

Federal Communications Commission



**Fiscal Year 2010 Budget Estimates
Submitted to Congress
May 2009**

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Introduction

The Federal Communications Commission (FCC or Commission) is pleased to present its fiscal year (FY) 2010 budget request. The FCC is requesting a budget of \$335,794,000 to successfully carry out the FCC's functions and meet the expectations of Congress. As detailed in this submission, the requested budget includes funding for initiatives to: (1) Modernize the Commission's Information Technology systems and consolidate key licensing systems to reduce costs and make licensing processes speedier and more effective; (2) Recruit additional staffing; (3) Seek additional funding to continue the DTV transition effort; and (4) Acquire additional vehicles and equipment for resolving spectrum interference issues, particularly interference that affects public safety officials. We project we will work 1924 full-time equivalents (FTEs) from all available resources to carry out our mission for the American people.

With these resources, we will promote the deployment of broadband services, deregulate where competition exists, enhance public safety and homeland security, ensure the viability of the Universal Service Fund, promote the efficient use of spectrum, and review media regulation to enhance competition and diversity. In furtherance of the FCC's mission, this FY 2010 budget request will be used to support the following Strategic Goals:

- a. **Broadband** – Broadband, both wired and wireless, is the digital highway over which advanced Internet-based services are made available to homes, businesses, schools, and hospitals. As such, it has become an integral element of our Nation's economic stability and growth, and the FCC will continue to vigorously promote its deployment in FY 2010 by assuring that competition, innovation, and investment in broadband services continue apace. The Commission will also closely monitor and report to Congress and the American people on the Nation's progress toward the deployment of broadband services in the United States and abroad.
- b. **Competition** – In FY 2010, the FCC will continue its important work of supporting and enhancing the Nation's economy by implementing the investment and competition-enhancing provisions of national telecommunications laws, and will deregulate where competition exists. A continuing priority will be ensuring the viability of the Universal Service Fund to ensure access for consumers in rural and high cost areas and to promote access to advanced services for schools, libraries, and healthcare service providers in rural areas. The FCC's efforts will include the licensing and authorization of several thousand communications products and services each year, vigorous enforcement and consumer education programs. By carrying out programs in this area the FCC will help ensure that the communications and video programming revolution continues and that all consumers will have the opportunity to make meaningful choices among and have access to communications services.
- c. **Spectrum** – Electromagnetic spectrum is the means by which many new advanced telecommunications services are transmitted. The explosion of new digital services has placed huge new demands on this traditionally scarce resource, and allocating its private-sector use has always been one of the FCC's fundamental responsibilities. The pioneering work of the FCC's Spectrum Management Task Force is producing new approaches to spectrum management, freeing up more of this valuable resource for innovative uses and shortening the time it takes to make spectrum available. These initiatives, as well as the FCC's ongoing effort to encourage the highest and best use of spectrum domestically and internationally, will be even more essential in FY 2010 if the

United States is to encourage the growth and rapid deployment of innovative and efficient communications technologies and services.

- d. Media** – In FY 2010, the FCC will continue to increase competition, change ownership patterns, converge markets and industries, and deploy new technologies that have challenged both the legal and economic foundations of the Commission’s media regulation. In addition, the FCC shall enforce compliance with rules that apply to media services. The Commission shall investigate alleged violations and take enforcement action, where appropriate.
- e. Public Safety and Homeland Security** – The FCC is dedicated to providing the leadership and policy guidance necessary to promote the reliability, operability and interoperability, redundancy, and rapid recoverability of our Nation’s critical communications infrastructure. The FCC will also continue to steward the spectrum resources of public safety’s first responders and promote new life saving technologies like wireless E911. To support this goal, the Commission is proposing additional resources to further modernize its aging fleet of Mobile Digital Direction Finding (MDDF) vehicles that support public safety entities, such as local emergency responders, in the resolution of harmful interference to their communications systems.
- f. Modernize the FCC** – To achieve the goals and programs in the FY 2010 performance budget, the FCC will strive to be a highly productive, adaptive, and innovative organization that maximizes the benefit to stakeholders, staff, and management from effective systems, processes, resources, and organizational culture. The Commission will continue on a variety of fronts to emphasize effective, efficient, and legally compliant performance and results through excellent management. The FCC will also strive to ensure that it has the appropriate mix of expert, well-prepared staff, that it maximizes the benefits of technology in its programs, and that it uses other best management practices to meet the mission-critical challenges ahead. To support this goal, the FCC is requesting additional funds for Commission-wide information technology initiatives to improve and modernize key systems that support the FCC’s workforce and delivery of services to the public. These initiatives include consolidation of the Commission’s licensing systems; convert the Commission to Digital Television Technology; upgrade the Commission website and current telephone system; improve general infrastructure; and upgrade IT Security.

Consistent with its recent budget submissions, the FCC is submitting its FY 2010 budget request information at the organizational level to show the proposed use of resources. In addition, the FCC’s budget request also shows the proposed use of funds by key accounts within each bureau or office. This format provides a detailed view of the FCC’s proposed use of budgetary resources. We welcome the budgetary process and stand ready to provide Congress with the information to ensure effective oversight over the FCC.

SUMMARY OF REQUEST

The Federal Communication Commission ("FCC") is requesting an FY 2010 appropriation of \$335,794,000. We project the FCC will work 1924 full-time equivalents (FTEs) in FY 2010 from requested resources.

The Commission will use the FY 2010 funds to carry out its fundamental mission to ensure that the American people have available - at reasonable costs and without discrimination - rapid, efficient, Nation - and world-wide communications services whether by radio, television, wire, satellite, or cable.

	FY 2009 Enacted		FY 2010 Cong. Request		Requested Changes	
	FTE	\$ B/A	FTE	\$ B/A	FTE	\$ B/A
Direct Funding		0		1,000		
Total Direct Appropriation		0		1,000		\$1,000
Budget Authority to use						
Offsetting Collections:		341,875		334,794		
1) Total Regulatory Fees		341,875		334,794		(\$7,081)
Subtotal Discretionary B/A	Projected to Fund:		Projected to Fund:			
	1,880	\$341,875	1,886	\$335,794	6	(\$6,081)
Authority to spend						
Other Offsetting Collections:						
2) Economy Act/Misc. Other Reimbursables		1,741		2,500		
3) Auction Cost Recovery Reimbursements		85,000		85,000		
Total Gross Proposed Budget Authority		\$428,616		\$423,294		
Other Budget Authority						
Credit Program Account		6,432		5,499		
Universal Service Fund (USF)	38	25,480 ^{1/}	38	0 ^{2/}	0	
Grand Total Proposed Budget Authority	1,918	\$460,528	1,924	\$428,793	6	

^{1/}The Omnibus Appropriation Act, 2009 (P.L. 111-8) language authorizes use of \$25.48M and an additional 19 limited term FTE for USF Audit Support, as requested by the Office of the Inspector General.

^{2/}The Office of the Inspector General will use \$36.7M in prior resources that remains available for continued USF oversight and audit support.

FY 2010 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, **\$335,794,000**: *Provided*, That, offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, of which **\$334,794,000** 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 **2010** so as to result in a final fiscal year **2010** appropriation of **\$1,000,000**: *Provided further*, That any offsetting collections received in excess of **\$334,794,000** in fiscal year **2010** shall not be available for obligation: *Provided further*, That remaining offsetting collections from prior years collected in excess of the amount specified for collection in each such year and otherwise becoming available on October 1, **2009**, shall not be available for obligation: *Provided further*, That notwithstanding 47 U.S.C. 309(j)(8)(B), proceeds from the use of a competitive bidding system that may be retained and made available for obligation shall not exceed \$85,000,000 for fiscal year **2010**.

Legislative Proposal

The Administration will propose several legislative changes that will improve spectrum management and represent sound economic policy.

Spectrum License User Fee

To promote efficient use of the electromagnetic spectrum, the Administration proposes to provide the Federal Communications Commission with new authority to use other economic mechanisms, such as fees, as a spectrum management tool. The Commission would be authorized to set user fees on unauctioned spectrum licenses based on spectrum-management principles. Fees would be phased in over time as part of an ongoing rulemaking process to determine the appropriate application and level for fees. Fee collections are estimated to begin in 2009, and total \$4.8 billion through 2019.

Permanent Spectrum License Auction Authority

The Administration proposes to extend indefinitely the authority of the FCC to auction spectrum licenses, which is widely accepted as the most efficient and effective means to assign licenses, and which expires on September 30, 2012. The additional offsetting receipts associated with this permanent extension are estimated to total \$1.4 billion through 2019.

Auction Spectrum Licenses for Predominantly Domestic Satellite Services

The Administration proposes legislation to ensure that spectrum licenses for Direct Broadcast Satellite (DBS) Service and Satellite Digital Audio Radio Service (SDARS) space stations, and for any other satellite services deemed by the Commission to be predominantly domestic, are assigned efficiently and effectively through competitive bidding. Licenses for DBS and SDARS space stations were assigned by auction prior to a 2005 court decision that found that Section 647 of the ORBIT Act (47 U.S.C. § 765f) effectively prohibited DBS and SDARS auctions in light of Commission decisions permitting such licensees flexibility to provide service outside the United States. By clarifying through legislation that the Commission is authorized to use auctions to assign licenses for space stations for DBS and SDARS and for other satellite services the Commission deems predominantly domestic, prior policy of the Federal Communications Commission will be restored. Auction receipts associated with this clarification are estimated total \$200 million through 2019.

SUMMARY OF FY 2008 - FY 2010 FULL-TIME EQUIVALENTS (FTE'S) AND FUNDING

(Dollars in Thousands (\$000))	FY 08		FY 09		FY 10	
	FTE's	Appropriation Funding	FTE's	Appropriation Enacted	FTE's	Appropriation Cong. Request
Chairman and Commissioners.....	32	\$6,280	32	\$6,818	32	\$6,184
Consumer & Governmental Affairs Bureau	185	25,579	205	44,981	202	24,498
Enforcement Bureau	288	45,182	313	46,385	311	46,817
International Bureau.....	128	19,963	131	21,548	132	21,830
Media Bureau	222	29,514	233	28,983	229	29,325
Public Safety & Homeland Security Bureau	96	14,179	111	14,605	111	13,676
Wireless Telecommunications Bureau	220	11,872	226	12,455	229	12,685
Wireline Competition Bureau	148	22,914	157	25,674	165	25,829
Office of Administrative Law Judges	4	562	4	598	4	604
Office of Commun. Business Opportunities	11	1,340	11	1,060	11	1,091
Office of Engineering & Technology.....	89	13,856	90	13,574	90	13,694
Office of the General Counsel	75	12,255	76	13,002	77	13,164
Office of Inspector General	22	4,550	61	6,607	61	4,872
Office of Legislative Affairs	9	1,249	11	1,153	11	1,081
Office of the Managing Director.....	206	97,577	219	97,440	220	114,031
Office of Media Relations	16	2,178	16	2,265	16	2,292
Office of Strategic Planning & Policy Analysis....	19	3,299	18	4,196	18	3,582
Office of Workplace Diversity	4	513	4	529	4	538
FCC TOTAL	1,775	\$312,863	1,918	\$341,875	1,924	\$335,792

Note: The FY 2009 Congressional Budget and FY 2010 Congressional Requested Budget includes 38 limited term FTEs, which represents USF audit oversight for the Office of Inspector General.

FY 2008 - FY 2010 Full-Time Equivalent (FTE) Distribution by Goal

	Broadband			Competition			Spectrum			Media			Public Safety/ Homeland Sec			Modernize			Total		
	08	09	10	08	09	10	08	09	10	08	09	10	08	09	10	08	09	10	08	09	10
Commissioners	2	3	3	9	9	9	10	10	10	5	6	6	3	2	2	3	2	2	32	32	32
Bureaus																					
Consumer & Governmental Affairs	4	4	5	116	105	107	4	3	3	40	72	67	3	5	5	18	16	16	185	205	202
Enforcement	2	1	2	84	89	89	68	59	59	67	124	119	44	26	26	24	15	15	288	313	311
International	15	16	17	43	40	40	58	60	60	4	6	6	5	5	5	3	4	4	128	131	132
Media	2	2	2	26	25	24	105	102	102	73	90	88	4	3	3	11	11	12	222	233	229
Public Safety & Homeland Security	2	2	2	3	5	5	23	24	24	0	4	4	64	74	75	3	2	2	96	111	111
Wireless Telecomm.	36	36	38	17	22	23	121	114	115	2	16	16	3	2	2	40	36	36	220	226	229
Wireline Competition	11	12	19	120	124	124	3	3	3	2	8	8	2	1	1	10	9	9	148	157	165
Subtotal Bureaus	72	73	84	410	410	411	382	365	366	189	320	308	125	116	116	108	93	93	1287	1376	1379
Offices																					
Admin. Law Judges	0	0	0	0	0	0	4	4	4	0	0	0	0	0	0	0	0	0	4	4	4
Comm. Business Ops.	0	0	0	5	4	4	0	0	0	5	6	6	0	0	0	1	1	1	11	11	11
Engineering and Tech.	3	3	3	0	0	0	78	77	75	3	7	7	1	1	1	4	3	3	89	90	90
General Counsel	7	9	9	24	25	25	19	16	16	13	17	17	6	4	4	6	5	5	75	76	77
Inspector General	2	8	8	7	37	37	3	3	3	0	1	1	0	0	0	10	11	11	22	61	61
Legislative Affairs	1	2	2	2	2	2	1	1	1	2	2	2	1	0	0	2	4	4	9	11	11
Managing Director	8	9	9	36	33	33	49	46	46	20	47	48	11	9	9	82	75	75	206	219	220
Media Relations	1	0	0	2	2	2	2	2	2	2	3	3	1	1	1	8	8	7	16	16	16
Strategic Planning/ Policy Analysis	4	4	4	2	1	1	4	2	2	7	7	7	0	1	1	3	3	3	19	18	18
Workplace Diversity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4	4	4
Subtotal Offices	25	35	35	78	104	106	161	151	150	52	90	91	20	16	17	119	114	114	456	510	512
Totals	99	111	122	498	523	527	554	526	526	246	416	405	148	134	134	230	209	209	1775	1918	1924

Note: The FY 2009 Congressional Budget and FY 2010 Congressional Requested Budget includes 38 limited term FTEs, which represents USF audit oversight for the Office of Inspector General.

SUMMARY OF CHANGES

(\$ in thousands)

	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>	<u>Net Change From FY 09 to Cong. Request</u>
Direct BA	\$0	\$1,000	\$1,000
Offsetting Collections	<u>\$341,875</u>	<u>\$334,794</u>	<u>(\$7,081)</u>
Spending Authority	\$341,875	\$335,794	(\$6,081)
Full-time Equivalents ^{1/}	1,918	1,924	6

Explanation of Changes

	<u>Amount</u>
One-time Decreases to FY 2009 Base Request	(\$29,875)
Inflationary Increases to Base:	
Annualization FY 2009 Pay Raise (4.78%)	\$1,978
FY 2010 Pay Raise (2.0%)	\$2,500
Non Salary Increases	<u>\$1,416</u>
Subtotal	\$5,894
Programmatic Increases to Base:	
ITC Upgrades & Consolidations	\$15,000
Staffing Adjustment	\$1,000
DTV Outreach	\$1,000
Public Safety Support Vehicles	<u>\$900</u>
Subtotal	\$17,900
Total Change to Offsetting Collections:	(\$6,081)

^{1/} The FY 2009 Congressional Budget and FY 2010 Congressional Requested Budget includes 38 limited term FTEs, which represents USF audit oversight for the Office of Inspector General.

Narrative Explanation of Increases

Inflationary Increases to Base

\$5,894,008

1. Annualization of FY 2009 pay raise. The requested \$2.0M provides for the annualization of the projected FY 2009 4.78% pay raise that will become effective in January 2009 per Office of Personnel Management general schedule increase and locality payment for the Washington-Baltimore-Northern Virginia area.
2. FY 2010 pay raise. The requested \$2.5M provides funding for an estimated 2.0% pay raise, effective January 2010, and has been developed in accordance with OMB economic assumptions.
3. Non salary increases. The requested \$1.4M provides inflationary increases for space rentals (GSA and non-GSA facilities), phones, utilities, printing and reproduction services, contractual services, and supplies. These increases are developed in accordance with OMB guidelines for projected inflationary costs (2.1%).

Inflationary increases would provide current services level to recruit staff to continue the Commission's ability to provide baseline capabilities crucial to carrying out its mission.

Programmatic Increases to Base

\$17,900,000

1. Commission-wide Information Technology Initiatives: \$15,000,000

The Commission seeks \$15 million for an IT initiative because the FCC lacks integrated and modern IT systems. Much of the Commission's core infrastructure is 10 - 15 years old and unable to interface with modern external systems and technologies. These funds will allow the Commission to alter its systems to become more transparent and easy to do business with. First, we will be able to bring the full value of information stored at the FCC to the public. For example, citizens will be able to perform keyword searches of comments. This, in turn, will allow the public greater participation in Commission decision-making. Second, the Commission will better use its own information to make decisions by improving internal coordination and information sharing. Finally, these funds will make the FCC a model of technology use in the Government by modernizing both public-facing and back-end systems.

To achieve these objectives, the Commission would use these funds as follows:

- Converting the Commission to Digital Television Technology (\$2.0 Million). At the same time the country is making the switch to digital television, so too must the FCC. Transitioning the FCC to digital television would allow it to upgrade its 10 year old video capabilities. Doing so would improve the content developed and its delivery to the public. The Commission uses video in many ways, including the distribution of Open Meetings and Field Hearings on topics of great interest to the American public (e.g., media consolidation) as well as the distribution of consumer information regarding a range of topics from the DTV transition to consumer protection guidance.
- Upgrading the FCC.gov Website and Search Tools (\$1.5 Million). The FCC's website has not been upgraded since 2001. The FCC needs to develop a website that is easier to use,

improves the ability of all Americans to access information and to enhance the public's visibility into the FCC's deliberations and actions. Today, only 200 simultaneous streams are available for the public to access Commission Open Meetings on the web. These upgrades would allow 1,000 users at any one time. In addition, these funds would be used in part to improve the search capabilities on the Commission's website. When launched more than 10 years ago, the Commission's search functions were state of the art, today, they are insufficient to keep up with the demands of the general public and the industries that the FCC regulates.

- Upgrading the Commission's Current Telephone System (\$2.2 Million). First, this money would be used to improve internal control of telecom assets. With the current antiquated system, we must issue a change order to the telephone company any time we move a phone. Moving to a VOIP network will allow us to move phones throughout the FCC without contacting the telephone company. Second, the move will reduce our long distance charges. The current system requires HQ personnel to make a long distance phone call to our Gettysburg Office. VOIP will route these calls internally and toll free. Third, the move will result in single network maintenance and management. Currently, the Commission maintains two separate networks (lines, switches, and hubs) for both computers and telephones. By migrating to VOIP, all telecom and pc traffic can flow on a single network. This will reduce maintenance costs and improve service delivery and redundancy. Fourth, the move will allow integrated phone and pc functionality. VOIP phones will allow employees to take advantage of new efficiency tools thereby improving coordination and collaboration. i.e. dialing into video conferences, web-based services delivered to the phone, etc. Finally, the move will improve our voicemail capabilities. With the new VOIP system, voicemail can be made accessible via e-mail, web services, etc.
- Consolidating and Updating Commission Licensing System (\$1.5 Million). This effort will improve licensing transaction processing and reduce the costs of maintaining more than half a dozen independent licensing systems, many of which are outdated. By FY 2010, the overwhelming majority of these systems will be over ten years old. It is time for the Commission to retire this framework and move to a more efficient, cost effective, consolidated approach.
- General Infrastructure Upgrades (\$6.6 Million). The FCC needs to improve its nationwide connectivity. Currently non HQ facilities operate over low bandwidth (in some cases dial-up) connections which have proven unreliable and incapable of delivering critical field data to HQ. Investments would be made to upgrade these circuits and their associated connecting equipment. Additionally, the FCC plans on virtualizing all of its server capacity in order to better match computing resources to demand. This virtualization will result in energy and space savings, while allowing for more robust and redundant computing. Finally, IT lifecycle management will be addressed. The FCC has extended most of its IT assets' useful life by an average of 30% in order to match its funding level. As technology accelerates, this lifecycle extension has resulted in a large technology gap between the FCC, the public, the industry and federal partners. We are increasingly unable to integrate and coordinate efforts with these partners due to technology limitations. In addition, some of these funds would be put toward the initial project development that would allow the FCC to consolidate its two network operating centers. This consolidation effort would allow more standardized use of technology to ultimately realize cost reductions. In

addition, we would realize greater efficiency and improved reliability for both the Commission's general and auction operations.

- IT Security Upgrade and Compliance Initiative (\$1.2 Million). The FCC needs to integrate its IT security tools and processes to ensure protection of Commission data and respond to Federal Information Security Management Act related findings. Investments in this area will focus on a holistic approach to IT security that will incorporate all field offices, HQ facilities and partner agency activities.

2. Staffing Adjustment: **\$1,000,000**

The Commission has requested \$1 million to fulfill additional staffing needs. Over recent years, the Commission has lost a broad range of professional expertise due to retirements and other separations. As a result, the Commission plans to utilize these funds, which would enable us to acquire 7 FTEs, to begin filling some of these essential positions. Our goal is to recruit and retain a highly-skilled and results-oriented workforce such as economists, engineers, as well as legal, policy and professional staff. With the right mix of technical expertise, professional experience and leadership capabilities the Commission will be able to better ensure more fact-based and transparent decision-making.

3. DTV Outreach: **\$1,000,000**

The Commission seeks \$1 million in funding for our continued DTV efforts. Even after the transition has occurred, we anticipate a long-term ongoing need for the DTV call center, consumer education, field personnel travel, media advertising, and a demand by broadcasters for license modifications and authorizations. Without this funding, the Commission may be unable to perform the engineering and licensing work required to enable broadcasters to adjust their signals to provide free over-the-air television they have been serving for many years. These modifications to broadcaster licenses will result in changes in coverage, and will necessitate ongoing consumer education and outreach efforts.

Now that Congress has delayed the transition date for full-power stations to mid-June, the FCC can expect questions from viewers of full-power stations to continue well after that transition date on practical issues such as antenna reception. In addition, low power/Class A and translator stations will transition after full-power stations. Although a final date has not been set for these transitions, we expect a need to educate viewers about this second transition.

4. Public Safety Support Vehicles: **\$900,000**

Funding of \$900 thousand would replace ten Mobile Digital Direction Finding (MDDF) vehicles and associated radio receivers and direction-finding equipment. The Commission uses these vehicles to support public safety entities to investigate and resolve harmful interference to public safety communications systems. For example, the Commission has used its MDDF vehicles to resolve harmful interference to police, fire department, and emergency medical response communications systems. In response to Hurricane Katrina, for example, the Commission used its MDDF vehicles to resolve interference affecting the communications systems of disaster relief personnel. The Commission also uses these vehicles to provide assistance to Public Safety Answering Points (PSAPs) that experience interference to wireless

911/E911 calls, and to various U.S. Government agencies, such as the Department of Homeland Security's Border Patrol and the Department of Transportation's Federal Aviation Administration (*e.g.*, air traffic control systems).

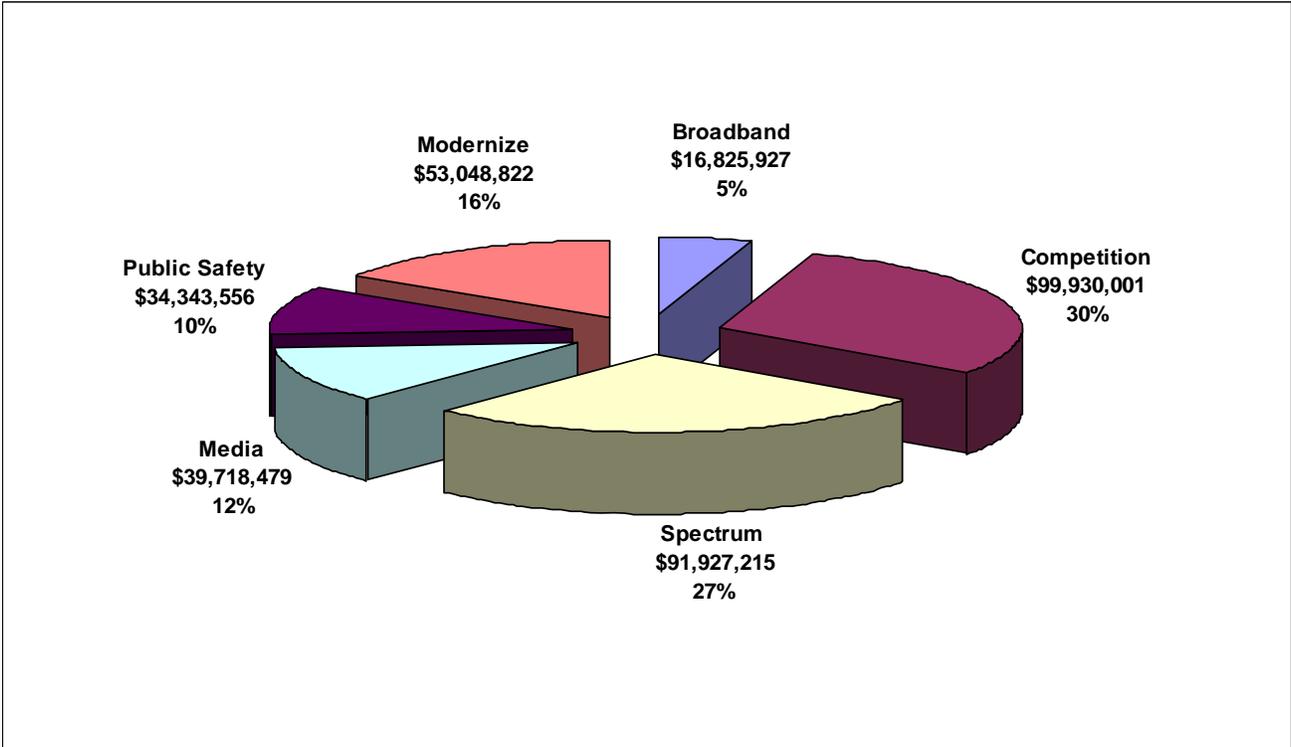
FCC PERFORMANCE PLAN

OVERVIEW: FCC STRATEGIC GOALS - 2009 THROUGH 2014

The FCC, in accordance with its statutory authority and in support of its mission, has established six strategic goals. They are:

- BROADBAND** All Americans should have affordable access to robust and reliable broadband products and services. Regulatory policies must promote technological neutrality, competition, investment, and innovation to ensure that broadband service providers have sufficient incentive to develop and offer such products and services.
- COMPETITION** Competition in the provision of communications services, both domestically and overseas, supports the Nation's economy. The competitive framework for communications services should foster innovation and offer consumers reliable, meaningful choice in affordable services.
- SPECTRUM** Efficient and effective use of non-federal spectrum domestically and internationally promotes the growth and rapid deployment of innovative and efficient communications technologies and services.
- MEDIA** The Nation's media regulations must promote competition and diversity and facilitate the transition to digital modes of delivery.
- PUBLIC SAFETY AND HOMELAND SECURITY** Communications during emergencies and crises must be available for public safety, health, defense, and emergency personnel, as well as all consumers in need. The Nation's critical communications infrastructure must be reliable, interoperable, redundant, and rapidly restorable.
- MODERNIZE THE FCC** The FCC shall strive to be a highly productive, adaptive, and innovative organization that maximizes the benefit to stakeholders, staff, and management from effective systems, processes, resources, and organizational culture.

Budget Request by Strategic Goal
\$335,794,000



WHAT THE FCC COMMITS TO ACCOMPLISH IN FY 2010

In carrying out its six strategic goals, the FCC has identified the following outcomes it will strive to accomplish in FY 2010. Each outcome is stated as a performance goal and each of the 20 outcome-focused performance goals has associated performance targets.

When reviewing the information on the following pages, the reader should note that the FCC, through its regulatory activities, influences numerous economic and social outcomes. However, since consumer choice, technological innovation, economic conditions, and international negotiations can all have greater effect on outcomes than FCC's regulatory activities, the FCC's approach to connecting its strategic goals to its performance measures includes only those factors within the FCC's control.

BROADBAND

Performance Commitments and Metrics

Outcome-oriented Performance Goal 1: Broaden the deployment of broadband technologies.

Targets with Subordinate Measures:

- (1) Support and facilitate the development and deployment of broadband services across multiple platforms.
 - Expeditiously issue licenses to auction winners, promoting the expanded deployment of broadband services.
 - Provide the support required under American Recovery and Reinvestment Act of 2009 in the development and execution of the Broadband Technology Opportunities Program, with the goal of providing improved access to wireline and wireless broadband service in unserved and underserved areas of the country
 - Prepare a national broadband plan, as required under the American Recovery and Reinvestment Act of 2009, to seek to ensure that all people of the United States have access to broadband capability, through wireline and/or wireless technologies, and to establish benchmarks for meeting that goal.
- (2) Support and facilitate the deployment of IP-enabled services such as VoIP to increase consumer demand for broadband technologies.
 - Initiate or adopt items that facilitate the deployment of IP-enabled services as another means of increasing access and competition in broadband services. Ensure that IP-enabled services and broadband platforms are treated in a way that encourages deployment of broadband technologies.
- (3) Work in partnership with state, local, and tribal governments, consumer groups and industry to promote broadband availability to all Americans, including consumers in rural and high cost areas and individuals with disabilities.
 - In coordination with government, consumer and industry groups, conduct outreach activities to educate the public concerning the Commission's broadband initiatives, including those promoting universal service.
 - In coordination with government, consumer and industry groups, solicit input on how the Commission can promote broadband access in rural areas.
 - Issue a report on how agencies can work together to promote broadband access in rural areas.
- (4) Track and monitor the number of consumers that have adopted various broadband technologies.
 - At least annually, publish data on broadband deployment.
- (5) Measure and report on the number and category of consumer inquiries and complaints received regarding broadband availability and deployment.
 - Publish quarterly data on consumer inquiries and complaints.

