



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 19, 2010

OFFICE OF
THE CHAIRMAN

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

Dear Chairman Lieberman:

On January 19, 2010, the Government Accountability office (GAO) issued a report entitled FCC Management: Improvements Needed in Communication, Decision-Making Processes, and Workforce Planning (GAO 10-79).

In its Report, GAO recommends that the Commission “develop written policies on interbureau coordination and commissioner access to staff analyses; revise its public comment process and its ex parte policies; and develop targets identifying expertise needs, strategies for meeting targets, and measures for tracking progress.”

Well before GAO issued its Report in January, the Commission had taken substantial steps toward addressing the concerns underlying the GAO recommendations. In one of my first acts after taking office at the Commission last summer, I named a Special Counsel for FCC Reform. In August at an FCC open meeting, I announced that the leadership of the FCC would focus on reform, transparency, and efficiency. In addition to naming a Special Counsel for FCC Reform, I identified the Commission’s Managing Director, General Counsel, and Chief of the Office of Strategic Planning and Policy Analysis as the senior leadership for this reform team.

At the February 18, 2010 open meeting of the Commission, the reform team – led by Mary Beth Richards, Special Counsel for FCC Reform – made a presentation announcing recent initiatives that directly address GAO’s recommendations. At the meeting, the reform team provided a detailed update on several agency-wide efforts to increase openness and transparency, encourage public input, be more data-driven, and be a model of excellence in government. The key topics covered by the reform agenda are the following:

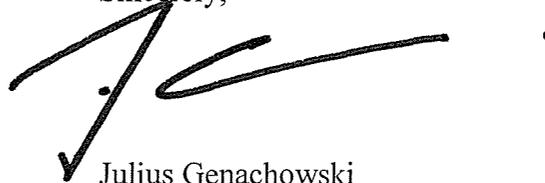
- public safety readiness;
- data collection, analysis and dissemination;
- systems;
- communication;
- workforce planning and organization;
- rules and processes; and
- financial operations.

This ambitious reform agenda covers topics that stretch well beyond the content of GAO's recommendations. In the pages attached to this letter, please find a discussion of the specific recommendations made by GAO.

Revitalizing and retooling the FCC is a marathon, not a sprint. I believe that the Commission has taken strong initial steps. Our goal is to establish the FCC as a model for excellence in government. I can assure you of the Commission's commitment to institutionalizing excellence and making the FCC a 21st-century agency for the information age – one that strives to empower and protect consumers and families, and fosters investment and innovation through fair, participatory, and data-driven processes.

I look forward to working with GAO and Congress to continue to improve the FCC and how it interacts with the public. Should you have any comments or questions, I would be pleased to discuss them with you.

Sincerely,

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Julius Genachowski

Enclosure

cc: The Honorable Rick Boucher
Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget



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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 19, 2010

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

Dear Senator Collins:

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



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WASHINGTON

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THE CHAIRMAN

March 19, 2010

The Honorable Darrell Issa
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 Issa:

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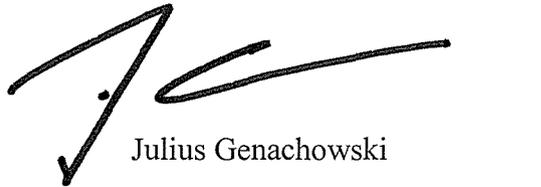
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Julius Genachowski

Enclosure

cc: The Honorable Rick Boucher
Director, Physical Infrastructure, Government Accountability Office
Office of Management and Budget



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March 19, 2010

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

Dear Chairman Towns:

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Discussion of GAO Recommendations

Inter-Bureau and Office Coordination and Commission Access to Staff Analysis

GAO recommends that the FCC "develop written policies on interbureau coordination and Commission access to staff analyses." As GAO notes, the Commission has at times had various internal written processes and procedures regarding inter-bureau collaboration and communication, most of which are adhered to presently.

First with Acting Chairman Michael Copps in his remarks to agency staff, and confirmed on numerous occasions by Chairman Genachowski, Commission staff has been instructed to work under an open communication philosophy. The Commissioners' legal advisors attend weekly meetings with all the bureau and office chiefs; many of the bureau and office chiefs have standing meetings with the Commissioners; and there are regular meetings with the bureau staff and Commissioners' staff to discuss upcoming matters. Internal and external communication, coordination and cooperation are a prominent part of the FCC's reform agenda. In addition to the two instances where the Special Counsel for FCC reform has briefed the Commissioners and the public at the Commission's agenda meeting, the Special Counsel and Managing Director have briefed Hill staff on several occasions on the reform agenda. The presentations from those agenda meetings are posted to the Commission's web site. Additionally, on February 18, Chairman Genachowski issued a Memorandum to all Bureau and Office Chiefs formalizing a process for inter-Bureau and office consultation. This Memorandum incorporates the best practices of the past and the present into the agency's future internal procedures.

