



July 21, 2017

TO: Members, Subcommittee on Communications & Technology

FROM: Committee Majority Staff

RE: Hearing entitled “Oversight and Reauthorization of the Federal Communications Commission”

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## **I. INTRODUCTION**

The Subcommittee on Communications and Technology will hold a hearing on Tuesday, July 25, 2017, at 10:00 a.m. in 2123 Rayburn House Office Building. The hearing is entitled “Oversight and Reauthorization of the Federal Communications Commission.” The purpose of this hearing is to conduct oversight of the Federal Communications Commission (FCC). The hearing will also consider a discussion draft reflecting, among other things, the Committee’s ongoing efforts to improve the FCC’s process and transparency, and other matters critical to ensuring continued growth and innovation in the communications ecosystem.

## **II. WITNESSES**

- The Honorable Ajit Pai, Chairman, Federal Communications Commission;
- The Honorable Mignon Clyburn, Commissioner, Federal Communications Commission; and,
- The Honorable Michael O’Rielly, Commissioner, Federal Communications Commission.

## **III. BACKGROUND**

The Federal Communications Commission is an independent agency established pursuant to the Communications Act of 1934 to regulate interstate and international communications by radio, television, wire, satellite, and cable.<sup>1</sup> The agency is comprised of five commissioners, appointed by the President and confirmed by the Senate.<sup>2</sup> The agency is organized into seven bureaus: Consumer and Governmental Affairs, Enforcement, International, Media, Public Safety and Homeland Security, Wireless Telecommunications, and Wireline Competition, as well as seven offices: Administrative Law Judges, Communications Business Opportunities, Engineering and Technology, General Counsel, Inspector General, Managing Director, and Media Relations.<sup>3</sup> The agency currently has approximately 1,550 full time employees. The

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<sup>1</sup> Communications Act of 1934, 47 U.S.C. §151.

<sup>2</sup> Communications Act of 1934, 47 U.S.C. §154.

<sup>3</sup> FCC.gov, Offices and Bureaus, <https://www.fcc.gov/offices-bureaus>.

agency was last reauthorized in 1990, at an appropriations level of \$119.8 million for fiscal year 1991.<sup>4</sup> The current agency appropriation is \$473.7 million.<sup>5</sup>

The FCC is responsible for implementing the Communications Act of 1934, the Telecommunications Act of 1996, and other relevant statutes through regulations, pertaining to a wide variety of communications issues. The agency is tasked with creating policies to promote innovation, competition, and investment, and making available robust nationwide communications services.

The Committee examined reauthorization of the FCC in the 114th Congress with consideration of a discussion draft in March 2015.<sup>6</sup> That effort was predicated on continued process failures and abuses, a lack of progress in fulfilling commitments to reform the agency from within, and a growing list of agency actions based on novel and legally suspect interpretations of the law. These things taken together demonstrated a departure from the Commission's core mission as established by Congress and raised concerns with the impact of agency action on one of the most vibrant sectors of the national economy.

There is no debate that the telecommunications ecosystem has changed significantly since 1990. Acknowledgment of this fact along with the history of controversial FCC actions taken under its prior leadership demonstrate that reauthorization is long overdue and necessary to reestablish the FCC as a model agency fostering U.S. innovation and investment. To that end, the Committee will examine the current role of the FCC in a variety of policy areas, including broadband regulation and today's media marketplace, as well as the agency's role moving forward in our increasingly connected world.

#### **IV. ISSUES**

##### **A. Net Neutrality**

On February 26, 2015, the Commission voted to classify broadband Internet service as a "telecommunications service" subject to regulation under Title II of the Communications Act of 1934. In doing so, the FCC reversed course on decades of bipartisan policy under which the Internet flourished and became one of the greatest economic drivers in the Nation's history.<sup>7</sup> By taking this action and thus treating Internet service providers as "common carriers," the majority instead subjected the Internet to a statutory framework adopted before the Internet was ever imagined and crafted to address the provision of telephone service over copper lines by a monopoly provider.

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<sup>4</sup> Federal Communications Commission Authorization Act of 1990, Pub. L. 101-396 (1990).

<sup>5</sup> Consolidated Appropriations Act of 2017, Pub. L. 115-31 (2017).