Outcome-oriented Performance Goal 2: Define broadband to include any platform capable of transmitting high-bandwidth intensive services, applications, and content.

Target with a Subordinate Measure:

- (1) Continue to evaluate and refine, as necessary, what constitutes broadband to ensure that it encompasses future, next-generation offerings that may not be in use today.
 - Consult with industry and technical experts and revise policies as necessary so that Commission decisions and definitions of broadband speeds, services and applications are fully informed and compatible with current and future broadband technology.

Outcome-oriented Performance Goal 3: Ensure harmonized regulatory treatment of competing broadband services.

Targets with Subordinate Measures:

- (1) Support and encourage policies and regulations to ensure harmonized regulatory treatment among broadband technologies, platforms and service providers.
 - Review and revise, as necessary, the Commission's licensing and technical rules and establish policies that promote similar regulatory treatment for competitive services regardless of platform or provider.
 - Participate in meetings with industry, policy makers, regulators, or international organizations to examine policy and regulatory options for promoting broadband services.
- (2) Support and address regulatory requirements that affect broadband service providers, including universal service, 911 and E911, the Communications Assistance for Law Enforcement Act (CALEA), and consumer protection.
 - Review and revise, as necessary, the Commission's rules and policies to ensure that broadband service providers comply with regulatory requirements benefiting public safety and law enforcement entities as well as consumers.

Outcome-oriented Performance Goal 4: Encourage and facilitate an environment that stimulates investment and innovation in broadband technologies and services.

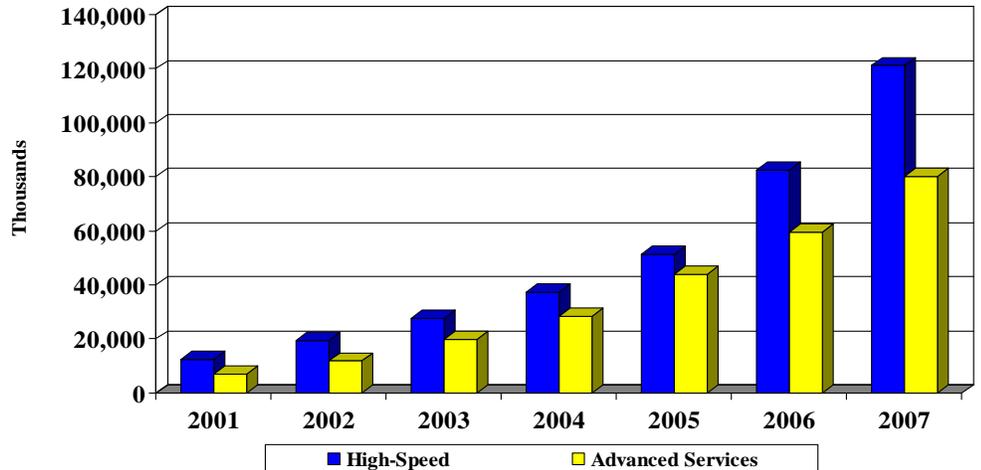
Targets with Subordinate Measures:

- (1) Employ appropriate strategies to encourage new entrants and providers of nascent technologies to participate in broadband markets.
 - Initiate or adopt rulemaking actions that provide opportunities for innovations and new options in broadband services.
- (2) Vigorously enforce and defend against legal challenges to policies and regulations that promote the deployment and adoption of all broadband technologies.
 - Promote the availability of broadband to all Americans by addressing 100% of consumer inquiries and complaints received regarding broadband availability, and taking rulemaking action or enforcement action in cases of non-compliance.
- (3) Examine how government can encourage and facilitate broadband deployment in rural areas.
 - Issue a report on how agencies can work together to promote broadband access in rural areas.
- (4) Maintain efficient licensing and facilities siting processes to encourage and facilitate rapid deployment of broadband infrastructure.
 - Process 90% of routine license applications for broadband services within 90 days of receipt.
 - Resolve, through rulemaking, addressing petitions for reconsideration, environmental analyses, or other means, communications tower and antenna siting issues.
- (5) In accordance with the 2008 Broadband Data Improvement Act, measure, report and analyze data pertaining to broadband deployment including data from developing in foreign markets.
 - Identify markets in other countries appropriate for comparative analysis.
 - Establish relationships abroad to facilitate data access and use.

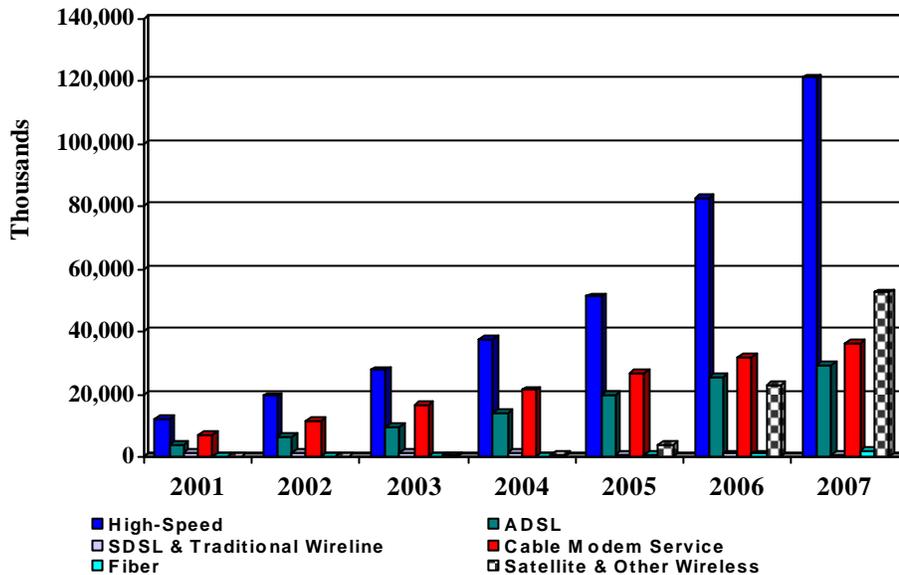
Performance Indicators

Broadband currently refers to services and facilities with a transmission speed greater than 200 kilobits per second (kbps). High-speed lines deliver services at speeds exceeding 200 kbps in at least one direction, while advanced services lines deliver services at speeds exceeding 200 kbps in both directions. (Year shown is calendar year unless otherwise noted.)

Number of High Speed and Advanced Lines



High Speed Lines Across Various Platforms



As of December 2007,¹ subscribers to high-speed services were present in more than 99% of the zip codes in the U.S.² There were 121.2 million high-speed lines in service,³ a 46% increase compared to 2006. More than 73.9 million of these were assigned to residential subscribers.⁴ ADSL high-speed lines increased during 2007 by 16%, to 29.5 million lines, while high-speed cable modem service lines increased by 14% to 36.5 million lines.⁵ (Year shown is calendar year unless otherwise noted.)

¹ Data on advanced services for Internet access is collected every six months; the latest available data released from the FCC is from December 2007. The report on *High Speed Services for Internet Access: Status as of December 31, 2007*, released January 16, 2009, is available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-287962A1.pdf

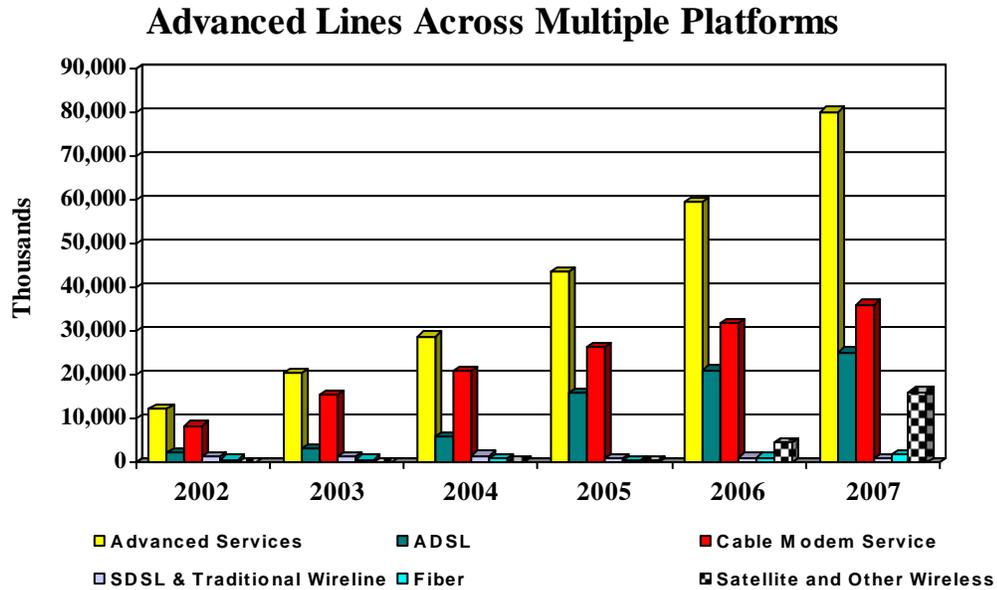
² Ibid., Chart 12, page 21.

³ Ibid., Table 1, page 6.

⁴ Ibid., Table 3, page 8.

⁵ Ibid., Table 1, page 6.

There were 80.2 million advanced lines in service as of December 31, 2007, a 35% increase compared to 2006. ADSL advanced services lines increased during 2007 by 19% to 25.2 million lines, while cable modem advanced services lines increased by 14% to 36.2 million lines.⁶ (Year shown is calendar year unless otherwise noted.)



Means and Strategies for Accomplishing Performance

BROADBAND		
Processes	Skills	Technology
<ul style="list-style-type: none"> ▪ Rulemaking ▪ Enforce the Communications Act and the Commission's rules. ▪ Notice of Apparent Liability/Forfeitures ▪ Industry analysis ▪ Data collection ▪ Negotiations with global regulators ▪ Technology analysis 	<ul style="list-style-type: none"> ▪ Understanding of relevant law. ▪ Ability to analyze competitive broadband markets. ▪ Forecasting likely scenarios for convergence of varied technologies. ▪ Assessing technical feasibility of emerging technologies. ▪ Understanding of current technologies and their respective markets. 	<ul style="list-style-type: none"> ▪ Commission Lifecycle Agenda Tracking System (CLASPlus) ▪ Electronic Document Management System (EDOCS) ▪ Electronic Comment Filing System (ECFS) ▪ Consumer Complaints Management System (CCMS) ▪ Fee Filer ▪ Desktop/Network Document Development and Data Access Tools

⁶ Ibid., Table 2, page 7.

COMPETITION

Performance Commitments and Metrics

Outcome-oriented Performance Goal 5: Promote access to telecommunications services for all Americans.

Targets with Subordinate Measures:

- (1) Adopt, enforce and defend against legal challenge policies and rules that enhance access to communications services for persons with disabilities.
 - a. Ensure continued viability of telecommunications relay services (TRS) for persons with hearing and speech disabilities by taking measures to maintain the integrity of the Interstate TRS Fund and payments to providers.
 - Increase access to communications services for persons with disabilities by reviewing 100% of the allegations and complaints referred to the Enforcement Bureau and taking enforcement action where appropriate in cases of non-compliance within 15 months.
 - Increase access to communications services for persons with disabilities by reviewing 100% of the informal complaints and inquiries received regarding access to telecommunications by people with disabilities.
 - Increase access to communications services for persons with disabilities by reviewing 100% of the allegations or complaints of misuse of services reimbursed through the TRS Fund and taking enforcement action where appropriate in cases of non-compliance within 15 months..
- (2) Promote and advance universal service by increasing the number of USF enforcement actions.
 - a. Promote and advance universal service by reviewing 100% of referrals from the Commission's Office of Inspector General and take enforcement action where appropriate in cases of non-compliance within 15 months.
 - Report at least annually on USF enforcement actions.

Outcome-oriented Performance Goal 6: Ensure that American consumers can choose among multiple reliable and affordable communications services.

Targets with Subordinate Measures:

- (1) Promote competitive choices through compliance with existing rules for wireless, satellite, wireline voice and data service providers, for domestic and international services and for multichannel video programming.
 - Maximize compliance with the Commission's rules governing the North American Number Plan Administration (NANPA) and Local Number Portability (LNP) Administration by reviewing 100% of allegations and complaints referred to the Enforcement Bureau, and taking enforcement action where appropriate within 15 months.
 - Process earth station and space station applications within FCC speed of disposal commitments
- (2) Promote competitive choices by adopting policies that lower relative prices for domestic and international wireline and wireless services.
 - Develop Commission items that promulgate policies designed to increase consumer's competitive choices for broadband, telephone, and multichannel video programming services, including through open wireline and wireless networks where appropriate.
- (3) Evaluate and report on the competitive environment for communications services.
 - Develop and publish reports, by deadlines established in legislation or Commission policy, that provide information concerning competition in the telecommunications, cable, commercial wireless, and satellite industries.

Outcome-oriented Performance Goal 7: Promote pro-competitive and universal access policies worldwide.

Targets with Subordinate Measures:

- (1) Actively participate in bilateral and multilateral global discussions and debate on issues in coordination with other U.S. governmental agencies related to competition and universal access, including access for people with disabilities.

- Participate in meetings and conferences with foreign regulators to foster competition in foreign markets and promote universal service policies.
 - Meet with NTIA and the Department of State as necessary to coordinate U.S. positions related to competition and universal access, including access for people with disabilities.
- (2) Work with other U.S. government agencies to participate in international studies that track the status of global communications.
- Provide input, edits and comments within established deadlines for policy papers, best practices guidelines, studies and statistical reports.

Outcome-oriented Performance Goal 8: Work to inform American consumers about their rights and responsibilities in the competitive communications marketplace.

Targets with Subordinate Measures:

- (1) Engage consumers through outreach and education initiatives to facilitate informed choice in the competitive telecommunications marketplace.
- Continue to promote media coverage, consumer advocacy group, and business community awareness of citations and forfeitures associated with junk faxes, Do Not Call, and other TCPA violations to increase business and consumer awareness of the penalties for violating TCPA requirements.
 - Respond to 100% of consumer complaints concerning junk fax and Do Not Call violations within 20 days of receipt by informing the consumer that sufficient information has been provided to justify an enforcement referral or that the complaint cannot be referred for enforcement (and the reasons why).
 - Respond to 100% of non-TCPA consumer complaints and inquires within 30 days.
 - Continue to promote media coverage, consumer advocacy group, and business community awareness of FCC's accessibility rules and forfeitures associated with violations of these rules to increase business and consumer awareness of the rights of consumers and need to ensure that persons with disabilities have access to communications products and services, and video programming.
- (2) Evaluate and report on consumer complaints regarding communications services and improve customer experience with the Commission's call centers and website.
- Make publicly available, within 45 days of the end of each quarter, information about the number and type of consumer complaints filed with the Commission.
 - For consumer complaints involving potential violations of the junk fax and Do Not Call rules, evaluate the complaint information, refer 100% of eligible consumer complaints to the Enforcement Bureau, and inform consumers about the status of their complaints within 20 days of the receipt of the complaint.

Outcome-oriented Performance Goal 9: Enforce the Commission's rules for the benefit of consumers.

Targets with Subordinate Measures:

- (1) Enforce and defend against legal challenges to the Commission's policies that promote the competitive provisions of the Communications Act of 1934, as amended, and the Commission's rules.
- Ensure that consumers realize the benefits of competition by resolving formal complaints within one year and all other investigations and complaints within 15 months.
 - Promote competition in the communications industry by addressing 100% of all complaints filed with the Commission alleging violations of the competitive provisions of the Act and the Commission's rules.
- (2) Ensure, including litigation where necessary, that consumers are protected from anticompetitive practices.
- Maximize compliance with the Commission's Customer Proprietary Network Information (CPNI) rules by reviewing 100% of annual CPNI Compliance Filings and taking appropriate enforcement action against 100% of those carriers' filings identified as non-compliant with the

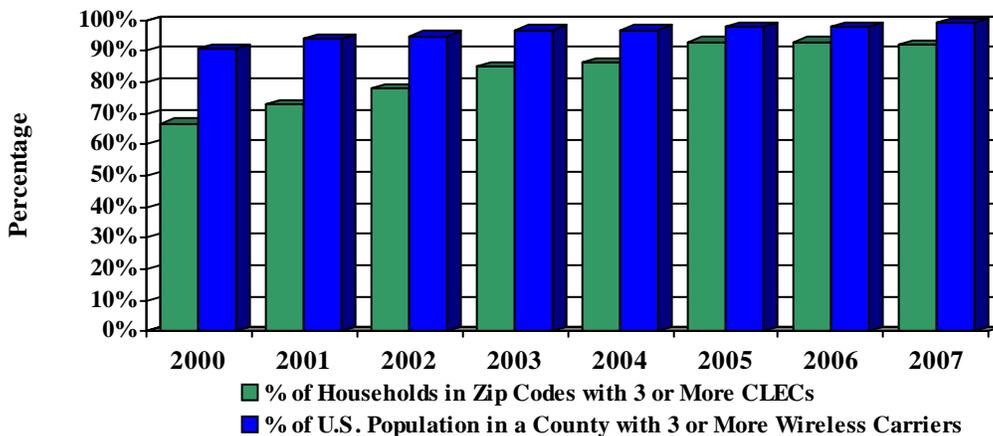
Communications Act or the Commission's rules. Resolve all such investigations within 15 months.

- Deter illegal “junk fax” business practices by rigorous enforcement of the junk fax provisions of the Telephone Consumer Protection Act of 1991 (TCPA) by taking appropriate enforcement action within 120 days on 100% of complaints that contains all information necessary for enforcement and are otherwise enforceable.
 - Deter business practices that are in violation of the Telephone Consumer Protection Act through rigorous enforcement of the TCPA rules addressing do-not-call telephone solicitation requirements and restrictions on the use of and pre-recorded advertising messages, as well as provisions governing telemarketing and the use of calling equipment, improve consumer outreach and quick responses to consumer complaints.
 - Analyze complaint data to identify, take enforcement action against, and minimize the number of repeat offenders of the TCPA rules.
 - Deter violations of the Commission's regulations by investigating and resolving at least 90% of formal complaints within one year and 90% of all other investigations and complaints within 15 months.
- (3) Share information about the Commission's enforcement policies and practices with foreign regulatory agencies and encourage cooperation, when appropriate.
- Provide information concerning policies and practices to multiple foreign regulatory agencies.

Performance Indicators

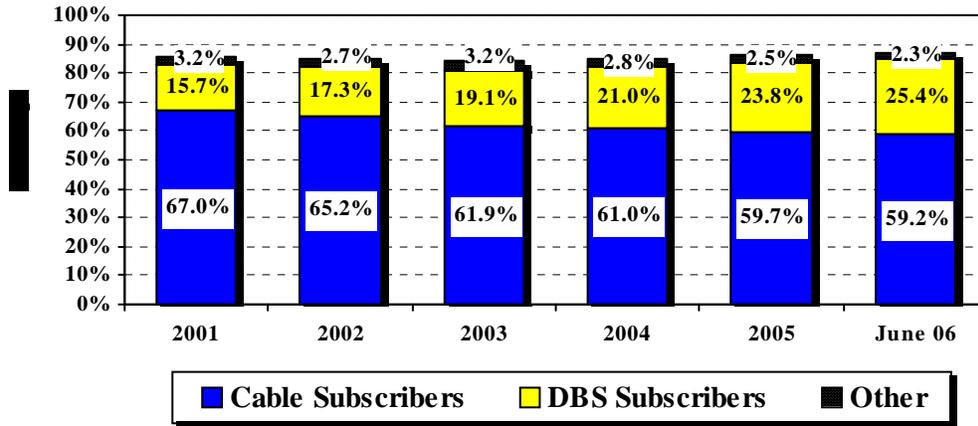
The percentage of U.S. households living in zip codes served by three or more wireline local exchange carriers has climbed from 67% in 2000 to 92% in 2007. Similarly, the percentage of the U.S. population living in areas served by three or more wireless carriers has climbed from 91% in 2000 to 99% in 2007. (Year shown is calendar year unless otherwise noted.)

Percentage of Population with Three or More Providers



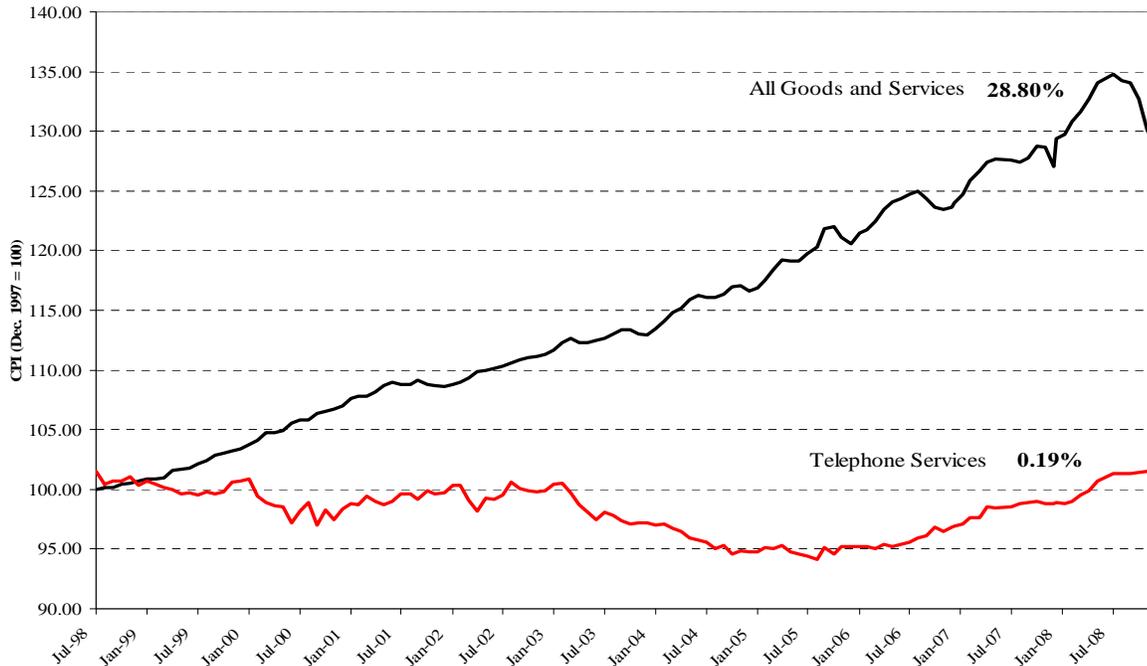
As of June 2006, 87% of the 110.2 million total U.S. television households subscribed to a multichannel video programming distribution service; 59.2% of all TV households were cable subscribers; 25.4% were direct broadcast satellite subscribers; and 2.3% subscribed to other MVPD services. Non-cable MVPD subscribers grew from 28.8 million households in June 2005 to 30.5 million households in June 2006, an increase of 5.9%. (Year shown is calendar year unless otherwise noted.)

MVPD Subscribers as a Percentage of TV Households

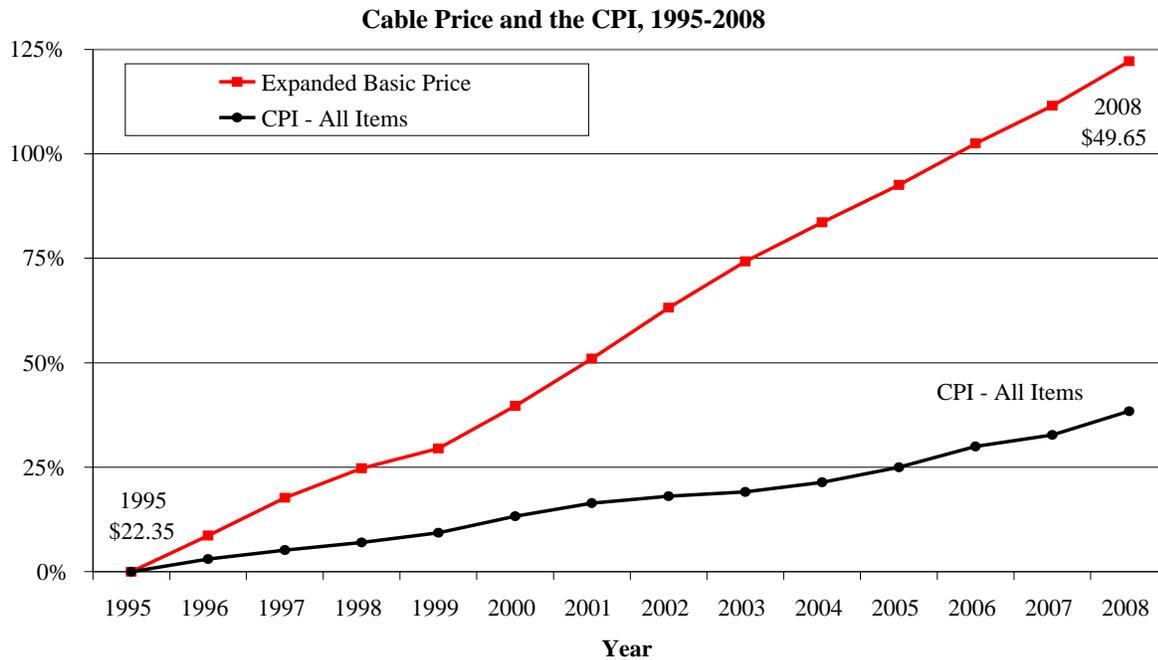


The consumer price for telephone services has remained virtually the same over the last decade compared to the price of other goods and services. The chart below uses data obtained from the Bureau of Labor Statistics to compare the Consumer Price Index (CPI) for Telephone Services with the CPI for all goods and services, using July 1998 price levels as the base (equal to 100). The Telephone Services included in this index include Local Telephone Service, Long Distance Charges, Interstate Toll Service, Intrastate Toll Service, and Wireless Telephone Services. In contrast to a 28.80% increase in the CPI for all goods and services, measured from July 1998 to December 2008, the Telephone service price index has increased a mere 0.19%.

Telephone Services and the Consumer Price Index

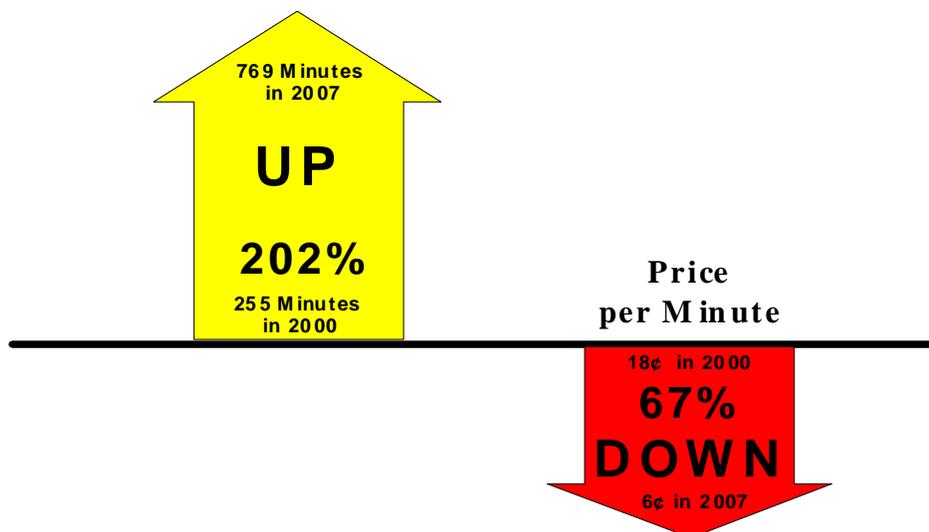


However, as shown in the chart below, since the period immediately preceding enactment of the Telecommunications Act of 1996, prices for cable services have risen by 122%.⁷ (Year shown is calendar year.)



The average price of wireless telephone calls has fallen since the beginning of the decade. As illustrated by the accompanying chart, the average price per wireless minutes of use per month for mobile telephone service, including both individual and business users, has fallen since 2000, down to six cents per minute in 2007. (Year shown is calendar year.)

