

Federal Communications Commission



Fiscal Year 2017
Budget Estimates to Congress
February 2016

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INTRODUCTION

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INTRODUCTION

The Federal Communications Commission (FCC or Commission) is pleased to present its fiscal year (FY) 2017 budget request. The Commission requests \$358,286,000 in budget authority from regulatory fee collections to carry out its core statutory mission and Congressional mandates. This represents a decrease of \$25,726,497 million or 6.7 percent from the FY 2016 level of \$384,012,497, of which \$44,168,497 was specifically made available for the necessary expenses associated with moving to a new facility or reconfiguring the existing space to significantly reduce space consumption.

In FY 2017, the Commission requests the second installment of \$16,866,992 for that same purpose. This represents the funds needed in FY 2017 to complete the move or reconfiguring of the existing space through the General Services Administration (GSA). This process is necessitated by the expiration of the FCC's current lease in October 2017. To move forward with the process, the FCC already secured oversight permission from the U.S. House of Representative Committee on Transportation & Infrastructure in July 2015, and the U.S. Senate Committee on Environment and Public Works in August 2015. Based on the current timeline, the award for the contract for the move or the reconfiguring of the existing space should be issued in the spring of 2016. The new contract will provide a more efficient utilization of space to reduce the Commission's footprint and also provides savings of up to \$119 million over fifteen years through reduced rental costs.

The Commission also requests funds to follow through on essential information technology (IT) upgrades that includes rewriting legacy applications as part of a modular "shift" to a modern, resilient cloud-based platform. These IT modernization efforts will allow the Commission to support IT systems, including licensing and public safety, with less funds in the future. These requests provide the necessary funding to continue IT modernization projects that the Commission already invested significant resources in during prior fiscal years. With the necessary funding, the FCC expects to realize costs savings between \$2 million and \$3 million by the end of the modernization efforts and an additional \$5 million to \$10 million over the next five years.

The Commission made a concerted effort to curb the escalating IT operation and maintenance (O&M) costs back in FY 2014. Prior to FY 2014, the FCC faced ever-increasing costs in operating and maintaining its aging legacy IT systems. To counter these escalating O&M costs, the FCC IT team took the first bold step in early September 2015 by physically relocating over 200 different legacy servers from the FCC's headquarters in Washington, D.C. to a commercially hosted federal-certified facility located in West Virginia. These servers contained almost 400 different program applications. By physically relocating these servers to a commercially hosted provider, not only will O&M costs be reduced, but it will also allow for improved resiliency and a shift of many legacy applications to the cloud, similar to the Commission's Consumer Help Desk.

In FY 2014, 86 percent of IT funding was utilized for O&M and only 14 percent was utilized for development, modernization, and enhancements (DME). Those percentages are expected to change to 49 percent O&M and 51 percent DME by the end of FY 2017. The savings that will be realized on the O&M side will be redirected to delivering new capabilities.

The Commission initiated further efficiencies in its overall operations in FY 2015 through the following measures:

- Adopted an Order to realign the mission and resources of the Commission’s Enforcement Bureau (EB) field offices. The final plan reflects feedback from wireless carriers, public safety entities, and broadcasters. The Order reduces the number of field locations, consolidates staff, and makes various other management and policy changes, including updating field equipment, requiring all field agents to have electrical engineering backgrounds and establishing procedures for industry and public safety complainants to escalate their complaints within the field organization. Savings from this realignment will be used to update equipment and employee skillsets.
- The current Commission headquarters offices that were housed in Portals I were consolidated into Portals II in FY 2015, which reduced the Commission’s footprint by over 56,000 square feet and reduced rental payments by approximately \$3 million. The savings realized in the Portals consolidation have been redirected to continue IT modernization.
- Initiated a review and evaluation of the Consumer and Government Affairs Bureau (CGB) call centers in Washington, DC and Gettysburg, Pennsylvania as result of efficiencies made in our Consumer Help Desk.

In addition, the Commission requests a transfer of \$9,500,000 from the Universal Service Fund (USF) to the Commission to cover costs related to the oversight of the USF programs for the Enforcement Bureau and for the Office of Managing Director. Some of these funds will also be used to identify improvements to our current processes to identify, prevent, and detect improper payments in the USF programs.

In furtherance of these objectives and the FCC’s mission, the FY 2017 budget request will be used to support the following Strategic Goals:

Strategic Goal 1: Promoting Economic Growth and National Leadership

Promote the expansion of competitive telecommunications networks which are a vital component of technological innovation and economic growth, helping to ensure that the U.S. remains a leader in providing its citizens opportunities for economic and educational development.

Strategic Goal 2: Protecting Public Interest Goals

The rights of network users and the responsibilities of network providers form a bond that includes consumer protection, competition, public safety and security. The FCC must protect and promote this Network Compact.

Strategic Goal 3: Making Networks Work for Everyone

In addition to promoting the development of competitive networks, the FCC must also ensure that all Americans can take advantage of the services they provide without artificial impediments.

Strategic Goal 4: Promoting Operational Excellence

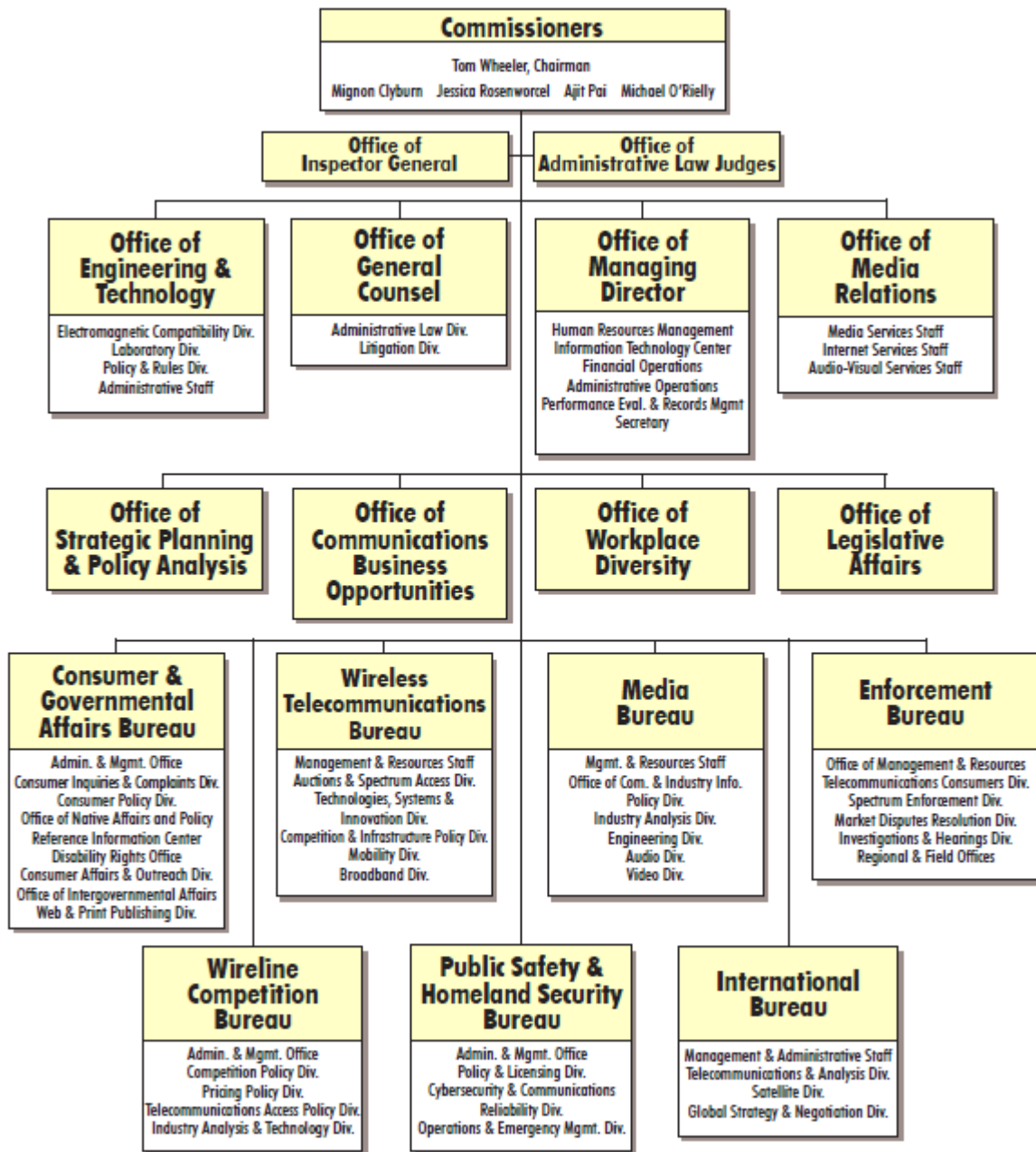
Make the FCC a model for excellence in government by effectively managing the FCC's resources and maintaining a commitment to transparent and responsive processes that encourage public involvement and best serve the public interest.

In November 2015, Congress passed the Bipartisan Budget Act of 2015, which included Title X, the Spectrum Pipeline Act of 2015 (Act or Spectrum Pipeline Act). The Act requires the FCC to reallocate and auction 30 megahertz of spectrum identified by the Secretary of Commerce for reallocation from Federal use to non-Federal use, shared use, or a combination. The Act also appropriates funds from the Spectrum Relocation Fund to support activities by Federal entities to improve the efficiency and effectiveness of the Federal use of spectrum in order to make Federal spectrum available for non-Federal use, shared use, or a combination, and requires the FCC, as part of its role on the Technical Panel, to review Federal entities' proposals for funds for these purposes.

The Commission's FY 2017 budget submission includes a request for an increase in the cap on spending of spectrum auctions proceeds to \$124.0 million, an increase of \$7.0 million over FY 2016, in furtherance of the following objectives: making more spectrum available for commercial use, including executing the requirements mandated by Congress in the Spectrum Pipeline Act; administering the Television Broadcaster Relocation efforts for the incentive auctions; funding ongoing licensing as a result of successful auctions; planning for additional future auctions; and relocation of auction-related personnel and systems associated with the FCC Headquarters' move/restacking initiative.

As in prior years, the Commission is submitting details of its FY 2017 budget request at the organizational level to show the proposed use of budgetary resources. In addition, the Commission's budget request also shows the proposed use of budgetary resources by key activities within each bureau and office. We welcome the budgetary process and stand ready to provide Congress with the necessary information to ensure efficient and effective operation of the Commission.

ORGANIZATIONAL CHART



FISCAL YEAR 2017 REQUEST

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Summary of Request

The FCC requests a FY 2017 appropriation of \$358,286,000 from offsetting collections for Salaries and Expenses, which is a decrease of \$25,726,497 from the FY 2016 appropriated level. Further, the FCC requests \$124,000,000 in retained auction proceeds, which is an increase of \$7,000,000 from the FY 2016 level in furtherance of making more spectrum available for commercial use and to implement the requirements mandated by Congress in the Spectrum Pipeline Act of 2015. From these resources, the projected full-time equivalents (FTEs) for Salaries and Expenses and auctions, combined, is 1,650.

The Commission will use FY 2017 resources to carry out its fundamental mission to ensure that the American people have available, at reasonable costs and without discrimination, rapid, efficient, Nation-wide and world-wide communications services whether by radio, television, wire, wireless, satellite, or cable.

(Dollars in Thousands)

	FY 2016		FY 2017		Change in Request	
	FTEs	Enacted	FTEs	Congressional Request	FTEs	Amount
Budget Authority - Offsetting Collections:						
Regulatory Fees - Commission	1,590	\$372,412	1,590	\$356,035	0	-\$16,378
Regulatory Fees - Office of Inspector General (OIG)	60	\$11,600	60	\$11,751	0	\$151
Subtotal - Offsetting Collections	1,650	\$384,012	1,650	\$367,786	0	-\$16,226
Recovery of Universal Service Fund (USF) Oversight Cost	0	\$0	0	-\$9,500	0	-\$9,500
Subtotal - Offsetting Collections & Recovery of USF Oversight Cost	1,650	\$384,012	1,650	\$358,286	0	-\$25,726
Budget Authority - Other Offsetting Collections:						
Economy Act/Miscellaneous Other Reimbursables		\$4,000		\$4,000		\$0
Auction Cost Recovery Reimbursement - Commission		\$116,738		\$123,735		\$6,997
Auction Cost Recovery Reimbursement - OIG		\$262		\$265		\$3
Subtotal - Other Offsetting Collections		\$121,000		\$128,000		\$7,000
Subtotal: Offsetting Collections & Recovery of USF Oversight Cost	1,650	\$505,012	1,650	\$486,286	0	-\$18,726
Other Budget Authority:¹						
Credit Program Account		\$100		\$100		\$0
Universal Service Fund Oversight - OIG		\$1,685		\$3,475		\$1,790
Recovery of USF Oversight Cost - Commission		\$0		\$9,500		\$9,500
Subtotal: Other Budget Authority		\$1,785		\$13,075		\$11,290
Total Gross Proposed Budget Authority	1,650	\$506,797	1,650	\$499,361	0	-\$7,436

¹The Middle Class Tax Relief and Job Creation Act of 2012 (ACT) mandated that the Commission reimburse reasonable channel relocation costs incurred by those qualified TV Broadcasters that will be affected by the Incentive Auction. The ACT also gave the Commission the authority to borrow up to \$1 Billion from the Treasury and authorized the Commission to use an additional \$750 million from Incentive Auction revenues to reimburse TV Broadcasters for relocation costs. The TV Broadcaster Relocation Fund is capped at \$1.75 Billion. This budget authority is not represented in the above schedule to provide a better historical comparison of the components of the FCC's regular budgetary requests. Information related to the ACT is presented in the Appendix section.

Fiscal Year 2017 Proposed Appropriation Language

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, \$341,419,008, to remain available until expended: *Provided*, That in addition, \$16,866,992 shall be made available until expended for necessary expenses associated with moving to a new facility or reconfiguring the existing space to significantly reduce space consumption: *Provided further*, That \$358,286,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, shall be retained and used for necessary expenses 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 **2017** so as to result in a final fiscal year **2017** appropriation estimated at **\$0**: *Provided further*, That any offsetting collections received in excess of \$358,286,000 in fiscal year **2017** 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, **2016**, 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 \$124,000,000 for fiscal year **2017**: *Provided further*, That, of the amount appropriated under this heading, not less than \$11,751,073 shall be for the salaries and expenses of the Office of Inspector General: *Provided further*, That, in addition, \$9,500,000 shall be transferred from the Universal Service Fund to the Commission in fiscal year **2017** to remain available until expended, to oversee the Universal Service Fund.

Legislative Proposals

The Administration is proposing legislative changes in the President's FY 2017 Budget that pertain to the FCC. These proposals are designed to improve spectrum management and represent sound economic policy.

Spectrum License Fee Authority

To promote efficient use of the electromagnetic spectrum, the Administration proposes to provide the FCC with new authority to use other economic mechanisms, such as fees, as a spectrum management tool. The FCC would be authorized to set charges for 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.

Auction Domestic Satellite Service Spectrum Licenses

The FCC would be allowed to assign licenses for certain satellite services that are predominantly domestic through competitive bidding, as had been done before a 2005 court decision called the practice into question on technical grounds. The proposal is expected to raise \$50 million from 2017–2026. These receipts would be deposited in the general fund for deficit reduction.

Auction or Assign via Fee 1675-1680 Megahertz

The Budget proposes that the FCC either auction or use fee authority to assign spectrum frequencies between 1675-1680 megahertz for flexible use by 2020, subject to sharing arrangements with Federal weather satellites. Currently, the spectrum is being used for radiosondes (weather balloons), weather satellite downlinks, and data broadcasts, and the band will also support future weather satellite operations. NOAA began transitioning radiosondes operations out of the band in 2016 as part of the Advanced Wireless Services 3 (AWS-3) relocation process. If this proposal is enacted, NOAA would establish limited protection zones for the remaining weather satellite downlinks and develop alternative data broadcast systems for users of its data products. Without this proposal, these frequencies are unlikely to be auctioned and repurposed to commercial use. The proposal is expected to raise \$300 million in receipts over 10 years.

Summary of FYs 2015 – 2017 FTEs and Funding by Bureaus and Offices

(Dollars in Thousands)

Bureaus and Offices	FY 2015		FY 2016		FY 2017	
	FTEs	Actuals	FTEs	Enacted	FTEs	Congressional Request
Chairman and Commissioners	25	\$4,689	23	\$4,374	23	\$4,431
Consumer & Government Affairs Bureau	156	\$24,354	150	\$23,365	145	\$22,656
Enforcement Bureau	252	\$44,937	240	\$43,227	211	\$45,390
International Bureau	113	\$20,693	110	\$20,735	111	\$21,005
Media Bureau	171	\$26,089	169	\$25,009	175	\$25,335
Public Safety & Homeland Security Bureau	101	\$18,113	99	\$18,590	101	\$18,832
Wireless Telecommunications Bureau	212	\$15,943	212	\$15,909	216	\$16,116
Wireline Competition Bureau	166	\$30,248	164	\$31,970	165	\$32,386
Office of Administrative Law Judges	3	\$357	3	\$419	3	\$424
Office of Communications Business Opportunities	11	\$1,886	10	\$1,636	10	\$1,658
Office of Engineering & Technology	88	\$15,207	87	\$14,961	91	\$15,156
Office of General Counsel	85	\$15,741	79	\$16,169	81	\$16,379
Office of Legislative Affairs	12	\$2,182	12	\$1,980	12	\$2,006
Office of Managing Director	206	\$99,399	190	\$146,533	201	\$126,626
Office of Media Relations	16	\$2,883	15	\$2,809	15	\$2,846
Office of Strategic Planning & Policy Analysis	25	\$3,972	23	\$4,134	26	\$4,188
Office of Workplace Diversity	4	\$654	4	\$592	4	\$600
Subtotal	1,646	\$327,347	1,590	\$372,412	1,590	\$356,035
Office of Inspector General	38	\$9,585	60	\$11,600	60	\$11,751
Subtotal	1,684	\$336,932	1,650	\$384,012	1,650	\$367,786
Recovery of USF Oversight Cost	0	\$0	0	\$0	0	-\$9,500
TOTAL	1,684	\$336,932	1,650	\$384,012	1,650	\$358,286

Fiscal Year 2015 FTEs Distribution by Strategic Goals

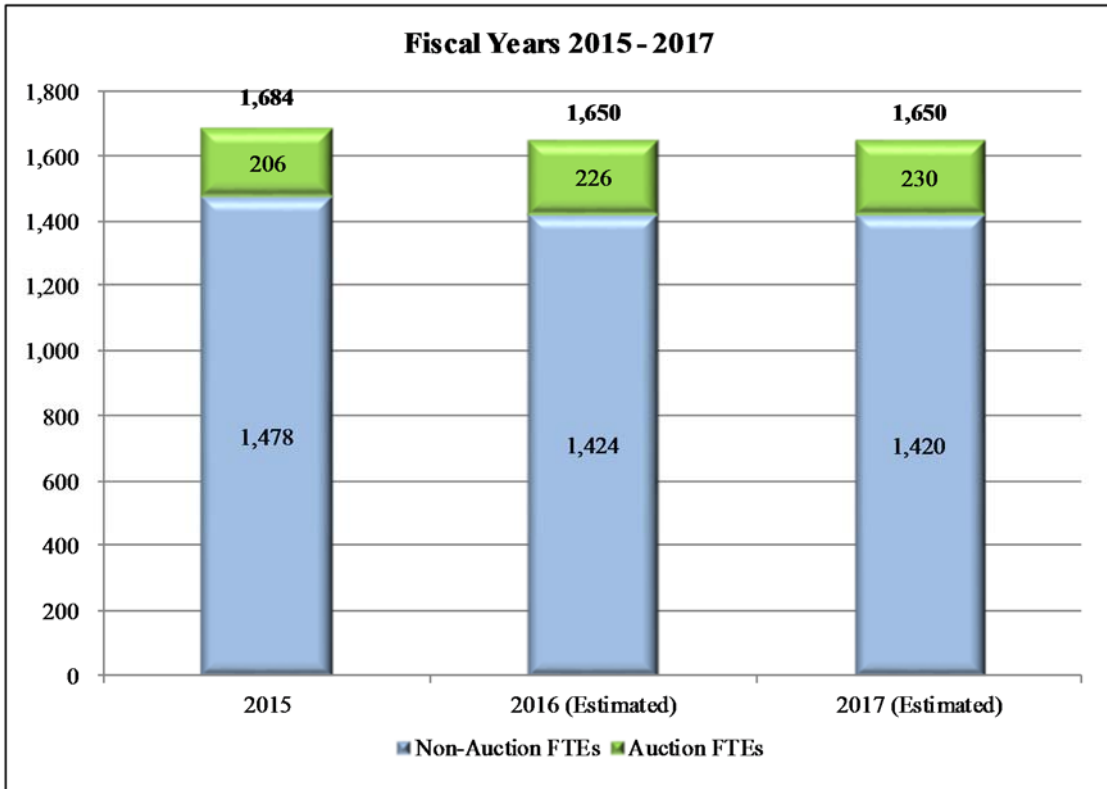
Strategic Goals	Connect America	Maximize Benefits of Spectrum	Protect & Empower Consumers	America's Global Competitiveness	Promote Competition	Public Safety & Homeland Security	Advance Key National Purposes	Operational Excellence	Total
Chairman & Commissioners	2	6	4	1	5	3	1	3	25
Bureaus:									
Consumer & Government Affairs	6	3	90	0	23	19	1	14	156
Enforcement	3	62	81	1	53	42	0	10	252
International	6	33	0	39	27	5	2	1	113
Media	3	70	0	0	69	1	18	10	171
Public Safety & Homeland Security	2	13	0	0	1	84	0	1	101
Wireless Telecommunications	52	95	1	1	29	4	18	12	212
Wireline Competition	50	2	29	0	77	1	1	6	166
Subtotal Bureaus	122	278	201	41	279	156	40	54	1,171
Offices:									
Administrative Law Judges	0	2	0	0	1	0	0	0	3
Communications Business Opportunities	0	1	0	0	10	0	0	0	11
Engineering & Technology	7	68	0	0	4	2	6	1	88
General Counsel	12	10	5	0	36	3	6	13	85
Legislative Affairs	3	0	8	0	0	1	0	0	12
Managing Director	10	24	22	0	3	11	13	123	206
Media Relations	0	9	0	0	0	0	4	3	16
Strategic Planning & Policy Analysis	6	2	0	0	10	1	5	1	25
Workplace Diversity	0	0	0	0	0	0	0	4	4
Subtotal Offices	38	116	35	0	64	18	34	145	450
Subtotal	162	400	6	42	348	177	75	202	1,646
Inspector General	4	1	6	0	0	0	0	27	38
Total	166	401	12	42	348	177	75	229	1,684

Fiscal Years 2016 - 2017 FTEs Distribution by Strategic Goals

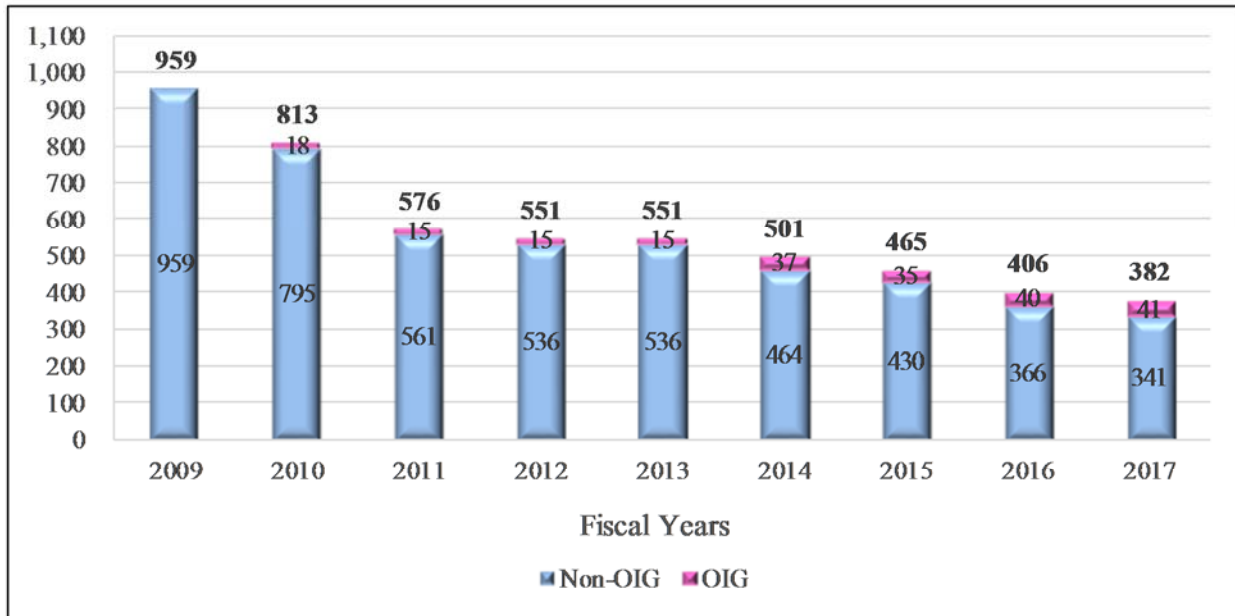
Strategic Goals ¹	Promoting Economic Growth and National Leadership		Protecting Public Interest Goals		Making Networks Work for Everyone		Promoting Operational Excellence		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Chairman & Commissioners	12	12	4	4	6	6	1	1	23	23
<u>Bureaus:</u>										
Consumer & Government Affairs	17	16	88	87	38	36	7	6	150	145
Enforcement	70	63	104	92	57	50	9	6	240	211
International	44	45	42	42	22	22	2	2	110	111
Media	109	111	13	14	42	45	5	5	169	175
Public Safety & Homeland Security	7	7	86	88	5	5	1	1	99	101
Wireless Telecommunications	111	114	30	31	63	64	8	7	212	216
Wireline Competition	54	55	47	46	59	60	4	4	164	165
Subtotal Bureaus	412	411	410	400	286	282	36	31	1,144	1,124
<u>Offices:</u>										
Administrative Law Judges	1	1	0	0	2	2	0	0	3	3
Communications Business Opportunities	4	4	2	2	4	4	0	0	10	10
Engineering & Technology	54	56	5	6	26	27	2	2	87	91
General Counsel	32	32	20	21	19	20	8	8	79	81
Legislative Affairs	2	2	4	4	3	3	3	3	12	12
Managing Director	27	28	28	28	18	19	117	126	190	201
Media Relations	4	4	0	0	2	2	9	9	15	15
Strategic Planning & Policy Analysis	10	11	5	5	6	7	2	3	23	26
Workplace Diversity	0	0	0	0	0	0	4	4	4	4
Subtotal Offices	134	138	64	66	80	84	145	155	423	443
Subtotal	558	561	478	470	372	372	182	187	1,590	1,590
Inspector General	7	7	14	14	10	10	29	29	60	60
Total	565	568	492	484	382	382	211	216	1,650	1,650

¹ In FY 2015, the Commission had eight Strategic Goals. In FY 2016, those Strategic Goals were reduced to four.

