

The Federal Communications Commission: Current Structure and Its Role in the Changing Telecommunications Landscape

Patricia Moloney Figliola

Specialist in Internet and Telecommunications Policy

October 27, 2009

Congressional Research Service

7-5700 www.crs.gov RL32589

Summary

The Federal Communications Commission (FCC) is an independent Federal agency with its five members appointed by the President, subject to confirmation by the Senate. It was established by the Communications Act of 1934 (1934 Act) and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The mission of the FCC is to ensure that the American people have available—at reasonable cost and without discrimination—rapid, efficient, nation- and world-wide communication services; whether by radio, television, wire, satellite, or cable.

Although the FCC has restructured over the past few years to better reflect the industry, it is still required to adhere to the statutory requirements of its governing legislation, the Communications Act of 1934. The 1934 Act requires the FCC to regulate the various industry sectors differently. Some policymakers have been critical of the FCC and the manner in which it regulates various sectors of the telecommunications industry—telephone, cable television, radio and television broadcasting, and some aspects of the Internet. These policymakers, including some in Congress, have long called for varying degrees and types of reform to the FCC. Most proposals fall into two categories: (1) procedural changes made within the FCC or through Congressional action that would affect the agency's operations or (2) substantive policy changes requiring Congressional action that would affect how the agency regulates different services and industry sectors. During the 111th Congress, policymakers may continue efforts begun in the 109th and 110th Congresses to restructure the FCC.

On July 16, 2009, the House of Representatives approved the FCC's requested FY2010 budget of \$335,794,000, with a direct appropriation of \$1 million and the remainder to be collected through regulatory fees. On July 9, 2009, the Senate Committee on Appropriations approved a budget of budget \$335,794,000, however, with no direct appropriation. The requested budget includes funding for initiatives to modernize the Commission's information technology systems and consolidate key licensing systems to reduce costs and make licensing processes speedier and more effective; recruit additional staffing; seek additional funding to continue the DTV transition effort; and acquire additional vehicles and equipment for resolving spectrum interference issues, particularly interference that affects public safety officials. Beginning in the 110th Congress, the FCC is funded through the Financial Services (House) and Financial Services and General Government (Senate) appropriations process as a single line item. Previously, it was funded through what is now the Commerce, Justice, Science appropriations process, also as a single line item. Most of the FCC's budget is derived from regulatory fees collected by the agency rather than through a direct appropriation. The fees, often referred to as "Section (9) fees," are collected from license holders and certain other entities (e.g., cable television systems) and deposited into an FCC account. The law gives the FCC authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriation from year to year. It may also add, delete, or reclassify services under certain circumstances.

Contents

Recent FCC-Related Congressional and Other Government Action	
Hearings: 111 th Congress	
Government Accountability Office Studies	
February 2008 Report (Enforcement Program Management)	1
September 2007 Report (Equal Access to Rulemaking Information)	2
FCC Budget	
FCC Authorization	3
FY2010 Budget	
FY2009 Budget	
FY2008 Budget	4
FY2007 Budget	
Overview of the FCC	4
FCC Structure	6
FCC Strategic Plan	7
Proposals for Change	8
Potential Procedural Changes	8
Adoption/Release of Orders	8
Sunshine Rules	9
Timeliness	9
Enforcement	9
Potential Substantive Changes	10
Additional Reading	10
Contacts	
Author Contact Information	11

Recent FCC-Related Congressional and Other Government Action

The 110th Congress assigned responsibility for Federal Communications Commission (FCC) appropriations process to the Subcommittee on Financial Services within the Committee on Appropriations, where it remains in the 111th Congress.

Hearings: 111th Congress

On September 17, 2009, the House Committee on Energy and Commerce Subcommittee on Communications, Technology, and the Internet held a hearing on the oversight of the FCC. This was the first oversight hearing since Julius Genachowski became Chairman of the Commission and all five commissioners testified. The hearing examined the views of the FCC Commissioners on a wide array of issues, including the progress of the national broadband plan, challenges in creating a national public safety broadband network, and wireless competition.