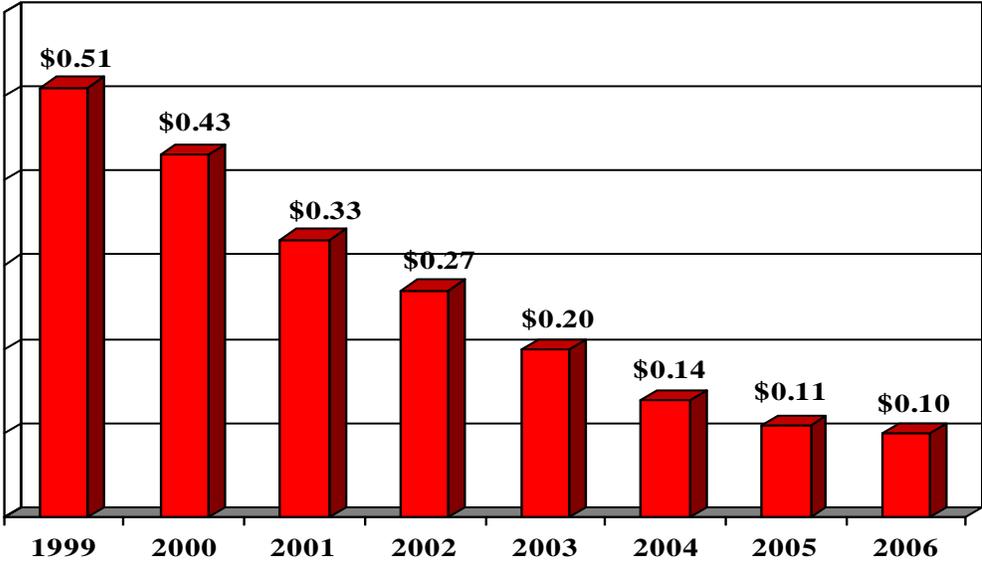
AVERAGE PRICE PER WIRELESS MINUTES OF USE PER MONTH 2000 TO 2007



⁷ Rep

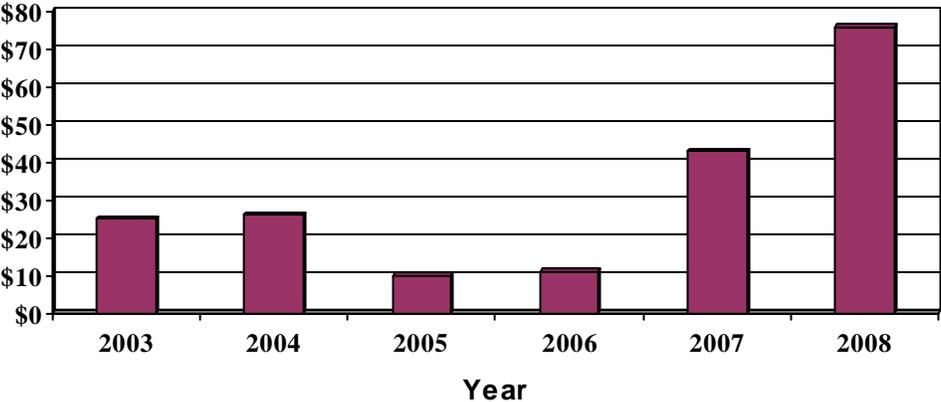
The average international calling rate for U.S. consumers fell from 51¢ per minute in 1999 to 10¢ per minute in 2006. (Year shown is calendar year.)

Price Per Minute for An International Call



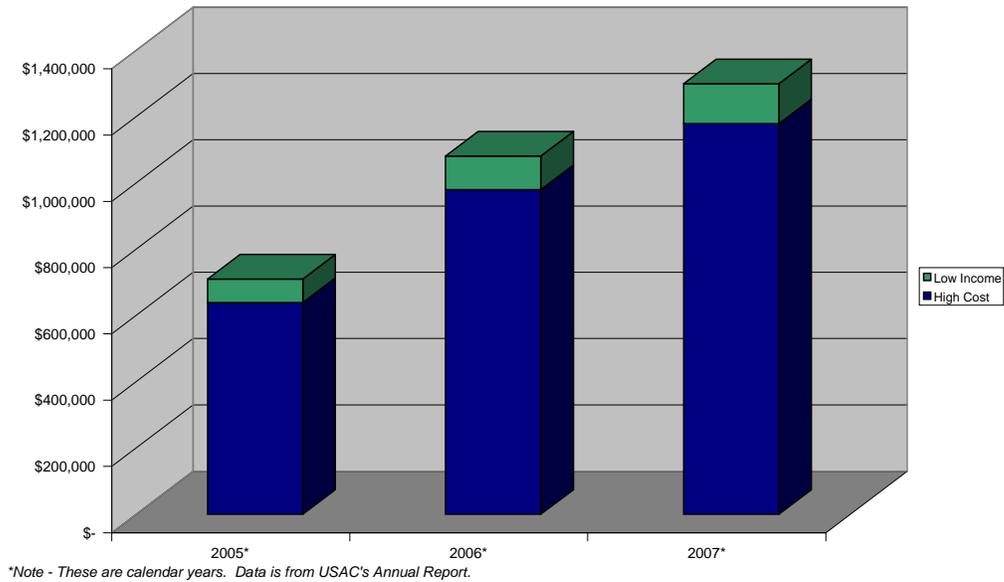
The Commission took 288 actions involving monetary forfeitures or payments negotiated through consent decrees for violations of FCC rules. These included issuing 247 Notices of Apparent Liability (NAL) in the amount of \$47,840,525.40 and negotiating 41 pre-NAL consent decrees in the amount of \$28,063,925.00. The chart below compares forfeitures assessed and payments negotiated for the past six years.

Monetary Forfeitures Assessed and Payments Negotiated through Consent Decrees, Calendar Years 2003 through 2008
Dollars in millions



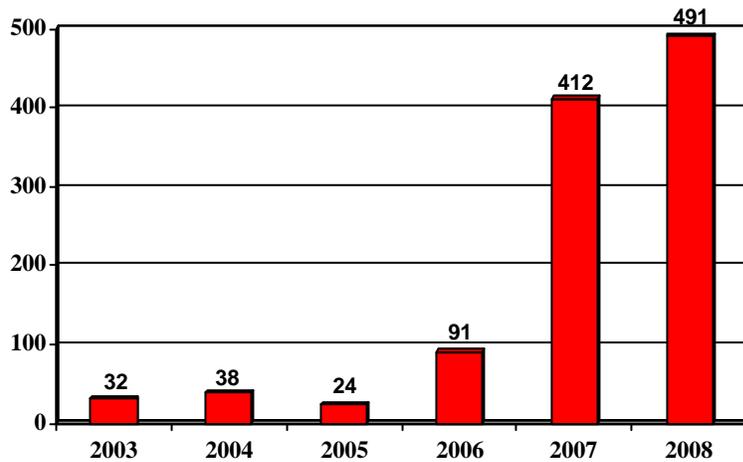
On May 1, 2008, the Commission released an order adopting an interim cap on the amount of high-cost universal service support disbursed to competitive eligible telecommunications carriers (CETCs). This action is a step toward reining in the explosive growth in high-cost universal service support. As the accompanying chart shows, CETCs received nearly \$1.2 billion in high-cost support in 2007, up from less than \$650 million in 2005.

Competitive Eligible Telecommunication Carrier (CETC) Disbursements from the Universal Service Fund
(\$ in Thousands)



In 2008, the Commission issued 491 citations, and 51 Notices of Apparent Liability totaling \$8,355,000, and ten forfeiture orders totaling \$4,050,000, against violators of the Junk Fax Protection Act. This represents a 19% increase over 2007 and a more than five-fold increase from the number of citations issued just two years ago. (Year shown is fiscal year.)

Citations Issued to Junk Fax Violators 2003 - 2008



Means and Strategies for Accomplishing Performance

COMPETITION		
Processes	Skills	Technology
<ul style="list-style-type: none"> ▪ Rulemaking ▪ Enforce the Communications Act and the Commission’s rules. ▪ Notice of Apparent Liability/Forfeitures ▪ Industry and consumer analysis ▪ Consumer protection ▪ Interactions with state and international regulators 	<ul style="list-style-type: none"> ▪ Understanding of various communications marketplaces. ▪ Ability to analyze economic impact of industry behavior on consumers. ▪ Consumer and public education and interaction skills. ▪ Auditing, investigating, enforcing. ▪ Forecasting changing needs and expectations toward underserved groups. 	<ul style="list-style-type: none"> ▪ Consumer Complaints Management System (CCMS) ▪ Automated Reporting Management Information Systems (ARMIS and EAFS) ▪ Electronic Tariff Filing System (ETFS) ▪ Commission Lifecycle Agenda Tracking System (CLASPlus) ▪ Electronic Document Management System (EDOCS) ▪ Electronic Comment Filing System (ECFS) ▪ Fee Filer ▪ Desktop/Network Document Development and Data Access Tools

SPECTRUM

Performance Commitments and Metrics

Outcome-oriented Performance Goal 10: Ensure that the Nation's spectrum is used efficiently and effectively.

Targets with Subordinate Measures:

- (1) Facilitate the deployment of new or existing services and devices that use spectrum efficiently and effectively.
 - Review and revise, as necessary, the Commission's licensing and technical rules and establish policies that promote the provision of new or improved communication services.
 - Analyze space station licensees' compliance with system, implementation milestones and take action, where necessary, to make unused spectrum available to new applications.
- (2) Pursue spectrum allocation and license assignment policies to achieve the effective and efficient use of spectrum.
 - Conduct auctions of licenses for electromagnetic spectrum as directed through statutory mandate or Commission decision.
 - Efficiently process applications for auctions participation as well as applications from winning bidders.
 - Complete transfer of all eligible auctions revenues to the U.S. Treasury within 30 days of license grant.
- (3) Conduct effective and timely spectrum licensing activities.
 - Process 95% of routine spectrum license applications within 90 days of receipt.

Outcome-oriented Performance Goal 11: Advocate U.S. spectrum interests in the international arena.

Targets with Subordinate Measures:

- (1) Secure international spectrum allocations that allow for new services and protect incumbent services from interference.
 - Develop and coordinate draft proposals with other federal government agencies in preparation for the next World Radio Conference in 2011.
 - Prepare materials and participate in international meetings to secure spectrum and satellite positions as well as minimize interference issues between services through advocacy of U.S. positions.
- (2) Secure and enforce bi-lateral spectrum treaties and agreements working with appropriate U.S. and international government agencies.
 - Prepare detailed technical analyses and effectively represent the U.S. in bi-lateral negotiations and coordination activities.
 - Perform all technical analysis as necessary to ensure compliance with all applicable provisions of bilateral and International Telecommunication Union (ITU) agreements and treaties.

Outcome-oriented Performance Goal 12: Enforce the Commission's spectrum regulations and policies.

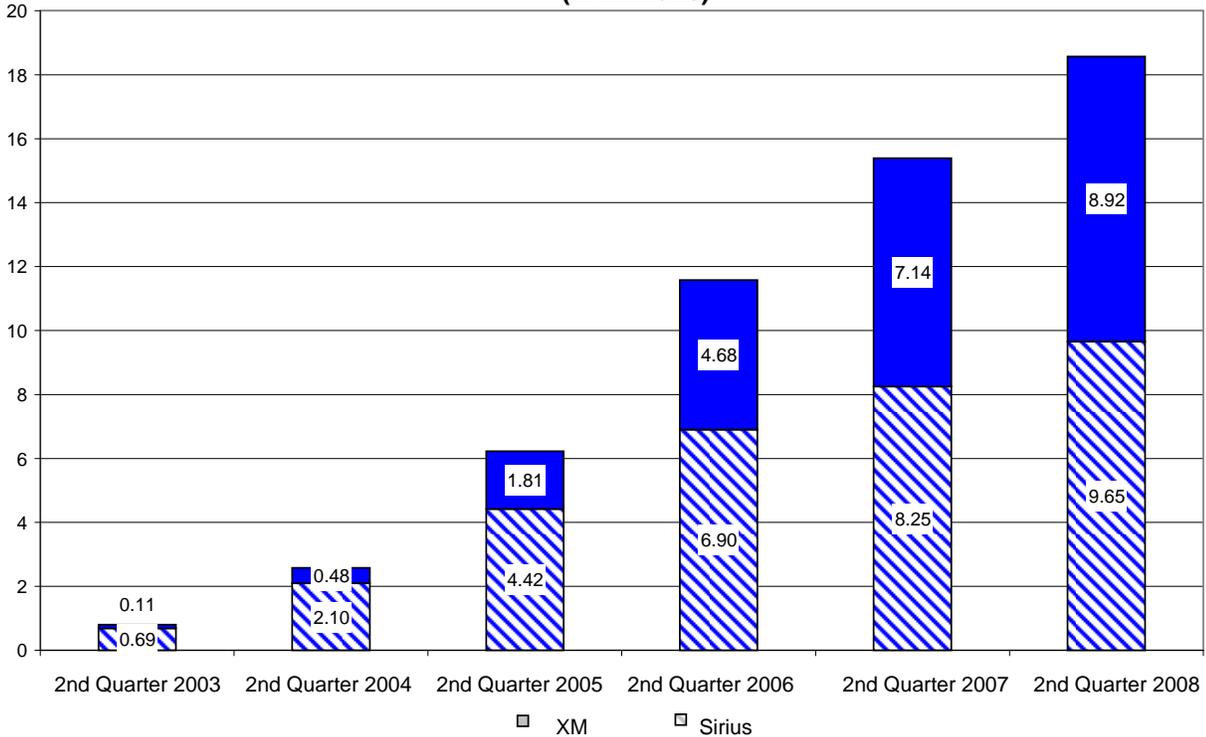
Targets with Subordinate Measures:

- Enforce the Commission's spectrum regulations and policies to provide certainty to spectrum users that they will not be subject to harmful interference by the use of devices that do not comply with the Commission's rules.
 - Respond to 95% of non-emergency interference complaints within one month.
- Enforce the Commission's licensing regulations, including limitations on power outputs, antenna and tower height, and build-out requirements, to ensure that licensees are using spectrum efficiently and effectively.
 - Continue an aggressive program of inspections and investigations conducted by agents in the field to help maximize compliance with the Commission's licensing requirements.

Performance Indicators

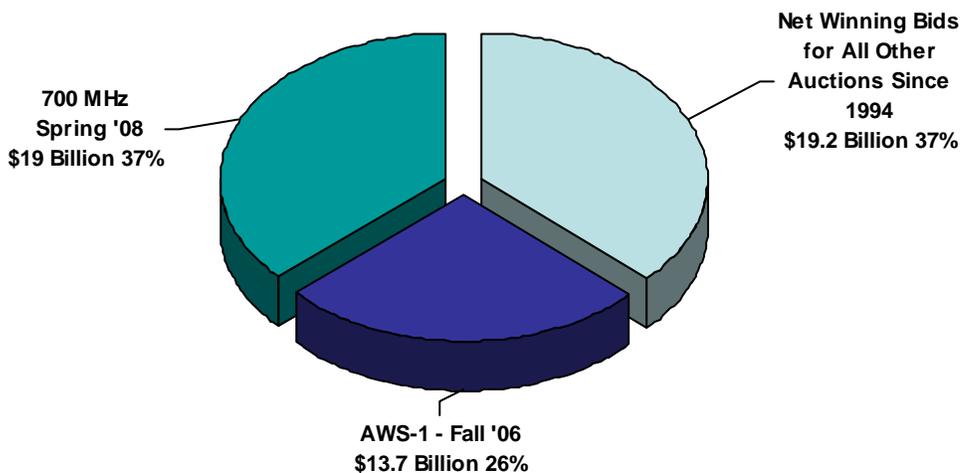
This chart displays subscriber growth in the SDARS from the second quarter of 2003 to the second quarter of 2008. Since June 2007, the number of SDARS subscribers has increased by 21%, from 15.39 million subscribers to 18.57 million subscribers.

Satellite Radio Subscribers
(in millions)



In the Fall of 2006 and the Spring of 2008, the FCC received record net winning bids of \$13.7 billion in the AWS-1 auction and \$19.0 billion in the 700 MHz band auction. The net winning bids in these two auctions alone accounts for 53% of all net winning bids for all auctions ever conducted by the FCC dating back to Auction 1 in the summer of 1994.

**Total Net Winning Bids Collected and Deposited into Treasury
in Auctions: AWS-1 (Auction 66) and 700 MHz Band (Auction 73)**



Means and Strategies for Accomplishing Performance

SPECTRUM		
Processes	Skills	Technology
<ul style="list-style-type: none"> ▪ Auctions ▪ Rulemaking ▪ Enforce the Communications Act and the Commission’s rules. ▪ Notice of Apparent Liability/Forfeitures ▪ Industry analysis ▪ Data collection ▪ Licensing ▪ Engineering ▪ Inter-governmental and international negotiations 	<ul style="list-style-type: none"> ▪ Ability to plan and conduct fair auctions for the limited spectrum resource. ▪ Understanding of both economic and technical aspects of the telecommunications industry. ▪ Perspective and innovative thinking in order to identify ways to encourage the best use of spectrum while maintaining appropriate protections for public safety and national defense. ▪ Auditing, investigating, enforcing. 	<ul style="list-style-type: none"> ▪ Auctions system – ISAS ▪ Universal Licensing System ▪ International Bureau Filing System (IBFS) ▪ Experimental Licensing Filing System ▪ Cable Operations and Licensing System (COALS) ▪ Antenna Structure Registration System ▪ Columbia Engineering Laboratory ▪ Enforcement equipment ▪ Equipment Authorization Filing System ▪ OET Frequency Assignment Coordination System (OFACS) ▪ Consolidated Database System (CDBS) ▪ Tower Construction Notification System ▪ Commission Lifecycle Agenda Tracking System (CLASPlus) ▪ Electronic Document Management System (EDOCS) ▪ Electronic Comment Filing System (ECFS) ▪ Consumer Complaints Management System (CCMS) ▪ Fee Filer ▪ Desktop/Network Document Development and Data Access Tools

MEDIA

Performance Commitments and Metrics

Outcome-oriented Performance Goal 13: Develop media rules and policies that achieve statutory policy objectives in light of significant changes to traditional media services.

Target with a Subordinate Measure:

- (1) Support the development of and defend against legal challenge to media rules and policies that comply with judicial directives and statutory requirements.
 - a. Develop Commission rulemaking items to promulgate policies for the effective provision of broadcast television and radio as well as cable and satellite television.
 - b. Promote competition, diversity and localism in all Commission rulemaking items concerning media ownership.
- (2) Facilitate the transition to digital television and further the transition to digital radio.
 - a. Adopt policy and regulations to improve the operations of digital television and digital radio.
 - b. Continue to negotiate and implement agreements with Canada and Mexico for the deployment of digital services in border regions.

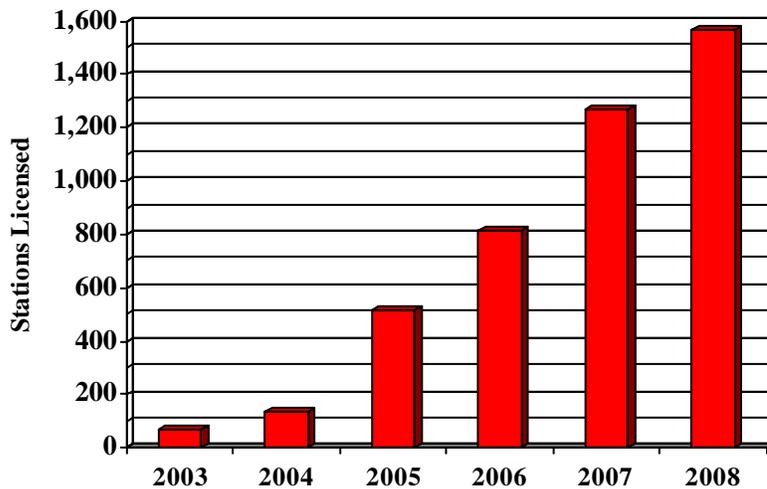
Outcome-oriented Performance Goal 14: Enforce compliance with media rules.

Targets with Subordinate Measures:

- (1) Timely resolve and defend against legal challenge adjudicatory proceedings involving cable television, broadcast television and radio, and satellite services.
 - Deter violations of media-related rules by reviewing 90% of all new complaints within 15 months and taking enforcement action in cases of non-compliance where appropriate.
- (2) Ensure that broadcasters and cable operators comply with requirements of the Children's Television Act and the Commission's rules regarding children's educational television.
 - o Deter violations of requirements concerning core programming and commercial time limitations by investigating and resolving 90% of complaints alleging violations within 15 months.
- (3) Participate in international organizations such as ITU, CITELE, APEC and OECD and maintain a dialogue with policy makers and regulators, to establish pro-competitive regulatory frameworks for the advancement and deployment of new media technologies.
 - Participate in meetings held by these organizations, and in meetings with policy makers and regulators, representing the U.S. position in negotiations concerning technical standards and pro-competitive policies.
 - Engage in discussions with Mexico and Canada as required concerning cross-border issues.
 - Perform all necessary technical analysis and international negotiations to ensure that all DTV stations are properly coordinated with Canada and Mexico in the border zones to facilitate the maximization of DTV service to the U.S. consumer.

Performance Indicators

Digital Terrestrial Radio



Implementation of AM and FM in-band, on-channel (IBOC) hybrid radio grew steadily during FY 2008, rising to a total of 1,570 stations operating with digital radio authorizations. (All years end on June 30th.)

Means and Strategies for Accomplishing Performance

MEDIA		
Processes	Skills	Technology
<ul style="list-style-type: none"> ▪ Rulemaking ▪ Enforce the Communications Act and the Commission's rules. ▪ Notice of Apparent Liability/Forfeitures ▪ Industry monitoring and analysis ▪ Data collection and analysis ▪ Licensing ▪ Education 	<ul style="list-style-type: none"> ▪ Engineering, economic, and legal skills necessary to adopt rules and policies regarding electronic media services. ▪ Auditing, investigating, enforcing. ▪ Understanding of economic and legal impacts of converging media technologies. 	<ul style="list-style-type: none"> ▪ Columbia Engineering Laboratory ▪ Enforcement equipment ▪ Engineering utilities applications ▪ Consolidated Database System (CDBS) ▪ International Bureau Filing System (IBFS) ▪ Cable Operations and Licensing System (COALS) ▪ Commission Lifecycle Agenda Tracking System (CLASPlus) ▪ Electronic Document Management System (EDOCS) ▪ Electronic Comment Filing System (ECFS) ▪ Consumer Complaints Management System (CCMS) ▪ Fee Filer ▪ Desktop Document Development and Data Access Tools

PUBLIC SAFETY AND HOMELAND SECURITY

Performance Commitments and Metrics

Outcome-oriented Performance Goal 15: Promote the reliability, security, and survivability of the communications infrastructure.

Targets with Subordinate Measures:

- (1) Ensure that communications are available during emergencies and crises by responding to 100% of complaints of interference to public safety communications within one day and resolving 90% within 30 days.
 - Report quarterly on actions to resolve public safety interference.
- (2) Ensure that communications are available during emergencies and crises by conducting cable signal leakage inspections to minimize harmful interference to aviation and public safety frequencies.
 - Report quarterly on the number of cable signal leakage inspections
- (3) Enhance communications and media network reliability, including emergency preparedness and disaster management practices.
 - Ensure that communications are available during emergencies and crises by pursuing network outage reporting enforcement actions.
 - Participate in meetings and conferences with international organizations to promote protection of global communications infrastructure.
- (4) Facilitate participation in the Wireless Priority Service (WPS) Program.
 - Work closely with the National Communications System to increase participation in the WPS program by federal, state, local, and tribal governments as well as first responder organizations.
- (5) Facilitate participation in the Telecommunications Service Priority (TSP) Program.
 - Work closely with the National Communications System to increase participation in the TSP program by federal, state, local, and tribal governments as well as 911 call centers and first responder organizations.
- (6) Improve and provide guidance as necessary to implement the Commission's COOP and emergency preparedness plans.
 - Review and update COOP and emergency preparedness procedures to ensure accuracy, improve effectiveness, and create a better state of readiness.
 - Actively participate in national level COOP planning sessions and exercises.
- (7) Facilitate the continued reliability and survivability of the global satellite infrastructure.
 - Participate in international meetings and activities affecting satellite policies.

Outcome-oriented Performance Goal 16: Facilitate deployment of public safety technology.

Targets with Subordinate Measures:

- (1) Promote construction of a nationwide, interoperable broadband public safety network.
 - Take appropriate actions to effectuate the construction and operation of a common, interoperable broadband infrastructure for America's first responders.
- (2) Take appropriate enforcement action for non-compliance with 911 and E911 requirements, including defending the Commission's VoIP and 911 and E911 rules in litigation.
 - Maximize compliance with the Commission's rules governing the nationwide availability of E911 solutions to ensure that consumers have access to advanced public safety services in an emergency by reviewing carrier compliance reports and taking enforcement action where appropriate.
 - Promote compliance with the Commission's rules by pursuing enforcement actions concerning the Commission's 911 and E911 rules and resolving 100% of such actions within 15 months.
- (3) Increase deployment of E-911 by telecommunications providers, including interconnected VoIP providers.
 - Take actions to resolve E-911 location accuracy issues and potentially extend 911 obligations to multi-line telephone systems.

- (4) Improve the effectiveness of an Emergency Alert System (EAS).
 - Promote actions to expand EAS to users of additional communications technologies and media.
 - Meet at least quarterly with FEMA and other relevant agencies regarding EAS operational issues and potential improvements.

Outcome-oriented Performance Goal 17: Establish and maintain a clearinghouse of information for the public safety community.

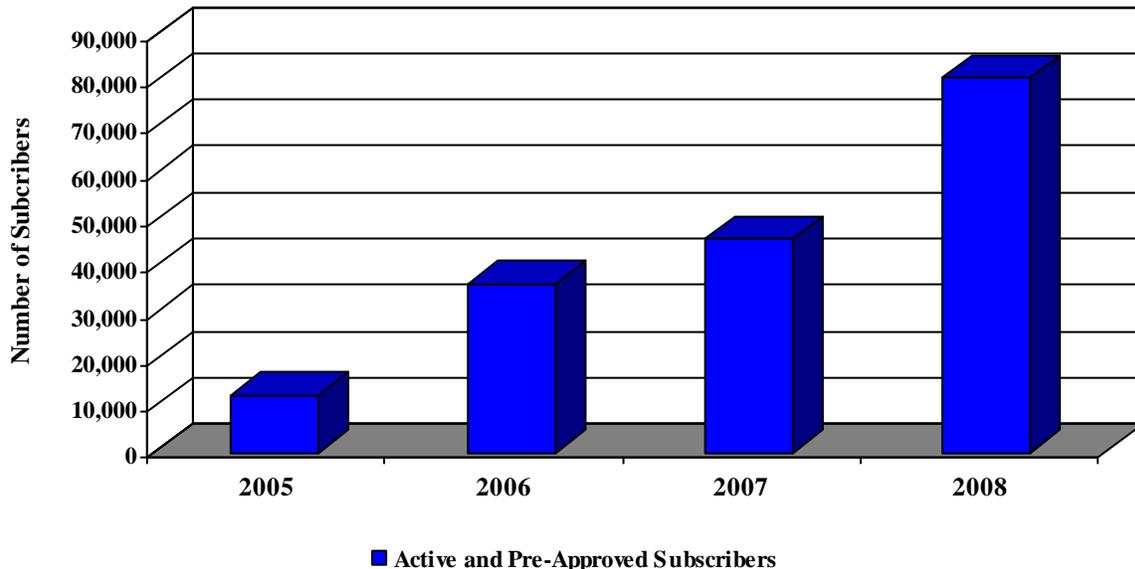
Targets:

- (1) Increase awareness of the Commission’s public safety activities.
 - Convene periodic public summits on topics of critical importance, providing outreach to first responders and the public safety community in general.
- (2) Gather and disseminate public safety communications information.
 - Maintain a comprehensive internet clearinghouse for the collection, evaluation and dissemination of public safety information, retrievable by target group and subject area.

Performance Indicators

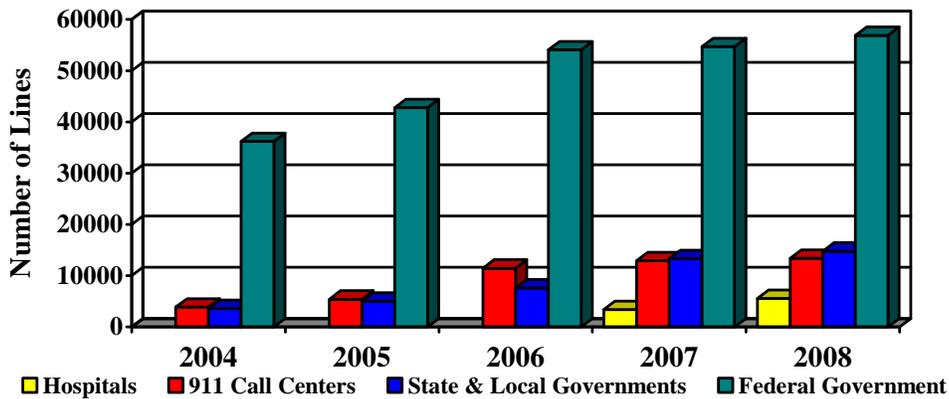
WPS is a Federal program that authorizes cellular communications service providers to prioritize calls over wireless networks. Participation in the WPS program is voluntary. The FCC sets the rules and policies for the WPS program; the National Communications System, a part of the U.S. Department of Homeland Security, manages the WPS program. In FY 2008, the Commission began an outreach program to increase participation in WPS. From August 1, 2007 to July 31, 2008, WPS subscribership increased from 46,142 to 80,803, an increase of 75%. The WPS program facilitates the deployment of public safety technology and increases the chances that critical users, such as first responders, will be able to use cell phone services in an emergency. (All years end on July 31st.)

Wireless Priority Service Subscribers



The Commission established the TSP program to support priority restoration of communications services that support national security and emergency preparedness (NS/EP) missions during disasters, including terrorist attacks. The National Communications System (NCS) oversees day-to-day operation of the TSP program. Any Federal, state, or local government entity that relies on telecommunications services to accomplish its NS/EP mission can qualify for TSP. Although all 911 call centers would qualify for the TSP program, only a small percentage of 911 call centers participate. In FY 2004, the Commission began an outreach program to inform 911 administrators of the TSP program and to expedite their enrollment. At the beginning of August 2007, a total of 12,905 911 call center circuits were enrolled in the TSP program. At the end of July 2008, a total of 13,384 911 call center circuits were covered by the TSP program. This amounted to a 4% increase in 911 call center circuits enrolled in TSP. (All years end on July 31st.)

