

ONE HUNDRED FOURTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
 COMMITTEE ON ENERGY AND COMMERCE  
 2125 RAYBURN HOUSE OFFICE BUILDING  
 WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
 Minority (202) 225-3641

**MEMORANDUM**

**March 2, 2015**

**To: Subcommittee on Communications and Technology Democratic Members and Staff**  
**Fr: Committee on Energy and Commerce Democratic Staff**  
**Re: Subcommittee Hearing on “Reauthorization of the Federal Communications Commission: The FCC’s FY 2016 Budget Request”**

On Wednesday, March 4, 2015, at 10:30 a.m. in room 2322 of the Rayburn House Office Building, the Subcommittee on Communications and Technology will hold a hearing titled “Reauthorization of the Federal Communications Commission: The FCC’s FY 2016 Budget Request.”

**I. OVERVIEW OF FCC AUTHORIZATION AND BUDGET**

Congress last formally authorized the FCC in 1990.<sup>1</sup> The Commission primarily derives its funding from regulatory fees rather than direct appropriation. The FCC collects these fees from FCC license holders and other regulated entities and retains the fees to offset its costs. These costs may be adjusted based on the level of permissible agency salaries and expenses, as provided by annual appropriations bills.<sup>2</sup>

As part of the FCC’s oversight of the nation’s airwaves, Congress has directed the FCC to conduct certain spectrum auctions. Most recently, the Middle Class Tax Relief and Job Creation Act (the Public Safety and Spectrum Act) directed the FCC to conduct new auctions to make more spectrum available for wireless broadband.<sup>3</sup> Separate from the agency’s general budget authority, the FCC covers the expenses related to spectrum auctions from auction revenues, subject to a cap in annual appropriations bills.

---

<sup>1</sup> Pub L. No. 101-396 (1990).

<sup>2</sup> Pub. L. No. 103-66 (1993).

<sup>3</sup> Pub. L. No. 112-96 (2012).

## **II. FCC FY 2016 BUDGET REQUEST**

For Fiscal Year 2016, the FCC requests budget authority of \$388 million, which would come from the regulatory fees collected by the agency. This is an increase of \$48 million over the \$340 million in budget authority the FCC received in FY 2015. Since FY 2009, the FCC's budget authority has been essentially flat lined. The additional resources requested for FY 2016 would primarily be used to facilitate a move of the FCC's headquarters, modernization of IT services, and a 1% pay raise for full-time employees. Estimated full-time FCC employees in FY 2016 are 1,671, a decrease from 1,708 in FY 2015.<sup>4</sup>

The FCC's budget request also includes additional, off budget spending. The FCC requests \$117 million for auction related expenses out of auction revenues, a spending increase of \$11 million over FY 2015. In addition, the FCC is seeking to transfer \$25 million from the Universal Service Fund (USF) for "oversight costs of USF programs and administration."<sup>5</sup> USF is funded through a line item charge on consumers' monthly phone bills.

## **II. WITNESS**

The following witness has been invited to testify:

**Jon Wilkins**  
Managing Director  
Federal Communications Commission

---

<sup>4</sup> Federal Communications Commission, *Fiscal Year 2016 Budget Estimates Submitted to Congress*, Feb. 2016.

<sup>5</sup> *Id.*