FTEs by Resource Category



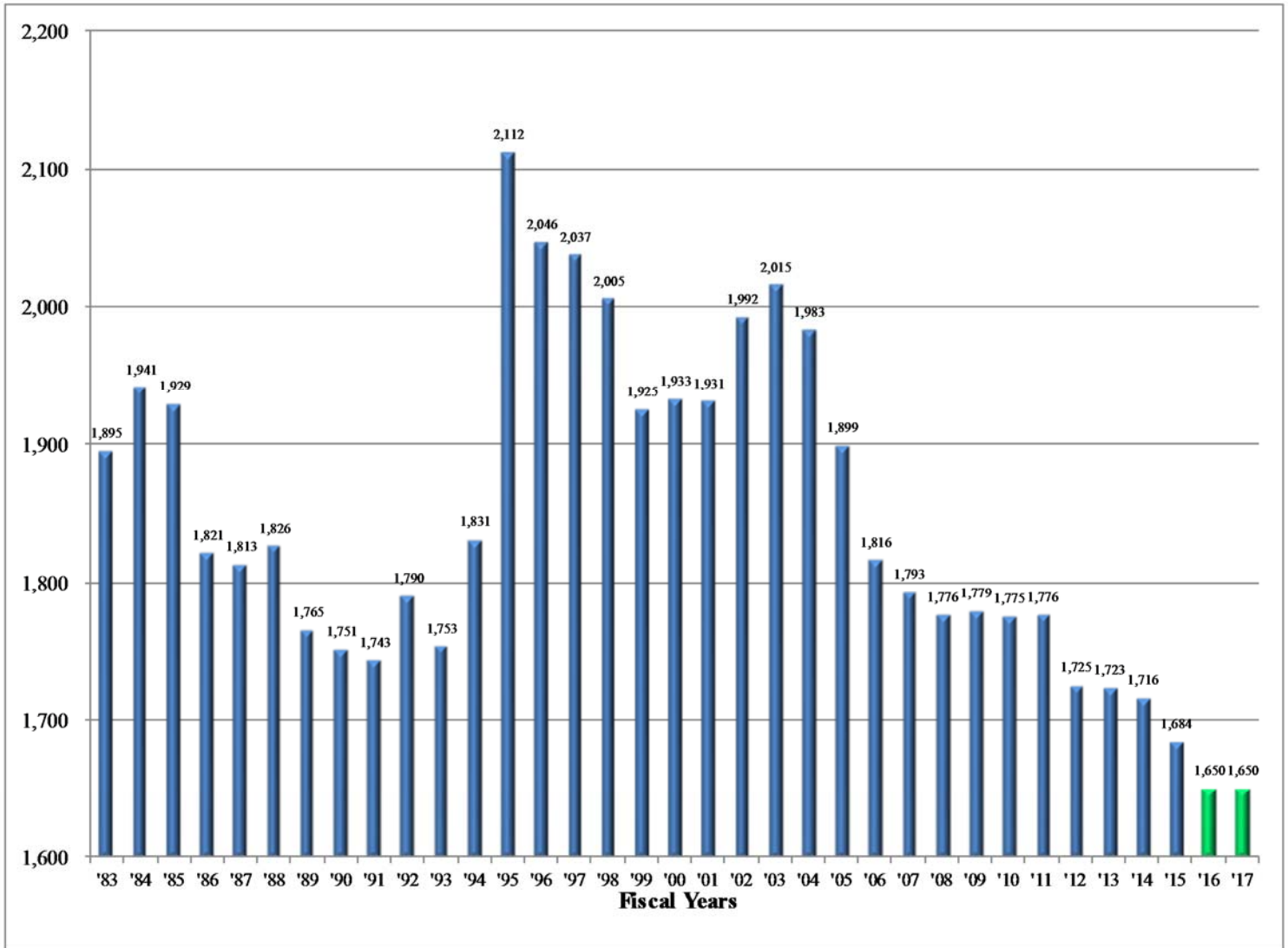
Number of Contractors



The numbers for FYs 2016 and 2017 are estimates and the number for FY 2015 is as of 11/2/2015. The OIG number for FY 2009 was not separable.

FTEs - Historical & Estimated

Fiscal Years 1983 – 2017



Fiscal years 2016 and 2017 are estimates.

Summary of Changes - Regulatory Fees (Offsetting Collections)

(Dollars in Thousands)

	FY 2016 Enacted	FY 2017 Congressional Request	Net Change
Offsetting Collections:			
Offsetting Collections - Commission	\$372,412	\$356,035	-\$16,377
Offsetting Collections - Office of Inspector General (OIG)	\$11,600	\$11,751	\$151
Total Spending Authority - Offsetting Collections	\$384,012	\$367,786	-\$16,226
Recovery of USF Oversight Cost	\$0	-\$9,500	-\$9,500
TOTAL NET CHANGE	\$384,012	\$358,286	-\$25,726
Full-Time Equivalents (FTEs) - Commission	1,590	1,590	0
FTEs - Office of Inspector General	60	60	0
Total Full-Time Equivalents	1,650	1,650	0
Explanation of Changes			
FY 2016 Appropriation - Offsetting Collections			\$384,012
Reversal of FY 2016 New Initiative - Headquarters Move/Restack			-\$44,168
FY 2017 Base Before Adjustments			\$339,844
Salaries and Inflationary Increases to Base			
Commission			
Salary Increases - Pay Raises (1.3%)			\$2,957
Non-Salary Increases (1.3%) ¹			\$1,297
Office of Inspector General			
Salary Increases - Pay Raises (1.3%)			\$112
Non-Salary Increases (1.3%) ¹			\$39
Subtotal - Salaries and Inflationary Increases to Base			\$4,405
Other Adjustments to Base			
IT - Geospatial Information System Solution			\$400
One-Time Requests			
FCC Headquarters Move/Restacking			\$16,867
IT - Rewriting of FCC Legacy Applications Phase II			\$3,870
IT - Geospatial Information System Solution			\$800
OMD - Targeted Investments to Reduce USF Improper Payments			\$1,600
Subtotal - Other Adjustments to Base and One-Time Requests			\$23,537
TOTAL OFFSETTING COLLECTIONS <u>BEFORE</u> RECOVERY OF USF OVERSIGHT COST			\$367,786
Recovery of USF Oversight Cost			-\$9,500
TOTAL OFFSETTING COLLECTIONS <u>AFTER</u> RECOVERY OF USF OVERSIGHT COST			\$358,286
TOTAL NET CHANGE			-\$25,726

¹Utilized the FY 2016 inflationary pay raise rate.

Narrative Explanation of Changes - Salaries and Expenses

Salaries and Inflationary Increases to Base: \$4,405,008

1. **Personnel Compensation and Benefits** - The request of \$3,068,990 provides funds to cover the cost of 1.3% for FY 2017 pay raises, which includes the related increase for OIG that totals \$111,563.
2. **Non-Salary Increases** - The request of \$1,336,018 provides expected inflationary increases for space rentals (GSA and non-GSA facilities), phones, utilities, printing and reproduction services, contractual services, and supplies. The total non-salary increase includes the related increase for OIG that totals \$39,510. This increase is developed using the same inflationary rate as Personal Compensation and Benefits.

FY 2017 New Initiatives - One-Time Requests: \$23,136,992; Increase to Base: \$400,000

1. **FCC Headquarters (HQ) Move/Restacking (\$16,866,992)**

In FY 2016, Congress provided the funding for the first part of the headquarters move or restacking project. In the current FY 2017 Budget Request, the Commission is requesting the portion of the funding necessary to complete the project.

The Commission's current lease for Portals II at 445 12th Street SW, Washington, DC will expire in October 2017. Prior to this expiration date, the General Services Administration (GSA) will require the Commission to either move to a new facility or restack the existing facility, and as part of this process, reduce our square footage and lower our rental expense. If the Commission does not move or restack the building before the termination of the lease, GSA has informed the Commission that the new lease payments will increase by approximately \$9 million per year, and the lessor could require a 20% premium over the current rental rate for any holdover period. It is estimated that the move or restacking will provide up to \$119 million in total savings over fifteen years of the new lease.

GSA published the FCC's requirements for the new headquarters on FedBizOpps in July 2015. Based on the current timeline, the FCC expects to issue the lease for the new headquarters in the spring of 2016.

2. **IT Modernization (\$4,670,000)**

a. **Rewriting of FCC Legacy Applications as a Modular "Shift" to a Modern, Resilient Cloud-based Platform Phase II (\$3,870,000)**

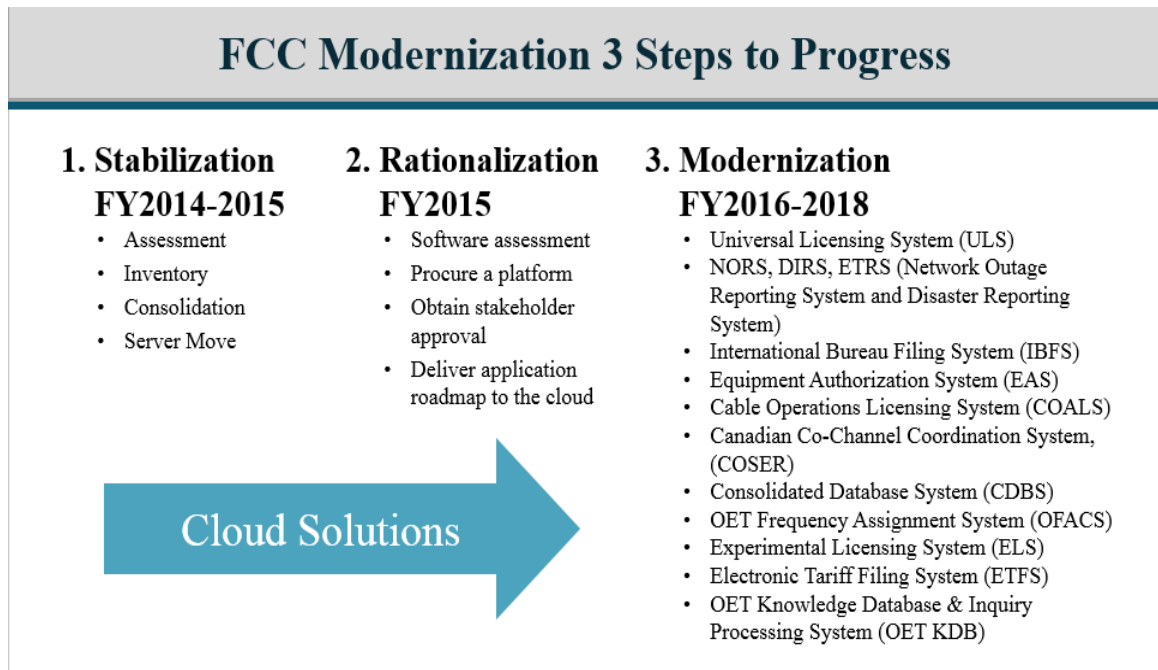
Since many of the Commission's 207 IT systems contain applications that are more than a decade old, the software and code associated with the Commission's existing IT architectures are unable to support a move to a cloud-based infrastructure as they currently stand – they are simply too old to be hosted in a cloud-based platform. To accomplish these needed updates, the Commission's IT modernization plan includes an update to

applications in a modular fashion in order to place them in the cloud structure while supporting continuing operations. The Commission will follow a three-part plan: (1) adapt open source solutions for Commission application needs where appropriate; (2) buy commercial software if adaption is not available or if a cost effective option is not available; and (3) create code if neither open source nor commercial options are available.

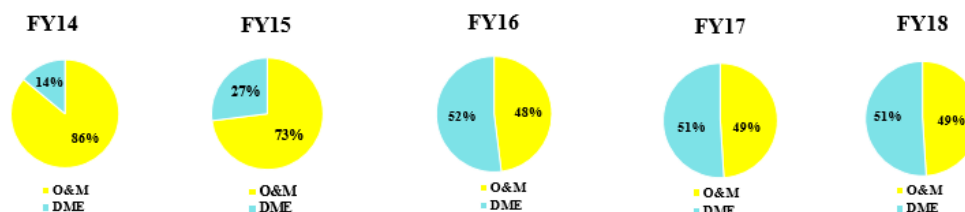
The applications will be redesigned and provided through a service catalog approach in a true cloud environment. This rewrite also provides an opportunity to simultaneously improve resiliency, security, and functionality. The replacement of the Commission’s legacy infrastructure with a managed IT service provider will complete the “lift” away from the Commission’s physical infrastructure – the rewriting of the Commission’s legacy IT applications will complete the “shift” to a cloud-based platform. Some data can be moved readily to the cloud; however, existing applications with programmed logic must be recoded using agile methods that leverage open source and commercially available solutions wherever possible.

Moving to the cloud and rewriting applications within a cloud infrastructure enables the Commission to achieve an estimated long-term cost avoidance of \$5 million to \$10 million over five years in hardware and personnel/contractor costs. Transitioning to the cloud also accelerates the modernization of the Commission's infrastructure and improves the resiliency and security of the Commission's IT. This request will allow the Commission to continue the IT Modernization work efforts to align with government priorities to improve the security of cyber systems.

The following two charts show the heavy lift that the Commission has already performed and additional tasks that must be completed in modernizing its IT infrastructure. These investments will decrease the FCC’s future operation and maintenance costs and those savings will be used to provide new capabilities.



Investment in FCC IT Modernization Results in More Development (DME) Efforts Rather Than Legacy O&M



Shift in FCC IT spend from Legacy on-Premise to Cloud

- There is a very clear trend toward additional investment in cloud and shared services and less on maintaining legacy systems.
- The cost of modernization historically was dwarfed by the cost to maintain legacy systems in the out years, with O&M essentially meaning no new capability deliveries for the Bureaus and Offices.
- A roughly 50/50 O&M vs DME split is anticipated in FY18 and beyond. Note: these figures are reflective of FCC IT Spend, and do not include investments reported on behalf of Financial Operations, Universal Service Administrative Company, or Telecommunications Relay Service.

b. Geospatial Information System Solution (One-Time Request \$800,000; Increase to Base \$400,000)

Map visualization and geospatial analysis are becoming increasingly essential at the FCC. The collection of geospatial data through multiple FCC forms (e.g., 477 and Study Area Boundaries), and the need to display this information back to the public, have emphasized the need for a cloud-based enterprise Geospatial Information System (GIS) hosting solution. Moving to a cloud-based hosting solution provides several key benefits including consolidation of data, reduction of duplicative efforts and data, and increased system flexibility and capacity.

This request provides for migrating existing GIS solutions (e.g., FCC.gov/Maps) to a Cloud-Based GIS Hosting Solution. FCC.gov/Maps is one of the most highly trafficked sites for the Commission with over 338,000 unique visitors per year. Currently, the geospatial data is located in a variety of shared network drives and databases; much of it is on legacy infrastructure that is at or nearing its end of life. These data files are very large and are causing data storage capacity challenges. Additionally, the distributed geospatial web applications increase system complexity and result in unnecessary distribution and/or duplication of data sets.

The best option to address these challenges is to centralize the data into one modern cloud-based hosting solution that will keep the data organized, secured, and accessible for all FCC stakeholders. In addition, centralizing the data allows for increased transparency and interoperability across the FCC for all geospatial projects. Using a common repository, the FCC will also be able to create standardized geospatial data sets for commonly used data (e.g., Census). This improvement would allow FCC users to know where to download the data directly or have the ability to run their work on the server, thus eliminating duplicate data on shared networks and possibly eliminating redundant work. Additionally, this platform will allow for the creation of standard maps to accommodate the growing need of

rapid release maps. This improvement will reduce the time spent on GIS development and standardize the way the maps appear. It will also allow for common features on each map, such as download options and base maps, resulting in a better user experience.

For GIS, the Commission is requesting a one-time amount of \$800,000 for implementation and an increase to the base of \$400,000 for continual operation and maintenance.

3. Targeted Investments to Reduce USF Improper Payments (\$1,600,000)

The Commission and the Universal Service Administrative Company (USAC) are committed to collecting universal service contributions and disbursing payments to program beneficiaries that are accurate, timely, properly documented, and in compliance with rules established by the FCC. In furtherance of this commitment to integrity of the Universal Service Fund (USF), the FCC has directed USAC to develop two separate programs, the Beneficiary and Contributor Audit Program (BCAP) and Payment Quality Assurance (PQA) program.

BCAP is designed to measure rates of program compliance among universal service beneficiaries and contributors. In administering the BCAP, USAC utilizes audit approaches tailored to both the distinctive features of the participant's organization and the specific amounts of money being audited. The PQA Program complements the BCAP program and allows USAC to provide the FCC with information about improper payments to program beneficiaries, as required by the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), and the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012. Under the PQA program, USAC assesses specific payments made to select beneficiaries in required USF programs to determine if these payments were made in accordance with FCC rules. Using the results of these assessments, USAC calculates estimates of improper payment rates that the FCC then uses to inform its oversight and management of the USF as well as complying with annual Federal financial reporting requirements.

Since their inception, the BCAP and PQA programs have been useful in identifying improper payments and under-collections of contributions. Based on the results of the BCAP and PQA programs, the FCC has determined that the USF program would benefit from the implementation of technology to identify, detect, and prevent improper payments before they have an opportunity to occur. By applying predictive analytics to USF claims to identify abnormal or suspicious patterns prior to payments going out, the FCC believes that it can better limit improper payments and increase the effectiveness of its efforts to detect and prevent fraud. To achieve this goal, the FCC would plan to acquire and implement new analytic technology that would best meet the FCC's needs for applying predictive models to the highest risks in the USF program. As a practical matter, the FCC would use the tool first to examine past claims by beneficiaries to look for patterns of potential fraud or false claims from prior years. Utilizing the results of these historical reviews, the FCC would then be able to apply methodologies to current year claims to prevent improper payments in real time before they occur. The FCC will keep learning more as time goes on. Based on this continuous cycle of testing and the accompanying feedback loop, the FCC would have the ability to keep on fine tuning its methodologies for future billing cycles. If the FCC is able to successfully integrate such a tool into the USF claims process, the FCC would increase the effectiveness of its limited enforcement resources by detecting patterns of non-compliance with FCC rules in the program.

Utilizing data analysis of this kind, the FCC's Enforcement Bureau can more readily identify the participants in the USF system that may be knowingly or even willfully violating the rules to their advantage and thereby to the disadvantage of the USF system as a whole. The Enforcement Bureau may then increase the utility of its overall strategy to root out bad actors in the USF programs and take enforcement actions to deter others from engaging in similar activities. Furthermore, using this analysis, the FCC would also increase the flow of actionable information to its enforcement partners such as the Office of Inspector General and Department of Justice. Finally, over time, the FCC would expect that the cost of this system would yield a significant return on investment in terms of decreased improper payments and therefore making more funds available for the purposes that the USF programs are intended to serve.

Office of Inspector General Narrative

The Office of the Inspector General's (OIG) workload continues to increase in the areas of audit and investigation. Currently OIG only takes on top-level investigation cases and top risk finance and program audits. The Office keeps focus on increasing mission responsibility and ensuring appropriate staff levels to keep pace with the workload. The OIG Full Time Equivalent (FTE) staff has been increasing over the past few budget years and this influx has provided OIG more capability to maintain the mission of the OIG and assist with taking on more investigations and performing more audits.

The OIG FY 2017 budget request of \$11,751,073 includes an inflation factor (\$151,073) over the FY 2016 appropriated level of \$11,600,000.

Over the next five years OIG Office of Audit (OA) plans include over 50 audits of Universal Service Fund Programs. This equates to 10 audits per year not including other financial and program audits. OIG OA currently has 13 active audits and 13 planned audits. OA audits have recovered approximately \$2,478,134 in government funds over the last year. The audit reports are providing FCC management with critical findings necessary for sustaining the mission of the OIG.

The OIG Office of Investigation (OI) has 79 open cases. This is about the balance of cases open at any given time. For example, in the last fiscal year the OI received over 9,722 hotline contacts. OIG continues working with the Department of Justice (DOJ) and has recovered millions of dollars of government funds resulting from criminal cases referred to the DOJ. During the last fiscal year, OIG was instrumental in working with DOJ to recover \$64,974,378 in government funds.

In compliance with the IG Reform Act of 2008 this FCC OIG FY 2017 budget request includes:

- A fair share ratio in the amount of \$25,000 for contribution to the Council of the Inspectors General on Integrity and Efficiency (CIGIE),
- Funds to support IGSNet Management Services, and,
- Training funds in the amount of \$80,000.

Crosswalk - Summary of Changes for Regulatory Fees

(Dollars in Thousands)

	FY 2016 Enacted	Adjustment to Baseline	Inflation		Increases to Operations Baseline	One-Time Request	FY 2017 Congressional Request		
			Personnel	Non-Salary			Before USF Transfer	USF Transfer	After USF Transfer
Chairman and Commissioners	\$4,374	\$0	\$45	\$12	\$0	\$0	\$4,431	\$0	\$4,431
Consumer & Governmental Affairs Bureau	\$23,365	-\$1,000	\$261	\$31	\$0	\$0	\$22,656	\$0	\$22,656
Enforcement Bureau	\$43,227	\$0	\$469	\$94	\$0	\$1,600	\$45,390	-\$3,100	\$42,290
International Bureau	\$20,735	\$0	\$248	\$22	\$0	\$0	\$21,005	\$0	\$21,005
Media Bureau	\$25,009	\$0	\$309	\$17	\$0	\$0	\$25,335	\$0	\$25,335
Public Safety & Homeland Security Bureau	\$18,590	\$0	\$223	\$19	\$0	\$0	\$18,832	\$0	\$18,832
Wireless Telecommunications Bureau	\$15,909	\$0	\$196	\$11	\$0	\$0	\$16,116	\$0	\$16,116
Wireline Competition Bureau	\$31,970	\$0	\$389	\$28	\$0	\$0	\$32,386	-\$2,000	\$30,386
Office of Administrative Law Judges	\$419	\$0	\$5	\$0	\$0	\$0	\$424	\$0	\$424
Office of Communications Business Opportunities	\$1,636	\$0	\$20	\$2	\$0	\$0	\$1,658	\$0	\$1,658
Office of Engineering and Technology	\$14,961	\$0	\$176	\$19	\$0	\$0	\$15,156	\$0	\$15,156
Office of General Counsel	\$16,169	\$0	\$197	\$14	\$0	\$0	\$16,379	\$0	\$16,379
Office of Legislative Affairs	\$1,980	\$0	\$24	\$1	\$0	\$0	\$2,006	\$0	\$2,006
Office of Managing Director	\$102,365	\$1,000	\$306	\$1,018	\$400	\$4,670	\$109,759	-\$4,400	\$105,359
Office of Media Relations	\$2,809	\$0	\$31	\$6	\$0	\$0	\$2,846	\$0	\$2,846
Office of Strategic Planning and Policy Analysis	\$4,134	\$0	\$52	\$2	\$0	\$0	\$4,188	\$0	\$4,188
Office of Workplace Diversity	\$592	\$0	\$7	\$1	\$0	\$0	\$600	\$0	\$600
HQ Move/Restack ¹	\$44,168	-\$44,168	\$0	\$0	\$0	\$16,867	\$16,867	\$0	\$16,867
Subtotal	\$372,412	-\$44,168	\$2,957	\$1,297	\$400	\$23,137	\$356,035	-\$9,500	\$346,535
Office of Inspector General	\$11,600	\$0	\$112	\$40	\$0	\$0	\$11,751	\$0	\$11,751
TOTAL	\$384,012	-\$44,168	\$3,069	\$1,336	\$400	\$23,137	\$367,786	-\$9,500	\$358,286

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SPECTRUM AUCTIONS

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Spectrum Auctions Program - Explanation of Requested Change

The Federal Communications Commission is requesting \$124,000,000 for the Spectrum Auctions Program for FY 2017, as shown below.

