

Tidbits from the FCC's Proposed Budget

February 14, 2012

Yesterday, the FCC released its proposed budget for fiscal year 2013 (beginning in October 2012). The budget offers a few interesting insights into the balance of the FCC's functions. It also offers a preview of what to expect with the FCC's regulatory fees, which are due in September of each year. See below for more.

FCC Proposed Budget. The FCC released its [proposed FY 2013 budget](#) yesterday. It also released a [press release](#) highlighting that the budget will, among other things, promote its efforts to "accelerate broadband deployment" and to implement reforms to the Universal Service Fund programs.

A few highlights relevant to the areas we cover in this blog:

Enforcement is the FCC's largest bureau. The budget proposes an Enforcement Bureau of 299 FTEs, 15% of the total FTEs in the Commission. Enforcement is largest bureau, larger than Wireless Telecom (232 FTEs) and Media (213 FTEs). The Wireline Competition Bureau is proposed to have only 170 FTEs, which is smaller than the Consumer & Governmental Affairs Bureau (195 FTEs).

Twice as many employees work on "competition and innovation" in wireless than in the Wireline Competition Bureau. The budget distributes the number of FTEs by goal identified by the FCC. According to the distribution, in FY 2012 (the current year), Wireless Telecom has 143 FTEs working on "competition and innovation," while the Wireline Competition Bureau has roughly half that amount, 77 FTEs. For FY 2013, the budget restates the goals somewhat, but Wireless Telecom will have 100 FTEs furthering the goal to "promote competition," while the Wireline Competition Bureau will have only 54. Enforcement (53), OET (53) and International (52) have nearly as many FTEs identified as promoting competition as does the Wireline Competition Bureau.

Wireless also will have more FTEs who "advance key national purposes" than Wireline Competition (34 vs 20).

Enforcement has nearly as many employees working on "public safety" as does the Public Safety and Homeland Security Bureau. The budget identifies 61 Enforcement FTEs as furthering the goal of "public safety and homeland security." The Public Safety Bureau, by contrast, has 83.

FCC Regulatory Fees should rise 3% over the next two years. FY 2011 Regulatory Fees (which were paid in September 2011) collected \$335 million. The FY 2012 budget calls for the FCC to collect \$339 million in Regulatory Fees. The FY 2013 budget proposes a request of \$346 million in Regulatory Fees. Next year's fee total is 1% higher; while the fee total proposed in the budget (which would be collected in two years) is 3% higher. There always is a slight shift in the FTE allocations each year, so the actual amount of the increase for each category may vary slightly.

Broadcasters and other entities with spectrum not obtained via auction should be cautious. The FCC is also backing legislation that will allow the Commission to collect user fees on unauctioned

spectrum licenses. This legislation, if enacted, would phase the user fees in over time, but would collect \$4.8 billion through 2022, per the FCC.