

**Senator John Boozman, Chairman**  
**Subcommittee on Financial Services and General Government**  
**Senate Committee on Appropriations**  
**FCC Budget Request for FY2016**  
**Hearing Statement**  
**May 5, 2015**

Good morning. The subcommittee will come to order.

Today the subcommittee will consider the FY 2016 budget request for the Federal Communications Commission. I would like to welcome our witnesses, FCC Chairman Tom Wheeler and Commissioner Ajit Pai.

We look forward to hearing from you both about the details of the FCC's budget request and the work you are doing now to carry out the agency's core mission.

As we consider your request for the next fiscal year, we are mindful of the ongoing need to clear the way for economic opportunity and for international competitiveness. The FCC plays an important role in ensuring that the United States continues to lead the world in innovation and communication.

However, I fear this leading role is slipping. Under a previous chairman, the agency released a book highlighting the critical importance of regulatory independence and transparency in the success of the telecom sector.

According to the book, quote: "If the regulator is tied closely to the incumbent government, changes in government can introduce an element of uncertainty which heightens investment risk, and can serve potentially to deter future investment." End quote.

Unfortunately, the lessons of yesterday may have been lost on today's decision makers.

With the FCC's embrace of the President's plan for Internet regulation, the Commission moved farther and farther away from the independence, transparency, and regulatory certainty our nation deserves.

The FCC's policies and actions have an enormous impact on our country's economic growth and potential. I am interested to hear more about the Commission's other efforts to promote economic growth, reduce regulatory burdens, and increase transparency, predictability, and accountability in the regulatory process.

As members of this Committee, we have a tremendous responsibility to ensure the funds we oversee are spent wisely.

Under the Budget Control Act and the budget resolution, the discretionary spending cap for fiscal year 2016 limits non-defense spending to \$493 billion. This represents an

increase of just \$1.1 billion over the fiscal year 2015 level for all non-defense departments and agencies.

While the FCC's funding is offset by fees that does not in any way minimize our duty to ensure that the agency is operating effectively and the funds are being spent responsibly.

This year the FCC is requesting an increase of \$73 million, 21 percent more than it received in fiscal year 2015. In a disappointing move, the FCC's budget proposes to paper over part of that increase by transferring \$25 million from the Universal Service Fund to augment the FCC's operating budget.

The Universal Service Fund is intended to help ensure that all Americans have access to telecommunications services; it is not intended to be a reserve fund to pay for the FCC's operating expenses.

Many people in Arkansas think the FCC has forgotten about rural America. Transferring money away from broadband deployment to offset agency spending in DC aggravates that all-too-real perception.

All agencies have to make strategic decisions on how to best allocate resources. Spending on staffing levels, contractors, space and equipment needs, and technology must all be appropriately balanced in order for agencies to effectively carry out their core statutory functions.

As we have seen too often, access to more funding does not necessarily ensure that an agency will successfully achieve its mission or spend that funding wisely.

Finally, as we review your budget request, I am interested to hear what decisions you have made to operate more efficiently in order to carry out your responsibilities within current funding levels and would appreciate more specific information regarding the costs of the FCC's projected move of its headquarters.

The American people want a government that works for them, not against them. They want us to curb wasteful spending; make the government more efficient, effective and accountable, and pursue policies that create economic opportunities for everyone.

These are the priorities of the American people. They will be reflected in the critical oversight we conduct as we consider the fiscal year 2016 budget requests for all of the agencies within our jurisdiction.

Again, I look forward to your testimony today and to working with you to address the challenges before us and to clear the way for continued U.S. leadership in communications.

Thank you. I will now turn to my ranking member Senator Coons for his opening statement.