

The Federal Communications Commission: Structure, Operations, and Budget

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SUMMARY

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Policy

The Federal Communications Commission: Structure, Operations, and Budget

The Federal Communications Commission (FCC) is an independent federal agency established by the Communications Act of 1934 (1934 Act, or "Communications Act"). The agency is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The mission of the FCC is to make available for all people of the United States, "without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges."

The FCC operates under a public interest mandate first laid out in the 1927 Radio Act (P.L. 69-632) and reiterated in the 1934 Act; how this mandate is applied depends on how the Commission interprets "the public interest." Some regulators seek to protect and benefit the public at large through regulation, while others seek to achieve the same goals through the promotion of market efficiency. Congress granted the FCC significant latitude and flexibility to interpret the public interest standard to reflect changing circumstances, and neither Congress nor the agency has defined it in concrete terms. These circumstances, paired with changes in FCC leadership according to the party that holds the presidency, have led to significant changes in how the FCC regulates the broadcast and telecommunications industries over time.

The FCC is directed by five commissioners appointed by the President and confirmed by the Senate for five-year terms. The President designates one commissioner as chairperson. By law, the maximum number of commissioners who may be of the same political party is the least number that constitutes a majority (i.e., three). At the time of this report's publication, the agency has two Republican commissioners, Brendan Carr, who was designated chairman by President Trump, and Olivia Trusty, and one Democratic commissioner, Anna Gomez, who was appointed by President Biden. Commissioner Trusty was confirmed by the Senate on June 17, 2025, to finish the term of former Democratic chairwoman Jessica Rosenworcel, which expires June 30, 2025. On June 18, 2025, Trusty was confirmed to a full five-year term, which will begin July 1, 2025. President Trump has not indicated whom he might nominate for the two remaining open seats. Now that the FCC is composed of three commissioners, which forms a quorum, it can act on agenda items at future FCC open meetings. The day-to-day functions of the FCC are carried out by seven bureaus and 12 offices.

Beginning in the 110th Congress, the FCC has been funded through the House and Senate Financial Services and General Government appropriations bill as a single line item. Previously, it was funded through what is now the Commerce, Justice, Science, and Related Agencies appropriations bill, also as a single line item. The FCC's funding is determined by appropriations language, but since 2009, it has been financed 100% by regulatory fees expected to be collected by the agency. The fees, often referred to as "Section (9) fees," are collected from license holders and certain other entities. The FCC is authorized to review the regulatory fees it collects each year and to adjust them to reflect changes in the budget authority provided to the agency from year to year. In most years, appropriations language prohibits the commission from using any excess regulatory fees that are collected in the current or prior fiscal years.

For FY2026, the FCC requested a budget authority of \$416,112,000 from its regulatory fee offsetting collections. The request is an increase of \$25,920,000, or 6.6%, from the FY2025 full-year continuing appropriations level of \$390,192,000. The FCC also requested \$132,681,000 in budget authority for the Spectrum Auctions Program, in which bands of the electromagnetic spectrum are auctioned to wireless telecommunication providers. This request is a decrease of \$3,486,000, or 3%, from the FY2025 full-year continuing appropriations level of \$136,167,000. The FCC's general spectrum auction authority (i.e., authority to auction any band) expired on March 9, 2023. The FCC has separate authority to auction certain other bands, and the agency plans to use the funds for these purposes, as well as other spectrum management activities. Unless Congress reinstates the FCC's authority to conduct auctions, the agency cannot generate or collect auction revenues.