<sup>6</sup> See *FCC Reauthorization: Oversight of the Commission*, March 19, 2015 available at <https://energycommerce.house.gov/hearings-and-votes/hearings/fcc-reauthorization-oversight-commission>.

<sup>7</sup> See 47 U.S.C. § 230(b); Federal-State Joint Board on Universal Service, Report to Congress, 13 FCC Rcd 11501 (1998) at para. 13.

On June 14, 2016, a three-judge panel of the D.C. Circuit Court of Appeals upheld the FCC's order.<sup>8</sup> The request of broadband industry groups for review by the full court was denied on May 1, 2017, with two judges dissenting.<sup>9</sup> On July 20, 2017, the Supreme Court granted the request of broadband industry groups to extend the deadline for appealing the June 14th order to the higher court.<sup>10</sup>

On May 18, 2017, the FCC adopted a Notice of Proposed Rulemaking commencing the administrative process to examine returning the regulation of the Internet to the bipartisan framework that created and nurtured the rapid and unprecedented economic growth for which it is known.<sup>11</sup> The period for initial comments closed July 17, 2017. Reply comments are due August 16, 2017.

Opponents of reclassification argued, among other things, that the burden of Title II regulation would chill innovation and investment. Although FCC leadership at that time vigorously dismissed that claim, recent data demonstrates a decrease in investment by broadband Internet service providers since the FCC's action.<sup>12</sup> While supporters of Title II have attempted to dispel any downward trend, there is no dispute that the need for robust investment levels are necessary to achieve the promise of a digital ecosystem capable of wireless innovation, IoT functionality, and immersive entertainment options.

As the rulemaking process proceeds at the FCC, there is a growing recognition on both sides of the debate that with the prospect of continued challenges before the courts, legislative action could bring needed certainty to ensure the future of the Internet will be as bright as its past under the bipartisan light-handed regulatory approach that fostered its growth and the innovation.<sup>13</sup>

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<sup>8</sup> *United States Telecom Ass'n v. FCC*, 825 F.3d 674 (D.C. Cir 2016).

<sup>9</sup> *United States Telecom Ass'n v. FCC*, 825 F.3d 674 (D.C. Cir 2016) *reh'g en banc denied*, No. 15-1063, 2017 WL 1541517, at \*1 (D.C. Cir. May 1, 2017).

<sup>10</sup> See <http://thehill.com/policy/technology/342991-supreme-court-gives-telecom-industry-more-time-to-file-for-review-of-net>.

<sup>11</sup> *In the Matter of Restoring Internet Freedom*, Notice of Proposed Rulemaking, WC Docket No. 17-108 (Adopted May 18, 2017) available at [https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-17-60A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-17-60A1.pdf).

<sup>12</sup> See e.g., Broadband Investment Ticked Down in 2015, USTelecom Research Brief available at <https://www.ustelecom.org/news/press-release/broadband-investment-remains-large-ticked-down-2015>.

<sup>13</sup> See e.g., <https://www.cnet.com/news/the-net-neutrality-fight-is-on-where-do-we-go-from-here/>. The Internet Association – the trade association that “exclusively represents leading global internet companies on matters of public policy” is open to legislation action. See *In the Matter of Restoring Internet Freedom*, WC Docket No. 17-108, Comments of the Internet Association, at p. 17, (July 17, 2017). See also, Internet Association *Statement on Fight for the Future's "Betrayal" Billboards* (July 18, 2017) noting IA's willingness to work with Congress available at <https://internetassociation.org/statement-fight-for-future-betrayal-billboards/>.

## **B. Administration of the Lifeline Program**

The Lifeline program was implemented in 1985 and was an outgrowth of the divestiture of AT&T.<sup>14</sup> It was intended to protect low-income households from increases in local rates that occurred as a result of the changes divestiture brought to the marketplace.<sup>15</sup> The FCC restructured and expanded the program after the passage of the Telecommunications Act of 1996, which codified the longstanding national objective of universal service – the principle that all Americans should have access to a baseline level of telecommunications service.<sup>16</sup>