(Dollars in Thousands)

	FY 2016		FY 2017		Requested Change	
	FTEs	Enacted	FTEs	Congressional Request	FTEs	Amount
Spectrum Auctions Cost Recovery	226	\$117,000	230	\$124,000	4	\$7,000
Explanation of Changes						
FY 2016 Cap Level - Spectrum Auctions Program						\$117,000
Reversal of FY 2016 New Initiatives - One-Time Requests						
FCC Headquarters Move/Restacking						-\$7,190
TV Broadcaster Relocation Fund Administrator & Related Government Compliance Work						-\$2,457
Subtotal						-\$9,647
FY 2017 Base Before Adjustments						\$107,353
Salaries and Inflationary Increases to Base						
Salary Increases - Pay Raises (1.3%)						\$482
Non-Salary Increases (1.3%) ¹						\$915
Subtotal - Salaries and Inflationary Increases to Base						\$1,397
Other Adjustment to Base						
Additional FTEs Required to Enact the Spectrum Pipeline Act of 2015 (3) ²						\$580
IT Upgrades						
Auctions System Replacement						\$3,500
Auction Warehouse						\$300
Current Auction Implementations						
3.5 GHz Auction Development and Implementation						\$1,750
ISAS Enhancements/Modifications						\$1,500
Other Auction Development and Implementation						\$1,000
Auction Security Enhancements						\$875
Spectrum Pipeline Act Development						
SAS/ESC Testing for 3.5 GHz and Beyond						\$1,250
Optimization for New Spectrum Opportunities						\$1,250
Spectrum Visualization Tools - Public Facing and Internal						\$500
Subtotal						\$12,505
One-Time Requests						
FCC Headquarters Move/Restacking						\$2,746
TOTAL REQUESTED - SPECTRUM AUCTIONS PROGRAM						\$124,000
TOTAL CHANGE						\$7,000

¹Utilized the same inflationary rate as pay raises.

²Includes Benefits.

Spectrum Auctions Program

The Omnibus Budget Reconciliation Act of 1993, P.L. 103-66, required the Commission 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 Commission initiated regulations implementing the spectrum auction authority granted by the legislation and conducted its first round of auctions in July 1994. To date the Commission has completed 87 auctions and the total amount collected for broader government use has exceeded \$94.9 billion. 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; extended through FY 2011 by the Deficit Reduction Act of 2005, P.L. 109-171; extended through FY 2012 by the DTV Delay Act (2012), P.L. 111-4; extended through FY 2022, by the Middle Class Tax Relief and Job Creation Act of 2012, P.L. 112-96; and most recently, the authority was extended for specific purposes through FY 2025, by the Bipartisan Budget Act of 2015, P.L. 114-74.

The Commission is authorized to retain funds from auction revenues 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. This budget submission assumes the auctions program will continue to recover the costs of conducting all auctions activities from spectrum license auction receipts as the Commission continues to use auctions as a licensing mechanism for spectrum-based communications services. The FY 2016 Appropriations language capped the auctions program at \$117.0 million. The FCC is requesting \$124.0 million for FY 2017 in large part to complete the necessary work required to modernize its auction IT systems and implement the Spectrum Pipeline Act of 2015 (Act or Spectrum Pipeline Act).

The Act requires the FCC to reallocate and auction 30 megahertz of spectrum identified by the Secretary of Commerce for reallocation from Federal use to non-Federal use, shared use, or a combination. The Act also appropriates funds from the Spectrum Relocation Fund to support activities by Federal entities to improve the efficiency and effectiveness of Federal use of spectrum in order to make Federal spectrum available for non-Federal use, shared use, or a combination, and requires the FCC, as part of its role on the Technical Panel, to review Federal entities' proposals for funds for these purposes. Additionally, the Act also requires the Commission to submit four separate reports to Congress. By November 2018, the Commission must submit a report on an analysis of its new rules for the innovative Citizens Broadband Radio Service in the 3550-3650 MHz band, and a report analyzing proposals to promote and identify additional bands that can be shared and identify at least 1 gigahertz of spectrum between 6 GHz and 57 GHz for such use. By January 1, 2022, the Commission must submit a report, in coordination with the Assistant Secretary of Commerce for Communications and Information, that identifies at least 50 megahertz of spectrum below 6 GHz for potential auction. Finally, by January 2, 2024, the Commission must submit a report, in coordination with the Assistant Secretary of Commerce for Communications and Information, that identifies at least an additional 50 megahertz of additional spectrum below 6 gigahertz for potential auction. Both of these latter two reports must contain an assessment of the Federal operations in such

spectrum, an estimated timeline for the competitive bidding process, and a proposed plan for balance between unlicensed and licensed use.

As a result of the spectrum provisions included in the Spectrum Pipeline Act, the Congressional Budget Office scored auction proceeds at \$4.42 billion for the period from FY 2016 through FY 2025. These upfront investment cost requests are less than one percent of the total revenue scored by the Congressional Budget Office.

The requested funding for FY 2017 is necessary to enable the Commission to continue ongoing auction activities as well as execute the mandates set forth by the Congress in the Spectrum Pipeline Act, including initiating the critical ground work necessary for the following items:

- Auctions Systems Replacement (\$3,500,000). The replacement of 10-year-old old backend database and software components that support the auction application set-up and management. Modernization of this system is critical to conform to current best practices, allow for modular builds, communicate with auction bidding systems and other Commission databases, and enable greater flexibility for future auction development. This modernization will support all future auctions.
- 3.5 GHz Auction Development and Implementation (\$1,750,000). These auctions will have a unique set of requirements, which includes auctioning more than 500,000 licenses every three years, at a minimum.
- Other Auction Development and Implementation (\$1,000,000). The Commission needs to make additional changes to the auction bidding system for other planned auctions that include an AWS-3 re-auction, millimeter wave auction(s), FM Auction 83, and FM Translators.
- Auction Security Enhancements (\$875,000). As recent news headlines have emphasized, the threat of cyber-attacks and security vulnerabilities are very real, and the Commission takes these threats and vulnerabilities very seriously. The FCC will proactively engage security engineers and architects to ensure the modernization of systems in the cloud are secure and adhere to Federal mandates and regulations to include two factor authentication. Making FCC auction systems resilient to cyber-attacks and mitigating security vulnerabilities will be a critical part of these efforts.
- SAS/ESC Testing for 3.5 GHz and Beyond (\$1,250,000). The Spectrum Access System (SAS)/Environmental Sensing Capability (ESC) are necessary components to share additional spectrum, and are necessary to protect incumbent Federal operations. These systems will first be launched for the 3.5 GHz band, and may have additional applications in the future. Because the systems will work as a dynamic frequency coordinator for millions of devices, we need to ensure they operate properly and consistently with our rules prior to approval.
- Optimization for New Spectrum Opportunities (\$1,250,000). The optimization team will help us analyze and study options for making new spectrum available, including through sharing scenarios, to ensure we are maximizing the amount of useful commercial spectrum.

They will develop optimal band plans accommodating incumbent uses and demonstrate the value of additional clearing or sharing as necessary.

- Spectrum Visualization Tools - Public Facing and Internal (\$500,000). The public has a significant interest in understanding who has the rights to different spectrum bands at different locations, and desires the ability to manipulate and analyze this data. Federal agencies would also benefit from this information as they consider sharing/relocation options. Additionally, it is critical for internal teams to have robust data, including mapping, to understand coverage and operations across the country.
- Integrated Spectrum Auctions System (ISAS) Enhancement/Modifications (\$1,500,000). It is necessary to modify the application forms for participation in each auction in response to the auction's unique requirements. This work will provide additional modernization of the primary auctions application via the ability to customize the form to support each auction.
- Auction Warehouse (\$300,000). The Commission will create a persistent data warehouse where it will host the vast amounts of data generated from each auction. Keeping the data over time will help as both a reference and a tool to continue to improve the auctions and bidding systems.

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. As required by the law, each year the FCC provides the spectrum auctions expenditures report for the preceding fiscal year to Congress by the statutory deadline of September 30 of the following fiscal year. The following table shows available auction cash for the respective fiscal years.

Spectrum Auctions Activities

Fiscal Years 2010 - 2015

Dollars in Thousands

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning Cash Balance as of October 1	\$86,739	\$217,280	\$199,151	\$166,489	\$69,071	\$317,931
Current Year Net Cash	164,049	23,581	(18,801)	(90,057)	252,796	11,115,179
Less:						
Deferred Revenue as of September 30 ¹	(33,210)	(41,412)	(13,136)	(6,760)	(3,318)	(10,919,416)
Deposit Liability - Refunds as of September 30 ²	(298)	(298)	(725)	(601)	(618)	(238)
Available Cash as of September 30	<u>\$217,280</u>	<u>\$199,151</u>	<u>\$166,489</u>	<u>\$69,071</u>	<u>\$317,931</u>	<u>\$513,456</u>

¹Cash associated with licenses that have not been granted as of stated date.

²Upfront auction deposits not refunded as of stated date.

Summary of Distribution of Resources - Spectrum Auctions Program

SPECTRUM AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY INCLUDING OFFICE OF INSPECTOR GENERAL

(Dollars in Thousands)

<u>Object Classification Description</u>	<u>FY 2015 Actuals</u>	<u>FY 2016 Enacted</u>	<u>FY 2017 Congressional Request</u>
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$27,040	\$28,850	\$29,678
Personnel benefits (12.0)	7,740	8,184	8,418
Sub-Total Personnel Compensation & Benefits	\$34,780	\$37,034	\$38,096
Other Expenses:			
Benefits for former personnel (13.0)	\$8	\$11	\$11
Travel & transportation of persons (21.0)	320	525	531
Transportation of things (22.0)	7	8	8
Rent payments to GSA (23.1)	6,708	6,090	6,169
Communications, utilities, & misc. charges (23.3)	1,423	1,512	1,532
Printing and reproduction (24.0)	209	174	177
Other services from non-Federal sources (25.2)	14,699	22,837	26,718
Other goods & services from Federal sources (25.3)	567	5,757	2,770
Operation & maintenance of equipment (25.7)	40,754	41,216	46,127
Supplies and materials (26.0)	556	248	252
Equipment (31.0)	745	1,583	1,604
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	4	5	5
Sub-Total Other Expenses	\$66,000	\$79,966	\$85,904
Total Auctions Cost Recovery Reimbursable Authority:	\$100,780	\$117,000	\$124,000

Spectrum Auctions Expenditures Report

Section 309(j) of the Communications Act permits the Commission to utilize funds raised from auctions to fund auction purchases, including contracts for services, and personnel performing work in support of Commission auctions authorized under that section. The FCC's Office of General Counsel (OGC) and Office of Managing Director (OMD) provide direction to FCC employees attributing hours for this purpose. The House of Representatives and Senate Appropriations Committees review and set a yearly cap for the spectrum auctions program. The requested cap level for FY 2017 is \$124,000,000 in furtherance of making more spectrum available for commercial use and to implement the requirements mandated by Congress in the Spectrum Pipeline Act of 2015. This request is an increase of \$7,000,000 from the FY 2016 cap level of \$117,000,000.

The Commission's spectrum auctions expenditures support efficient licensing while also contributing funds to the U.S. Treasury and providing direct support to other broader government programs. In particular, in the Middle Class Tax Relief and Job Creation Act of 2012, Congress directed that proceeds from certain spectrum auctions, including auctions of licenses covering spectrum offered in the H-Block, AWS-3, and Incentive Auctions, fund certain public safety related programs and contribute to deficit reduction. Specifically, Congress directed that the net proceeds from these auctions be distributed as follows: \$135 million for a state and local FirstNet implementation fund, \$7 billion for FirstNet build out, \$115 million for 911, E911, and NG911 implementation, \$300 million for public safety research, and \$20.4 billion plus any additional proceeds for deficit reduction.

The FCC has transferred \$18.6 billion to the Public Safety Trust Fund to fund the state and local FirstNet implementation, the FirstNet buildout, and part of the public safety research program. The amount transferred to the Public Safety Trust Fund also includes \$12.6 billion for deficit reduction. The AWS-3 auction included repurposed Federal spectrum that Federal agencies either relocated from or will be sharing with AWS-3 licensees. As required, a portion of the proceeds from the auction were deposited into the Spectrum Relocation Fund to support Federal agency relocation and/or sharing. The FCC deposited \$11.5 billion into the Spectrum Relocation Fund from the AWS-3 auction for this purpose.

As of September 30, 2015, the Commission has raised more than \$94.9 billion in auctions revenues since initiating the program in 1994. During this period, the auctions expenses have been less than two percent of the Commission's total auctions revenues. The Commission operated the auctions program for 10 years under a cap without any inflationary adjustments, only receiving increases in FYs 2013 through 2016 to fund the implementation costs for the incentive auctions and to fund the necessary expenses associated with moving to a new facility or reconfiguring the existing space to significantly reduce space consumption.

Spectrum auctions activities are performed agency-wide and are Information Technology (IT) intensive, as reflected in our Spectrum Auctions Expenditures Reports, which are provided to Congress on an annual basis. For example, the Incentive Auction team is composed of staff from across the Commission, including the Wireless Telecommunications Bureau, Media Bureau, International Bureau, Office of Engineering and Technology, Office of the Managing Director, and Office of General Counsel. Auctions funds also cover the program's share of Commission

operating expenses. The FCC uses these funds to enable successful auctions and expends them in a manner consistent with that objective.

In the practice of cost accounting, costs are identified as one of the following: (1) direct cost, (2) indirect cost, or (3) generally allocated cost. The methodology for deriving the proportional share of generally allocated administrative costs to be charged to the auctions program is based on the Commission's time reporting system and Generally Accepted Accounting Principles. The allocation is based on the percentage of actual hours that employees worked to support the auction program plus the same proportional share of the employee's indirect hours (leave hours). This full time equivalent (FTE) rate is applied to costs that benefit the Commission as a whole. These items that are allocated by the FTE rate include Commission-wide information technology systems, guard service, administrative facility services, supplies, furniture, equipment, and human resources training activities. The FCC has maintained an average of 14 percent for this purpose, with minor deviations.

In FY 2015, the Commission conducted two spectrum auctions: the Advanced Wireless Services (AWS-3) licenses auction of 65 megahertz of spectrum in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz bands that netted a total of \$41.3 billion and an auction of 29 FM Broadcaster Construction Permits that netted \$4.1 million.

Although the Commission is engaged in planning for a number of future auctions, the Commission's primary auctions focus in 2016 is on implementing the incentive auction process, in which bidding is currently scheduled to begin on March 29, 2016. The creation and adoption of rules and procedures for this first-ever two-sided auction of spectrum by the government has been substantially completed. The design and development of critical software to implement the incentive auction, which involves two separate but interdependent auctions – a reverse auction, which will determine the price at which broadcasters will voluntarily relinquish their spectrum usage rights, and a forward auction, which will determine the price the carriers are willing to pay for flexible use of wireless licenses, are also largely completed. The linchpin joining the reverse and the forward auctions is the “repacking” process. Repacking involves reorganizing and assigning channels to the remaining broadcast television stations in order to create contiguous blocks of cleared spectrum suitable for flexible use. The repacking component of this auction makes it uniquely, computationally complex, requiring additional software, cloud computing resources, and the assistance of skilled computer scientists, software engineers, and technology security experts. The design and development of those resources, which are critical to the implementation of the auction, is ongoing but largely complete.

Given the level of interest in the incentive auctions, with the involvement of both the broadcast and wireless communities, and the novelty and uniqueness of the auction, intense efforts in FYs 2016 and 2017 will be related to administering the auction process, including accepting and reviewing reverse and forward auction applications; developing and conducting bidder training and outreach; accepting and reviewing final applications for winning bidders in both the forward and reverse auctions; monitoring and supporting the bidding process; disbursing auction proceeds to winning bidders in the reverse auction; issuing licenses to winning wireless bidders and modifying licenses for broadcasters who are changing channels or voluntarily changing bands; and terminating licenses for those who voluntarily choose to cease broadcasting. Finally, staff must design and manage the repacking and transition process for clearing the appropriate portions of the band of broadcast licenses so it can be repurposed for broadband use.

The window for the reverse auction applications opened on December 8, 2015 and closed on January 12, 2016. Prior to the start of the reverse auction application window, the Commission engaged in a number of educational efforts to broadcasters. An online tutorial on the reverse auction application was made available, and additional tutorial segments will be added to walk broadcasters through the bidding process and the post-auction procedures. Also, an application process workshop was held to cover information related to the pre-auction process. During this workshop, participants were given the opportunity to ask questions following the presentation and appropriate FCC contact information was provided for any additional follow-up questions.

The window for the forward auction applications opened on January 27, 2016 and will close on February 10, 2016. Prior to the window for forward auction applications, the Commission conducted education and outreach efforts to familiarize potential forward auction bidders with new rules for competitive bidding that will affect the information collected on auction applications, including holding a webinar, posting an online tutorial, and providing detailed instructions for completing the application. As with the reverse auction, additional tutorial segments will be added to walk prospective bidders through the forward auction bidding process. The Commission has also released specifications for Auction System data file formats for the clock phase of the forward auction.

In January 2016, the Commission also launched a new website to serve as a repository of information on the broadcast incentive auction. The new website includes a range of materials that explains why the Commission is conducting the incentive auctions, how these auctions will benefit the public, and how the process works from end-to-end. The website provides information to educate consumers about what they will need to do to enjoy the over-the-air television stations once the auction has concluded. The new website features a section on “Frequently Asked Questions” for consumers, a calendar of key dates and events, and a “Resources” page where the public can easily access decisions and documents on the incentive auction. For potential participants in the incentive auction, the new website also provides a link to the FCC’s broadcast incentive auction page where they can easily find needed resources such as the application form, tutorials, and other related information. This new website will also serve as a key component of the Commission’s post-auction consumer education efforts to enhance a smooth transition for over-the-air TV viewers.

In addition, the Commission continues to plan for future auctions, including the re-auction of certain AWS-3 licenses, the auction of a number of FM allocations, and the creation of a new auction for Citizens Broadband Radio Service (CBRS) licenses. The CBRS auctions will involve over 500,000 licenses and will take place every three years, at a minimum. The Commission is also working to update and modernize its overall auctions system to be prepared to quickly hold new auctions when additional spectrum is made available.

Finally, the global race is on for so-called “5G” technologies and services, and the Commission is positioned to help ensure the United States will maintain its leadership in wireless through this transition. The Commission is bracing for this challenge by recently adopting a notice of proposed rulemaking proposing rules for four bands above 24 GHz for future wireless broadband services. Although the technology is still in development, the Commission is creating a flexible space in which these technologies can evolve, take hold, and explode across the U.S. The Commission’s “spectrum frontiers” proceeding proposes to authorize 3,850 megahertz of spectrum for mobile and other services on a flexible use basis.

The demand for spectrum continues to grow, and making licenses available for new use through auctions is therefore one of the Commission's highest priorities. In addition to executing this mission in coordination with Federal agencies, the Congress has also set the mandates for providing more spectrum for non-Federal use, and the Commission is embracing those challenges. To execute the mandates set forth by Congress in the first-ever incentive auction and in the Spectrum Pipeline Act, and to develop and implement requirements for the wireless technologies of the future, additional resources are critical to maintaining the talent pool already at the Commission and for attracting new thinkers for tomorrow's wireless technologies. The Commission also needs additional resources to develop new or improve our auctions information technology infrastructure to sustain the planned spectrum auctions in the future. These small investments made now will provide great returns in the future as evidenced by the Congressional Budget Office scoring auction proceeds related to the Spectrum Pipeline Act at \$4.42 billion for the years from FY 2016 through FY 2025.

The estimated FTE levels for the spectrum auctions program for FYs 2015 through 2017 are shown on page 15. At the end of the Spectrum Auctions section is a crosswalk showing how spectrum auctions program funds will be utilized in FY 2017.

Spectrum Auctions and Collections

Fiscal Years 1994 through 2015

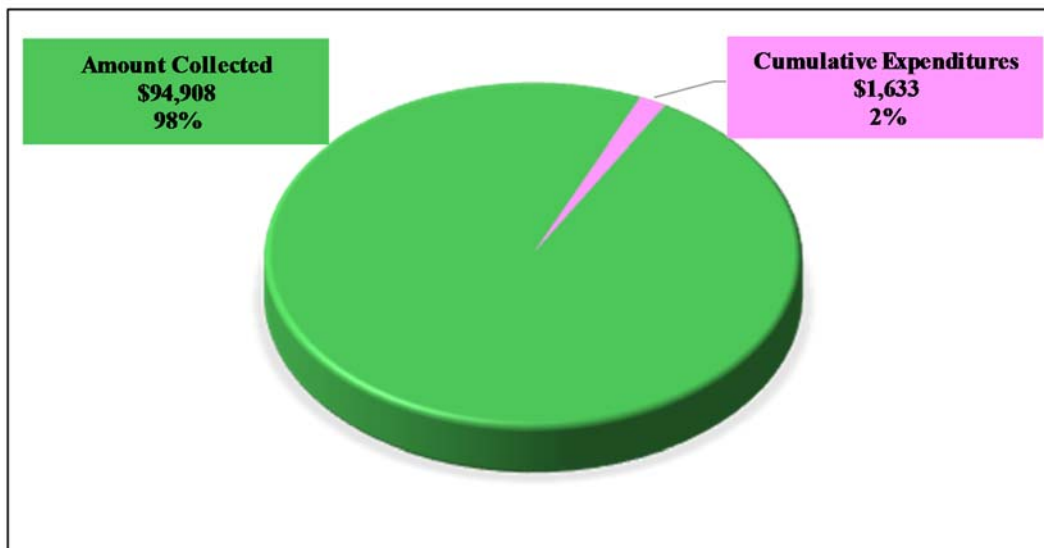
As of September 30, 2015

Fiscal Year	Number of Auctions	Number of Licenses Won	Amount Collected
1994	2	604	\$652,954,213
1995	2	129	8,234,321,194
1996	6	2,026	2,019,376,024
1997	4	1,614	2,205,922,232
1998	2	1,388	860,878,576
1999	6	1,693	499,598,445
2000	8	4,403	1,335,043,185
2001	4	3,447	583,599,901
2002	7	7,036	135,630,842
2003	7	3,144	77,121,620
2004	5	267	126,790,232
2005	6	2,803	2,208,332,556
2006	5	1,284	13,834,972,696
2007	5	293	163,429,971
2008	3	1,144	18,987,705,659
2009	2	115	5,597,028
2010	3	4,788	25,972,328
2011	3	126	31,491,503
2012	1	93	3,869,571
2013	2	3,197	5,775,135
2014	2	186	1,564,594,550
2015	2	1,713	41,344,729,025
Totals	87	41,493	\$94,907,706,486

Spectrum Auctions – Collections vs. Expenditures

Fiscal Years 1994 through 2015

(Dollars in Millions)



Cumulative Expenditures includes the amount appropriated for FY 2016.