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Introduction

The Federal Communications Commission (FCC) is an independent federal agency with five members appointed by the President, subject to confirmation by the Senate. It was established by the Communications Act of 1934 (1934 Act, or "Communications Act")¹ and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable.² The mission of the FCC is to ensure that all people of the United States have available, "without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges."³

Congress has long taken an interest in the FCC's functions given the agency's responsibility for regulating communications and communications industries, including the broadcast; telecommunications, such as wireline and wireless; cable; and satellite industries. These industries provide everyday and emergency communication services for individuals, businesses, and governments; internet service for schools, libraries, rural health care providers, and tribal areas; and entertainment. FCC-regulated industries are also important to the U.S. economy. As one example, according to an April 2024 report, *Wireless Investment and Economic Benefits*,

From 2020, the five publicly-traded mobile carriers—AT&T, Dish, Verizon, T-Mobile, and UScellular—have invested an average of \$54 billion per year, making them the second-highest investing industry [in the United States] after the Tech/internet sector. Since 2011, the biggest five wireless providers' capital expenditures of \$591 billion are comparable to the capital expenditures of the "Big 5" tech companies (\$611 billion).

This CRS Report provides summaries of

- the 1934 Act, as amended, as it is the governing statute of the FCC;
- agency leadership and composition;
- the FY2026 budget request and Performance Plan;
- agency authorization and reporting to Congress; and
- legislative activity in the 119th Congress.

The Communications Act of 1934

The 1934 Act is divided into titles and sections that describe various powers and concerns of the commission.⁵ The agency is largely organized around the functions described in the titles.

• Title I—FCC administration and powers. The 1934 Act originally called for a commission consisting of seven members, but that number was reduced to five in

¹ The Communications Act of 1934, 47 U.S.C. §§151 et seq., has been amended numerous times, most significantly in the past 25 years by the Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56 (1996). References in this report are to the 1934 Act, as amended, unless indicated.

² See Federal Communications Commission (FCC), "About the FCC," http://www.fcc.gov/about/overview.

³ 47 U.S.C. §151.

⁴ Timothy J. Tardiff, *Wireless Investment and Economic Benefits*, CTIA, April 2024, p. 1, https://api.ctia.org/wp-content/uploads/2024/04/Wireless-Investment-and-Economic-Benefits.pdf. The "Big 5" tech companies are Alphabet (formerly Google), Amazon, Apple, Meta (formerly Facebook), and Microsoft.

⁵ When Congress established the FCC in 1934, it merged responsibilities previously assigned to the Federal Radio Commission, the Interstate Commerce Commission, and the Postmaster General into a single agency, divided into three bureaus, Broadcast, Telegraph, and Telephone.

1983. Commissioners are appointed by the President and approved by the Senate to serve five-year terms; the President designates one member to serve as chairman.

- Title II—Common carrier regulation, primarily telephone regulation, including
 circuit-switched telephone services offered by cable companies. Common
 carriers are communication companies that provide facilities for transmission but
 do not originate messages, such as telephone and microwave providers. The 1934
 Act limits FCC regulation to interstate and international common carriers,
 although a joint federal-state board coordinates regulation between the FCC and
 state regulatory commissions.
- Title III—Broadcast station requirements. Much existing broadcast regulation
 was established prior to 1934 by the Federal Radio Commission, and most
 provisions of the Radio Act of 1927 were subsumed into Title III of the 1934 Act.
- Title IV—Procedural and administrative provisions, such as hearings, joint boards, judicial review of the FCC's orders, petitions, and inquiries.
- Title V—Penal provisions and forfeitures, such as violations of rules and regulations.
- Title VI—Cable communications, such as the use of cable channels and cable ownership restrictions, franchising, and video programming services provided by telephone companies.
- Title VII—Miscellaneous provisions and powers, such as war powers of the President, closed captioning of public service announcements, and telecommunications development fund.

FCC Leadership

The FCC is directed by five commissioners appointed by the President and confirmed by the Senate for five-year terms. The President designates one of the commissioners as chairperson. By law, the maximum number of commissioners who may be of the same political party is the least number that constitutes a majority (i.e., three), and none may have a financial interest in any commission-related business. At the time of this report's publication, the commission has

- two Republican commissioners, Brendan Carr, who was sworn in August 11, 2017, and designated chairman by President Trump in January 2025, and Olivia Trusty, who was confirmed by the Senate on June 17, 2025, and
- one Democratic commissioner, Anna Gomez, who was sworn in September 25, 2023.

