



Insight

FCC's Regulatory Modernization Catching Up with Technology

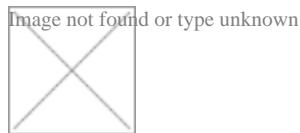
SAM BATKINS | DECEMBER 12, 2013

Today, FCC held a hearing focused partially on moving away from an anachronistic copper-based communication platform to a dynamic all-IP world. Last month, FCC Chair Tom Wheeler outlined a general framework to transition from Time-division Multiplexing (TDM) to IP, and today's hearing was the first step in this gradual, but much-needed move.

It's vital that FCC's regulatory apparatus catch up with the ceaseless innovations in wireless and IP. In a [paper published](#) earlier this year, AAF catalogued the arcane regulatory structure that FCC must modernize to keep pace with the digital world. For example, Americans spend roughly 30 million hours annually to comply with broadcast, radio, and landline paperwork requirements. For comparison, it would take 10,566 employees working full-time (2,000 hours annually) to complete the required paperwork. This is valuable labor devoted to filling out forms, instead of creating innovative telecommunication platforms.

Dealing specifically with landline, TDM-based regulations are a good place to begin the all-IP transition that will provide new capabilities for consumers and businesses. Annually, businesses must navigate 21 forms and spend more than 21 million hours completing landline-related paperwork, at a cost of approximately \$5 billion.

The figure below details landline paperwork burdens.



Americans are spending \$5 billion each year completing regulatory requirements for an archaic technology that likely won't be around by 2021. This makes little sense in today's world, and it's one important reason FCC should make the IP transition quick and painless. FCC should eliminate and modernize many of these decades-old regulations and create a workable framework to move toward a broadband world on which our economy relies.

When then-Chair Julius Genachowski announced the formation of the Technology Transitions Policy Task Force, [he noted](#), "The nation's broadband transition means that communications networks are increasingly migrating from special purpose to general purpose, from circuit-switched to packet-switch, and from copper to fiber and wireless-based networks." FCC is taking an important step by recognizing this transition and bringing its regulatory apparatus into the 21st Century.