

FY 2005 PROPOSED APPROPRIATION LANGUAGE

**FEDERAL COMMUNICATIONS COMMISSION
SALARIES AND EXPENSES**

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefore, as authorized by 5 U.S.C. 5901-5902; not to exceed \$4,000 for official reception and representation expenses; purchase and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, \$292,958,000: Provided, That, \$272,958,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: Provided further, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year 2005 so as to result in a final fiscal year 2005 appropriation estimated at \$20,000,000: Provided further, That any offsetting collections received in excess of \$272,958,000 in fiscal year 2005 shall remain available until expended, but shall not be available for obligation until October 1, 2005.

FY 2005 Budget Estimates to Congress

Legislative Proposals to be transmitted separately by the Office of Management and Budget, explanations of proposed legislation follow:

Analog Spectrum Lease Fee (Legislative proposal, subject to PAYGO):

Explanation of proposed legislation:

To facilitate clearing of the analog television broadcast spectrum and provide taxpayers some compensation for use of this scarce resource, the Administration will propose legislation authorizing the Federal Communications Commission (FCC) to establish an annual \$500 million lease fee on the use of analog spectrum by commercial broadcasters as of 2007. The FCC will promulgate a rulemaking to apportion the aggregate fee amount among commercial broadcasters. Upon return of its analog spectrum license to the FCC, an individual broadcaster will be exempt from the fee.

Spectrum Auction Authority (legislative proposal subject to PAYGO):

Explanation of proposed legislation:

The Administration will propose legislation to extend indefinitely the FCC's auction authority, which expires in 2007 under current law.

Spectrum License User Fee (Legislative proposal, subject to PAYGO):

Explanation of proposed legislation:

To continue to promote efficient spectrum use, the Administration will propose legislation providing the FCC with new authority to use other economic mechanisms, such as fees, as a spectrum management tool. The FCC would be authorized to set user fees on unauctioned spectrum licenses based on public-interest and spectrum-management principles. Fees would be phased in over time as part of an ongoing rulemaking process to determine the appropriate application of and level for fees. Fee collections are estimated to begin in 2005.

FCC Authority to Sell Property and Retain Proceeds as Offsetting Collections:

Explanation of proposed legislation:

Sec. 622. Notwithstanding 40 U.S.C. 524, 571, and 572, the Federal Communications Commission may sell the monitoring facilities in Honolulu, Hawaii, and Livermore, California, including all real property, and credit the proceeds of such sales as offsetting collections to its Salaries and Expenses account. Such funds shall be available until September 30, 2007, to be used to replace these facilities and to improve other FCC owned facilities.