

# **Federal Communications Commission**



**Fiscal Year 2019**  
**Budget Estimates to Congress**  
**February 2018**



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# **INTRODUCTION AND SUMMARY OF REQUEST**

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## INTRODUCTION AND SUMMARY OF REQUEST

The Federal Communications Commission (FCC or Commission) is pleased to present its fiscal year (FY) 2019 budget request.

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.

As specified in section 1 of the Communications Act of 1934, as amended, the FCC's 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."<sup>1</sup> In addition, section 1 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."<sup>2</sup>

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's vision is to develop a regulatory environment to encourage the private sector to build, maintain, and upgrade next-generation networks so that the benefits of advanced communications services are available to all Americans. The FCC will work to foster a competitive, dynamic and innovative market for communications services through policies that promote the introduction of new technologies and services and ensure that Commission actions promote entrepreneurship and remove barriers to entry and investment. The Commission will also strive to develop policies that promote the public interest, improve the quality of communications services available to those with disabilities, and protect public safety. Furthermore, in FY 2019, the FCC will continue to implement its Agency Reform Plan to deliver on the needs of today and the future in a more proactive and efficient manner. Through these reform efforts, the Commission will develop and implement reforms that focus the Commission on effectively and efficiently leveraging human capital to deliver on programs that are the highest need to citizens and where there is a unique Federal role.

For FY 2019, the Commission is requesting the budget and personnel amounts that are summarized in the bullets and table below:

- The Commission requests \$333,118,000 in budget authority from regulatory fee offsetting collections. This request represents a decrease of \$21,170,568 or 6.0 percent from the FY 2018 annualized continuing appropriation level of \$354,288,568. This difference includes a net decrease adjustment to the base of \$12,635,568 and one-time requests of \$8,535,000.

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<sup>1</sup> 47 U.S.C. § 151.

<sup>2</sup> *Id.*

- The Commission requests \$112,734,000 in budget authority for the spectrum auctions program. This request represents a decrease of \$3,471,453 or 3 percent from the FY 2018 annualized continuing resolution level of \$116,205,453. To date, the spectrum auctions program has generated over \$114.6 billion for government use, including funding for such programs as the FirstNet (First Responders Network), Next Generation 911 (NG911), and deficit reduction. While raising over \$114.6 billion, the total cost of the auctions program have been less than \$1.9 billion.
- In creating a lean, accountable, more efficient Commission that works for the American people, the Commission requests 1,448 Full Time Equivalents (FTEs) funded by budget authority from both the regulatory fees offsetting collections and the spectrum auctions program. This FTE level is the same as the FY 2018 level request. With this FTE level, the Commission will continue to meet its mission demands in FY 2019.

(Dollars in Thousands)

	FY 2018		FY 2019		Change in Request	
	FTEs <sup>1</sup>	Annualized CR Amount	FTEs <sup>1</sup>	Congressional Request	FTEs <sup>1</sup>	Amount
<b>Budget Authority - Offsetting Collections:</b>						
Regulatory Fees - Commission	1,388	\$343,269	1,388	\$322,054	0	-\$21,215
Regulatory Fees - Office of Inspector General (OIG)	60	\$11,020	60	\$11,064	0	\$44
<b>Subtotal - Offsetting Collections</b>	<b>1,448</b>	<b>\$354,289</b>	<b>1,448</b>	<b>\$333,118</b>	<b>0</b>	<b>-\$21,171</b>
<b>Budget Authority - Other Offsetting Collections:</b>						
Economy Act Reimbursable Agreements		\$4,000		\$4,000		\$0
Auction Cost Recovery Reimbursement - Commission		\$116,064		\$112,589		-\$3,475
Auction Cost Recovery Reimbursement - OIG		\$141		\$145		\$4
<b>Subtotal - Other Offsetting Collections</b>		<b>\$120,205</b>		<b>\$116,734</b>		<b>-\$3,471</b>
<b>Subtotal: Offsetting Collections</b>	<b>1,448</b>	<b>\$474,494</b>	<b>1,448</b>	<b>\$449,852</b>	<b>0</b>	<b>-\$24,642</b>
<b>Other Budget Authority:<sup>2</sup></b>						
Credit Program Account <sup>3</sup>		\$100		\$50		-\$50
Universal Service Fund Oversight - OIG <sup>4</sup>		\$1,548		\$723		-\$825
<b>Subtotal: Other Budget Authority</b>		<b>\$1,648</b>		<b>\$773</b>		<b>-\$875</b>
<b>Total Gross Proposed Budget Authority</b>	<b>1,448</b>	<b>\$476,142</b>	<b>1,448</b>	<b>\$450,625</b>	<b>0</b>	<b>-\$25,517</b>

<sup>1</sup>The FTE numbers shown here include auction FTEs. Refer to page 17 for a breakdown of FTEs between non-auction (Regulatory Fees) and auction.

<sup>2</sup>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 spectrum relocation. The Act also gave the Commission the authority to use \$1.75 billion 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. The Commission's budgetary authority related to the TV Broadcaster Relocation Fund is presented separately in the Appendices section.

<sup>3</sup>A permanent indefinite appropriation for credit reform that becomes available pursuant to a standing provision of law without further action by Congress.

<sup>4</sup>Authorized transfer by Congress in FY 2008 from the Universal Service Fund (USF) to the FCC Office of Inspector General (OIG) to fight fraud, waste, and abuse in the USF programs. The amount shown represents carryover of unobligated funds. These funds are available to OIG until expended. Also, see note on page 123 related to this OIG fund.

In furtherance of these objectives and the FCC's mission, the FY 2019 budget request will be used to support the following updated Strategic Goals for FY 2019:

### **Strategic Goal 1: Closing the Digital Divide**

Develop a regulatory environment to encourage the private sector to build, maintain, and upgrade next-generation networks so that the benefits of advanced communications services are available to all Americans. Where the business case for infrastructure investment doesn't exist, employ effective and efficient means to facilitate deployment and access to affordable broadband in all areas of the country.

### **Strategic Goal 2: Promoting Innovation**

Foster a competitive, dynamic, and innovative market for communications services through policies that promote the introduction of new technologies and services. Ensure that the FCC's actions and regulations reflect the realities of the current marketplace, promote entrepreneurship, expand economic opportunity, and remove barriers to entry and investment.

### **Strategic Goal 3: Protecting Consumers and Public Safety**

Develop policies that promote the public interest by providing consumers with freedom from unwanted and intrusive communications, improving the quality of communications services available to those with disabilities, and protecting public safety.

### **Strategic Goal 4: Reforming the FCC's Processes**

Modernize and streamline the FCC's operations and programs to increase transparency, improve decision-making, build consensus, reduce regulatory burdens, and simplify the public's interactions with the agency.

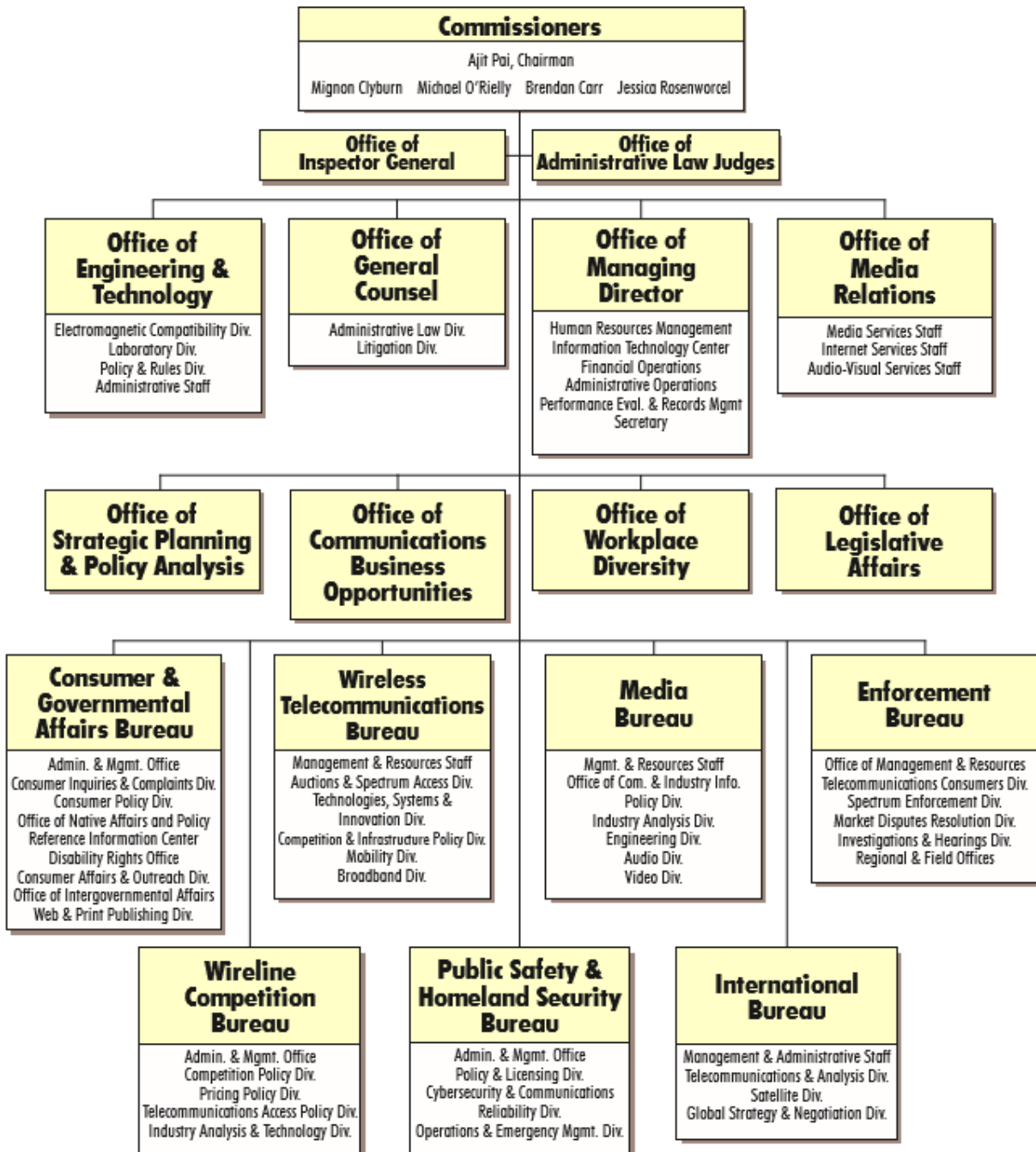
## **Additional Useful Information to Better Understand the Budget Request**

Below is some additional useful information for readers to better understand the information presented in the Commission's budget request:

- FY 2017 numbers presented are actual numbers.
- FY 2018 numbers presented are same as those submitted in the Commission's FY 2018 Congressional request in May 2017, except for the Office of the Managing Director, which includes the additional amount calculated using the Commission's FY 2018 continuing resolution level.
- There is no change in the FTE numbers from FY 2018 Congressional request numbers submitted in May 2017.
- FTE numbers listed for each Bureau and Office for FY 2019 reflect the continuation of reduced hiring through the end of FY 2018.

