The National Telecommunications and Information Administration (NTIA): Budget, Programs, and Issues

(name redacted)
Section Research Manager

February 26, 2008

Congressional Research Service
7-....
www.crs.gov
RS21469

Summary

For FY2009, the Bush Administration has proposed a budget of $19.2 million for NTIA, with this money going towards administrative functions. There would be no funding under another NTIA program, which supports public telecommunications facilities planning and construction. Under the FY2008 enacted appropriation (P.L. 110-161) NTIA is funded at $36.3 million, which was $3.3 million below the FY2007 enacted and $17.7 million above the President's request. There are two major components to the NTIA appropriated budget (a third program, which is a revolving fund based on spectrum auctions, is discussed below). The first is Salaries and Expenses. For FY2008, the Bush Administration recommended $18.6 million; Congress approved $17.5 million for FY2008. In the past, a large part of this program has been for the management of various information and telecommunications policies both domestically and internationally. For the second NTIA component, the Public Telecommunications and Facilities Program (PTFPC), the Bush Administration has requested that this program's funding be eliminated, arguing that most of the construction and refurbishing of public telecommunications facilities has already been done, and that any remaining support that is needed should come from local public broadcasting entities. However, for FY2008, Congress disagreed, citing the ongoing need for upgrading of public broadcasting facilities, particularly as the deadline of converting all analog broadcasts to digital in 2009 approaches. For FY2008, Congress funded this program at $18.8 million. Under at third program, NTIA operates a revolving fund which uses offset receipts from the auction of licenses recovered from discontinued analog signals. An important part of this program is to fund a digital-analog converter box program to assist consumers in meeting the February 2009 deadline for receiving television broadcasts in digital format.

Background

The National Telecommunications and Information Administration (NTIA), a part of the Department of Commerce, is the executive branch's principal advisory office on domestic and international telecommunications and information technology issues and policies. Among its objectives, it has a mandate to provide greater access for all Americans to telecommunications services; to provide support for U.S. attempts to open foreign telecommunications and information markets; to advise the Secretary of Commerce, the President, and Vice President and the executive branch in international telecommunications and information negotiations; to fund research grants for new technologies and their applications; and to assist non-profit organizations in converting to digital transmission in the 21st century.[1]

Generally, congressional policymakers have supported the NTIA's mandate and objectives through the appropriations process. The recent history of the NTIA budget, FY2000-FY2007, is as follows (appropriations for FY2008 will be included once the final bill has been passed):

Table 1. NTIA Funding FY2000-FY2009

(in millions of dollars)

	Request	Appropriations
FY2000	$72.3	$52.9
FY2001	423.0	100.4
FY2002	73.0	73.0
FY2003	44.0	73.6
FY2004	25.4	51.1
FY2005	27.6	38.7
FY2006	17.8	39.6
FY2007	17.8	39.6[a]
FY2008	18.6	36.3[b]
FY2009	19.2	

a. P.L. 110-5, the Revised Continuing Appropriations Resolution 2007, extends FY2006 funding for NTIA through FY2007.

b. P.L. 110-161, the Omnibus Appropriations Act of FY2008.

It should be noted that in FY2001, the Clinton Administration requested additional funding for digitizing existing public broadcasting transmissions and construction of new public digital broadcasting facilities. While the final appropriations did not match the Clinton Administration's request of $423 million, it represented a substantial increase in NTIA's historical budget. Congress has generally maintained consistent funding for NTIA in its appropriations, regardless of the request.

For **FY2009**, the Bush Administration has proposed a continued reduction in the NTIA budget, primarily reflected in eliminating NTIA's program to construct and maintain public

[1] See http://www.ntia.doc.gov/ntiahome/ntiafacts.htm. Last viewed February 26, 2008.

telecommunications facilities. The Administration also sees NTIA having a larger role in national emergency planning (see below).

Programs and Budgets

Until FY2004, the NTIA budget had three major components: salaries and expenses; information infrastructure grants programs; and public telecommunications facilities, planning and construction. However, the infrastructure grants program was eliminated in FY2005. In both FY2006 and FY2007, the Bush Administration requested ending funding for the public telecommunications facilities, planning and construction program.

Salaries and Expenses

This portion of the NTIA budget includes funding to maintain ongoing programs for domestic and international policy development, federal spectrum and related research. For **FY2009,** the Bush Administration has requested **$19.2 million.** According to the Administration, this would sustain current efforts to provide basic research, analytical, and management topics of interest to the U.S. telecommunications and information sectors of the economy.

