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**For Immediate Release**

**FCC RELEASES MEMORANDUM ON USE OF  
ECONOMICS AND ANALYTICS IN RULEMAKINGS**

***Provides Guidance on Incorporating Economic Analysis into the Rulemaking  
Process***

WASHINGTON, November 19, 2020—The Federal Communications Commission today released a memorandum by the Office of Economics and Analytics (OEA) and the Office of General Counsel formalizing the Commission’s procedures for incorporating economic analysis into its decision-making. Among other things, the memorandum establishes expectations for when and how Commission staff should engage OEA for economic review and analysis on Commission items, discusses the extent of economic analysis expected for rules with different levels of economic impact, and outlines the primary elements to be covered in such analysis.

“Sound policymaking at the FCC requires consideration of economic analysis and data analytics. That’s why we created this office—to ensure that economists and data analysts have a seat at the policymaking table,” said FCC Chairman Ajit Pai. “This memorandum lays out a systematic way to incorporate economic analysis into Commission actions that can have a significant impact on the country. I thank our staff for working so hard to bring the Office of Economics and Analytics from design concept to reality.”

The memorandum represents the culmination of a multiyear effort following the Commission’s [2018 order establishing OEA](#) to ensure that the Commission effectively incorporates economics into its deliberative process. Among other things, the order tasked OEA with fulfilling this goal by providing economic analysis for rulemakings, transactions, adjudications, and other Commission actions. The memorandum focuses on OEA’s role in “major rulemakings”—those with an annual impact of \$100 million or more—for which the Commission’s rules require that OEA prepare a “rigorous, economically-grounded cost-benefit analysis.” The memorandum also observes that components of cost-benefit analysis, such as identifying the ends that a proposed regulation is designed to achieve and the consideration of alternatives, will apply to many other rulemakings.

“Getting the economics right is critical and central to why OEA was created,” said OEA Chief Giulia McHenry. “These guidelines explain why objective economic analysis is so valuable to the Commission and when we must perform such analysis. Understanding the potential costs and benefits of any proposed action is critical to developing policies that ultimately benefit the American public, a goal that’s shared by economists, attorneys, and everyone at the Commission.”

FCC General Counsel Thomas Johnson, Jr. stated, “I am proud of the work that my Office and OEA have done to integrate economic analysis more fully into Commission rulemakings.

Writing for the Supreme Court in *Michigan v. EPA*, Justice Scalia emphasized the importance of considering costs and benefits as part of the rulemaking process. The joint memorandum we make public today will help further the Commission's goal of ensuring that its decisions are reasonable and take adequate account of their economic consequences."

More information on OEA can be found on the Commission's [website](#).

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*This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).*