- The Commission's Lease for Portals II (headquarters building) expired on October 15, 2017, and the Commission does not yet know the amount of rent it will pay for this facility in FYs 2018 and 2019. As such, the Commission has included an estimate for rent for FY 2019 that shows only the inflationary increase of approximately 2 percent from the amount submitted for FY 2018.

# Organizational Chart



## **Fiscal Year 2019 Proposed Appropriation Language**

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, 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, \$333,118,000, to remain available until expended: *Provided*, That \$333,118,000 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 2019 so as to result in a final fiscal year 2019 appropriation estimated at \$0: *Provided further*, That any offsetting collections received in excess of \$333,118,000 in fiscal year 2019 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, 2018, 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 \$112,734,000 for fiscal year 2019: *Provided further*, That, of the amount appropriated under this heading, not less than \$11,064,000 shall be for the salaries and expenses of the Office of Inspector General.

## **Legislative Proposals**

The Administration is proposing legislative changes in the President's FY 2019 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 user fees on unauctioned commercial spectrum licenses based on spectrum-management principles. Fees would be phased in over time as part of an ongoing rulemaking process to determine the appropriate application and level for fees. Fee collections are estimated to begin in 2019 and total \$4.0 billion through 2028.

### **Spectrum Auctions**

The Spectrum Pipeline Act of 2015 requires 30 MHz of spectrum to be reallocated from Federal use to non-Federal use or shared Federal and non-Federal use, or a combination thereof; requires the FCC to auction this spectrum by 2024; and extends the FCC's auction authority only to allow auction of this spectrum. To facilitate this, the Act also authorizes the use of funds from the Spectrum Relocation Fund for research and development and planning activities by Federal entities that are expected to increase the probability of relocation from or sharing of Federal spectrum and that meet other requirements. The Budget proposes to require the auction of additional spectrum by 2028 and further extend the FCC's auction authority solely to allow this auction to proceed. Auction proceeds are expected to reach \$6.0 billion through 2028.

### **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. The National Oceanic and Atmospheric Administration (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 \$600 million in receipts over 10 years.

## Summary of FYs 2017 - 2019 FTEs and Funding by Bureaus and Offices

(Dollars in Thousands)

Bureaus and Offices	FY 2017		FY 2018		FY 2019	
	FTEs	Actuals	FTEs	Annualized CR Amount	FTEs	Congressional Request
Chairman and Commissioners	15	\$3,116	20	\$4,048	20	\$4,128
Consumer & Government Affairs Bureau	136	\$23,414	126	\$22,061	118	\$20,804
Enforcement Bureau	203	\$39,203	189	\$38,609	187	\$39,325
International Bureau	98	\$18,702	92	\$18,090	90	\$18,098
Media Bureau	160	\$24,172	149	\$23,132	149	\$23,590
Public Safety & Homeland Security Bureau	105	\$19,564	93	\$17,726	98	\$19,178
Wireless Telecommunications Bureau	204	\$19,497	192	\$16,235	190	\$16,556
Wireline Competition Bureau	168	\$31,725	155	\$29,927	160	\$31,020
Office of Administrative Law Judges	4	\$543	4	\$503	4	\$513
Office of Communications Business Opportunities	7	\$1,242	7	\$1,282	7	\$1,307
Office of Engineering & Technology	77	\$14,610	72	\$13,807	73	\$14,525
Office of General Counsel	77	\$15,390	72	\$15,982	68	\$15,249
Office of Legislative Affairs	9	\$1,571	7	\$1,312	8	\$1,502
Office of Managing Director	198	\$100,075	178	\$134,957	184	\$110,594
Office of Media Relations	13	\$2,505	11	\$2,137	11	\$2,179
Office of Strategic Planning & Policy Analysis	16	\$2,674	15	\$2,538	14	\$2,424
Office of Workplace Diversity	6	\$812	6	\$924	7	\$1,062
<b>Subtotal</b>	<b>1,496</b>	<b>\$318,814</b>	<b>1,388</b>	<b>\$343,269</b>	<b>1,388</b>	<b>\$322,054</b>
Office of Inspector General	46	\$7,638	60	\$11,020	60	\$11,064
<b>TOTAL</b>	<b>1,542</b>	<b>\$326,452</b>	<b>1,448</b>	<b>\$354,289</b>	<b>1,448</b>	<b>\$333,118</b>

Note: The FTE numbers shown above for FY 2018 represent the same FTE numbers submitted in the Commission's FY 2018 request to Congress in May 2017.

The Commission is responsible for the overall management, oversight, and administration of the Universal Service Fund (USF), including all USF policy decisions. All USF related activities are currently funded by regulatory fees. The Universal Service Fund Activities and Costs section on pages 26 through 29 provides more details related to the Commission's USF activities and related costs.



## Fiscal Year 2017 FTEs Distribution by Strategic Goals

Strategic Goals <sup>1</sup>	Promoting Economic Growth and National Leadership	Protecting Public Interest Goals	Making Networks Work for Everyone	Promoting Operational Excellence	Total
<b>Chairman &amp; Commissioners</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>15</b>
<b><u>Bureaus:</u></b>					
Consumer & Government Affairs	3	109	14	10	136
Enforcement	49	47	98	9	203
International	46	4	46	2	98
Media	77	2	71	10	160
Public Safety & Homeland Security	1	89	14	1	105
Wireless Telecommunications	35	6	153	10	204
Wireline Competition	57	37	68	6	168
<b>Subtotal Bureaus</b>	<b>268</b>	<b>294</b>	<b>464</b>	<b>48</b>	<b>1,074</b>
<b><u>Offices:</u></b>					
Administrative Law Judges	0	0	4	0	4
Communications Business Opportunities	5	0	2	0	7
Engineering & Technology	2	0	74	1	77
General Counsel	21	12	31	13	77
Legislative Affairs	0	6	3	0	9
Managing Director	17	34	26	121	198
Media Relations	2	0	0	11	13
Strategic Planning & Policy Analysis	6	2	7	1	16
Workplace Diversity	0	0	0	6	6
<b>Subtotal Offices</b>	<b>53</b>	<b>54</b>	<b>147</b>	<b>153</b>	<b>407</b>
<b>Subtotal</b>	<b>325</b>	<b>353</b>	<b>616</b>	<b>202</b>	<b>1,496</b>
Inspector General	0	4	12	30	46
<b>Total</b>	<b>325</b>	<b>357</b>	<b>628</b>	<b>232</b>	<b>1,542</b>

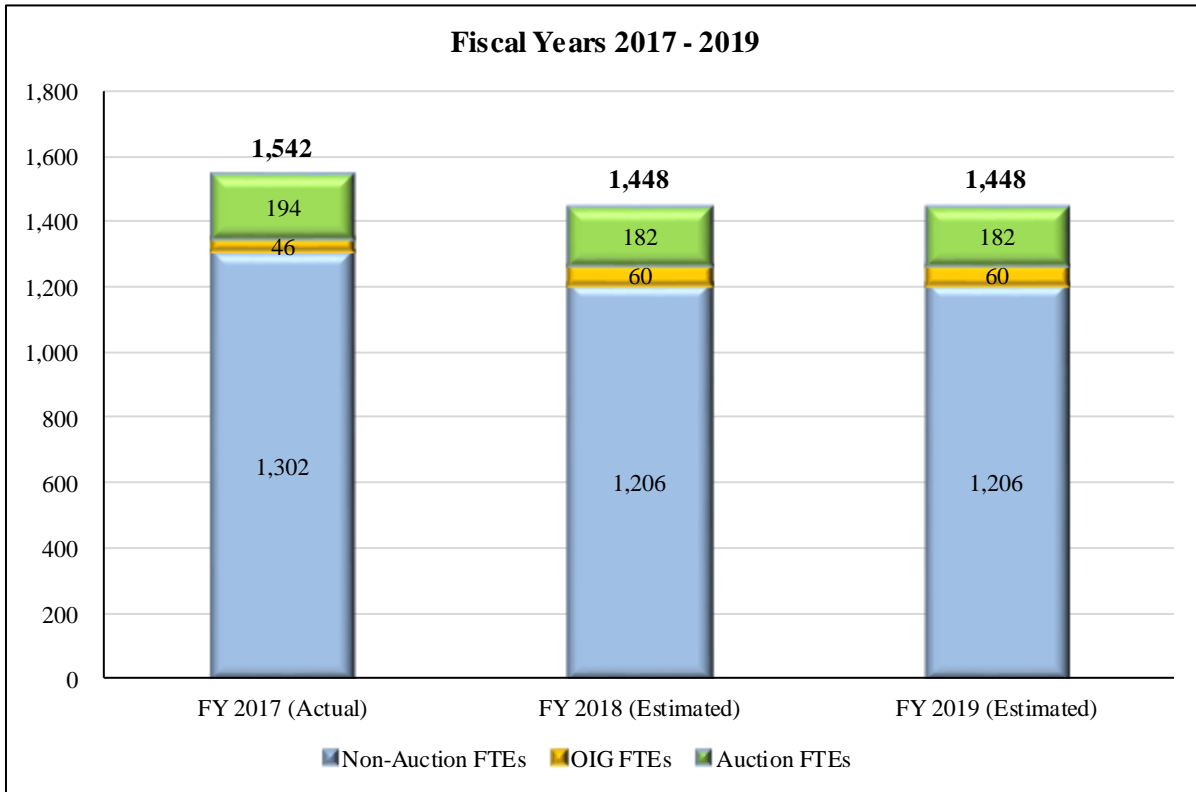
<sup>1</sup>Strategic Goals were changed starting in fiscal year 2018. Also, the above numbers include spectrum auctions program FTEs.