On July 15, 2009, the Senate Committee on Commerce, Science, and Transportation held a confirmation hearing on the nominations of Mignon Clyburn and Meredith Attwell Baker to be FCC Commissioners. On July 24, 2009, the Senate approved both nominations.

On June 16, 2009, the Senate Committee on Commerce, Science, and Transportation held a confirmation hearing on the nomination of Julius Genachowski and renomination of Robert McDowell to be Chairman and Commissioner of the FCC, respectively. On June 25, 2009, the Senate approved both nominations.

On April 29, 2009, FCC acting Chairman Michael Copps appeared before the House Committee on Appropriations Subcommittee on Financial Services and General Government to explain the agency's budget proposal for FY2010, including a \$15 million request to upgrade its information technology and phone system. Other issues discussed included broadband deployment; spectrum management, including the D Block; and the digital television transition.

Government Accountability Office Studies

The GAO has conducted two studies since 2007 related to the operation of the FCC.

February 2008 Report (Enforcement Program Management)¹

According to the Government Accountability Office's (GAO) analysis of FCC data, between 2003 and 2006, the number of complaints received by the FCC totaled about 454,000 and grew from almost 86,000 in 2003 to a high of about 132,000 in 2005. The largest number of complaints

¹ GAO, Report to the Chairman, Subcommittee on Telecommunications and the Internet, Committee on Energy and Commerce, House of Representatives, "FCC Has Made Some Progress in the Management of Its Enforcement Program but Faces Limitations, and Additional Actions Are Needed," February 15, 2008, available at http://www.gao.gov/new.items/d08125.pdf.

related to violations of the do-not-call list and telemarketing during prohibited hours. The FCC processed about 95% of the complaints it received. It also opened about 46,000 investigations and closed about 39,000; approximately 9% of these investigations were closed with an enforcement action and about 83% were closed with no enforcement action. The GAO was unable to determine why these investigations were closed with no enforcement action because the FCC does not systematically collect these data. The FCC told GAO that some investigations were closed with no enforcement action because no violation occurred or the data were insufficient.

The GAO noted that the FCC assesses the impact of its enforcement program by periodically reviewing certain program outputs, such as the amount of time it takes to close an investigation, but it lacks management tools to fully measure its outcomes. Specifically, FCC has not set measurable enforcement goals, developed a well-defined enforcement strategy, or established performance measures that are linked to the enforcement goals. The GAO stated in its report that without key management tools, FCC may have difficulty assuring Congress and other stakeholders that it is meeting its enforcement mission.

The GAO found that limitations in FCC's current approach for collecting and analyzing enforcement data constitute the principal challenge the agency faces in providing complete and accurate information on its enforcement program. These limitations, according to the GAO, make it difficult to analyze trends; determine program effectiveness; allocate Commission resources; or accurately track and monitor key aspects of all complaints received, investigations conducted, and enforcement actions taken.

September 2007 Report (Equal Access to Rulemaking Information)²

In September 2007, GAO released a study, conducted in response to a Congressional request, on the FCC's rulemaking process. Specifically, the GAO studied four rulemakings as case studies to determine the extent to which the FCC followed the steps for rulemakings required by law, including those related to public participation.³

The GAO found that while the FCC generally followed the rulemaking process in the four case studies and most ex parte filings complied with FCC rules, several stakeholders had access to nonpublic information. For example, in discussions with some stakeholders that regularly participate in FCC rulemakings, multiple stakeholders generally knew when the commission scheduled votes on proposed rules well before FCC notified the public, even though FCC rules prohibit disclosing this information outside of FCC. Other stakeholders said that they could not learn when rules were scheduled for a vote until FCC released the public meeting agenda, at which time FCC rules prohibit stakeholders from lobbying FCC. As a result, stakeholders with

reconsideration with the commission or petition for review in federal court.

² GAO, Report to the Chairman, Subcommittee on Telecommunications and the Internet, Committee on Energy and Commerce, House of Representatives, "FCC Should Take Steps to Ensure Equal Access to Rulemaking Information," September 6, 2007, available online at http://www.gao.gov/new.items/d071046.pdf.