Other administrative and policy responsibilities that fall to NTIA but are not separate program functions include domestic and international telecommunications policymaking. The NTIA advises the President, Vice President and Secretary of Commerce on international telecommunications treaties and represents U.S. positions and policies at international conferences, such as the World Radio Conference held by the International Telecommunication Union. The NTIA also advises the executive branch on ways to implement the 1996 Telecommunications Act (P.L. 104-104), further competition in telecommunications and develop "technology neutral" telecommunications policies. At the same time, it has produced a series of reports on the "digital divide" in America—who comprises this divide and what policies may help close the divide.[2] The NTIA also is overseeing the transition of the management of the Internet domain name system to the private sector.[3]

Spectrum Policy. Among the many administrative functions that also fall under salaries and expenses is management of the U.S. spectrum for federal use. The Federal Communications Commission (FCC) has the primary role of managing the non-federal portion of the spectrum, which not only includes private sector use, but state and local government use of the spectrum as well. The NTIA also advises the President and executive branch on national spectrum policy, manages the federal portion of the spectrum for public safety use, and encourages policies that provide greater private sector use of existing broadcast spectrum.[4]

---

[2] "Digital divide" commonly refers to those who have access to the Internet and those who do not. While some contend that the "digital divide" is a political, not policy, issue, the NTIA has published a series of Department of Commerce reports on the status of Internet use in the United States by demographics. See The National Telecommunications and Information Administration, U.S. Department of Commerce. *A Nation Online: How Americans Are Expanding Their Use of the Internet.* February 2002.

[3] For more on domain names and the role of NTIA, see CRS Report 97-868, *Internet Domain Names: Background and Policy Issues*, by (name redacted).

[4] For more on spectrum management and auction issues, see CRS Report RL31764, *Spectrum Management: Auctions*, by (name redacted).

Domain Names. The Department of Commerce, through NTIA, maintains formal oversight over the International Corporation for Assigned Names and Numbers (ICANN), the private, non-profit corporation which serves as the technical coordinator of the domain name system. ICANN's authority is governed by a Memorandum of Understanding (MOU) with the Department of Commerce and NTIA. The MOU was intended to provide the transition of the management of the domain name system to the private sector, with the United States and other governments participating as minority stakeholders. The NTIA is currently the accredited U.S. government's representative to ICANN's Government Advisory Committee (GAC).[5]

Digital Transition. The third NTIA program that the Bush Administration has requested funding for comes out of the 2005 Deficit Reduction Act. That law—and new NTIA program—called for the creation of a Digital Transition and Safety Public Fund, which offset receipts from the auction of licenses to use electromagnetic spectrum recovered from discontinued analog television signals. The Bush Administration began setting these reimbursable funds at $45 million in FY2007. The receipts would fund the following programmatic functions at NTIA: a digital-analog converter box program to assist consumers in meeting the 2009 deadline for receiving television broadcasts in digital format; public safety interoperable communications grants, which will be made to ensure that public safety agencies have a standardized format for sharing voice and data signals on the radio spectrum; New York City 9/11 digital transition funding, until the planned Freedom Tower is built; assistance to low-power television stations, for conversion from analog to digital transition; a national alert and tsunami warning program; and funding to enhance a national alert system as stated in the ENHANCE 911 Act of 2004.[6]

Public Telecommunications Facilities, Planning and Construction (PTFPC)

The PTFPC program in NTIA assists public broadcasting stations, state and local governments, Indian tribes, and non-profit organizations construct facilities to bring educational and cultural programs to the U.S. public using broadcast and non-broadcast telecommunications and information technologies.[7] The program provides competitive grants to public broadcasting organizations to plan, buy and employ new broadcast equipment and services nationwide. The public broadcast system had a mandate to convert all of its television broadcasts to digital by May 31, 2003. The Corporation for Public Broadcasting has reported that most, but not all, of its public broadcast members have me that goal.

For **FY2009,** the Bush Administration has requested **zero funding,** to close out existing digital construction and conversion projects and to end NTIA's role in this area. The Bush Administration is seeking to place all funding for construction of public broadcasting facilities and conversion of analog broadcast to digital in the federal funding for the Corporation for Public Broadcasting, so it can expedite digital conversion.

Technology Opportunity Program (TOP)

In **FY2005**, the Bush Administration requested the termination of NTIA's information infrastructure grants program, called the Technology Opportunity Program (TOP). Congress

[5] CRS Report 97-868, *Internet Domain Names: Background and Policy Issues*, by (name redacted).

