Updates

March 17, 2025

Your Chance To "Delete" FCC Rules



As <u>long anticipated</u>, Federal Communications Commission (FCC) Chairman Brendan Carr has launched a new proceeding to eliminate policies and rules that may no longer be necessary or that impose undue regulatory burdens. The public notice (<u>DA 25-219</u>) aligns with the FCC's statutory obligation to conduct periodic rule reviews and ensure that its regulations serve the public interest.

In a subsequent <u>post</u> on X, FCC Chairman Carr characterized the effort as an opportunity to "unleash prosperity through deregulation," echoing themes from recent executive orders aimed at reducing regulatory constraints across federal agencies.

Background and Purpose

Under the FCC's organic act, the Communications Act of 1934, the FCC is required to reassess its regulations to determine whether they remain necessary and in the public interest in light of marketplace developments, economic competition, and evolving legal frameworks. This initiative also closely tracks the policy direction outlined by then-Commissioner Carr in <u>Project 2025</u>, in which he called for eliminating "outdated regulations" that may inhibit investment and innovation in communications infrastructure.

Key Areas of Focus

The FCC encourages commenters to focus on specific policy factors in identifying rules for repeal or modification, although comments need not be limited to these considerations. The public notice outlines several areas where input would be particularly valuable, including:

Cost-Benefit Analysis

The FCC seeks input on whether the costs of compliance on regulated parties under existing rules outweigh their public benefits and whether modifications could yield greater overall benefits more efficiently. Commenters are invited to provide a cost-benefit analytical framework and suggest ways to integrate cost-benefit principles into future regulatory reviews.

Real-World Experience With Existing Rules

The FCC invites feedback on whether practical experience with certain rules demonstrates that they have become unnecessary or ineffective or that they impose excessive compliance burdens. Commenters may identify rules that have failed to achieve their intended objectives, have required frequent waivers, or have led to disproportionate regulatory costs for businesses or the FCC itself.

Marketplace and Technological Changes

The FCC seeks comment on rules that may have been overtaken by technological advancements or shifts in market dynamics. Stakeholders are encouraged to identify regulations that no longer serve their original purpose and may now hinder competition, broadband deployment, or emerging technologies. This may be particularly relevant in areas where advancements in artificial intelligence, 5G, and software-defined radio have made certain regulatory measures outdated.

Regulation as a Barrier to Entry

The public notice requests input on whether certain regulations disproportionately affect small businesses, startups, or American-owned firms. The FCC seeks to identify regulatory barriers that impose disparate compliance costs or discourage market participation.

Changes in the Broader Regulatory Context

The FCC seeks comment on how its rules interact with other federal, state, and local regulations, as well as industry self-regulatory measures. Commenters may address whether certain rules are redundant or conflicting or impose unnecessary burdens in light of broader regulatory frameworks. The FCC will also assess whether the cumulative costs of multiple regulations outweigh their intended benefits.

Legal Framework and Constitutional Concerns

In light of the U.S. Supreme Court decision in *Loper Bright*, which overturned the *Chevron* doctrine that mandated judicial deference to federal agency statutory interpretations that resolved ambiguities, the FCC invites commenters to assess whether certain rules should be reevaluated if they are predicated on prior FCC interpretations that may not reflect the "best" interpretation. Commenters are encouraged to identify rules that may exceed the FCC's statutory authority. Additionally, the FCC will consider constitutional challenges to existing rules, particularly where courts have previously raised concerns regarding agency overreach. This last point presents an opportunity to suggest reforms to the FCC's in-house enforcement procedures that result in monetary fines in light of the Supreme Court's 2024 decision in *SEC v. Jarkesy*.

Moving Forward

Initial comments are due by **April 11, 2025**, and may be filed through the <u>FCC's Electronic Comment Filing System</u> or via paper filing. Reply comments are due by **April 28, 2025**.

Given the potentially wide-ranging impact of this review, stakeholders across the telecommunications, broadband, and technology sectors may wish to take this opportunity to shape the FCC's deregulatory agenda. The proceeding is an excellent opportunity to seek regulatory relief. In addition, stakeholders should monitor the proceeding closely in case certain rules and policies that are favored are not proposed to be eliminated by other parties (*i.e.*, the proverbial baby being tossed out with the bathwater).

Authors

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