Lifeline reimburses telecommunications carriers deemed eligible to participate in the program for discounting customers' monthly bill for service. Funding for the Lifeline program, as well as the other programs under the Universal Service Fund comes from mandatory fees on telecommunications providers that are usually passed along to consumers through a charge applied to their monthly telephone bills. The Universal Service Administrative Company (USAC), an independent, not-for-profit corporation, administers Lifeline under the FCC's direction.<sup>17</sup> According to USAC's most recent annual report, program expenditures slightly exceeded \$1.5 billion in 2016.<sup>18</sup>

On June 29, 2017, the United States Government Accountability Office (GAO) released yet another report critical of the program and confirming long-standing concerns that waste, fraud, and abuse are rampant, and the FCC is failing in its administration and oversight of the program to safeguard the program's integrity.<sup>19</sup> Among other things, GAO's audit found:

- 1.2 million of the 3.5 million program participants audited – 36 percent – could not be verified for program eligibility;<sup>20</sup>
- 6, 378 individuals reported as deceased were enrolled after time of death;<sup>21</sup>

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<sup>14</sup> *MTS and WATS Market Structure, and Amendment of Parts 67 & 69 of the Commission's Rules and Establishment of the Joint Board*, Report and Order, 50 Fed. Reg. 939 (Jan 8, 1985).

<sup>15</sup> *Id.*

<sup>16</sup> Pub. L. No. 104-104, 110 Stat. 56 (1996).

<sup>17</sup> See <http://www.usac.org/about/>.

<sup>18</sup> See <http://www.usac.org/res/documents/about/pdf/annual-reports/usac-annual-report-interactive-2016.pdf>. \$1.3 billion of this amount is paid to wireless carriers. The FCC opened the program to provide support for prepaid wireless service from non-facilities based carriers beginning in 2005 which led to explosive growth in the program. By 2012 program disbursements reached \$2.19 billion. See <http://www.usac.org/res/documents/about/pdf/annual-reports/usac-annual-report-2012.pdf>.

<sup>19</sup> United States Government Accountability Office, *Telecommunications: Additional Action Needed to Address Significant Risks in FCC's Lifeline Program*, GAO-17-538 (May 2017) (2017 Lifeline Report) (available at <http://www.gao.gov/assets/690/684974.pdf>). See also United States Government Accountability Office, *Telecommunications: Improved Management Can Enhance FCC Decision Making for the Universal Service Low-Income Program*, GAO-11-11 (October 2010) available at <http://www.gao.gov/assets/320/312708.pdf> and United States Government Accountability Office, *Telecommunications: FCC Should Evaluate the Efficiency and Effectiveness of the Lifeline Program*, GAO-15335 (March 2015) available at <http://www.gao.gov/assets/670/669209.pdf>.

<sup>20</sup> 2017 Lifeline Report at p. 38.

<sup>21</sup> *Id.* at p.43.

- 5,510 duplicate subscriptions;<sup>22</sup>
- 12 of 19 carriers tested approved Lifeline eligibility on the basis of fictitious documentation.<sup>23</sup>

Regarding the overall integrity of the program GAO stated:

As observed in previous program audits, the FCC has failed since the program's introduction to evaluate Lifeline's performance in meeting program goals – increasing subscribership among low-income consumers while minimizing the burden on ratepayers.<sup>24</sup>

GAO further noted:

USAC's reliance on carriers to determine eligibility and subsequently submit accurate and factual invoices is a significant risk for allowing potentially improper payments to occur, and under current reporting guidelines these occurrences would likely go undetected and unreported.<sup>25</sup>

Regarding the "Lifeline budget mechanism" adopted on March 31, 2016, the Commission ignored calls to impose a hard cap on the program's budget, a fiscal constraint in place for the other Universal Service programs. Instead, the Commission adopted a "soft cap" on a party-line vote.

In his statement supporting the adoption of his proposal then Chairman Wheeler explained:

To minimize impact on ratepayers, the Order establishes, for the first time, a Lifeline budget mechanism. It sets budget of \$2.25 billion, indexed to inflation. This is a ceiling sufficient to allow for increased participation generated by support for broadband service. The FCC's Wireline Competition Bureau will be required to notify the Commission when spending reaches 90 percent of the budget and to prepare an analysis of the causes of spending growth, followed by full Commission action within 6 months. This mechanism will ensure that the Commission has the notice and comprehensive information it needs to determine the reasons for

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<sup>22</sup> *Id.*

<sup>23</sup> 2017 Lifeline Report at p. 44.

