012, under current law.

Section 276 – Authority to Auction Licenses for Domestic Satellite Services. This section would clarify FCC's authority to auction certain spectrum that is solely or predominantly used for domestic satellite communications.

Section 277 – Directed Auction of Certain Spectrum. This section requires certain spectrum assigned to Federal agencies or in FCC inventories to be identified by NTIA and auctioned by the Commission. The section provides procedures for the President to not auction certain Federal spectrum if the President determines that it is not in the public interest to do so and provided that alternative spectrum is identified.

Section 278 – Authority to Establish Spectrum License User Fees. This section creates a new subsection (m) under section 309 of the Communications Act of 1934, which provides the FCC with authority to establish, assess, and collect fees for initial spectrum licenses and construction permits that were not assigned by auction (competitive bidding) under section 309(j) and for modifications or renewals of initial licenses and other authorizations, whether granted through competitive bidding or not, based upon public interest principles (for example, if a modification increases the value of a license). Fee authority will assist the FCC in managing the spectrum efficiently in cases in which auctions are prohibited or may not be an appropriate assignment tool but in which it is important to ensure that license holders pay the opportunity costs of their

spectrum use, such as mobile satellite spectrum that is also licensed for ancillary terrestrial services.

Paragraph (1) of new subsection (m) requires the FCC to collect certain amounts in fees in each fiscal year from 2012 through 2021. Paragraph (2) governs the FCC's development of regulations to implement its fee authority. Subparagraph (A) requires the FCC to conduct a rulemaking to establish a fee methodology and a fee collection schedule. The FCC is directed to develop a fee methodology consistent with the public interest, convenience, and necessity requirement, which is found throughout the Communications Act. The FCC is expected to undertake a multi-stage rulemaking during which fees for different classes of spectrum licenses or construction permits may be developed and phased-in over time, consistent with sound spectrum management principles. It is expected that fees would encourage efficient allocation and use of the radio spectrum, as the opportunity cost of spectrum resources would be reflected to commercial license holders that did not receive authorizations through competitive bidding. The proposal specifies that the FCC may take the following factors into account when developing a fee methodology: (1) the highest value use of the spectrum that is forgone by the license or class of licenses or construction permits (i.e., the opportunity cost of spectrum use); (2) the scope and type of permissible services and uses; (3) the amount of spectrum and licensed coverage area; (4) shared versus exclusive use; (5) the level of demand for spectrum licenses or construction permits within a certain spectrum band or geographic area; (6) the amount of revenue raised on comparable licenses awarded through auction; and (7) such other factors that the FCC determines, in its discretion, are necessary to promote efficient and effective spectrum use. These factors may assist the FCC in determining which classes of spectrum licenses and construction permits should be subject to user fees and in developing a methodology that addresses the relative value of the spectrum to different classes of users. The FCC may consider other factors that may be raised during the rulemaking process. The FCC may also determine that certain classes of licenses or permits should be exempt from fees.

Subparagraph (B) requires the FCC to conduct a rulemaking to establish a fee methodology and a fee collection schedule for entities holding Ancillary Terrestrial Component (ATC) authority on Mobile Satellite Service spectrum licenses. The FCC is directed to develop a fee methodology to collect an amount not less than a reasonable estimate of the value of the licenses over their term regardless of whether the spectrum is used for the ATC service. The FCC may take the same factors under subparagraph (A) into account when developing a fee methodology for the spectrum used for ATC service.

Subparagraph (C) directs the FCC to commence a rulemaking regarding fees as a spectrum management tool within 60 days of enactment of the Act. The FCC is also directed to take all actions necessary so that fees for first class or classes of spectrum licenses or construction permits can be collected by September 30, 2012.

Subparagraph (D) provides clarification that the FCC may modify the fee methodology or revise the rules implementing fees either through separate rulemakings, or as part of rulemakings or proceedings involving spectrum-based services, licenses, permits, and uses. Such modifications or revisions may add or modify classes of spectrum license or construction permit holders that must pay fees, and reflect appropriate increases or decreases in fees as a result of the addition,

deletion, reclassification, or other change in a spectrum-based service or use, including changes in the nature of a spectrum-based service or use as a consequence of FCC rulemaking proceedings or changes in law. Such modifications or revisions can take effect upon the date established in the FCC's rulemaking or in the law.

Subparagraph (E) provides an exemption from spectrum licensing fees for holders of licenses for broadcast television and public safety radio services. The meaning of "emergency response providers" is derived from the definition of the term found in section 2(6) of the Homeland Security Act of 2002. Federal agencies are not FCC licensees and would not be subject to FCC fees.

Paragraph (3) directs the FCC to assess penalties for late payment of fees. Paragraph (4) provides the FCC with the authority to revoke a license or permit if the license or construction permit holder has failed to pay to the FCC the fee or penalty authorized under this subsection. Paragraph (5) requires that all proceeds collected by the FCC under this section of the legislation be deposited in the Treasury's General Fund.

Part II – Public Safety Broadband Network

Section 281 – Reallocation of D Block for Public Safety. This section would reallocate spectrum known as the D block for use by first responders and other public safety uses. Under current law, the spectrum would be auctioned.

Section 282 – Flexible Use of Narrowband Spectrum. This section would allow the FCC to authorize broadband technologies to operate in spectrum currently designated for legacy narrowband and other land mobile radio technologies used for public safety operations.

