

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Communications and Technology**  
**Hearing on “Reauthorization of the Federal Communications Commission: The FCC’s FY**  
**2016 Budget Request”**  
**March 4, 2015**

*(As Prepared for Delivery)*

Today we are starting down the road to reauthorize the Federal Communications Commission - a task not undertaken since the first Bush administration. We are starting this process with a relatively simple, but important step – an examination of the FCC’s Fiscal Year 2016 Budget Request. We have had numerous concerns about the commission’s processes and recent actions – leading to aggressive oversight of the FCC. Today’s examination of the agency’s budget request will help bring openness and transparency to the nuts and bolts of how the agency executes its mission and where the commission appears to be headed.

The communications ecosystem that the agency oversees today is one that could not have been fully envisioned in 1990. As we look at reauthorization, we must ensure that the FCC is responsive to the marketplace and encourages innovation rather than stand in the way. Demonstrating the need for modernization, the commission majority last week abandoned years of bipartisan light-touch regulation of the Internet in favor of heavy-handed, intrusive government regulation.

On its face, the budget request suggests much more of the same from the FCC, with one caveat. If approved, the agency’s funding will exceed the half billion dollar mark for the first time. And it proposes to reach these heights by expanding its funding sources beyond regulatory fee collections and spectrum auction proceeds to include money taken directly from the Universal Service Fund. This is troubling. The USF is funded directly by consumers of telecommunications services. On its face, it appears that the agency’s solution to the pressing need for fiscal discipline is simply to take money out of consumers’ pockets. And while Congress has approved a transfer of funds from the USF in the past, it approved that funding for the FCC’s Office of Inspector General and expressly for audits and investigations to protect the fund against waste, fraud, and abuse. In contrast, it appears the FCC intends this funding to pay for the costs of performing part of its core mission – implementing and administering the Universal Service Fund.

There are, as we have come to expect, other proposed increases in the commission’s request – more money for IT modernization and \$51 million for the agency’s new offices. Collectively they represent a request for an \$84 million increase in funding for the agency. As I have noted before, it is a critical part of this committee’s work to foster a smaller, more nimble government for the innovation age. I look forward to the examination of these proposed increases and understanding of how the FCC’s request furthers this goal.

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