Commissioner Trusty was confirmed by the Senate on June 17, 2025, to finish the term of former Democratic chairwoman Jessica Rosenworcel, which expires June 30, 2025. On June 18, 2025, Trusty was confirmed to a full five-year term, which will begin July 1, 2025. President Trump has not indicated whom he might nominate for the two remaining open seats. Now that the FCC is composed of three commissioners, which forms a quorum, it can act on agenda items at future FCC open meetings.

FCC Offices and Bureaus

The day-to-day functions of the FCC are carried out by seven bureaus and 12 offices. The current basic structure of the FCC was established in 2002 as part of the agency's effort to better reflect the industries it regulates. The latest bureau, the Space Bureau, was established on April 2, 2023.

The bureaus process applications for licenses and other filings, analyze complaints, conduct investigations, develop and implement regulatory programs, and participate in hearings, among other things. The offices provide support services. Bureaus and offices often collaborate when addressing FCC issues. The bureaus hold the following responsibilities: 8

- Consumer and Governmental Affairs Bureau—Develops and implements consumer policies, including disability access and policies affecting tribal nations. The bureau serves as the public face of the commission through outreach and education, as well as responding to consumer inquiries and informal complaints. The bureau also maintains collaborative partnerships with state, local, and tribal governments in such areas as emergency preparedness and implementation of new technologies. In addition, the Bureau's Disability Rights Office provides policy and compliance advice on accessibility with respect to various forms of communications for persons with disabilities.
- Wireless Telecommunications Bureau—Responsible for wireless telecommunications programs and policies in the United States and its territories, including licensing and regulatory functions.⁹ Wireless communications services include cellular, paging, personal communications, mobile broadband, and other radio services used by businesses and private citizens.
- Media Bureau—Recommends, develops, and administers the policy and licensing programs related to electronic media, including broadcast, cable, and satellite television in the United States and its territories.
- Enforcement Bureau—Enforces the Communications Act and the FCC's rules. It protects consumers, ensures efficient use of spectrum, furthers public safety, promotes competition, resolves intercarrier disputes, and protects the integrity of FCC programs and activities from fraud, waste, and abuse.
- Wireline Competition Bureau—Develops, recommends, and implements policies
 and programs for wireline telecommunications, including fixed (as opposed to
 mobile) broadband and telephone landlines, striving to promote the widespread
 development and availability of these services. The bureau has primary
 responsibility for the Universal Service Fund, which helps connect all Americans
 to communications networks.
- Public Safety and Homeland Security Bureau—Develops and implements
 policies and programs to strengthen public safety communications, homeland
 security, national security, emergency management and preparedness, disaster

⁶ For information about the FCC rulemaking process, see FCC, "FCC Rulemaking," https://www.fcc.gov/general/fcc-rulemaking. Detailed information about the rulemaking process at federal regulatory agencies can be found in CRS In Focus IF10003, *An Overview of Federal Regulations and the Rulemaking Process*, by Maeve P. Carey, and CRS Report RL32240, *The Federal Rulemaking Process: An Overview*, coordinated by Maeve P. Carey.

⁷ FCC, "What We Do," https://www.fcc.gov/about-fcc/what-we-do.

 $^{^{8}}$ FCC, "Offices & Bureaus," https://www.fcc.gov/offices-bureaus.

⁹ Except those involving satellite communications broadcasting, including licensing, enforcement, and regulatory functions. These functions are handled by the International Bureau.

management, and network reliability. These efforts include rulemaking proceedings that promote more efficient use of public safety spectrum, improve public alerting mechanisms, enhance the nation's 911 emergency calling system, and establish frameworks for communications prioritization during crisis. The bureau also maintains 24/7 operations capability and promotes commission preparedness to assist the public, first responders, the communications industry, and all levels of government in responding to emergencies and major disasters where reliable public safety communications are essential.