Telecommunications Service Priority Participation



At the beginning of August 2007, state and local governments had 13,318 circuits enrolled in the TSP program; by the end of July 2008, a total of 14,798 state and local government circuits were covered. This change amounted to an 11% increase in covered state and local circuits. The TSP program increases the reliability of essential NS/EP communications services by minimizing out-of-service times. As a result, these circuits were made more reliable, thus helping to achieve the Commission’s TSP objectives.

Means and Strategies for Accomplishing Performance

PUBLIC SAFETY AND HOMELAND SECURITY		
Processes	Skills	Technology
<ul style="list-style-type: none"> ▪ Rulemaking ▪ Enforce the Communications Act and the Commission’s rules. ▪ Data collection and analysis ▪ Intergovernmental and international negotiations ▪ Communications and Crisis Management Center ▪ National Communications System (NCS) ▪ Government Emergency Telecommunications Service (GETS) ▪ Telecommunications Service Priority System (TSP) ▪ Continuity of Operations Plan (COOP) 	<ul style="list-style-type: none"> ▪ Knowledge of federal and state public safety and emergency procedures. ▪ Understanding of national defense operations. ▪ Facilitation and communication skills necessary to increase awareness of numerous emergency services and plans. ▪ Risk assessment. 	<ul style="list-style-type: none"> ▪ Network Outage Reporting System ▪ E-911/Wireless E-911 ▪ Emergency Alert System (EAS) ▪ Wireless Priority Access System (WPAS) ▪ Universal Licensing System ▪ Commission Lifecycle Agenda Tracking System (CLASPlus) ▪ Electronic Document Management System (EDOCS) ▪ Electronic Comment Filing System (ECFS) ▪ Fee Filer ▪ Desktop/Network Document Development and Data Access Tools

MODERNIZE THE FCC

Performance Commitments and Metrics

Outcome-oriented Performance Goal 18: Become an easier organization to do business with by integrating systems, processes, and interfaces.

Targets with Subordinate Measures:

- (1) Upgrade and enhance technology and tools used to process and resolve complaints and applications.
 - Provide enhanced electronic filing capabilities such that the percentage of applications filed electronically is greater than 90%.
- (2) Implement a new financial management system that includes automated interfaces with Commission licensing systems and integrates FCC Registration Numbers into all appropriate actions.
 - Complete deployment of the new financial management system.
- (3) Conduct a program of continuous review and evaluation in order to assure that all administrative operations are helping control or contain costs, providing high quality customer service, and improving the effectiveness and efficiency of Commission operations.
 - Maintain an effective internal controls program that complies with all applicable laws and regulations to ensure proper stewardship of Federal resources. Promptly respond to and remediate identified risks, operational weaknesses, and internal control deficiencies that warrant correction.

Outcome-oriented Performance Goal 19: Create and sustain an organizational culture that encourages innovation, accountability, and continual improvement.

Targets with Subordinate Measures:

- (1) Continue implementation of the FCC's Strategic Human Capital plan.
 - Implement the Commission's Human Capital Accountability System and Succession Management Program.
- (2) Develop targeted skills and competencies for FCC employees through appropriate career development aligned with the Commission's strategic goals.
 - Increase the number of training instances for Commission employees.
- (3) Ensure compliance with all general administrative laws and regulations, including fiscal, procurement, ethics, employment, environmental, and appropriations.
 - Meet or exceed the Small Business Administration (SBA) contracting set aside goal.
- (4) Promote greater fiscal accountability by strengthening cost and performance management controls.
 - Collect performance data for FCC managers use in making decisions concerning program effectiveness and allocation of resources.

Outcome-oriented Performance Goal 20: Ensure effective communications with consumers, Congress, the communications industry, and fellow federal, state, tribal, and local agencies.

Targets with Subordinate Measures:

- (1) Reduce the time it takes to process complaints filed with the FCC by fostering the use of automation to more efficiently and effectively respond to consumer complaints, carry out investigations, eliminate reliance on paper files, and improve the ability to develop data for trend analysis.
 - Finalize the implementation of a consolidated enforcement database to access, track, and facilitate processing of consumer complaints
 - Improve the complaint-referral functionality such that transfer of actionable complaints from CGB to EB occurs in a timely manner, e.g. less than 60 days after Commission receipt.
- (2) Meet all established performance targets for processing complaints filed with the FCC.
 - Respond to 100% of consumer complaints concerning junk fax and Do Not Call violations within 20 days of receipt by informing the consumer that sufficient information has been

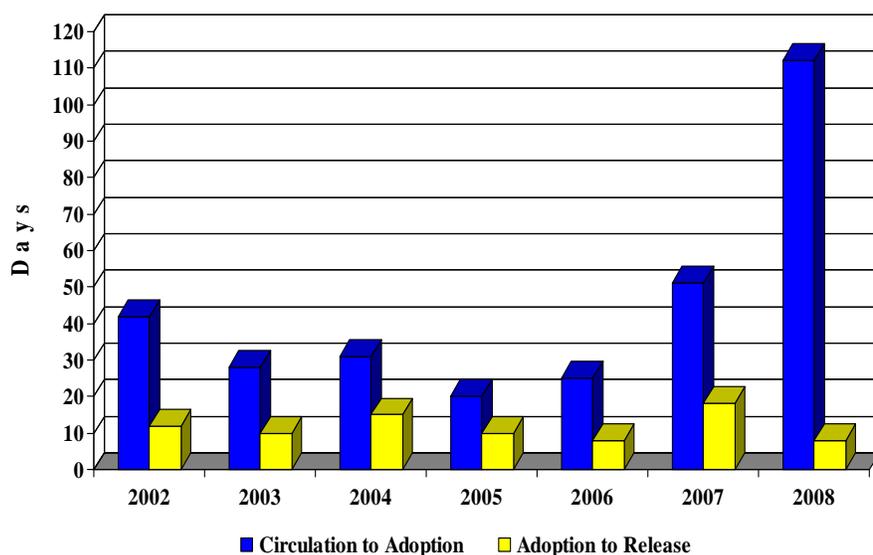
provided to justify an enforcement referral or that the complaint cannot be referred for enforcement (and the reasons why).

- Respond to 100% of non-TCPA consumer complaints and inquiries within 30 days.

Performance Indicators

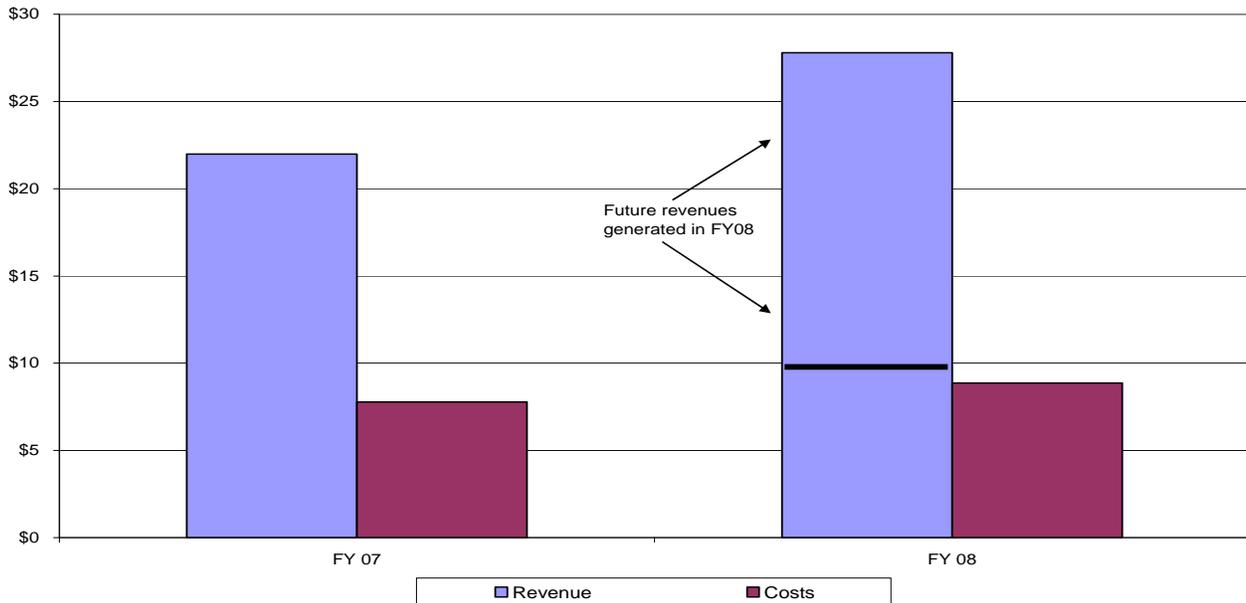
The FCC completed 33% more rulemaking items in FY 2008 compared to the previous year (271, up from 204) and more than 2½ times the number of rulemaking items (105) adopted in FY 2006. This significant increase in the quantity of items caused the average time from circulation to adoption to increase by 120% (from 51 to 112 days). However, the average time from adoption to release of an item decreased by 56% (from 18 to 8 days) between FY 2007 and FY 2008.

AVERAGE TIME TO COMPLETE RULEMAKINGS



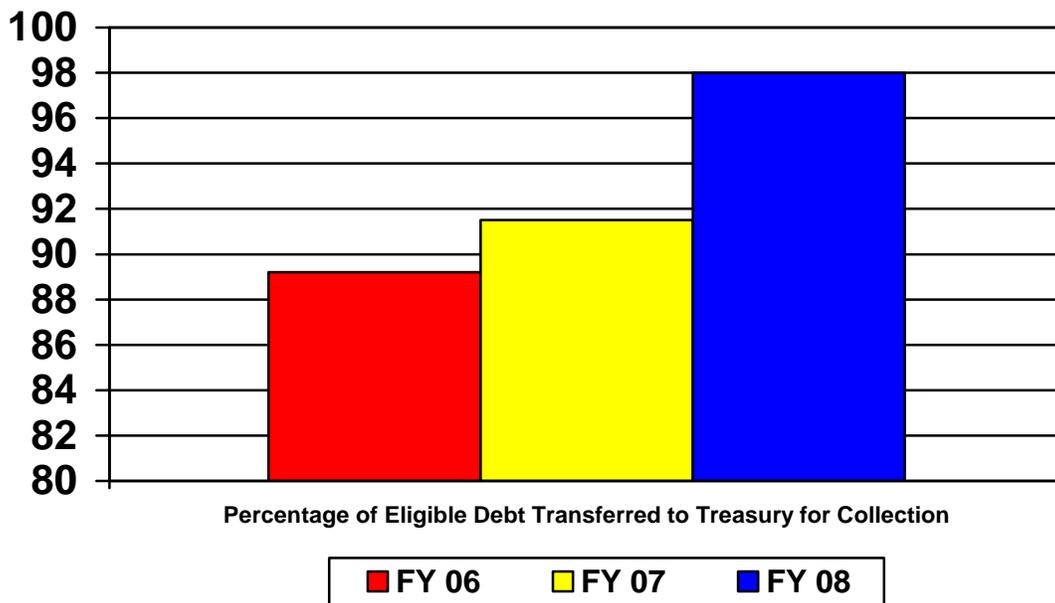
The FCC typically generates more revenue for the Federal government than the costs that it requires to operate the Commission. During fiscal year 2007 and 2008 revenue generated by the Commission was exceptionally high as a result of the successful auction of the Advanced Wireless Services spectrum in Auction #66 and the 700 MHz spectrum in auction #73. Revenue generated (including future revenue related to auction #73) exceeded costs by just over \$14 billion in FY 07 and by just under \$19 billion in FY 08.

FCC Generates Revenue in Excess of Costs
(Dollars in Billions)



Note: Sources of revenues include the Commission (FCC) revenues, North American Numbering Plan (NANP) revenues, Universal Service Fund (USF) non-exchange revenue, Auctions revenue as well as fines and forfeitures; costs were incurred as a result of FCC, USF and NANP activities.

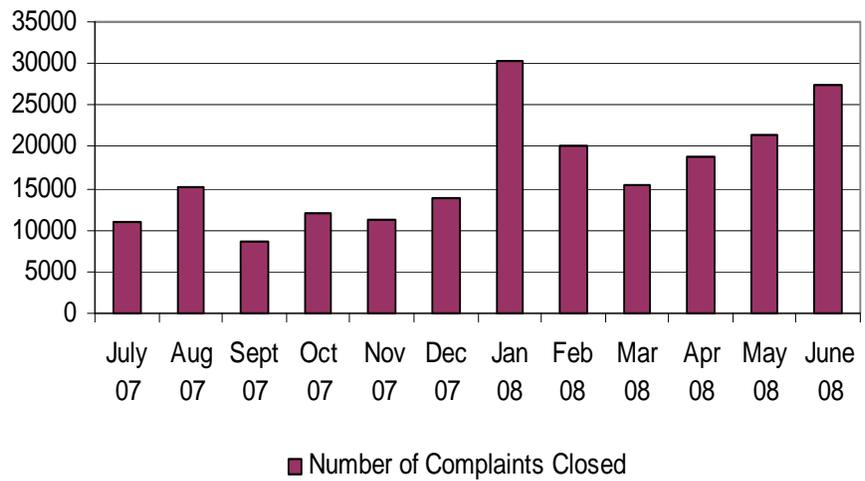
FCC Achieves 98% Mark for Seeking Repayment of Debts



The Commission transferred 98% of the eligible, delinquent debts owed to it to the Treasury Department’s debt collection service. The Treasury uses offset programs and other collections activities not available to most agencies to ensure debts are paid. The chart above shows that the percentage of eligible debt transferred by the FCC has risen steadily since FY 2006.

FCC Consumer Complaint Processing

During 2008, the FCC updated consumer complaint forms to simplify filing and upgraded our complaint processing systems to speed our review and enforcement of complaints. In the first six months of 2008, the number of consumer complaints processed by the FCC increased more than 85% versus the previous six month period.



Means and Strategies for Accomplishing Performance

MODERNIZE THE FCC		
Processes	Skills	Technology
<ul style="list-style-type: none"> ▪ Management and document tracking and change control ▪ Workforce analysis ▪ Capital asset planning and deployment ▪ Strategic and performance planning ▪ Information technology planning and deployment ▪ Performance budgeting 	<ul style="list-style-type: none"> ▪ Planning, scheduling, and budgeting. ▪ Change management. ▪ Productivity and efficiency improvement. ▪ Training and workforce development. ▪ Workforce analysis. 	<ul style="list-style-type: none"> ▪ Commission Registration System (CORES) ▪ Core Financial Management System ▪ Commission Lifecycle Agenda Tracking System (CLASPlus) ▪ Electronic Document Management System (EDOCS) ▪ Electronic Comment Filing System (ECFS) ▪ Consumer Complaints Management System (CCMS) ▪ Fee Filer ▪ Desktop/Network Document Development and Data Access Tools

FEE COLLECTIONS AND AUCTIONS

Regulatory Fees

P.L. 103-66, "The Omnibus Budget Reconciliation Act of 1993," requires that the FCC annually collect fees and retain them for FCC use in order to offset certain costs incurred by the Commission.

The fees collected are intended to recover the costs attributable to the Commission's enforcement, policy and rulemaking, user information services, and international regulatory activities.

The fees, often referred to as Section (9) fees, apply to the current holder of the license as of a specific date and to other entities (e.g., cable television systems) which benefit from Commission regulatory activities not directly associated with its licensing or applications processing functions.

The regulatory fees do not apply to governmental entities, amateur radio operator licensees, nonprofit entities holding tax exempt status under section 501(c) of the Internal Revenue code, 26 U.S.C. § 501, and certain other non-commercial entities.

The provisions of this law, codified at 47 U.S.C. § 159, give the Commission authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriation from year to year. It may also add, delete or reclassify services under certain circumstances. Additionally, the legislation requires the Commission to charge a 25% late payment penalty and to dismiss applications or revoke licenses for non-payment of the fees, although it may waive, reduce or defer payment of a fee for good cause.

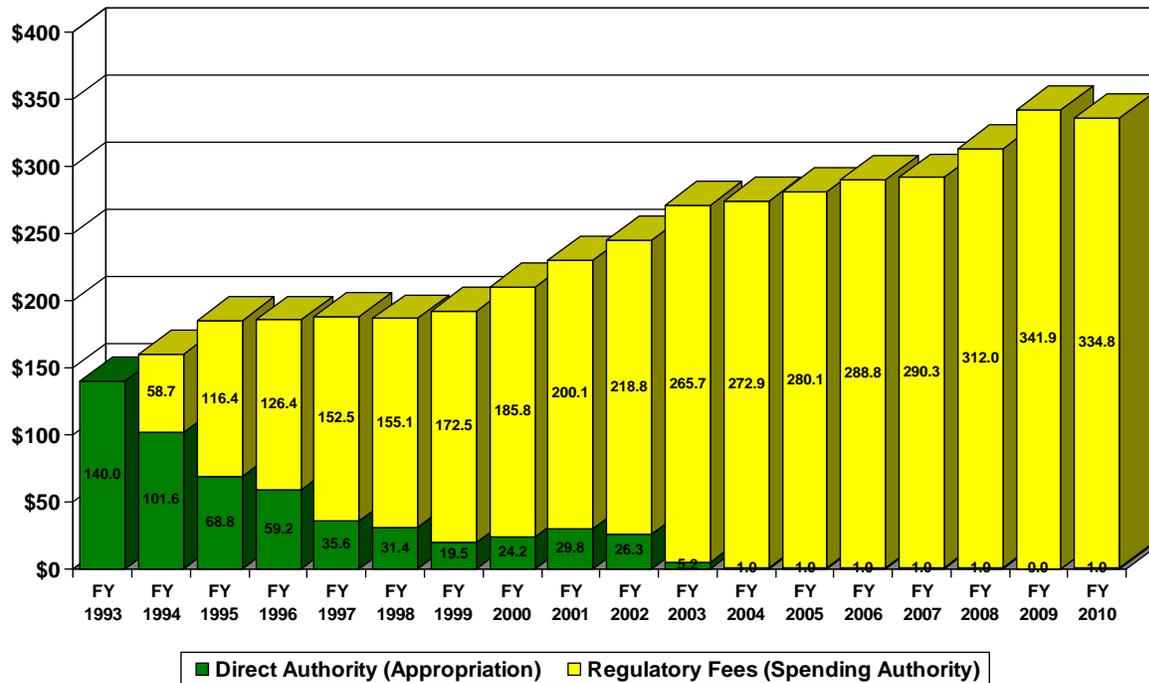
The Commission implemented the Regulatory Fee collection program by rulemaking on July 18, 1994. The most recent fee schedule became effective on September 25, 2008 pursuant to an order adopted by the Commission on August 1, 2008, released August 8, 2008 and published in the Federal Register August 26, 2008 (73 FR 50201).

The Commission released a Public Notice (DA 08-2033) titled, "The Office of Managing Director Releases Data to Assist Commenters on Issues Presented in Further Notice of Proposed Rulemaking Adopted on August 1, 2008," regarding the collection of regulatory fees for Fiscal Year 2008. In the Further Notice of Proposed Rulemaking, the Commission sought comment on ways that it can better determine and calculate the regulatory fees in a way that is aligned with the Commission's regulatory activities. Specifically, the Commission asked whether certain fee categories bear too heavy a regulatory burden and if other fee categories should be responsible for a larger share of the total regulatory fees collected by the agency.

Authorization to Retain Fees

Appropriations Language for FY 2008 and FY 2009 prohibits the use by the Commission of any excess offsetting collections received in FY 2008 or any prior years. The FCC proposes the same treatment of excess collections for FY 2010.

FY 1993 – FY 2010 RESOURCE COMPARISON Distribution of Appropriated Budget Authority



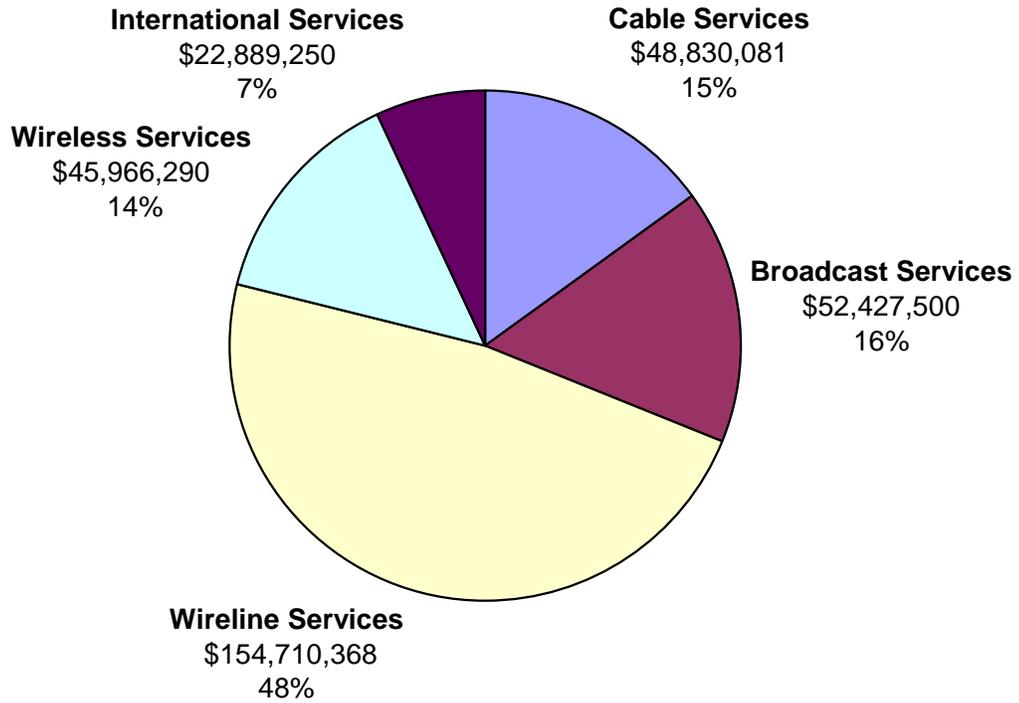
Note: FYs 1994, 1998 and 2003 reflect increased direct BA due to lower Reg Fee collections than directed in Appropriation language. This chart reflects Budget Authority and does not include additional B/A from excess fee collections in any fiscal year.

FY 2010 Regulatory Fee Assumptions

The FY 2008 Appropriation for the FCC authorized \$312.0 million in the collection of regulatory fees. The FY 2009 Appropriation authorized regulatory fees of \$341.9 million, which included a significant one-time increase to facilitate the transition to digital television broadcasts. The FY 2010 budget proposes to decrease regulatory fees to a level of \$334.8 million. These funds will support Commission-wide goals that will allow the FCC to serve the American public in an efficient, effective and responsive manner. The distribution of Budget Authority between direct and offsetting collections from Regulatory Fees is illustrated in the above graph.

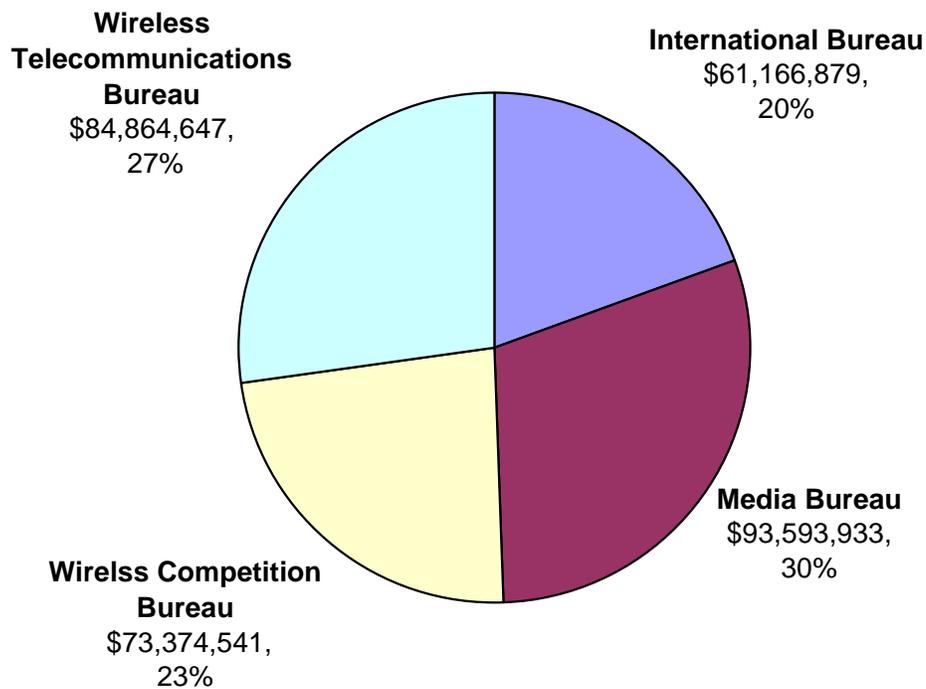
The following three charts identify the regulatory fees by service to be collected, the total estimated costs (both direct and indirect) associated with the regulatory activities performed by the Wireless, Wireline, Media, and International Bureaus (the “core Bureaus”), and the estimated cost allocated among each of the six strategic goals identified by the Commission for FY 2008.

FY 2008 Regulatory Fees Actually Collected

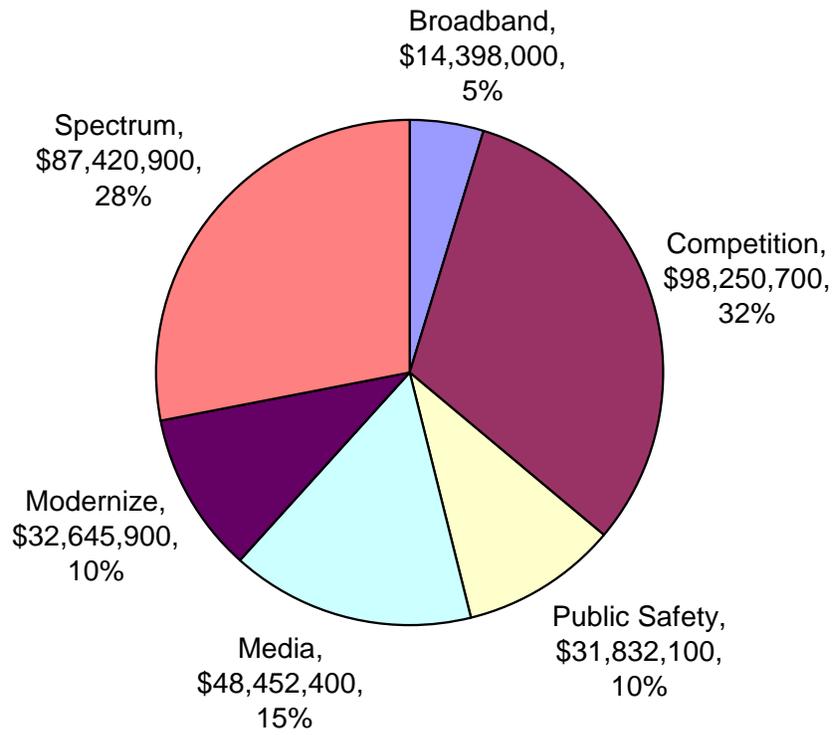


FY 2008 Bureaus Total Cost

(Indirect costs of Office of Managing Director, Office of General Counsel, Other Offices, & Support Bureaus cost included but Auction Funding excluded)



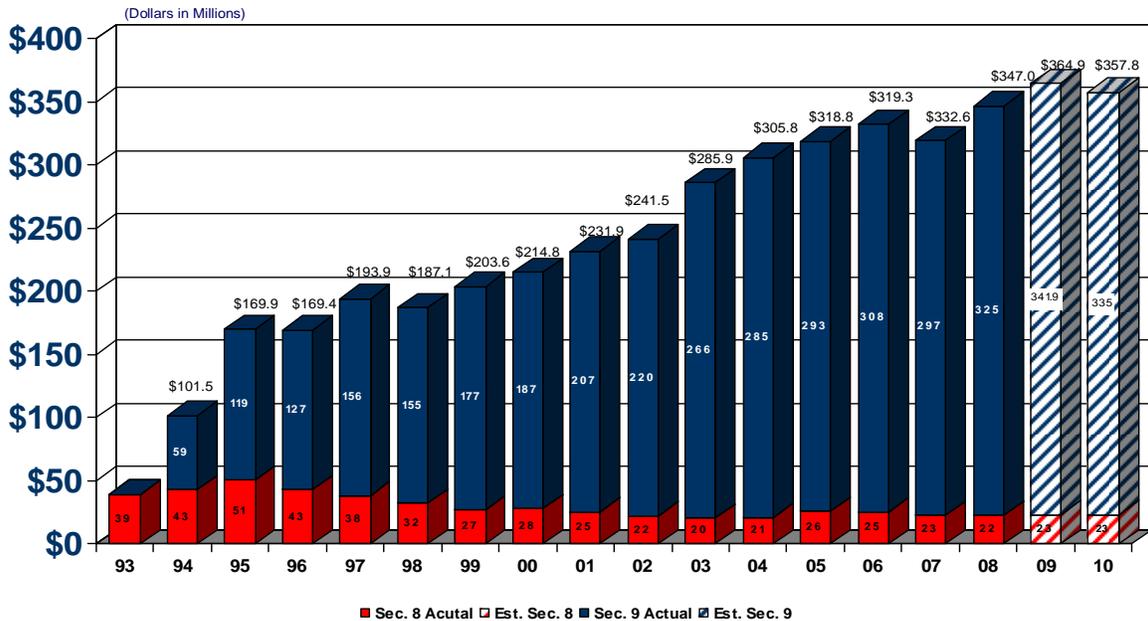
FY 2008 Total Cost By Strategic Goal



Application Processing Fees

Since FY 1987 the Federal Communications Commission (FCC) has collected and deposited into the General Fund of the U.S. Treasury application processing fees, often referred to as Section (8) fees. The fees are intended to recover a substantial portion of the costs of the Commission's applications processing functions. The program encompasses over 300 different fees with the vast majority collected at the time an original license application, renewal or request for modification is filed with the Commission. Most fees are assessed as a one-time charge on a per-application basis, although there are certain exceptions. Government, nonprofit, non-commercial broadcast and amateur license applicants are exempt from the fees. A lockbox bank is used to collect the fees, with all fees deposited into the General Fund of the U.S. Treasury. Once deposited, these fees are generally not refundable regardless of the outcome of the application process. The Commission must review and revise the fees every two years based upon changes to the Consumer Price Index (CPI). On September 15, 2008 an order was adopted which increased application fees to reflect these CPI changes; this change became effective on February 18, 2009. Application Processing Fee Collections (Section 8) and Regulatory Fee collections are summarized in the following graph.