## Fiscal Years 2018 - 2019 FTEs Distribution by Strategic Goals

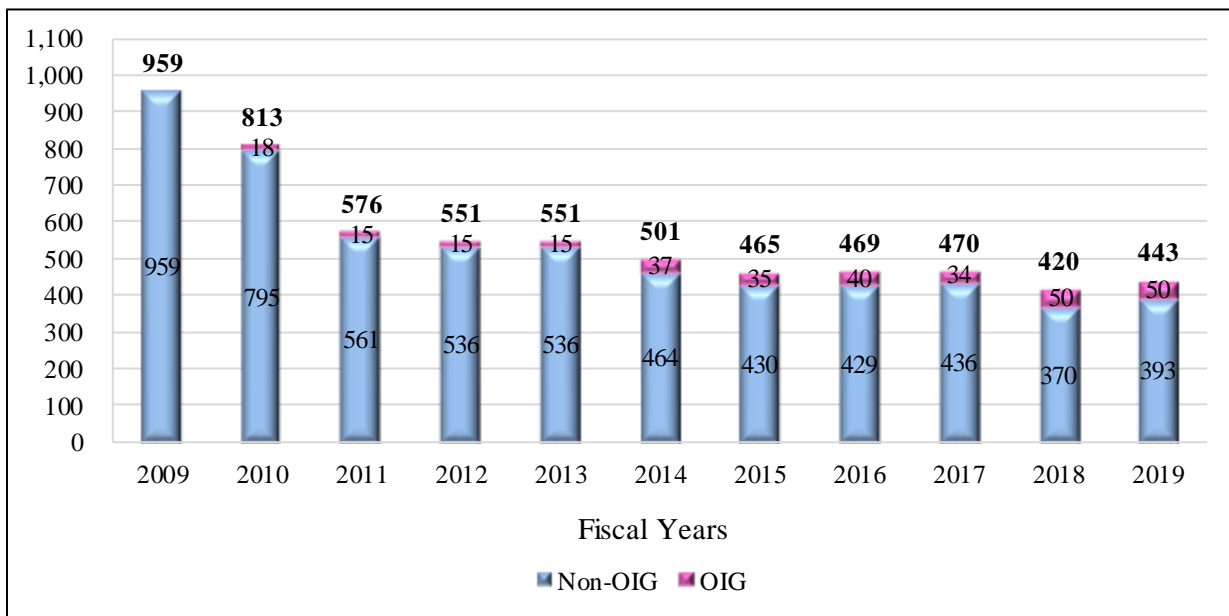
Strategic Goals <sup>1</sup>	Closing the Digital Divide		Promoting Innovation		Protecting Consumers and Public Safety		Reforming the FCC's Processes		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
<b>Fiscal Years</b>										
<b>Chairman &amp; Commissioners</b>	7	7	6	6	6	6	1	1	20	20
<b><u>Bureaus:</u></b>										
Consumer & Government Affairs	8	8	25	25	85	79	8	6	126	118
Enforcement	12	12	62	62	108	107	7	6	189	187
International	45	45	26	26	18	17	3	2	92	90
Media	15	15	75	75	53	53	6	6	149	149
Public Safety & Homeland Security	9	10	20	21	63	66	1	1	93	98
Wireless Telecommunications	115	116	27	26	44	43	6	5	192	190
Wireline Competition	68	71	45	46	38	39	4	4	155	160
<b>Subtotal Bureaus</b>	<b>272</b>	<b>277</b>	<b>280</b>	<b>281</b>	<b>409</b>	<b>404</b>	<b>35</b>	<b>30</b>	<b>996</b>	<b>992</b>
<b><u>Offices:</u></b>										
Administrative Law Judges	2	2	0	0	2	2	0	0	4	4
Communications Business Opportunities	3	3	2	2	1	1	1	1	7	7
Engineering & Technology	7	6	45	48	19	18	1	1	72	73
General Counsel	25	25	19	18	18	17	10	8	72	68
Legislative Affairs	2	3	2	2	3	3	0	0	7	8
Managing Director	19	20	20	21	28	29	111	114	178	184
Media Relations	3	3	2	2	1	1	5	5	11	11
Strategic Planning & Policy Analysis	7	6	4	4	3	3	1	1	15	14
Workplace Diversity	0	0	0	0	0	0	6	7	6	7
<b>Subtotal Offices</b>	<b>68</b>	<b>68</b>	<b>94</b>	<b>97</b>	<b>75</b>	<b>74</b>	<b>135</b>	<b>137</b>	<b>372</b>	<b>376</b>
<b>Subtotal</b>	<b>347</b>	<b>352</b>	<b>380</b>	<b>384</b>	<b>490</b>	<b>484</b>	<b>171</b>	<b>168</b>	<b>1,388</b>	<b>1,388</b>
Inspector General	12	12	2	2	10	10	36	36	60	60
<b>Total</b>	<b>359</b>	<b>364</b>	<b>382</b>	<b>386</b>	<b>500</b>	<b>494</b>	<b>207</b>	<b>204</b>	<b>1,448</b>	<b>1,448</b>

<sup>1</sup>Strategic Goals were changed starting in fiscal year 2018. Also, the above numbers include spectrum auctions program FTEs.

## FTEs by Resource Category

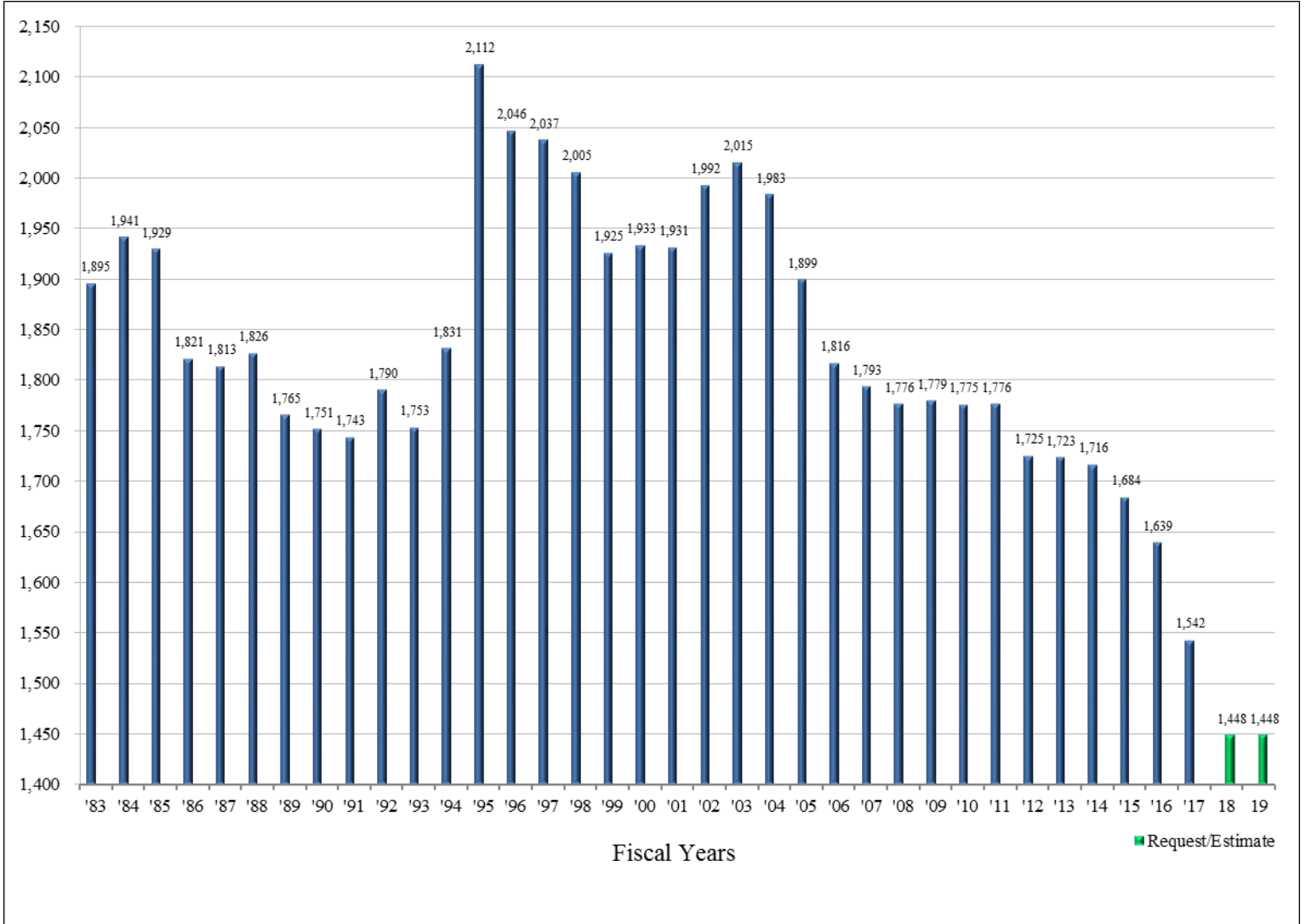


## Number of Contractors



The numbers for FYs 2018 and 2019 are estimates. The OIG number for FY 2009 was not separable. The increase in projected contractors for FY 2019 is mainly attributable to the requested increase in funding for the new one-time information technology investments.

## FTEs - Historical and Estimated Fiscal Years 1983 – 2019



## Summary of Changes - Regulatory Fees (Offsetting Collections)

(Dollars in Thousands)

	FY 2018 Annualized CR Amount	FY 2019 Congressional Request	TOTAL NET CHANGE	
			Amount	Percent
<b>Offsetting Collections:</b>				
Offsetting Collections - Commission	\$343,269	\$322,054	-\$21,215	
Offsetting Collections - Office of Inspector General (OIG)	\$11,020	\$11,064	\$44	
<b>Total Spending Authority - Offsetting Collections</b>	<b>\$354,289</b>	<b>\$333,118</b>	<b>-\$21,171</b>	<b>-6.0%</b>
Full-Time Equivalents (FTEs) - Commission <sup>1</sup>	1,388	1,388	0	
FTEs - Office of Inspector General	60	60	0	
<b>Total Full-Time Equivalents</b>	<b>1,448</b>	<b>1,448</b>	<b>0</b>	<b>0.0%</b>
<b>Explanation of Changes - Offsetting Collections</b>				
<b>FY 2017 Appropriation:</b>				
Salaries and Expenses		\$339,844		
One-Time Request - Headquarters (HQs) Move		\$16,867		
<b>Total FY 2017 Appropriated &amp; FY 2018 Continuing Resolution Base</b>			<b>\$356,711</b>	
<b>FY 2018 Continuing Resolution (CR) Adjustment:</b>				
FY 2018 CR Mandatory Reduction for Operations (0.6791%)		-\$2,422		
<b>FY 2018 Annualized CR Amount</b>			<b>\$354,289</b>	
<b>FY 2018 Congressional Request Adjustments:</b>				
One-Time Request - HQs Move		-\$16,867		
Salary & Non-Salary Inflationary Increases		\$6,447		
Reduction in Funding - Personnel Cost <sup>2</sup>		-\$16,653		
Reduction in Funding - Non-Personnel Cost <sup>2</sup>		-\$5,181		
<b>Subtotal</b>			<b>-\$32,254</b>	
<b>FY 2019 Base</b>			<b>\$322,035</b>	
<b>FY 2019 Non-Salary Inflationary Increases to Base:<sup>3</sup></b>				
Commission		\$1,904		
Office of Inspector General		\$44		
<b>Subtotal</b>			<b>\$1,948</b>	
<b>FY 2019 Adjustment To Base:</b>				
IT - Public Safety Answering Points (PSAP) - Do Not Call Registry			\$600	
<b>FY 2019 Adjusted Base Before One-Time Requests</b>			<b>\$324,583</b>	
<b>FY 2019 New Investments - One-Time Requests:</b>				
IT - Cloud Services and <u>Systems</u> Modernization		\$4,619		
IT - Cloud Services and <u>Applications</u> Modernization		\$3,666		
IT - Public Safety Answering Points (PSAP) - Do Not Call Registry		\$250		
<b>Subtotal</b>			<b>\$8,535</b>	
<b>FY 2019 Total Request</b>			<b>\$333,118</b>	
<b>TOTAL NET CHANGE</b>			<b>-\$21,171</b>	<b>-6.0%</b>

<sup>1</sup>Includes spectrum auctions program FTEs.