[6] CRS Report RL32594, *Public Safety Communications Policy*, by (name redacted).

[7] See http://www.ntia.doc.gov/ntiahome/ntiafacts.htm. Viewed June 27, 2007.

agreed with this request and eliminated funding for this program.[8] TOP was a competitive, merit-based matching grant program that was started in FY1994 to provide emerging telecommunications and information technologies to grant recipients in new and innovative ways.[9] The Bush Administration and Congress agreed that this program had successfully served its purpose of creating new pilot programs in areas not served or underserved by telecommunications and Internet technologies. While some policymakers have called for new funding for this program, no new legislation authorizing appropriations has been introduced to date.

Conclusions

Policymakers continue to examine the proper role of NTIA in supporting its programs and policies, as well as the overall budget for NTIA to support its mission. According to some, the Telecommunications Act of 1996 set into law a de-regulatory environment that requires less, not more, federal direction of telecommunications and information technology use. The explosive growth of the Internet since the mid-1990s has reached nearly every part of America, and Internet access is virtually ubiquitous. Therefore, beyond budget issues, the role of NTIA has changed in some policy areas.

Two important issues facing NTIA's administration of public telecommunications policy are domain name registration and use of spectrum. Regarding domain names, the expiration of the Department of Commerce/NTIA MOU with ICANN on September 30, 2006, has led to speculation over whether, and how, the MOU might be renewed. IT also has raised concerns over the extent to which (if at all) NTIA might ultimately relinquish control over ICANN and the domain name system. Second, some are concerned that NTIA is seeking to develop a larger and broader policy role in spectrum management as a result of losing funding in other program areas, such as the TOP program and perhaps eventually the PTFPC program. Because spectrum and its use is an important alternative to terrestrial communications transmission and reception, federal policy regarding its use and applications is an important national issue. Some question whether NTIA's evolving role in spectrum management is being fully coordinated with other federal institutions, such as that of the Federal Communications Commission.[10]

A second important issue is the role of NTIA in the auction and management of spectrum. The third NTIA program that is administered by NTIA but not directly funded by appropriated money comes out of the 2005 Deficit Reduction Act. That law (P.L. 109-171) called for the creation of a Digital Transition and Safety Public Fund, which would provide funding for further use of the electromagnetic spectrum, by offsetting receipts received from the auction of licenses to use the older analog spectrum for other purposes. The initial auction was held on January 24, 2008. The receipts from the auction will fund the following programmatic functions at NTIA, perhaps the most notable (and receiving the most public attention) is a digital-analog converter box program

[8] Before 2000, the TOP program was called the Technology Information Infrastructure Assistance Program (TIIAP).

[9] The TOP program was funded between $17 million to $21 million in the years preceding its termination. For more information on the funding history of this program, see http://www.osec.doc.gov/bmi/budget/06BIB/ntia.pdf. Viewed June 27, 2007.

[10] To alleviate these concerns, the Bush Administration has announced that the Assistant Secretary of NTIA will chair an interagency committee, the Policy and Plans Steering Group, which will seek to implement the President's November 30, 2004 Spectrum Policy Initiative, http://www.ntia.doc.gov/ntiahome/gallery/ppsg01242005.htm. Viewed June 27, 2007.

to assist consumers in meeting the February 2009 deadline for receiving television broadcasts in digital format. Congress is watching this transition period, and NTIA's role in it, very closely.

Concerns about changes in NTIA's mission and objectives also has been raised regarding the Bush Administration's elimination of funding for the TOP program and reducing funding for the PTFPC program. The Administration contends that the efforts of the former will be picked up by the private sector, and the latter by the Corporation for Public Broadcasting. Some still contend that it is not clear whether all of the possible areas of information infrastructure development have been saturated through the TOP program; or if not yet saturated, whether industry will find it profitable to provide the "last mile"[11] of telecommunications and Internet connections in areas not yet served. For public telecommunications and facilities planning and construction, an issue may arise as to whether the Corporation for Public Broadcasting has the resources to administer a facilities construction program. The ultimate question may be whether this change will fundamentally affect the pace at which national broadcasting is converted to digital transmission.

Author Contact Information

(name redacted)
Section Research Manager
/redacted/@crs.loc.gov, 7-....

[11] The "last mile" is a term that applies when an entire telecommunications network is in place, except for the final connection, or "last mile," to the user.

EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.