

# The Federal Communications Commission

An Independent Regulatory Agency

# Organization

- The FCC was created by the Communications Act of 1934
- The FCC has Five Commissioners, Appointed by the President and Confirmed for Five Year Terms
- The Chairman is Selected by the President from among the Commissioners
- The FCC has about 1800 Employees
- Annual Budget is about \$ 350 million

# Budget Details

- FCC receives additional funds from the Treasury for Cost of Spectrum Auctions
- Auction revenue goes entirely to the Treasury
- Auction Expenses less than 2% of Revenue
- All but \$ 1 Million of general appropriation comes from fees and levies on regulated firms
- Substantial revenues from fines and forfeitures goes directly to the Treasury

# FCC Business Model

- Primary Objectives
  - Efficient Use of the Electromagnetic Spectrum
  - Universal Service
    - Geographic
    - Populations within served areas
    - Strategic Users
    - Virtuous Cycle

# Enforcement

- FCC rules once enacted have the force of law
- Self-compliance is the primary vehicle used
- Broad Participation in Rulemaking Encourages Compliance
- Understanding the public purpose of the Rules aids compliance
- FCC Has other mechanisms

# Other Mechanisms

- Audits
- Inspections by FCC Lab
- Inspections and Investigations by FCC field operations
- Formal legal Investigations
- Support where need from U.S. Marshals, and ICE
- Fines and forfeitures
- Possibility of Jail for repeat violations

# Managing Technology and Policy

- FCC is a very small part of a very large dynamic industry
- Most, but not all changes come from outside the FCC
- FCC role is to design an open process such that new ideas get generated
- Respect and Make Use of Standards bodies
- Create New Groups When Needed

# Lessons for Health Care

- Incentives Matter
- Modularity in Design/Organizational Decomposition are essential
- What appears to be a Technical Problem is often an organizational Problem as well
- Diversity in the generation of solution options is to be encouraged