FEE COLLECTIONS* FY 1993 – FY 2010



*In addition to Sec. 8 processing fees which go to General Fund of Treasury, totals for FY 1994-2009 include Sec. 9 Regulatory Fees. Sec. 9 actuals reflect fees collected thru 9/30. Est. Sec. 9 reflects fees established in appropriations language.

Spectrum Auctions

In addition to regulatory fees, the Omnibus Budget Reconciliation Act of 1993, P.L. 103-66 required the FCC to auction portions of the spectrum for certain services, replacing the former lottery process. The Commission is required to ensure that small businesses, women, minorities, and rural telephone companies have an opportunity to participate in the competitive bidding process. The original Spectrum Auction authority was scheduled to expire in FY 1998; however, it was extended through FY 2007 in the Balanced Budget Act of 1997, P.L. 105-33, and again through 2011 in the Deficit Reduction Act of 2005, P.L. 109-171. The Commission initiated regulations implementing the legislation and conducted its first round of auctions in July 1994. To date the Commission has completed 73 auctions. As of March 31, 2009, total net winnings bids collected and deposited into Treasury from this program have exceeded \$51.9 billion.

The Commission is authorized to retain from auction revenues those funds necessary to develop, implement and maintain the auction program. These funds cover the personnel and administrative costs required to plan and execute spectrum auctions; operational costs to manage installment payments and collections activities; development, implementation, and maintenance of all information technology systems necessary for Auctions operations including development of a combinatorial bidding system, and a proportional share of the general administrative costs of the Commission based on the split of direct FTE hours charged to auctions in the previous year. This budget submission assumes the auctions program will continue to recover the costs of conducting all auctions activities from spectrum license receipts as the FCC continues to use auctions as a licensing mechanism for communications services spectrum. It is anticipated that the FCC's FY 2009 and FY 2010 Appropriation language will, again, cap the auctions program at \$85 million.

The Balanced Budget Act of 1997, P.L. 105-33, required that the Commission provide to authorizing committees a detailed report of obligations in support of the auctions program for each fiscal year of operation, as a prerequisite to the continued use of auctions receipts for the costs of all auctions activities. The FY 2007 Auctions Report was provided to the appropriate oversight committees in August, 2008. The FY 2008 Auctions Report will be submitted by September, 2009.

BUREAU/OFFICE FY 2010 REQUIREMENTS

Prior to FY 2006 the FCC did not provide information to the Congress to show the proposed use of appropriated funds at the organizational level. In the conference report for the FY 2006 appropriations law, the conferees required the FCC to submit a spending plan for FY 2006 at the organizational level and to provide this level of disaggregation in future budget reports. This section continues to provide that information consistent with the practice specified for FY 2007. Specifically, this section contains the FCC's proposed budget for FY 2010 at the bureau and office level.

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OFFICE OF THE COMMISSIONERS

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	32	32	32
11-Compensation	\$3,981,933	\$4,324,754	\$4,414,792
12-Benefits	\$970,213	\$1,011,990	\$1,033,059
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$4,952,146	\$5,336,744	\$5,447,851
21-Travel	\$193,223	\$310,951	\$315,518
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,133,501	\$1,166,101	\$416,576
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$1,341	\$4,000	\$4,000
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,328,065	\$1,481,052	\$736,094
TOTAL	\$6,280,211	\$6,817,797	\$6,183,945

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The FCC is directed by five Commissioners appointed by the President and confirmed by the Senate for 5-year terms, except when filling an unexpired term. The President designates one of the Commissioners to serve as Chairperson. Only three Commissioners may be members of the same political party. None of them can have a financial interest in any Commission-related business.

The Chairman serves as the chief executive officer of the Commission, supervising all FCC activities, delegating responsibilities to staff units and Bureaus, and formally representing the Commission before the Congress and the Administration

CONSUMER AND GOVERNMENTAL AFFAIRS BUREAU

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	185	205	202
11-Compensation	\$17,305,868	\$17,146,698	\$17,503,679
12-Benefits	\$4,012,752	\$4,525,418	\$4,619,634
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$21,318,620	\$21,672,116	\$22,123,313
21-Travel	\$53,042	\$1,250,378	\$69,084
22-Transportation of Things	\$0	\$146,285	\$0
23-Rent and Communications	\$2,107,845	\$2,135,409	\$1,181,746
24-Printing and Reproduction	\$92,952	\$1,984,450	\$0
25-Other Contractual Services	\$2,004,458	\$17,318,687	\$1,120,590
26-Supplies and Materials	\$76	\$137,861	\$1,269
31-Equipment	\$2,010	\$336,149	\$2,208
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$4,260,383	\$23,309,219	\$2,374,897
TOTAL	\$25,579,003	\$44,981,334	\$24,498,210

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Consumer and Governmental Affairs Bureau develops and administers the Commission's consumer and inter-governmental affairs policies and initiatives to enhance the public's understanding of the Commission's work and to facilitate the Agency's relationships with other governmental agencies and organizations. The Bureau is responsible for rulemaking proceedings regarding general consumer and disability policy. The Bureau serves as the primary entity responsible for communicating with the general public regarding Commission policies, programs, and activities in order to facilitate public education and participation in the Commission's decision-making processes.

The Bureau's overall objectives include: advising the Commissioners and the other Bureaus and Offices on consumer, disability and inter-governmental-related areas of concern or interest; initiating, reviewing, and coordinating orders, programs and actions, in conjunction with other Bureaus and Offices, in matters regarding consumer and disability policy and procedures, and any other related issues affecting consumer policy; representing the Commission on consumer and inter-governmental-related committees, working groups, task forces and conferences within and outside the Agency; and providing expert advice and assistance to Bureaus and Offices and consumers regarding compliance with applicable disability and accessibility requirements, rules and regulations.

The Bureau serves as the public face of the Commission through outreach and education, as well as through our Consumer Center, which is responsible for responding to consumer inquiries and complaints. The Bureau has been particularly active in public outreach related to the digital television transition, for which it received significant one-time resources in FY 2009. The Bureau also maintains

collaborative partnerships with state, local, and tribal governments in such critical areas as emergency preparedness and implementation of new technologies.

The Bureau's activities include: consumer and disability policy development and coordination; interaction with the public, federal, state, local, tribal and other government agencies and industry groups; oversight of the Consumer Advisory Committee, and the Intergovernmental Advisory Committee; informal complaint mediation and resolution; consumer outreach and education; maintaining official FCC records; coordination with the Office of Managing Director for Agency-wide strategic planning efforts; and any other functions as may be assigned, delegated, or referred to the Bureau by the Commission.

ENFORCEMENT BUREAU

	2008	2009	2010
	Actual BA FTE 288	Enacted 313	Cong. Request 311
11-Compensation	\$30,622,049	\$32,753,531	\$33,435,435
12-Benefits	\$7,219,644	\$7,628,835	\$7,787,662
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$37,841,693	\$40,382,366	\$41,223,097
21-Travel	\$479,630	\$441,637	\$417,985
22-Transportation of Things	\$8,269	\$8,357	\$44,834
23-Rent and Communications	\$3,505,465	\$3,754,835	\$3,247,087
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$1,091,521	\$395,145	\$710,057
26-Supplies and Materials	\$376,000	\$165,782	\$264,205
31-Equipment	\$1,879,455	\$1,237,364	\$909,457
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$7,340,340	\$6,003,119	\$5,593,626
TOTAL	\$45,182,033	\$46,385,485	\$46,816,723

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Enforcement Bureau serves as the primary Commission entity responsible for enforcement of the Communications Act and other communications statutes, the Commission's rules, orders and authorizations: other than matters that are addressed in the context of a pending application for a license or other authorization or in the context of administration, including post-grant administration, of a licensing or other authorization or registration program. The Enforcement Bureau's responsibilities include:

- Resolve complaints regarding compliance with statutory and regulatory provisions, including complaints filed under section 208 of the Communications Act; complaints regarding acts or omissions of non-common carriers subject to the Commission's jurisdiction under Title II of the Communications Act and related provisions; formal complaints; complaints regarding radiofrequency interference and radiofrequency equipment and devices; complaints regarding compliance with the Commission's Emergency Alert System rules; complaints regarding the lighting and marking of radio transmitting towers; complaints regarding indecent communications subject to the Commission's jurisdiction; complaints regarding the broadcast and cable television children's television programming commercial limits contained in section 102 of the Children's Television Act; complaints regarding unauthorized construction and operation of communications facilities; complaints regarding false distress signals; other complaints against Title III licensees and permittees; complaints regarding pole attachments filed under section 224 of the Communications Act; complaints regarding multichannel video and cable television service under part 76 of the Commission's rules; and complaints regarding other matters assigned to it by the Commission.

- Serve as trial staff in formal hearings conducted pursuant to 5 U.S.C. § 556 regarding applications, revocation, forfeitures and other matters designated for hearing.
- Provide field support for, and field representation of, the Bureau, other Bureaus and Offices and the Commission. Coordinate with other Bureaus and Offices as appropriate.
- Handle congressional and other correspondence relating to or requesting specific enforcement actions, specific complaints or other specific matters within the responsibility of the Bureau, to the extent not otherwise handled by the Consumer and Governmental Affairs Bureau, the Office of General Counsel (impermissible ex parte presentations) or another Bureau or Office.
- Have authority to issue non-hearing related subpoenas for the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, schedules of charges, contracts, agreements, and any other records deemed relevant to the investigation of matters within the responsibility of the Bureau. Before issuing a subpoena, the Enforcement Bureau shall obtain the approval of the Office of General Counsel.

INTERNATIONAL BUREAU

	2008	2009	2010
	Actual BA FTE 128	Enacted 131	Cong. Request 132
11-Compensation	\$14,757,685	\$16,133,718	\$16,469,610
12-Benefits	\$3,589,812	\$3,756,919	\$3,835,135
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$18,347,497	\$19,890,637	\$20,304,745
21-Travel	\$440,210	\$404,513	\$410,455
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,133,023	\$1,165,892	\$1,035,298
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$21,222	\$68,310	\$60,774
26-Supplies and Materials	\$17,999	\$18,378	\$18,648
31-Equipment	\$2,626	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,615,080	\$1,657,093	\$1,525,175
TOTAL	\$19,962,577	\$21,547,730	\$21,829,921

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The International Bureau develops, recommends and administers policies, standards, procedures and programs for the regulation of international telecommunications facilities and services and the licensing of satellite facilities under its jurisdiction. The Bureau advises and recommends to the Commission, or acts for the Commission under delegated authority, in the development of and administration of international telecommunications policies and programs. The International Bureau assumes the principal representational role for Commission activities in international organizations. The International Bureau has the following duties and responsibilities:

- Initiate and direct the development and articulation of international telecommunications policies, consistent with the priorities of the Commission.
- Advise the Chairman and Commissioners on matters of international telecommunications policy, and on the status of the Commission's actions to promote the vital interests of the American public in international commerce, national defense, and foreign policy areas.
- Develop, recommend, and administer policies, rules, and procedures for the authorization and regulation of international telecommunications facilities and services and domestic and international satellite systems.
- Monitor compliance with the terms and conditions of authorizations and licenses granted by the Bureau, and to pursue enforcement actions in conjunction with appropriate bureaus and offices.
- Represent the Commission on international telecommunications matters at both domestic and international conferences and meetings, and direct and coordinate the Commission's preparation for such conferences and meetings.

- Serve as the single focal point within the Commission for cooperation and consultation on international telecommunications matters with other federal agencies, international or foreign organizations, and appropriate regulatory bodies and officials of foreign government.
- Develop, coordinate with other federal agencies, and administer regulatory assistance and training programs for foreign administrations to promote telecommunications development.
- Provide advice and technical assistance to U.S. trade officials in the negotiation and implementation of telecommunications trade agreements.
- Conduct economic, legal, technical, statistical and other appropriate studies, surveys and analyses in support of development of international telecommunications policies and programs.
- Collect and disseminate within the Commission information and data on international telecommunications, regulatory and market developments in other countries and international organizations.
- Promote the international coordination of spectrum allocation and frequency and orbital assignments so as to minimize cases of international radio interference involving U.S. licensees.
- Direct and coordinate, in consultation with appropriate bureaus and offices, negotiation of international agreements to provide for arrangements and procedures for bilateral coordination of radio frequency assignments to prevent or resolve international radio interference involving U.S. licensees.
- Ensure fulfillment of the Commission's responsibilities under international agreements and treaty obligations, and, consistent with Commission policy, ensure that the Commission's regulations, procedures, and frequency allocations comply with mandatory requirements of all applicable international and bilateral agreements.
- Oversee and, as appropriate, administer activities pertaining to the international consultation, coordination and notification of U.S. frequency and orbital assignments, including activities required by bilateral agreements, the International Radio Regulations, and other international agreements.

MEDIA BUREAU

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	222	233	229
11-Compensation	\$21,926,264	\$22,195,403	\$22,657,495
12-Benefits	\$4,891,150	\$4,722,246	\$4,820,560
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$26,817,414	\$26,917,648	\$27,478,054
21-Travel	\$64,919	\$31,898	\$32,367
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,821,068	\$1,873,920	\$1,653,094
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$809,994	\$158,478	\$161,031
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$815	\$919	\$931
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$2,696,796	\$2,065,214	\$1,847,424
TOTAL	\$29,514,210	\$28,982,863	\$29,325,478

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Media Bureau develops, recommends and administers the policy and licensing programs for the regulation of media, including cable television, broadcast television and radio, and satellite services in the United States and its territories. The Bureau advises and recommends to the Commission, or acts for the Commission under delegated authority, in matters pertaining to multichannel video programming distribution, broadcast radio and television, direct broadcast satellite service policy, and associated matters. The Bureau will, among other things:

- Conduct rulemaking proceedings concerning the legal, engineering, and economic aspects of electronic media services.
- Conduct comprehensive studies and analyses concerning the legal, engineering and economic aspects of electronic media services.
- Resolve waiver petitions, declaratory rulings and adjudications related to electronic media services.
- Process applications for authorization, assignment, transfer and renewal of media services, including AM, FM, TV, the cable TV relay service, and related matters.

PUBLIC SAFETY AND HOMELAND SECURITY BUREAU

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	96	111	111
11-Compensation	\$10,322,244	\$10,359,724	\$10,345,032
12-Benefits	\$2,502,065	\$2,401,656	\$2,380,888
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$12,824,309	\$12,761,380	\$12,725,921
21-Travel	\$100,757	\$199,273	\$105,805
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$845,034	\$900,831	\$727,212
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$138,194	\$564,357	\$82,138
26-Supplies and Materials	\$2,384	\$3,262	\$3,310
31-Equipment	\$268,638	\$176,082	\$31,846
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,355,007	\$1,843,806	\$950,311
TOTAL	\$14,179,316	\$14,605,186	\$13,676,232

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
				X	

The Public Safety and Homeland Security Bureau (PSHS) advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, in all matters pertaining to public safety, homeland security, national security, emergency management and preparedness, disaster management, and ancillary operations. The Bureau has responsibility for coordinating public safety homeland security, national security, emergency management and preparedness, disaster management, and related activities within the Commission. The Bureau also performs the following functions:

- Develops, recommends, and administers policy goals, objectives, rules, regulations, programs and plans for the Commission to promote effective and reliable communications for public safety, homeland security, national security, emergency management and preparedness, disaster management and related activities, including public safety communications (including 911, enhanced 911, and other emergency number issues), priority emergency communications, alert and warning systems (including the Emergency Alert System), continuity of government operations, implementation of Homeland Security Presidential Directives and Orders, disaster management coordination and outreach, communications infrastructure protection, reliability, operability and interoperability of networks and communications systems, the Communications Assistance for Law Enforcement Act (CALEA), and network security. Recommends policies and procedures for public safety, homeland security, national security, emergency management and preparedness, and recommends national emergency plans and preparedness programs covering Commission functions during national emergency conditions. Conducts outreach and coordination activities with, among others, state and local governmental agencies, hospitals and other emergency health care providers, and public safety organizations. Recommends national emergency plans, policies, and preparedness programs covering the provision of service by

communications service providers, including telecommunications service providers, information service providers, common carriers, non-common carriers, broadcasting and cable facilities, satellite and wireless radio services, radio frequency assignment, electro-magnetic radiation, investigation and enforcement.

- Under the general direction of the Defense Commissioner, coordinates the public safety, homeland security, national security, emergency management and preparedness, disaster management, and related activities of the Commission, including national security and emergency preparedness and defense mobilization, Continuity of Government (COG) planning, alert and warning systems (including the Emergency Alert System), and other functions as may be delegated during a national emergency or activation of the President's war emergency powers as specified in Section 706 of the Communications Act. Provides support to the Defense Commissioner, including with respect to his/her participation in the Joint Telecommunications Resources Board, and the National Security Telecommunications Advisory Committee and other public safety and homeland security organizations and committees. Represents the Defense Commissioner with other Government agencies and organizations, the communications industry, and Commission licensees on public safety, homeland security, national security, emergency management and preparedness, disaster management, and related issues.
- Develops and administers rules, regulations, and policies for priority emergency communications, including the Telecommunications Service Priority System. Supports the Chief of the Wireline Competition, International and Wireless Telecommunications Bureaus on matters involving assignment of Telecommunications Service Priority System priorities and in administration of that system.
- The Chief of PSHS Bureau or designee Acts as the FCC Alternate Homeland Security and Defense Coordinator and principal to the National Communications System, and serves as the Commission's representative on the National Communications Systems Committees.
- Advises and makes recommendations to the Commission, or acts for the Commission under the delegated authority, in all matters pertaining to the licensing and regulation of public safety, homeland security, national security, emergency management and preparedness, and disaster management wireless telecommunications, including ancillary operations related to the provision or use of such services.
- Conducts studies of public safety, homeland security, national security, emergency management and preparedness, disaster management, and related issues. Develops and administers recordkeeping and reporting requirements for communications companies pertaining to these issues. Administers any Commission information collection requirements pertaining to public safety, homeland security, national security, emergency management and preparedness, disaster management and related issues.
- Interacts with the public, local, state and other governmental agencies and industry groups (including advisory committees and public safety organizations and associations) on public safety, homeland security, national security, emergency management, disaster management and related issues. Serves as the point of contact for the U.S. Government in matters of international monitoring, fixed and mobile direction-finding and interference resolution; and oversees coordination of non-routine communications and materials between the Commission and international or regional public organizations or foreign administrations.
- Maintains and operates the Commission's public safety, homeland security, national security, emergency management and preparedness, and disaster management facilities and operations,

including the Communications Center, the establishment of any Emergency Operations Center (EOC), and any liaison activities with other federal, state, or local government organizations.

- Reviews and coordinates orders, programs and actions initiated by other Bureaus and Offices in matters affecting public safety, homeland security, national security, emergency management and preparedness, disaster management and related issues to ensure consistency with overall Commission policy.
- Develops and recommends responses to legislative, regulatory or judicial inquiries and proposals concerning or affecting public safety, homeland security, national security, emergency management, disaster management and related issues. Responses to judicial inquiries should be developed with and recommended to the Office of General Counsel.
- Develops and maintains the Commission's plans and procedures, including the oversight, preparation, and training of Commission personnel, for Continuity of Operations (COOP), Continuity of Government functions, and Commission activities and responses to national emergencies and other similar situations.
- Acts on emergency requests for Special Temporary Authority during non-business hours when the other Offices and Bureaus of the Commission are closed. Such actions shall be coordinated with, if possible, and promptly reported to the responsible Bureau or Office.
- Maintains liaison with other Bureaus and Offices concerning matters affecting public safety, homeland security, national security, emergency management and preparedness, disaster management and related issues.
- Is authorized to declare that a temporary state of communications emergency exists pursuant to § 97.401(b) of this chapter and to act on behalf of the Commission with respect to the operation of amateur stations during such temporary state of communications emergency.
- Performs such other functions and duties as may be assigned or referred to it by the Commission or the Defense Commissioner.

WIRELESS TELECOMMUNICATIONS BUREAU

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	220	226	229
11-Compensation	\$9,222,233	\$9,741,387	\$9,944,195
12-Benefits	\$2,272,426	\$2,303,999	\$2,351,967
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$11,494,659	\$12,045,386	\$12,296,162
21-Travel	\$24,039	\$19,564	\$19,851
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$323,517	\$332,893	\$310,966
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$30,191	\$57,377	\$58,220
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$377,747	\$409,834	\$389,037
TOTAL	\$11,872,406	\$12,455,220	\$12,685,199

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X		X	X

The Wireless Telecommunications Bureau (WTB) advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, in matters pertaining to the regulation and licensing of wireless communications services, devices, facilities, and electromagnetic spectrum resources. The Bureau develops and recommends policy goals, objectives, programs, and plans for the Commission on matters concerning wireless communications and electromagnetic spectrum resources, drawing upon relevant economic, technological, legislative, regulatory, and judicial information and developments. Such matters include addressing the present and future wireless communications and spectrum needs of U.S. consumers, businesses, state, local, and tribal governments, and other entities; promoting access, efficiency, and innovation in the allocation, licensing and use of the electromagnetic spectrum; ensuring choice, opportunity, and fairness in the development of wireless communication services and markets; developing policies regarding the conduct of auctions of Commission licenses; promoting investment in wireless communications infrastructure, including wireless broadband, and the integration and interconnection of wireless communications networks with other communications networks and facilities; and promoting the development and widespread availability of wireless broadband, mobile, public safety, and other wireless communications services, devices, and facilities, including through open networks, where appropriate.

The Bureau's activities include developing and coordinating policy; conducting rulemaking and licensing work; conducting spectrum auctions of wireless licenses; and acting on applications for service and facility authorizations. The Bureau also determines the resource impact of existing, planned, or recommended Commission activities concerning wireless communications, and develops and recommends resources deployment priorities. The Bureau reviews and coordinates orders, programs, and actions initiated by other Bureaus and Offices in matters affecting wireless communications to ensure consistency of overall Commission policy.

WIRELINE COMPETITION BUREAU

	2008	2009	2010
	Actual BA FTE	Enacted	Cong. Request
	148	157	165
11-Compensation	\$17,140,767	\$19,378,216	\$19,781,656
12-Benefits	\$4,135,921	\$4,585,372	\$4,680,836
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$21,276,688	\$23,963,588	\$24,462,492
21-Travel	\$31,863	\$52,550	\$53,322
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,536,688	\$1,581,242	\$1,234,730
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$68,475	\$76,912	\$78,042
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$170	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,637,196	\$1,710,704	\$1,366,093
TOTAL	\$22,913,884	\$25,674,291	\$25,828,585

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X		X	X

The Wireline Competition Bureau advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, in all matters pertaining to the regulation and licensing of communications providers and ancillary operations (other than matters pertaining exclusively to the regulation and licensing of wireless telecommunications services and facilities). The Bureau develops and recommends policy goals, objectives, programs and plans for the Commission on matters concerning wireline communications, drawing on relevant economic, technological, legislative, regulatory and judicial information and developments. Overall objectives include meeting the present and future wireline communications needs of the Nation; fostering economic growth; ensuring choice, opportunity, and fairness in the development of wireline communications; promoting economically efficient investment in wireline communications infrastructure; and promoting the development and widespread availability of wireline communications services. The Bureau reviews and coordinates orders, programs and actions initiated by other Bureaus and Offices in matters affecting wireline communications to ensure consistency with overall Commission policy.

The Bureau's activities include: policy development and coordination; adjudicatory and rulemaking proceedings; action on requests for interpretation or waivers of rules; determinations regarding lawfulness of carrier tariffs; action on applications for service and facility authorizations; review of carrier performance; administration of accounting requirements for incumbent local exchange carriers; administration of FCC reporting requirements affecting telecommunications and broadband providers; economic research and analysis; interaction with the public, local, state, and other government agencies, and industry groups on wireline communications regulation and related matters; and any other functions as may be assigned, delegated, or referred to the Bureau by the Commission.

AGENCY OFFICES

Office of Administrative Law Judges

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	4	4	4
11-Compensation	\$434,598	\$460,685	\$470,276
12-Benefits	\$65,083	\$73,319	\$74,845
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$499,681	\$534,004	\$545,122
21-Travel	\$361	\$522	\$530
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$41,233	\$42,406	\$36,288
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$20,814	\$21,251	\$21,563
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$62,408	\$64,179	\$58,381
TOTAL	\$562,089	\$598,183	\$603,503

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
	X	X	X		

The Office of the Administrative Law Judges hears and conducts all adjudicatory cases designated for evidentiary adjudicatory hearing other than those designated to be heard by the Commission en banc or by one or more members of the Commission, and other hearings as the Commission may assign. The Office has the following responsibilities:

- Preside over and conduct formal hearings involving investigations, rule making and adjudication.
- Act on motions, petitions and other pleadings filed in proceedings and conduct pre-hearing conferences.
- Administer the oath, examine witnesses, rule upon evidentiary questions, issue subpoenas, dispose of procedural motions, prepare and issue Initial Decisions. Perform functions of presiding judge in non-jury cases, with the exception that decisions rendered are automatically subject to possible review by the Commission.
- Serve, upon instruction of Commission/Chairman, as liaison for the Commission, and this Office, in making appropriate arrangements for securing advice or information from representatives of other agencies, bar associations and interested persons in connection with proceedings.
- Prepare and maintain hearing calendars, showing time and place of hearings.

- Prepare reports, statistical data and other information requested or required by the Office of Personnel Management, other offices or agencies of the U.S. Government concerned with proper operation of the Office of Administrative Law Judges.
- Exercise such authority as may be assigned by the Commission pursuant to section 5(c) of the Communications Act of 1934, as amended.

Office of Communications Business Opportunities

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	11	11	11
11-Compensation	\$1,021,709	\$805,506	\$822,276
12-Benefits	\$250,708	\$188,609	\$192,536
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,272,417	\$994,115	\$1,014,812
21-Travel	\$5,788	\$2,526	\$2,563
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$61,882	\$63,664	\$73,251
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$0	\$0	\$0
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$67,670	\$66,190	\$75,815
TOTAL	\$1,340,087	\$1,060,305	\$1,090,626

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
	X		X		X

The Office of Communications Business Opportunities (OCBO), as a staff office to the Commission, develops, coordinates, evaluates, and recommends to the Commission, policies, programs, and practices that promote participation by small entities, women, and minorities in the communications industry. A principal function of the Office is to lead, advise, and assist the Commission, including all of its component Bureau/Office managers, supervisors, and staff, at all levels, on ways to ensure that the competitive concerns of small entities, women, and minorities, are fully considered by the agency in notice and comment rulemakings. In accordance with this function, the Office:

- Conducts independent analyses of the Commission's policies and practices to ensure that those policies and practices fully consider the interests of small entities, women, and minorities.
- Advises the Commission, Bureaus, and Offices of their responsibilities under the Congressional Review Act provisions regarding small businesses; the Report to Congress regarding Market Entry Barriers for Small Telecommunications Businesses (47 U.S.C. 257); and the Telecommunications Development Fund (47 U.S.C. 614).

The Office has the following duties and responsibilities:

- Through its director, serves as the principal small business policy advisor to the Commission;
- Develops, implements, and evaluates programs and policies that promote participation by small entities, women and minorities in the communications industry;

- Manages the Regulatory Flexibility Analysis process pursuant to the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act to ensure that small business interests are fully considered in agency actions;
- Develops and recommends Commission-wide goals and objectives for addressing the concerns of small entities, women, and minorities and reports of achievement;
- Acts as the principal channel for disseminating information regarding the Commission's activities and programs affecting small entities, women, and minorities;
- Develops, recommends, coordinates, and administers objectives, plans and programs to encourage participation by small entities, women, and minorities in the decision-making process;
- Promotes increased awareness within the Commission of the impact of policies on small entities, women, and minorities
- Acts as the Commission's liaison to other federal agencies on matters relating to small business.