Crosswalk - Summary of Changes for Spectrum Auctions Program

(Dollars in Thousands)

	FY 2016 Enacted	Adjustment to the Baseline	Inflation		Increases to Operations Baseline	One-Time Costs	FY 2017 Congressional Request
			Personnel	Non-Salary			
Consumer & Governmental Affairs Bureau	\$125	\$0	\$0	\$2	\$0	\$0	\$126
International Bureau	\$335	\$0	\$0	\$0	\$0	\$0	\$335
Media Bureau	\$5,982	\$0	\$0	\$78	\$0	\$0	\$6,060
Public Safety & Homeland Security Bureau	\$42	\$0	\$0	\$1	\$0	\$0	\$43
Wireless Telecommunications Bureau	\$11,037	\$0	\$0	\$143	\$0	\$5,750	\$16,930
Office of General Counsel	\$3	\$0	\$0	\$0	\$0	\$0	\$3
Office of Managing Director	\$54,990	-\$2,457	\$0	\$687	\$0	\$6,175	\$59,395
Office of Media Relations	\$34	\$0	\$0	\$0	\$0	\$0	\$34
Compensation & Benefits	\$37,000	\$0	\$482	\$0	\$580	\$0	\$38,062
Office of Inspector General	\$262	\$0	\$0	\$3	\$0	\$0	\$265
HQ Move/Restack	\$7,190	-\$7,190	\$0	\$0	\$0	\$2,746	\$2,746
TOTAL	\$117,000	-\$9,647	\$482	\$915	\$580	\$14,671	\$124,000

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ECONOMY ACT REIMBURSABLE AGREEMENTS

In FY 2015, the Commission earned approximately \$1 million in Economy Act Reimbursable Agreements with other Federal agencies. The Commission has agreements ranging from \$5 thousand to \$550 thousand with other agencies such as the U.S. Coast Guard, National Telecommunications and Information Administration, and many others. The Commission estimates that in FYs 2016 and 2017, reimbursable agreements will total approximately \$4 million for each fiscal year.

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FEE COLLECTIONS

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Regulatory Fee

P.L. 103-66, “the Omnibus Budget Reconciliation Act of 1993,” requires that the Commission annually collect fees and retain them for Commission 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 application 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 1, 2015, pursuant to an order adopted and released by the Commission on September 1, 2015.

Availability of Regulatory Fee

Appropriations language for FY 2016 prohibits the Commission from using any excess offsetting collections received in FY 2016 or any prior years. The Commission proposed the same treatment of excess collections in its FY 2017 budget request. As of September 2015, the Commission has collected just over \$98 million in excess regulatory fees in total.

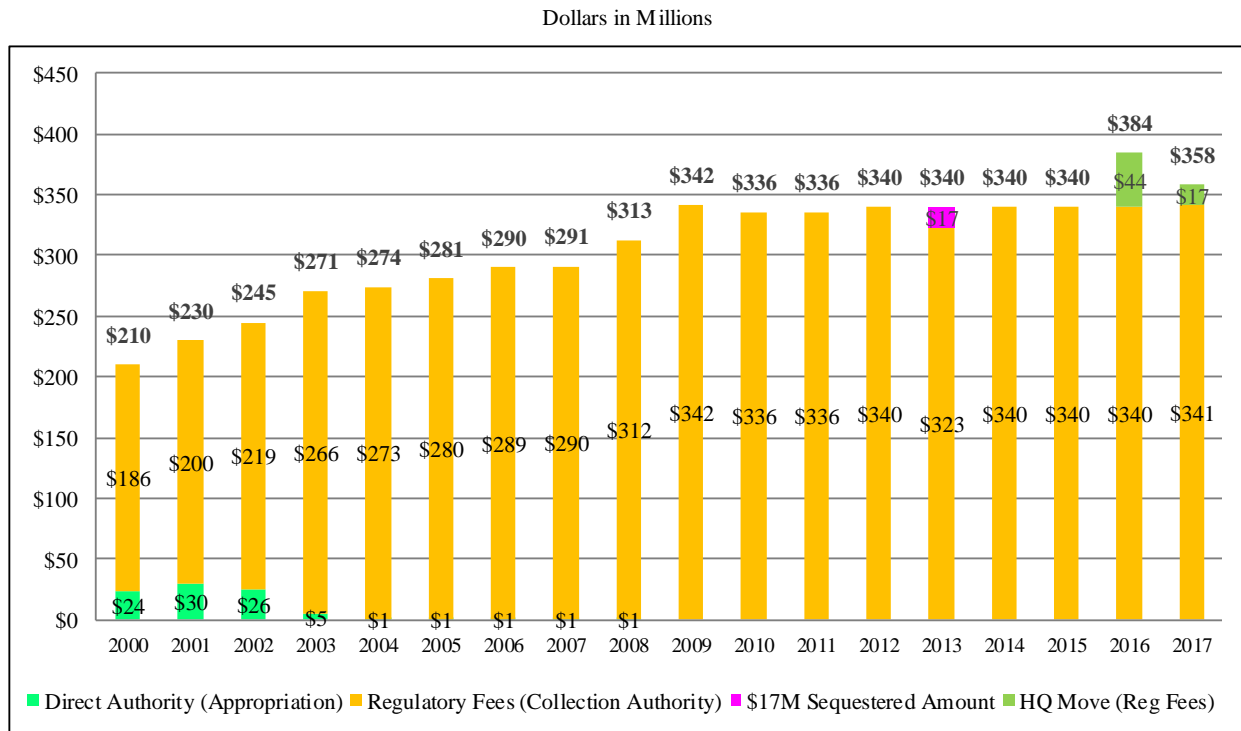
The Commission receives an annual Salaries and Expenses appropriation. On March 1, 2013, the Office of Management and Budget (OMB) issued a report to Congress on sequestration for FY 2013. For the FCC, this translated into a \$17 million reduction in new budgetary authority. The sequestered amount is currently in offsetting collections and the availability of this fund is subject to appropriation authority.

The FY 2016 enacted appropriation maintained regulatory fees at the \$339.8 million level for Salaries and Expenses, and also included a provision to make available another \$44.2 million in regulatory fees for the necessary expenses associated with moving to a new facility or reconfiguring the existing space to significantly reduce space consumption. The FY 2016 enacted appropriation

increased regulatory fees to the \$384.0 million level, and the current FY 2017 budget proposes a decrease of regulatory fees to \$358.3 million. These regulatory fee levels will support Commission-wide goals that will allow the Commission 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 following graph.

Historical Distribution of Appropriated Budget Authority

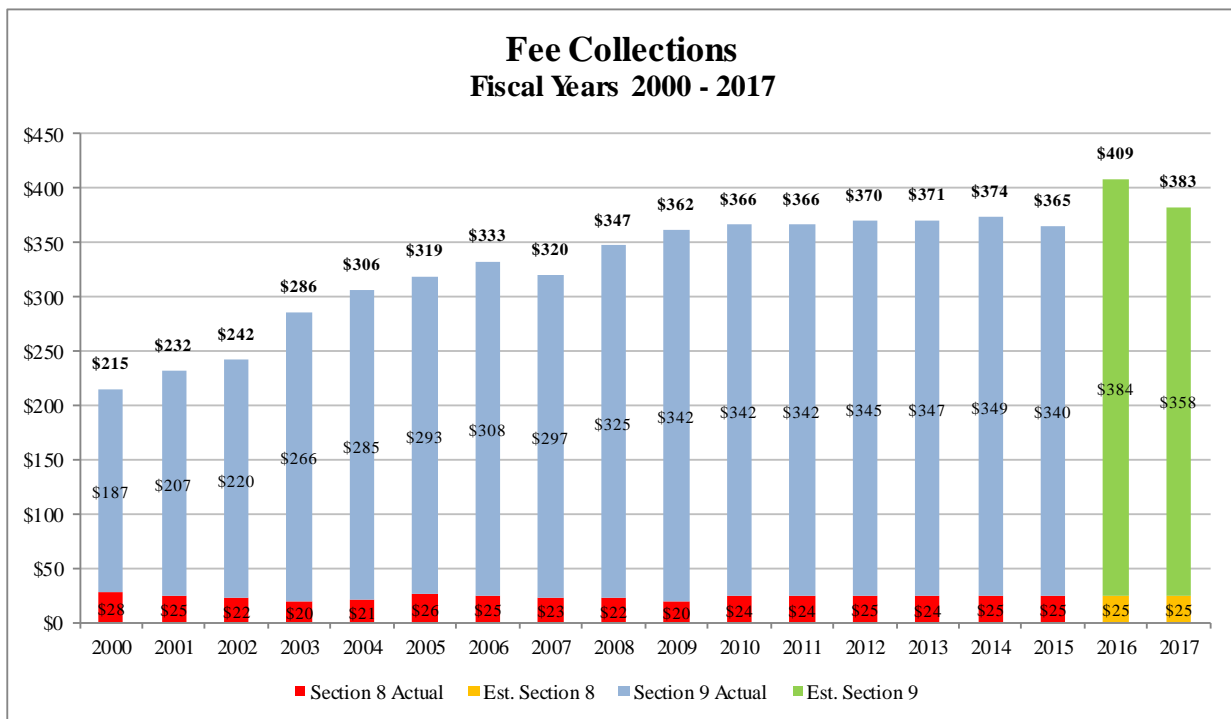
The following graph depicts the historical distribution of appropriated budget authority since Fiscal Year 2000.



In FYs 2016 and 2017, \$44 million and \$17 million, respectively, are for the necessary expenses associated with moving the FCC headquarters to a new facility or reconfiguring the existing space to significantly reduce space consumption. In FY 2013, FCC's appropriated budget authority was reduced by \$17 million due to the FY 2013 sequestration order implemented on March 1, 2013 as required by the Budget Control Act of 2011. The amount shown for FY 2013 in the above graph includes the \$17 million sequestered amount.

Application Processing Fee

Since FY 1987, the Commission has collected and deposited application processing fees, often referred to as Section 8 fees, into the General Fund of the U.S. Treasury. These fees are intended to recover a substantial portion of the costs of the Commission’s application 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 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). The most recent Order increasing application fees to reflect changes in the CPI index was adopted by the Commission on March 24, 2014, and released on March 25, 2014. This adjustment complies with the statutory formula set forth in Section 8(b). Application Processing Fee Collections (Section 8) and Regulatory Fee collections are summarized in the following graph.



In FY 2016, \$44 million is dedicated for the necessary expenses associated with moving the FCC headquarters to a new facility or reconfiguring the existing space to significantly reduce space consumption. In FY 2017, \$17 million is dedicated for that same purpose.

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PERFORMANCE PLAN

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PERFORMANCE PLAN

Mission

As specified in section one of the Communications Act of 1934, as amended, the Federal Communications Commission's (FCC or Commission) mission is to "make available, so far as possible, to all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex, rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges."¹ In addition, section one provides that the Commission was created "for the purpose of the national defense" and "for the purpose of promoting safety of life and property through the use of wire and radio communications."²

Vision Statement

The FCC's vision is to promote the expansion of competitive telecommunications networks, which are a vital component of technological innovation and economic growth, and to protect and promote the network compact, including consumer protection, competition, universal access, public safety, and national security - while ensuring that all Americans can take advantage of the services that networks provide.

About the Federal Communications Commission

The FCC is an independent regulatory agency of the United States Government. The FCC is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The Commission also regulates telecommunications and advanced communication services and video programming for people with disabilities, as set forth in various sections of the Communications Act.

The FCC is directed by five Commissioners appointed by the President and confirmed by the Senate for five-year terms, except when filling the unexpired term of a previous Commissioner. Only three Commissioners can be from the same political party at any given time. The President designates one of the Commissioners to serve as Chairman.

The FCC is organized by function. There are seven Bureaus and ten Offices. The Bureaus and the Office of Engineering and Technology process applications for licenses to operate facilities and provide communications services; analyze complaints from consumers and other licensees; conduct investigations; develop and implement regulatory programs; and organize and participate in hearings and workshops. Generally, the Offices provide specialized support services. The Bureaus and Offices are:

- **The Consumer & Governmental Affairs Bureau** develops and implements consumer policies, including disability access and policies affecting tribal nations. The Bureau serves as the public face of the Commission through outreach and education, as well as responding to consumer inquiries and complaints. The Bureau also maintains collaborative partnerships with

¹ 47 U.S.C. § 151.

² *Id.*

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

- **The Enforcement Bureau** enforces the Communications Act and the FCC's rules. It protects consumers, ensures efficient use of spectrum, furthers public safety, promotes competition, and protects the integrity of FCC programs and activities from fraud, waste, and abuse.
- **The International Bureau** administers the FCC's international telecommunications and satellite programs and policies, including licensing and regulatory functions. The Bureau promotes pro-competitive policies abroad, coordinating the FCC's global spectrum activities and advocating U.S. interests in international communications and competition. The Bureau works to promote a high-quality, reliable, globally interconnected, and interoperable communications infrastructure.
- **The Media Bureau** recommends, develops, and administers the policy and licensing programs relating to electronic media, including broadcast, cable, and satellite television in the United States and its territories.
- **The Public Safety & Homeland Security Bureau** develops and implements policies and programs to strengthen public safety communications capabilities that assist the public, first responders, the communications industry, and all levels of government in preparing for and responding to emergencies and major disasters.
- **The Wireless Telecommunications Bureau** is responsible for wireless telecommunications programs and policies in the United States and its territories, including licensing and regulatory functions. Wireless communications services include cellular, paging, personal communications, and other radio services used by businesses and private citizens. The Bureau also conducts auctions of spectrum licenses.
- **The Wireline Competition Bureau** develops and recommends policies and licensing programs for wireline telecommunications, including telephone landlines, and fixed (as opposed to mobile) broadband, striving to ensure choice, opportunity, and fairness in promoting the development and availability of these services. The Bureau has particular responsibility for the Universal Service Fund, a public-private partnership that helps connect all Americans to communications networks.
- **The Office of Administrative Law Judges** is composed of one judge (and associated staff) who presides over hearings and issues decisions on matters referred by the FCC.
- **The Office of Communications Business Opportunities** promotes competition and innovation in the provision and ownership of telecommunications services by supporting opportunities for small businesses as well as women and minority-owned communications businesses.
- **The Office of Engineering and Technology** advises the FCC on technical and engineering matters. This Office develops and administers FCC decisions regarding spectrum allocations and grants equipment authorizations and experimental licenses.

- **The Office of the General Counsel** serves as the FCC's chief legal advisor.
- **The Office of the Inspector General** conducts and supervises audits and investigations relating to FCC programs and operations.
- **The Office of Legislative Affairs** serves as the liaison between the FCC and Congress, as well as other Federal agencies.
- **The Office of the Managing Director** administers and manages the FCC.
- **The Office of Media Relations** informs the media of FCC decisions and serves as the FCC's main point of contact with the media.
- **The Office of Strategic Planning and Policy Analysis** works with the Chairman, Commissioners, Bureaus, and Offices in strategic planning and policy development for the agency. It also provides research, advice, and analysis of complex, novel, and non-traditional economic and technological communications issues.
- **The Office of Workplace Diversity** ensures that the FCC provides employment opportunities for all persons regardless of race, color, sex, national origin, religion, age, disability, or sexual preference.

Strategic Goals

The FCC is responsible to Congress and the American people for ensuring an orderly policy framework within which communications products and services can be efficiently and effectively provided to consumers and businesses. Equally important, the FCC must also address the communications needs of public safety, health, and emergency operations; ensure the universal availability of broadband and telecommunications services; make communications services accessible to all people; and protect and empower consumers in the communications marketplace.

In FY 2016, the Commission revised its strategic goals to reflect the focus of effort and resources on the broadband network revolution that is affecting our commerce and culture. The Commission's revised strategic goals are:

1. Promoting Economic Growth and National Leadership
2. Protecting Public Interest Goals
3. Making Networks Work for Everyone
4. Promoting Operational Excellence

What the FCC Commits to Accomplish in FY 2017

In implementing its strategic goals, the FCC identified 17 strategic objectives. Each objective has associated performance goals and targets.

Promoting Economic Growth and National Leadership

Strategic Objective 1.1: Develop and implement flexible, market-oriented spectrum allocation and assignment policies, such as incentive auctions and unlicensed uses, which promote innovation, investment, jobs and consumer benefits.

Performance Goals and Targets:

- 1.1.1 Pursue spectrum allocation and license assignment policies to achieve the effective and efficient use of spectrum, including the implementation of incentive auctions.
 - Conduct auctions of licenses for electromagnetic spectrum as directed through statutory mandate or Commission decision.
 - Complete transfer of all eligible auctions revenues to the U.S. Treasury within 30 days of license grant.
 - Provide opportunities for innovative and experimental use of spectrum.
 - Advocate adoption of flexible spectrum allocation and other market-oriented spectrum policies internationally.
- 1.1.2 Ensure that all activities related to an incentive auction of broadcast television spectrum that repurposes a large swath of spectrum to more flexible uses, including mobile broadband, are managed effectively.

- Follow through on auction and post-auction activities that successfully license the auction winners and minimize disruption to incumbents.

1.1.3 Conduct effective and timely spectrum licensing and equipment authorization activities.

- Process 95% of routine non-media spectrum license applications, public safety spectrum license applications, and equipment approvals within 90 days of receipt.
- Take enforcement action in appropriate cases against violations of spectrum-related rules, such as interference and unauthorized use of frequencies.

Strategic Objective 1.2: Ensure effective policies are in place to promote and protect competition and remove barriers to investment.

Performance Goals and Targets:

1.2.1 Evaluate and report on the competitive environment for communications services, and act in instances where the data show that competition is threatened.

- Develop and publish reports, by deadlines established in legislation or Commission policy that provide information concerning competition in the telecommunications, broadcast, cable, commercial wireless, and satellite industries, and develop measures to address concerns where appropriate.

1.2.2 Ensure expeditious and thorough review of proposed transactions to ensure they promote competition and serve the public interest.

- Review, process and resolve applications for transfer of control and assignment of licenses in a timely manner.
- Ensure decisions concerning mergers and transactions cite relevant facts and sources of information, clearly convey the basis for decisions, and are made within 180 days in most cases.

Strategic Objective 1.3: Promote interconnection of networks and terminal equipment on technically sound and economically efficient bases.

Performance Goals and Targets:

1.3.1 Employ strategies to encourage investment in networks and services by existing providers, while encouraging participation in broadband markets by new and non-traditional participants.

- Initiate or complete rulemaking actions that provide opportunities for innovations in broadband services.
- Coordinate with industry and academia to identify research opportunities and impediments towards broadband deployment.

Protecting Public Interest Goals

Strategic Objective 2.1: Protect and promote Internet openness for consumers, edge providers and all stakeholders.

Performance Goals and Targets:

2.1.1 Maintain a broadly available, fast and robust Internet that serves as a platform for economic growth, investment, innovation, free expression, and competition.

- Adopt and implement FCC rules that preserve the open Internet as a level playing field for all Americans.
- Participate in international meetings, conferences, and activities to promote a global free and open Internet.

Strategic Objective 2.2: Facilitate the transition from circuit-switched networks to Internet Protocol (IP)-based networks in a way that preserves public interest goals.

Performance Goals and Targets:

2.2.1 Consider rule changes that promote investment in next generation networks in a manner that sustains competition, consumer protection, universal access, public safety and national security.

- Decisions will be fact-based, relying on ongoing fact-gathering initiatives and on data analysis.

Strategic Objective 2.3: Protect the public interest through the promotion of competitive markets, and take action where competition is not sufficient to protect the public interest, including ensuring that consumers remain informed, protected and empowered while harnessing the benefits of networks.

Performance Goals and Targets:

2.3.1 Promote competitive choices for wireless, satellite, and wireline voice and data service providers, for domestic and international services, and for multichannel video programming.

- Develop and promulgate Commission policies designed to increase consumer's competitive choices for broadband voice and data, and multichannel video programming equipment and services.
- Promote compliance with rules designed to maximize competitive choices by taking enforcement action in appropriate cases.

Strategic Objective 2.4: Promote competition, localism, and diversity within the media marketplace.

Performance Goals and Targets:

2.4.1 Buttress diversity initiatives and improve existing data collection to better inform regulatory actions.

- Bolster the Commission’s diversity initiatives, including initiatives related to minority/female access to capital, in coordination with Office of Communications Business Opportunities.
- Implement updates to Broadcast Ownership Form (Form 323) to better track diversity of ownership.
- Continue review of impact of Shared Services Agreements on competition, localism, and diversity.

Strategic Objective 2.5: Administer broadcast licensing policies that facilitate a vibrant local media marketplace.

Performance Goals and Targets:

2.5.1 Review transactions proposing to transfer the control of Commission broadcast licenses to protect public interest goals.

- Promote clear and consistent application of public interest standards, including appropriately constructed and effectively applied conditions to remedy public interest harms that would otherwise occur if a transaction were approved as proposed.

2.5.2 Follow through on post-incentive auction repacking and reimbursement efforts for remaining broadcasters.

Strategic Objective 2.6: Work with industry and government partners to enhance the cybersecurity of our nation’s critical communications infrastructure.

Performance Goals and Targets:

2.6.1 Work with private sector stakeholders to create a new regulatory paradigm of business-driven cybersecurity risk management.

- Promote effective sharing of information about cyber threats and vulnerabilities in the communications sector.
- Develop risk management processes to tailor the National Institute of Standards and Technology Cyber Security Framework for the communications sector.

Strategic Objective 2.7: Promote access to effective public safety communications services across a range of platforms by public safety, health, defense, and other emergency personnel, as well as all consumers in need.

Performance Goals and Targets:

2.7.1 Enhance communications and media network reliability, including emergency preparedness and disaster management practices.

- Ensure that communications networks are available during emergencies and crises by developing reliability standards and enforcing network outage reporting requirements.
- Ensure that consumers have access to advanced public safety services in an emergency by reviewing service provider compliance and outage reports and taking enforcement action where appropriate.
- Participate in international meetings, conferences, and activities to promote the continued reliability of the global communications infrastructure.
- Implement rules to ensure accessibility of emergency information to the public, including persons with disabilities.

2.7.2 Promote the deployment of nationwide, reliable, interoperable broadband public safety capabilities.

- Adopt and implement Commission rules that promote the deployment and operation of a common, interoperable broadband infrastructure for America's first responders.
- Preserve the integrity of public safety communications infrastructure by taking action on 99% of complaints of interference to public safety communications within one day.

2.7.3 Implement and enforce rules to ensure the nationwide availability of reliable and effective 911, Enhanced 911 (E911), and Next Generation 911 (NG911) service.

- Promote compliance with the Commission's rules by taking action, where appropriate, on all new complaints and referrals concerning the Commission's 911, E911, and NG911 rules.

2.7.4 During a crisis, work closely with our federal partners such as Federal Emergency Management Agency (FEMA) and the National Communications System to provide situational awareness data from the Disaster Information Reporting System (DIRS) or data derived from the operation of Project Roll Call equipment.

- Provide all staff resources necessary during a crises to gather and provide data from DIRS and Project Roll Call.

Making Networks Work for Everyone

Strategic Objective 3.1: Maximize availability of broadband to all - including low income Americans, those in rural areas and tribal lands, and individuals with disabilities.

Performance Goals and Targets:

3.1.1 Support and facilitate the development, deployment, and adoption of broadband services across multiple platforms.

- Carry out rulemakings, spectrum reallocation, and license modifications as needed to ensure that the growing demand for wireless broadband services, including satellite-delivered broadband, is met.
- Expeditiously review and issue spectrum licenses to qualified auction winners, promoting the expanded deployment of broadband services.
- Take concrete steps to increase broadband availability and innovative uses of broadband in addressing critical national priorities.
- Adopt an order that incorporates broadband into the Lifeline program.
- Release a Broadband Progress Report that considers the importance of broadband adoption as part of the required analysis, including a report on broadband adoption rates.

3.1.2 Work in partnership with state, local, and tribal governments, and consumer and industry groups, to promote broadband availability to all Americans, including consumers in rural and high cost areas and people with disabilities.

- In coordination with state, local, and tribal governments, and consumer and industry groups, conduct outreach activities to educate the public concerning the Commission's broadband initiatives, including those promoting universal service.
- Work collaboratively across FCC Offices and Bureaus to identify and address tribal and native community communications issues, including barriers to entry that operate against tribal broadband deployment and adoption.
- Coordinate with other federal agencies on rules and policies designed to achieve access by people with disabilities to communications and information technologies.
- Promote effective policy and regulatory solutions that encourage broadband adoption in connection with health Information Technology (IT).

Strategic Objective 3.2: Ensure that universal service programs keep up with changing technologies and are well managed, efficient and fiscally responsible.

Performance Goals and Targets:

3.2.1 Continue reform and modernization of the universal service programs to reflect technological developments and changes in the market.

- Promote affordable access to voice and high-speed broadband networks to communities in rural America through implementation of the Connect America Fund and experiments in building next-generation networks in rural areas.
- Improve access to healthcare for rural Americans through implementation of the Healthcare Connect Fund and efforts of the Connect2Health Task Force.
- Ensure low-income Americans have access to affordable communications services through the Lifeline program.

Strategic Objective 3.3: Ensure that all schools and libraries have affordable access to modern broadband technologies through a well-managed, efficient and fiscally responsible E-rate program.

