<u>The Honorable Brendan Carr</u> Responses to QFRs from 07.09.24 Hearing

Attachment —Additional Questions for the Record

The Honorable Earl L. "Buddy" Carter

1. The relationship between landlords and tenants historically has been a state-law issue. It seems far removed from the FCC's core mission. Does the FCC have jurisdiction to regulate the contractual relationship between landlords and tenant, including agreements regarding the provision of broadband services provided to their tenants as a building amenity?

RESPONSE: I oppose the plan, announced earlier this year, that would have the FCC propose new federal rules regulating bulk billing. If adopted by the Commission, the path set forward in the agency proposal would only raise the cost of broadband for Americans living and working in apartments, condos, and other multi-unit buildings.

As the FCC has previously determined, bulk-billing arrangements benefit families living in these buildings because they allow them to take advantage of lower cost broadband services by enabling building owners to leverage their purchasing power. While I understand that the White House backs this proposal, which again would only raise the cost of Internet service for consumers, I will not support it.

2. The Commission previously has repeatedly reviewed broadband bulk billing arrangements and determined each time that their benefits exceed any potential downsides. Would the Commission's decision to reverse this decision without first developing an administrative record to support the opposite conclusion open the Commission to substantial legal scrutiny as a decision that is arbitrary and capricious under the Administrative Procedure Act?

RESPONSE: As you outline, the FCC has determined that these bulk billing arrangements benefit families living in apartments, condos, public housing, and other multi-tenant buildings because they allow them to take advantage of lower cost broadband services by enabling building owners to leverage their purchasing power. I agree with you that moving forward with this proposal, and adopting final rules based on it, would open up the FCC to significant, meritorious, and time-consuming legal challenges.

The Honorable Neal Dunn

1. Chair Rosenworcel has pressed to get the FCC to more expeditiously consider space station licenses by standing up the Space Bureau & trying to bring the backlog down. Given the scale of investment in space-based systems, this is an important priority. One specific element of this sector is supplemental coverage from space. This new technology could essentially eliminate cellular dead zones, & the Commission has helpfully issued experimental authorizations to test the service, as well as undertaking a proceeding & adopting rules. Some of the operators that have applications pending before the Commission will be prepared to initiate service as soon as this fall.

a. Commissioner Carr, how can the Commission ensure it processes these applications by fall so that services to Americans will not be delayed?

RESPONSE: The FCC should move quickly to support new technologies that offer supplemental coverage from space. These offerings can deliver important public interest benefits, including by providing universal coverage for public safety and law enforcement communications. The FCC should move quickly to a final decision on the pending direct to cell service applications. In addition, the FCC should continue to standardize our review process so that we can scale up and match the pace and cadence with which this innovative industry is moving.

b. Since the FCC's reorganization, have processing timelines increased? What progress has been made in speeding up the approval process timelines?

RESPONSE: There is no question in my mind that the FCC must continue to move faster on space matters, including on reviewing and approving requests to provide supplemental service from space. To do so, the FCC must continue to move away from bespoke application reviews, provide applicants with clear regulatory requirements to target, and then provide final agency clearance in a timely manner.

As to specific agency data on approval timelines, I would defer to Chairwoman Rosenworcel for up to date specifics on that point.

The Honorable Randy Weber

- 1. You spoke with my colleague, Representative Harshbarger, about the importance of ensuring that the FCC looks at "entities we do regulate and prohibit them from interconnecting with insecure entities, including China Mobile and China Telecom...". You also mentioned that the CCP is employing diverse vectors of attack and that the FCC must play defense across all of those vulnerabilities. Open Radio Access Networks (O-RAN) presents an opportunity to push back on the threat China poses to the communications supply chain. But as you likely know, China Mobile is a founding member of the O-RAN Alliance, the global standards-setting body for O-RAN technology and components. Moreover, the O-RAN Alliance hosts two "Open Testing and Integration Centers" in Shanghai and Beijing. Those OTICs are critical to testing and developing standards for O-RAN technology.
 - a. Commissioner Carr, could the Chinese Communist Party, through companies like China Mobile, influence the development and testing of O-RAN technology? If so, what are ways the United States can counter this influence?