Space Bureau—Develops, recommends, and implements policies and programs
for satellite and space-based communications and activities. The bureau strives to
promote a competitive and innovative communications marketplace by leading
licensing and regulatory efforts related to satellite and space-based
communications while fostering the efficient use of scarce spectrum and orbital
resources.

The offices hold the following responsibilities:¹⁰

- Inspector General—Conducts and supervises audits and investigations related to FCC programs and operations.
- Administrative Law Judges—Composed of one judge (and associated staff) who presides over hearings and issues decisions on matters referred by the FCC.
- Engineering and Technology—Advises the FCC on technical and engineering matters. This office develops and administers FCC decisions regarding electromagnetic spectrum allocations for wireless communication and grants equipment authorizations and experimental licenses.
- General Counsel—Serves as the FCC's chief legal advisor and representative.
- Managing Director—Administers and manages the operations of the FCC.
- Media Relations—Informs the media of FCC decisions and serves as the FCC's main point of contact with the media.
- International Affairs—Administers the FCC's international telecommunications and satellite programs and policies, including licensing and regulatory functions.
- Economics and Analytics—Responsible for expanding and deepening the use of
 economic analysis into FCC policymaking, for enhancing the development and
 use of spectrum auctions, and for implementing agencywide data practices and
 policies. The office also manages the FCC's auctions in support of and in
 coordination with other bureaus and offices.
- Legislative Affairs—Serves as the liaison between the FCC and Congress, as well as other federal agencies.
- Communications Business Opportunities—Promotes competition and innovation in the provision and ownership of telecommunications services by supporting opportunities for small businesses as well as women and minority-owned communications businesses.
- Workplace Diversity—Ensures that the FCC provides employment opportunities for all persons regardless of race, color, sex, national origin, religion, age, disability, or sexual orientation.

¹⁰ FCC, "Offices & Bureaus," https://www.fcc.gov/offices-bureaus.

• Secretary—Preserves the integrity of FCC records, oversees the receipt and distribution of documents filed by the public through electronic and paper filing systems, and gives legal notice of FCC decisions by publishing them in the *Federal Register* and the *FCC Record*.

FCC Budget, FY2026

Since the 110th Congress, the FCC has been funded through the House and Senate Financial Services and General Government appropriations bill as a single line item. Previously, it was funded through what is now the Commerce, Justice, Science, and Related Agencies appropriations bill, also as a single line item. The FCC's budgets from FY2012 to FY2026 are shown in **Figure 1**. The FCC's funding is determined by appropriations language, but since 2009, it has been financed 100% by regulatory fees expected to be collected by the agency.¹¹

By law, the FCC is to annually collect and retains regulatory fees to offset costs incurred by the agency and to carry out its functions. ¹² The FCC is authorized to review the regulatory fees each year and adjust them to reflect changes in its appropriation from year to year.

For FY2026, the FCC requested a budget authority of \$416,112,000 from regulatory fee offsetting collections. The request is an increase of \$25,920,000, or 6.6%, from the FY2025 full-year continuing appropriations level of \$390,192,000. The FCC also requested \$132,681,000 in budget authority for the Spectrum Auctions Program. This request is a decrease of \$3,486,000, or 3%, from the FY2025 full-year continuing appropriations level of \$136,167,000. The FCC's general spectrum auction authority expired on March 9, 2023. Unless Congress reinstates the FCC's authority to conduct auctions, the agency cannot generate or collect auction revenues. ¹³

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¹¹ This requirement was included in the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66, 47 U.S.C. §159). The fees, often referred to as "Section (9) fees," are collected from license holders and certain other entities (e.g., cable television systems). The regulatory fees do not apply to governmental entities, amateur radio operator licensees, nonprofit entities, and certain other noncommercial entities. The Consolidated Appropriations Act, 2018 (P.L. 115-141), reauthorized the FCC for the first time since 1990 (FCC Authorization Act of 1990; P.L. 101-396).