Performance Goals and Targets:

3.3.1 Modernize the E-rate program to effectively meet the needs of 21st century schools and libraries.

- Focus funding on delivering faster broadband speeds to schools and libraries and WiFi throughout to support digital learning in schools and robust connectivity for all libraries.
- Maximize the cost-effectiveness of spending for E-rate supported purchases.
- Make the E-rate application process and other E-rate processes as fast, simple and efficient as possible, consistent with appropriate oversight.

Strategic Objective 3.4: Ensure that the benefits of networks are harnessed to address the needs of Americans with disabilities.

Performance Goals and Targets:

3.4.1 Engage persons with disabilities through outreach and education initiatives to facilitate informed choice in the telecommunications and media marketplace.

- Develop Commission rules and policies to ensure that new technologies and services are accessible to persons with disabilities.
- Monitor and maintain a clearinghouse database of accessible products and services.

Promoting Operational Excellence

Strategic Objective 4.1: Effectively manage the FCC's information technology, financial, and human resources to best achieve the FCC's mission.

Performance Goals and Targets:

4.1.1 Improve Commission systems to make information readily available to agency management for decision making.

- Ensure that internal information systems provide timely and easily-accessible data to FCC managers.

4.1.2 Upgrade and enhance technology and tools used by Commission staff to carry out the agency's mission.

- Provide FCC staff with information technology hardware, systems and training to create an efficient and effective workforce.
- Continue developing custom-adapted investigative tools that enable the FCC to timely resolve interference and take appropriate enforcement action across a wide range of services.

- Provide FCC staff with a secure digital infrastructure and maintain a high level of cybersecurity readiness and presence.
- 4.1.3 Conduct a program of continuous review and evaluation to assure that all financial 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.
- 4.1.4 Develop targeted skills and competencies for FCC employees through appropriate career development aligned with the Commission’s strategic goals.
- Provide a robust selection of training opportunities for Commission employees and encourage employee participation.
 - Continue development and implementation of initiatives at the Commission.
 - Continue reevaluation and implementation of the FCC’s Strategic Human Capital plan.

Strategic Objective 4.2: Improve the efficiency and effectiveness of the FCC’s operations in serving the American public.

Performance Goals and Targets:

- 4.2.1 Implement process reform recommendations from internal and external stakeholders.
- Enhance the accountability of the decision-making process at the FCC by establishing smart internal deadlines and updating our tracking systems to better monitor and report on the status of open items.
 - Expedite the licensing process and reduce the amount of information applicants need to file, with the aim of speeding the process.
 - Streamline procedures so as to speed the disposal of all pending matters and reduce backlogs.

Strategic Objective 4.3: Continuously review the FCC’s regulatory and operational processes and significant regulations to achieve statutory objectives, while reducing burdens on industry and promoting innovation and job growth.

Performance Goals and Targets:

- 4.3.1 Eliminate or streamline outdated regulations within the FCC’s program areas.
- Periodically conduct a review of rules and data collections within each FCC Bureau and Office with the goal of eliminating or revising requirements that are no longer needed, are inconsistent with current technologies, or place needless burdens on citizens or businesses.

4.3.2 For each program objective, provide timely and accurate legal advice and representation regarding proposed and existing policies and rules within the FCC's purview, and ensure that the Commission adheres to all legal requirements in its operations.

- Provide timely and accurate legal advice to Bureaus, Offices, and the Commission with respect to pending proceedings.
- Promptly respond to all requests for legal advice relating to the Commission's operations.
- Provide FCC staff with advice relating to government ethics, and ensure that all ethics inquiries are addressed in a timely manner.
- Vigorously defend FCC rules, policies and operations against legal challenge.

**FISCAL YEAR 2017 REQUIREMENTS BY
BUREAUS AND OFFICES**

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Office of the Chairman and Commissioners

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	25	23	23
11 - Personnel compensation	\$3,055,521	\$2,644,723	\$2,679,188
12 - Personnel benefits	865,597	782,829	793,031
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	3,921,118	3,427,552	3,472,219
21 - Travel & transportation of persons	\$207,960	\$320,291	\$324,455
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	556,361	620,768	628,838
24 - Printing and reproduction	0	0	0
25 - Other contractual services	3,606	5,000	5,013
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	767,927	946,059	958,306
TOTAL	\$4,689,045	\$4,373,611	\$4,430,525

The FCC is directed by five Commissioners who are appointed by the President and confirmed by the Senate for five-year terms, except when filling an unexpired term. The President designates one of the Commissioners to serve as the Chairman. 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 Offices and Bureaus, and formally representing the Commission before the Congress and the Administration.

Consumer and Governmental Affairs Bureau

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	156	150	145
11 - Personnel compensation	\$17,253,351	\$16,216,986	\$15,638,156
12 - Personnel benefits	4,988,137	4,794,091	4,633,699
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	22,241,488	21,011,077	20,271,855
21 - Travel & transportation of persons	\$82,782	\$175,789	\$178,074
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,110,096	1,113,670	1,128,148
24 - Printing and reproduction	0	0	0
25 - Other contractual services	884,858	1,064,468	1,078,306
26 - Supplies and materials	1,400	0	0
31 - Equipment	33,739	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	2,112,874	2,353,927	2,384,528
TOTAL	\$24,354,362	\$23,365,004	\$22,656,383

The Consumer and Governmental Affairs Bureau (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 advises and recommends to the Commission, or acts for the Commission under delegated authority, regarding consumer and disability policy and governmental affairs. The Bureau serves as the public face of the Commission and maintains collaborative partnerships with state, local, and Tribal governments. The Bureau performs the following duties and responsibilities:

- Initiating and directing the policy development and coordination of matters pertaining to consumers and governmental affairs, consistent with the priorities of the Commission.
- Advising the Chairman and Commissioners on matters of general consumer and disability policy.
- 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.
- Providing responses to informal consumer inquiries and complaints consistent with Commission regulations, including facilitation, mediation, and resolution of certain classes of informal complaints.

- Collaborating with, advising, and assisting state, local and Tribal governments, and other governmental agencies and industry groups, on consumer matters including disability access, emergency preparedness, and implementation of new technologies.
- Developing, recommending, and administering policies, rules, procedures and programs regarding consumer and disability policy 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.
- Providing expert advice and assistance within the Commission and to consumers regarding compliance with applicable disability and accessibility requirements, rules, and regulations.
- Serving as the focal point within the Commission for planning, development, collaboration, and coordination of consumer outreach and education materials, events, and programs.
- Researching, developing, and distributing material to inform consumers about the Commission's rules, procedures, policies, and programs.
- Coordinating all sign language interpreting requests for the Agency and ensuring that alternative formats of Commission materials are available to Commission employees and members of the public.

Enforcement Bureau

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	252	240	211
11 - Personnel compensation	\$31,670,623	\$29,784,134	\$28,141,143
12 - Personnel benefits	9,137,330	8,803,600	8,345,963
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	40,807,953	38,587,734	36,487,106
21 - Travel & transportation of persons	\$220,350	\$303,811	\$307,761
22 - Transportation of things	0	100,000	101,300
23 - Rent, Communications, and Utilities	3,342,747	3,166,199	3,207,360
24 - Printing and reproduction	0	0	0
25 - Other contractual services	357,681	594,300	2,202,026
26 - Supplies and materials	208,416	250,000	253,250
31 - Equipment	0	225,000	2,831,335
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	4,129,194	4,639,310	8,903,031
TOTAL	\$44,937,147	\$43,227,044	\$45,390,137

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, among other things:

- Resolving complaints regarding:
 - compliance with statutory and regulatory provisions, including complaints filed under section 208 of the Communications Act;
 - acts or omissions of non-common carriers subject to the Commission's jurisdiction under Title II of the Communications Act and related provisions;
 - accessibility to communications services and equipment for persons with disabilities;
 - radiofrequency interference and radiofrequency equipment and devices;
 - compliance with the Commission's Emergency Alert System rules;
 - the lighting and marking of radio transmitting towers;
 - indecent communications subject to the Commission's jurisdiction;

- the broadcast and cable television children's television programming commercial limits contained in section 102 of the Children's Television Act;
- unauthorized construction and operation of communications facilities;
- false distress signals;
- Title III licensees and permittees;
- pole attachments filed under section 224 of the Communications Act;
- multichannel video and cable television service under part 76 of the Commission's rules; and
- other matters assigned to it by the Commission.
- Policing Integrity:
 - Investigating violations of the Communications Act, the Commission's rules, and other laws bearing on Universal Service Fund (USF) programs and contributions. Such investigations may involve coordination with the FCC's Inspector General, the U.S. Department of Justice, and other law enforcement agencies.
 - The Bureau also oversees proceedings suspending or debarring parties from Universal Service Fund programs.
- Protecting Consumers:
 - Investigating marketing and billing practices, including cramming, lack of transparency, and Do-Not-Call violations; phone and text harassment, including text spam; and personal data protection, including personally identifiable information security and consumer disclosures.
- Safeguarding Competition:
 - Enforcing open internet rules, merger condition oversight, and pursuit of any violation that results in unfair competitive advantage or critical competitive harm.
- Securing Networks:
 - Investigating interference or misuse of critical infrastructure.
- Conducting investigations and collecting information in connection with complaints, on its own initiative, or upon request of another Bureau or Office.
- Mediating and settling disputes between service providers.
- Serving as trial staff in formal hearings conducted pursuant to 5 U.S.C. § 556 regarding applications, revocation, forfeitures, and other matters designated for hearing.
- Providing field support for, and field representation of, the Bureau, other Bureaus and Offices, and the Commission.
- Handling 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.

- Issuing 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.

International Bureau

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	113	110	111
11 - Personnel compensation	\$14,954,333	\$14,698,096	\$14,889,637
12 - Personnel benefits	4,143,509	4,335,938	4,392,443
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	19,097,842	19,034,034	19,282,080
21 - Travel & transportation of persons	\$579,736	\$714,424	\$723,712
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,009,856	973,076	985,726
24 - Printing and reproduction	0	0	0
25 - Other contractual services	5,237	13,400	13,574
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	1,594,829	1,700,900	1,723,012
TOTAL	\$20,692,671	\$20,734,934	\$21,005,091

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 and submarine cable 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:

- Initiating and directing the development and articulation of international telecommunications policies, consistent with the priorities of the Commission.
- Advising 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.
- Developing, recommending, and administering policies, rules, and procedures for the authorization, licensing, and regulation of international telecommunications services and facilities (including submarine cables), and domestic and international satellite systems.
- Coordinating with executive branch agencies certain applications and petitions involving foreign ownership.

- Representing the Commission on international telecommunications matters at both domestic and international conferences and meetings, and directing and coordinating the Commission's preparation for such conferences and meetings.
- Serving 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.
- Directing and coordinating, 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.
- Developing, coordinating with other federal agencies, and administering regulatory assistance and training programs for foreign administrations to promote telecommunications development.
- Providing advice and technical assistance to U.S. trade officials in the negotiation and implementation of telecommunications trade agreements.
- Conducting economic, legal, technical, statistical, and other appropriate studies, surveys, and analyses in support of development of international telecommunications policies and programs.
- Collecting and disseminating within the Commission information and data on international telecommunications, and regulatory and market developments in other countries and international organizations.
- Promoting the international coordination of spectrum allocation, and frequency and orbital assignments, so as to minimize cases of international radio interference involving U.S. licensees.
- Ensuring fulfillment of the Commission's responsibilities under international agreements and treaty obligations, and, consistent with Commission policy, ensuring that the Commission's regulations, procedures, and frequency allocations comply with mandatory requirements of all applicable international and bilateral agreements.
- Overseeing and, as appropriate, administering 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.
- Monitoring compliance with the terms and conditions of authorizations and licenses granted by the Bureau, and pursuing enforcement actions in conjunction with appropriate bureaus and offices.

Media Bureau

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	171	169	175
11 - Personnel compensation	\$19,389,049	\$18,299,700	\$18,538,176
12 - Personnel benefits	5,196,775	5,398,412	5,468,762
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	24,585,824	23,698,112	24,006,938
21 - Travel & transportation of persons	\$18,408	\$40,000	\$40,520
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,465,156	1,219,385	1,235,237
24 - Printing and reproduction	0	0	0
25 - Other contractual services	19,617	51,245	51,911
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	1,503,181	1,310,630	1,327,668
TOTAL	\$26,089,005	\$25,008,742	\$25,334,607

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 licensed media services, including AM, FM, TV, the cable TV relay service, and related matters.

Public Safety and Homeland Security Bureau

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	101	99	101
11 - Personnel compensation	\$13,161,895	\$13,202,196	\$13,374,243
12 - Personnel benefits	3,800,970	3,894,648	3,945,402
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	16,962,865	17,096,844	17,319,645
21 - Travel & transportation of persons	\$79,258	\$80,000	\$81,040
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	848,681	836,425	847,299
24 - Printing and reproduction	0	0	0
25 - Other contractual services	216,591	536,000	542,968
26 - Supplies and materials	4,793	12,000	12,156
31 - Equipment	570	29,000	29,377
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	1,149,894	1,493,425	1,512,840
TOTAL	\$18,112,759	\$18,590,269	\$18,832,484

The Public Safety and Homeland Security Bureau (PSHSB) advises and makes recommendations to the Commission, acts for the Commission under delegated authority, and coordinates within the Commission on all matters pertaining to public safety, homeland security, national security, cybersecurity, emergency management and preparedness, disaster management, and related matters. The Bureau also performs the following functions:

- Develops, recommends, and administers policy goals, objectives, regulations, programs, and plans for the Commission in the areas of 911, enhanced 911, and Next Generation 911; licensing of public safety radio services; priority emergency communications; alert and warning systems; Continuity of Government (COG) and Continuity of Operations (COOP); National Security and Emergency Preparedness, to include 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.
- Develops, recommends and administers policy goals, objectives, regulations, programs, and plans for the Commission in the area of cybersecurity; serves as the Commission’s principal liaison on cybersecurity issues with other federal, state, and local government agencies and with communications service providers; promotes cybersecurity workforce capacity across other Bureaus and Offices and within the communications industry.

- Recommends and develops emergency plans, policies, and preparedness programs covering: (1) reporting and situational awareness of communications status during emergency; (2) Commission functions during emergency conditions, and (3) the provision of service by communications service providers during emergency conditions.
- Under the general direction of the Defense Commissioner, coordinates the Commission's role in national security and emergency preparedness and defense mobilization, COG planning, and other functions as may be delegated during a national emergency; conducts deliberate planning and maintaining readiness to lead response actions for major communications disruptions as directed by the President.
- Administers Commission recordkeeping and information collection requirements pertaining to public safety issues.
- Serves as the point of contact for the U.S. Government in matters of international spectrum monitoring and interference resolution; 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 24-hour Operations Center and central spectrum monitoring and analysis center.
- Acts on emergency requests for Special Temporary Authority (STA) during non-business hours when the other Offices and Bureaus of the Commission are closed.
- 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.
- When the FCC is invited, represents the Chairman in deputies' meetings and, in his absence, principals' committee meetings of the National Security Council.
- Performs such other functions and duties as may be assigned or referred to it by the Commission or the Defense Commissioner.

Wireless Telecommunications Bureau

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	212	212	216
11 - Personnel compensation	\$12,074,467	\$11,643,563	\$11,795,298
12 - Personnel benefits	3,424,632	3,434,851	3,479,613
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	15,499,099	15,078,414	15,274,911
21 - Travel & transportation of persons	\$25,397	\$41,745	\$42,288
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	254,532	467,570	473,648
24 - Printing and reproduction	0	0	0
25 - Other contractual services	163,924	321,000	325,173
26 - Supplies and materials	0	0	0
31 - Equipment	90	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	443,943	830,315	841,109
TOTAL	\$15,943,042	\$15,908,729	\$16,116,020

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. The Bureau serves as the Commission's principal policy and staff resource with regard to spectrum auctions and provides policy and technical assistance to other Bureaus and Offices on auction issues. 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.
- Facilitating competition in the provision of mobile wireless services to the benefit of consumers by avoiding excessive concentration of licenses and ensuring that applications to assign or transfer licenses will serve the public interest.

- Developing policies and implementing the Commission's authority regarding the conduct of auctions of Commission spectrum licenses.
- In conjunction with the Wireline Competition Bureau, serves as the Commission's principal policy and implementation resource with respect to use of market-based mechanisms, including auctions, to distribute universal service support.
- Promoting investment in wireless communications infrastructure, including wireless and broadband.
- Promoting the integration and interconnection of wireless communications networks with other communications networks and facilities.
- 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.

In addition to the above, the Bureau's activities also include:

- Developing and coordinating policy.
- Conducting rulemaking and licensing work.
- Conducting auctions for other services and programs as needed.
- Acting on applications for wireless licenses and facility authorizations.
- Determining the resource impact of existing, planned, or recommended Commission activities concerning wireless communications.
- Reviewing and coordinating 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

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	166	164	165
11 - Personnel compensation	\$22,370,847	\$23,052,491	\$23,352,904
12 - Personnel benefits	6,448,157	6,800,485	6,889,107
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	28,819,004	29,852,976	30,242,011
21 - Travel & transportation of persons	\$32,512	\$76,000	\$76,988
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,253,502	1,298,009	1,314,883
24 - Printing and reproduction	0	0	0
25 - Other contractual services	142,554	742,900	752,558
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	1,428,568	2,116,909	2,144,429
TOTAL	\$30,247,572	\$31,969,885	\$32,386,439

The Wireline Competition Bureau advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, on matters concerning wireline communications and ancillary operations, drawing on relevant economic, technological, legislative, regulatory, and judicial information and developments. The Bureau has the following duties and responsibilities:

- Ensuring that all Americans are included in 21st century communications by reaching all of America with affordable broadband and voice services.
- Ensuring access to affordable broadband connectivity for schools, school districts, libraries, and health-care institutions.
- Ensuring a sustainable framework for competitive providers.
- Protecting and preserving the open Internet, and ensuring that the public has access to accurate and comprehensive data about communications services, including data about broadband.
- Developing and coordinating wireline telecommunications policy.
- Handling adjudicatory and rulemaking proceedings affecting wireline telecommunications service providers and broadband providers.
- Preparing for Commission consideration of orders responding to petitions, filed pursuant to the Communications Act, seeking Commission forbearance from applying certain of its regulations or provisions of the Communications Act.

- Administering the provisions of the Communications Act relating to charges, practices, and classifications for wireline telecommunications service providers to ensure that they are just and reasonable.
- Taking action on requests for interpretation or waiver of rules affecting wireline telecommunications.
- Making determinations regarding lawfulness of carrier tariffs.
- Administering U.S. numbering policy (including local number portability).
- Taking action on applications for authorization to transfer service and facility authorizations or to discontinue services or the operation of facilities.
- Reviewing wireline carrier performance.
- Administering accounting requirements for incumbent local exchange carriers.
- Administering FCC reporting requirements affecting wireline telecommunications and broadband providers.
- Collecting data, and preparing statistical reports and other informational resources for publication, pertaining to the telecommunications and broadband industries.
- Performing economic research and analysis.
- Interacting with the public; local, state, and other government agencies; industry groups; and other stakeholders on wireline communications regulation and related matters.
- Reviewing and coordinating orders, programs, and actions initiated by other Bureaus and Offices in matters affecting wireline communications to ensure consistency with overall Commission policy.

Office of Administrative Law Judges

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	3	3	3
11 - Personnel compensation	\$266,684	\$295,562	\$299,414
12 - Personnel benefits	56,731	87,191	88,327
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	323,415	382,753	387,741
21 - Travel & transportation of persons	\$991	\$1,000	\$1,013
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	22,855	24,794	25,116
24 - Printing and reproduction	0	0	0
25 - Other contractual services	10,015	10,200	10,333
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	33,861	35,994	36,462
TOTAL	\$357,276	\$418,747	\$424,203

The Office of Administrative Law Judges (OALJ) hears and conducts all adjudicatory cases designated for formal evidentiary hearing, other than those designated to be heard by the Commission *en banc* or by one or more members of the Commission. The Office may also conduct other hearings which the Commission may assign in accordance with the Administrative Procedure Act (APA).

OALJ functions substantially as U.S. District Court Judges in non-jury cases, with the exception that Initial Decisions rendered are subject to review by the Commission if requested by a party, or on the Commission's own motion.

OALJ has the following responsibilities:

Adjudicative

- Prepares and maintains hearing calendars, showing time, and place of hearings.
- Presides over and conducts formal proceedings and adjudications.
- Acts on motions, petitions and other pleadings filed in proceedings.
- Conducts on-the-record prehearing conferences.
- Issues subpoenas, administers the oath, examines witnesses, makes findings of fact, and rules upon evidentiary questions.

- Prepares and issues Initial Decisions.

Administrative

- Prepares reports, statistical data and other information requested or received by the Office of Personnel Management, and other offices or agencies of the U.S. Government concerned with proper operation of the Office of Administrative Law Judges.
- Upon request of the Chairman, serves as liaison for the Commission in securing advice or information from representatives of agencies, bar associations, and interested persons in connection with Office practices and hearing procedures.
- Exercises such further 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

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	11	10	10
11 - Personnel compensation	\$1,409,913	\$1,162,630	\$1,177,781
12 - Personnel benefits	373,442	342,976	347,446
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	1,783,355	1,505,606	1,525,227
21 - Travel & transportation of persons	\$19,800	\$25,000	\$25,325
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	82,892	105,318	106,687
24 - Printing and reproduction	0	0	0
25 - Other contractual services	90	500	507
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	102,782	130,818	132,519
TOTAL	\$1,886,137	\$1,636,424	\$1,657,745

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 OCBO 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:

- Serving, through its director, as the principal small business policy advisor to the Commission.

- Developing, implementing, and evaluating programs and policies that promote participation by small entities, women, and minorities in the communications industry.
- Managing 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.
- Developing and recommending Commission-wide goals and objectives for addressing the concerns of small entities, women, and minorities and reports of achievement.
- Acting as the principal channel for disseminating information regarding the Commission's activities and programs affecting small entities, women, and minorities.
- Developing, recommending, coordinating, and administering objectives, plans and programs to encourage participation by small entities, women, and minorities in the decision-making process.
- Promoting increased awareness within the Commission of the impact of policies on small entities, women, and minorities.
- Acting as the Commission's liaison to other federal agencies on matters relating to small business.

Office of Engineering and Technology

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	88	87	91
11 - Personnel compensation	\$10,742,223	\$10,413,106	\$10,548,806
12 - Personnel benefits	3,127,401	3,071,866	3,111,898
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	13,869,624	13,484,972	13,660,704
21 - Travel & transportation of persons	\$24,942	\$25,000	\$25,325
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	486,585	504,871	511,434
24 - Printing and reproduction	0	0	0
25 - Other contractual services	657,835	664,500	673,139
26 - Supplies and materials	23,983	32,000	32,416
31 - Equipment	143,564	250,000	253,250
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	1,336,909	1,476,371	1,495,564
TOTAL	\$15,206,533	\$14,961,343	\$15,156,268

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

- Developing overall policies, objectives, and priorities for the Office of Engineering and Technology programs and activities; performing management functions; and supervising the execution of these policies.
- Advising and representing the Commission on frequency allocation and spectrum usage matters, including those covered by international agreements.
- Planning and directing broad programs for development of information relative to communication techniques and equipment, radio wave propagation, and new uses for communications, and advising the Commission and staff offices in such matters.
- Representing the Commission at various national and international conferences and meetings devoted to the progress of communications and the development of information and standards.
- Conducting 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.

- Advising the Commission and other Bureaus/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.
- Developing and implementing procedures to acquire, store and retrieve scientific and technical information required in the engineering work of the Commission.
- Providing advice to the Commission, participating in and coordinating staff work with respect to general frequency allocation proceedings and other proceedings not within the jurisdiction of any single Bureau, and providing assistance and advice with respect to rulemaking matters and proceedings affecting more than one Bureau.
- Administering Parts 2 (Frequency allocations and radio treaty matters), 5 (Experimental radio service), 15 (Unlicensed Radio frequency devices), and 18 (Industrial, scientific and medical equipment) of the Commission's Rules and Regulations.
- Maintaining a test facility with appropriate and latest equipment to perform technical analyses to facilitate introduction of new services and technology and compliance testing of devices subject to the Commission rules.
- Performing 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 appropriate rules.
- Maintaining 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.
- Coordinating frequency assignments for Commission licensees with Federal Government agencies, and representing the Commission on issues regarding use of spectrum when jurisdiction is shared with the Federal Government. Serves as the Agency liaison to National Telecommunications and Information Administration (NTIA) for coordinating policy decisions and frequency assignments between Federal agency and non-Federal spectrum users.
- Preparing recommendations for legislation and reviewing recommendations for rule changes and rulemaking proposals initiated by other offices affecting Bureau programs and operations.