<sup>2</sup>The initial amount was decreased up to the FY 2018 CR Mandatory Reduction Amount for Operations.

<sup>3</sup>Utilized the FY 2018 inflationary rate of 1.9% for the first quarter of FY 2019 and FY 2019 inflationary rate of 2.0% for the remaining three quarters of FY 2019.

## **Narrative Explanation of Changes - Salaries and Expenses - Regulatory Fees**

### **Salaries and Inflationary Increases to Base: (\$1,948,000)**

1. **Non-Salary Increases** – The request of \$1,948,000 provides expected inflationary increases for space rentals (GSA and non-GSA facilities), phones, utilities, printing and reproduction services, contractual services, supplies, travel, training, and other expenses. The total non-salary increases includes related increases for OIG, which total \$44,000. This increase is developed using the same inflationary rates for personnel compensation and benefits recommended by Office of Management and Budget (OMB). In its budget guidance for FY 2019, OMB recommended that agencies use two percent for personnel compensation and benefits.
2. **Personnel Compensation and Benefits** – Pursuant to OMB guidance the request does not include increases for personnel compensation and benefits (salary increases) of \$4,391,400. As a result, the Commission will absorb the salary increases of \$4,391,000 in FY 2019 out of the Commission's base budget. The total salary increases related to OIG is \$174,000, which is included in the aforementioned total amount.

### **Other Increase to Base: (\$600,000)**

#### **1. IT Modernization – Adjustment to Base – PSAP - Do Not Call Registry (\$600,000)**

Section 6507 of the Middle Class Tax Relief and Job Creation Act of 2012 requires the Commission to create a Do-Not-Call registry for telephone numbers used by Public Safety Answering Points (PSAPs) and to prohibit the use of automatic dialing equipment to contact those numbers. PSAPs are facilities that have been designated to receive emergency calls and route them to emergency service personnel. On October 17, 2012, the Commission released a Report and Order that announced new rules to establish a Do-Not-Call Registry for telephone numbers used by facilities designated to receive emergency calls and route them to emergency service personnel (PSAPs). Under the statute, verified PSAP administrators or managers must be able to place into the PSAP registry telephone numbers that are used for the provisioning of emergency services or for communications between public safety agencies. In addition to the FY 2019 new investment request listed above for the PSAP – Do Not Call Registry, the FCC is requesting these funds as an adjustment to the FCC's base for the sustainment of the PSAP – Do Not Call Registry once it is created.

### **FY 2019 New Investments – One-Time Requests: (\$8,535,200)**

#### **1. Information Technology (IT) Modernization & Implementation**

The Commission has made tremendous strides in modernizing its IT infrastructure and legacy dependent applications to better meet its mission mandated by Congress; however, many of the Commission's systems and applications are still relying on outdated legacy technologies and aging physical infrastructure. Many of the technologies these systems and applications are built on are no longer supported by vendors, leaving the requisite skillsets and expertise to

operate and maintain this outdated technology both difficult to find and costly. Furthermore, the highly-customized nature of these systems and applications makes any necessary enhancements expensive, cumbersome, slow to implement, and resource-intensive, resulting in a high total cost of ownership. Continued use of IT systems and applications built on outdated technology also significantly increases cybersecurity risks and increases risks to the FCC's ability to deliver on its mission on a timely basis.

Since FY 2014, the Commission has modernized several of its outdated legacy based systems including the Emergency Alert System Test Reporting System (ETRS), Consumer Help Center (CHC), and Network Outage Reporting System (NORS). These modernization successes have resulted in a dramatic technology shift that has allowed the Commission to move away from on premises and custom developed systems to cloud-based platform solutions. These modernization efforts also have been successful in empowering the Commission by employing modern technology solutions to transform outdated legacy based applications into more resilient, secure, and highly available cloud-based applications.

Building on our successes, the momentum of FCC IT modernization needs to continue to better deliver on mission. By continuing to modernize and/or migrate outdated technology based systems and applications to cloud-based environments, the Commission will enhance access to real-time data for decision making, reduce operating and maintenance (O&M) costs, reduce time and resources required to make application changes and enhancements, and provide the ability to scale to meet increased demand loads such as public filing surges. Additionally, the number of security vulnerabilities that currently exist in these systems will be largely eliminated as they are moved to modern cloud-based technology platforms.

By modernizing the Commission's IT portfolio using cloud platforms, the overall security posture, resiliency and availability of the FCC application portfolio will be improved. The use of cloud platforms increases the unfettered access to the Commission's applications as they are housed at multiple, highly-available, disaster tolerant data centers. Further, the responsibility of on-going vulnerability remediation and patching will be transitioned to FEDRAMP certified cloud platform vendors, which reduces the resources required to perform these tasks per application. The use of FEDRAMP certified cloud platform vendors shifts the burden of having to invest in the technology and workforce to meet the critical and dynamic security requirements and provides the best-in-class environment the Commission and its stakeholders need to rely on.

Other key benefits of modernizing and/or moving outdated technology based systems and applications to the modern cloud-based technologies include:

- Reduction of security vulnerabilities by eliminating outdated legacy technologies.
- Reuse of enterprise services and solutions to reduce development and maintenance cost.
- Improved cycle time for system enhancements or changes required to keep pace with the Commission rules and industry needs by leveraging Platform as a Service (PaaS) and Software as a Service (SaaS) capabilities.
- Quickly adapting to changing network requirements.
- Reduce Commission's dependence on physical desktop computers with potential reductions in hardware, software licensing, and support costs.

- Creation of core enterprise services to reduce development time and O&M costs for future data collection efforts.
- Ability to scale application capacity up or down to balance demand and cost factors.

To realize these benefits, the Commission requests new investments for the following:

**a. Cloud Services and “System” Modernization (\$4,619,000)**

By modernizing and migrating outdated legacy based systems listed below to a cloud-based environment, the Commission expects to save approximately \$945,000 in costs per year as follows: database administration O&M support (\$220,000), infrastructure costs (\$75,000), developer support (\$350,000), and desktop infrastructure (\$300,000).

- Disaster Information Reporting System (DIRS): Collects information on the status of wireline, wireless, broadcast, and Cable Television (CATV) systems during major disasters, such as hurricanes. This information is essential for government situational awareness during a major disaster and is used by both the FCC and the Department of Homeland Security. The large majority of the current DIRS filings are done using the application interface (API) and batch filing processes. The modernized DIRS will vastly improve these capabilities by implementing modern API technologies and improved batch filing services like those implemented during the Network Outage Reporting System (NORS) modernization. The new DIRS will also feature a common look and feel, along with the ability to use the same login credentials, as NORS for enhanced user experience. Additionally, modernizing DIRS will resolve numerous issues related to the legacy technology including higher support and maintenance costs, security vulnerabilities, and Section 508 compliance. These enhancements in filing automation, supportability, security, compliance, and end-user experience will increase the effectiveness for both public filers and FCC support staff.
- Electronic Tariff Filing System (ETFS): Collects official tariffs and associated documents submitted by incumbent Local Exchange Carriers (LEC's) in lieu of filing paper copies with the FCC. The public may also use ETFS to view these documents online or to file certain official tariff-related documents.
- The Office of Engineering and Technology's Frequency Assignment System (OFACS): Submits, stores, updates, and exchanges information with the National Telecommunications and Information Administration (NTIA) as part of the frequency assignment coordination process.
- International Bureau Filing System (IBFS): Provides online applications for satellite stations, submarine cable landing licenses, and foreign carrier notifications. Contains applications, supporting documents, pleadings, comments, public notices, Commission actions, and final authorizations.
- Software Defined Network (SDN): Utilizes computing networking technologies that enable administrators to initialize, control, change, and manage network behavior dynamically to support network requirements of cloud-based environments while abstracting the physical services.
- Desktop as a Service (DaaS): Leverages cloud-based platforms and technologies to deliver the next generation of secure and scalable user computing environments and



services.

**b. Cloud Services and “Application” Modernization (\$3,666,200)**

By modernizing the outdated technology based applications listed below and/or moving them to a cloud-hosted environment, the Commission expects to save approximately \$545,000 per year as follows: database administration O&M support (\$220,000), developer support (\$250,000), and infrastructure costs (\$75,000).

- **Broadband Form 477:** Collects information about broadband connections to end-user locations, wireline and wireless local telephone services, and interconnected Voice-over-Internet-Protocol (VoIP) services. The current FCC Form 477 filing system has been unable to keep pace with the filing demands and surge patterns associated with the semi-annual filing deadlines. The system uses a multi-process queue design that allows the submissions to be run through a series of checks that include virus scans and upload validations. Unfortunately, the system has frequently experienced capacity issues that result in queue backups during peak filing times. Despite numerous efforts to tune the system, and improve manual monitoring, the system still regularly falters during the peak load associated with the semi-annual filing deadlines. For filers, an unstable system, that is time-consuming to navigate, increases the cost of compliance, making new filers less likely to comply and giving current filers a disincentive to revise submissions. Meanwhile, FCC resources are wasted monitoring the filing interface and engaging with upset filers rather than analyzing the data. Ultimately, the system’s inability to keep pace with the load demand continues to result in instability issues that impose a high cost on filers, promotes low-quality data, and inefficiently uses FCC resources. Modernizing the system should address the stability issues, improve the user interface, and provide a platform that’s able to support future enhancements to the Form 477 filing process.
- **Customer Relationship Management Tool:** Manages data related to external stakeholder interactions, contracts, and relationships to improve engagement productivity and partner relationships.
- **Electioneering Communications Database (ECD):** Performs analysis of the Media Bureau’s Consolidated Database System as well as cable and satellite subscriber data with respect to current Census Bureau population statistics for Congressional Districts, States and Zip Code data.
- **Schedule S:** Collects technical and operational data associated with satellite licenses.
- **Urban Rate Survey (URS):** Collects survey data of the fixed voice and broadband service rates offered to consumers in urban areas.
- **Video Program Distributor (VPD):** Gathers company contact information for closed captioning complaints to assist consumers in reporting closed captioning problems or in filing complaints.

