Statement of Chairman Julius Genachowski

Federal Communications Commission

Hearing on "FCC Process Reform"

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Thank you, Chairman Walden, Ranking Member Eshoo, and other members of the subcommittee for this opportunity to testify on the topic of FCC process reform.

At the FCC, we are focused on harnessing the power of communications technology to grow our economy, create jobs, enhance U.S. competitiveness, and unleash innovation in areas like education, health care, and public safety.

On my first day as Chairman, I told the FCC staff that *whether* we can achieve these goals depends on *how* our agency works.

That is why the FCC's processes and operations are so important, and it's why I have made it a priority to improve the way the FCC does business.

Our approach to reform rests on a number of core principles: efficiency and fiscal responsibility; accountability and transparency; reliance on facts and data, on the power of technology to improve agency operations, and on the benefits of collaboration. To drive our reform efforts, I appointed a Special Counsel for FCC Reform immediately after my confirmation. I also hired a new Managing Director with experience running a multi-billion dollar private enterprise to help lead our reform efforts.

My fellow Commissioners have been vital partners in this effort. As Acting Chairman, Commissioner Copps took important steps to open up the agency;

Commissioner McDowell has made valuable suggestions on which we have taken action, and Commissioner Clyburn has taken the lead and has helped us make real progress on our relationships with the states.

In the past two years, working together, we've increased efficiency, increased transparency, increased collaboration, and increased the effectiveness of the FCC.

In the past two years, 95 percent of Commission actions have been bipartisan.

Our goal is to make the FCC a model for excellence in government, and I am proud of our progress toward that objective.

Others agree. A leading commentator said the Commission has gone "from one of the worst … to one of the best" in its use of online tools to serve the public and all stakeholders. Our National Broadband Plan has been lauded as "a model for other nations," and has been praised for its process as well as substance. Just last week, the FCC team that worked on the Plan was nominated for a Service to America Medal, the most prestigious independent award for America's civil servants.

Our overall reform agenda has focused on five key areas, and in each area we've had considerable success.

First, we've substantially improved the agency's rulemaking process.

During my tenure, we've significantly increased the number of Notices of Proposed Rulemakings (NPRMs) that contained the text of proposed rules from 38% to 85%. This is a best practice that we set out early to achieve.

It is also a best practice to release Commission orders promptly upon adoption. To this end, we have significantly reduced the time between the vote on a Commission decision and its release. Previously, the average release time was 14 days after vote. We've lowered that number to 3 days, with a majority released within 1 day.

We've also ensured that comment periods strike a healthy balance between expeditious decision-making and full stakeholder input.

And to increase the transparency of agency decision-making, we've reformed our ex parte rules to improve the information all interested parties

receive and to produce a better record for Commission decision-making. For example, we have changed our rules to require parties to file a summary of *all* ex parte presentations, as opposed to the prior standard of just presentations that contained arguments not already in that person's filings.

In past years, each of these areas has led to some criticism of FCC processes. This Commission has listened, and has taken substantial steps to improve our rulemaking process.

A second important area of reform is relieving burdens on industry and other stakeholders.

This Commission has eliminated 49 outdated regulations. That is far more than new rules issued.

Earlier this year, we identified 20 sets of data collections from industry that are no longer necessary and are moving to eliminate them. In addition to those 20, we approved a measure yesterday to begin the process of eliminating more than 5 unnecessary data collections on international communications; to reduce reporting requirements in those studies that remain; and to exempt hundreds of small businesses from having to report.

These efforts are part of a broader Data Innovation Initiative, which also established the position of FCC Chief Data Officer, who is charged with ensuring that the Commission is efficiently collecting and utilizing data – making sure a fact-based and data-driven agency collects the information it needs, but no more than what it needs.

We continue to work on creating a Consolidated Licensing System. The FCC currently has 10 licensing systems, which perform similar functions but are managed separately by each bureau and office and operate on different platforms. This creates inefficiency inside the agency and outside, and we have been developing a consolidated system would provide a single portal of access to all of the FCC's licensing systems.