Office of General Counsel

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	85	79	81
11 - Personnel compensation	\$11,786,402	\$11,675,181	\$11,827,328
12 - Personnel benefits	3,290,839	3,444,178	3,489,061
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	15,077,241	15,119,359	15,316,390
21 - Travel & transportation of persons	\$19,716	\$106,000	\$107,378
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	575,687	722,515	731,908
24 - Printing and reproduction	0	0	0
25 - Other contractual services	68,814	220,750	223,620
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	664,217	1,049,265	1,062,905
TOTAL	\$15,741,458	\$16,168,624	\$16,379,295

As chief legal advisor to the Commission and its various components, the Office of General Counsel performs the following duties and responsibilities:

- Reviews all proposed Commission orders and rules for consistency with the Constitution, laws of the United States, and other rules and precedents.
- Represents the Commission in litigation and other dispute-resolution matters.
- Ensures consistent and timely public-interest analysis of transactions considered by the Commission, and provides technical expertise on various corporate, bankruptcy, fraud, and other transactional issues.
- Assists and makes recommendations to the Commission with respect to matters handled via adjudication (including the Commission’s review of initial decisions by Administrative Law Judges), as well as with respect to such other matters that, by Commission policy, are handled in a similar manner and that have been designated for hearing.
- Advises and makes recommendations to the Commission with respect to proposed legislation.
- Interprets statutes, regulations, and international agreements affecting the Commission.
- Prepares for the Commission procedural rules of general applicability, and makes recommendations concerning the interpretation and implementation of such rules.

- Provides advice to the Commission and its components on general law issues (e.g., leases, contracts, debt collection, tort claims, fiscal law, and labor law) common to most federal agencies.
- Serves as principal advisor to the Commission in the administration of laws and regulations regarding government ethics, the Freedom of Information, Privacy, Government in the Sunshine, and Alternative Dispute Resolution Acts.
- Exercises 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, as well as the Commission's rules.

Office of Legislative Affairs

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	12	12	12
11 - Personnel compensation	\$1,612,210	\$1,451,278	\$1,470,191
12 - Personnel benefits	485,034	428,127	433,706
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	2,097,244	1,879,405	1,903,897
21 - Travel & transportation of persons	\$3,261	\$4,200	\$4,255
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	81,857	96,437	97,691
24 - Printing and reproduction	0	0	0
25 - Other contractual services	0	200	203
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	85,118	100,837	102,148
TOTAL	\$2,182,362	\$1,980,242	\$2,006,045

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

- Advising and making recommendations to the Commission with respect to legislation proposed by Members of Congress or other government agencies, and coordinating the preparation of Commission views for submission to Congress or other government agencies.
- Tracking, monitoring, and analyzing legislation impacting the Commission, and providing technical assistance to Congressional staff, as necessary.
- Coordinating Commission and Bureau responses to formal inquiries by Congressional committees and individual Members of Congress, including tracking inquiries and setting response times.
- Prepare the Chairman and all Commission-designated witnesses for appearances before the United States Congress.
- Coordinating briefings for Congressional Members and staff on issues before the Commission.
- Communicating and consulting with Congressional Members and staff on the Commission's policy agenda.
- Assisting the staffs of Members of Congress in responding to constituent concerns.

- Assisting the Office of Managing Director in the preparation of annual reporting requirements to Congress, including the annual submission of the Commission's budget.

Office of the Managing Director

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	206	190	201
11 - Personnel compensation	\$20,797,392	\$20,331,239	\$20,567,517
12 - Personnel benefits	5,426,546	5,563,964	5,636,465
13 - Benefits for former personnel	51,600	68,800	69,694
Subtotal - Personnel Costs	26,275,538	25,964,003	26,273,677
21 - Travel & transportation of persons	\$249,212	\$199,415	\$202,007
22 - Transportation of things	44,740	47,300	47,915
23 - Rent, Communications, and Utilities	31,845,795	30,387,064	30,782,096
24 - Printing and reproduction	1,054,960	1,079,000	1,093,027
25 - Other contractual services	38,365,741	86,347,047	65,685,153
26 - Supplies and materials	1,096,528	1,339,084	1,356,492
31 - Equipment	456,598	1,140,205	1,155,028
42 - Insurance claims and indemnities	9,949	30,000	30,325
Subtotal - Non-Personnel Costs	73,123,521	120,569,115	100,352,043
TOTAL	\$99,399,059	\$146,533,118	\$126,625,720

The Managing Director is appointed by the Chairman with approval of the Commissioners. Under the supervision and direction of the Chairman, the Managing Director serves as the Commission's Chief Operating Officer with the following duties and responsibilities:

- Providing managerial leadership to, and exercising supervision and direction over, the Commission's Bureaus and Offices with respect to organization and operations, information technology systems and cybersecurity, and personnel and contract management.
- Providing input to Commission policy development and rulemakings on operational requirements, implementation risks and feasibility, software and systems requirements, fraud prevention and audit considerations, and financial or budgetary impacts.
- Managing all budget and financial operations within the Commission, including collection of approved regulatory fees for agency operations; overseeing funding allocations and performance management for the operations of the Commission's Bureaus and Offices; managing of auction proceeds; accounting for other monies received by the commission including licensing fees, forfeitures, and other actions; and providing financial oversight of the Universal Service Fund.
- Formulating and implementing all management and operational policies, programs, and directives for the Commission consistent with authority delegated by the Commission and the Chairman, and recommending to the Chairman and the Commission major changes in such policies and programs.

- Advising the Chairman and the Commission on management, organizational, and operational matters; reviewing and evaluating the programs and procedures of the Commission; and initiating action or making recommendations as may be necessary to administer the Communications Act most effectively in the public interest.
- As the administrative head of the agency, assisting the Chairman in carrying out the executive responsibilities delegated to the Chairman.

Office of Media Relations

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	16	15	15
11 - Personnel compensation	\$1,944,313	\$1,838,476	\$1,862,434
12 - Personnel benefits	585,742	542,350	549,418
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	2,530,055	2,380,826	2,411,852
21 - Travel & transportation of persons	\$8,113	\$10,216	\$10,349
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	135,831	109,993	111,423
24 - Printing and reproduction	0	0	0
25 - Other contractual services	189,064	262,314	265,724
26 - Supplies and materials	9,540	12,080	12,237
31 - Equipment	10,265	34,000	34,442
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	352,812	428,603	434,175
TOTAL	\$2,882,867	\$2,809,429	\$2,846,027

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:

- Enhancing public understanding of Commission policies and action through traditional and social media channels.
- Acting as the principal channel for communicating information to the news media on Commission policies, programs, and activities.
- Advising the Commission on information dissemination.
- Working with other Bureaus and Offices to manage content on the FCC's web site and overseeing the agency's web standards and guidelines.
- Managing audio and visual support services for the Commission.
- Managing the FCC's social media sites including Twitter, Facebook, YouTube, Flickr, and others.

Office of Strategic Planning and Policy Analysis

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	25	23	26
11 - Personnel compensation	\$2,955,289	\$3,064,616	\$3,104,553
12 - Personnel benefits	827,225	904,062	915,843
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	3,782,514	3,968,678	4,020,397
21 - Travel & transportation of persons	\$21,353	\$30,000	\$30,390
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	113,831	132,596	134,320
24 - Printing and reproduction	0	0	0
25 - Other contractual services	54,553	3,200	3,242
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	189,736	165,796	167,951
TOTAL	\$3,972,250	\$4,134,474	\$4,188,348

The Office of Strategic Planning and Policy Analysis (OSP) works with Bureaus and other Offices, including those of the Chairman and other Commissioners, to develop and implement communications policies in all areas of the Commission's authority and responsibility. Specifically, the Office performs functions including:

- Primary office for the FCC's Chief Economist and Chief Technologist.
- Hosting visiting scholars from academia and elsewhere who join the FCC on a temporary basis to contribute to the Commission's mission.
- Coordinating the publication of the FCC White Paper series – a forum for staff to publish research aside from formal Commission actions.
- Working on high-priority issues at the request of the Chairman, Commissioners, or Bureau/Office Chiefs.
- Leading outreach efforts to relevant stakeholders, e.g., within academia, think tanks, the business community, and the capital markets.
- Providing research and expertise on request to Commissioners and Commission staff.

Office of Workplace Diversity

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	4	4	4
11 - Personnel compensation	\$420,374	\$398,534	\$403,728
12 - Personnel benefits	150,311	117,567	119,099
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	570,685	516,101	522,827
21 - Travel & transportation of persons	\$77	\$2,230	\$2,259
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	41,910	28,272	28,640
24 - Printing and reproduction	0	0	0
25 - Other contractual services	35,200	45,200	45,788
26 - Supplies and materials	5,754	75	76
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	82,941	75,777	76,762
TOTAL	\$653,626	\$591,878	\$599,589

The Office of Workplace Diversity develops, coordinates, evaluates, and recommends to the Commission policies, programs, and practices that foster a diverse workforce, and promotes and ensures 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:

- Serving through its Director, as the principal advisor to the Chairman and Commission officials on all aspects of workforce diversity, organization, equal employment opportunity, nondiscrimination, and civil rights.
- Providing leadership and guidance to create a work environment that values and encourages diversity in the workforce.

- 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.
- 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 provides a channel for communication among diverse members of the workforce at all levels.
- Developing, implementing, and evaluating 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.
- Developing and recommending Commission-wide workforce diversity goals and reporting on achievements.
- 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.
- Working closely with the Associate Managing Director - Human Resources Management to ensure compliance with Federal and Commission recruitment and staffing requirements.
- Managing the Commission's equal employment opportunity (EEO) compliance program. Responsibilities in this area include processing complaints alleging discrimination, issuing final agency decisions on EEO complaints within the Commission, and providing consulting services to employees and applicants for employment on EEO matters.
- Developing and administering the Commission's program of reasonable accommodation for employees with disabilities in accordance with applicable laws and regulations.
- Representing the Commission at meetings with other public and private groups and organizations on matters concerning workforce diversity and equal employment opportunity.
- Maintaining liaison with and soliciting views of organizations within and outside the Commission on matters relating to equal opportunity and workforce diversity.

Office of Inspector General

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Full-Time Equivalents (FTEs)	38	60	60
11 - Personnel compensation	\$4,869,747	\$6,907,167	\$6,997,179
12 - Personnel benefits	1,354,655	1,722,134	1,744,576
13 - Benefits for former personnel	0	0	0
Subtotal - Personnel Costs	6,224,402	8,629,301	8,741,755
21 - Travel & transportation of persons	\$22,466	\$49,675	\$50,321
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	360,854	301,964	305,890
24 - Printing and reproduction	0	0	0
25 - Other contractual services	2,930,120	2,588,560	2,622,211
26 - Supplies and materials	556	500	507
31 - Equipment	46,278	30,000	30,390
42 - Insurance claims and indemnities	0	0	0
Subtotal - Non-Personnel Costs	3,360,273	2,970,699	3,009,318
TOTAL	\$9,584,675	\$11,600,000	\$11,751,073

The Federal Communications Commission (FCC) Office of Inspector General (OIG) was established in compliance with the Inspector General Act of 1978 (Public Law 94-454), as amended. OIG conducts and supervises audits, inspections and investigations relating to FCC programs and operations. OIG provides management feedback, leadership, and recommends policies for activities designed to promote economy, efficiency, and increase the effectiveness of the administration. Further, the OIG works to both prevent and detect fraud, waste, and abuse in such programs and operations. OIG communicates with the Commission and Congress to keep them informed about issues and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action. The Inspector General reports directly to the Commission. The primary duties and responsibilities of OIG include:

- Conducting, supervising, and coordinating audits and investigations relating to the programs and operations of the FCC.
- Reviewing existing and proposed legislation and regulations relating to programs and operations of the FCC and making recommendations in semiannual reports required by section 5(a) of the Inspector General Act concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the FCC and the prevention and detection of fraud and abuse in such programs and operations.

- Recommending policies for, and conducting or coordinating other activities carried out by or financed by the FCC for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations.
- Recommending policies for matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the FCC.
- Reporting expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

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APPENDICES

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**Fiscal Year 2017 Budget Estimates to Congress
Summary - Requested Resources**

DISTRIBUTION OF BUDGET AUTHORITY

(Dollars in Thousands)

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request	Change to Budget Authority
<u>FCC - Without Office of Inspector General:</u>				
Authority to Spend Offsetting Collections:				
Regulatory Fees	\$327,347	\$372,412	\$356,035	-\$16,378
Recovery of USF Oversight Cost	\$0	\$0	-\$9,500	-\$9,500
Total Appropriation - Offsetting Collections	\$327,347	\$372,412	\$346,535	-\$25,878
Authority to Spend Other Offsetting Collections:				
Economy Act/Miscellaneous Other	\$939	\$4,000	\$4,000	\$0
Spectrum Auctions Cost Recovery Reimbursement	\$100,548	\$116,738	\$123,735	\$6,997
Total Other Offsetting Collections	\$101,487	\$120,738	\$127,735	\$6,997
Total Budget Authority - Available to Incur Obligations	\$428,834	\$493,150	\$474,270	-\$18,881
Other Budget Authority:				
Credit Program Account ¹	\$142	\$100	\$100	\$0
FCC - Recovery of USF Oversight Cost	\$0	\$0	\$9,500	\$9,500
<u>FCC - Office of Inspector General (OIG):</u>				
Authority to Spend Offsetting Collections:				
Regulatory Fees	\$9,585	\$11,600	\$11,751	\$151
OIG Appropriation Total	\$9,585	\$11,600	\$11,751	\$151
Authority to Spend Other Offsetting Collections:				
Spectrum Auctions Cost Recovery Reimbursement	\$232	\$262	\$265	\$3
OIG - Other Offsetting Collections	\$232	\$262	\$265	\$3
OIG Total Budget Authority - Available to Incur Obligations	\$9,817	\$11,862	\$12,016	\$154
Other Budget Authority:				
OIG - Recovery of USF Oversight Cost ¹	\$956	\$1,685	\$3,475	\$1,790
<u>TOTAL FCC with Office of Inspector General:</u>				
Total Appropriation	\$336,932	\$384,012	\$358,286	-\$25,726
Other Offsetting Collections & Other Budget Authority	\$102,817	\$122,785	\$141,075	\$18,290
Total Budget Authority - Available to Incur Obligations	\$439,749	\$506,797	\$499,361	-\$7,436

¹Represents carryover amount.

**Fiscal Year 2017 Budget Estimates to Congress
Summary - Requested Resources**

OUTLAYS

(Dollars in Millions)

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
<u>FCC - Without Office of Inspector General:</u>			
New Offsetting Collections:			
Regulatory Fees	\$325	\$370	\$353
Recovery of USF Oversight Cost	\$0	\$0	-\$10
Subtotal - Regulatory Fees	\$325	\$370	\$344
Spectrum Auctions Receipts	\$101	\$117	\$124
FCC - Recovery of USF Oversight Cost	\$0	\$0	\$10
Interagency/Other	\$1	\$4	\$4
Homeland Security	\$2	\$2	\$2
Subtotal - Outlays from New Discretionary Authority (FCC)	\$429	\$493	\$483
 <u>FCC - Office of Inspector General:</u>			
New Offsetting Collections:			
Regulatory Fees	\$10	\$12	\$12
Subtotal - Outlays from New Discretionary Authority (OIG)	\$10	\$12	\$12
TOTAL OUTLAYS	\$438	\$505	\$494

**Fiscal Year 2017 Budget Estimates to Congress
Summary - Requested Resources**

FULL-TIME EQUIVALENTs (FTEs)

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
<u>FCC - Without Office of Inspector General:</u>			
Total Compensable Work Years:			
Full-Time Equivalent Employment	1,646	1,590	1,590
Proposed Distribution:			
Offsetting Collections	1,646	1,590	1,590
TOTAL FTEs - COMMISSION	1,646	1,590	1,590
<u>FCC - Office of Inspector General:</u>			
Total Compensable Work Years:			
Full-Time Equivalent Employment	38	60	60
Proposed Distribution:			
Offsetting Collections	38	60	60
TOTAL FTEs - OIG	38	60	60
TOTAL FTEs - Including OIG	1,684	1,650	1,650

**Fiscal Year 2017 Budget Estimates to Congress
Summary - Distribution of Resources**

**REGULATORY FEES – OFFSETTING COLLECTIONS
(INCLUDING OIG)**

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$190,735	\$187,079	\$186,668
Personnel benefits (12.0)	53,683	54,469	54,384
Sub-Total Personnel Compensation & Benefits	\$244,418	\$241,548	\$241,052
Other Expenses:			
Benefits for former personnel (13.0)	\$52	\$69	\$70
Travel & transportation of persons (21.0)	1,616	2,205	2,233
Transportation of things (22.0)	45	147	149
Rent payments to GSA (23.1)	38,315	35,866	36,332
Communications, utilities, & misc. charges (23.3)	5,274	6,243	6,324
Printing and reproduction (24.0)	1,055	1,079	1,093
Other services from non-Federal sources (25.2)	17,306	32,158	27,553
Other goods & services from Federal sources (25.3)	2,544	37,210	16,449
Operation & maintenance of equipment (25.7)	24,255	24,103	30,500
Supplies and materials (26.0)	1,351	1,646	1,667
Equipment (31.0)	691	1,708	4,334
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	10	30	30
Sub-Total Other Expenses	\$92,514	\$142,464	\$126,734
Total Obligations from Regulatory Fees	\$336,932	\$384,012	\$367,786
Recovery of USF Oversight Cost	\$0	\$0	-\$9,500
Total Resources from Regulatory Fees	\$336,932	\$384,012	\$358,286

**Fiscal Year 2017 Budget Estimates to Congress
Summary - Distribution of Resources**

SPECTRUM AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY
(INCLUDING OIG)

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$27,040	\$28,850	\$29,678
Personnel benefits (12.0)	7,740	8,184	8,418
Sub-Total Personnel Compensation & Benefits	\$34,780	\$37,034	\$38,096
Other Expenses:			
Benefits for former personnel (13.0)	\$8	\$11	\$11
Travel & transportation of persons (21.0)	320	525	531
Transportation of things (22.0)	7	8	8
Rent payments to GSA (23.1)	6,708	6,090	6,169
Communications, utilities, & misc. charges (23.3)	1,423	1,512	1,532
Printing and reproduction (24.0)	209	174	177
Other services from non-Federal sources (25.2)	14,699	22,837	26,718
Other goods & services from Federal sources (25.3)	567	5,757	2,770
Operation & maintenance of equipment (25.7)	40,754	41,216	46,127
Supplies and materials (26.0)	556	248	252
Equipment (31.0)	745	1,583	1,604
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	4	5	5
Sub-Total Other Expenses	\$66,000	\$79,966	\$85,904
Total Auctions Cost Recovery Reimbursable Authority:	\$100,780	\$117,000	\$124,000

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

GOVERNMENT/OTHER REIMBURSABLE AUTHORITY

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$68	\$150	\$140
Personnel benefits (12.0)	19	25	35
Sub-Total Personnel Compensation & Benefits	\$87	\$175	\$175
Other Expenses:			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	17	50	50
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	0	0	0
Communications, utilities, & misc. charges (23.3)	0	0	0
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	493	3,000	3,000
Other goods & services from Federal sources (25.3)	0	0	0
Operation & maintenance of equipment (25.7)	144	425	425
Supplies and materials (26.0)	9	50	50
Equipment (31.0)	188	300	300
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
Sub-Total Other Expenses	\$852	\$3,825	\$3,825
Total Government/Other Reimbursable Authority	\$939	\$4,000	\$4,000

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

CREDIT PROGRAM ACCOUNT

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$85	\$40	\$40
Personnel benefits (12.0)	24	10	10
Sub-Total Personnel Compensation & Benefits	\$110	\$50	\$50
Other Expenses:			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	0	0	0
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	0	0	0
Communications, utilities, & misc. charges (23.3)	0	0	0
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	33	50	50
Other goods & services from Federal sources (25.3)	0	0	0
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	0	0	0
Equipment (31.0)	0	0	0
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
Sub-Total Other Expenses	\$33	\$50	\$50
Total Credit Program	\$142	\$100	\$100

Note: OIG has no Credit Program funds.

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

TV BROADCASTER RELOCATION FUND

(Dollars in Thousands)

<u>Object Classification Description</u>	<u>FY 2015 Actuals</u>	<u>FY 2016 Enacted</u>	<u>FY 2017 Congressional Request</u>
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$0	\$0	\$0
Personnel benefits (12.0)	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total Personnel Compensation & Benefits	\$0	\$0	\$0
Other Expenses:			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	0	0	0
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	0	0	0
Communications, utilities, & misc. charges (23.3)	0	0	0
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	0	0	0
Other goods & services from Federal sources (25.3)	0	0	0
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	0	0	0
Equipment (31.0)	0	0	0
Land and structures (32.0)	0	0	0
Grants, subsidies, and contributions (41.0)	0	100,000	1,000,000
Insurance claims & indemnities (42.0)	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total Other Expenses	\$0	\$100,000	\$1,000,000
Total TV Broadcaster Relocation Fund	<u>\$0</u>	<u>\$100,000</u>	<u>\$1,000,000</u>

The Middle Class Tax Relief and Job Creation Act of 2012 (ACT) mandated that the Commission reimburse reasonable channel relocation costs incurred by those qualified TV Broadcasters that will be affected by the Incentive Auction. The ACT also gave the Commission the authority to borrow up to \$1 Billion from the Treasury and authorized the Commission to use an additional \$750 million from Incentive Auction revenues to reimburse TV Broadcasters for relocation costs. The TV Broadcaster Relocation Fund is capped at \$1.75 Billion.

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

OFFICE OF INSPECTOR GENERAL – UNIVERSAL SERVICE FUND

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$0	\$0	\$0
Personnel benefits (12.0)	0	0	0
Sub-Total Personnel Compensation & Benefits	\$0	\$0	\$0
Other Expenses:			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	16	0	20
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	0	0	0
Communications, utilities, & misc. charges (23.3)	0	0	0
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	828	1,685	3,400
Other goods & services from Federal sources (25.3)	0	0	0
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	0	0	0
Equipment (31.0)	111	0	55
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
Sub-Total Other Expenses	\$956	\$1,685	\$3,475
Total Universal Service Program	\$956	\$1,685	\$3,475

Note: The Office of Inspector General (OIG) - Universal Service Fund (USF) represents carryover funds. These resources are presented in a separate schedule apart from the Salaries & Expenses account and funded from amounts transferred from the USF in FY 2008, as permitted in appropriations language for that year. No new budget authority is requested by the OIG in FY 2017. The carryover balances will be used to continue the USF oversight by OIG.