**2. Public Safety Answering Point (PSAP) – Do-Not-Call Registry (\$250,000)**

Section 6507 of the Middle Class Tax Relief and Job Creation Act of 2012 requires the Commission to create a Do-Not-Call registry for telephone numbers used by Public Safety

Answering Points (PSAPs) and to prohibit the use of automatic dialing equipment to contact those numbers. PSAPs are facilities that have been designated to receive emergency calls and route them to emergency service personnel. On October 17, 2012, the Commission released a Report and Order that announced new rules to establish a Do-Not-Call Registry for telephone numbers used by facilities designated to receive emergency calls and route them to emergency service personnel (PSAPs). These funds will be used to develop the Do-Not-Call Registry and place it into operation. Under the statute, verified PSAP administrators or managers must be able to place into the PSAP registry telephone numbers that are used for the provision of emergency services or for communications between public safety agencies.

## **Agency Reform Plan**

### *Plan to Maximize Employee Performance under OMB Memo -17-22, Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce.*

The Commission is required to develop a plan to maximize employee performance and design a workforce to meet current and future needs. The Commission is undertaking a comprehensive effort to:

- Review and update formal agency policy.
- Provide transparency around the performance improvement plan process.
- Ensure managers and supporting human resources staff are appropriately trained.
- Ensure accountability in manager performance plans, and establish real-time manager support mechanisms.

The FCC will implement a plan that will support managers and supervisors in managing employee performance and address conduct and performance issues. In doing so, the Commission will:

- Review steps for addressing poor performance and develop plans to limit the use of administrative leave.
- Ensure clear guidance on the use of performance improvement plans (PIPs), maintain data on PIPs including the number of employees placed on them and the number who successfully improve performance.
- Strengthen training on employee relations, performance and conduct for all Senior Executive Service (SES) employees, supervisors and managers.
- Automate the performance management system and provide clear guidance to enhance accountability within the FCC's pass/fail performance plans.
- Ensure that the Labor and Employee Relations team is adequately staffed to provide prompt and expert guidance and support and develop templates to facilitate the taking of action for performance and/or conduct based issues.

### *Workforce Actions*

The Commission has identified and implemented actions to consolidate support functions, reduce costs and increase efficiency in the provision of Human Resources and administrative services

across the agency. At the end of FY 2017 the Commission offered a voluntary early retirement authority (VERA) and voluntary separation incentive payments (VSIP) for certain staff, and 28 staff took this offer. These Workforce Actions are intended to identify cost savings and reduce administrative staff that are duplicative and are no longer necessary while minimizing human resource processing requirements.

### High Level Agency Reform Plan

The FCC announced the creation of an Office of Economics and Analytics to coordinate the contributions of economists and data professionals from around the FCC and better incorporate their analysis into the FCC's policymaking process. By ensuring that economic analysis is incorporated into policy work throughout the decision making process, including the earliest stages, the Commission will ensure that it assesses the costs and benefits of its proposed actions and is able to establish a mechanism to measure the ongoing effectiveness of adopted approaches. The new Office will be charged with conducting Regulatory Impact Analysis and informing FCC policy making as well as undertaking long-term research on emerging market conditions and advances in communications technology, including implications for innovation and effects on the economy. The new Office will streamline the FCC's information collection procedures and uses of data and identify duplicative collections, thus substantially reducing financial and human capital burdens associated with unnecessary collections.

### **Honors Engineer Program**

The FCC is establishing an Honors Engineer Program to recruit new and recent engineering school graduates to the FCC and into the field of communications. The FCC is seeking to attract and hopefully hire up to five new engineers in FY 2019 through this program. Engineers at the FCC work on cutting-edge issues in the communications and high-tech arenas. Areas of work at the FCC requiring engineering expertise may involve solving technical challenges involving the deployment of next-generation wireless systems, facilitating efforts to deploy broadband technologies, or identifying technologies to improve access to communications services for Americans with disabilities. Selection for participation in the Honors Engineer Program is expected to be highly competitive as the FCC will utilize this program to assist its efforts to hire and retain top engineering talent to meet its long-term workforce needs.

### **National Broadband Map – Wireline**

Modernization of the National Broadband Map (NBM) will initially focus on Fixed Broadband. Key features of the NBM will include both map and chart visualizations of the FCC Form 477 broadband data by location/area, comparison of providers, and comparison of areas. These features will reinstate the map as a key resource of broadband deployment information for consumers, policymakers, researchers, economists, and others. The data will be made available for download. This will be a complete modernization that leverages cloud offerings to host the web front end and serve up the underlying map title sets. Additionally, the map will be integrated into the FCC's redesigned webpage to maintain a consistent user experience.

Operations and Maintenance costs include the general upkeep of the system, remediation of defects, compliance with security requirements (patches, controls, etc.), and minor system refinements. It also includes a refresh of the underlying Form 477 data approximately every six months and the census data on an as needed basis. Finally, it includes the cloud services required to host the user interface and underlying map titles. The reprogram funding for this project was approved by Senate and House of Representatives on July 27, 2017, and July 28, 2017, respectively. This project is planned to be completed in the second quarter of FY 2018.

## **Office of Inspector General Narrative**

The Office of the Inspector General's (OIG) workload continues to increase in the areas of audit and investigation and administration. Currently OIG only takes on top-level investigation cases and high priority financial, information technology and program audits, inspections and assessments. The Office keeps focus on increasing mission responsibility and ensuring appropriate staff levels to keep pace with the workload. The OIG has been increasing its Full Time Equivalent (FTE) staff over the past few budget years and this recruitment effort has provided OIG greater capability to maintain its mission and increase the number and complexity of audits investigations completed.

The OIG FY 2019 budget request of \$11,064,000 includes a non-salary inflationary increase of a \$44,000 over the FY 2018 requested level of \$11,020,000.

OIG audits and inspections help FCC management identify internal control weaknesses and program risks, including fraud, waste and abuse; and recommend corrective actions to safeguard public funds and improve program outcomes. Including audits and other projects mandated by laws and regulations, Office of Audit (OA) plans to complete more than 50 projects over the next five years. Those projects include audits, inspections and assessments both FCC and Universal Service Fund programs. This totals more than 10 audits per year, not including any Congressional requests, special projects and non-recurring mandates.

The OIG Office of Investigation (OI) has 84 open cases as of March 31, 2017. OIG, continues working with the Department of Justice (DOJ) and has recovered millions of dollars of government funds resulting from criminal and civil fraud cases referred to the DOJ.

In compliance with the IG Reform Act of 2008 this FCC OIG FY 2019 budget request includes:

- A fair share ratio in the amount of \$32,000 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 \$83,000.

## **Universal Service Fund Activities and Costs**

The Commission is responsible for the overall management, oversight, and administration of the Universal Service Fund (USF), including all USF policy decisions. The FCC has been working with the Universal Service Administrative Company (USAC), as administrator of the USF, to

review its administrative expenses to find savings and also to review the effectiveness of its internal controls around USAC's spending, procurement, information technology, and personnel processes. The FCC's Chairman has publicly communicated to USAC his concerns about cost overruns and schedule delays surrounding the implementation of information technology supporting the E-rate program, and USAC is working to make improvements. Furthermore, in response to investigations raising serious concerns about the Lifeline program's operations, the Chairman has directed USAC to implement improvements to the management of the Lifeline program to mitigate the risks of fraud, waste, and abuse. For additional information about how the FCC coordinates with USAC, below are descriptions of the USF oversight duties and responsibilities of the various Commission Bureaus and Offices that work together closely as an oversight team.

Office of Managing Director. The Office of Managing Director (OMD) is responsible for all USF management and administrative activities, including finance, accounting, procurement, information technology, and audits of beneficiaries and contributors. OMD provides instruction and oversight to USAC on these issues.

Wireline Competition Bureau. The Wireline Competition Bureau (WCB) oversees USF policy and provides guidance on the applicability and interpretation of the Commission's USF rules, orders, and directives to USAC and to stakeholders. WCB also is primarily responsible for USF rulemaking proceedings, appeals of USAC decisions, requests for waivers of the Commission's USF rules, petitions for USF declaratory rulings, interactions with the Federal-State Joint Board on Universal Service, and preparation and publication of USF information in the Universal Service Monitoring Report.

Wireless Telecommunications Bureau. The Wireless Telecommunications Bureau (WTB), in coordination with WCB, develops policy and procedures concerning the Mobility Fund, a universal service support mechanism dedicated exclusively to mobile services. WTB, in coordination with WCB, also oversees reverse auctions policy and implementation for distributing Mobility Fund and Connect America Fund universal service support.

Office of General Counsel. The Office of General Counsel (OGC) oversees issues relating to litigation and settlements of civil, criminal, or bankruptcy matters. OGC is also the lead contact on issues relating to the treatment and potential disclosure of confidential information and of other nonpublic information as defined in the Commission's rules.

Enforcement Bureau. If USAC identifies a possible violation of the Communications Act or a Commission rule, order, or directive, it will refer the issue to the Enforcement Bureau (EB) for possible investigation and administrative enforcement action, including issuing forfeitures. EB also pursues potential investigations of USF related matters from other sources of information as well. In addition, EB is authorized to suspend and debar persons from participating in the universal service mechanisms upon a criminal conviction of or civil judgment for fraud against a USF program.

Office of Inspector General. The Office of Inspector General (OIG) conducts audits, evaluations, and inspections of USF programs and operations, as well as program service providers and beneficiaries designed to prevent and detect fraud, waste, and abuse. These oversight activities and related initiatives help promote economy, effectiveness, and efficiency of the USF.

## USF Activities

On February 23, 2017, the Commission adopted rules for allocating nearly \$2 billion, through a reverse auction, from the Connect America Fund (CAF), which aims to advance fixed voice and broadband service to unserved areas across the country. Through the auction mechanism, the Commission will seek the best deal for the American people with the limited available funds.

Under Mobility Fund Phase II, the Commission’s goal is to ensure that more Americans have access to advanced wireless services. Specifically, on February 23, 2017, the FCC adopted, on a bipartisan basis, a plan to bring 4G LTE service to millions of rural Americans who currently do not have wireless service. Over ten years, the USF will spend over \$4.5 billion to bring mobile broadband to unserved areas and preserve such service where it otherwise might not exist. This support will be distributed through a reverse auction, which ensures fiscal responsibility.

FCC Chairman Pai has formed a Rural Broadband Auctions Task Force, drawn from senior leaders across the agency, including OMD, WCB and WTB. The Task Force will oversee both the Connect America Fund Phase II and Mobility Fund Phase II auctions.

In the Lifeline program, the Commission’s goals are to: (1) increase access to communication services, including broadband Internet, for low-income Americans; and (2) ensure fiscal responsibility and combat waste, fraud, and abuse so Lifeline USF dollars spent reach the consumers Lifeline was created to help. Actions to accomplish these goals include closing loopholes that let unscrupulous carriers exploit the Lifeline program.

