

**Statement of
David Robbins
Managing Director
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**Before the
Subcommittees on
Economic Growth, Job Creation and Regulatory Affairs
And
Federal Workforce, U.S. Postal Service and the Census
Of the
Oversight and Government Reform Committee
U.S. House of Representatives**

**“Sequestration Oversight: Understanding the Administration’s
Decisions on Spending Cuts and Furloughs”**

March 19, 2013

Good afternoon Chairmen Jordan and Farenthold and Ranking Members
Cartwright and Lynch and other Members of the Oversight and Government Reform
Committee.

My name is David Robbins and I am the Managing Director of the Federal
Communications Commission. My core role is to ensure that the Commission’s
resources are allocated and utilized properly and to manage the staff that supports the
FCC’s programs. I joined the Commission on September 2, 2011, after serving as the

Small Business Administration's Associate Administrator for Management and Administration. Prior to that, I worked at the Federal Trade Commission as an Assistant Director in the Bureau of Consumer Protection. I also have 15 years experience working in the private sector in a variety of managerial and non-managerial posts.

I feel privileged to serve as a public servant in an agency with such important responsibilities. The information and communications technology sector – also known as the broadband economy – is a growth and job-creation engine. The Commission's work to unleash wireless spectrum, extend the benefits of broadband to all Americans, protect and empower consumers, promote competition, and ensure public safety is critical to our economy and society.

But I also recognize that these are challenging budgetary times for all federal agencies. The FCC is a small, independent regulatory agency and we already have a lean budget – even less than in some prior years – and we currently have our lowest FTE level in more than 30 years. The Commission's activities are completely fee-funded by our licensees, and these licensees will pay the same amount to the FCC regardless of whether the monies go to the Treasury for sequestration purposes or for agency operations.

To better understand the challenges we face, it is important to review our general budget situation. For Fiscal Year 2013, the FCC requested \$346,782,000, with \$8.8 million specifically dedicated to the Office of Inspector General (OIG). Our Fiscal Year 2012 Appropriation, including OIG funds was \$339,844,000 and the current Continuing Resolution provides \$341,923,845 (including the 0.612% increase contained in the bill).

Sequestration requires a five percent cut or \$17,096,193 from the FCC's regular budget. The OIG cut is \$490,484 and the non-OIG cut is \$16,605,709.

In addition, we have limited spending flexibility for a broad range of programmatic needs outside of fixed costs. Our compensation and benefits are a large part of our fixed costs, at about 72%, followed by rent, utilities and a portion of our contracts, which together make up another 23%. That means roughly 95% of our budget is committed to expenditures that are difficult to change quickly, leaving us with limited options from which to address these cuts. So our starting point for flexible budget cuts is lower than would first appear. With a budget this small and targeted, there is not sufficient room to reprioritize to ensure that we can handle contingencies and emergencies throughout the year.

The Commission processes over 375,000 applications a year, including 16,000 equipment authorizations, and reviews over 300,000 consumer complaints and inquiries, in addition to handling a broad range of issues related to public safety and homeland security, as well as universal service reform. It is important to note that much of what we do is highly technical and dependent upon a skilled workforce of engineers, economists, attorneys, and other experienced professionals. For that reason, our budget is workforce-intensive and our professional staff is our most important asset. So the inability to backfill critical positions will have a negative, cascading effect on agency operations and our ability to carry out our mandates. We are committed to taking every reasonable measure to minimize the risk of furloughing, but that does not mean we will not be forced to furlough at a later date to ensure that the agency accomplishes its mission.

As we move forward, the FCC will be instituting cuts in every part of our budget in order to ensure that we reach the goal of \$17 million in cost reductions. These cuts will affect every part of our operation, including services we provide to licensees and consumers; work we do to fulfill our public safety and homeland security missions and to advance Congressional directives such as universal service; the compensation we pay to our employees; the rent and utilities we pay to occupy and operate our various facilities; the contracts and agreements that we utilize to purchase goods and to provide vital services to the agency; and the myriad of administrative costs that all organizations have in running their day-to-day operations.

Conclusion

We are working hard to balance the cuts necessitated by sequestration with the need to ensure that our licensees, consumers, stakeholders and everyone with an interest in the communications industry receives the highest level of service from the employees that are on staff. With roughly 95% of our budget going to our workforce, rent, utilities, and contracts, it will be a daunting task to find the \$17 million of cuts required under sequester without adversely impacting our workforce and the mission of our agency.

Thank you for this opportunity to testify here today and I will be pleased to answer your questions.

Biography of David D. Robbins
Managing Director
Federal Communications Commission

David B. Robbins serves as the Managing Director for the U.S. Federal Communications Commission (FCC), where he leads the agency's administrative operations, including human resources / human capital management (CHCO), financial operations (CFO), information technology (CIO), administrative services (e.g. facilities and property management; fleet management; security; copy center; records management; etc.), office of the secretary, and major program oversight & management (e.g. universal service fund (USF), etc.). Prior to joining the FCC in September 2011, Mr. Robbins served as the Associate Administrator for the Small Business Administration's (SBA) Office of Management and Administration, where he led a number of the agency's core functions, including human capital management, facilities management, building security, records management, executive secretariat, administrative services, and grants management. Prior to joining the SBA in March 2010, Mr. Robbins spent more than 5 years at the Federal Trade Commission (FTC), where he served as an Assistant Director, Attorney, and Senior Program Manager in the FTC's Bureau of Consumer Protection. In addition, before joining the FTC, Mr. Robbins spent more than fifteen years working in the private sector as an executive, senior manager, IT professional, and attorney. Mr. Robbins received his J.D. from Seton Hall University School of Law in 1995, and a B.S. in Computer Science from Rutgers University in 1986.