

107TH CONGRESS
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S. 3112

To amend the Internal Revenue Code of 1986 to provide for a deferral of tax on gain from the sale of telecommunications businesses in specific circumstances or a tax credit and other incentives to promote diversity of ownership in telecommunications businesses.

IN THE SENATE OF THE UNITED STATES

OCTOBER 15, 2002

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for a deferral of tax on gain from the sale of telecommunications businesses in specific circumstances or a tax credit and other incentives to promote diversity of ownership in telecommunications businesses.

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 “Telecommunications
5 Ownership Diversification Act of 2002”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress makes the following
3 findings:

4 (1) Current trends in the telecommunications
5 industry show that there is increasing convergence
6 among various media, including broadcasting, cable
7 television, and Internet-based businesses, that pro-
8 vide news, information, and entertainment.

9 (2) This convergence will continue, and there-
10 fore, diversifying the ownership of telecommuni-
11 cations facilities remains a pre-eminent public inter-
12 est concern that should be reflected in both tele-
13 communications and tax policy.

14 (3) A market-based, voluntary system of invest-
15 ment incentives is a very effective, lawful, and eco-
16 nomically sound means of facilitating entry and di-
17 versification of ownership in the telecommunications
18 industry.

19 (4) Opportunities for new entrants to partici-
20 pate and grow in the telecommunications industry
21 have substantially decreased since the end of the
22 Federal Communications Commission's tax certifi-
23 cate policy in 1995, particularly in light of the in-
24 crease in tax-free like-kind exchanges, despite the
25 most robust period of transfers of radio and tele-
26 vision stations in history. During this time, busi-

1 nesses owned or controlled by socially disadvantaged
2 individuals, including, but not limited to, members of
3 minority groups and women, have continued to be
4 underrepresented as owners of telecommunications
5 facilities.

6 (5) Businesses owned or controlled by socially
7 disadvantaged individuals are and historically have
8 been economically disadvantaged in the tele-
9 communications industry. For these businesses, ac-
10 cess to and cost of capital are and have been sub-
11 stantial obstacles to new entry and growth. Con-
12 sequently, diversification of ownership in the tele-
13 communications industry has been limited.

14 (6) Telecommunications facilities owned by new
15 entrants may not be attractive to investors because
16 their start-up costs are often high, their revenue
17 streams are uncertain, and their profit margins are
18 unknown.

19 (7) It is consistent with the public interest and
20 with the pro-competition policies of the Tele-
21 communications Act of 1996 to provide incentives
22 that will facilitate investments in, and acquisition of
23 telecommunications facilities by, socially and eco-
24 nomically disadvantaged businesses, thereby diversi-
25 fying the ownership of telecommunications facilities.

1 (8) Increased participation by socially and eco-
2 nomicallly disadvantaged businesses in the ownership
3 of telecommunications facilities will enhance com-
4 petition in the telecommunications industry. Permit-
5 ting sellers of telecommunications facilities to defer
6 taxation of gains from transactions involving socially
7 and economically disadvantaged businesses, and re-
8 sulting from investments in designated capital funds
9 that provide capital for such entities, will further the
10 development of a competitive and diverse United
11 States telecommunications industry without govern-
12 mental intrusion in private investment decisions.

13 (9) The public interest would not be served by
14 attempts to diversify the ownership of telecommuni-
15 cations businesses through any approach that would
16 involve the use of mandated set-asides or quotas.

17 (10) Today, the telecommunications industry is
18 struggling to survive one of its most troubling times.
19 Therefore, facilitating voluntary, pro-competitive
20 transactions that will promote ownership of tele-
21 communications facilities by economically and so-
22 cially disadvantaged businesses will aid in providing
23 the investment and capital that is crucial to this sec-
24 tor.

1 (b) PURPOSE.—The purpose of this Act is to facili-
 2 tate voluntary, pro- competitive transactions that will pro-
 3 mote ownership of telecommunications facilities by eco-
 4 nomically and socially disadvantaged businesses.