In the E-rate program, the Commission is committed to solving problems with USAC’s application system that have negatively impacted the ability of schools and libraries to apply for and receive funding. The Commission will oversee USAC’s remediation of these problems and USAC’s administration of this program in a manner which is transparent and accountable.

Finally, under the Rural Health Care Program, the Commission remains committed to facilitating healthcare delivery in rural and remote parts of America by providing funding for telecommunications and broadband services necessary for the provision of healthcare to eligible health care providers.

The chart below shows the costs the Commission has incurred in overseeing the USF Fund activities, which includes costs incurred by the OIG.

(Dollars in Thousands)

<b>Fiscal Years</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>FCC's USF Activities Costs<sup>1</sup></b>	\$22,650	\$23,081	\$23,542
<b>Full-Time Equivalent (FTEs)</b>	100	100	100

<sup>1</sup> Amounts shown for FYs 2018 and 2019 are projections based on actual costs.

The chart below shows number of Commission FTEs working on USF activities by bureau and office for FY 2017.

<b>Number of FCC FTEs Working On USF Activities By Bureau and Office</b>	<b>FTEs</b>
Wireline Competition Bureau	56
Wireless Telecommunications Bureau	11
Enforcement Bureau	10
Office of Inspector General	10
Office of the Managing Director	6
Office of General Counsel	5
Office of Legislative Affairs	1
Office of Strategic Planning & Policy Analysis	1
<b>Total FTEs</b>	<b>100</b>

### **Crosswalk of USF Outlays to FCC Strategic Goals**

The Commission develops policies for the USF, and USAC collects and delivers funding through four programs -- Schools and Libraries (E-rate), Rural Health Care, Lifeline, and High Cost -- focused on places where broadband and connectivity needs are critical. These programs serve people in rural, underserved, and difficult-to-reach areas.

In FY 2017, USF made outlays totaling over \$9 billion. These outlays were allocated to the following FY 2017 strategic goals:

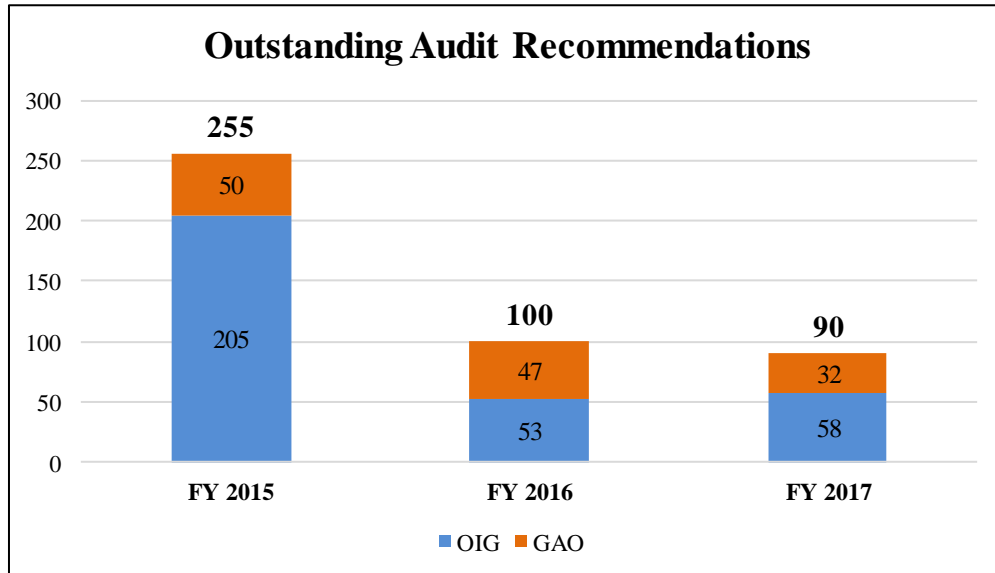
(Dollars in Millions)

<b>Applicable FY 2017 Strategic Goals</b>	<b>Outlay Amount</b>	<b>Percent</b>
Promoting Economic Growth and National Leadership	\$4,612	50.9%
Making Networks Work for Everyone	\$4,443	49.1%
<b>Total</b>	<b>\$9,055</b>	<b>100.0%</b>

For FYs 2018 and 2019, the outlays made under the USF will be allocated to the Commission's new strategic goals of Closing the Digital Divide and Promoting Innovation.

## Overall Status of Audit Recommendations

The chart below shows the number of audit recommendations outstanding from various audits conducted by FCC's Office of Inspector General (OIG) and the Government Accountability Office (GAO). The numbers shown below exclude those recommendations for which the Commission has already submitted information to GAO and OIG requesting closure of the recommendation. The count also excludes those recommendations that the Commission has determined to close as not implemented.



## Status of FCC Headquarters Move

The Commission's current headquarters (HQ) lease for the Portals II building at 445 12th Street SW, Washington, DC expired on October 15, 2017. GSA informed the Commission that the current lessor may want a 20% premium over the current lease rate, translating to an increase of approximately \$9 million per year in lease costs. GSA is working on negotiating with the current lessor for a lease extension.

In 2015 Congress approved a prospectus for a replacement lease for a 15-year term that would reduce FCC headquarters square footage by approximately 30 percent and lower the overall rental expense. It is estimated that the move will provide up to \$119 million in total savings over the 15 years of the new lease.

Subsequently, the General Services Administration (GSA) conducted a competitive lease procurement and awarded the contract to a new lessor. The new lease will require the Commission to move to a newly built facility in fiscal year 2020. GSA estimated that the total cost for the headquarters move was \$70,971,489. In FYs 2016 and 2017, as part of the Commission's budget request, the Commission requested a total amount of \$51,358,497 and \$19,612,992, respectively, from both regulatory fees and auction program funds. Congress appropriated a total amount of \$68,225,489 from both regulatory fees and auction program funds but did not appropriate \$2,746,000 in FY 2017 from the auction program funds. To ensure that the move is fully funded



as estimated by GSA, the Commission allocated the shortfall amount of \$2,746,000 from the FY 2017 auction appropriation. To date, the Commission has obligated \$1,205,176 of the total funds allocated for the headquarters move project.

## Crosswalk - Summary of Changes for Regulatory Fees

(Dollars in Thousands)

	FY 2018 Continuing Resolution Amounts & Adjustments								FY 2019 Base	FY 2019 Adjustments				FY 2019 Congressional Request
	Base <sup>1</sup>	CR's Mandatory Reduction	Annualized CR Amount	HQs Move	Inflationary Increases		Reduction in Funding			Non-Salary Inflationary Increases	Increases to Operating Baseline	Base Realignment	One-Time Costs	
					Salary	Non-Salary	Personnel Cost	Non-Personnel Cost						
Chairman and Commissioners	\$4,048	\$0	\$4,048	\$0	\$0	\$0	\$0	\$0	\$4,048	\$18	\$0	\$63	\$0	\$4,128
Consumer & Governmental Affairs Bureau	\$22,061	\$0	\$22,061	\$0	\$0	\$0	\$0	\$0	\$22,061	\$48	\$0	-\$1,305	\$0	\$20,804
Enforcement Bureau	\$38,609	\$0	\$38,609	\$0	\$0	\$0	\$0	\$0	\$38,609	\$107	\$0	\$608	\$0	\$39,325
International Bureau	\$18,090	\$0	\$18,090	\$0	\$0	\$0	\$0	\$0	\$18,090	\$31	\$0	-\$23	\$0	\$18,098
Media Bureau	\$23,132	\$0	\$23,132	\$0	\$0	\$0	\$0	\$0	\$23,132	\$24	\$0	\$434	\$0	\$23,590
Public Safety & Homeland Security Bureau	\$17,726	\$0	\$17,726	\$0	\$0	\$0	\$0	\$0	\$17,726	\$26	\$0	\$1,426	\$0	\$19,178
Wireless Telecommunications Bureau	\$16,235	\$0	\$16,235	\$0	\$0	\$0	\$0	\$0	\$16,235	\$29	\$0	\$293	\$0	\$16,556
Wireline Competition Bureau	\$29,927	\$0	\$29,927	\$0	\$0	\$0	\$0	\$0	\$29,927	\$27	\$0	\$1,066	\$0	\$31,020
Office of Administrative Law Judges	\$503	\$0	\$503	\$0	\$0	\$0	\$0	\$0	\$503	\$1	\$0	\$9	\$0	\$513
Office of Communications Business Opportunities	\$1,282	\$0	\$1,282	\$0	\$0	\$0	\$0	\$0	\$1,282	\$2	\$0	\$23	\$0	\$1,307
Office of Engineering and Technology	\$13,807	\$0	\$13,807	\$0	\$0	\$0	\$0	\$0	\$13,807	\$28	\$0	\$690	\$0	\$14,525
Office of General Counsel	\$15,982	\$0	\$15,982	\$0	\$0	\$0	\$0	\$0	\$15,982	\$15	\$0	-\$748	\$0	\$15,249
Office of Legislative Affairs	\$1,312	\$0	\$1,312	\$0	\$0	\$0	\$0	\$0	\$1,312	\$2	\$0	\$188	\$0	\$1,502
Office of Managing Director	\$137,380	-\$2,422	\$134,957	-\$16,867	\$4,486	\$1,961	-\$16,653	-\$5,181	\$102,703	\$1,535	\$600	-\$2,779	\$8,535	\$110,594
Office of Media Relations	\$2,137	\$0	\$2,137	\$0	\$0	\$0	\$0	\$0	\$2,137	\$8	\$0	\$35	\$0	\$2,179
Office of Strategic Planning and Policy Analysis	\$2,538	\$0	\$2,538	\$0	\$0	\$0	\$0	\$0	\$2,538	\$3	\$0	-\$116	\$0	\$2,424
Office of Workplace Diversity	\$924	\$0	\$924	\$0	\$0	\$0	\$0	\$0	\$924	\$2	\$0	\$136	\$0	\$1,062
<b>Subtotal</b>	<b>\$345,691</b>	<b>-\$2,422</b>	<b>\$343,269</b>	<b>-\$16,867</b>	<b>\$4,486</b>	<b>\$1,961</b>	<b>-\$16,653</b>	<b>-\$5,181</b>	<b>\$311,015</b>	<b>\$1,904</b>	<b>\$600</b>	<b>\$0</b>	<b>\$8,535</b>	<b>\$322,054</b>
Office of Inspector General	\$11,020	\$0	\$11,020	\$0	\$0	\$0	\$0	\$0	\$11,020	\$44	\$0	\$0	\$0	\$11,064
<b>TOTAL</b>	<b>\$356,711</b>	<b>-\$2,422</b>	<b>\$354,289</b>	<b>-\$16,867</b>	<b>\$4,486</b>	<b>\$1,961</b>	<b>-\$16,653</b>	<b>-\$5,181</b>	<b>\$322,035</b>	<b>\$1,948</b>	<b>\$600</b>	<b>\$0</b>	<b>\$8,535</b>	<b>\$333,118</b>

<sup>1</sup>Base is the FY 2017 Appropriated and Enacted amount.