We have made it easier for radio stations to certify compliance with our technical rules by better utilizing information submitted and accepted in earlier applications.

This approach of removing barriers is consistent with our broader policy objectives.

In December, we launched a comprehensive review of our current telecommunications regulations, seeking public comment on which regulations are no longer necessary or in the public interest.

Our Broadband Acceleration Initiative is identifying ways to reduce barriers to broadband infrastructure deployment – speeding build-out and reducing costs. One action we have already taken is establishing a shot-clock for the approval process for towers and antennas necessary for mobile communications – speeding up the process for wireless carriers and saving them money so they can more quickly deploy services like 4G mobile broadband.

In a number of important instances, we have modified our rules to make them less burdensome and increase flexibility. For example, we have eliminated unnecessary restrictions on the use of certain spectrum bands. And we have proposed an innovative, market-based approach to freeing-up new spectrum needed for mobile broadband – an initiative that has received support from associations representing thousands of companies, as well as from over 100 leading economists on a bipartisan basis.

We have also focused on analyzing costs and benefits in our decision, and I have instructed Commission staff to perform their responsibilities consistent with the recent Presidential Memorandum on regulatory flexibility, small businesses, and job creation.

Our third area of focus has been improving the Commission's engagement with outside stakeholders, significantly improving both the information we provide the public, and also the opportunities for receiving input from the public.

In doing so, we have focused on harnessing the power of communications technology to improve both communications and interaction between the agency and the public. Our goal has been to be a government leader in these efforts.

For the first time in over a decade, we have updated – in fact, transformed – the FCC's website. The new site – which officially launched yesterday --

promotes broad public engagement through plain language, transparency, and tools to make it easier for all stakeholders – including consumers, researchers and businesses -- to find what they need. One leading technology website described the new FCC.GOV as a "miraculous makeover." Another called it a "model for other agencies," adding that "the bar has been raised for federal government websites."

To solicit ideas on FCC reform itself, the FCC launched an internal and external version of Reboot.FCC.gov where FCC employees and the public have been able to submit their ideas for improving and reforming the agency.

We have used modern communications tools – from blogs to crowdsourcing -- with a focus on enabling broad interaction with the agency. This started by launching the first blog in FCC history, and, indeed, a few weeks ago, we had the first *joint* blog post from all five Commissioners, focusing on the importance of Universal Service Fund reform.

For the first time, we have made it standard practice to live-stream all public workshops and meetings.

We developed new tools -- like a broadband speed test that lets people know how fast their wired or wireless Internet connections actually are. More than 2 million people have taken the test.

In conjunction with NTIA, we developed the nation's first National Broadband map, which identifies what services and what speeds are available in each community – information that is useful to consumers, policy makers, as well businesses and entrepreneurs.

The FCC is also the first federal agency to launch a website that makes government data available in formats that can help entrepreneurs build innovative applications, including making all of our APIs available for developers.

As part of the agency's baseline spectrum inventory, we created our Spectrum Dashboard and FCC's LicenseView. The Spectrum Dashboard identifies how non-federal spectrum is currently being used, who holds spectrum licenses, and where spectrum is available. LicenseView is a comprehensive online portal to information about each spectrum license; it presents data from multiple FCC systems in a searchable, user-friendly manner.

Input from the public is at least as important as information provided to the public. And we have taken a number of significant steps to enhance the input we receive from outside stakeholders.

We've relied extensively on open staff-led public workshops, which were seldom used by previous Commissions. These are opportunities for stakeholders to engage directly with staff on identifying and solving major issues of importance.

The Commission has hosted more than 85 public forums – staff-led workshops as well as Commission-level hearings – since I became Chairman, on topics ranging from public safety to small business opportunities to auction processes. Last month, all five Commissioners participated in the first in a series of workshops on reforming the Universal Service Fund, and we recently hosted a productive public forum on reducing barriers to broadband buildout. All of these events have been streamed online, allowing people anywhere to participate and submit their comments, questions, and ideas.

We have also used technology to expand the universe of participants in FCC proceedings.