5 **SEC. 3. NONRECOGNITION OF GAIN ON QUALIFIED SALES**
 6 **OF TELECOMMUNICATIONS BUSINESSES.**

7 (a) IN GENERAL.—Subchapter O of chapter 1 of the
 8 Internal Revenue Code of 1986 (relating to gain or loss
 9 on disposition of property) is amended by inserting after
 10 part IV the following new part:

“PART V—CERTAIN SALES OF TELECOMMUNICATIONS
 BUSINESSES

“Sec.

“1071. Nonrecognition of gain on certain sales of telecommunications busi-
 nesses.

11 **“SEC. 1071. NONRECOGNITION OF GAIN ON CERTAIN SALES**
 12 **OF TELECOMMUNICATIONS BUSINESSES.**

13 “(a) IN GENERAL.—In the case of any qualified tele-
 14 communications sale, at the election of the taxpayer, such
 15 sale shall be treated as an involuntary conversion of prop-
 16 erty within the meaning of section 1033.

17 “(b) LIMITATION ON AMOUNT OF GAIN ON WHICH
 18 TAX MAY BE DEFERRED.—The amount of gain on any
 19 qualified telecommunications sale which is not recognized
 20 by reason of this section shall not exceed \$250,000,000
 21 per transaction and shall not exceed \$83,333,333 per tax-
 22 able year. Excess amounts can be carried forward in fu-
 23 ture years subject to the annual limit.

1 “(c) QUALIFIED TELECOMMUNICATIONS SALE.—For
2 purposes of this section, the term ‘qualified telecommuni-
3 cations sale’ means—

4 “(1) any sale to an eligible purchaser of—

5 “(A) the assets of a telecommunications
6 business, or

7 “(B) stock in a corporation if, immediately
8 after such sale—

9 “(i) the eligible purchaser controls
10 (within the meaning of Section 368(e))
11 such corporation, and

12 “(ii) substantially all of the assets of
13 such corporation are assets of 1 or more
14 telecommunications businesses; and

15 “(2) any sale of a telecommunications business,
16 if the taxpayer purchases, within the replacement
17 period specified in section 1033(a)(2)(b), 1 or more
18 equity interests in an entity that is an eligible pur-
19 chaser as defined in subsection (f)(1)(A) (the Tele-
20 communications Development Fund.).

21 “(d) SPECIAL RULES.—

22 “(1) IN GENERAL.—In applying section 1033
23 for purposes of subsection (a) of this section, stock
24 of a corporation operating a telecommunications
25 business, whether or not representing control of such

1 corporation, shall be treated as property similar or
2 related in service or use to the property sold in the
3 qualified telecommunications sale.

4 “(2) ELECTION TO REDUCE BASIS RATHER
5 THAN RECOGNIZE REMAINDER OF GAIN.—If—

6 “(A) a taxpayer elects the treatment under
7 subsection (a) with respect to any qualified tele-
8 communications sale, and

9 “(B) an amount of gain would (but for
10 this paragraph) be recognized on such sale
11 other than by reason of subsection (b),

12 then the amount of gain described in subparagraph
13 (B) shall not be recognized to the extent that the
14 taxpayer elects to reduce the basis of depreciable
15 property (as defined in section 1017(b)(3)) held by
16 the taxpayer immediately after the sale or acquired
17 in the same taxable year. The manner and amount
18 of such reduction shall be determined under regula-
19 tions prescribed by the Secretary.

20 “(3) BASIS.—For basis of property acquired on
21 a sale or exchange treated as an involuntary conver-
22 sion under subsection (a), see section 1033(b).

23 “(e) RECAPTURE OF TAX BENEFIT IF TELE-
24 COMMUNICATIONS BUSINESS RESOLD WITHIN 3 YEARS,
25 ETC.—

1 “(1) IN GENERAL.—If, within 3 years after the
2 date of any qualified telecommunications sale, there
3 is a recapture event with respect to the property in-
4 volved in such sale, then the purchaser’s tax imposed
5 by this chapter for the taxable year in which such
6 event occurs shall be increased by 20 percent of the
7 lesser of the consideration furnished by the pur-
8 chaser in such sale or the dollar amount specified in
9 subsection (b).

10 “(2) EXCEPTION FOR REINVESTED AMOUNTS.—
11 Paragraph (1) shall not apply to any recapture event
12 which is a sale if—

13 “(A) the sale is a qualified telecommuni-
14 cations sale, or

15 “(B) during the 60-day period beginning
16 on the date of such sale, the taxpayer is the
17 purchaser in another qualified telecommuni-
18 cations sale in which the consideration fur-
19 nished by the taxpayer is not less than the
20 amount realized on the recapture event sale.