³ The FCC generally begins the rulemaking process by releasing a Notice of Proposed Rulemaking, or "NPRM," and establishing a docket to gather information submitted by the public or developed within the FCC to support the proposed rule. Outside parties are permitted to meet with FCC staff, but must file a disclosure in the docket, called an ex parte filing, that includes any new data or arguments presented at the meeting. Once the FCC staff has analyzed information in the docket and drafted a final rule, the Commissioners vote on whether to adopt it. The FCC chairman decides which rules the commission will consider and whether to adopt them by vote at a public meeting or by circulating them to each commissioner for approval. Stakeholders unsatisfied with a rule may file a petition for

advance information about which rules are scheduled for a vote would know when it would be most effective to lobby FCC, while stakeholders without this information would not.

The GAO recommended that, to ensure a fair and transparent rulemaking process, the chairman of the FCC take steps to ensure equal access to information, particularly in regard to the disclosure of information about proposed rules that are scheduled to be considered by the commission, by developing and maintaining (1) procedures to ensure that nonpublic information will not be disclosed and (2) a series of actions that will occur if the information is disclosed, such as referral to the Inspector General and providing the information to all stakeholders.

FCC Budget

Beginning in the 110th Congress, the FCC is funded through the Financial Services (House) and Financial Services and General Government (Senate) appropriations process as a single line item. Previously, it was funded through what is now the Commerce, Justice, Science appropriations process, also as a single line item.

Most of the FCC's budget is derived from regulatory fees collected by the agency rather than through a direct appropriation. The fees, often referred to as "Section (9) fees," are collected from license holders and certain other entities (e.g., cable television systems) and deposited into an FCC account. The law gives the FCC authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriation from year to year. It may also add, delete, or reclassify services under certain circumstances.

Appropriations language for FY2008 and FY2009 prohibits the use by the Commission of any excess collections received in FY2008 or any prior years. The FCC has proposed the same treatment of excess collections for FY2010. These funds remain in the FCC account and are not made available to other agencies or agency programs nor redirected into the Treasury's general fund.

FCC Authorization

The FCC was last formally authorized in the FCC Authorization Act of 1990 (P.L. 101-396).

FY2010 Budget

On July 16, 2009, the House of Representatives approved the FCC's requested FY2010 budget of \$335,794,000, with a direct appropriation of \$1 million and the remainder to be collected through regulatory fees. On July 9, 2009, the Senate Committee on Appropriations approved a budget of budget \$335,794,000, however, with no direct appropriation.

The requested budget includes funding for initiatives to modernize the Commission's information technology systems and consolidate key licensing systems to reduce costs and make licensing

⁴ The Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66, 47 U.S.C. § 159) requires that the FCC annually collect fees and retain them for FCC use to offset certain costs incurred by the Commission. The FCC implemented the regulatory fee collection program by rulemaking on July 18, 1994.

processes speedier and more effective; recruit additional staffing; seek additional funding to continue the DTV transition effort; and acquire additional vehicles and equipment for resolving spectrum interference issues, particularly interference that affects public safety officials.

FY2009 Budget

On February 23, 2009, Representative David Obey introduced H.R. 1105, the Omnibus Appropriations Act, 2009. The bill was approved by the House of Representatives and referred to the Senate, where it was placed on the Senate Legislative Calendar on February 25, 2009. H.R. 1105 would provide the FCC with a FY2009 budget of \$341,875,000, with that entire amount collected through regulatory fees (i.e., no direct appropriation); while the budget is technically \$3 million more than the FCC's original FY2009 request, that additional amount is earmarked to establish and administer a State Broadband Data and Development grant program.

The Commission originally requested a budget of \$338,874,783 for FY2009. The Commission proposed to receive a direct appropriation of \$1,000,000 and to raise the remainder, or \$337,874,783, through regulatory fees; interim funding was included as part of P.L. 110-329, "The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009."

