

Written Question for the Record Submitted by Hon. John Thune to Hon. Ajit Pai

***Question.* Chairman Pai, what steps will you take to ensure the Commission has the benefit of robust economic analysis in its rulemakings, which has been sorely lacking in recent years, and is not constrained by legacy “silos” in approaching increasingly convergent communications technologies? What reforms to the FCC’s organization and structure will be necessary, if any, to reflect the changing nature of telecommunications?**

Answer.—Historically, the FCC had been a model for the use of economic analysis in federal policymaking. For example, FCC economists have crafted white papers that have been significant drivers of incredibly important policy innovations, such as the use of auctions to assign licensed spectrum and the use of price cap regulation, rather than rate-of-return regulation. Unfortunately, robust economic analysis has been sorely lacking in the Commission’s decision-making in recent years. For instance, in compliance with the Regulatory Right to Know Act, OMB submits an annual report to Congress detailing the benefits and costs of federal rules. According to OMB’s 2016 assessment, the FCC issued 11 major rules from 2006 to 2015. By their count, *not one* was accompanied by an estimate of benefits or costs. Additionally, FCC experts have published nearly 90 white papers since 1980, but zero since 2012. Finally, the functions of economic and data analysis are performed by terrific FCC staff scattered throughout the agency, unlike the legal function (vested in the Office of General Counsel) and engineering (housed in the Office of Engineering and Technology).

This decline in the use of economic analysis motivated me to announce recently the creation of a working group to establish an Office of Economics and Data, or OED, at the FCC. This Office will combine economists and other data professionals from around the Commission. I envision it providing economic analysis for rulemakings, transactions, and auctions; managing the Commission’s data resources; and conducting longer-term research on ways to improve the Commission’s policies. The working group will develop a plan of action by this summer. The Commission will then carefully consider that plan. My goal is to have the new office up and running by the end of the year. My hope is that this Office will enable the more systematic use of core regulatory principles such as cost-benefit analysis and accuracy of data that underlies FCC decisions.

Written Question for the Record Submitted by Hon. Roy Blunt to Hon. Ajit Pai

***Question.* I applaud your work on the recent Order regarding the weighting of application tiers for the CAF II Auction. Rural Missourians have been watching this proceeding closely, and are pleased with your leadership on behalf of rural areas.**

Does the Commission have a timeline for concluding the auction?

Answer.—I appreciated working closely with your office earlier this year as we moved forward on the Connect America Fund Phase II auction. Just last week, I announced the formation of the Rural Broadband Auctions Task Force to oversee implementation of this auction, among others. The Task Force is diligently working through the pre-auction process, with the expectation of conducting the auction in early 2018.

Written Questions for the Record Submitted by Hon. Dean Heller to Hon. Ajit Pai

Question 1. I have constituents in rural Nevada who rely on over the air tv to get local news and other programming. And the only reason they have that access is because of translators that can get the signal out to them.

But my concern is that after the spectrum auction is over and broadcast stations have been repacked, rural Nevadans access to over the air tv will be drastically cut.

What impact will repacking have on translators and rural Nevadans access to over-the-air tv?

Answer.—Translators provide important services upon which many in rural communities rely. Although the Spectrum Act does not protect translators in the repacking process, I am committed to doing what we can to ensure that as many translators as possible will stay on the air (and flagged this issue when the FCC adopted its Notice of Proposed Rulemaking for the incentive auction in September 2012). For example, the FCC will open a special filing window for operating TV translator stations that are displaced by the repacking and reallocation of the television bands. The FCC has also adopted rules to permit LPTV and TV translators located in the new wireless band (except the guard bands) to remain on their existing channels during the post-auction transition period until they are notified that a forward auction winner is within 120 days of commencing operations. This could allow continued operations in some locations for a number of years. And just last month, the Commission extended additional channel sharing rights to LPTV and TV translator stations and broadened the rules applicable to other stations to increase the likelihood of displaced stations finding a post-auction channel.

Question 2. I appreciate that one of your first moves as Chairman was establishing a new Broadband Deployment Advisory Committee. The Commerce Committee has a lot of members with rural states, including my state of Nevada, and deployment is one of the greatest challenges in our rural areas.

But deployment and access can't be successful without expansion of infrastructure, and utility poles are an essential part of that equation.

Given how technical and complicated pole attachments can be, will this Advisory Committee include any stakeholders from electric companies?

Answer.—Yes. On April 6, 2017, I announced the 29 members selected for the Broadband Deployment Advisory Committee (BDAC). Pertinent to your question, I named Jim Matheson, Chief Executive Officer of the National Rural Electric Cooperative Association and former Utah Congressman, as well as Allen Bell, DOT, Joint Use and Franchise Manager, Georgia Power Company, representing Southern Company.

Question 3. In Nevada, we have 2.8 million wireless subscribers, and 70 percent of high-speed broadband connections in the state are mobile. We need spectrum to meet this demand and continue innovating, creating jobs, and boosting the economy.

But time is the critical factor. In the past, it's taken 13 years on average from start to finish to reallocate spectrum. Does the FCC have any tools to maximize the use of bands that are already authorized for commercial use?

Answer.—Yes. And I am proud that the Commission has already taken several actions during my tenure to do just that. For example, in February, the Commission adopted the Mobility Fund Phase II, which will direct \$4.53 billion over the next decade to facilitate the deployment of advanced mobile service to rural America, where spectrum too often now lies fallow. Also that month, we certified the first LTE-U devices, paving the way for gigabit LTE through the efficient sharing of unlicensed spectrum with Wi-Fi. In March, the Commission also rolled back its outdated regulations that prevented the use of 800 MHz

cellular spectrum for broadband technologies like LTE, and this month the Commission will be considering a package of reforms aimed at speeding the deployment of wireless infrastructure. Each of these actions should help maximize the use of bands that are already authorized for commercial use.