

**SEPARATE STATEMENT OF  
COMMISSIONER JAMES H. QUELLO  
IN WHICH  
COMMISSIONER PATRICIA DIAZ DENNIS JOINS**

**RE: Budget Estimates for FY 1991 - Submission to the Office of Management and Budget.**

I am taking the unusual step of concurring with this proposed FY 1991 budget for the Federal Communications Commission. My concerns focus on two areas of the proposed budget; the process by which the budget is developed and specific reductions in the budget allocations for technical equipment.

In the past, the budget proposal process was conducted in closed Commission meetings. In these meetings the Bureau and Office Chiefs would present their requested budgets with corresponding justifications before the full panel of Commissioners and the Managing Director. Budgets were then formulated, reviewed by Bureau and Office Chiefs, the Managing Director and voted by the full Commission.

Over the past few years, the budget process has diminished the role of the Commissioners. Currently, budget requests are made by Bureau and Office Chiefs to the Managing Director. The Managing Director will review the requests and present counter budgets. Bureau and Office Chiefs may appeal to the Managing Director if there are areas of disagreements between the requested amount and the Managing Director's counter proposal. After a budget agreement is reached, the Managing Director presents the budget package to the Commission for a vote. Unfortunately, the Commissioners have not had the opportunity to hear the justification for budget requests made by Bureau and Office Chiefs. Typically, the budget is presented to the Commission late in the budget development and submission process. Furthermore, this year additional budget reductions have been made by the Managing Director at the request of the Chairman and without the review of Bureau and Office Chiefs. Such an approach to budget reductions deprives the Commission of input by those most knowledgeable about the allocation of resources.

My second concern focuses on a specific area of the Commission hardest hit by frequent budget reductions -- resources allocated for technical equipment. I am concerned that we are reaching a critical point where the Commission will be unable to perform its Congressionally mandated functions. There are several examples I could point to; however, I will highlight areas of major concern and possible consequences.

Over the past ten years, the Field Operations Bureau (FOB) has been hardest hit by budget reductions. These reductions have occurred at a time when the Commission has experienced

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tremendous growth in sheer number of licensees and when requests for services are made by other government agencies for such matters as drug intervention. For example, since 1979, FOB has had a reduction in personnel from 512 to the most current figure of 378 (7/15/89). Additionally, 14 FOB offices have been closed since 1974 (Ambrose and Beaumont, TX; Canandaigua, NY (now operated as a remotely-controlled site; Chillicothe and Cincinnati, OH; Hyattsville, MD; Little Rock AR; Spokane, WA; Mobile, AL; Pittsburgh, PA; San Pedro and Santa Ana, CA; Savannah, GA; and St. Louis, MO.) Closing these field offices has resulted in additional workloads in larger geographical areas for the remaining FOB offices.

The technical resources of FOB are at best inadequate. The average life of an FOB vehicle is now 10 years. FOB staff have been limited in monitoring activities not only because of lack of equipment, but also due to limited funds for such things as vehicle fuel. To maintain existing equipment, FOB would need \$1.2 million annually. Unfortunately, FOB has been budgeted a "base" figure of \$804,000 for maintenance, and in reality, FOB equipment budgets are erratic and have averaged \$349,000 since 1981. As a result of FOB's reduced technical equipment budgets over the last few years, the Commission has not been able to maintain the minimum level of funding necessary to keep existing equipment operational. Equally importantly, the budget reductions have eliminated funds for new, more technically sophisticated equipment.

The Commission has made significant efforts to deregulate the telecommunications industry, and now, more than ever, greater emphasis should be placed on enforcing licensees' technical operations. Furthermore, there has been an increase in the number of illegal or unauthorized uses of telecommunication spectrum requiring greater efforts by FOB to apprehend offenders. Yet, FOB's technical equipment budgets are reduced. In the event additional money is available for equipment, it typically occurs in the last few weeks of the fiscal year, thereby affecting appropriate planning necessary for technical equipment purchases. If the integrity of the telecommunications spectrum is to be maintained, then greater effort will have to be made to improve the Commission's technology.

Another area where budget reductions have hampered the Commission's responsibility to the public is the Commission's Office of Engineering and Technology Laboratory. Much of the equipment at the Laboratory used to conduct testing for FCC approval and for compliance with FCC standards, is over ten years old and susceptible to failure. The laboratory was constructed in 1974, and most of the test equipment at the facility dates from that period, and unfortunately, some equipment even dates from the late 1940s.

During the 1980s, budgets for laboratory technical equipment have been sporadic and cannot be relied upon. For example, the

Lab received \$103,000 in 1985 and no money for the past two years. On average during the 1980s, the laboratory received \$26,000 for technical equipment; however, the median dollar amount received is approximately \$10,000. During this same period, the technical budget requested by the Office of Engineering Technology averaged approximately \$150,000. The severe budgetary constraints over the past several years have made it impossible to replace obsolete equipment. In addition, the Laboratory has gradually lost step with the pace of advancing technology. This situation is particularly alarming in view of the emergence of new technologies such as HDTV and advanced personal communications which will place an even greater analytical and testing burden on the Laboratory.

Communications techniques which utilize higher frequencies and more sophisticated emissions cannot be evaluated effectively without the testing capability provided by state-of-the-art equipment. In order to bring the FCC Laboratory close to the capability needed to perform its mandated functions, computer-controlled equipment is needed to improve speed of service to the public requesting FCC approval; to provide more extensive post-grant sampling capability for enforcement purposes; to perform compliance testing and data collection; to increase the speed-of-service in the equipment authorization area; to support new measurement procedures and new initiatives in improving efficient use of the spectrum; and to perform research projects essential to implementing advanced communications technologies and new communications services such as high definition television systems and advanced personal communications systems. Finally, once the Laboratory is up to speed with state-of-the-art equipment, sufficient funds should be allocated each fiscal year to maintain the equipment at an acceptable level.

Other areas of the Commission have suffered budget reductions for technical equipment. The operating bureaus need technical equipment to improve licensing processes, develop and maintain accurate data bases, and to improve service to the public.

I am raising these issues for your attention and to highlight the need for technical equipment. Attention to technical equipment budget requests will facilitate the Commission's ability to carry out its statutory obligations and better serve American industries and the public.