21 “(1) RECAPTURE EVENT.—For purposes of this
22 subsection, the term ‘recapture event’ means, with
23 respect to any qualified telecommunications sale—

24 “(A) any sale or other disposition of the
25 assets or stock referred to in subsection (c)

1 which were acquired by the taxpayer in such
2 sale, and

3 “(B) in the case of a qualified tele-
4 communications sale described in subsection
5 (c)(1)(B)—

6 “(i) any sale or other disposition of a
7 telecommunications business by the cor-
8 poration referred to in such subsection, or

9 “(ii) any other transaction which re-
10 sults in the eligible purchaser business not
11 having control (as defined in subsection
12 (c)(1)(B)(i)) of such corporation.

13 “(f) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE PURCHASER.—The term ‘eligible
15 purchaser’ means—

16 “(A) the Telecommunications Development
17 Fund established under section 714 of the
18 Communications Act of 1934 (47 U.S.C. 614),
19 or any wholly-owned affiliate of that Fund;

20 “(B) an economically and socially dis-
21 advantaged business, as defined in paragraph
22 (2) of this subsection; and

23 “(C) an entity qualified under section 851,
24 if more than 50 percent of its gross income is
25 derived from equity investment in an economi-

1 cally and socially disadvantaged business or
2 businesses, as defined in paragraph (2) of this
3 subsection, as determined by the Secretary.

4 “(2) ECONOMICALLY AND SOCIALLY DISADVAN-
5 TAGED BUSINESS.—The term ‘economically and so-
6 cially disadvantaged business’ means a person that
7 is designated by the Secretary as an ‘economically
8 and socially disadvantaged business’ based on a de-
9 termination that the subject person—

10 “(A) meets the control requirements of
11 paragraph (6);

12 “(B) will be a telecommunications business
13 after the purchase for which the eligibility de-
14 termination is sought; and

15 “(C) before the purchase for which the eli-
16 gibility determination is sought does not have:

17 “(i) attributable ownership interests
18 in television broadcast stations having an
19 aggregate national audience reach of more
20 than 5 percent as defined by the Federal
21 Communications Commission under section
22 73.3555(e)(2)(i) of title 47 of the Code of
23 Federal Regulations as in effect on Janu-
24 ary 1, 2001;

1 “(ii) attributable ownership interests
2 in: (a) more than 50 radio stations nation-
3 ally; and (b) radio stations with a com-
4 bined market share exceeding 10 percent
5 of radio advertising revenues in the rel-
6 evant market as defined by the Federal
7 Communications Commission; or

8 “(iii) attributable ownership interests
9 in any other telecommunications business
10 having more than 5 percent of national
11 subscribers.

12 “(3) RELEVANT MARKET.—The term ‘relevant
13 market’ means the local market served by the radio
14 station or stations being purchased.

15 “(4) TELECOMMUNICATIONS BUSINESS.—The
16 term ‘telecommunications business’ means a busi-
17 ness which, as its primary purpose, engages in elec-
18 tronic communications and is regulated by the Fed-
19 eral Communications Commission pursuant to the
20 Communications Act, including a cable system (as
21 defined in section 602(7) of the Communications Act
22 of 1934 (47 U.S.C. 532(7)), a radio station (as de-
23 fined in section 3(35) of that Act (47 U.S.C.
24 153(35)), a broadcasting station providing television
25 service (as defined in section 3(49) of that Act (47

1 U.S.C. 153(49)), a provider of direct broadcast sat-
2 ellite service (as defined in section 335(b)(5) of that
3 Act (47 U.S.C. 335(b)(5)), a provider of video pro-
4 gramming (as defined in section 602(20) of that Act
5 (47 U.S.C. 602(20)); a provider of commercial mo-
6 bile services (as defined in section 332(d)(1) of that
7 Act (47 U.S.C. 332(d)(1)), a telecommunications
8 carrier (as defined in section 3(44) of that Act (47
9 U.S.C. 153(44)); a provider of fixed satellite service;
10 a reseller of telecommunications service or commer-
11 cial mobile service; or a provider of multichannel
12 multipoint distribution service.