FY2008 Budget

The President signed a budget for the FCC of \$313 million, with a direct appropriation of \$1 million and the remainder to be collected through regulatory fees (P.L. 110-161, H.Rept. 110-197, S.Rept. 110-128).⁵

FY2007 Budget

President Bush signed the fourth Continuing Resolution (CR) (P.L. 110-5) on February 15, 2007. That CR provided funding at the FY2006 level through September 30, 2007. For FY2007, the House recommended a budget of \$294.261 million (of that figure, \$293.261 million was to be collected through regulatory fees, with a direct appropriation of \$1.0 million) (see H.Rept. 109-520); the Senate Committee on Appropriations recommended a budget of \$301.500 million, all of which was to be collected through regulatory fees (i.e., no direct appropriation) (see S.Rept. 109-280).

Overview of the FCC

The Federal Communications Commission (FCC) is an independent Federal agency with its five members appointed by the President, subject to confirmation by the Senate. It was established by the Communications Act of 1934 (1934 Act or "Communications Act)⁶ and is charged with

-

(continued...)

⁵ \$21.7 million above FY2007 and the same as the President's budget request.

⁶ The Communications Act of 1934, 47 U.S.C. §151 et seq., has been amended numerous times, most significantly in recent years by the Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56 (1996). References in this report are to the 1934 Act, as amended, unless indicated. A compendium of communications-related laws is available from the House Committee on Energy and Commerce at http://energycommerce.house.gov/108/pubs/108-D.pdf. It includes selected Acts within the jurisdiction of the Committee, including the Communications Act of 1934,

regulating interstate and international communications by radio, television, wire, satellite, and cable. The mission of the FCC is to ensure that the American people have available, "without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges."

The 1934 Act is divided into titles and sections that describe various powers and concerns of the Commission.⁹

- Title I—FCC Administration and Powers. The 1934 Act originally called for a commission consisting of seven members, but that number was reduced to five in 1983. Commissioners are appointed by the President and approved by the Senate to serve five-year terms; the President designates one member to serve as chairman. No more than three commissioners may come from the political party of the President. Title I empowers the Commission to create divisions or bureaus responsible for specific work assigned and to structure itself as it chooses.
- Title II—Common carrier regulation, primarily telephone regulation, including
 circuit-switched telephone services offered by cable companies. Common
 carriers are communication companies that provide facilities for transmission but
 do not originate messages, such as telephone and microwave providers. The 1934
 Act limits FCC regulation to interstate and international common carriers,
 although a joint federal-state board coordinates regulation between the FCC and
 state regulatory commissions.
- Title III—Broadcast station requirements. Much existing broadcast regulation was established prior to 1934 by the Federal Radio Commission and most provisions of the Radio Act of 1927 were subsumed into Title III of the 1934 Act. Sections 303-307 define many of the powers given to the FCC with respect to broadcasting; other sections define limitations placed upon it. For example, section 326 of Title III prevents the FCC from exercising censorship over broadcast stations. Also, parts of the U.S. code are linked to the Communications Act. For example, 18 U.S.C. 464 makes obscene or indecent language over a broadcast station illegal.
- Title IV—Procedural and administrative provisions, such as hearings, joint boards, judicial review of the FCC's orders, petitions, and inquiries.

(...continued)

-

Telecommunications Act of 1996, Communications Satellite Act of 1962, National Telecommunications and Information Administration Organizations Act, Telephone Disclosure and Dispute Resolution Act, Communications Assistance for Law Enforcement Act, as well as additional communications statutes and selected provisions from the United States Code. The compendium was last amended on December 31, 2002.

⁷ See About the FCC, available online at http://www.fcc.gov/aboutus.html.

⁸ 47 U.S.C. §151.

⁹ When Congress established the FCC in 1934, it merged responsibilities previously assigned to the Federal Radio Commission, the Interstate Commerce Commission, and the Postmaster General into a single agency, divided into three bureaus, Broadcast, Telegraph, and Telephone. See Analysis of the Federal Communications Commission, Fritz Messere, available online at http://www.oswego.edu/~messere/FCC1.html and the Museum of Broadcast Communications Archive at http://www.museum.tv/archives/etv/F/htmlF/federalcommu/federalcommu.htm for additional information on the history of the FCC.