RESPONSE: The CCP is using every tool at their disposal to identify and exploit vulnerabilities in our networks. They are not simply prodding through one method, or even one technology sector. That is why the U.S. has taken a multi-layered approach: first, at the device layer through our actions against Huawei and ZTE; then at the carrier layer through our actions against China Mobile and China Telecom; and even more recently at the application layer

through Congress's legislation that requires TikTok to divest from its links back to the CCP.

I share your concern about the CCP's multi-pronged efforts to expand the reach of their malign influence campaign via international standards bodies and similar venues. Under the Trump Administration, the U.S. was executing on a strategy known as "Clean Networks" as a way to curb threats posed by the CCP. One idea is to open a new line of effort under this initiative that would focus specifically on the risk of CCP malign influence within standards groups and international telecommunications forums—such as a new "Clean Standards" initiative.

b. To what extent has the threat of Chinese influence over the recommendations of the O-RAN Alliance been studied by the FCC?

RESPONSE: Beginning in 2017, the FCC began to take a more forward leaning approach towards protecting our networks against threats posed by the CCP and other foreign adversaries. This was an appropriate response in my view and since then the Commission has taken numerous significant actions to strengthen our national security. That said, I am not aware of any FCC study on the risk of CCP influence within the O-RAN Alliance, but I would support the FCC exploring this issue in more detail. The risks are real, as you outline above.

c. What actions is the FCC taking to ensure that products deployed in American O-RAN networks have not had a single component tested in the territory of the People's Republic of China?

RESPONSE: Since 2017, the FCC has taken numerous actions designed to strengthen our networks against threats posed by the CCP and other foreign adversaries. This includes two notable actions specific to our equipment authorization program. First, the FCC adopted final rules in November 2022 pursuant to the Secure Equipment Act of 2021. Under these rules, the FCC is prohibited from approving applications for equipment authorization that are deemed to pose an unacceptable risk to U.S. national security. As part of those final rules, the Commission sought comment in a Further Notice of Proposed Rulemaking about whether individual component parts should be considered in the Commission's consideration of "covered" equipment. I believe the FCC should bring this issue to an Order. Second, earlier this year the FCC proposed to prohibit the test labs and certification bodies that play an integral role in the testing and certification of equipment destined for the U.S. market are themselves trustworthy entities who do not pose a national security risk. Here too, I have called on the FCC to bring this proposal to an Order. Together, these actions will strengthen our approach towards identifying untrustworthy equipment and preventing it from entering our networks.

The Honorable Rick Allen

- 1. Commissioner Carr, we appreciate your support for the Countering CCP Drones Act.
 - a. Can you discuss the threat Chinese-made drones pose to our national security?

RESPONSE: The CCP is engaged in a widespread and coordinated campaign to surveil Americans, and they are using every tool at their disposal to advance their malign goals. DJI drones and the surveillance technology on board these systems are collecting vast amounts of sensitive data—everything from high-resolution images of critical U.S. infrastructure to facial recognition technology and remote sensors that can measure an individual's body temperature and heart rate. Indeed, U.S. intelligence services have warned that DJI poses a serious national security threat due to the level of sensitive information it collects and the potential for Beijing to access that data. Despite mounting evidence, the U.S. has lacked a consistent and comprehensive approach to addressing the potential threats posed by a company that might be operating as a Huawei on wings. The Countering CCP Drones Act is a vital step towards ensuring that Americans' sensitive data do not fall into the hands of the Chinese Communist Party.

b. How does the Secure Equipment Act affect entities on the FCC's covered list?

RESPONSE: Enacted in 2021, the Secure Equipment Act required the FCC to strengthen its equipment authorization program by prohibiting the review or approval of applications for equipment authorization by entities that are included on our Covered List. The Commission adopted final rules pursuant to the Act in November 2022.

c. How would adding DJI to the covered list affect drones that the FCC has already authorized?