# **SPECTRUM AUCTIONS**

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## Spectrum Auctions Program - Explanation of Requested Change

The Federal Communications Commission is requesting \$112,734,000 for the Spectrum Auctions Program for FY 2019, as shown below. These funds are needed in part for making more spectrum available for commercial use by repacking and reimbursing broadcasters and multichannel video programming distributors (MVPDs) for relocation expenses. This will clear contiguous spectrum in the ultra-high frequency band that will be repurposed as the 600 MHz Band. Also, funds will be used for upgrading and improving auctions infrastructure in preparing for future auctions, continuing implementation of the Spectrum Pipeline Act of 2015, including promoting the use of 3.5 GHz band through auctions, and conducting additional spectrum auctions.

(Dollars in Thousands)

	FY 2018 Annualized CR Amount	FY 2019 Congressional Request	TOTAL NET CHANGE	
			Amount	Percent
<b>Spectrum Auctions Program Cost Recovery</b>	\$116,205	\$112,734	-\$3,471	-3.0%
<b>Explanation of Changes - Spectrum Auctions Program</b>				
<b>FY 2017 Appropriated</b>			<b>\$117,000</b>	
<b>FY 2018 Continuing Resolution (CR) Adjustment</b>				
FY 2018 CR Mandatory Reduction for Operations (0.6791%)		-\$795		
<b>FY 2018 Adjusted Annualized CR Amount</b>			<b>\$116,205</b>	
<b>FY 2018 Congressional Request Adjustment:</b>				
Salary and Non-Salary Increases		\$2,226		
Reduction in Funding - Personnel Cost <sup>1</sup>		-\$3,816		
Reduction in Funding - Non-Personnel Cost <sup>1</sup>		-\$3,465		
<b>Subtotal</b>			<b>-\$5,055</b>	
<b>FY 2019 Base - Before Non-Salary Inflationary Increases</b>			<b>\$111,150</b>	
<b>FY 2019 Non-Salary Inflationary Increases to Base:<sup>2</sup></b>			<b>\$1,584</b>	
<b>FY 2019 Total Request - Spectrum Auctions Program</b>			<b>\$112,734</b>	
<b>TOTAL NET CHANGE</b>			<b>-\$3,471</b>	<b>-3.0%</b>

<sup>1</sup>The initial amount was decreased up to the FY 2018 CR Mandatory Reduction Amount for Operations.

<sup>2</sup>Utilized the FY 2018 inflationary rate of 1.9% for the first quarter of FY 2019 and FY 2019 inflationary rate of 2.0% for the remaining three quarters of FY 2019.

## **Spectrum Auctions Program**

The Omnibus Budget Reconciliation Act of 1993, P.L. 103-66, required the Commission to auction portions of the electromagnetic spectrum for certain services, replacing the former lottery process. The Act further requires the Commission 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.

As of the official date of the completion of the broadcast incentive auction (BIA) on April 13, 2017, the Commission had completed 88 spectrum auctions, and as of December 31, 2017, the total amount collected for broader government use and deficit reduction exceeds \$114 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; and extended through FY 2022, by the Middle Class Tax Relief and Job Creation Act of 2012, P.L. 112-96. Furthermore, the Commission's authority to conduct auctions was further extended until September 30, 2025, in the Spectrum Pipeline Act of 2015, which was included as Title X in the Bipartisan Budget Act of 2015, P.L. 114-74, with respect only to electromagnetic spectrum identified under section 1004(a) of that Act.

The Commission is authorized to retain funds from auction revenues to develop, implement, and maintain the auctions 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. This budget submission assumes that the auctions program will continue to recover the costs of conducting auction activities from spectrum license auction receipts as the Commission continues to use auctions as a licensing mechanism for spectrum-based communications services.

The proposed FY 2018 Appropriations language capped auctions program obligations at \$111.15 million. The FCC request of \$112.734 million for FY 2019 includes only an uncontrollable non-salary inflationary increase of about 2 percent, or \$1.584 million, as recommended by OMB. The salary increases of \$0.619 million for FY 2019 are not included in the Commission's request. The increase will be paid from Commission's existing auctions base budget. Funding at this level will still enable the Commission to continue substantial post incentive auction work related to repacking and reimbursing broadcasters and multichannel video programming distributors (MVPDs) for relocation costs to implement the results of the BIA; to upgrade and improve auctions program infrastructure in preparation for future auctions; and to continue implementing the Spectrum Pipeline Act of 2015 by, for example, taking the steps necessary to promote use of the 3.5 GHz band through auctions of certain licenses.

### **Broadcast Incentive Auction and Post-Broadcast Incentive Auction Transition Work**

In the Incentive Auction Closing and Channel Reassignment Public Notice, released on April 13, 2017, the Commission announced the completion of the first-ever incentive auction and publicly provided the results of the reverse auction, the forward auction, the assignment phase, and the

channel reassignments of television stations that are required to change their channels during the 39-month relocation process that commenced as of the release of that Public Notice. The 39-month transition period ends July 13, 2020. The release of that Public Notice also started the licensing process for the winning bidders for new flexible-use wireless spectrum licenses.

After implementation is complete, the BIA will have made available 84 megahertz of low-band spectrum for commercial and unlicensed wireless use by repurposing a portion of the broadcast TV band. The auction began on March 29, 2016, and closed on April 13, 2017. The total net winning bids of approximately \$19.3 billion from the auction placed it in second among all Commission auctions in terms of the amount of total winning bids. Approximately \$7 billion will be transferred to the U.S. Treasury for deficit reduction. The auction proceeds from winning bidders of new spectrum licenses were used to pay winning broadcast bidders in the reverse auction and to fund the \$1.75 billion TV Broadcaster Relocation Fund, which will be used to reimburse full power and Class A broadcast stations and MVPDs for their eligible expenses incurred as a result of broadcast stations being involuntarily relocated to new channels as authorized by Congress in the Middle Class Tax Relief and Job Creation Act of 2012.

Because of the complex, two-sided nature of the BIA, the Commission will continue to engage in an unprecedented amount of post-auction activity to fully and successfully complete follow-up auction implementation tasks. The results of the incentive auction require 987 full-power and Class A broadcasters nationwide to relocate to create contiguous spectrum in the 600 MHz band that has been repurposed and auctioned for flexible wireless uses.<sup>3</sup> Further, up to 133 additional stations may relocate to share a channel with another broadcast television station. Thousands of secondary broadcast stations, low power, and TV translator stations may also be displaced and will have the opportunity to apply for alternative channels, and, to the extent they file mutually exclusive applications, the Commission will hold an auction to resolve such applications. To account for interference considerations, some of these broadcast stations, including full-power, Class A, and secondary services, may need to relocate more than once.

October 2018 marks the mid-way point for the 39-month post-auction transition period. Hundreds of full-power and class A broadcast stations will still need to be relocated as of that date. The following highlights many of the activities that will continue to take place during an aggressive schedule through FY 2020.

- **Licensing for Broadcasters Being Relocated** – Broadcast licensing is performed in two steps: (1) application review and grant of a construction permit (CP) and (2) application review and grant of a license to cover. The Commission will continue to process applications throughout the transition period. In addition, there will have been two additional sequential windows in which full-power and Class A television stations will have been able to submit CPs and other requests for modification of their channel assignments to the Commission, depending on the broadcaster’s specific circumstances and needs. If applications filed during those windows are mutually exclusive, certain priorities apply and applicants will be provided an opportunity to resolve remaining issues through settlement

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<sup>3</sup> As a result of the BIA, 987 full-power and Class A broadcast stations were assigned new channels and must be relocated during the 39-month transition period. Of those, 30 full-power stations were winning bidders in the reverse auction and are not eligible for reimbursement of relocation costs. The remaining 957 full-power and Class A stations that are being relocated are eligible for reimbursement from the \$1.75 billion TV Broadcast Relocation Fund.

or technical solution. If they are unable to do so, this will require the Commission to establish bidding and application procedures and hold a new auction to issue the licenses.

- Transition Phases and Licensing – The Commission has adopted a phased transition process in which each station that is being repacked is assigned one of 10 transition phases. By the end of its assigned transition phase, a station must discontinue operations on its pre-auction channels. In addition, pursuant to Commission rules, all broadcasters must cease operation on their pre-auction channels no later than 39 months after the issuance of the Closing and Channel Reassignment Public Notice. Consideration of all CPs and requests for waivers and applications to alter deadlines must be analyzed by staff for compliance with applicable rules and to determine the impact that granting such requests would have on the phased transition schedule.

After a broadcaster completes the construction of its new facilities, it must file an application with the Commission for its license, which will require review and approval by the Commission. In addition, active oversight of the multi-year process will require substantial Commission staff resources to coordinate with broadcasters; with vendors involved in transition tasks; with other government and regulatory agencies at the federal, state, and local levels; and with international regulatory partners in the U.S.-Canada and U.S.-Mexico border zone regions. The implementation process will also require Commission staff to monitor broadcaster progress, identify and resolve transition-related problems and challenges that could endanger the transition schedule, process applications, and review and verify information. Accomplishing the transition will require additional software, cloud computing resources, and assistance from skilled computer scientists, software engineers, and technology security experts.

- Regional Coordination of Transition Phases – The Commission’s Incentive Auction Task Force and the Media Bureau have created a specialized team to assist broadcasters through the transition phases on a regional basis. Regional Coordinators assist with communications among the 987 broadcasters as well as affected MVPDs, function as liaisons within the Commission, and assist with coordination with other federal government agencies such as the FAA as well as with Tribal governments.
- Reimbursements to Repacked Broadcasters and MVPDs – Reimbursements to eligible entities started in FY 2018 and will continue through FY 2020. Congress established a TV Broadcaster Relocation Fund (Relocation Fund), not to exceed \$1.75 billion, to reimburse broadcasters and MVPDs for their relocation expenses. The Commission has engaged an independent consulting firm to assist in administering the Relocation Fund. The reimbursement process has two major components: (1) cost estimates and fund allocation; and (2) invoice reimbursement processing.
  - Cost Estimates and Full Allocation – The Fund Administrator reviewed the initial reimbursement estimates and the accompanying supporting documentation submitted by eligible entities to validate that the estimates reflect costs that may be reasonably incurred to relocate television service from a station’s original channel to its reassigned channel or, in the case of multichannel video programming distributors (MVPDs), to continue to carry the broadcast signal of a reassigned broadcast station. Requests for additional information were sent to entities where



reasonableness could not be determined, where necessary documentation appeared to be missing, or where the requested reimbursement appeared to be excessive. A public notice announcing an initial allocation of \$1 billion was released on October 16, 2017. That allocation gave commercial stations and MVPDs access to approximately 52 percent of their currently estimated and verified costs, and non-commercial entities access to approximately 62 percent of their currently estimated and verified costs to provide entities with access to reimbursement funding sufficient to begin the transition process, while preserving flexibility to respond to unforeseen changes that may arise while undertaking transition activities. The Commission will announce one or more additional allocations during the transition period, and subsequent allocations may be based on revised cost estimates. Prior to the end of the 3-year reimbursement period, entities will provide information regarding their actual and remaining estimated costs and will be issued a final allocation, if appropriate, to cover the remainder of their eligible costs.