- Title V—Penal provisions and forfeitures, such as violations of rules and regulations.
- Title VI—Cable communications, such as the use of cable channels and cable ownership restrictions, franchising, and video programming services provided by telephone companies.
- Title VII—Miscellaneous provisions and powers, such as war powers of the President, closed captioning of public service announcements, and telecommunications development fund.

FCC Structure

The FCC is directed by five Commissioners appointed by the President and confirmed by the Senate for five-year terms (except when filling an unexpired term). The President designates one of the Commissioners to serve as Chairperson. Only three Commissioners may be members of the same political party. None of them can have a financial interest in any Commission-related business. The five Commissioners are:

- Julius Genachowski
- Michael Copps
- Robert McDowell
- Mignon Clyburn
- Meredith Attwell.

The day-to-day functions of the FCC are carried out by seven bureaus and 10 offices. The current basic structure of the FCC was established in 2002 as part of the agency's effort to better reflect the industries it regulates. The seventh bureau, the Public Safety and Homeland Security Bureau, was established in 2006.

The bureaus process applications for licenses and other filings, analyze complaints, conduct investigations, develop and implement regulatory programs, and participate in hearings, among other things. The offices provide support services. Bureaus and offices often collaborate when addressing FCC issues. ¹⁰ The Bureaus hold the following responsibilities:

- Wireline Competition Bureau—Administers the FCC's policies concerning common carriers—the companies that provide long distance and local service to consumers and businesses. These companies provide services such as voice, data, and other telecommunication transmission services.
- Enforcement Bureau—Enforces FCC rules, orders, and authorizations.
- Wireless Telecommunications Bureau—Handles all FCC domestic wireless telecommunications programs and policies.¹¹ Wireless communications services include cellular, paging, personal communications services, public safety, and

¹⁰ FCC Fact Sheet, available at http://www.fcc.gov/cgb/consumerfacts/aboutfcc.html.

¹¹ Except those involving satellite communications broadcasting, including licensing, enforcement, and regulatory functions. These functions are handled by the International Bureau.

other commercial and private radio services. This bureau also is responsible for implementing the competitive bidding authority for spectrum auctions.

- Media Bureau—Develops, recommends, and administers the policy and licensing programs relating to electronic media, including cable television, broadcast television and radio in the United States and its territories.
- Consumer & Governmental Affairs Bureau—Addresses all types of consumerrelated matters from answering questions and responding to consumer complaints to distributing consumer education materials.
- International Bureau—Administers the FCC's international telecommunications policies and obligations.
- Public Safety and Homeland Security Bureau—Addresses issues such as public safety communications, alert and warning of U.S. citizens, continuity of government operations and continuity of operations planning, and disaster management coordination and outreach.¹²

The only FCC office that conducts regulatory proceedings is the Office of Engineering and Technology, which advises the FCC on engineering matters. However, the Office of Administrative Law Judges also conducts hearings and issues initial decisions. Other offices are the Office of Communication Business Opportunities, Office of the General Counsel, Office of the Inspector General, Office of Legislative Affairs, Office of the Managing Director, Office of Media Relations, Office of Strategic Planning and Policy Analysis, and Office of Workplace Diversity.¹³

FCC Strategic Plan

In 2003, the FCC adopted a five-year strategic plan promoting six goals relating to broadband, competition, spectrum, media, homeland security, and FCC modernization. In September 2005, the FCC updated this plan with new descriptions of each goal and incorporating "public safety" into its homeland security goal. ¹⁴ The latest status report on the strategic plan was presented at an FCC open meeting on January 17, 2008. ¹⁵ According to the plan:

 Broadband. All Americans should have affordable access to robust and reliable broadband products and services. Regulatory policies must promote technological neutrality, competition, investment, and innovation to ensure that broadband service providers have sufficient incentive to develop and offer such products and services.¹⁶

_

 $^{^{12}}$ For additional information on this bureau, which was formally established in September 2006, please refer to http://www.fcc.gov/pshs/.