RESPONSE: Currently, the FCC's Secure Equipment Act rules are prospective. Meaning, equipment that has already received approval through our equipment authorization program is not affected. However, the November 2022 rules included a Further Notice of Proposed Rulemaking that sought comment on whether the Commission should enforce the rules on a retroactive basis by revoking existing authorizations.

The Honorable Russ Fulcher

1. Commissioner Carr, I wanted to give you and your team an opportunity to share your thoughts on how can we improve the process for adding entities to the FCC's covered list?

RESPONSE: The Secure and Trusted Communications Networks Act of 2019 specifies the process by which equipment and services can be added to the FCC's

covered list. In particular, that law provides that they can be added through one of four ways: (1) a specific determination by any executive branch national security body with appropriate national security expertise, (2) a specific determination made by the Department of Commerce pursuant to a particular set of authorities, (3) the equipment or services are listed as covered in the 2019 NDAA, and (4) a specific determination made by an appropriate national security agency.

Given the different mechanisms and agencies involved, I think it is important that we take a fresh look at ensuring that these various government organizations are taken a coordinated approach based on regular information sharing. That includes ensuring that there are regular processes in place to share information and convene stakeholders to collaborate on the development of potential entities to consider for addition to the FCC's covered list. Those are some of the steps that could help improve the process for adding entities.

- 2. I've heard that the FCC is taking an excessive amount of time to review transactions—from ordinary transfers to large merger reviews.
 - a. Should the FCC have a shot clock on how long such reviews take?

RESPONSE: The FCC should have an enforceable shot clock on agency reviews. While the agency has had an informal, 180 days timeline for a while, the FCC regularly pauses that shot clock during transaction reviews. To give this clock teeth, I would support a deemed granted remedy to ensure that the agency has the right incentives to reach a timely decision on the merits.

b. Are there other ways the FCC can provide transparency so that applicants can have a view into this process?

RESPONSE: The FCC owes America's entrepreneurs, its innovators, and the everyday people it serves a regulatory process that is fair, transparent, and evenly applied. Unfortunately, there have been some recent examples where this has not been the case. For instance, last year, the FCC's Media Bureau referred the Standard General, TEGNA, and Cox Media Group transaction for a hearing before the agency's Administrative Law Judge—an action that effectively scuttled the deal after a nearly yearlong review that denied the parties involved a decision on the merits. Transactions that are matters of significant public interest should be vetted and voted on by the full Commission.

The Honorable August Pfluger

1. Commissioner Carr, in 2021, you proposed a spectrum calendar that spanned multiple years and auctioned off specific megahertz of spectrum in several bands. Should auction authority be restored, what would your long-term Spectrum Calendar look like?

a. Ideally, how much spectrum would you like to see for full-power commercial licensed use and unlicensed use, and what other items would you pursue?

RESPONSE: The Administration has failed to hit almost any of the timelines for action that I detailed in that spectrum calendar back in 2021. Instead, the Administration has fallen into a deep malaise when it comes to freeing up the airwaves necessary to help power America's economy. Instead of action, the Administration put out a national spectrum strategy that does not commit to freeing up even a single megahertz of spectrum. It merely commits to continue thinking about freeing up spectrum at some point down the road.

This is a marked reversal from the progress we had been making on vital spectrum matters. From 2017 through 2020, for instance, the FCC freed up roughly 6,000 MHz of spectrum for licensed use alone, plus thousands of additional megahertz of spectrum for unlicensed use. The FCC has demonstrated the capacity to deliver significant spectrum wins before, and I am confident that the agency can do so again. But we need bold action—not more plans to plan.

It is time to correct course. Whether we adopt my plan or something else, it is critical that we reverse the backsliding we have seen on spectrum under the Biden-Harris Administration. Doing so would not only generate billions of dollars in revenue for the Treasury that could be used for deficit reduction, but also restore America's place as a global leader in wireless.

- 2. Recently, the FCC put forward a proposal to update the Citizens Broadband Radio Service (CBRS) rules. What is your initial take on the proposal to update CBRS rules?
 - a. Where should the focus on new CBRS rules be placed?