Office of Engineering Technology

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	89	90	90
11-Compensation	\$9,765,096	\$10,234,764	\$10,447,844
12-Benefits	\$2,293,922	\$2,349,068	\$2,397,974
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$12,059,018	\$12,583,832	\$12,845,818
21-Travel	\$40,265	\$28,034	\$28,446
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$604,277	\$621,791	\$474,988
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$209,444	\$203,939	\$206,935
26-Supplies and Materials	\$42,500	\$42,882	\$43,512
31-Equipment	\$900,070	\$92,982	\$94,348
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,796,556	\$989,628	\$848,228
TOTAL	\$13,855,574	\$13,573,460	\$13,694,046

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Engineering and Technology allocates spectrum for commercial, private and non-Federal governmental use and provides expert advice on technical issues before the Commission, including recommendations technical standards for spectrum users. The Office also performs the following duties and responsibilities:

- Develop overall policies, objectives, and priorities for the Office of Engineering and Technology programs and activities; perform management functions; and supervise the execution of these policies.
- Advise and represent the Commission on frequency allocation and spectrum usage matters, including those covered by international agreements.
- Plan and direct broad programs for development of information relative to communication techniques and equipment, radio wave propagation, and new uses for communications, and advise the Commission and staff offices in such matters.
- Represent the Commission at various national and international conferences and meetings devoted to the progress of communications and the development of information and standards.
- Conduct engineering and technical studies in advanced phases of terrestrial and space communications, and special projects to obtain theoretical and experimental data on new or improved techniques, including cooperative studies with other staff units and consultant and contract efforts as appropriate.
- Advise the Commission and other bureaus and offices concerning spectrum management, emerging technologies, technical standards, international considerations and national security

matters involved in making or implementing policy or in resolving specific situations involving these matters.

- Develop and implement procedures to acquire, store, and retrieve scientific and technical information required in the engineering work of the Commission.
- Provide advice to the Commission, participate in and coordinate staff work with respect to general frequency allocation proceedings and other proceedings not within the jurisdiction of any single bureau, and provide assistance and advice with respect to rulemaking matters and proceedings affecting more than one bureau.
- Administer Parts 2, 5, 15, and 18, of the Commission's Rules and Regulations.
- Perform technical, engineering, and management functions of the Commission with respect to formulating rules and regulations, technical standards, and general policies for Parts 2, 5, 15 and 18, and for equipment authorization of radio equipment for compliance with all appropriate rules.
- Maintain liaison with other agencies of government, technical experts representing foreign governments, and members of the public and industry concerned with communications and frequency allocation and usage.
- Coordinate frequency assignments for Commission licensees with Federal Government agencies, and represent the Commission on issues regarding use of spectrum when jurisdiction is shared with the Federal Government.
- Prepare recommendations for legislation, and review recommendations for rule changes and rulemaking proposals initiated by other offices affecting Bureau programs and operations.

Office of General Counsel

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	75	76	77
11-Compensation	\$9,328,606	\$10,060,696	\$10,270,152
12-Benefits	\$2,195,035	\$2,187,889	\$2,233,439
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$11,523,641	\$12,248,585	\$12,503,591
21-Travel	\$12,566	\$14,466	\$14,679
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$714,436	\$735,148	\$641,860
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$4,590	\$3,400	\$3,449
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$731,592	\$753,014	\$659,988
TOTAL	\$12,255,233	\$13,001,599	\$13,163,579

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of General Counsel serves as chief legal advisor and represents the Commission in litigation matters in performing the following duties and responsibilities:

- Advise and make recommendations to the Commission with respect to proposed legislation and submit agency views on legislation when appropriate.
- Interpret statutes, international agreements, and international regulations affecting the Commission.
- Prepare and make recommendations and interpretations concerning procedural rules of general applicability and review all rules for consistency with other rules, uniformity, and legal sufficiency.
- In cooperation with the Chief Engineer, participate in, render advice to the Commission, and coordinate the staff work with respect to general frequency allocation proceedings and other proceedings not within the jurisdiction of any single bureau, and render advice with respect to rule making matters and proceedings affecting more than one bureau.
- Ensure consistent public interest analysis of major, non-routine transactions in a timely fashion throughout the Commission and provide technical expertise on common issues.
- Exercise such authority as may be assigned or referred to it by the Commission pursuant to section 5(c) of the Communications Act of 1934, as amended.
- Cooperate with the International Bureau on all matters pertaining to space satellite communications.

- Perform all legal functions with respect to leases, contracts, tort claims and other internal legal problems as may arise.
- Issue written determinations on behalf of the Chairman, and otherwise act as the Chairman's designee on matters regarding the interception of telephone conversations, as required by the General Services Administration's regulations. 41 CFR 201-6.202, et seq.
- Serve as principle advisor to the Commission in the preparation and revision of rules and the implementation and administration of ethical regulations and the Freedom of Information, Privacy, Government in the Sunshine and Alternative Dispute Resolution Acts.
- Assist and make recommendations to the Commission, and to individual Commissioners assigned to review initial decisions, as to the disposition of cases of adjudication and such other cases as, by Commission policy, are handled in the same manner and which have been designated for hearing.

Office of Inspector General

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	22	61	61
11-Compensation	\$2,188,010	\$2,675,102	\$2,327,801
12-Benefits	\$524,485	\$658,098	\$537,612
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$2,712,495	\$3,333,200	\$2,865,413
21-Travel	\$81,545	\$105,315	\$106,862
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$190,666	\$147,271	\$248,016
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$1,323,198	\$2,924,408	\$1,643,147
26-Supplies and Materials	\$4,088	\$169	\$278
31-Equipment	\$238,047	\$96,540	\$8,513
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,837,544	\$3,273,703	\$2,006,816
TOTAL	\$4,550,039	\$6,606,903	\$4,872,230

Note: The Consolidated Appropriations Act, 2008 (P.L. 110-161) language authorizes use of \$21.48M to be used by the Office of the Inspector General (OIG) for Universal Service Fund (USF) Audit Support. The Omnibus Appropriation Act, 2009 (P.L. 111-8) language authorizes use of \$25.48M to be used by the Inspector General for USF Audit Support. The OIG will have \$36.7M in USF resources from FY 2008 and FY 2009 transfers, which will be used to continue USF oversight and audit support for FY 2010.

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety And Security	Modernize the FCC
X	X	X	X	X	X

The Office of Inspector General (OIG) was established in compliance with the Inspector General Act Amendments of 1988 to provide the FCC with independent audit, inspection and investigative services. The Inspector General (IG) reports directly to the Chairman.

The IG is responsible by statute for audits, inspections and investigations. Audits and inspections are designed to evaluate the economy and efficiency of FCC programs and operations as well as to detect instances of waste, fraud, abuse and mismanagement. By regulation, audits of the FCC must be conducted in accordance with Generally Accepted Government Auditing Standards ("GAGAS") as well as requirements promulgated by other parts of the federal government. Investigations are conducted to determine whether Commission employees, contractors, or others whose activities affect, or are encompassed by, FCC programs and operations have violated specific statutes or regulations. Such violations can include administrative, civil, and criminal violations.

Provide policy direction for, and conducts, supervises and coordinates audits and investigations relating to the programs and operations of the FCC.

Recommend policies to improve the administration of agency programs, procedures and operations and coordinates with other Government agencies and non-government entities with respect to activities

that will promote economy and efficiency in the administration of Commission programs, and prevent or detect waste, fraud, abuse or mismanagement in Commission operations.

Provide the Chairman with independent and objective information on a timely basis related to issues that have significant impact upon the Commission. Drafts audit, inspection and investigative reports which clearly define OIG findings and contain recommendations for corrective or administrative action as appropriate.

Review existing and proposed legislation and regulations relating to programs and operations of the FCC to reduce the potential for fraud, waste and abuse and make recommendations as appropriate.

Expediently reports possible violations of criminal law to the U.S. Attorney General when he has reason to believe that a violation of U.S. criminal law has occurred.

Office of Legislative Affairs

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	9	11	11
11-Compensation	\$929,557	\$805,242	\$822,007
12-Benefits	\$230,177	\$194,250	\$198,294
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,159,734	\$999,492	\$1,020,301
21-Travel	\$767	\$1,805	\$1,421
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$80,896	\$83,223	\$58,863
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$7,131	\$68,887	\$0
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$88,794	\$153,915	\$60,284
TOTAL	\$1,248,528	\$1,153,408	\$1,080,584

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Legislative Affairs informs the Congress of the Commission's decisions, facilitates responses to Congressional inquiries, and provides technical assistance to Congressional staff regarding proposed legislation. Specifically, the Office has the following functions:

- Advise and make recommendations to the Commission with respect to legislation proposed by Members of Congress or other government agencies and coordinate the preparation of Commission views for submission to Congress or other government agencies.
- Track and monitor legislation impacting the Commission, providing technical assistance to Congressional staff, as necessary.
- Coordinate Commission and Bureau responses to formal inquiries by individual Members of Congress and committees, including tracking inquiries and setting response times.
- Assist the staffs of Members of Congress in responding to constituent concerns.
- Assist in the preparation for, and the coordination of, the Chairman's and Commissioners' appearances before Committees of Congress.
- Assist the Office of Managing Director in the preparation of the Managing Director's annual report to Congress, as well as with the annual submission of the Commission budget.
- Coordinate the Commission's legislative program, obtaining Bureau and Office comments and drafting final legislative proposals.

Office of the Managing Director

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	206	219	220
11-Compensation	\$18,553,141	\$22,424,105	\$22,178,658
12-Benefits	\$3,748,939	\$4,398,656	\$4,245,841
13-Benefits for Former Personnel	\$25,800	\$26,592	\$27,260
Subtotal, Personnel Costs	\$22,327,880	\$26,849,353	\$26,451,758
21-Travel	\$493,497	\$541,626	\$347,131
22-Transportation of Things	\$155,334	\$120,389	\$122,158
23-Rent and Communications	\$27,619,718	\$27,679,477	\$31,207,453
24-Printing and Reproduction	\$1,405,090	\$1,239,902	\$1,258,116
25-Other Contractual Services	\$42,612,952	\$36,903,259	\$45,957,205
26-Supplies and Materials	\$1,611,233	\$1,559,308	\$1,652,014
31-Equipment	\$1,349,675	\$2,471,752	\$6,960,104
42-Insurance Claims and Indemnities	\$1,144	\$75,000	\$75,000
Subtotal, Non-Personnel Costs	\$75,248,643	\$70,590,713	\$87,579,180
TOTAL	\$97,576,523	\$97,440,066	\$114,030,938

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Managing Director is appointed by the Chairman with the approval of the Commission. Under the supervision and direction of the Chairman, the Managing Director serves as the Commission's chief operating official with the following duties and responsibilities:

- Provide managerial leadership to and exercise supervision and direction over the Commission's Bureaus and Offices with respect to management and administrative matters but no substantive regulatory matters such as regulatory policy and rule making, authorization of service, administration of sanctions, and adjudication.
- Formulate and administer all management and administrative policies, programs and directives for the Commission consistent with authority delegated by the Commission and the Chairman and recommend to the Chairman and the Commission major changes in such policies and programs.
- As the administrative head of the agency, assist the Chairman in carrying out the administrative and executive responsibilities delegated to the Chairman.
- Advise the Chairman and the Commission on management, administrative and related matters; review and evaluate the programs and procedures of the Commission; initiate action or make recommendations as may be necessary to administer the Communications Act most effectively in the public interest. Assess the management, administrative and resource implications of any proposed action or decision to be taken by the Commission or by a Bureau or Office under delegated authority; recommend to the Chairman and the Commission program priorities, resource and position allocations, management and administrative policies.

- Direct agency efforts to improve management effectiveness, operational efficiency, employee productivity and service to the public. Administer Commission-wide management improvement programs.
- Plan and manage the administrative affairs of the Commission with respect to the functions of personnel and position management; labor-management relations; budget and financial management; information management and processing; organization planning; management analysis; procurement; office space management and utilization; administrative and office services; supply and property management; records management; personnel and physical security; and international telecommunications settlements.
- Serve as the principal operating official on ex parte matters involving restricted proceedings. Review and dispose of all ex parte communications received from the public and others. In consultation with the General Counsel, approve waivers of the applicability of the conflict of interest statutes pursuant to 18 U.S.C. §§ 205 and 208, or initiate necessary actions where other resolutions of conflicts of interest are called for.
- The Commission seeks \$15 million for an IT initiative because the FCC lacks integrated and modern IT systems. Much of the Commission's core infrastructure is 10 - 15 years old and unable to interface with modern external systems and technologies. These funds will allow the Commission to completely alter its systems to become more transparent and easy to do business with. First, we will be able to bring the full value of information stored at the FCC to the public. For example, citizens will be able to perform keyword searches of comments. This, in turn, will allow the public greater participation in Commission decision-making. Second, the Commission will better use its own information to make decisions by improving internal coordination and information sharing. Finally, these funds will make the FCC a model of technology use in the Government by modernizing both public-facing and back-end systems.

Office of Media Relations

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	16	16	16
11-Compensation	\$1,534,424	\$1,546,300	\$1,578,493
12-Benefits	\$417,112	\$447,374	\$456,689
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,951,536	\$1,993,674	\$2,035,182
21-Travel	\$46	\$1,396	\$1,417
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$126,525	\$130,177	\$113,637
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$75,576	\$107,066	\$108,640
26-Supplies and Materials	\$17,628	\$16,017	\$16,252
31-Equipment	\$7,074	\$16,764	\$17,010
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$226,849	\$271,421	\$256,956
TOTAL	\$2,178,385	\$2,265,096	\$2,292,138

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Media Relations informs the news media of Commission decisions and serves as the Commission's main point of contact with the media. The Office of Media Relations has the following duties and responsibilities:

- Enhance public understanding of and compliance with the Commission's regulatory requirements.
- Act as the principal channel for communicating information to the news media on Commission policies, programs, and activities.
- Advise the Commission on information dissemination as it affects liaison with the media.
- Manage the FCC's Internet site and oversee the agency's Web standards and guidelines, including accessibility.
- Manage the audio and visual support services for the Commission.

Office of Strategic Planning and Policy Analysis

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	19	18	18
11-Compensation	\$2,500,297	\$2,740,338	\$2,797,390
12-Benefits	\$612,079	\$610,324	\$623,030
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$3,112,376	\$3,350,662	\$3,420,420
21-Travel	\$10,739	\$26,068	\$26,451
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$176,377	\$181,513	\$134,708
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$0	\$637,522	\$0
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$308	\$314
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$187,116	\$845,411	\$161,473
TOTAL	\$3,299,492	\$4,196,072	\$3,581,893

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Strategic Planning and Policy Analysis assists, advises, and makes recommendations to the Commission with respect to the development and implementation of communications policies in all areas of Commission authority and responsibility. Specifically, the Office performs the following functions:

- Conduct independent policy analyses to assess the long-term effects of alternative Commission policies on domestic and international communication industries and services, with due consideration of the responsibilities and programs of other staff units, and to recommend appropriate Commission action.
- Coordinate the policy research and development activities of other staff units, with special concern for matters which transcend their individual areas of responsibility.
- Identify and define significant communications policy issues in all areas of Commission interest and responsibility.
- Conduct economic, technical, and sociological studies of existing and proposed communications policies and operations, including cooperative studies with other staff units and consultant and contract efforts as appropriate.
- Develop and evaluate alternative policy options and approaches for consideration by the Commission.
- Review and comment on all significant actions proposed for Commission action in terms of their overall policy implications.

- Recommend and evaluate governmental (State and Federal), academic and industry-sponsored research affecting Commission policy issues.
- Prepare briefings, position papers, proposed Commission actions, or other agenda items as appropriate.
- Manage the Commission's policy research program, recommend budget levels and priorities for this program, and serve as central account manager for all contractual policy research studies funded by the Commission.
- Coordinate the formation and presentation of Commission positions in domestic communications policy; represent the Commission at appropriate interagency discussions and conferences.
- Participate in the development of international communications policy with the Office of International Communications and the Office of Engineering and Technology, and provide representation at meetings when appropriate.
- Develop and recommend procedures and plans for the effective handling of policy issues within the Commission.

Office of Workplace Diversity

	2008	2009	2010
	Actual BA	Enacted	Cong. Request
FTE	4	4	4
11-Compensation	\$351,994	\$362,873	\$370,428
12-Benefits	\$86,544	\$92,956	\$94,891
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$438,538	\$455,829	\$465,319
21-Travel	\$3,077	\$32	\$32
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$41,777	\$43,009	\$41,348
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$29,713	\$30,076	\$30,518
26-Supplies and Materials	\$165	\$510	\$517
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$74,732	\$73,627	\$72,415
TOTAL	\$513,270	\$529,456	\$537,734

FY 2010 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
	X				X

The Office of Workplace Diversity, as a staff office to the Commission, shall develop, coordinate, evaluate, and recommend to the Commission policies, programs, and practices that foster a diverse workforce and promote and ensure equal opportunity for all employees and candidates for employment. A principal function of the Office is to lead, advise, and assist the Commission, including all of its component Bureau/Office managers, supervisors, and staff at all levels, on ways to promote inclusion and full participation of all employees in pursuit of the Commission's mission. In accordance with this principal function, the Office shall: (1) conduct independent analyses of the Commission's policies and practices to ensure that those policies and practices foster diversity in the workforce and ensure equal opportunity for employees and applicants; and (2) advise the Commission, Bureaus, and Offices of their responsibilities under: Title VII of the Civil Rights Act of 1964 as Amended; Section 501 of the Rehabilitation Act of 1973 as amended; Age Discrimination in Employment Act of 1967, as amended; Executive order 11478; and all other statutes, Executive Orders, and regulatory provisions relating to workforce diversity, equal employment opportunity, nondiscrimination, and civil rights. The Office has the following duties and responsibilities:

- Through its Director, serves as the principal advisor to the Chairman and Commission officials on all aspects of workforce diversity, organization, equal employment opportunity, nondiscrimination, and civil rights.
- Provides leadership and guidance to create a work environment that values and encourages diversity in the workforce.
- Is responsible for developing, implementing, and evaluating programs and policies to foster a workforce whose diversity reflects the diverse makeup of the Nation, enhances the mission of the Commission, and demonstrates the value and effectiveness of a diverse workforce.

- Is responsible for developing, implementing, and evaluating programs and policies that promote understanding among members of the Commission's workforce of their differences and the value of those differences and provide a channel for communication among diverse members of the workforce at all levels.
- Develops, implements, and evaluates programs and policies to ensure that all members of the Commission's workforce and candidates for employment have equal access to opportunities for employment, career growth, training, and development and are protected from discrimination and harassment.
- Develops and recommends Commission-wide workforce diversity goals and reports on achievements.
- Is responsible for developing, implementing, and evaluating programs and policies to enable all Bureaus and Offices to manage a diverse workforce effectively and in compliance with all equal employment opportunity and civil rights requirements.
- Works closely with the Associate Managing Director - Human Resources Management to ensure compliance with federal and Commission recruitment and staffing requirements.
- Manages the Commission's equal employment opportunity compliance program. Responsibilities in this area include processing complaints alleging discrimination, recommending to the Chairman final decisions on EEO complaints within the Commission, and providing consulting services to employees and applicants on EEO matters.
- Develops and administers the Commission's program of accessibility and accommodation for disabled persons in accordance with applicable regulations.
- Represents the Commission at meeting with other public and private groups and organizations on matters concerning workforce diversity and equal employment opportunity.
- Maintain liaison with and solicits views of organizations within and outside the Commission on matters relating to equal opportunity and workforce diversity.

FY 2010 Budget Estimates to Congress Summary of Requested Resources

(\$ in Thousands)

The Federal Communications Commission's budget estimates for Fiscal Year 2010 are summarized below:

DISTRIBUTION OF BUDGET AUTHORITY:

	<u>FY 2008 Actual BA</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>	<u>Change to Appropriated Budget Authority</u>
Direct Appropriation:				
Current: (P.L. 111 - 8)	\$1,000	\$0	\$1,000	\$1,000
Authority to Spend Offsetting Collections:				
Regulatory Fees	311,863	341,875	334,794	(7,081)
Appropriation Total:	\$312,863	\$341,875	\$335,794	(6,081)
Recission:				
Authority to Spend				
Other Off-setting Collections:				
1) Economy Act/Misc. Other	1,741	1,741	2,500	
2) Auctions Cost Recovery Reimbursements ^{1/}	85,000	85,000	85,000	
Subtotal Other Offsetting Collections:	\$86,741	\$86,741	\$87,500	
Total Budget Authority - Available to incur obligations:	\$399,604	\$428,616	\$423,294	
Other Budget Authority				
Credit Program Account	\$0 ^{2/}	\$6,432	\$5,499	
Universal Service Fund (USF) ^{3/}	\$21,480	\$25,480	\$0	

Notes:

^{1/}The Consolidated Appropriations Act, 2008 (P.L. 110-161) and the Omnibus Appropriation Act, 2009 (P.L. 111-8) limits the Auctions to \$85M.

^{2/} The Commission received authority to use prior year balances to fund FY 2008 obligations and outlays.

^{3/}The Consolidated Appropriations Act, 2008 (P.L. 110-161) language authorizes use of \$21.48M to be used by the Office of the Inspector General for USF Audit Support. The Omnibus Appropriation Act, 2009 (P.L. 111-8) language authorizes use of \$25.48M to be used by the Inspector General for USF Audit Support. The OIG will have \$36.7M in USF resources from FY 2008 and FY 2009 transfers, which will be used to continue USF oversight and audit support for FY 2010.

FY 2010 Budget Estimates to Congress
Summary of Requested Resources
(\$ in Thousands)

DISTRIBUTION OF OBLIGATIONS:

	<u>FY 2008 Actual BA</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>	<u>Change to Appropriated Budget Authority</u>
Direct Appropriation:				
Personnel Compensation	\$1,000	\$0	\$1,000	\$1,000
Personnel Benefits	0	0	0	0
Benefits to Former Employees	0	0	0	0
Other Obligations	0	0	0	0
Sum-Direct Obligations	<u>\$1,000</u>	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,000</u>
Offsetting Collections - Obligations:				
Regulatory Fees	\$311,863	\$341,875	\$334,794	(\$7,081)
<hr/>				
Subtotal - Obligations from Appropriated Funds: (Less Recission/Lapsed):	\$312,863	\$341,875	\$335,794	(\$6,081)
Obligations - Other Offsetting Collections				
1) Economy Act/Misc. Other	1,741	1,741	2,500	
2) Auctions Cost Recovery Reimbursements	85,000	85,000	85,000	
<hr/>				
Subtotal Other Offsetting Collections:	\$86,741	\$86,741	\$87,500	
<hr/>				
TOTAL OBLIGATIONS	399,604	428,616	423,294	
TOTAL OUTLAYS				
(Includes Direct & All Offsetting Collections)				
Other Budget Authority:				
Credit Program Account	\$0 ^{1/}	\$6,432	\$5,499	
Universal Service Fund (USF) ^{2/}	\$21,480	\$25,480	\$0	

^{1/}The Commission received authority to use prior year balances to fund FY 2008 obligations and outlays.

^{2/}The Consolidated Appropriations Act, 2008 (P.L. 110-161) language authorizes use of \$21.48M to be used by the Office of the Inspector General for USF Audit Support. The Omnibus Appropriation Act, 2009 (P.L. 111-8) language authorizes use of \$25.48M to be used by the Inspector General for USF Audit Support. The OIG will have \$36.7M in USF resources from FY 2008 and FY 2009 transfers, which will be used to continue USF oversight and audit support for FY 2010.

FY 2010 Budget Estimates to Congress
Summary of Requested Resources
(\$ in Millions)

OUTLAYS:	FY 2008	FY 2009	FY 2010
	<u>Actual BA</u>	<u>Enacted</u>	<u>Cong. Request</u>
Outlays from new discretionary authority:			
Direct	\$1	\$0	\$1
USF Transfer	21	25	0
New Offsetting Collections:			
Regulatory Fees	\$325	\$342	\$336
Auctions Receipts	85	85	85
Interagency/Other	2	2	3
Homeland Security	<u>2</u>	<u>2</u>	<u>2</u>
Subtotal, Outlays from new discretionary authority	<u>\$436</u>	<u>\$456</u>	<u>\$427</u>
Outlays from prior year discretionary balances	<u>0</u>	<u>11</u>	<u>72</u>
TOTAL OUTLAYS	\$436	\$467	\$499

	FY 2008	FY 2009	FY 2010
	<u>Actual BA</u>	<u>Enacted</u>	<u>Cong. Request</u>
Total Compensable Workyears:			
Full-Time Equivalent Employment (FTEs)	1,775	1,918	1,924
Proposed Distribution:			
Direct ^{1/}	8	0	7
Offsetting Collections ^{1/}	1,758	1,871	1,870
Auctions Credit Program Account	9	9	9
Universal Service Fund (USF) (Term)	<u>0</u>	<u>38</u>	<u>38</u>
TOTAL FTE CEILING	1,775	1,918	1,924

1/ The distribution of FTEs between Direct and Offsetting Collections is estimated based on the prorata distribution of compensation funds available from Direct Appropriation and Offsetting Collections. Offsetting Collections include Regulatory Fees, Auction Receipts for Direct Program operating costs and certain Economy Act Reimbursables.

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

DIRECT AUTHORITY - CURRENT:

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$1,000	\$0	\$1,000
Full-time Temporary (11.3)			
Part-time (11.3)			
Personnel Benefits (12.1)	--	--	--
Subtotal Personnel Comp. & Benefits	<u>\$1,000</u>	<u>\$0</u>	<u>\$1,000</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$- -	\$- -	\$- -
Travel (21.0)	--	--	--
Transportation of Things (22.0)	--	--	--
GSA Rent (23.1)	--	--	--
Other Rents, Comm., Utilities (23.3)	--	--	--
Printing and Reproduction (24.0)	--	--	--
Contract Services - Non-Fed (25.2)	--	--	--
Fed. Purchase, Goods & Services (25.3)	--	--	--
Operation & Maint. of Equipment (25.7)	--	--	--
Supplies and Materials (26.0)	--	--	--
Equipment (31.0)	--	--	--
Land and Structures (32.0)	--	--	--
Insurance Claims & Indemnities (42.0)	--	--	--
Subtotal Other Expenses	<u>\$- -</u>	<u>\$- -</u>	<u>\$- -</u>
Total Direct Authority Obligations	\$1,000	\$0	\$1,000

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

REGULATORY FEES - CURRENT:

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$167,820	\$180,845	\$182,306
Full-time Temporary (11.3)	\$543	585	590
Part-time (11.3)	\$2,523	2,719	2,741
Personnel Benefits (12.1)	\$40,018	42,137	42,565
Subtotal Personnel Comp. & Benefits	<u>\$210,905</u>	<u>\$226,286</u>	<u>\$228,202</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$26	\$27	\$27
Travel (21.0)	2,036	3,433	1,954
Transportation of Things (22.0)	164	275	167
GSA Rent (23.1)	34,736	35,283	35,621
Other Rents, Comm., Utilities (23.3)	7,328	7,356	7,216
Printing and Reproduction (24.0)	1,498	3,224	1,258
Contract Services - Non-Fed (25.2)	22,751	39,454	19,256
Fed. Purchase, Goods & Services (25.3)	2,532	3,030	3,182
Operation & Maint. of Equipment (25.7)	23,166	17,059	27,811
Supplies and Materials (26.0)	2,072	1,944	2,000
Equipment (31.0)	4,649	4,429	8,025
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	1	75	75
Subtotal Other Expenses	<u>\$100,958</u>	<u>\$115,589</u>	<u>\$106,592</u>
Total Obligations from Regulatory Fees	\$311,863	\$341,875	\$334,794
Total Resources from Direct Appropriations	\$312,863	\$341,875	\$335,794

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY:

-- The following table depicts the distribution of actual FY 2008, enacted FY 2009 and estimated FY 2010 obligations utilizing auctions cost recovery reimbursable authority.

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$23,375	\$26,055	\$25,707
Full-time Temporary (11.3)	1	1	1
Part-time (11.3)	308	335	331
Personnel Benefits (12.1)	5,722	6,572	6,456
Subtotal Personnel Comp. & Benefits	<u>\$29,406</u>	<u>\$32,964</u>	<u>\$32,495</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$4	\$4	\$4
Travel (21.0)	228	319	315
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	6,561	6,254	6,623
Other Rents, Comm., Utilities (23.3)	2,525	3,084	2,906
Printing and Reproduction (24.0)	82	98	98
Contract Services - Non-Fed (25.2)	32,578	30,099	30,497
Fed. Purchase, Goods & Services (25.3)	1,114	1,665	1,260
Operation & Maint. of Equipment (25.7)	10,414	7,518	7,504
Supplies and Materials (26.0)	464	451	457
Equipment (31.0)	1,624	2,543	2,842
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$55,594</u>	<u>\$52,036</u>	<u>\$52,505</u>
Total Auctions Cost Recovery			
Reimbursable Obligations:^{1/}	\$85,000	\$85,000	\$85,000

^{1/} The Consolidated Appropriations Act, 2008 (P.L. 110-161) and the Omnibus Appropriation Act, 2009 (P.L. 111-8) limits the Auctions Program to \$85M.

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

GOVERNMENT/OTHER REIMBURSABLE AUTHORITY

-- The following table depicts the Economy Act/Other Reimbursable actual resources for FY 2008, enacted FY 2009, and estimated for FY 2010.