<sup>24</sup> *Id.* at pp. 16-19.

<sup>25</sup> *Id.* at p. 59.

growth in the program and to promptly make any necessary changes to the program to keep it on sound financial footing.<sup>26</sup>

GAO's assessment however stands in stark contrast to the Chairman's claims. GAO found that:

The 2016 Modernization Order does not require the FCC Commissioners to take any immediate action to control expenditure if the budget is exceeded...No requirements are outlined stipulating that the budget must be reapproved by the Commissioners if additional funds are needed to meet program demand...Thus, if costs were to overrun 90 percent of the budget, it could be a year or longer before the commission could take any actions according to the time frame outlined in the order, raising questions about timing, efficacy, and the ability of the budget to control expenditures. Without requiring the Commissioners to review and approve additional spending in a timely manner, substantial increases in demand like those that the program experienced in the past could lead to expenditures beyond those the that FCC budgeted. In such a case, the budget would have limited effect in controlling program costs.<sup>27</sup>

This assessment is particularly disconcerting given the collapse of an agreement among a majority of the Commission—a majority not including the then-Chairman—to impose a hard budget cap on the program in the hours leading up to the Commission's vote – an unravelling contemporaneous with the release of non-public information by the Chairman's office disclosing that there was a compromise on a hard budget for the program.<sup>28</sup>

GAO's report on the Lifeline program demonstrates that even with the reforms implemented by the FCC over the last few years to improve the program, significant weaknesses remain, leaving the program susceptible to waste, fraud, and abuse, to the detriment of the ratepayers that fund the program and those that truly need it.

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<sup>26</sup> See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197, *Connect America Fund*, WC Docket No. 10-90, Statement of Tom Wheeler, (Mar 31, 2016) available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-338676A2.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-338676A2.pdf).

<sup>27</sup> 2017 Lifeline Report at p. 32.

<sup>28</sup> See <http://www.broadcastingcable.com/news/washington/fcc-inspector-general-finds-wheeler-authorized-lifeline-leak/160182>.

### C. Media Ownership

The Commission is statutorily required to complete review of its media ownership rules every four years (Quadrennial Review) to ensure that the rules keep pace with the competitive changes in the marketplace.<sup>29</sup> The FCC regulates the number of radio stations, television stations, and newspapers that a single entity can own within a local market and nationwide, with the goal of promoting competition, localism, and diversity. In the Quadrennial Review, the FCC is charged with determining “whether any of such rules are necessary in the public interest as the result of competition.”<sup>30</sup>

On August 25, 2016, the FCC released the 2014 Quadrennial Review.<sup>31</sup> In the face of undeniable and significant changes in the proliferation of media sources in the market and the significant changes in how people consume media, the majority rejected arguments that the market has evolved so drastically that the ownership rules are not only irrelevant, but detrimental to the health of news gathering organizations. Instead, the majority opted to retain most of the rules that have been in place since 2003 and further restrict media ownership by re-implementing the restrictions on joint sales agreements that had been overturned by the courts.<sup>32</sup> Additionally, the FCC imposed new burdens on broadcasters by adding reporting obligations for stations engaged in shared service agreements, requiring stations to log agreements that allow them to share sales staff, reporting equipment, engineering staff, or other arrangements aimed at reducing overhead costs.<sup>33</sup> The end result was aptly described by Commissioner O’Rielly as “divorced from the realities of today’s media marketplace.”<sup>34</sup>

On December 7, 2016, Committee Chairman Greg Walden and Rep. John Yarmuth introduced a bipartisan bill to repeal another antiquated media ownership rule – the newspaper broadcast cross-ownership ban.<sup>35</sup> The bill, an acknowledgement of the significant changes in the

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<sup>29</sup> Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99 (2004).

<sup>30</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, § 202(h), 110 Stat. 56, 111-12 (1996). The “very purpose” of Section 202(h) is “to function as an ongoing mechanism to ensure that the Commission’s regulatory framework would keep pace with the competitive changes in the marketplace.” *Prometheus Radio Project v. FCC*, Nos. 15-3863, 15-3864, 15-3865 & 15-3866, at 36 (3d Cir. May 25, 2016).