13 “(5) PURCHASE.—The taxpayer shall be consid-
14 ered to have purchased a property if, but for sub-
15 section (d)(2), the unadjusted basis of the property
16 would be its cost within the meaning of section
17 1012.

18 “(6) CONTROL.—

19 “(A) INDIVIDUALS.—For purposes of para-
20 graph (2)(A), an individual who meets the re-
21 quirements of paragraph (7) also meets the re-
22 quirements of this paragraph.

23 “(B) ENTITIES.—For purposes of para-
24 graph (1)(B), an entity meets the requirement

1 of this paragraph if the requirements of sub-
2 paragraph (C), (D), or (E) are satisfied.

3 “(C) 30-PERCENT TEST.—The require-
4 ments of this subparagraph are satisfied if—

5 “(i) with respect to any entity which
6 is a corporation, individuals who meet the
7 requirements of paragraph (7) own 30 per-
8 cent or more in value of the outstanding
9 stock of the corporation, and more than 50
10 percent of the total combined voting power
11 of all classes of stock entitled to vote of the
12 corporation; and

13 “(ii) with respect to any entity which
14 is a partnership, individuals who meet the
15 requirements of paragraph (7) own 30 per-
16 cent or more of the capital interest and the
17 profits interest in the partnership, and
18 more than 50 percent of the total com-
19 bined voting power of all classes of part-
20 nership interests entitled to vote.

21 “(D) 15-PERCENT TEST.—The require-
22 ments of this subparagraph are satisfied if—

23 “(i) with respect to any entity which
24 is a corporation—

1 “(I) individuals who meet the re-
2 quirements of paragraph (7) own 15
3 percent or more in value of the out-
4 standing stock of the corporation, and
5 more than 50 percent of the total
6 combined voting power of all classes
7 of stock entitled to vote of the cor-
8 poration; and

9 “(II) no other person owns more
10 than 25 percent in value of the out-
11 standing stock of the corporation; and

12 “(ii) with respect to any entity which
13 is a partnership—

14 “(I) individuals who meet the re-
15 quirements of paragraph (7) own 15
16 percent or more of the capital interest
17 and profits interest of the partner-
18 ship, and more than 50 percent of the
19 total combined voting power of all
20 classes of partnership interests enti-
21 tled to vote; and

22 “(II) no other person owns more
23 than 25 percent of the capital interest
24 and profits interest of the partner-
25 ship.

1 “(E) PUBLICLY-TRADED CORPORATION
2 TEST.—The requirements of this subparagraph
3 are satisfied if, with respect to a corporation
4 the securities of which are traded on an estab-
5 lished securities market—

6 “(i) individuals who meet the require-
7 ments of paragraph (7) own 50 percent or
8 more of the total combined voting power of
9 all classes of stock entitled to vote of the
10 corporation; and

11 “(ii) the stock owned by those individ-
12 uals is not subject to any agreement, ar-
13 rangement, or understanding which pro-
14 vides for, or relates to, the voting of the
15 stock in any manner by, or at the direction
16 of, any person other than an eligible indi-
17 vidual who meets the requirements of para-
18 graph (7), or the right of any person other
19 than one of those individuals to acquire the
20 voting power through purchase of shares
21 or otherwise.

22 “(F) CONSTRUCTIVE OWNERSHIP.—In ap-
23 plying subparagraphs (C), (D), and (E), the fol-
24 lowing rules apply:

1 “(i) Stock or partnership interests
2 owned, directly or indirectly, by or for a
3 corporation, partnership, estate, or trust
4 shall be considered as being owned propor-
5 tionately by or for its shareholders, part-
6 ners, or beneficiaries.

7 “(ii) An individual shall be considered
8 as owning stock and partnership interests
9 owned, directly or indirectly, by or for his
10 family.

11 “(iii) An individual owning (otherwise
12 than by the application of clause (ii)) any
13 stock in corporation shall be considered as
14 owning the stock or partnership interests
15 owned, directly or indirectly, by or for his
16 partner.

17 “(iv) An individual owning (otherwise
18 than by the application of clause (ii)) any
19 partnership interest in a partnership shall
20 be considered as owning the stock or part-
21 nership interests owned, directly or indi-
22 rectly, by or for his partner.