In addition to articulating and implementing the policy for internal coordination in place, the Commission has taken substantial steps to make itself a more open and transparent organization. In August 2009, we launched "reboot.fcc.gov" - an internal online forum where employees can submit their ideas for improving and reforming the agency. Our efforts to improve communications are, however, not just internal. We are committed to altering how the agency works with the public as well. In January, we launched the reboot.fcc.gov website for the public, providing a site where citizens can offer their ideas for FCC reform.

Our goal is an inclusive decision-making process through which the public can be involved in the work of the Commission. The process undertaken for developing the National Broadband Plan (which was delivered to Congress on March 17, 2010) is the most inclusive in the agency's history. Since April 2009, the Commission has held more than 35 public workshops and nine field hearings; created Blogband – an FCC blog dedicated to sharing ideas and progress in the development of the Broadband Plan; deployed an innovative "crowd sourcing" platform to generate and encourage public input into policy proposals; developed informational content viewable on YouTube, MySpace and Facebook; issued 30 *Public Notices* on broadband issues; and, as of February 18, had 332,483 followers on Twitter – the third largest among federal government agencies.

***Ex Parte* Reform**

Another part of our reform effort involves the notice and comment rulemaking process and *ex parte* policies of the Commission. In its recommendations, GAO urges the Commission to "revise its notice and comment regulations and its *ex parte* policies."

At the February 18, 2010 open meeting, the Commission adopted unanimously two *Notices of Proposed Rulemaking (NPRM)* that relate to GAO's findings. In the first of these *NPRMs*, the Commission began a proceeding to reform our *ex parte* rules. Specifically, the *NPRM* seeks comment on proposals to raise the level of disclosure provided by notices of *ex parte* presentations, and improve the ease and speed of access to those notices. The *NPRM* seeks comment on proposed rule changes that directly address GAO's recommendations, among other issues.

The second *NPRM* adopted at the February 18 meeting seeks comment on proposed revisions to the Commission's procedural rules. With this *NPRM*, the Commission intends to increase the efficiency of the agency, modernize our procedures, and enhance the Commission's openness and transparency. Both of these items included draft rules – a practice strongly encouraged in GAO's recommendations. Furthermore, both items ask for public comment on the proposals, even though notice-and-comment rulemaking is not required by law for changes to agency procedural rules.

In addition to the *ex parte* reform outlined in the *NPRM*, we have already overhauled our Electronic Comment Filing System (ECFS), which allows consumers to submit, research, and print comments filed with the agency. The system was 10 years old and in great need of an upgrade. The improved ECFS is easier to navigate, has greater search capabilities, permits the filing of comments into multiple proceedings with a single submission, and allows filers to learn of new comments matching criteria via RSS feeds, among other enhancements. These changes to ECFS directly improved external stakeholders' ability to locate and respond to *ex parte* summaries filed by other interested parties.

Strategic Human Capital Planning

In its recommendations, GAO states that the Commission should "develop targets identifying expertise needs, strategies for meeting targets, and measures for tracking progress."

The report states that the FCC faces challenges in ensuring it has the expertise needed to adapt to the changing marketplace. It cites as an example the high percentage of staff engineers and economists who are eligible for retirement. It further states that the FCC faces difficulty recruiting top candidates. While agreeing that it is critical that the agency maintain needed expertise for effective decision making, we disagree that the Commission has difficulty recruiting top candidates.

We are working to create an environment that is a model of excellence. In doing so, we are focusing our efforts to hire, retain, and train people to be the next leaders of the FCC, and continue to be the leading experts in communications for the new century. We are looking at our current staffing level, organizational structure, and staffing needs both currently and in the future. As GAO noted, there is no consensus regarding what if any organizational changes are needed.

To address our human capital needs, we are doing the following:

- finalizing a review of our engineering and economist resources;
- filling other staffing needs throughout the agency;
- revitalizing our Office of Workplace Diversity;
- forming teams, working groups and task forces on a broad range of topics.

As GAO notes, the FCC already makes efforts to determine the critical skills and competencies that are needed to achieve its mission and programmatic goals, and has developed workforce hiring and training strategies. Further, the FCC pursues a variety of strategies to address new expertise needs and human capital challenges. With regard to the example of economist and engineer retirement eligibility, as outlined in our Strategic Human Capital Plan, we identified the high number of economists and engineers eligible to retire, and took steps to address this concern. We ramped up engineering recruitment with an emphasis on entry level hiring. As stated in the Report, 30 engineers retired during fiscal years 2007 and 2008, and the FCC hired 53 new engineers. Of those hired, 43 were at the entry level (GS-7 through 9), six were hired at the mid level (GS-11-13), and four at the top level (GS-14 and 15). As planned, we focused on the entry level hiring, but recognized the need for higher level expertise as well. We identified long term needs and successfully addressed them in the context of short term conditions. The recently conducted review revealed that we will continue to require new engineering and economist resources, and we have taken steps already to address those needs.