RESPONSE: As part of the spectrum calendar I released in 2021, I called on the FCC to open a proceeding to consider increasing the power levels in CBRS. So I was pleased that we included this idea in the recently adopted CBRS NPRM. I look forward to reviewing the record as it develops over coming months. I think the agency should focus on identifying a path forward that would allow this spectrum to continue to bring families across the digital divide.

3. Commissioner Carr, in your written testimony, you discuss an issue that concerns me: wasteful spending. As you reiterated, there are over 130 broadband programs across 15 different agencies and a severe lack of coordination between them. Please explain the importance of all agencies utilizing the FCC's National Broadband Map when making broadband infrastructure funding decisions and how that would help close the digital divide while preventing waste, fraud, and abuse.

RESPONSE: The federal government needs to put a national coordinating strategy in place. As you note, a 2023 GAO report identified over 133 federal

broadband programs that are being administered by 15 different agencies. GAO recommended a national broadband strategy to help synchronize these efforts. And I agree that one is necessary to help ensure that various federal programs complement each other, rather than operating in a duplicative or otherwise inefficient manner. That is why I have offered my support for the PLAN for Broadband Act. This bipartisan, bicameral bill would fill a key gap in the federal government's approach to broadband infrastructure spending by requiring a national strategy and implementation plan to increase coordination across broadband programs and protect against waste, fraud, and abuse. The House passed this legislation as part of a larger package in May of this year. Further, I believe the FCC should also launch a review of its own broadband programs. This includes those that receive direct appropriations as well as our roughly \$9 billion annual program known as the Universal Service Fund. This review should seek to eliminate any duplicative efforts that may exist while strengthening protections against waste, fraud, and abuse. One idea I have presented before is for the Commission to formalize a process for consulting with the FCC's Office of Inspector General before the FCC stands up new spending initiatives so that the IG's views can be considered.

4. Commissioner Carr, one of the most promising U.S. technologies being developed right now is supplemental coverage from space for users in the U.S. and across the world. This new supplemental service will allow subscribers of regular cellular services to have coverage where they might not usually be able to – in places where it is hard or impossible to construct a terrestrial wireless network. The Commission is showing U.S. global leadership by initiating proceedings and adopting rules permitting this service, and I want to recognize that for a job well done. Now that the rules are adopted, will the Commission be able to issue regular licenses to satellite operators to provide that service promptly? And is the Commission sufficiently resourced and prepared to process these applications?

RESPONSE: I share your views about the importance of U.S. space leadership and believe the FCC should be prioritizing when it comes to supporting next-generation connectivity services. As you noted, the Commission adopted rules earlier this year establishing a framework for direct-to-cell satellite communications. With the framework now in place, the FCC should move quickly to approve license applications so that consumers are able to take full advantage of these offerings. Doing so could offer particular benefits for public safety and law enforcement communications.

The Honorable Kat Cammack

1. You have been an outspoken proponent of expanding the Universal Service contribution mechanism to include assessing "Big Tech." What if any options does the FCC currently have to assess Big Tech?

RESPONSE: When it comes to USF reform, kicking the can down the road is no longer an option. For starters, the FCC should reverse its recent decisions to dramatically and unlawfully expand the E-Rate program. Further, I have called for the FCC to strengthen

our USF programs against waste, fraud, and abuse. Finally, I believe the FCC should expand the contributions base to include large technology companies in order to reduce costs on consumers and put the program on more predictable footing moving forward. The FCC's authority to do so is limited today, which is why I have been supportive of bipartisan efforts in Congress that would provide the FCC with the tools needed to ensure Big Tech pays its fair share. But there are likely a portion of offerings provided by large technologies companies that fall within the scope of the FCC's existing assessment authority. In my view, the FCC should open a proceeding to examine the application of contribution obligations to those offerings.