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

**REGULATORY FEES – OFFSETTING COLLECTIONS
(EXCLUDING OIG)**

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$185,865	\$180,172	\$179,671
Personnel benefits (12.0)	52,328	52,748	52,639
Sub-Total Personnel Compensation & Benefits	\$238,193	\$232,920	\$232,310
Other Expenses:			
Benefits for former personnel (13.0)	\$52	\$69	\$70
Travel & transportation of persons (21.0)	1,594	2,155	2,183
Transportation of things (22.0)	45	147	149
Rent payments to GSA (23.1)	38,006	35,572	36,034
Communications, utilities, & misc. charges (23.3)	5,222	6,235	6,316
Printing and reproduction (24.0)	1,055	1,079	1,093
Other services from non-Federal sources (25.2)	14,498	29,694	25,059
Other goods & services from Federal sources (25.3)	2,422	37,085	16,321
Operation & maintenance of equipment (25.7)	24,255	24,103	30,500
Supplies and materials (26.0)	1,350	1,645	1,667
Equipment (31.0)	645	1,678	4,303
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	10	30	30
Sub-Total Other Expenses	\$89,154	\$139,492	\$123,725
Total Obligations from Regulatory Fees	327,347	372,412	356,035
Recovery of USF Oversight Cost	\$0	\$0	-\$9,500
Total Resources from Regulatory Fees	\$327,347	\$372,412	\$346,535

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

**SPECTRUM AUCTIONS COST RECOVERY REIMBURSAMENT AUTHORITY
(EXCLUDING OIG)**

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$27,040	\$28,850	\$29,678
Personnel benefits (12.0)	7,740	8,184	8,418
Sub-Total Personnel Compensation & Benefits	\$34,780	\$37,034	\$38,096
Other Expenses:			
Benefits for former personnel (13.0)	\$8	\$11	\$11
Travel & transportation of persons (21.0)	320	525	531
Transportation of things (22.0)	7	8	8
Rent payments to GSA (23.1)	6,708	6,090	6,169
Communications, utilities, & misc. charges (23.3)	1,423	1,512	1,532
Printing and reproduction (24.0)	209	174	177
Other services from non-Federal sources (25.2)	14,467	22,575	26,453
Other goods & services from Federal sources (25.3)	567	5,757	2,770
Operation & maintenance of equipment (25.7)	40,754	41,216	46,127
Supplies and materials (26.0)	556	248	252
Equipment (31.0)	745	1,583	1,604
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	4	5	5
Sub-Total Other Expenses	\$65,768	\$79,704	\$85,639
Obligations	\$100,548	\$116,738	\$123,735

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

**REGULATORY FEES – OFFSETTING COLLECTIONS
(OFFICE OF INSPECTOR GENERAL)**

(Dollars in Thousands)

Object Classification Description	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Congressional Request
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$4,870	\$6,907	\$6,997
Personnel benefits (12.0)	1,354	1,722	1,745
Sub-Total Personnel Compensation & Benefits	\$6,224	\$8,629	\$8,742
Other Expenses:			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	22	50	50
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	309	294	298
Communications, utilities, & misc. charges (23.3)	52	8	8
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	2,808	2,463	2,495
Other goods & services from Federal sources (25.3)	122	125	127
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	1	1	1
Equipment (31.0)	46	30	30
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
Sub-Total Other Expenses	\$3,360	\$2,971	\$3,009
Total Obligations from Regulatory Fees	9,585	11,600	11,751
Total Resources from Regulatory Fees	\$9,585	\$11,600	\$11,751

**Fiscal Year 2017 Budget Estimates to Congress
Summary – Distribution of Resources**

**SPECTRUM AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY
(OFFICE OF INSPECTOR GENERAL)**

(Dollars in Thousands)

<u>Object Classification Description</u>	<u>FY 2015 Actuals</u>	<u>FY 2016 Enacted</u>	<u>FY 2017 Congressional Request</u>
Personnel Compensation & Benefits:			
Full-time & Other than full-time Permanent (11.1 & 11.3)	0	0	0
Personnel benefits (12.0)	0	0	0
Sub-Total Personnel Compensation & Benefits	\$0	\$0	\$0
Other Expenses:			
Benefits for former personnel (13.0)	0	0	0
Travel & transportation of persons (21.0)	0	0	0
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	0	0	0
Communications, utilities, & misc. charges (23.3)	0	0	0
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	232	262	265
Other goods & services from Federal sources (25.3)	0	0	0
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	0	0	0
Equipment (31.0)	0	0	0
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
Sub-Total Other Expenses	\$232	\$262	\$265
Reimbursable Obligations	\$232	\$262	\$265

**Fiscal Year 2017 Budget Estimates to Congress
Summary - Distribution of Resources by Strategic Goals**

(Dollars in Thousands)

Strategic Goals¹	Promoting Economic Growth and National Leadership	Protecting Public Interest Goals	Making Networks Work for Everyone	Promoting Operational Excellence	TOTAL
FY 2015 Actuals (Adjusted to New Strategic Goals)	\$110,865	\$100,097	\$77,316	\$48,654	\$336,932
FY 2016 Enacted	\$98,285	\$83,573	\$58,675	\$143,479	\$384,012
Incremental Distributions:					
Decrease to FY 2016 One-Time Initiatives	\$0	\$0	\$0	-\$44,168	-\$44,168
Other Increases to Base Budget	0	0	0	400	400
Salaries and Inflationary Increases ²	1,127	959	673	1,646	4,405
Subtotal - FY 2017 Base Level	\$99,412	\$84,532	\$59,348	\$101,357	\$344,649
One-Time Request³					
FCC Headquarters Move/Restacking	\$0	\$0	\$0	\$16,867	\$16,867
IT - Rewriting of FCC Legacy Applications Phase II	0	0	0	3,870	3,870
IT - Geospatial Information System Solution	0	0	0	800	800
Targeted Investment to Reduce USF Improper Payments	0	0	0	1,600	1,600
Total - FY 2017	\$99,412	\$84,532	\$59,348	\$124,494	\$367,786
Recovery of USF Oversight Costs	-\$790	-\$3,930	-\$3,180	-\$1,600	-\$9,500
Estimated FY 2017 Request from Offsetting Collections	\$98,622	\$80,602	\$56,168	\$122,894	\$358,286

¹In FY 2015, the Commission had eight Strategic Goals. In FY 2016, those Strategic Goals were consolidated to four.

²Uncontrollable inflationary increases requested have been prorated across all goals based on FY 2017 adjusted percentages.

³One-time programming increases requested have been identified and distributed to the Strategic Goal and/or Goals for which the resources will provide enhanced capabilities in FY 2017.

Fiscal Year 2017 Budget Estimates to Congress Summary of Change by Budget Object Class Code

(Dollars in Thousands)

Budget Object Class Codes and Descriptions	Adjustment to Base Budget	Inflationary Increase	FY 2017 New Initiatives	FY 2017 USF Adjustment
11.00 - Personnel Compensation				
Compensation	-\$2,856	\$0	\$0	\$0
Pay Raise	0	2,372	0	-\$6,320
Staffing Adjustment	0	0	0	0
12.00 - Personnel Benefits				
Benefits Associated with Pay Raise	-\$714	697	0	-\$1,580
Staffing Adjustment	0	0	0	0
Workers Compensation	0	4	0	0
13.00 - Benefits for Former Personnel				
	0	0	0	0
21.00 - Travel and Transportation of Persons				
Domestic/International/Joint Board Travel	0	28	0	0
Leased, Passenger Vehicles	0	1	0	0
22.00 - Transportation of Things				
	0	2	0	0
23.00 - Rent, Communications, Utilities				
GSA Rent and Fees Increase - Portals II and Field Offices	0	466	0	0
Non-GSA Space Rent	0	1	0	0
GSA and Non-GSA Telephones	0	54	0	0
Mail Service - Postage	0	3	0	0
GSA, Electric, Other Utilities	0	10	0	0
Telecommunications Service - Non-GSA	0	0	0	0
Other Equipment and Copier Rentals	0	14	0	0
24.00 - Printing and Reproduction				
	0	14	0	0
25.00 - Other Contractual Services				
Contract Services - Federal & Non-Federal	0	271	18,467	-1,600
ADP Data Retrieval Services	0	17	0	0
Training/Tuition/Fees; Gov't-side Training Initiative	0	9	0	0
Contract Purchases - Federal	0	4	0	0
Interagency Contracts	0	33	0	0
Field Office Building and Grounds; Space Repair	0	3	0	0
Health Services	0	1	0	0
Repair/Maintenance of Vehicles	0	1	0	0
ADP Software/ADP Equip. Maintenance; ADP Service Contracts	1,400	318	4,670	0
Repair Office Equipment/Technical Equipment	0	6	0	0
26.00 - Supplies and Materials				
Field Fuel Supplies	0	2	0	0
Periodicals & Subscriptions	0	13	0	0
General Supplies and Materials	0	6	0	0
31.00 - Equipment				
Technical Equipment	\$2,570	40	0	0
ADP Equipment	0	2	0	0
ADP Software	0	13	0	0
Telecom Equipment	0	0	0	0
Vehicle Purchase	0	0	0	0
Other Equipment	0	0	0	0
32.00 - Land and Structures				
	0	0	0	0
42.00 - Insurance Claims and Indemnities				
	0	0	0	0
Totals	\$400	4,405	\$23,137	-\$9,500
TOTAL CHANGE			\$27,942	\$18,442

**Fiscal Year 2017 Budget Estimates to Congress
Allocation of Obligations by Object Class Code**

(Dollars in Thousands)

Budget Object Class Codes and Descriptions	FY 2015 Actuals	FY 2016 Enacted	Adjustments To Establish		Programmic Changes	FY 2017 Congressional Request
			FY 2017 Base	FY 2017 Base		
11 Personnel Compensation	\$190,735	\$187,080	\$2,371	\$189,451	\$0	\$189,451
12 Benefits	53,683	54,469	700	55,169	0	55,169
13 Benefits for former personnel	52	69	1	70	0	70
21 Travel & transportation of persons	1,616	2,205	29	2,234	0	2,234
22 Transportation of things	45	147	2	149	0	149
23.1 Rent payments to GSA	38,315	35,866	466	36,332	0	36,332
23.3 Communications, utilities, & misc. charges	5,274	6,243	81	6,324	0	6,324
24 Printing and reproduction	1,055	1,079	14	1,093	0	1,093
25.2 Other services from non-Federal sources	17,306	32,158	-9,703	22,454	3,500	25,954
25.3 Other goods & services from Federal sources	2,544	37,210	-34,128	3,082	13,367	16,449
25.7 Operation & maintenance of equipment	24,255	24,103	326	24,430	6,670	31,100
26 Supplies and materials	1,351	1,646	21	1,667	0	1,667
31 Equipment	691	1,708	56	1,764	0	1,764
32 Land and structures	0	0	0	0	0	0
42 Insurance claims & indemnities	10	30	0	30	0	30
Sub-Total	\$336,932	\$384,012	-\$39,764	\$344,249	\$23,537	\$367,786
Recovery of USF Oversight Cost	0	0	0	0	0	-9,500
Sub-Total - Appropriation Authority	\$336,932	\$384,012	-\$39,764	\$344,249	\$23,537	\$358,286
Reimbursables - Government/Other	939	4,000	0	4,000	0	4,000
Spectrum Auction Cost Recovery Reimbursement	100,780	117,000	0	117,000	7,000	124,000
TOTAL REQUEST	\$438,651	\$505,012	-\$39,764	\$465,249	\$30,537	\$486,286

EXHIBITS AND REPORTS

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Universal Service Fund Exhibit

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. Interest income on these funds is utilized to offset carrier contributions. Administrative costs of the program are provided from carrier contributions.

For budgetary purposes, the USF comprises five elements that consist of four universal service support mechanisms and the Telecommunications Relay Service (TRS) Fund. The TRS Fund represents a program established under section 225 of the Act. This statute provides for an mechanism to support relay services necessary for telecommunications access by speech or hearing impaired populations.

Public Law 114-53 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, 2017. The Antideficiency Act requires that funds be available before incurring an obligation on behalf of the Federal Government.

Program and Financing (in millions of dollars)			
	2015 Actual	2016 Est.	2017 Est.
Obligation by program activity:			
0001	\$17,788	\$11,297	\$12,396
0002	134	141	160
0900	<u>\$17,922</u>	<u>\$11,438</u>	<u>\$12,556</u>
Budgetary resources			
1000	\$3,266	(\$3,809)	(\$3,765)
1021	1,225	1,693	1,093
1050	<u>\$4,491</u>	<u>(\$2,116)</u>	<u>(\$2,672)</u>
Budget authority:			
Discretionary:			
1120	\$0	\$0	(\$10)
1160	<u>\$0</u>	<u>\$0</u>	<u>(\$10)</u>
Mandatory:			
1201	\$9,575	\$9,689	\$9,840
1201	\$35	\$100	\$165
1160	<u>\$9,610</u>	<u>\$9,789</u>	<u>\$10,005</u>
Spending authority from offsetting collections, mandatory:			
1850	\$12	\$0	\$0
1900	9,622	9,789	9,995
1930	<u>\$14,113</u>	<u>\$7,673</u>	<u>\$7,323</u>
1941	<u>(\$3,809)</u>	<u>(\$3,765)</u>	<u>\$0</u>
Change in obligated balances:			
3000	\$4,555	\$12,046	\$11,240
3010	\$17,922	\$11,438	\$12,556
3020	(9,206)	(10,551)	(10,921)
3040	(1,225)	(1,693)	(1,093)
3050	<u>\$12,046</u>	<u>\$11,240</u>	<u>\$11,782</u>
3100	\$4,555	\$12,046	\$11,240
3200	<u>\$12,046</u>	<u>\$11,240</u>	<u>\$11,782</u>
Budget authority and outlays net:			
4090	<u>\$9,622</u>	<u>\$9,789</u>	<u>\$10,005</u>
4100	3,690	4,881	5,058
4101	9,206	10,551	10,925
87.00	<u>\$12,896</u>	<u>\$15,432</u>	<u>\$15,983</u>
Offsets against gross budget authority and outlays			
4123	(\$12)	\$0	\$0
4160	<u>\$9,610</u>	<u>\$9,789</u>	<u>\$10,005</u>
4170	<u>\$9,194</u>	<u>\$10,551</u>	<u>\$10,925</u>
4180	<u>\$9,610</u>	<u>\$9,789</u>	<u>\$9,995</u>
4190	<u>\$9,194</u>	<u>\$10,551</u>	<u>\$10,921</u>
Memorandum (non-add) entries:			
5000	\$7,656	\$8,122	\$7,303
5001	8,122	7,303	6,304

Spectrum Auctions Program Account Exhibit

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)

	2015 Actual	2016 Est.	2017 Est.
Obligations by program activity:			
0709 Administrative Expenses	\$0	\$0	\$0
0900 Total new obligations	\$0	\$0	\$0
Budgetary resources available for obligation:			
1000 Unobligated balance carried forward, start of year	\$3	\$3	\$3
Budget authority			
1200 Appropriation, mandatory	\$0	\$0	\$0
1260 Appropriation, mandatory (total)	\$0	\$0	\$0
1930 Total budgetary resources available	\$3	\$3	\$3
Memorandum (non-add) entries			
1941 Unexpired unobligated balance, end of year	\$3	\$3	\$3
Change in obligated balances:			
3000 Unpaid obligated balance, start of year	\$0	\$0	\$0
3010 Obligations incurred, unexpired accounts	\$0	\$0	\$0
3020 Total outlays (gross)	\$0	\$0	\$0
3050 Unpaid obligation, end of year (gross)	\$0	\$0	\$0
Budget authority and Outlays (net)			
4090 Budget authority, gross	\$0	\$0	\$0
Outlays, gross:			
4100 Outlays from new mandatory authority	\$0	\$0	\$0
4101 Outlays from mandatory balance	\$0	\$0	\$0
4110 Outlays gross (total)	\$0	\$0	\$0
4160 Budget authority, net (mandatory)	\$0	\$0	\$0
4170 Outlays, net (mandatory)	\$0	\$0	\$0
4180 Budget authority, net (total)	\$0	\$0	\$0
4190 Outlays, net (total)	\$0	\$0	\$0

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

	2015 Actual	2016 Est.	2017 Est.
Direct loan upward reestimate:			
1350 Spectrum auction	\$0	(\$3)	\$0
1359 Total upward reestimate budget authority	\$0	\$0	\$0
Direct loan downward reestimate:			
1370 Spectrum auction	\$0	\$0	\$0
1379 Total downward reestimate budget authority	\$0	\$0	\$0
Administrative expense data:			
3510 Budget authority	\$0	\$0	\$0
3590 Outlays from new authority	\$0	\$0	\$0

Object Classification (in millions of dollars)			
	2015 Actual	2016 Est.	2017 Est.
1111 Personnel compensation: Full-time permanent	\$0	\$0	\$0
1252 Other services	\$0	\$0	\$0
1253 Other purch of goods & services from Government acct	\$0	\$0	\$0
1410 Grants, subsidies, and contributions	\$0	\$0	\$0
9999 Total new obligations	\$0	\$0	\$0

Spectrum Auctions Direct Loan Financing Account Exhibit

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)			
	2015 Actual	2016 Est.	2017 Est.
Obligation by program activity:			
Credit program obligations:			
0742 Downward reestimate paid to receipt account	\$0	\$1	\$0
0743 Interest on downward reestimate	\$0	\$2	\$0
0900 Total new obligations	\$0	\$3	\$0
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance carried forward, start of year	\$3	\$3	\$0
1050 Unobligated balance (total)	\$3	\$3	\$0
Financing authority:			
Borrowing authority, mandatory:			
1400 Borrowing authority	\$4	\$0	\$0
1440 Borrowing authority, mandatory (total)	\$4	\$0	\$0
Spending authority from offsetting collections, mandatory:			
1800 Offsetting collections	\$0	\$0	\$0
1825 Spending authority from offsetting collections applied to repay debt	\$0	\$0	\$0
1850 Spending authority from offsetting collections, mandatory:	\$0	\$0	\$0
1900 Financing authority (total)	\$0	\$0	\$0
1930 Total budgetary resources available	\$3	\$3	\$0
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	\$3	\$0	\$0
Change in obligated balances:			
3010 Obligation incurred, unexpired accounts	\$0	\$3	\$0
3020 Outlays (gross)	\$0	(\$3)	\$0
Financing authority and disbursements, net			
4110 Outlays, gross - total	\$0	\$3	\$0
4160 Financing authority, net (mandatory)	\$0	\$0	\$0
4170 Financing disbursements, net (mandatory)	\$0	\$3	\$0
4180 Financing authority, net (total)	\$0	\$0	\$0
4190 Financing disbursements, net (total)	\$0	\$3	\$0

Balance Sheet (in millions of dollars)

	2014 Actual	2015 Est.	2016 Est.
Cumulative balance of direct loans outstanding:			
1101 Fund balance with Treasury	\$0	\$3	\$0
1999 Total Assets	\$0	\$3	\$0

Responses to Congressional Inquiries Concerning GAO Recommendations



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

February 4, 2015

The Honorable Elijah E. Cummings
Ranking Member
Committee on Homeland Security and Governmental Affairs
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Cummings:

On November 24, 2014, the Government Accountability Office (GAO) released a report entitled *FCC Should Track the Application of Fixed Internet Usage-Based Pricing and Help Improve Consumer Education*, GAO-15-108. The GAO Report examined available information regarding the application of usage-based pricing by Internet service providers, issues related to usage-based pricing that selected consumers reported as being important to them, and the potential effects of usage-based pricing on consumers. The Report recommends that the FCC: (1) work with fixed providers to develop a voluntary code of conduct, similar to the Wireless Code of Conduct, to improve consumer communication and understanding of data use and pricing and (2) make use of existing data collection sources to track fixed Internet usage-based pricing and its effect on consumers nationwide so that the FCC can take actions, if necessary, to protect consumer interests. I agree that usage-based pricing is an important consumer issue and one that the FCC must ensure does not reduce Americans' access to broadband services.

The Commission recognizes the potential significance of data caps and other usage-based pricing for consumers of fixed broadband services. In contrast to mobile wireless services, for which data caps and other usage-based pricing are relatively common, fixed wireline broadband services historically have not been subject to caps on data usage. We know, however, that some providers of fixed services have begun to impose data caps. The Commission is evaluating these developments in several ongoing proceedings. For example, in the recently adopted *2015 Broadband Progress Report and Notice of Inquiry*, the Commission identifies the potential for usage allowances, among other factors, to affect future determinations of whether "advanced telecommunications capability" is available to all Americans. The Commission determines to examine these issues, among other factors, in its next Broadband Progress Report.

Usage-based limits also are an important factor in determining services that are eligible for support under the FCC's Connect America Fund program. The Wireline Competition Bureau has established an initial minimum usage limit of 100 GB per month for price cap carriers that set any usage allowance for service offerings they rely upon to meet their obligations associated with their acceptance of Connect America Phase II model-based support.¹⁰ The Bureau also requires price cap carriers accepting Phase II support to offer a minimum usage allowance over

¹⁰ See *Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 15060, 15066 (Wireline Comp. Bur. 2013).

the course of the Connect America Phase II's term (now set at six years) that remains consistent with trends in usage for 80 percent of consumers using cable or fiber-based fixed broadband services.¹¹ In short, we are very cognizant of the critical impact that consumers' data usage has on the quality of their experience in accessing the Internet.

Additionally, in its *2014 Open Internet Notice of Proposed Rulemaking*, the Commission requested comment on a variety of issues relating to this topic.¹² In particular, the Commission asked for comment "on what economic tools broadband providers utilize to manage traffic on their networks,"¹³ and noted that "[b]roadband providers may address traffic management through commercial terms and conditions on end users, such as pricing for different levels of throughput or through the use of 'data caps.'"¹⁴ The Commission also asked "[t]o what extent and in what ways do broadband providers use such tools to manage traffic, such as by excluding certain content from such an end user data cap?"¹⁵ In response to these questions, some commenters raised usage-based pricing for both mobile and fixed services as one of many issues of potential concern,¹⁶ while others supported such practices as effective means of managing network capacity.¹⁷

On February 5th, I will circulate to my fellow Commissioners for their consideration a draft Report and Order adopting new Open Internet protections. The rules that I intend to propose will provide the FCC with the tools necessary to protect a fast, fair, and open Internet. In addition to rules governing the conduct of broadband providers, I will propose enhancements to the existing transparency rule. That rule, which empowers consumers to make informed choices about broadband services, already requires broadband providers to disclose the commercial terms of a consumer's broadband service, including any data caps or allowances. Because it provides a basis for enforcement where appropriate, the existing transparency rule provides us with an even more effective tool than a voluntary code of conduct would. I am confident that the transparency rule – as it exists already today and as I hope it will be enhanced moving forward – will help to ensure that consumers are protected from harmful practices.

In addition to the foregoing, the Commission is currently monitoring usage-based pricing of fixed services through our review of consumer complaints. To date, a relatively small proportion of the overall complaints have focused on issues pertaining to data caps or other forms of usage-based pricing of fixed services. But we are continuing to monitor consumer

¹¹ *Id.* at 15068.

¹² *Protecting and Promoting the Open Internet*, GN Docket No. 14-28, Notice of Proposed Rulemaking, 29 FCC Rcd 5561 (2014) (*2014 Open Internet Notice of Proposed Rulemaking*).

¹³ *Id.* at 5577.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ See, e.g., Comments of Public Knowledge *et al.*, GN Docket 14-28, at 48-60 (filed July 15, 2014)

<http://apps.fcc.gov/ecfs/document/view?id=7521480282>; Comment of Gail Day (filed July 17, 2014)

<http://apps.fcc.gov/ecfs/comment/view?id=6018184486>.

¹⁷ See, e.g., Comments of Int'l Center for Law and Economics and TechFreedom, GN Docket 14-28, at 19 (filed July 17, 2014) <http://apps.fcc.gov/ecfs/document/view?id=7521706121>.

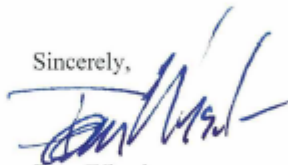
complaints carefully for any changes that would suggest that additional action is needed. In this regard, the Commission's Consumer and Governmental Affairs Bureau is streamlining the process of synthesizing and analyzing consumer complaint trends and will make more of that data readily accessible to the public. We will use this enhanced capability to monitor customer complaints closely, to identify any problems associated with the use of data caps and other usage-based pricing measures, and to take action where appropriate.

We believe these current and future measures offer benefits that go beyond what a voluntary code of conduct would accomplish and that it is therefore not necessary to take that step at this time.

At the same time, we will use the information currently available, as well as explore the collection of additional data resources, to help ensure the Commission is well positioned to take additional action to protect consumers, should that prove necessary. As recommended in the GAO Report, we will evaluate the information we collect in the Commission's Urban Rates Survey and on the Form 481 to enhance our understanding of what usage-based pricing practices are used in the market for fixed services. These data collections were developed to support the Commission's Universal Service Fund's High-Cost program and do not offer information on whether consumers subscribe to plans that have usage limits, on consumers' usage relative to the limits, or on the effect of usage-based pricing on consumers' bills. In addition, and as discussed above, we will ensure that our consumer complaint system carefully catalogs and tracks any complaints that come in, including those that may result from the additional rules I have proposed that my colleagues adopt in the Open Internet proceeding. We will also look at additional data sources to help evaluate this issue and others affecting consumers' ability to access broadband services.¹⁸

We appreciate GAO's analysis and recommendations and its concern for the protection of consumers as we work to reduce barriers and promote competition in the market for broadband services. Should you have any questions or comments regarding this matter, I would be pleased to discuss them with you.

Sincerely,



Tom Wheeler

cc: The Honorable Anna Eshoo

¹⁸ The Commission has previously sought comment on whether to augment its Form 477 data collection to include price and customer satisfaction, along with other factors, and these issues remain open for the Commission's consideration. See *Modernizing the FCC Form 477 Data Program et al.*, WC Docket No. 11-10 et al., Notice of Proposed Rulemaking, 26 FCC Red 1508 (2011); Report and Order, 28 FCC Red 9887, 9892, para. 13 n.29 (2013).



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2015

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Cummings:

On April 23, 2015, the Government Accountability Office (GAO) issued a report entitled *Telecommunications: FCC Should Evaluate the Efficiency and Effectiveness of the Lifeline Program* (GAO-15-335) ("Report" or "GAO Report"). The GAO Report examined: 1) the extent to which the Commission evaluated Lifeline program effectiveness; 2) reforms the Commission adopted in its 2012 *Lifeline Reform Order*, including the status of these reforms; 3) implementation of the Low-Income Broadband Pilot Program (Pilot Program); and 4) challenges faced by participants in the Lifeline program. This Report provided important feedback on the Lifeline program, and we have incorporated many of the questions raised in the Report in the Lifeline item that we adopted last week.