¹² The commission originally implemented the regulatory fee collection program by rulemaking on July 18, 1994. 47 U.S.C. §159.

¹³ For additional information on the FCC's spectrum auction authority, see CRS Report R47258, FCC Spectrum Auction Authority: Background and Proposals for Extension, by Jill C. Gallagher and Patricia Moloney Figliola, and CRS Report R47578, The Federal Communications Commission's Spectrum Auction Authority: History and Options for Reinstatement, by Patricia Moloney Figliola and Jill C. Gallagher.

■ Regulatory Fees (Collection Authority)
■ Sequestered Amount
■ HQ Move
■ Reguest \$500 \$450 \$416 \$374 \$382 \$390 \$390 \$390 \$384 \$400 \$340 \$322 \$339 \$339 \$340 \$340 \$350 \$300 \$250 \$200 \$340 \$340 \$323 \$150 \$100 \$50 Ġ0 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

Figure 1. Historical Distribution of Appropriated FCC Budget Authority FY2012-FY2026 Request

(Current Dollars in Millions)

Source: Federal Communications Commission (FCC), 2026 Budget Estimates to Congress, May 2025, https://docs.fcc.gov/public/attachments/DOC-411718A1.pdf.

Notes: For FY2016 and FY2017, \$44 million and \$17 million, respectively, were provided for the necessary expenses associated with moving the FCC headquarters (HQ) to a new facility to significantly reduce space consumption. In FY2013, the FCC's appropriated budget authority was reduced by \$17 million because of the FY2013 sequestration order implemented on March 1, 2013, as required by the Budget Control Act of 2011 (P.L. 112-25). The total amount shown for FY2013 in the graph includes the \$17 million sequestered amount.

FCC Performance Plan, FY2026

The FCC's Performance Plan is submitted with the commission's annual budget request to Congress. The FY2026 plan outlines four goals, shown in **Table 1**. For more detailed information about how the FCC is working to achieve the goals described in the Performance Plan, see CRS In Focus IF13026, *The Federal Communications Commission: FY2026 Performance Plan and Selected Actions*, by Patricia Moloney Figliola.

Table I. Performance Goals and Indicators Chart, FY2026

Performance Goal Goal I: Accelerate Highspeed Internet Builds • Expand commercial access to mid-band spectrum and seek reauthorization of auction authority from Congress. • Reduce barriers to broadband deployment. • Ensure access to spectrum resources necessary to fuel space, mobile broadband, and unlicensed wireless device sector growth. • Alleviate regulatory requirements to facilitate technology transitions and innovation.

Performance Goal	Performance Indicator
Goal 2: Promote National Security and Public Safety	Establish and advance the work of the new FCC Council on National Security.
	 Support the interoperability, resiliency, security, and rapid restoration of critical communications infrastructure and services; and the public safety community's access to spectrum resources.
	 Restore U.S. international leadership in space and terrestrial-based communications.
	 Promote the public's and first responders' access to reliable 911 and Next Generation (NG) 911 services.
	 Advance emergency alerting capabilities that are more responsive to public safety and consumer needs.
Goal 3. Protect Consumers and Promote Free Speech	Crack down on illegal robocalls.
	 Ensure consumers have access to information on choice and advanced telecommunications and technologies.
	 Ensure that FCC policies consider consumer protection issues across all technologies and sectors.
Goal 4: Enhance Efficiency and Accountability, and Reduce Waste	Reduce regulatory overreach and eliminate unnecessary regulations.
	Promote transparency and timeliness in operations.
	 Reduce fraud, waste, and abuse across FCC programs and operations.