2. Section 254 of the 96 Telecommunications Act established the Federal Universal Service Fund ("USF") to ensure voice connectivity throughout America, and that all providers of telecommunication services shall contribute to the USF. Today, the USF is a broadband deployment and access fund, but the USF is funded by users of the telephone network. What impact is having telephone users contribute to the USF having on the future success of the USF?

RESPONSE: The FCC's funding mechanism for USF is stuck in a death spiral. The USF program is funded through a mechanism that made sense back in the dial up and screeching modem days of the 1990s—back when you were far more likely to have a long-distance calling card in your wallet than an email address in your name. Generally speaking, the FCC funds USF through a line-item charge that carriers add to consumers' monthly bills for telephone service. Those traditional phone revenues have declined sharply from a high of around \$80 billion in the 2000s to less than \$30 billion today. So the percentage charge or contribution factor that consumers pay has been on the rise—steadily increasing from only 6% in 2001 to over 30% today. If left on autopilot, the percentage charge that consumers pay could hit 75% in the coming years, according to a study cited in the FCC's 2021 report to Congress on the future of the USF.

3. What options does the FCC currently have to reform the way Universal Service Fee's are collected?

RESPONSE: Some have suggested that the FCC should begin to collect fees from providers of consumer broadband Internet access services. I do not support this approach. For starters, assessing what we call "BIAS" would necessarily raise the cost of consumers broadband bills. Indeed, the Commission's 2021 report to Congress cites to a study finding that assessing BIAS could increase consumers' monthly broadband bills by as much as \$17.96 a month—or almost \$200 annually. The Commission's report also points to record evidence that this price hike could result in nearly ten million broadband customers forgoing Internet service altogether at a time when the Commission is working hard to increase broadband adoption. But don't forget about the winners. Large corporations would certainly benefit by funding USF entirely through a broadband assessment. In fact, the Commission's report emphasizes research showing that assessing broadband would result in a "massive \$4 billion annual wealth transfer from consumers to giant companies" with a "disproportionate harm on low-income households" too. The Commission's report also rightly concludes that these outcomes would run directly

contrary to the agency's universal service goals. Instead, as I noted in an answer above, if we are going to continue to have an assessment-based USF program, I believe Congress should bring forward legislation that would enable the FCC to begin collecting assessments from large technology companies.

4. Each year, traditional phone companies are required to maintain old copper networks that in some cases have been overbuilt with fiber to the home networks. Outdated mandates like this ultimately harm consumers as they come with a high operating cost that divert capital away from investing in high-speed fiber networks. What should Congress be thinking about in regards to creating a pathway to a modern fiber network migration?

RESPONSE: The FCC's Section 214 discontinuance rules require that providers ask "Mother May I?" before retiring their legacy copper networks, something that discourages them from investing in fiber and other new technologies. The FCC has made efforts to reform its regulatory framework for copper retirement, but there is more work to be done to ensure we are incentivizing upgrades, not hindering them. I would welcome the chance to work with you and others in Congress to foster greater investment by providers and ultimately better, faster, cheaper networks for consumers.

The Honorable Mark Veasey

1. Commissioner Carr, you have been big supporters of the reclassification of Public Safety Telecommunicators from secretaries to protective service personnel and you understand of its national impact. With the turn of the century, call volumes have increased- now averaging 240 million 9-1-1 calls annually. Despite working with outdated technology and challenging work conditions, public safety centers continue their service to protect our communities—working holidays and weekends to provide lifesaving medical advice, offer control and command services during active shooter emergencies, and talk individuals down from suicide attempts. As you know, the Standard Occupation Classification (SOC) Committee is currently requesting comments on reclassification until August 12, 2024. The SOC is responsible for providing accurate and reliable occupational data. Many federal agencies, such as the Department of Commerce, rely on the accuracy of this statistical information. Will you weigh in with OMB on the need to reclassify public safety telecommunicators?

RESPONSE: I've had the opportunity to visit many 911 call centers across the country—from Alaska to Florida and many states in between—where I've heard firsthand about the communications and workforce needs of public safety. There is no doubt in my mind that these public safety heroes provide an invaluable service to their communities.