Section 283 – Single Public Safety Wireless Licensee. This section would grant the Public Safety Broadband Corporation, which is established under section 284, the license for the D block of spectrum in addition to certain spectrum held for public safety use by broadband technologies.

Section 284 – Establishment of Public Safety Broadband Corporation. This section establishes the Public Safety Broadband Corporation to promote the construction and development of a nationwide public safety network. The section designates that the Corporation is not an agency or establishment of the U.S. or District of Columbia governments.

Section 285 – Board of Directors of the Corporation. This section establishes that the Corporation shall have a board of directors comprised of Federal and non-Federal members. The section also provides procedures for the election of non-Federal members, qualifications, terms of apportionment, and other matters.

Section 286 – Officers, Employees, and Committees of the Corporation. This section describes the officers and employees of the corporation and compensation among other issues.

Section 287 – Nonprofit and Nonpolitical Nature of the Corporation. This section prohibits the Corporation from profiting on its assets, issuing stock, or supporting political parties or candidates for elective office.

Section 288 – Powers, Duties, and Responsibilities of the Corporation. This section describes the Corporation’s authorities and responsibilities in deploying a nationwide public safety broadband network.

Section 289 – Initial Funding for the Corporation. This section provides up to \$50 million to the National Telecommunications and Information Administration to transfer to the Corporation for expenses before proceeds from spectrum auctions authorized in this bill are realized.

Section 290 – Permanent Self-Funding; Duty to Assess and Collect Fees for Network Use. This section allows the Corporation to charge fees for the use of the public safety broadband network’s capacity, whether public safety users or commercial users on a secondary basis. It also requires that fees cover the operations of the network after the initial expenditure of Federal funds and that proceeds from fees be reinvested in the network.

Section 291 – Audit and Report. This section requires that the Comptroller General have access to the Corporation’s financial records in years where federal funds are available to finance operations. The section also requires the Comptroller General to submit reports to appropriate committees of Congress, the President, and the Corporation after an audit is conducted.

Section 292 – Annual Report to Congress. This section requires the Corporation to submit an annual report to Congress and the President on its activities.

Section 293 – Provision of Technical Assistance. This section allows the Commission and the Departments of Commerce, Justice and Homeland Security to provide technical assistance to the Corporation in carrying out its duties.

Section 294 – State and Local Implementation. This section authorizes a grant program to be administered by NTIA for states and localities to plan for the nationwide public safety broadband network.

Section 295 – State and Local Implementation Fund. This section creates a State and Local Implementation Fund for the grant program authorized in section 294. The fund is authorized to spend up to \$100 million, and up to this amount could be borrowed from future spectrum proceeds to operate the program before proceeds from an auction are realized.

Section 296 – Public Safety Wireless Communications Research and Development. This section authorizes the program at the National Institute of Standards and Technology to develop technical requirements and standards for the public safety broadband network.

Section 297 – Public Safety Trust Fund. This section establishes the Public Safety Trust Fund, where proceeds from certain spectrum auctions are authorized to be deposited. This section provides \$7 billion to build and operate the nationwide public safety broadband network as well

as conduct research to develop standards for the network. Specifically, \$200 million is provided to the state and local grant program to plan for and implement the network, \$6.5 billion is provided for network construction (including up to \$50 million of initial funding provided by NTIA) and up to \$300 million is provided for the public safety communications research and development activities authorized in section 296. Funds are available until fiscal year 2016. In addition, after funds have been provided to licensees that participate in incentive auctions, the Commission may deposit \$1 billion in the incentive auction relocation fund for the purpose of compensating licensees for costs incurred in repacking spectrum to make contiguous blocks available.

Section 298 – FCC Report on Efficient Use of Public Safety Spectrum. This section requires the Commission to report on use of spectrum assigned to public safety entities. This includes an examination of spectrum use, whether efficiency can be increased, and the feasibility of repurposing spectrum.

Section 299 – Public Safety Roaming and Priority Access. This section provides the Commission with authority to adopt rules that allow public safety entities to roam and have priority access on commercial networks in emergencies if certain conditions are met.

Title III – Assistance for the Unemployed and Pathways Back to Work

Subtitle A – Supporting Unemployed Workers

Section 301 – Short Title. This section provides that this subtitle may be cited as the “Supporting Unemployed Workers Act of 2011”.

Part I - Extension of Emergency Unemployment Compensation and Certain Extended Benefits Provisions, and Establishment of Self-Employment Assistance Program

This part provides for the extension of emergency unemployment compensation and certain extended benefits and establishes the self-employment assistance program.

Section 311 – Extension of Emergency Unemployment Compensation Program. This section generally provides for the extension of emergency unemployment compensation benefits. Subsection (a) would extend the emergency unemployment compensation (EUC) program for individuals to enter the program (upon exhaustion of regular unemployment compensation (UC) payments) by one year to January 3, 2013. It also would extend the transition period so individuals would be permitted to continue to receive amounts remaining in their EUC accounts until June 8, 2013. Subsection (b) would continue general revenue funding of EUC benefits and related administrative costs. Subsection (c) would provide that the amendments made by this section take effect as if included in the enactment of the Unemployment Compensation Extension Act of 2010.

Section 312 – Temporary Extension of Extended Benefit Provisions. This section generally provides for the extension of certain extended benefits. Subsection (a) would extend 100 percent Federal funding of most extended benefits (EB) by one year to January 4, 2013. It also would