¹³ Responsibilities of each of the offices is detailed online at the FCC website at http://www.fcc.gov/aboutus.html.

¹⁴ The FCC Strategic Plans for FY2003-FY2008 and FY2006-FY2011 are available online at http://www.fcc.gov/omd/strategicplan/. The Strategic Plans provide a good reference for the background, mission, and general goals of the FCC. The Strategic Plan also contains a more detailed breakdown and discussion of each of the objectives that comprise each goal.

¹⁵ The presentations for this meeting are available online at http://www.fcc.gov/realaudio/presentations/2008/011708/.

¹⁶ FCC Strategic Plan, FY2006-FY2011, p. 3

- **Competition.** Competition in the provision of communications services, both domestically and overseas, supports the Nation's economy. The competitive framework for communications services should foster innovation and offer consumers reliable, meaningful choice in affordable services. ¹⁷
- Spectrum. Efficient and effective use of non-federal spectrum domestically and internationally promotes the growth and rapid deployment of innovative and efficient communications technologies and services.¹⁸
- **Media.** The nation's media regulations must promote competition and diversity and facilitate the transition to digital modes of delivery. ¹⁹
- **Public Safety and Homeland Security.** Communications during emergencies and crises must be available for public safety, health, defense, and emergency personnel, as well as all consumers in need. The Nation's critical communications infrastructure must be reliable, interoperable, redundant, and rapidly restorable.²⁰
- **FCC Modernization.** The FCC shall strive to be a highly productive, adaptive, and innovative organization that maximizes the benefit to stakeholders, staff, and management from effective systems, processes, resources, and organizational culture.

Proposals for Change

Proposals for change at the FCC can be characterized as either "procedural" changes that focus on the manner in which the agency conducts its business or "substantial" changes that focus on the manner in which the FCC regulates the communications industry.

Potential Procedural Changes

Some of procedural changes under consideration would require new legislation (e.g., Sunshine rules), while others could be achieved through internal FCC action.

Adoption/Release of Orders

The FCC often adopts orders and issues press releases with a summary of the order weeks or even months prior to releasing the order itself. For example, the Triennial Review, which dealt with controversial issues relating to competition in the local telecommunications market, and the 800 MHz order, which dealt with controversial and technically complicated issues related to interference to public safety communications, were released six months and one month, respectively, after they were officially adopted by the Commission. Some congressional

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

policymakers have discussed instituting a "shot clock," which would require the FCC to issue the actual order within a set time frame after it adopts the order and issues a press release.

Sunshine Rules

Under current "sunshine laws," only two commissioners may meet outside the construct of an official "open meeting." While such a requirement, in theory, promotes open discussion of issues under consideration, in reality, most Commission business is conducted by circulating drafts of orders for comment. Further, the open meeting requirement may actually hinder discussion among the commissioners, especially in cases where the disagreement on the draft is significant. In such cases, it might be possible for further compromise if a third or fourth commissioner could be involved in the discussion. While the FCC cannot institute such changes without Congressional amendment to current sunshine requirements, it could be useful to study how other agencies, which do not employ circulation as much as the FCC, work through contentious issues on their agendas. In the past, criticism has been aimed at the sunshine requirements because they could be seen as pushing too much power to the staff and not allowing more than two commissioners to be in the same room at one time. 22

Timeliness

Some of the basic work of the FCC affects the every day function of the telecommunication industry (e.g., license transfers for mergers and sales and license renewals). Some policymakers have expressed concern that these processes take too long to complete. Similar to views concerning more complicated regulatory actions such as rulemaking proceedings, these policymakers believe there should be a strict time limit on how long these actions may take to complete. Such time limits, they state, would provide further operational certainty within the industry.