We agree with GAO on the importance of evaluating whether the Lifeline program is achieving its goals.¹ In the 2015 *Lifeline FNPRM & Order* adopted by the Commission last week, we took steps that will help us evaluate the effectiveness of the Lifeline program. The Commission sought comment, for example, on ways the program could improve the affordability of voice and broadband as well as increase adoption of those services.² The Commission also sought comment on whether it should consider other measurements that will assist in an ongoing evaluation of the program in addition to the measurements established by the Commission in 2012 in the *Lifeline Reform Order*.³ To more specifically address GAO's recommendation, the Commission sought comment on how it can best evaluate the Lifeline program and the extent to which the program has achieved the program goals.⁴

The 2015 *Lifeline FNPRM & Order* also addressed the reforms highlighted by GAO which had not yet been fully realized and the challenges faced by subscribers and providers participating in the Lifeline program. We are pleased that the Commission's previous reforms have taken hold and resulted in a

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Red 6656, 6670-77, paras. 24-43 (2012) (*Lifeline Reform Order*). (adopting as the goals of the program ensuring availability of voice, ensuring availability of broadband, and minimizing the contribution burden on consumers and businesses).

² See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71, paras. 37-51 (2015 *Lifeline FNPRM & Order*).

³ *Id.* at para. 157.

⁴ *Id.*

sustained, accountable program, but agree with GAO that the Commission's work is not complete. As a result, the Commission took further steps to continue implementation of the four reforms highlighted by the GAO. For example, the Commission has proposed to establish a permanent support amount of \$9.25 for the program.⁵ Likewise, to streamline the Lifeline eligibility process and properly align incentives with the goals of the program, the Commission sought comment on a variety of options to remove the responsibility of conducting the eligibility determination from the providers.⁶

Last month, the Wireline Competition Bureau ("Bureau") released the Low Income Broadband Pilot Program Staff Report, which serves as a reference document to complement the full release of subscriber data collected by providers during the Pilot Program.⁷ The GAO report states that the Commission did not conduct a needs assessment or develop implementation and evaluation plans prior to establishing the Pilot Program. The Bureau did issue a Public Notice setting forth application criteria and procedures for pilot program applications and explained how it would favor pilot projects designed as field experiments, and included detailed surveys that would be completed during the course of the pilot.⁸ In selecting the pilot projects, Commission staff struck a balance between allowing providers enough flexibility in the design of the pilots and ensuring the structure of each project would result in data that would be statistically and economically relevant. In the *2015 Lifeline FNPRM & Order*, we sought comment on the data and how the data should inform Commission policy-making as we move forward with modernizing the Lifeline program.

Finally, the GAO report notes challenges faced by subscribers enrolling in the program and retaining benefits over time, as well as challenges faced by providers participating in the Lifeline program. For example, many providers were prohibited from retaining copies of the documentation that applicants provide to verify eligibility. The Commission's recent action both permits *and* requires eligible telecommunications carriers to retain documentation demonstrating subscriber eligibility.⁹ Moreover, the Commission proposed a number of additional ways to increase the efficient administration of the Lifeline program and measures to enhance consumer protections and ease of participation in the program for both consumers and providers.¹⁰ We recognize that the Lifeline program must continue to evolve to reflect the realities of the 21st Century communications marketplace in a way that ensures both the beneficiaries of the program, as well as those who pay into the universal service fund.

⁵ *Id.* at paras. 52-3.

⁶ *Id.* at paras. 64-91.

⁷ See Low-Income Broadband Pilot Program Staff Report, WC Docket No. 11-42, DA 15-624 at para. 23 (Wireline Comp. Bur. 2015).

⁸ See generally *Wireline Competition Bureau Announces Application Procedures and Deadline for Applications to Participate in the Broadband Adoption Lifeline Pilot Program*, WC Docket No. 11-42, Public Notice, 27 FCC Red 4840 (Wireline Comp. Bur. April 30, 2012).

⁹ See *2015 Lifeline FNPRM & Order* at paras. 224-237.

¹⁰ See *id.* at paras. 63-223 (seeking comment on various proposals such as third-party eligibility determination, streamlining ETC designation process, and ways to increase transparency in the program).

The Commission and its staff appreciate the GAO's analysis and its recommendation. We look forward to continuing to work with the GAO and Congress in our efforts to reform and modernize the Lifeline program. Please let me know if I can be of further assistance.

Sincerely



Tom Wheeler

cc: The Honorable John Thune, Chairman
Committee on Commerce, Science, and Transportation



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 10, 2015

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

Dear Chairman Johnson:

On May 8, 2015, the Government Accountability Office (GAO) publicly released a report entitled, *FCC Should Strengthen Its Management of Program to Assist Persons with Hearing or Speech Disabilities*, GAO-15-409. The report recommends that the Federal Communications Commission (FCC or Commission): 1) develop specific performance goals and measures for the telecommunications relay services (TRS) program, including establishing goals or performance measures that would guide its efforts on major program dimensions such as service quality or competition among providers; 2) conduct a robust risk assessment following the establishment of TRS performance goals, which can help the FCC design a comprehensive internal-control system; and 3) improve the FCC's communication of TRS rules and procedures to the community of individuals who are deaf, hard of hearing, or have speech disabilities and the companies providing TRS services by creating and disseminating of a handbook, program manual, or other consolidation of TRS rules and procedures. My staff has carefully reviewed the Report and proposals provided therein. Pursuant to 31 U.S.C. § 720, I am submitting this statement on actions the FCC has taken on those recommendations.

The FCC has initiated corrective action plans to address the recommendations in GAO's report. First, the Commission is drafting a notice of proposed rulemaking that will seek public comment on clearly stated proposed goals for the TRS program. The notice will include specific proposals by which to measure the program's performance toward meeting those stated goals. In drafting the notice, we have taken direction from GAO's recommendations and used the GAO Green Book¹ to ensure that our proposed goals and performance measures will ensure a well-balanced set of outcome and output measures that link to specific program performance goals. For example, an objective of the notice is to clearly define the term "functional equivalence" as a goal and establish measurements to assess progress toward that goal. Measurements may include service quality aspects of TRS, such as the speed and accuracy of typing or interpreting relay conversations, as well as assessments of the number of potential and actual relay users.

Second, we are using the GAO Green Book, as well as Office of Management and Budget's Circular A-123,² to revise our risk assessments to enable us to better identify risks to providing

¹ Government Accountability Office Report No. 14-704G, *Standards for Internal Control in the Federal Government* (September 2014).

² Office of Management and Budget, Circular A-123, *Management's Responsibility for Internal Control* (December 2004).

functionally equivalent services and to inform the development of the overall internal-control system, as recommended in the GAO report. We are also implementing more robust assessment tools for programmatic analysis and integrating audit findings as applicable into this system. Finally, we are continuing our ongoing and successful efforts to minimize the risk of fraud, waste and abuse in the TRS program.

Third, to ensure better communication with groups that are impacted by the TRS program, such as TRS users and providers, the FCC has entered into a contract with MITRE that will facilitate the FCC's efforts to directly address some of GAO's recommendations and will also further the goal of ensuring the efficient and effective delivery of functionally equivalent communications services for the covered disability populations. The relationship with MITRE already has resulted in the establishment of a TRS Center of Expertise (COE) that is bringing together experts, persons with disabilities and other stakeholders to identify and prioritize research and develop efforts to achieve functionally equivalent TRS access, so that people with communication disabilities can fully use and enjoy the benefits of the nation's communications systems. The COE is intended to initiate, manage, and serve as a review body for project research and reports, and to disseminate research findings to key stakeholders (policymakers, research community, interest groups, TRS user communities, etc.). In addition, our efforts with MITRE will accomplish the following:

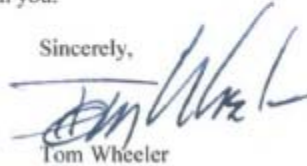
- Interoperability and usability testing that will provide the baseline data of how TRS is provided today. This baseline will serve as an objective foundation upon which the FCC can build meaningful goals and performance measures as it relates to ensuring interoperability among TRS providers and objective measures of service quality. It will also serve as a point of comparison to evaluate how the adoption of innovative technologies can enhance the quality, efficiency and/or effectiveness of the TRS program; and
- A National Outreach Program Coordinator overseen by MITRE, which will develop, coordinate, and disseminate non-branded information to potential new TRS users and to the general public about IP-CTS, IP Relay, and VRS, including their service features, purposes and benefits, and how to access and use these services. The Coordinator also will be charged with conducting an outreach campaign —“Answer the Call”— aimed at government and industry, to reinforce the obligation of these entities to facilitate communications access to and from persons who are deaf, hard of hearing, deaf-blind or have speech disabilities. Along these lines, this outreach will promote the hiring of people with communications disabilities to provide such direct communication between consumers and these various entities.

In addition, the Commission can ensure better communication with groups that are impacted by the TRS program through its newly established federal advisory committee, the Disability Advisory Committee (DAC). The mission of the DAC, which was formed in December 2014, is to provide advice and recommendations to the Commission on a wide array of disability issues within the FCC's jurisdiction, such as TRS, closed captioning, access to 911 emergency services, the impact of IP and other network transitions on people with disabilities and many other accessibility issues. The DAC membership consists of stakeholders representing disability consumer organizations, industry, state and local governments, and academics, and is co-chaired by one consumer representative and one industry representative. The DAC established four subcommittees, one of

which is devoted to TRS. This subcommittee recently came up with a concrete set of recommendations on improving the speed of answer performance for video relay service, which is a critical component for ensuring that this relay service is functionally equivalent to voice telephone services. The full DAC committee approved this and other subcommittee recommendations at the June 23, 2015 meeting at the FCC headquarters. The Commission will continue to use the subcommittee as way to improve the FCC's communication about TRS to consumers and companies and for receiving recommendations on TRS from these interested parties.

In summary, the FCC and its staff appreciate the GAO recommendations, and have initiated corrective action plans to implement them. Should you have any questions or comments regarding this matter, I would be pleased to discuss them with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a horizontal line. The signature is stylized and cursive.

Tom Wheeler

cc: The Honorable Jeff Sessions



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 15, 2015

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

Dear Chairman Johnson:

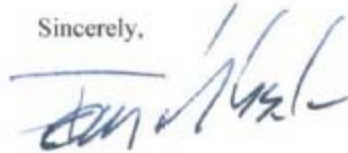
On May 15, 2015, the Government Accountability Office (GAO) publicly released a report entitled *Additional Actions Could Help FCC Evaluate Its Efforts to Inform Consumers*, GAO-15-363. The Report recommends that the Federal Communications Commission (FCC) conduct or commission research on the effectiveness of the FCC's efforts to provide consumers with broadband performance information and make the results of this research publicly available. The Report also recommends that the FCC establish performance goals and measures under the agency's relevant strategic objectives that allow it to monitor and report on the impact and effectiveness of its efforts. My staff has carefully reviewed the Report and proposals provided therein. Pursuant to 31 U.S.C. Section 720, I am submitting this statement on actions the FCC has taken on those recommendations.

The FCC has taken steps already to carry out the recommendations of the Report. On March 12, 2015, the FCC released a *Report and Order* in the Protecting and Promoting the Open Internet proceeding. The *Report and Order* commissioned a Federal Advisory Committee, the Consumer Advisory Committee (CAC), to devise a format by which broadband Internet access providers can provide consumers with broadband performance information. The FCC directed the CAC to propose a format so that consumers can make informed choices regarding the purchase of broadband services. The CAC has been directed to submit the proposed format by October 31, 2015, and the proposed format will be made publicly available.

In addition, the FCC will continue to evaluate its current Measuring Broadband America (MBA) effort to provide better information to consumers about broadband performance. The MBA is an ongoing nationwide performance study of broadband service in the United States. The MBA program was developed based on a recommendation by the National Broadband Plan to improve the availability of information for consumers about their broadband service. The FCC staff will work with the CAC to better determine the broadband performance information needed by consumers and reflect this within the MBA effort.

In summary, the FCC and its staff appreciate GAO's analysis and recommendations and have begun to implement them. Should you have any questions or comments regarding this matter, I would be pleased to discuss them with you.

Sincerely,



Tom Wheeler

cc: The Honorable Frank Pallone
The Honorable Anna Eshoo
The Honorable Edward Markey



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 31, 2015

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

Dear Chairman Johnson:

On June 2, 2015, the Government Accountability Office (GAO) publicly released a report entitled *Intended Outcomes and Effectiveness of Efforts to Address Adoption Barriers are Unclear* – GAO-15-473. The GAO Report examines: (1) what is known about the benefits of home broadband adoption, (2) barriers to broadband adoption and approaches used to address them, and (3) the extent to which FCC and NTIA have set goals for and assessed their effectiveness at addressing broadband adoption barriers. The Report recommends that, in order to more clearly establish the outcomes the FCC intends to achieve through its efforts to address broadband adoption barriers faced by demographics with low levels of adoption, the FCC revise its strategic plan to more clearly indicate whether addressing broadband adoption barriers is a major function, and if so, specify what outcomes the Commission intends to achieve.

In the Wireline Competition Bureau's response to the GAO draft report, the Bureau made clear that reducing barriers to broadband adoption has been, and continues to be, a significant priority for the Commission. This is evident in many different Commission efforts currently underway. For example, the Commission has recently released a Further Notice of Proposed Rulemaking (FNPRM) in connection with the Lifeline program that is a significant step towards modernizing the program to support broadband. The FNPRM proposes to adopt minimum service levels for all Lifeline offerings, including broadband offerings, while maintaining the current Lifeline subsidy. This approach should ensure that both low-income consumers and ratepayers get full value from the program. The FNPRM also takes steps to encourage more competition to improve price and service, to encourage more participation by the states, and proposes measures to further reduce waste and abuse in the program.

Of particular relevance, the FNPRM seeks comment on a program evaluation to determine the extent to which Lifeline has contributed towards fulfilling its program goals, such as narrowing the gap in voice and broadband penetration rates, and at what cost. In addition to increasing adoption of those services, the FNPRM also seeks comment on ways the program could improve the affordability of voice and broadband. And the FNPRM specifically seeks comment on what metrics and timeframe the Commission should use to determine whether Lifeline funds are being spent efficiently. We will carefully review the record on these issues to determine the appropriate outcomes for the program going forward.

We are also seeking to reduce potential obstacles to adoption in connection with our Broadband Progress Report. In the 2015 Broadband Progress Report, the Commission reported on its statutory obligation to evaluate whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion, and considered the totality of the circumstances when determining broadband availability. The report evaluated factors such as broadband speeds, latency,

consistency and reliability of service, usage allowances, and price. In addition, the Report also considered the importance of broadband adoption as part of the required analysis, including a report on broadband adoption rates. The Commission is required to produce this Report annually and the next Broadband Progress Report is due for release early next year.

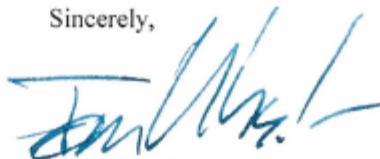
The Commission also has sought to reduce barriers to broadband adoption through its implementation of the Twenty-First Century Communications and Video Accessibility Act (CVAA), a law designed to ensure access to broadband technologies for individuals with disabilities. For example, on July 1, 2015, the Commission extended the National Deaf-Blind Equipment Distribution Program, which provides \$10 million annually to support the distribution of accessible communications equipment to low-income individuals who are deaf-blind across the country, through June 2016. On May 21, 2015, the Commission also proposed rules to make this program permanent. In addition, the Commission is actively implementing various other requirements set forth in the CVAA that require access to content, services and equipment used with broadband technologies, including requirements for closed captioning on video clips delivered via Internet protocol when these clips were part of programs first shown on television with closed captioning; for televised emergency information to be provided in an audio format when shown on tablets, smartphones and other second screen devices; and to ensure that advanced communications services and equipment used for broadband technologies are accessible by people with disabilities. And earlier this year the Commission established the Disability Advisory Committee, so that stakeholders interested in disability matters can provide advice and recommendations to the Commission on ways to ensure disability access to broadband and other communication technologies.

We believe these measures will continue to contribute to the overall trend of increasing adoption, particularly among groups with relatively low rates of adoption.

Finally, consistent with GAO's recommendations, we are working on revisions to the Commission's Strategic Plan that will clarify and confirm the important role that removing barriers to broadband adoption plays in the Commission's fulfillment of its mission. Although broadband adoption is a complex issue with multiple determinants, we remain committed to removing or diminishing the key barriers that the Commission can influence.

We appreciate GAO's analysis and recommendations and share its concern for ensuring that barriers to broadband adoption are addressed. Should you have any questions or comments regarding this matter, I would be pleased to discuss them with you.

Sincerely,



Tom Wheeler

cc: The Honorable Frank Pallone
The Honorable Anna Eshoo
The Honorable Edward Markey



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

August 7, 2015

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

Dear Chairman Chaffetz:

On June 25, 2015, the Government Accountability Office (GAO) issued a report entitled *Accessible Communications: FCC Should Evaluate the Effectiveness of Its Public Outreach Efforts* (GAO 15-574) (GAO Report or Report). The GAO Report examined the following issues: (1) the extent to which the Federal Communications Commission (FCC or Commission) established complaint and enforcement procedures within the time frames required by the Twenty-First Century Communications and Video Accessibility Act (CVAA) and conducted public outreach; (2) the actions the FCC has taken to ensure industry compliance with the CVAA's recordkeeping provisions and to determine the level of industry compliance with accessibility requirements; and (3) stakeholders' views on the effect of the CVAA's recordkeeping obligations on the development of new communications technologies.¹

The GAO Report provided important feedback on the FCC's implementation of the advanced communications accessibility requirements established by the CVAA. Among other things, GAO found that (1) the FCC established complaint and enforcement procedures in a timely manner, as required by the CVAA; (2) the Commission established a clearinghouse of information on accessibility products and services within the 1 year statutory deadline; and (3) stakeholders generally reported that the CVAA's recordkeeping obligations have not affected the development and deployment of new communications technologies."²

GAO also concluded that the FCC has taken action to ensure industry compliance with the CVAA's recordkeeping provisions. While GAO found that the FCC lacks an objective measure to determine whether industry is fully complying with the requirements to make products and services accessible, it reported that, in its interviews with stakeholders, "industry associations and advocates for people with disabilities generally indicated that product accessibility had improved since the passage of

¹ See GAO Report at 3. Section 104(a) of the CVAA added Section 717(c) to the Communications Act, which requires the Comptroller General to conduct a study to consider and evaluate these issues, and to submit a report to Congress within five years after the date of the enactment of the CVAA (by October 8, 2015) on the results of its study with recommendations for how the enforcement process and measures may be modified or improved. See 47 U.S.C. § 618(c). GAO did not assess whether the enforcement actions taken by the FCC have been appropriate and effective in ensuring compliance with the CVAA because the FCC had not taken any enforcement actions at the time of GAO's review. See 47 U.S.C. § 618(c)(1)(B).

² GAO Report at 18. GAO also reported that most companies that it surveyed indicated that the CVAA's accessibility requirements had no effect on (*i.e.*, did not help or hinder) the development and deployment of new communications technologies. GAO Report at 22.

[the] CVAA.”³ GAO further concluded that “developing an objective measure might not be cost-effective because to date, the FCC has received no informal or formal complaints asserting non-compliance with CVAA accessibility requirements.”⁴

Finally, GAO found that the “FCC has undertaken numerous efforts to conduct its CVAA-mandated informational and educational program to inform the public about the act’s protections and remedies.”⁵ Nevertheless, GAO concluded that the FCC’s public outreach efforts could be improved. In this regard, GAO compared the FCC’s outreach efforts with nine key practices for conducting public outreach that GAO had previously identified,⁶ and concluded that the Commission’s public outreach efforts aligned with all but the following two practices:

- (1) defining objectives for the outreach goals established by the CVAA,⁷ and
- (2) establishing process and outcome metrics for measuring success in achieving those objectives.

GAO thus recommended that the Chairman of the FCC “evaluate the effectiveness of [the] FCC’s accessibility-related public outreach efforts and ensure that those efforts incorporate key practices identified in this report, such as defining objectives and establishing process and outcome metrics.”⁸

The Commission appreciates GAO’s recognition of the Commission’s public outreach efforts on the CVAA. We are committed to continuing to provide comprehensive information to consumers on the availability of accessible communications products and services through the accessibility clearinghouse, and on the protections and remedies available under the CVAA. I agree that establishing objectives for our CVAA-related outreach, along with metrics for measuring its success will assist the Commission in learning more about the effectiveness of our public outreach efforts, enable the Commission to determine whether current resources allocated to these efforts are appropriate, and help to ensure the quality, quantity, and timeliness of such efforts.⁹ To this end, the Commission has undertaken the following actions:

³ GAO Report at 21.

⁴ GAO Report at 17.

⁵ GAO Report at 12-13.

⁶ GAO Report at 12-15. Key practices to achieve an effective outreach program identified by GAO are the following: (1) defining goals and objectives; (2) analyzing the situation; (3) identifying stakeholders; (4) identifying available budgetary and other resources; (5) researching target audiences; (6) developing consistent and clear messages; (7) identifying credible messengers; (8) designing media mix; and (9) establishing both process and outcome metrics to measure success in achieving objectives. GAO Report at 13-14. *See also* GAO, *Digital Television Transition: Increased Federal Planning and Risk Management Could Further Facilitate the DTV Transition*, GAO-08-43, p. 26 (Washington, D.C.: Nov. 19, 2007), available at <http://www.gao.gov/products/GAO-08-43> (last viewed July 15, 2015).

⁷ This entails defining and setting formal objectives to meet the CVAA’s goals to inform the public about the availability of the accessibility clearinghouse⁷ and the protections and remedies contained in the CVAA.

⁸ GAO Report at 22.

⁹ According to GAO, “it is important for the FCC to have a clear understanding of the goals and objectives of its public outreach prior to establishing the necessary targets to measure the effectiveness of its outreach efforts. By

First, we have set as our objective for the accessibility clearinghouse a goal of enabling consumers to easily locate and learn about the accessible products and services that are required by the CVAA. We intend to achieve this by updating the clearinghouse on a regular basis and coding its contents so that they appear on Google for certain keyword searches. We further intend to reach out to individual companies and trade associations whose product and service information are not presently on the website, to invite them to include such information to share with consumers. Additionally, we will continue to share information about the clearinghouse in our consumer materials, at conferences, through our newly formed Disability Advisory Committee and through our e-distribution list. We intend to measure the success of these outreach efforts by reviewing the number of website and individual page views. The clearinghouse page had 16,571 page views in the previous year (as measured on July 20, 2015). Visitors most frequently viewed pages on mobile devices, followed by views of assistive technologies and resources for developers. Information about the number of visitors will assist the Commission in determining the effectiveness of the clearinghouse's design and contents.

Second, in conducting outreach, we have set a goal of ensuring that consumers with disabilities become aware of the CVAA's protections and remedies. To achieve this, we intend to continue the various activities noted in the report, namely, hosting seminars and webinars; publishing consumer guides and news releases; seeking public comment on rulemakings and waiver requests in advance of orders; updating subscribers to our public e-mail service ("AccessInfo"), and giving presentations at conferences.¹⁰ To measure our success in satisfying this objective, we will track the number of CVAA inquiries received and complaints filed with the Commission, as well as the frequency with which our staff informally works with consumers and companies to resolve disputes. As noted by the GAO report, between October 8, 2013, and April 1, 2015, the FCC facilitated 48 informal disputes. To date, no complaints have been filed. That companies have resolved disputes rather than letting them go to a complaint stage demonstrates, in part, the success of our implementation of the CVAA, including its outreach provisions.

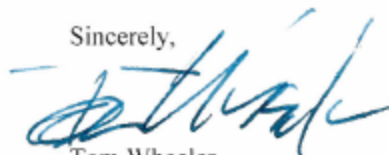
Finally, this past year, we established a Disability Advisory Committee (DAC), a federal advisory committee charged with making recommendations to the Commission on a full range of disability access issues. The DAC provides extensive opportunities to provide direct outreach and education to consumer and industry stakeholders who are affected by the CVAA's provisions. On June 23, 2015, the DAC voted to approve a recommendation urging the Commission to encourage academia, industry, and other stakeholders to share non-proprietary, privacy-protected data and reports about the needs and preferences of people with disabilities and to recommend best practices for educating and informing people with disabilities about accessible telecommunications and advanced communications products and services. Once such data and reports have been gathered, the DAC recommends that the Commission seek input from interested stakeholders to identify the scope of research needed to reduce gaps in existing and available research about the telecommunications and advanced communications product and service preferences, barriers, and information or educational needs of people with disabilities. Data about the information needs of people with disabilities, when obtained, will enable the Commission to conduct a more effective and efficient public outreach campaign.

establishing process and outcome metrics, FCC could determine whether the current levels of budgetary and other resources allocated to the outreach program need adjustment." GAO Report at 22.

¹⁰ See GAO Report at 12-13.

The Commission and its staff appreciate GAO's analysis and its recommendation. We look forward to continuing to work with GAO and Congress in our efforts to implement the CVAA. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", written in a cursive style.

Tom Wheeler