Source: FCC, Agency Performance Plan: Fiscal Year 2026, May 30, 2025, p. 4, https://www.fcc.gov/sites/default/files/FY-2026-FCC-Agency-Performance-Plan.pdf.

Note: The information in this table is reproduced verbatim from the listed source.

FCC Reporting to Congress

The FCC publishes four periodic reports for Congress. All of these reports are available on the FCC website, https://www.fcc.gov/about/strategic-plans-budget.

- Strategic Plan. The five-year Strategic Plan is the framework around which the FCC develops its yearly Performance Plan and Performance Budget. It is developed and submitted in accordance with the Government Performance and Results Modernization Act of 2010, P.L. 111-352.
- Performance Budget. The annual Performance Budget includes performance targets based on the FCC's strategic goals and objectives, and serves as the guide for implementing the Strategic Plan. The Performance Budget becomes part of the President's annual budget request.
- Agency Financial Report. The annual Agency Financial Report contains financial and other information, such as a financial discussion and analysis of the agency's status, financial statements, and audit reports.
- Annual Performance Report. At the end of the fiscal year, the FCC publishes an Annual Performance Report that compares the agency's actual performance with its targets.¹⁴

¹⁴ Office of Management and Budget (OMB) Circular A-136 allows agencies the option of producing (1) two separate reports, an Agency Financial Report and an Annual Performance Report, or (2) a consolidated Performance and Accountability Report. The same information is provided to Congress in either case. The FCC elected the first option for FY2011. Also, in addition to the reports it submits to Congress, the FCC publishes an annual Summary of Performance and Financial Information, which is a citizen-focused summary of the FCC's yearly activities.

Legislative Activity in the 119th Congress

As of this report's publication, no bills that would affect the operation of the FCC have been introduced in the 119th Congress.

One hearing related to FCC operations and budget has been held in the 119th Congress:

 "Oversight of the Federal Communications Commission," Subcommittee on Financial Services and General Government, House Committee on Appropriations, May 21, 2025.¹⁵

Issues of Interest to Congress

In addition to ongoing potential congressional issues of interest related to the FCC, the House Committee on Appropriations oversight hearing on May 21, 2025, highlighted several recent issues and questions:

- Are the goals described in the FCC's FY2026 Performance Plan consistent with congressional intent?
- With fewer full-time equivalent (FTE) staff in all but one bureau or office (projected to be 119 fewer from FY2024 through FY2026), how might those reductions, if at all, affect the FCC's ability to fulfill its mission and achieve its performance goals? For example, "supporting domestic violence survivors" is an agency performance indicator, but the FCC recently stated that it cannot implement that rule because of "complex technical implementation challenges." 16
- What considerations, if any, might FCC's plans to eliminate regulations without notice and comment raise with regard to the Administrative Procedure Act?
- Can profits from spectrum auctions be included as a means for deficit reduction in the FY2026 budget reconciliation bill? The House of Representatives has included the use of auction proceeds for this purpose in H.R. 1, but it is unclear as of the date of this report's publication whether the Senate Parliamentarian will approve this language under the "Byrd rule" for inclusion in the Senate version of the bill. 17 If profits from auctions cannot be used, that could have an effect on the bill as a whole.
- Will the FCC be able to expand the use of new satellite services, as planned for in its broadband policies, without spectrum auction authority?

¹⁵ For the full hearing video and Chairman Brendan Carr's written testimony, see House Committee on Energy and Commerce, "Hearing on 'Oversight of the Federal Communications Commission," May 21, 2025, https://appropriations.house.gov/schedule/hearings/oversight-hearing-federal-communications-commission.

¹⁶ FCC, "WCB Extends Deadline for Domestic Violence Hotline Database," April 25, 2025, https://www.fcc.gov/document/wcb-extends-deadline-domestic-violence-hotline-database.

¹⁷ The Byrd rule prohibits the inclusion of non-budgetary provisions in reconciliation bills.

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