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$83	\$145	\$70
Full-time Temporary (11.3)	0	0	0
Part-time (11.3)	0	0	0
Personnel Benefits (12.1)	9	40	23
Subtotal Personnel Comp. & Benefits	<u>\$93</u>	<u>\$185</u>	<u>\$93</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	38	69	66
Transportation of Things (22.0)	15	14	16
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	68	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	1,255	502	1,673
Fed. Purchase, Goods & Services (25.3)	25	25	125
Operation & Maint. of Equipment (25.7)	5	4	12
Supplies and Materials (26.0)	23	107	28
Equipment (31.0)	586	767	488
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$1,948</u>	<u>\$1,556</u>	<u>\$2,407</u>
Total Government/Other Reimbursable Authority	\$2,041	\$1,741	\$2,500

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

CREDIT PROGRAM ACCOUNT:

-- The following table depicts the distribution of obligations from the Credit Program account for FY 2008, FY 2009 and FY 2010. These obligations are presented in separate schedules apart from the Salaries & Expenses account and funded from Permanent Indefinite Authority.

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$1,145	\$1,392	\$948
Full-time Temporary (11.3)	2	0	0
Part-time (11.3)	0	0	0
Personnel Benefits (12.1)	276	327	228
Subtotal Personnel Comp. & Benefits	<u>\$1,422</u>	<u>\$1,718</u>	<u>\$1,176</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	2	2	6
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	3,243	3,454	2,620
Fed. Purchase, Goods & Services (25.3)	2,017	1,222	1,644
Operation & Maint. of Equipment (25.7)	77	33	49
Supplies and Materials (26.0)	0	3	2
Equipment (31.0)	150	0	1
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$5,490</u>	<u>\$4,714</u>	<u>\$4,323</u>
Total Credit Program ^{1/}	\$6,912	\$6,432	\$5,499

^{1/} The Commission received authority to use prior year balances to fund FY 2008 obligations and outlays.

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

UNIVERSAL SERVICE FUND:

-- The following table depicts the distribution of obligations from the use of Universal Service Funds for FY 2008, FY 2009 and FY 2010. These obligations are presented in separate schedules apart from the Salaries & Expenses account and funded from Permanent Indefinite Authority.

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$0	\$0	\$0
Full-time Temporary (11.3)	77	3,108	0
Part-time (11.3)	0	0	0
Personnel Benefits (12.1)	16	955	0
Subtotal Personnel Comp. & Benefits	\$93	\$4,063	\$0
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	28	500	0
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	187	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	1,143	20,667	0
Fed. Purchase, Goods & Services (25.3)	6	0	0
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	0	50	0
Equipment (31.0)	68	200	0
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	\$1,433	\$21,417	\$0
Total Universal Service Program	\$1,526 ^{1/}	\$25,480 ^{2/}	\$0 ^{3/}

^{1/} The Consolidated Appropriations Act, 2008 (P.L. 110-161) language authorizes use of \$21.48M to be used by the Office of the Inspector General for USF Audit Support. In FY 2008, \$1.5M was obligated, the remainder \$19.9M has been carryforward into FY 2009.

^{2/} The Omnibus Appropriation Act, 2009 (P.L. 111-8) language authorizes use of \$25.48M to be used by the Office of the Inspector General for USF Audit Support.

^{3/} The OIG will have \$36.7M in USF resources from FY 2008 and FY 2009 transfers, which will be used to continue USF oversight and audit support for FY 2010.

FY 2010 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(\$ in thousands)

CARRYOVER REGULATORY FEES (NO-YEAR):

-- The following table depicts the estimated distribution of cumulative Regulatory Fees resulting from recoveries of prior year obligations. The FCC does not anticipate obligation of these funds. Use of carryover Regulatory Fees requires consent of appropriation subcommittees.

<u>Object Class Description</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Permanent (11.1)	\$0	\$0	\$0
Full-time Temporary (11.3)	0	0	0
Part-time (11.3)	300	0	0
Personnel Benefits (12.1)	75	0	0
Subtotal Personnel Comp. & Benefits	\$375	\$0	\$0
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	1,000	0	0
Transportation of Things (22.0)	300	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	800	0	0
Printing and Reproduction (24.0)	550	0	0
Contract Services - Non-Fed (25.2)	8,915	0	0
Fed. Purchase, Goods & Services (25.3)	0	0	0
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	60	0	0
Equipment (31.0)	0	0	0
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	\$11,625	\$0	\$0
Carryover	\$275	\$0	\$0
Total Regulatory Fees (No-Year)	\$12,275^{1/}	\$0	\$0

^{1/} The Consolidated Appropriations Act for 2008, P.L. 110-161, contained language that prohibits the Commission from using excess regulatory fees received in FY 2008 or any prior years.

FY 2010 Budget Estimates to Congress
Distribution of Resources by Goal

Goals:	Broadband	Competition	Spectrum	Media	Public Safety	Modernize	Resource Request
FY 2008 Resources by Goal 1/	\$14,160,825	\$96,166,467	\$85,241,939	\$50,021,901	\$33,664,818	\$33,744,050	\$313,000,000
Estimated FY 2009 Resources by Goal 2/	\$19,963,880	\$98,523,731	\$90,726,653	\$58,181,143	\$34,864,367	\$39,615,009	\$341,874,783
One-Time Decreases:	(\$3,404,611)	(\$404,603)	(\$404,603)	(\$20,404,611)	(\$2,054,744)	(\$3,201,611)	(\$29,874,791)
Estimated Base for FY 2010 Increments:	\$16,559,269	\$98,119,120	\$90,322,050	\$37,776,532	\$32,809,623	\$36,413,398	\$311,999,992
Incremental Distribution:							
Fixed Cost Increases 3/	266,658	1,810,881	1,605,165	941,947	633,932	635,424	5,894,008
Programmatic Increases: 4/							
-- ITC Upgrades & Consolidations						15,000,000	15,000,000
-- Staffing Adjustment						1,000,000	1,000,000
-- DTV Outreach				1,000,000			1,000,000
-- Public Safety Vehicles					900,000		900,000
Total 2010 Request by Goal:	\$16,825,927	\$99,930,001	\$91,927,215	\$39,718,479	\$34,343,555	\$53,048,822	\$335,794,000

1/ The distribution of FY 2008 resources by goal are based on FY 2008 YTD cost reports.

2/ The estimated distribution of FY 2009 resources by goal are based on FY 2009 budget estimates to Congress, dated February 2008.

3/ Uncontrollable pay and inflationary increases requested have been prorated across all goals based on FY 2008 adjusted percentages.

4/ Programmatic increases requested have been identified and distributed to the goal and/or goals for which the resources will provide enhanced capabilities in FY 2010.

FY 2010 Budget Estimates to Congress
FY 2010 SUMMARY OF INCREASES BY BUDGET OBJECT CLASS CODE
(\$ in thousands)

OC Description	Proposed Pay Increase	Inflationary Increase	Programmatic Incr./Decr.	Prior Year Init. Adjmt.
11.00 Compensation				
-- CY 2009 & CY 2010 Pay Raise for FY 2010	\$3,738			
-- Staffing Adjustment			800	
-- FY 2009 one-time initiative				(620)
12.00 Benefits				
-- Benefits associated with Pay Raise	861			
-- Workers' Compensation	4			
-- Staffing Adjustment			200	
-- FY 2009 one-time initiative				(201)
13.00 Benefits for Former Personnel				
	1			
21.00 Travel and Transportation of Persons				
-- Domestic/International/Joint Board Travel		26		(295)
-- Leased, Passenger Vehicles		2		
22.00 Transportation of Things				
-- Parcel Post		1		
-- Rent, Non-Passenger GSA and Commercial Vehicles		1		
23.00 Rents, Communications, Utilities				
-- GSA Rent and Fees Increase: Portals I & II, field office space, warehouse, courtyard, warehouse		516		
-- Non-GSA Space Rent		19		
-- GSA and Non-GSA Telephones		43		
-- Mail Service--Postage		7		
-- GSA, Electric, Other Utilities		14		
-- Telecommunications Service-Non-GSA		3		
-- Other Equipment Rental/Copier Rental		18		
24.00 Printing and Reproduction				
-- Printing/Reproduction/Binding		18		(66)
25.00 Other Contractual Services				
-- Contract Services - Federal & Non-Federal		223		(27,729)
-- ADP Data Retrieval Services		19		
-- Training/Tuition/Fees; Gov't-wide training initiative		12		
-- Contract Purchases-Federal (Guard Services only)		4		
-- Interagency Contracts		38		
-- Field Office Buildings and Grounds; Space Repair		4		
-- Health Services		2		
-- Repair/Maintenance of Vehicles		1		
-- ADP Software/ADP Equip. Maintenance; ADP Service Contracts		248		
-- Repair Office Equipment/Technical Equipment		2		
-- ITC Upgrade & Consolidation			10,500	
-- DTV Outreach			1,000	
-- Public Safety Support Vehicles			200	
26.00 Supplies and Materials				
-- Field Fuel Supplies		2		
-- Periodical & Subscriptions		7		
-- General Supplies and Materials		20		
31.00 Equipment				
-- Technical Equipment		4		(525)
-- ADP Equipment		32		(86)
-- ADP Software		2		(2)
-- Equipment		2		
-- Vehicle Purchase		1		(350)
-- Other Equipment		2		
-- ITC Upgrade & Consolidation			4,500	
-- Public Safety Support Vehicles			700	
32.00 Lands and Structures				
		--	--	--
42.00 Insurance Claims and Indemnities				
		--	--	--
TOTAL	\$4,603	\$1,291	\$17,900	(\$29,875)
TOTAL INCREASE/DECREASE				
	(\$6,081)			

FY 2010 Budget Estimates to Congress
ALLOCATION OF OBLIGATIONS BY OBJECT CLASS CODE
(\$ in thousands)

OBJECT CLASS CODE	FY 2008 Actual	FY 2009 Enacted	Adjustments To Establish FY 2010 Base	FY 2010 Base	Programmatic Changes (+/-)	FY 2010 Total Request
11 Personnel Compensation	\$177,138	\$184,149	\$1,688	\$185,837	\$800	\$186,637
12 Personnel Benefits	40,432	42,137	228	42,365	200	42,565
13 Benefits for Former Personnel	26	27	1	27	0	27
21 Travel & Trans. of Persons	2,258	3,433	(1,478)	1,954	0	1,954
22 Transportation of Things	126	275	(108)	167	0	167
23.1 GSA Rent	35,158	35,283	339	35,621	0	35,621
23.3 Other Rents, Communications, Utilities	7,264	7,356	(140)	7,216	0	7,216
24 Printing	1,539	3,224	(1,966)	1,258	0	1,258
25.2 Other Services	21,005	39,454	(21,398)	18,056	1,200	19,256
25.3 Fed. Purchase, Goods & Services	2,967	3,030	153	3,183	0	3,183
25.7 Op/Maint. of Equip./Software/ Info Sys	17,328	17,059	253	17,311	10,500	27,811
26 Supplies & Materials	1,787	1,944	56	2,000	0	2,000
31 Equipment/Software	5,897	4,429	(1,604)	2,825	5,200	8,025
32 Land, Buildings, Structures	0	0	0	0	0	0
42 Insur. Claims & Indemnities	11	75	0	75	0	75
SUB TOTAL APPROPRIATION AUTHORITY	\$312,936	\$341,875	(\$23,978) 1/	\$317,897	\$17,900	\$335,797
Reimbursables - Gov't/Other	1,741	1,741	0	1,741	759	2,500
Auctions Cost Recovery-Reimbursement	85,000	85,000	0	85,000	0	85,000
TOTAL REQUEST	\$399,676	\$428,615	(\$23,978)	\$404,638	\$18,659	\$423,297
OTHER BUDGET AUTHORITY						
Credit Program Account	\$0 2/	\$6,432				\$5,499
Universal Service Fund (USF)	\$1,526 3/	\$25,480 3/				\$0 3/

1/ Includes adjustments from prior year initiatives.

2/ The Commission received authority to use prior year balances to fund FY 2008 obligations and outlays.

3/ The Consolidated Appropriations Act, 2008 (P.L. 110-161) language authorizes use of \$21.48M to be used by the Office of the Inspector General for USF Audit Support. In FY 2008, \$1.5M was obligated, the remainder \$19.9M has been carryforward into FY 2009. The Omnibus Appropriation Act, 2009 (P.L. 111-8) language authorizes use of \$25.48M to be used by the Office of the Inspector General for USF Audit Support.

FY 2010 Budget Estimates to Congress
PRORATA ALLOCATION OF OBLIGATIONS BY OBJECT CLASS CODE
(\$ in thousands)

OBJECT CLASS CODE	FY 2009 Funding Source			FY 2010 Funding Source		
	Direct Authority	Offsetting Collections	Total OC Allocation	Direct Authority	Offsetting Collections	Total OC Allocation
11 Personnel Compensation	\$0	184,149	\$184,149	\$1,000	\$185,637	\$186,637
12 Personnel Benefits	0	42,137	42,137	0	42,565	42,565
13 Benefits for Former Personnel	0	27	27	0	27	27
21 Travel & Trans. of Persons	0	3,433	3,433	0	1,954	1,954
22 Transportation of Things	0	275	275	0	167	167
23.1 GSA Rent	0	35,283	35,283	0	35,621	35,621
23.3 Other Rents, Communications, Utilities	0	7,356	7,356	0	7,216	7,216
24 Printing	0	3,224	3,224	0	1,258	1,258
25.2 Other Services	0	39,454	39,454	0	19,256	19,256
25.3 Fed. Purchases, Goods & Services	0	3,030	3,030	0	3,182	3,182
25.7 Op/Maint. of Equip./Software/Info Sys	0	17,059	17,059	0	27,811	27,811
26 Supplies & Materials	0	1,944	1,944	0	2,000	2,000
31 Equipment/Software	0	4,429	4,429	0	8,025	8,025
32 Land, Buildings, Structures	0	0	0	0	0	0
42 Insur. Claims & Indemnities	0	75	75	0	75	75
Appropriation-Direct B/A	\$0	\$0	\$0	\$1,000	\$0	\$1,000
Appropriation-Offsetting Collections Reg. Fees B/A:	0	341,875	341,875	0	334,794	334,794
Subtotal-B/A in Language	\$0	\$341,875	\$341,875	\$1,000	\$334,794	\$335,794
Reimbursable Program - Gov't/Other (Est.)		1,741	1,741		2,500	2,500
Auctions Cost Recovery-Reimbursement		85,000	85,000		85,000	85,000
Total Obligations		\$428,615	\$428,615		\$423,294	\$423,294
OTHER BUDGET AUTHORITY						
Credit Program Account			\$6,432			\$5,499
Universal Service Fund (USF)			\$25,480			\$0

UNIVERSAL SERVICE FUND

Under the Telecommunications Act of 1996, telecommunications carriers that provide interstate and international telecommunications services are required to contribute funds for the preservation and advancement of universal service. The contributions generally provided, in turn, by each carrier's subscribers, are used to provide services eligible for universal service support as prescribed by the FCC. Eligible telecommunications carriers receive support from the universal service funds if they (1) provide service to high cost areas, (2) provide eligible services at a discount rate to schools, libraries or rural health care providers, or (3) provide subsidized service or subsidized telephone installation to low income consumers. Interest income on these funds is utilized to offset carrier contributions. Administrative costs of the program are provided from carrier contributions.

Public Law 109-110 temporarily suspended the application of the Antideficiency Act to the Federal universal service fund programs authorized under section 254 of the Communications Act of 1934, through December 31, 2008. The Antideficiency Act requires that funds be available before incurring an obligation on behalf of the Federal Government.

As a result of the Program Assessment Rating Tool analyses of the USF programs, the FCC is examining program policies, performance measures, and administrative effectiveness in order to ensure that the programs use resources efficiently and provide meaningful results.

Program and Financing (in millions of dollars)		2008 Actual	2009 Est.	2010 Est.
Obligation by program activity:				
00.01	Direct Program Activity	\$8,858	\$9,560	\$9,277
00.02	Program support	169	188	194
10.00	Total new obligations (object class 41.0)	<u>\$9,027</u>	<u>\$9,748</u>	<u>\$9,471</u>
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	\$1,670	\$2,239	\$1,930
22.00	New budget authority (gross)	8,576	8,572	8,724
22.10	Resources available from recoveries of prior year obligations	1,020	867	691
23.90	Total budgetary resources available for obligation	<u>11,266</u>	<u>11,678</u>	<u>11,345</u>
23.95	Total new obligations	<u>(9,027)</u>	<u>(9,748)</u>	<u>(9,471)</u>
24.40	Unobligated balance carried forward, end of year	<u>\$2,239</u>	<u>\$1,930</u>	<u>\$1,874</u>
New budget authority (gross), detail:				
Mandatory:				
41.00	Transferred to other accounts	(21)	(25)	0
60.20	Appropriation (special fund)--Receipts	8,404	8,494	8,575
60.20	Appropriation (special fund)--Interest	193	103	149
60.20	Appropriation (special Fund)--Sale non-Federal	0	0	0
62.50	Appropriation (total mandatory)	<u>\$8,576</u>	<u>\$8,572</u>	<u>\$8,724</u>
70.00	Total new budget authority (gross)	<u>\$8,576</u>	<u>\$8,572</u>	<u>\$8,724</u>
Change in obligated balances:				
72.40	Obligated balance, start of year	\$3,383	\$3,508	\$3,314
73.10	Total new obligations	9,027	9,748	9,471
73.20	Total outlays (gross)	(7,882)	(9,075)	(8,833)
73.45	Recoveries of prior year obligations	<u>(1,020)</u>	<u>(867)</u>	<u>(691)</u>
74.40	Obligated balance, end of year	<u>\$3,508</u>	<u>\$3,314</u>	<u>\$3,261</u>
Outlays (gross), details:				
86.97	Outlays from new mandatory authority	5,370	5,426	5,641
86.98	Outlays from mandatory balances	<u>2,512</u>	<u>3,649</u>	<u>3,192</u>
87.00	Total outlays (gross)	<u>\$7,882</u>	<u>\$9,075</u>	<u>\$8,833</u>
Net budget authority and outlays:				
89.00	Budget authority	<u>\$8,576</u>	<u>\$8,572</u>	<u>\$8,724</u>
90.00	Outlays	<u>\$7,882</u>	<u>\$9,075</u>	<u>\$8,833</u>
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	\$5,031	\$5,741	\$5,741
92.02	Total investments, end of year: Federal securities: Par value	5,741	5,741	5,741
95.02	Unpaid obligation, end of year	3,507	0	0

SPECTRUM AUCTION PROGRAM ACCOUNT

This program provided direct loans for the purpose of purchasing spectrum licenses at the Federal Communications Commission's auctions. The licenses were purchased on an installment basis, which constitutes an extension of credit. The first year of activity for this program was 1996.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis and administrative expenses are estimated on a cash basis. The FCC no longer offers credit terms on purchases through spectrum auctions. Program activity relates to maintenance and close-out of existing loans.

Program and Financing (in millions of dollars)

	2008 Actual	2009 Est.	2010 Est.
Obligations by program activity:			
00.05 Reestimates of direct loan subsidy	\$0	\$15	\$0
00.06 Interest on reestimates of direct loan subsidy	0	61	0
00.09 Administrative Expenses	7	10	6
10.00 Total new obligations	<u>\$7</u>	<u>\$86</u>	<u>\$6</u>
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	\$9	\$10	\$0
22.00 New budget authority (gross)	0	76	7
22.10 Resources available from recoveries of prior year	8	0	0
23.90 Total budgetary resources available for obligation	<u>\$17</u>	<u>\$86</u>	<u>\$7</u>
23.95 Total new obligations	<u>(\$7)</u>	<u>(\$86)</u>	<u>(\$6)</u>
24.40 Unobligated balance carried forward, end of year	<u>\$10</u>	<u>\$0</u>	<u>\$1</u>
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	\$0	\$76	\$7
Change in obligated balances:			
72.40 Obligated balance, start of year	\$10	\$3	\$3
73.10 Total new obligations	7	86	6
73.20 Total outlays (gross)	(6)	(86)	(9)
73.45 Recoveries of prior year obligations	(8)	0	0
74.40 Obligated balance, end of year	<u>\$3</u>	<u>\$3</u>	<u>\$0</u>
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	\$0	\$76	\$7
86.98 Outlays from mandatory balances	6	10	2
87.00 Total outlays (gross)	<u>\$6</u>	<u>\$86</u>	<u>\$9</u>
Net budget authority and outlays:			
89.00 Budget authority	\$0	\$76	\$7
90.00 Outlays	\$6	\$86	\$9
95.02 Unpaid obligation, end of year	\$3	\$0	\$0

Summary of Loan levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

	2008 Actual	2009 Est.	2010 Est.
Direct loan upward reestimate subsidy budget authority			
1350 Spectrum auction	\$0	\$76	\$0
1359 Total upward reestimate budget authority	0	76	0
Direct loan downward reestimate subsidy budget authority			
1370 Spectrum auction	0	(199)	0
1379 Total downward reestimate budget authority	0	(199)	0
Administrative expense data:			
3510 Budget authority	0	6	6
3590 Outlays from new authority	0	6	6

Object Classification (in millions of dollars)

	2008 Actual	2009 Est.	2010 Est.
11.11 Personnel compensation: Full-time permanent	\$1	\$1	\$1
11.21 Civilian personnel benefits	0	0	0
12.52 Other services	3	5	3
12.53 Other purch of goods & services from Government acct	2	80	2
14.10 Grants, subsidies, and contributions	0	0	0
99.95 Below reporting threshold	\$1	\$0	\$0
99.99 Total new obligations	\$7	\$86	\$6

SPECTRUM AUCTION DIRECT LOAN FINANCING ACCOUNT

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Program and Financing (in millions of dollars)			
	2008 Actual	2009 Est.	2010 Est.
Operating Expenses:			
00.02 Interest Paid to Treasury	\$14	\$7	\$0
08.02 Direct program activity	0	32	0
08.04 Interest on downward reestimate	0	167	0
08.91 Direct Program by Activities - Subtotal	\$0	\$199	\$0
10.00 Total new obligations	\$14	\$206	\$0
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	\$46	\$54	\$0
22.00 New financing authority (gross)	22	476	0
22.60 Portion applied to repay debt	0	(324)	0
23.90 Total budgetary resources available for obligation	\$68	\$206	\$0
23.95 Total new obligations	(14)	(206)	0
24.40 Unobligated balance carried forward, end of year	\$54	\$0	\$0
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow:	\$7	\$199	\$0
Offsetting collections			
69.00 Offsetting collections	15	277	0
70.00 Total new financing authority (gross)	\$22	\$476	\$0
Change in obligated balances:			
73.10 Total new obligations	\$14	\$206	\$0
73.20 Total financing disbursements (gross)	(14)	(206)	0
87.00 Total financing disbursements (gross)	14	206	0
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	\$0	\$76	\$0
88.25 Interest on uninvested funds	10	11	0
Non-Federal sources:			
88.40 Interest received on loans	1	0	0
88.40 Non-Federal sources	0	0	0
88.40 Recoveries	4	190	0
88.90 Total offsetting collections (cash)	\$15	\$277	\$0
Net financing authority and financing disbursements:			
89.00 Financing authority	\$7	\$199	\$0
90.00 Financing disbursements	(\$2)	(\$71)	\$0

Status of Direct Loans (in millions of dollars)

	2007 Actual	2008 Est.	2009 Est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	\$377	\$210	\$99
1251 Repayments: Repayments and prepayments	0	0	0
1263 Write-offs for default: Direct loans	(163)	(111)	(47)
1264 Other adjustments, net(adjust to princ recoveries)	(4)	0	0
1290 Outstanding, end of year	<u>\$210</u>	<u>\$99</u>	<u>\$52</u>
6200 Net financing disbursements-Policy	(\$2)	(\$71)	\$0
6300 Net financing disbursements-Baseline	\$0	(\$71)	\$0

Balance Sheet (in millions of dollars)

	2007 Actual	2008 Est.	2009 Est.
ASSETS:			
1101 Federal assets: Fund balance with Treasury	\$54	\$0	\$0
Net value of assets related to post-1991 direct loan receivable:			
1401 Direct loans receivable, gross	\$210	\$0	\$0
1402 Interest receivable	18	0	0
1405 Allowance for subsidy cost (-)	(41)	0	0
1499 Net present value of assets related to direct loans	<u>\$187</u>	<u>\$0</u>	<u>\$0</u>
1901 Other Federal assets: Other assets	76	0	0
1999 Total assets	<u>\$317</u>	<u>\$0</u>	<u>\$0</u>
LIABILITIES:			
Federal liabilities			
2103 Resources payable to Treasury	\$113	\$0	\$0
2105 Other (liability to prog. acct.)	198	0	0
2105 Other Debt	6	0	0
2999 Total liabilities	<u>\$317</u>	<u>\$0</u>	<u>\$0</u>
4999 Total liabilities and net position	<u>\$317</u>	<u>\$0</u>	<u>\$0</u>



FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
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The Honorable Susan M. Collins
Ranking Member
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United States Senate
344 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Collins:

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Specifically, the GAO recommended in its report that the Chairman “develop and communicate a comprehensive plan for the various aspects of the DTV transition, encompassing technical, policy, consumer outreach, and other critical elements.”

On December 11, 2007, the Commission made public a written response to the GAO report in which we detail the Commission’s considerable and comprehensive plans, goals and achievements on technical, policy, consumer outreach and other critical elements of the DTV transition spanning the past 20 years and going forward through its conclusion on February 17, 2009. I have enclosed a copy of our report here for your convenience.

The Commission appreciates the opportunity to report on the actions it has taken and will continue taking regarding the DTV transition. If I can provide additional information concerning this or any other matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kevin J. Martin".

Kevin J. Martin
Chairman

cc: Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget

Enclosure



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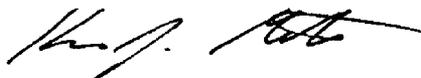
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Sincerely,



Kevin J. Martin
Chairman

cc: Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

The Honorable Robert Byrd
Chairman
Committee on Appropriations
United States Senate
S131 Capitol Office Building
Washington, D.C. 20510

Dear Chairman Byrd:

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Kevin J. Martin
Chairman

cc: Director, Physical Infrastructure, Government Accountability Office
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

The Honorable Thad Cochran
Ranking Member
Committee on Appropriations
United States Senate
146A Capitol Office Building
Washington, D.C. 20510

Dear Senator Cochran:

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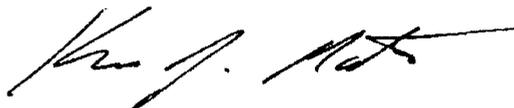
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

The Honorable David R. Obey
Chairman
Committee on Appropriations
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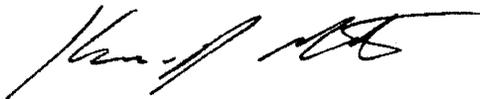
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Chairman

**cc: Director, Physical Infrastructure, Government Accountability Office
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

The Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
U.S. House of Representatives
1016 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Lewis:

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

The Honorable Edward J. Markey
Chairman
Subcommittee on Telecommunications and the Internet
Committee on Energy and Commerce
2108 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

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³ In March 2006, the Commission resolved to work on public safety interference complaints within one day; non-emergency interference complaints within one month; indecency complaints within nine months; and formal complaints within one year. The Commission works to resolve all other investigations and complaints within 15 months. The Commission publicly reports on its progress at meeting these performance goals in our annual Performance and Accountability Report. Below are the results from the Commission's 2007 Performance and Accountability Report. The indecency complaints are currently involved in litigation.

Enforcement Investigations Performance Results – 2007			
Category	No. of Investigations Meeting Goal	No. of Investigations Not Meeting Goal	% Meeting Goal
Public Safety Interference	388	0	100.00%
Non-Emergency Interference	895	15	98.35%
Formal Complaints	6	2	75.00%
Indecency Complaints	601	2625	18.63%
Other Investigations/Complaints	29608	75	99.75%
Other Investigations/Complaints	29608	75	99.75%

report, the Commission informed the GAO of our concerns with the draft report. For example, in one part of its report, the GAO states that 83% of the investigations were listed as closed with no action. Commission review of the databases and paper records, however, indicate only 3% were closed with no action. In fact, 71% were closed with compliance found, 15% closed after taking action and 11% closed due to insufficient information. Had GAO scrolled through the problem resolution or similar notation sections of the Commission's database it would have found readily available data indicating that action had indeed been taken on all the domestic interference, indecency, CPNI certification, audits of certification-based facilities, Emergency Alert System requirements, and Cable TV leakage investigations listed in the Report. As demonstrated in Attachment 7 showing examples of actual investigations of various types in the databases, the problem resolution section of the database memorializes findings made by the Enforcement Bureau staff during a particular investigation. The notation would indicate whether a finding of compliance was made, whether the investigation was dismissed for insufficient information provided by the complainant, or whether the issue was resolved at the time of inspection (e.g., interference resolved prior to inspection).

On January 22, 2008, the Commission provided the GAO with a response that sets forth in more detail the discrepancies between the data contained within the Commission's databases and GAO's interpretation of those data. The GAO included only a part of that response as an attachment to its report. I have enclosed a copy of the full response here for your convenience.

The Commission appreciates the opportunity to report on the actions it has taken and will continue taking regarding its enforcement program. If I can provide additional information concerning this or any other matter, please do not hesitate to contact me.

Sincerely,



Kevin J. Martin
Chairman

cc: Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget



Federal Communications Commission
Washington, D.C. 20554

Mr. Mark Goldstein
Director, Physical Infrastructure
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Goldstein:

Thank you for the opportunity to respond to the draft Government Accountability Office (GAO) report concerning the enforcement processes of the Federal Communications Commission (FCC or Commission) for the period January 1, 2003 through December 31, 2006.