<sup>31</sup> *2014 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MB Docket No. 14-50; *2010 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MB Docket No. 09-182; *Promoting Diversification of Ownership in the Broadcasting Services*, MB Docket No. 07-294; *Rules and Policies Concerning Attribution of Joint Sales Agreements in Local Television Markets*, MB Docket No. 04-2562014, Second Report and Order, (Rel. Aug. 25, 2016).

<sup>32</sup> See e.g., *Contested FCC Media Ownership Order Leaves Rules Largely Unchanged*, available at <http://www.lexology.com/library/detail.aspx?g=e3f79e39-6ab4-4177-a863-5ab979ae7.15>.

<sup>33</sup> *Id.* See also, FCC Fact Sheet: Updating Media Ownership Rules in the Public Interest at <https://www.fcc.gov/document/fact-sheet-media-ownership-rules> (FCC Fact Sheet).

<sup>34</sup> See *Statement of Commissioner Michael P. O’Rielly*, available at [https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-16-107A4.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-107A4.pdf).

<sup>35</sup> See *Bipartisan Bill Takes Aim at ‘Disco-Era’ Media Regs*, Broadcasting & Cable, available at <http://www.broadcastingcable.com/news/washington/bipartisan-bill-takes-aim-disco-era-media-regs/161672>. Text of the bill is available at



media industry over the last several decades, was intended to provide greater flexibility to combine newspapers and broadcasters in order to better compete in the modern communications marketplace.

Chairman Pai acknowledged that the restrictions on media ownership are outdated and has committed to review them.<sup>36</sup> The Commission has already taken steps to revise certain rules. For example, on April 20, 2017, the Commission voted to reinstate the Ultra High Frequency (UHF) discount. The UHF discount is tied to the FCC's national television ownership cap which prohibits a single entity from owning television stations that reach more than 39% of the total television households in the United States. For purposes of this cap, a UHF station was only attributed 50% of the households it served in its market. In 2016, the FCC eliminated this discount on a party-line vote, dramatically increasing the number of households attributed to UHF stations and therefore compliance with the 39% cap. Concluding that the discount and the cap were inextricably linked, the Commission voted to reinstate the discount and vowed to revisit it alongside the national cap.

#### **D. Process Reform**

Over the past several years, this Committee, under Republican and Democratic leadership, has expressed concern that the FCC has fallen short in transparency, efficiency, and accountability. In response to those concerns, the Committee has worked to conduct thorough oversight and adopt legislation that makes productive changes to the agency's processes.

In the 110th Congress, the Committee and its Subcommittee on Oversight and Investigations investigated the FCC's procedures, and the Committee ultimately released a report documenting abuses at the agency.<sup>37</sup> The Committee has held hearings on agency process on a regular basis, seeking input from Commissioners, academics, those regulated by the agency, and other stakeholders. In the 111th Congress, Rep. Barton introduced H.R. 2183, a bill to improve public participation and overall decision-making at the FCC. In the 112th Congress, Chairman Walden and Rep. Kinzinger introduced H.R. 3309 to reform the FCC's procedures, and in the 113th, Chairman Walden, Rep. Kinzinger, and Ranking Member Anna Eshoo together introduced H.R. 3675 to reform the FCC's process, which was reintroduced and passed in the 114th as H.R. 2583, and most recently, introduced and passed in the 115th Congress as H.R. 290. These bills were based on multiple Congressional hearings and investigations, as well as multiple reports from the Government Accountability Office, assessing the transparency and fairness of

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<https://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/documents/114/analysis/20161207WaldenYarmuth.pdf>.

<sup>36</sup> Ted Johnson, "FCC Chairman Ajit Pai Interview: Ownership Rules 'Quite Antiquated'" Variety, Mar. 14, 2017 available at <http://variety.com/2017/biz/news/fcc-ajit-pai-media-ownership-1202008630/>

<sup>37</sup> See House Committee on Energy and Commerce, Deception and Distrust: The Federal Communications Commission under Chairman Kevin J. Martin, 110th Cong. (2008).



FCC procedures.<sup>38</sup> All told, the House of Representatives has passed FCC process reform legislation five times in the last six years, four times unanimously.<sup>39</sup>

In response to the pressure from Congress, the agency has taken steps to make changes in process to address these concerns and promote trust and accountability. Under former Chairman Tom Wheeler, a special counsel was appointed to investigate process failings and recommend changes, as well as a task force formed to consider changes to the agency's process.<sup>40</sup> That process yielded few if any results. Since Chairman Pai's appointment, he has enacted multiple process reforms, based on the legislation and bipartisan input from other commissioners. These reforms include releasing a fact sheet for any proposal to be considered at an open meeting,<sup>41</sup> requiring that any substantive edits to an item on circulation be proposed by a Commissioner instead of staff,<sup>42</sup> requiring a Commission vote before entering into a consent decree on certain items,<sup>43</sup> restrictions of the scope of "editorial privileges" for items that have been adopted by vote,<sup>44</sup> briefing commissioners on open meeting agenda items before the text or content of the items is shared with the public,<sup>45</sup> and a pilot program to release the text of documents to the public in advance of a vote by the Commission at an open meeting.<sup>46</sup> While these changes satisfy some of the concerns surrounding the function of the agency, outstanding issues still exist, including timeliness of decision making, transparency in regards to the status of agency proceedings, policies surrounding the submission of comments to the Commission, public availability of proposed rules, and the use of delegated authority.

## V. DISCUSSION DRAFT

The Discussion Draft reauthorizes FCC Appropriations for fiscal years 2018-2022. The draft authorizes \$322,035,000 in budget authority from regulatory fee offsetting collections, consistent with the agency's FY 2018 request levels.

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<sup>38</sup> See Government Accountability Office Report 10-249, "Information Collection and Management at the Federal Communications Commission," Mar. 2010 at <http://www.gao.gov/products/GAO-10-249>; Government Accountability Office Report 10-79, "FCC Management: Improvements Needed in Communication, Decision-Making Processes, and Workforce Planning," Jan. 2010 at <http://www.gao.gov/products/GAO-10-79>; Government Accountability Office Report 08-125, "FCC Has Made Some Progress in the Management of Its Enforcement Program but Faces Limitations, and Additional Actions Are Needed," Mar. 2008 at <http://www.gao.gov/products/GAO-08-125>; Government Accountability Office Report 07-1046, "FCC Should Take Steps to Ensure Equal Access to Rulemaking Information," Sept. 2007 at <http://www.gao.gov/products/GAO-07-1046>.

<sup>39</sup> Final Vote Results for Roll Call 138, 112th Cong. (2012); 160 Cong. Rec. H2280 (daily ed. Mar. 11, 2014); 161 Cong. Rec. H8182 (daily ed. Nov. 16, 2015); 162 Cong. Rec. H5938 (daily ed. Sept. 27, 2016); 163 Cong. Rec. H572 (daily ed. Jan. 23, 2017).

<sup>40</sup> <https://www.fcc.gov/news-events/blog/2015/07/21/task-force-fcc-process>.

<sup>41</sup> [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2017/db0207/DOC-343394A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0207/DOC-343394A1.pdf).

<sup>42</sup> *Id.*

<sup>43</sup> [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2017/db0208/DOC-343421A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0208/DOC-343421A1.pdf).

<sup>44</sup> [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2017/db0209/DOC-343447A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0209/DOC-343447A1.pdf).

<sup>45</sup> [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2017/db0206/DOC-343355A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0206/DOC-343355A1.pdf).

<sup>46</sup> [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2017/db0202/DOC-343303A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0202/DOC-343303A1.pdf).

The Committee remains committed to ensuring the agency functions in a transparent and efficient manner. As such, the draft includes a number of agency process reforms such as requirements to make items circulated and adopted by the Commission public, and mandatory inclusion of a cost-benefit analysis of proposed rules that may have an economically significant impact.

In an effort to update the agency's workforce to more appropriately align with today's market realities, the draft amends section 9 of the Communications act to allow the Commission additional flexibility in adjusting its regulatory fee schedule. It also elevates the agency's Chief Information Officer and ensures that the CIO has a role in Commission decisions related to information technology. The draft ensures the independence and transparency of the agency's Office of Inspector General by elevating the inspector's status to Establishment IG.

Finally, the draft eliminates the daily newspaper cross-ownership rule, and establishes an Office of Economics and Data within the agency to provide economic analysis for rulemaking proceedings and applications.

## **V. STAFF CONTACTS**

If you have any questions regarding this hearing, please contact Robin Colwell or Tim Kurth of the Committee staff at (202) 225-2927.