23 “(v) The family of an individual shall
24 include only his brothers and sisters

1 (whether by the whole or half blood),
2 spouse, ancestors, and lineal descendants.

3 “(vi) Stock or partnership interests
4 constructively owned by a person by reason
5 of the application of clause (i) shall, for
6 the purposes of applying clause (i), (ii),
7 (iii), or (iv), be treated as actually owned
8 by that person, but stock constructively
9 owned by an individual by reason of the
10 application of clause (ii), (iii), or (iv) shall
11 not be treated as owned by that individual
12 for the purpose of again applying any of
13 those clauses in order to make another the
14 constructive owner of the stock or partner-
15 ship interests.

16 “(7) INDIVIDUALS.—An individual is described
17 in this paragraph if that individual is

18 “(A) a United States citizen, and

19 “(B) a member of a socially or economi-
20 cally disadvantaged class determined by the
21 Secretary of Treasury to be underrepresented in
22 the ownership of the relevant telecommuni-
23 cations business.”.

1 **SEC. 4. TELECOMMUNICATIONS BUSINESS CREDIT.**

2 (a) IN GENERAL.—Subpart E of part IV of sub-
 3 chapter A of chapter 1 of the Internal Revenue Code of
 4 1986 (relating to rules for computing investment credit)
 5 is amended by inserting after section 48 the following:

6 **“SEC. 48A. TELECOMMUNICATIONS BUSINESS CREDIT.**

7 “For purposes of section 46, there is allowed as a
 8 credit against the tax imposed by this chapter for any tax-
 9 able year an amount equal to 10 percent of the taxable
 10 income of any taxpayer that at all times during that tax-
 11 able year—

12 “(1) is a local exchange carrier (as defined in
 13 section 3(44) of the Communications Act of 1934
 14 (47 U.S.C. 153(44)));

15 “(2) is not a Bell operating company (as de-
 16 fined in section 3(4) of that Act (47 U.S.C.
 17 153(4))); and

18 “(3) is headquartered in an area designated as
 19 an empowerment zone by the Secretary of Housing
 20 and Urban Development.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) AMENDMENT OF SECTION 46.—Section 46
 23 of such Code (relating to amount of credit) is
 24 amended by—

25 (A) striking “and” in paragraph (2);

1 (B) striking “credit.” in paragraph (3) and
 2 inserting “credit; and”; and

3 (C) adding at the end the following: “(4)
 4 the telecommunications business credit.”.

5 (2) CLERICAL AMENDMENTS.—

6 (A) The analysis for part III of subchapter
 7 O of chapter 1 of such Code is amended by
 8 adding at the end thereof the following:

“1071. Sale of telecommunications business.”.

9 (B) The table of sections for Subpart E of
 10 part IV of subchapter A of chapter 1 of such
 11 Code is amended by inserting after the item re-
 12 lating to section 48 the following:

“48A. Telecommunications business credit.”.

13 **SEC. 5. EXCLUSION OF 50 PERCENT OF GAIN.**

14 Section 1202 of the Internal Revenue Code of 1986
 15 (relating to 50 percent exclusion for gain from certain
 16 small business stock) is amended—

17 (1) by adding at the end of subsection (a) the
 18 following:

19 “(3) CERTAIN TELECOMMUNICATIONS INVEST-
 20 MENTS BY CORPORATIONS AND INVESTMENT COMPA-
 21 NIES.—Gross income does not include 50 percent of
 22 any gain from the sale or exchange of stock in an
 23 eligible purchaser (as defined in section 1071(f)(1))
 24 engaged in a telecommunications business (as de-

1 fined in section 1071(f)(3)) held for more than 5
2 years.”;

3 (2) by striking subparagraphs (A) and (B) of
4 subsection (b)(1) and inserting the following:

5 “(A) in the case of gain from the sale or
6 exchange of qualified small business stock held
7 for more than 5 years—

8 “(i) \$10,000,000 reduced by the ag-
9 gregate amount of eligible gain taken into
10 account by the taxpayer under subsection
11 (a) for prior taxable years and attributable
12 to dispositions of stock issued by such cor-
13 porations; or

14 “(ii) 10 times the aggregate adjusted
15 bases of qualified small business stock
16 issued by such corporations and disposed
17 of by the taxpayer during the taxable year;
18 and

19 “(B) in the case of gain from the sale or ex-
20 change of stock in an eligible purchaser engaged in
21 a telecommunications business for more than 5
22 years—

23 “(i) \$20,000,000 reduced by the ag-
24 gregate amount of eligible gain taken into
25 account by their taxpayer under subsection

1 (a) for prior taxable years and attributable
2 to dispositions of stock issued by an eligi-
3 ble purchaser engaged in a telecommuni-
4 cations business; or

5 “(ii) 15 times the aggregate adjusted
6 bases of stock of an eligible purchaser en-
7 gaged in a telecommunications business
8 issued by such eligible purchaser and dis-
9 posed of by the taxpayer during the tax-
10 able year.”;

11 (3) by striking “years.” in subsection (b)(2)
12 and inserting “years or any gain from the sale or ex-
13 change of stock in an eligible purchaser engaged in
14 a telecommunications business held for more than 5
15 years.”; and

16 (4) by striking “ ‘\$10,000,000’.” in subsection
17 (b)(3)(A) and inserting “ ‘\$10,000,000’, and para-
18 graph (1)(B) shall be applied by substituting
19 ‘\$10,000,000’ for ‘\$20,000,000’.”.

20 **SEC. 6. EFFECTIVE DATE—TECHNICAL AND CONFORMING**
21 **CHANGES.**

22 (a) **TAXABLE YEARS.**—The amendments made by
23 section 4 shall apply to taxable years ending after the date
24 of enactment of this Act.

1 (b) SALES.—The amendments made by section 3
2 shall apply with respect to a sale described in section
3 1071(a) of the Internal Revenue Code of 1986 (as added
4 by this section) of a telecommunications business or any
5 equity interest on or after the date of enactment of this
6 Act. The amendments made by section 5 shall apply to
7 sales on or after the date of enactment of this Act.

8 (c) TECHNICAL AND CONFORMING CHANGES.—The
9 Secretary of the Treasury shall, within 150 days after the
10 date of enactment of this Act, submit to the Committee
11 on Ways and Means of the House of Representatives and
12 the Committee on Finance of the Senate, a draft of any
13 technical and conforming changes in the Internal Revenue
14 Code of 1986 which are necessary to reflect throughout
15 the Code the changes in the substantive provisions of the
16 Code made by section 3(a).

17 **SEC. 7. REGULATIONS.**

18 The Secretary of the Treasury, in consultation with
19 the Federal Communications Commission, shall promul-
20 gate regulations to implement this Act no later than 90
21 days after the effective date of this Act. The regulations
22 shall provide for determination by the Secretary as to
23 whether an applicant is an “eligible purchaser” as defined
24 in new section 1071(f) of the IRC of 1986 (as added by
25 section 3 of this Act). The regulations shall further pro-

1 vide that such determinations of eligibility shall be made
2 not later than 45 calendar days after an application is
3 filed with the Secretary. The regulations implementing
4 section 1071(f)(7) of such Code (as added by section 3
5 of this Act) shall be updated on an ongoing basis no less
6 frequently than every 5 years.

7 **SEC. 8. BIENNIAL PROGRAM AUDITS BY GAO.**

8 No later than January 1, 2004, and no less fre-
9 quently than every 2 years thereafter, the Comptroller
10 General shall audit the administration of sections of the
11 Internal Revenue Code of 1986 added or amended by this
12 Act, and issue a report on the results of that audit. The
13 Comptroller General shall include in the report, notwith-
14 standing any provision of section 6103 of the Internal
15 Revenue Code of 1986 to the contrary—

16 (1) a list of eligible purchasers (as defined in
17 section 1071(f)(1) of such Code) and any other tax-
18 payer receiving a benefit from the operation of sec-
19 tion 48A or 1202 of such Code as that section was
20 added or amended by this Act; and

21 (2) an assessment of the effect the amendments
22 made by this Act have on increasing new entry and
23 growth in the telecommunications industry by so-
24 cially and economically disadvantaged businesses,

1 and the effect of this Act on enhancing the competi-
2 tiveness of the telecommunications industry.

○