The Commission is a proponent of strong enforcement action to protect consumers and to ensure the Communications Act of 1934, as amended (the Act), is carried out in the manner intended by Congress. During Chairman Martin's tenure, the Commission has undertaken more than 3,400 enforcement actions. These enforcement actions have resulted in assessing more than \$65.7 million in fines, forfeitures, and consent decree payments – including more than \$43 million in 2007 alone, which the GAO acknowledges is the highest annual amount since the Enforcement Bureau was created in 1999.¹ In addition, the Commission has devoted significant resources to reviewing and taking action on a backlog of more than 113,000 consumer complaints; as a result, the Commission no longer has a backlog of these complaints and now takes action faster on a consumer's complaint.

Because the Commission's enforcement program is an important tool for ensuring the statutory goals of the Act are met, we welcome recommendations on making improvements. In its draft report, the GAO recommends that the Commission improve how it collects and analyzes enforcement-related data (e.g., complaints received, investigations conducted, enforcement actions taken). Indeed, the report concludes that "[l]imitations in FCC's current approach for collecting and analyzing enforcement data constitute the challenge FCC faces in providing complete and accurate information on its enforcement program."² In addition, the GAO recommends that the Commission develop and implement performance management practices, including the establishment of goals and performance measures. See *GAO Draft Report* at pages 35-36.

I am pleased to report that the Commission has already implemented measures that address both GAO recommendations. The GAO report focuses on the period from 2003 through 2006. As staff indicated to the GAO during its examination, by the time of this audit, we were already aware of these issues and already had plans in place to improve both the Commission's enforcement data collection and processes.

¹ See Attachment 4.

² GAO Report at 4.

First, the Commission had recognized that one of its principle challenges was its limited information systems and database management resources. By July 2007, the Commission had already secured Congressional approval to make significant modifications to the databases and systems used to support the Commission's enforcement activities.³ The budget and planning processes for these systems enhancements had been underway for some time, and we expect final delivery this year. We anticipate that this system will enhance the Commission's ability to collect more detailed complaint information from consumers as well as improve the Commission's case management system to better track the status of all enforcement complaints throughout the process.

Second, during Chairman Martin's tenure, the Commission has implemented standardized enforcement performance goals to better manage the enforcement process and to automate portions of this process.⁴ The Commission implemented an internal performance measurements program (including the establishment of written internal controls) to collect data used to assess the performance and accountability of the enforcement program. For the first time, under Chairman Martin, goals and measures for managing the enforcement processes have been incorporated into the performance plans of the senior executives responsible for oversight of the enforcement program. Information about these efforts is also included in the Commission's annual Performance and Accountability Report and will be included going-forward in the Commission's annual performance budget submissions to Congress.

Unfortunately, the GAO Report contains several errors that detract from its utility. We raised these problems with GAO during the course of its examination, but the flaws remain in the draft report. We have included additional information in the attachment to this letter to respond to the GAO's report.

³ Letter from Anthony J. Dale, Managing Director, FCC, to individual Members of the House Appropriations Subcommittee on Financial Services and General Government and the Senate Appropriations Subcommittee on Financial Services and General Government (June 27, 2007).

⁴ In March 2006, the Commission resolved to work on public safety interference complaints within one day; non-emergency interference complaints within one month; indecency complaints within nine months; and formal complaints within one year. The Commission works to resolve all other investigations and complaints within 15 months. The Commission publicly reports on its progress at meeting these performance goals in our annual Performance and Accountability Report. Below are the results from the Commission's 2007 Performance and Accountability Report. The indecency complaints are currently involved in litigation.

Enforcement Investigations Performance Results – 2007			
Category	No. of Investigations Meeting Goal	No. of Investigations Not Meeting Goal	% Meeting Goal
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Other Investigations/Complaints	29608	75	99.75%
Other Investigations/Complaints	29608	75	99.75%

First, the GAO relied on information that is significantly out-of-date in making its conclusions and recommendations. In some cases, the GAO relied on information more than four years old rather than examine more current information. By relying on information that is out-of-date, the GAO's draft report provides a misleading description of the Commission's current enforcement processes. For example, the GAO describes the Commission's former consumer complaint processes on page 6 of its draft report. However, because we had already concluded that the former process needed to be changed to enforce the Commission's consumer protection rules, we had already changed the process by which the Commission handles consumer complaints. Today, unlike the past practices that had been used since the Enforcement Bureau was started in 1999, the Commission responds to 100% of consumer complaints. The GAO's report, however, fails to acknowledge or assess the new process and incorrectly describes the Commission's current consumer complaint process. This is particularly unfortunate because our new process for handling consumer complaints has realized meaningful benefits. For example, the Commission issued 412 citations for violations of the junk fax rules in 2007, which was approximately a 350% increase over the 91 citations issued in 2006 and a 984% increase over the 38 citations issued in 2004.⁵

Similarly, during the 2003-2006 period the GAO examined, the Commission did not regularly collect and review data to measure the performance of the enforcement program. This issue has been addressed. As noted above, the Commission reports on these performance measures in its annual Performance and Accountability Report and, going-forward, will provide performance information in its annual budget submission to Congress. We are concerned that GAO's failure to examine current practices and processes significantly diminishes the value of the report.

Second, in addition to using outdated information, the GAO made errors in presenting certain data. During the preparation of this report, the Commission informed the GAO of our concerns that the draft report contained factual flaws. For example:

- the GAO draft report at pages 19-20 (Table 2) contains inaccurate information regarding the number and types of investigations and enforcement actions taken by the Commission. Table 2 overstates the number of enforcement investigations that were closed without action because it fails to acknowledge certain actions taken by the Commission such as findings of compliance, denials, and dismissals for insufficient information provided by the complainant. Attachment 3 provides Commission data side-by-side to GAO's data as set forth in the chart. The Commission's chart in Attachment 3 provides data on enforcement actions which are contained in the Commission's databases and paper files.
- the data presented on pages 19-20, which the GAO derived from the Commission's databases, does not correspond to the information contained in our databases. The GAO's draft report at pages 19-20 significantly understates the number of admonishments/warnings, citations, consent decrees, monetary forfeitures, and notices of

⁵ See *Performance and Accountability Report for Fiscal Year 2007* at 56 (Nov. 15, 2007).

violation issued⁶ and the report overstates the number of investigations conducted during the 2003-2006 period.⁷

- the GAO's draft report at pages 19-20 also significantly overstates the number of investigations closed with no action.⁸ In its draft report, the GAO states that the Commission closed with no action 8,628 investigations concerning antenna lighting and structure requirements. Had GAO scrolled to the problem resolution section of the Commission's database it would have found readily available information indicating that action had indeed been taken on a large portion of these investigations.⁹ The problem resolution section of the database contains a written description of the finding made by an Enforcement Bureau employee for a particular investigation (e.g., no violation found). Attachment 6 shows the problem resolution field in the database for an antenna lighting and structure requirement investigation. In addition, the Commission maintains files on each investigation conducted by a field agent or other Commission personnel. Because the GAO limited its inquiry to Commission databases, it failed to accord for the outcomes of field investigations recorded in paper files. In fact, the Commission's databases and paper files verify that a significantly smaller number of investigations were closed with no action than reported by the GAO. Only 32 investigations were closed with no action instead of the 8628 contained in the GAO Report, a difference of 26,863%.¹⁰
- the GAO's draft report at pages 16-17 significantly overstates the total number of investigations that were listed as closed with no enforcement action. In its draft report, the GAO states that "about 83 percent or about 32,200 of the investigations were listed as closed with no enforcement action."¹¹ Attachment 2, however, indicates that only 3 percent of investigations were closed with no enforcement action taken. In fact, 71 percent of investigations were closed with compliance found, 15 percent closed after taking action, and 11 percent were closed as a result of insufficient information being provided by the complainant. See Attachment 2. Had GAO scrolled through the problem resolution or similar notation sections of the Commission's databases it would have found readily available data indicating that action had indeed been taken on all the

⁶ The GAO's draft report on pages 19-20 indicates that the Commission issued 2279 enforcement actions admonishments/warnings, citations, consent decrees, debarments, monetary forfeitures, and notices of violation for investigations involving antenna lighting and structure requirements, junk fax, domestic interference, indecency, CPNI certification, audits of certification-based facilities, emergency alert system requirements, and cable TV leakage during 2003 to 2006; Commission data, however, indicates that 3679 enforcement actions were initiated during that same time period. See Attachment 3. In particular, while pages 19-20 of the GAO's draft report indicate the Commission issued 1058 admonishments and warnings during the time period for these investigations, Commission records indicate that 2570 admonishments and warnings were issued during that time period. *Id.*

⁷ The GAO's draft report on pages 19-20 indicates that the Commission's Enforcement Bureau handled 38,786 investigations from 2003 through 2006; instead the Commission's Enforcement Bureau handled 25,351 investigations during this period. See Attachment 3.

⁸ See Attachment 3.

⁹ See Attachment 3.

¹⁰ See Attachment 3.

¹¹ GAO Report at 16.

domestic interference, indecency, CPNI certification, audits of certification-based facilities, Emergency Alert System requirements, and Cable TV leakage investigations listed in the Report.¹² As demonstrated in Attachment 7 showing examples of actual investigations of various types in the databases, the problem resolution section of the database memorializes findings made by the Enforcement Bureau staff during a particular investigation. The notation would indicate whether a finding of compliance was made, whether the investigation was dismissed for insufficient information provided by the complainant, or whether the issue was resolved at the time of inspection (e.g., interference resolved prior to inspection). In addition, the Commission maintains paper files on each investigation conducted by a field agent or other Commission personnel. The Commission's databases and paper files verify that a significantly smaller number of investigations were closed with no action than reported by the GAO.¹³ Only 576 investigations were closed with no action instead of the 32,237 contained in the GAO Report.¹⁴

- the GAO's draft report at pages 12-13 (Figure 1) only reflects the status of complaints received by the Consumer and Governmental Affairs Bureau (CGB) during the year in which the complaint was received. The chart does not capture information about the disposition of complaints received in one year and resolved in a subsequent year. The draft report thus leaves the impression that complaints were unresolved when in fact they were resolved, albeit in a subsequent year. Attachment 1 provides the number of complaints received from 2003-2006 and indicates that no complaints are pending for 2003, 2004, and 2005. Only 62 complaints are pending for 2006.

Because the GAO failed to identify which complaints or cases were in the "all other investigations" or "general enforcement" categories, we were unable to resolve the data inconsistencies and inaccuracies in the draft report.

Third, the GAO makes a number of incorrect statements in its report. For example, the GAO states on page 3 that the Commission's existing enforcement databases do not contain information about the disposition of a complaint (e.g., whether the Commission took enforcement action or concluded that no violation occurred). This is incorrect – the Commission's systems do contain this information. This information resides in the problem resolution or similar notation sections of the Commission's database systems. This section of the database was readily accessible to GAO during the course of their investigation. We informed the GAO about the disposition information on several occasions and offered to make technical assistance available.

Finally, the GAO's draft report fails to include important information to assist the reader of the report. For example, the GAO's description of the Commission's enforcement processes and statutory authority fails to include any discussion about the legal standards applicable to the

¹² See Attachment 3.

¹³ Data from the Enforcement Bureau's database and paper files reveals that only 3% of investigations were opened with no enforcement action, a number significantly lower than GAO's 83%. See Attachment 5.

¹⁴ See Attachment 2.

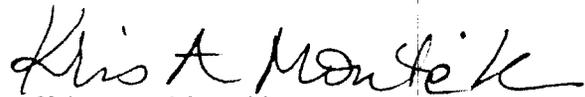
Mr. Mark Goldstein

Page 6

Commission's enforcement process, including the appropriate burden of proof the Commission must meet in order to issue a notice of apparent liability, citation, notice of violation, admonishment, or warning. Similarly, on page 10 the GAO failed to discuss other sections of the Act that provide authority for fines or sanctions or the procedural and other legal requirements that govern license revocation proceedings. By leaving this important information out of the draft report, the GAO provides an incomplete and misleading picture about the legal environment in which the Commission's enforcement activities operate.

Although we are concerned about the flaws in the GAO's examination noted above, we do appreciate the GAO's examination into the Commission's enforcement processes. Moreover, we agree that the Commission needed to improve our data management systems from the limited time frame examined, for which we have already contracted, and provide specific enforcement goals, which we have already implemented. We look forward to working with the GAO on this and other matters in the future.

Sincerely,



Kris Anne Monteith
Chief, Enforcement Bureau

Attachments



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

June 6, 2008

The Honorable Joseph Lieberman
Chairman
Committee on Homeland Security and Government Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Lieberman:

On March 12, 2008, the Government Accountability Office (GAO) issued its report titled Media Ownership: Economic Factors Influence the Number of Media Outlets in Local Markets, While Ownership by Minorities and Women Appears Limited and Is Difficult to Assess (GAO 08-383). In its report, the GAO made a recommendation for action to the Chairman of the Federal Communications Commission.

Specifically, the GAO recommended in its report that the Chairman “identify processes and procedures to improve the reliability of FCC’s data on gender, race, and ethnicity so that these data can be readily used to accurately depict the level, nature, and trends in minority and women ownership, thereby enabling FCC and the Congress to determine how well FCC is meeting its policy goal of diversity in media ownership.”

The Commission itself had identified and sought comment on how to remedy this problem in a Report and Order and Notice of Proposed Rulemaking (“Diversity R&O/NPRM”) released March 5, 2008. Through the rulemaking proceeding initiated in the Diversity R&O/NPRM, the Commission sought comment on how best to improve its collection of data regarding gender, race, and ethnicity of broadcast licensees. Once the Commission has resolved the data-gathering issues raised in that proceeding, the Commission will begin conducting annual studies to track ownership trends over time and assess the impact of the rule changes made in the Diversity R&O/NPRM on minority and female ownership.

The Commission appreciates the opportunity to report on the actions to implement GAO’s recommendation regarding media ownership. If I can provide additional information concerning this or any other matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin J. Martin".

Kevin J. Martin
Chairman

cc: Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 6, 2008

OFFICE OF
THE CHAIRMAN

The Honorable Susan Collins
Ranking Member
Committee on Homeland Security and Government Affairs
United States Senate
344 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Collins:

On March 12, 2008, the Government Accountability Office (GAO) issued its report titled Media Ownership: Economic Factors Influence the Number of Media Outlets in Local Markets, While Ownership by Minorities and Women Appears Limited and Is Difficult to Assess (GAO 08-383). In its report, the GAO made a recommendation for action to the Chairman of the Federal Communications Commission.

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Sincerely,

A handwritten signature in cursive script that reads "Kevin J. Martin".

Kevin J. Martin
Chairman

cc: Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

June 6, 2008

OFFICE OF
THE CHAIRMAN

The Honorable Henry A. Waxman
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Waxman:

On March 12, 2008, the Government Accountability Office (GAO) issued its report titled Media Ownership: Economic Factors Influence the Number of Media Outlets in Local Markets, While Ownership by Minorities and Women Appears Limited and Is Difficult to Assess (GAO 08-383). In its report, the GAO made a recommendation for action to the Chairman of the Federal Communications Commission.

Specifically, the GAO recommended in its report that the Chairman "identify processes and procedures to improve the reliability of FCC's data on gender, race, and ethnicity so that these data can be readily used to accurately depict the level, nature, and trends in minority and women ownership, thereby enabling FCC and the Congress to determine how well FCC is meeting its policy goal of diversity in media ownership."

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Sincerely,

A handwritten signature in black ink, appearing to read "Kevin J. Martin".

Kevin J. Martin
Chairman

cc: Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 6, 2008

OFFICE OF
THE CHAIRMAN

The Honorable Tom Davis
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
B-350A Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Davis:

On March 12, 2008, the Government Accountability Office (GAO) issued its report titled Media Ownership: Economic Factors Influence the Number of Media Outlets in Local Markets, While Ownership by Minorities and Women Appears Limited and Is Difficult to Assess (GAO 08-383). In its report, the GAO made a recommendation for action to the Chairman of the Federal Communications Commission.

Specifically, the GAO recommended in its report that the Chairman "identify processes and procedures to improve the reliability of FCC's data on gender, race, and ethnicity so that these data can be readily used to accurately depict the level, nature, and trends in minority and women ownership, thereby enabling FCC and the Congress to determine how well FCC is meeting its policy goal of diversity in media ownership."

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The Commission appreciates the opportunity to report on the actions to implement GAO's recommendation regarding media ownership. If I can provide additional information concerning this or any other matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kevin J. Martin".

Kevin J. Martin
Chairman

cc: Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 9, 2008

The Honorable Joseph Lieberman
Chairman
Committee on Homeland Security and Government Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Lieberman:

On July 11, 2008, the Government Accountability Office (GAO) issued its report entitled, Telecommunications: FCC Needs to Improve Performance Management and Strengthen Oversight of the High-Cost Program (GAO 08-633).

In its report, the GAO first recommends that the Commission clearly define the specific long-term and short-term goals of the universal service fund (USF) high-cost program and subsequently develop quantifiable measures that can be used by Congress and the Commission in determining the program's success in meeting its goals.¹ Second, the GAO recommends that the Commission identify areas of risk in its internal control environment and implement mechanisms that will help ensure compliance with program rules and produce cost-effective use of program funds.²

During my tenure, the Commission has been a proponent of strong action to strengthen the management, oversight, and policies of the universal service high-cost fund, enabling it to fulfill its statutory goals under section 254 of the Communications Act of 1934, as amended (the Act) so that consumers throughout rural and insular areas of the nation have access to affordable, quality telecommunications services.³ The Commission has already implemented measures that address both GAO recommendations. As the Commission staff indicated to GAO during the course of its examination (beginning in June 2007), we were already aware of many of the issues GAO raised throughout the investigation and had either addressed, or had plans in place to improve, both the Commission's performance measures and internal controls for the USF high-cost program.

First, the Inspector General (IG) has initiated and completed 459 audits of USF program beneficiaries and contributors since August of 2006, and the IG has an additional 650 audits of the USF program beneficiaries and contributors currently underway. For the high-cost program alone, the IG has initiated and completed 65 audits of program beneficiaries since August of 2006, and the IG has an additional 390 high-cost audits currently underway. As part of these audits, for the first time, the high-cost program is

¹ GAO Report at 40.

² *Id.*

³ 47 U.S.C. § 254. The Telecommunications Act of 1996 (1996 Act) amended the Communications Act of 1934. Pub. L. No. 104-104, 110 Stat. 56 (1996).

subject to statistical sampling and attest audits to determine compliance with the Act and the Commission rules.⁴

Second, in June 2007, the Commission established a Memorandum of Understanding (MOU) with USAC to ensure greater clarity in administrative and management functions. In particular, the MOU established reporting requirements of key performance measurement data to the Commission, instructed USAC to take corrective action on all audit findings including recovery of any funds identified as improperly disbursed, and directed USAC to maintain effective internal controls over its operations.

Third, in August of 2007, the Commission adopted rules that address many of the problems previously identified with the USF program.⁵ The Commission's new rules establish rigorous document retention requirements for program participants and establish performance measurements to better manage USAC and the high-cost program. These measurements, among other things, require USAC to provide specific performance measurements for the high-cost program, such as the number of program beneficiaries, rates of telephone subscribership in urban versus rural areas, and the average median dollar amount of support.⁶ The Commission's new rules also create additional penalties for bad actors – specifically, the Commission can now debar from continued participation in the program, any party that defrauds any of the programs, including the high-cost program. The Commission is revising the MOU to reflect these new rules, and to further bolster its oversight of USAC, the Commission will require additional data from USAC so the Commission can better determine whether the adopted performance measure requirements are being met.

Finally, the Commission has taken steps toward comprehensive reform of the USF. The Commission recently took action to rein in the explosive growth in high-cost universal service support disbursements by adopting an interim, emergency cap on the amount of high-cost support that competitive eligible telecommunications carriers (ETCs) may receive.⁷ Indeed, growth in required contributions to the fund is largely attributable to these competitive ETCs. High-cost support to competitive ETCs has grown from approximately \$1.5 million in 2000 to well over \$1 billion in 2007. In addition, on November 19, 2007, the Federal-State Joint Board on Universal Service submitted to the Commission recommendations for comprehensive reform of high-cost universal service support,⁸ and on January 29, 2008, the Commission released three notices of proposed rulemaking addressing proposals for comprehensive reform of the high-cost universal service support program.⁹ In the *Identical Support Rule NPRM*, the Commission

⁴ See Office of the Inspector General, Semiannual Report to Congress, April 1, 2007 to September 30, 2007, p. 16 (dated Oct. 31, 2007), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-278589A1.pdf.

⁵ *Comprehensive Review of the Universal Service Fund Management, Administration, and Oversight*, WC Docket Nos. 05-195, 02-60, 03-109, CC Docket Nos. 96-45, 02-6, 97-21, Report and Order, 22 FCC Rcd 16372 (2007).

⁶ *Id.* at 16397-98, para. 55.

⁷ See *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order, 23 FCC Rcd 8834 (rel. May 1, 2008).

⁸ *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Recommended Decision, 22 FCC Rcd 20477 (Fed.-State Jt. Bd. 2007).

⁹ *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Notice of Proposed Rulemaking, 23 FCC Rcd 1467 (2008); *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Notice of Proposed Rulemaking, 23 FCC Rcd 1495 (2008); *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Notice of Proposed Rulemaking, 23 FCC Rcd 1531 (2008).

tentatively concludes that it should eliminate the Commission's current "identical support" rule, which provides competitive ETCs with the same per-line high-cost support amounts that incumbent local exchange carriers receive. In the *Reverse Auctions NPRM*, the Commission tentatively concludes that reverse auctions offer several potential advantages over the current high-cost support distribution mechanisms. Auctions would allow direct market signals to be used as a supplement to, and possible replacement of, cost estimates made from either historical cost accounting data or forward-looking cost models, and thereby minimize the level of subsidy required to achieve universal service goals. An auction could also provide a fair and efficient means of eliminating the subsidization of multiple ETCs in a given area. In the *Joint Board Comprehensive Reform NPRM*, the Commission is considering the recommendations of the Joint Board to establish three separate funds with distinct budgets and purposes: a broadband fund; a mobility fund; and a provider of last resort fund, and to adopt an overall cap on high-cost funding. The Commission is also considering all the principles in section 254(b) of the Act, including reasonable comparability, in the *Tenth Circuit Remand* proceeding.¹⁰

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The Commission adopted the above referenced NOI on August 15, 2008.¹³ The NOI expressly seeks comment on ways to further strengthen management, administration, and oversight of the USF, how to define more clearly the goals of the USF, and to identify any additional quantifiable performance measures that may be necessary or desirable. The Commission also seeks comment on whether and, if so, to what extent the Commission's oversight of the USF can be improved. In addition, the Commission seeks comment on identifying areas of risk in the program's internal control environment and to propose mechanisms that will help ensure compliance with program rules and produce cost-effective use of program funds.

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We agree that the Commission should continue to strengthen the USF high-cost program's performance measures and internal controls. At the same time, however, we remain committed to meeting the Commission's statutory obligations and to preserve and advance universal service, and to ensure the sufficiency of the fund so that people throughout rural areas of the nation have access to telecommunications services. We look forward to working with the GAO on this and other matters in the future.

Sincerely,

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Kevin J. Martin
Chairman

Cc: Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 9, 2008

The Honorable Susan Collins
Ranking Member
Committee on Homeland Security and Government Affairs
United States Senate
344 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Collins:

On July 11, 2008, the Government Accountability Office (GAO) issued its report entitled, Telecommunications: FCC Needs to Improve Performance Management and Strengthen Oversight of the High-Cost Program (GAO 08-633).

In its report, the GAO first recommends that the Commission clearly define the specific long-term and short-term goals of the universal service fund (USF) high-cost program and subsequently develop quantifiable measures that can be used by Congress and the Commission in determining the program's success in meeting its goals.¹ Second, the GAO recommends that the Commission identify areas of risk in its internal control environment and implement mechanisms that will help ensure compliance with program rules and produce cost-effective use of program funds.²

During my tenure, the Commission has been a proponent of strong action to strengthen the management, oversight, and policies of the universal service high-cost fund, enabling it to fulfill its statutory goals under section 254 of the Communications Act of 1934, as amended (the Act) so that consumers throughout rural and insular areas of the nation have access to affordable, quality telecommunications services.³ The Commission has already implemented measures that address both GAO recommendations. As the Commission staff indicated to GAO during the course of its examination (beginning in June 2007), we were already aware of many of the issues GAO raised throughout the investigation and had either addressed, or had plans in place to improve, both the Commission's performance measures and internal controls for the USF high-cost program.

First, the Inspector General (IG) has initiated and completed 459 audits of USF program beneficiaries and contributors since August of 2006, and the IG has an additional 650 audits of the USF program beneficiaries and contributors currently underway. For the high-cost program alone, the IG has initiated and completed 65 audits of program beneficiaries since August of 2006, and the IG has an additional 390 high-cost audits currently underway. As part of these audits, for the first time, the high-cost program is

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Second, in June 2007, the Commission established a Memorandum of Understanding (MOU) with USAC to ensure greater clarity in administrative and management functions. In particular, the MOU established reporting requirements of key performance measurement data to the Commission, instructed USAC to take corrective action on all audit findings including recovery of any funds identified as improperly disbursed, and directed USAC to maintain effective internal controls over its operations.

Third, in August of 2007, the Commission adopted rules that address many of the problems previously identified with the USF program.⁵ The Commission's new rules establish rigorous document retention requirements for program participants and establish performance measurements to better manage USAC and the high-cost program. These measurements, among other things, require USAC to provide specific performance measurements for the high-cost program, such as the number of program beneficiaries, rates of telephone subscribership in urban versus rural areas, and the average median dollar amount of support.⁶ The Commission's new rules also create additional penalties for bad actors – specifically, the Commission can now debar from continued participation in the program, any party that defrauds any of the programs, including the high-cost program. The Commission is revising the MOU to reflect these new rules, and to further bolster its oversight of USAC, the Commission will require additional data from USAC so the Commission can better determine whether the adopted performance measure requirements are being met.

Finally, the Commission has taken steps toward comprehensive reform of the USF. The Commission recently took action to rein in the explosive growth in high-cost universal service support disbursements by adopting an interim, emergency cap on the amount of high-cost support that competitive eligible telecommunications carriers (ETCs) may receive.⁷ Indeed, growth in required contributions to the fund is largely attributable to these competitive ETCs. High-cost support to competitive ETCs has grown from approximately \$1.5 million in 2000 to well over \$1 billion in 2007. In addition, on November 19, 2007, the Federal-State Joint Board on Universal Service submitted to the Commission recommendations for comprehensive reform of high-cost universal service support,⁸ and on January 29, 2008, the Commission released three notices of proposed rulemaking addressing proposals for comprehensive reform of the high-cost universal service support program.⁹ In the *Identical Support Rule NPRM*, the Commission

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Sincerely,

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Kevin J. Martin
Chairman

Cc: Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 9, 2008

The Honorable Henry A. Waxman
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20548

Dear Chairman Waxman:

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During my tenure, the Commission has been a proponent of strong action to strengthen the management, oversight, and policies of the universal service high-cost fund, enabling it to fulfill its statutory goals under section 254 of the Communications Act of 1934, as amended (the Act) so that consumers throughout rural and insular areas of the nation have access to affordable, quality telecommunications services.³ The Commission has already implemented measures that address both GAO recommendations. As the Commission staff indicated to GAO during the course of its examination (beginning in June 2007), we were already aware of many of the issues GAO raised throughout the investigation and had either addressed, or had plans in place to improve, both the Commission's performance measures and internal controls for the USF high-cost program.

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Cc: Director, Physical Infrastructure, Government Accountability Office
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
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September 9, 2008

The Honorable Tom Davis
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
B-350A Rayburn House Office Building
Washington, D.C. 20515

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The Commission is dedicated to ensuring the statutory principles of section 254 of the Act are met. Notably, in their reply to the draft report, the Wireline Competition Bureau and Office of Managing Director stated that the Commission intended to issue a Notice of Inquiry (NOI) seeking information on ways to further strengthen management and oversight of the high-cost program, how to more clearly define the goals of the high-cost program, and what additional quantifiable performance measures are needed.¹²

The Commission adopted the above referenced NOI on August 15, 2008.¹³ The NOI expressly seeks comment on ways to further strengthen management, administration, and oversight of the USF, how to define more clearly the goals of the USF, and to identify any additional quantifiable performance measures that may be necessary or desirable. The Commission also seeks comment on whether and, if so, to what extent the Commission's oversight of the USF can be improved. In addition, the Commission seeks comment on identifying areas of risk in the program's internal control environment and to propose mechanisms that will help ensure compliance with program rules and produce cost-effective use of program funds.

¹⁰ See *Federal-State Joint Board on Universal Service, High-Cost Service Support*, CC Docket No. 96-45, WC Docket No. 05-337, Notice of Proposed Rulemaking, 20 FCC Rcd 19731 (2005).

¹¹ Letter from Dana R. Shaffer and Anthony J. Dale, Federal Communications Commission, to Mark Goldstein, U.S. Government Accountability Office (May 16, 2008).

¹² See *id.* at 5.

¹³ See *Comprehensive Review of the Universal Service Fund Management, Administration, and Oversight*, WC Docket No. 05-195, Notice of Inquiry, FCC No. 08-189 (adopted Aug. 15, 2008).

We agree that the Commission should continue to strengthen the USF high-cost program's performance measures and internal controls. At the same time, however, we remain committed to meeting the Commission's statutory obligations and to preserve and advance universal service, and to ensure the sufficiency of the fund so that people throughout rural areas of the nation have access to telecommunications services. We look forward to working with the GAO on this and other matters in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin J. Martin". The signature is written in a cursive, flowing style.

Kevin J. Martin
Chairman

Cc: Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget