

## SUMMARY OF TESTIMONY OF CHAIRMAN MICHAEL K. POWELL

The Communications Act mandates that the Federal Communications Commission's basic mission is to ensure that the American people have available – at reasonable costs and without discrimination – rapid, efficient, nation- and world-wide communications services; whether by radio, television, wire, satellite or cable. The Commission's work involves a range of activities that affect consumers on a daily basis and have an impact on America's telecommunications sector. The FCC's funding request is critical to maintaining a robust and competitive telecommunications industry, securing our communications networks, and spurring growth in the American economy.

The Commission is requesting spending authority of \$292,958,000, with a direct appropriation of \$20,000,000 for Fiscal Year 2005. As in previous years, most of the Commission's funding will be raised through regulatory fees paid by Commission licensees. The Commission's request represents an increased spending level of \$19,000,000 or 6.9 % over the previous fiscal year. During the current fiscal year, the Commission has a \$273,958,000 spending level with all but one million dollars being raised through regulatory fees.

This year's requested increase is necessary both to provide the Commission with the resources to accomplish its mission and to set appropriate regulatory and productivity goals. Of the total, \$5,893,000 is designated for uncontrollable operating increases to maintain Fiscal Year 2004 service levels. The Commission will use \$13,107,000 of the proposed increase for program performance initiatives, including: technology initiatives, lifecycle replacement of enforcement vehicles, upgrading monitoring equipment primarily located in these vehicles; upgrading the testing capabilities of the Columbia, Maryland laboratory; and internal employee training programs.

The Commission also requests its full \$91,318,000 apportionment for auctions funding. This program has raised more than \$14 billion for the United States Treasury while utilizing three percent of total revenues for operations costs. The Office of Management and Budget predicts that auctions during the next five years could raise billions more. More importantly, Spectrum Auctions are a key component of the Commission's spectrum assignment process and are essential to ensuring growth within the telecommunications sector.

This year, the Commission's Fiscal Year 2005 Budget Summary provides a specific delineation of spending by Strategic Plan project goals. The Commission's Strategic Plan goals and objectives are related to the following areas: *broadband, competition, spectrum, media, homeland security and modernizing the FCC*. The Strategic Plan's goals provide a useful outline for discussing our budgetary objectives:

- *Broadband*: Our Strategic Report's broadband goal is on target with the President's announced goal – establish broadband regulatory policies that promote competition, innovation, and investment in broadband services and

facilities while monitoring progress toward the deployment of broadband services in the United States and abroad.

- Competition: The Commission must ensure that there is a comprehensive and sound competitive framework for communications services. Such a framework should foster innovation and offer consumers meaningful choices in services, and be promoted both domestically and overseas.
- Spectrum: The Commission has the important task of using spectrum policy both domestically and internationally to encourage the growth and rapid deployment of innovative and efficient communications technologies and services.
- Media: Our goal is twofold: facilitate the digital television transition and implement Congress' directive to review our broadcast ownership regulations to craft a regime that promotes competition, diversity and localism in a way that can survive judicial scrutiny. In addition, we expect to continue to devote increased resources to indecency enforcement in response to the public's complaints about coarse programming over America's airwaves.
- Homeland Security: The Commission's primary goal is to promote a reliable, secure, and survivable communications infrastructure for the United States.
- Modernization: The FCC has committed itself to making the fundamental changes necessary to become a more responsive, efficient, and effective agency capable of facing the technological and economic opportunities of the new millennium.

The Commission requires proper funding levels to effectuate all of these goals. Each Commission bureau and office, with their staff of engineers, attorneys, economists and support personnel, play an important role in the processes and procedures related to the Strategic Plan's policy goals. Whether for enforcement actions against indecent programming, or to assist consumers' understanding of FCC rules, or for complex rulemakings to spur segments of the telecommunications industry – the Commission's activities are staff-intensive and cost efficient, and provide substantial tangible benefits to American consumers.