



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 10, 2016

The Honorable Mark Warner
United States Senate
475 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Warner:

I am writing in response to your letter to the Federal Communications Commission (FCC) concerning the FCC's efforts to implement the requirements of the Digital Accountability and Transparency (DATA) Act of 2014 (P.L. 113-101). Thank you for your leadership both in the introduction of this legislation and now in its implementation. As you noted in your letter, the DATA Act's improvements to the quality and transparency of Federal funding implementation will not only provide external stakeholders with increased visibility but will also help inform policy making and spending decisions. I share in your interest in seeing the benefits of the DATA Act realized and have provided answers below to your questions concerning the FCC's efforts to implement the DATA Act.

1. What resources has your agency spent on implementation of the DATA Act to date? Does your agency have any existing contracts aimed at facilitating implementation?

Response: At this point, the FCC has expended only internal resources of staff time on its implementation of the DATA Act. While there is a team of FCC employees working on implementation, we estimate that to date that the FCC has dedicated the equivalent of one Full Time Employee (FTE) working for three weeks (120 hours). We believe the DATA Act's requirements can be addressed for the FCC's contract and appropriations data with in-house resources and do not anticipate needing contract support to facilitate completion of the reporting requirements at this time. However, we are still working to resolve certain technical issues with our reporting components concerning their payments both for contracts and to beneficiaries. Depending on the outcome of discussions with the Office of Management and Budget (OMB), the reporting components may incur expenses from the funds that they administer (Universal Service Fund and Telecommunications Relay Services Fund).

2. Has your agency issued a DATA Act implementation plan in line with the DATA Act Playbook? If so, please share this plan with me.

Response: The FCC submitted a DATA Act implementation plan submitted to OMB and the Department of the Treasury that aligns with the overarching processes in DATA Act Playbook. The plan is attached. See attachment labeled "*FCC DATA Act Plan.*" We also have attached an

internal document that we are using to track the implementation of each of the specific steps listed in the DATA Act playbook. See attachment labeled “*FCC DATA Act Internal Tracking.*”

3. How has implementation to date varied from your expectations, and what challenges have you encountered?

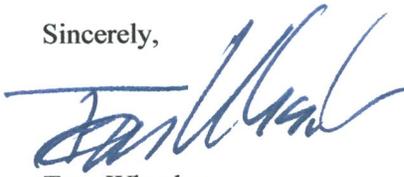
Response: The FCC’s implementation has proceeded generally as expected. The FCC has improved its financial systems over the past several years. One of the benefits of these improvements is that the FCC more fully integrated its acquisition and financial management systems. These previous investments have improved the FCC’s ability to address the DATA Act’s requirements but some obstacles remain. Please see description below of potential issues:

- a. A major portion of the funds that the FCC accounts for on its financial statements are maintained by two of the FCC’s reporting components, the Universal Service Administrative Company (USAC) and Rolka Loube, LLC. Neither USAC’s nor Rolka Loube’s systems are currently integrated with the FCC’s core financial system or government-wide reporting systems. We are working with USAC, Rolka Loube, and OMB to determine the best path forward for handling USAC’s and Rolka Loube’s spending data in a way that complies with the DATA Act.
 - b. As the requirements in the guidance have evolved, they have become more centered on the standard general ledger (SGL) while also integrating a number of the acquisition data elements. We have encountered some challenges in integrating the data from the separate systems. However, our financial and acquisition personnel are working closely together to resolve any data issues as they arise.
4. What resources does your agency anticipate needing in order to fully implement the DATA Act moving forward?

Response: We expect to utilize approximately two FTE for a period of six months. This estimate does not reflect a single person but instead is an aggregate total. The FCC’s team includes FTEs from different areas of the FCC’s operations, including financial reporting, acquisition, budget, and information technology. These FTEs will address different aspects of the DATA Act’s requirements to ensure that the FCC is in compliance. Please note that this estimate does not include any resources expended by the FCC’s Office of Inspector General to complete the audits of the FCC’s efforts as required by the DATA Act. Finally, as previously noted, the FCC is still working to resolve certain technical issues with its reporting components concerning their payments both for contracts and to beneficiaries. Depending on the outcome of discussions with OMB, the reporting components may incur expenses from the funds that they administer (Universal Service Fund and Telecommunications Relay Services Fund).

If you have any questions about this response, please let us know. Thank you for the opportunity to respond and for your offer of assistance to the FCC as it works to implement the DATA Act.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a horizontal line extending to the left.

Tom Wheeler