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A Chairman - or Chairwoman - of Restraint

by

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George Will recently wrote an <u>op-ed</u> about Calvin Coolidge, entitled in part, "Commander in Brief." Will lists dozens of examples of the President's restraint, noting Coolidge was known as "our great refrainer." <u>Amity Shlaes's new biography</u> describes Coolidge's "minimalist" presidency, providing anecdotes including how Coolidge mandated the full use of pencils, down to the eraser, for all government workers.

With last week's announcement that FCC Chairman Julius Genachowski will be departing the Commission, there will soon be a new FCC Chairman, or Chairwoman, and he or she might do well to take note of President Coolidge-type governance. A Coolidge governance approach would more highly value restraint over regulatory action, which is especially important during this time of explosive innovation and growth in all the industries under the regulatory purview of the FCC.

Translating President Coolidge's approach into FCC terms, the Commission should focus inward to ensure that it fulfills its basic statutory duties economically and efficiently, rather than attempting to regulate markets whose growth and development is sure to outpace FCC policy or rulemaking. Specifically, the Commission should return to a time when individual commissioners could bring an item before the body for a vote in order to eliminate outdated or unnecessary regulations or rules more efficiently. While I

was at the Commission, I strongly suggested that we formally adopt a mechanism for individual commissioners to bring an item, docket, or even a relevant current event to the entire Commission.

I applaud Commissioner Pai for <u>suggesting</u> that the FCC adopt appropriate internal "shotclocks" as well as a "dashboard" to provide more transparency for the private sector as well as for the public. There are literally thousands of requests for changes to local broadcasting facilities, some of them decades old, as well as thousands of indecency complaints awaiting review. These backlogs dictate the need for such "shotclock" processes.

Additionally, FCC reports are often months or even years behind their congressionally required timelines. As I have written previously, many of these reports could be consolidated. The Chairman could be required to report to Congress that certain reports are no longer necessary or applicable. There are many other inefficiencies or redundancies in the Commission that deserve attention.

At a recent <u>Senate Commerce Committee oversight hearing</u>, there was actually some discussion regarding the application of Section 10 forbearance to the video realm, which would require legislation. Forbearance should be equally applied across all platforms no matter the ancestry of the provider or type of wire on which the video rides. Forbearance should be more commonly applied at the Commission when markets would benefit from exercising this authority.

This does not indicate that I support agency inaction amidst crises like Hurricane Katrina, the Derecho, or Hurricane Sandy, where communications and emergency response are of utmost import. The technology upgrades and the state-owned EAS requirements that the Commission adopted in the wake of the independent Katrina Panel have resolved some of the problems noted by the Commission. However, incredibly, many of the recommendations from that Katrina Panel have not been adopted almost ten years later. The FCC should promptly adopt or dispose of the remainder of the Katrina Panel's recommendations. I applaud the Commission's successful emergency response during and after Hurricane Sandy, which was discussed in recent FCC hearings. While the Commission should do its part to aid in expeditious and effective emergency response, any issues outside the FCC's legal authority should be left to other agencies or organizations.

There are many issues and areas of activity at the FCC deserving of regulatory restraint. These issues include, among others, the still-pending Title II proceeding, the addition of extraneous "voluntary conditions" to mergers, and the imposition of overly restrictive rules for spectrum auctions, which reduce participation, thereby resulting in less investment and in a loss of revenue for the U.S. Treasury. Particularly in these areas, the Commission should take the approach of "the great restrainer," President Coolidge.

Additionally, the recent impressive growth in the information and communications sectors indicates the benefits of regulatory restraint and of allowing the cycle of private sector investment and innovation to function freely. The IT sector is regarded as one of the few bright spots amid the economic downturn, and it continues to grow, as evidenced by a glut of job *openings* for high-tech employees, and continued returns on investment. ICT is driving and will continue to drive the new economy, both here and around the world. The FCC should be doing everything possible to enable innovation, entrepreneurship, investment, and job creation by removing unnecessary regulatory barriers and refraining from instituting new obstructions to this impressive progress. The FCC should remember that every action – every regulation – has a cost, which is usually passed on to the consumer.

Was Coolidge's model of governance of restraint successful? Well, according to George Will: "During the 67 months of his presidency, the national debt, the national government, the federal budget, unemployment (3.6 percent), and even consumer prices shrank. The GDP expanded 13.4 percent." Given the effectiveness of a governance of restraint, the ideal next Chairman – or Chairwoman – of the FCC should be one who adopts the Coolidge Mantra: "I am for the economy. After that, I am for more economy."

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