Enforcement

Enforcement of agency rules is currently the responsibility of the FCC's Enforcement Bureau. Previously, enforcement responsibilities were held by a division within each bureau. For example, enforcement of "slamming" was done by a division within what was then the Common Carrier Bureau (now called the Wireline Competition Bureau). Some policymakers have questioned

_

²¹ The Government in the Sunshine Act, P.L. 94-409, was passed in 1976. It requires that all federal agencies with units that work independently of each other hold their meetings in public session. The bill explicitly defined meetings as essentially any gathering. Many federal agencies, most notably the independent regulatory agencies, including the FCC, are headed by multiple commissioners. These agencies make most of their decisions through discussions and voting by the board or commission members. This law was created so that these meetings would be in the public domain for all to review. Additional information on this law is available online at http://www.everything2.com/index.pl?node_id=1161139.

²² "Stevens to Continue Listening Sessions, But Sees Telecommunications Bill by July," Daily Report for Executives, No. 51, March 17, 2005, Page A-1. This article is available online at http://ippubs.bna.com/IP/BNA/der.nsf/SearchAllView/96C56942C092C93B85256FC70014F11F?Open&highlight=FCC,SUNSHINE.

²³ "Slamming" is the illegal practice of changing a consumer's telephone service, whether local, intralata service, or interlata service (including state to state, in state and international long distance), without permission. See http://www.fcc.gov/slamming/ for additional information.

whether the current "unified" structure is more effective than the previous "diversified" structure and have suggested studying the issue.

Potential Substantive Changes

While the changes discussed above could be made by the FCC absent Congressional action, other, more significant changes would likely require the passage of legislation. In fact, the FCC has restructured over the past few years to better reflect the telecommunications industry, but it is still required to adhere to the statutory requirements of its governing legislation, the Communications Act of 1934. Title I of the 1934 Act gives the FCC the authority to structure itself in the manner it believes will allow it to best fulfill its responsibilities; however, from a practical standpoint, the FCC may not be able to restructure to the extent needed to implement significant changes unless changes are made to the 1934 Act itself.

Some policymakers have been critical of the FCC and the manner in which it regulates various sectors of the telecommunications industry—telephone, cable television, radio and television broadcasting, and some aspects of the Internet. These policymakers, including some in Congress, and various interest group and think tank experts, have long called for varying degrees and types of reform to the FCC. Some have called for significantly downsizing the agency by eliminating its regulatory functions and transforming it into an enforcement agency.²⁴ Others have suggested abolishing the agency and parceling out its functions to other agencies.²⁵ Others still call for more regulation (e.g., indecency).

For additional information about changes to the regulation of various telecommunications services, see CRS Report RS22444, *Net Neutrality: Background and Issues*, by Angele A. Gilroy, and CRS Report RL33034, *Telecommunications Act: Competition, Innovation, and Reform*, by Charles B. Goldfarb.

Additional Reading

CRS Report RS22444, Net Neutrality: Background and Issues, by Angele A. Gilroy.

CRS Report RL33034, *Telecommunications Act: Competition, Innovation, and Reform*, by Charles B. Goldfarb.

CRS Report RL33542, *Broadband Internet Regulation and Access: Background and Issues*, by Angele A. Gilroy and Lennard G. Kruger.

"Reforming the FCC," Conference, held by Public Knowledge (see http://www.publicknowledge.org) and the Silicon Flatirons Center at the University of Colorado

²⁴ See, for example, "How to Reform the FCC," by Randolph J. May, June 21, 2004, available at http://news.com.com/How+to+reform+the+FCC/2010-1071 3-5236715.html.

²⁵ For example, under such a scenario, the FCC would no longer be responsible for reviewing and approving mergers between companies; instead, the Department of Justice would provide anti-trust review. See, e.g., "Why the FCC Should Die," by Declan McCullagh, June 7, 2004, available online at http://news.com.com/2010-1028-5226979.html; and "Law and Disorder in Cyberspace: Abolish the FCC and Let Common Law Rule the Telecosm," 1997, information available at http://www.phuber.com/huber/cl/cl.htm.

(see http://www.silicon-flatirons.org), January 5, 2009. Video of event is online at http://fcc-reform.org/page/conference-agenda.

Author Contact Information

Patricia Moloney Figliola Specialist in Internet and Telecommunications Policy pfigliola@crs.loc.gov, 7-2508