The FCC was the first agency in government to include in the official public record comments received online. Over 60,000 comments have been received through these non-traditional avenues. Our new website takes this innovation to the next level. We now have an easy-to-use proceedings page where people can submit comments into the public record with just one click.

Another way we are maximizing input from outside experts is by reinvigorating external advisory committees. Last month, our Technology Advisory Committee, which is comprised primarily of engineers and experts from the business community, issued a series of thoughtful and important policy recommendations aimed at boosting job creation and enhancing U.S. competitiveness.

The fourth area is improvement in the FCC's administration of programs, with a focus on ensuring efficiency, accountability and fiscal responsibility.

For example, our Video Relay Service program, which provides vital communications for people who are deaf or hard-of-hearing, suffered from

serious fraud and abuse. We have instituted reforms to this program that have already saved taxpayers approximately $250 million.

We have also made modernizing and streamlining the outdated and inefficient Universal Service Fund one of the agency's highest priorities. A reformed USF will eliminate waste and deliver targeted resources where they are needed most to ensure that all Americans have access to broadband services.

We are moving to reform the High Cost Fund portions of the USF, as well as the Lifeline/Link-Up program, focused on ensuring that every dollar spent in all programs goes directly and efficiently to serve the programs purposes.

We've also modernized our E-rate program, simplifying the forms schools and libraries fill out for funding for computer equipment, and also offering participants greater flexibility, so they can get faster Internet connections, access 21st century learning tools, and better serve their broader communities.

Fifth and finally, we are focused on improvements to FCC internal processes and operations.

That work begins with staff of the FCC.

We are fortunate to have a core of expert talent that is the envy of every other telecommunications agency in the world.

Given the ongoing changes in technology and the growing importance of this sector, we need to continue upgrading our workforce for the digital age.

So we have focused on ensuring that we have a sufficient number of engineers, technologists, economists, and econometricians with the skills to tackle the challenges of the digital age. Their skills are essential as the Commission increasingly addresses complex matters like dynamic spectrum sharing, spectrum reallocation, and public safety in a digital age. And all of these employees have the experience and knowledge to support the Commission's complex and unprecedented data-driven and fact-based efforts to achieve our country's broadband goals.

To help our staff be more effective, we have made it a priority to tear down silos that in the past have kept them apart – a problem that was emphasized

by the Government Accountability Office reviewing agency operations between August 2008 and October 2009. Collaboration has been proven to be a key ingredient of new innovations and new ideas, so we have created a number of inter-bureau task forces on topics ranging from spectrum to consumer issues to diversity.

Beyond those task forces, we are encouraging a culture of collaboration at the agency, and seeing it emerge. Indeed, most of the presentations to the Commissioners at our monthly public meetings involve multiple bureaus.

To increase collaboration not only across the agency, but across the federal government, we created the Emergency Response Interoperability Center, which, in consultation with federal partners like the Department of Homeland Security, the Department of Justice, NIST and NTIA, is setting the standard for a nationwide, interoperable, wireless broadband network for public safety.

We have also focused on harnessing technology to improve agency operations.   In addition to consolidating the Commission's 10 licensing system into a single database, which will save millions of dollars each year, we also propose reducing the number of the FCC's data centers, which we project would save $1.3 million annually.

We are also committed to clearing out backlogs.

Despite the fact that we are at the lowest FCC staffing level in 10 years, we have made significant progress in reducing the number of backlogged applications.

In particular, we've reduced the number of pending broadcast applications by 30% and the number of satellite applications by 89%.

The bottom line of our internal reforms is that the Office of Personnel Management's government-wide survey of employee views on leadership, results orientation, talent management, and job satisfaction identified the FCC as the Most Improved Agency in the Federal Government.

I'm proud of what we have achieved. The Commission is working effectively. We are moving in the right direction. And I thank my fellow

Commissioners as well as the FCC's career employees who have been instrumental in making this possible.

Of course, there is more we can do to improve performance and I am committed to continuing our efforts at reform. Making the FCC work is so important, because the FCC's mission is so important. It matters to our economy, to our global competitiveness, and to the quality of life for all Americans.

I look forward to working with the Subcommittee on these important issues.

Thank you.