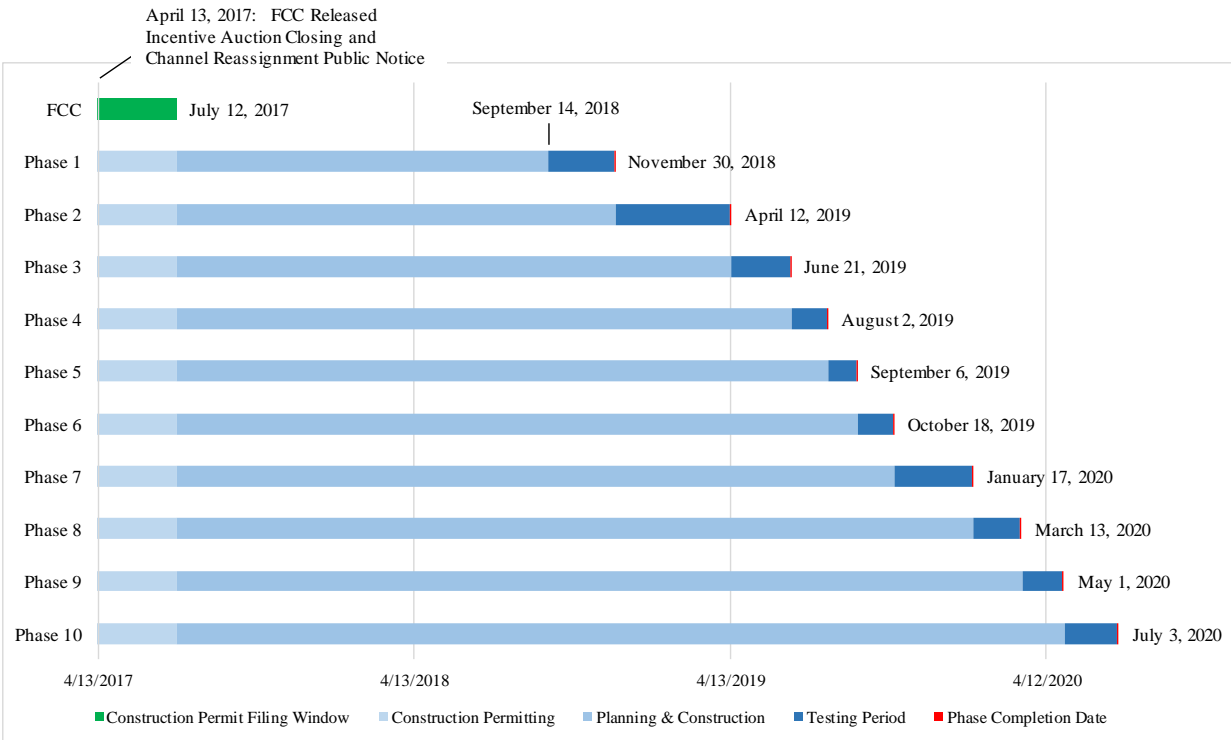
- Invoice Reimbursement Processing – Eligible entities may only draw upon their allocated funds upon submission of actual invoices and other supporting documentation. Since the initial allocation, the Fund Administrator has begun to review invoices for actual costs incurred by broadcasters and MVPDs and to make recommendations to the Commission as to their reasonableness. The Commission reviews those recommendations and pays approved invoices submitted by broadcasters and MVPDs.
- Submission of Revised Banking Information by Broadcasters and MVPDs – The Commission requires broadcasters that will receive payments for repacking expenses and MVPDs that will receive payments for reimbursement of expenses related to continued carriage of repacked stations to provide detailed banking information that is both notarized on paper form and submitted in a secure electronic system. The Commission reviews this information prior to making any payments. Broadcast stations and MVPDs may revise their banking information throughout the transition period.
- Displaced LPTV (Low Power Television) and TV Translators – The Commission is currently processing hundreds of applications for special temporary authority or other relief filed by operating LPTV and TV translator stations displaced due to new 600 MHz Band wireless licensees commencing operations or conducting first field application testing on their licensed 600 MHz spectrum. Furthermore, after licensing for full power and Class A broadcasters being relocated is substantially complete, the Commission will open a special filing window for operating LPTV and TV translator stations that are displaced by the reallocation of the television bands and the repacking. The displacement window is anticipated to open during FY 2018. Processing of applications filed in the displacement window is anticipated to take nine to twelve months and to continue during FY 2019. If applications filed during the window are mutually exclusive, certain priorities apply and applicants will be provided an opportunity to resolve remaining issues through settlement or technical solution. If they are unable to do so, this will require the Commission to establish bidding and application procedures and hold a new auction to issue the licenses.
- Channel Sharing Winning Bidders – Stations with a winning bid to relinquish spectrum usage rights on their original channel (sharee) to share a channel with another station

(sharer) where the sharer station is being repacked must file a construction permit application, and subsequently a license to cover that construction permit, for the sharer station's post-auction channel. Such licensing applications will be filed and processed for stations where the sharer channel has a transition phase deadline during FY 2019 or later.

- **Wireless Licensing** – Winning bidders submitted license applications and deposited winning bid amounts with the Commission in FY 2017. The Commission grants these licenses on a rolling basis. Historically, some licenses have been granted in as little as two months while others may take one to two years as issues are resolved. Accordingly, while most of the applications will have been acted upon by the end of FY 2018, it is possible that some may still be pending and require further consideration and Commission action in FY 2019.
- **Stakeholder Outreach** – To minimize disruptions and ensure an orderly transition, the Commission provides necessary stakeholder and consumer communications, education, and outreach. These efforts include providing education materials for broadcast stations, MVPDs, wireless microphone operators, and unlicensed users affected by the transition, as well as consumer outreach efforts geared toward reaching affected Americans where they live and work. The Commission also maintains a comprehensive website to serve as a single point of reference for all transition-related information. The Commission will continue to maintain and update these efforts throughout the transition period ending in 2020.

To help readers, the following page shows a Gantt chart of the Transition Schedule that is shown on the Commission's website located at the following link <https://www.fcc.gov/about-fcc/fcc-initiatives/incentive-auctions>. The webpage also provides other important information related to the Broadcast Incentive Auction and related post Broadcast Incentive Auction.

## Broadcast Incentive Auction – Transition Schedule



### Spectrum Pipeline Act of 2015 and Other Auction Program Improvements

The Spectrum Pipeline Act of 2015 (Act) requires the Commission to 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 thereof. 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 thereof, 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 with 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 under such rules and identify at least 1 gigahertz of spectrum between 6 GHz and 57 GHz for such use. By January 1, 2022, in coordination with the Assistant Secretary of Commerce for Communications and Information, the Commission must submit a report that identifies at least 50 megahertz of spectrum below 6 GHz for potential auction. Finally, by January 2, 2024, in coordination with the Assistant Secretary of Commerce for Communications and Information, the Commission must submit a report which identifies at least an additional 50 megahertz of additional spectrum below 6 gigahertz for potential auction. The 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.

To fulfill these statutory requirements and enhance the Commission's ability to execute upcoming auctions, auctions funding will be used for the following:

- 3.5 GHz Auction Development and Implementation – The Commission is currently assessing proposed rules for licenses in this band subject to auction. As a result, these auctions may have a unique set of requirements that will require the Commission to develop new auctions procedures and technology. The Commission currently estimates that work will take place in FY 2019 to prepare for this auction.
- Other Auction Development and Implementation – The Commission needs to make additional changes to the auction bidding system for other planned auctions that could include an AWS-3 re-auction, auction of bands made available for flexible terrestrial use in the Spectrum Frontiers proceedings, and auction of the 30 MHz required by the Spectrum Pipeline Act of 2015. In particular, the Commission expects a substantial amount of activity in FY 2019 in preparation for auctions related to Spectrum Frontiers bands, which may involve unique requirements related to sharing with incumbents, tracking satellite earth station placements, and other issues.
- SAS/ESC Testing for 3.5 GHz and Beyond – The Spectrum Access System (SAS)/Environmental Sensing Capability (ESC) are necessary components to share additional spectrum in this band and are necessary to protect incumbent Federal operations. These systems will be launched first 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 a complex ecosystem of devices, we need to ensure they operate properly and consistently with our rules prior to approval.
- Optimization for New Spectrum Opportunities – The optimization team will help the Commission 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. This research will also provide statistical and technical analysis, simulation, and modeling, including geographic data and mapping, related to auctions.
- Spectrum Visualization Tools – Public Facing and Internal – The public has a significant interest in understanding who has the rights to different spectrum bands at different locations, and in the ability to manipulate and analyze this data. Federal agencies also would 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/Modernization – The Commission must modify the application forms for participation in each auction in response to the auction's unique requirements. Work to modernize the ISAS system will provide for new implementations of the primary auctions application software, including providing the ability to customize the form to support each auction.

- Universal Licensing System (ULS) Enhancement/Modernization – The Commission must modify ULS to implement new auction services and rules. In addition, the Commission will be modernizing ULS to eliminate the use of outdated technology and improve reliability, security, and access to data. The system modernization efforts will allow us to better support new auction services, inventory existing auction licenses, and re-auction spectrum.

The Balanced Budget Act of 1997, P.L. 105-33, requires the Commission to 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, 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 recent fiscal years.

### Spectrum Auctions Activities

Dollars in Thousands

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Beginning Cash Balance as of October 1	\$199,151	\$166,489	\$69,071	\$317,931	\$513,456	\$2,980,154
Current Year Net Cash	(18,801)	(90,057)	252,796	11,115,179	2,777,519	7,728,932
Less:						
Deferred Revenue as of September 30 <sup>1</sup>	(13,136)	(6,760)	(3,318)	(10,919,416)	(308,607)	(2,064,903)
Deposit Liability - Refunds as of September 30 <sup>2</sup>	(725)	(601)	(618)	(238)	(2,214)	(2,214)
Accounts Payable <sup>3</sup>	0	0	0	0	0	(21,321)
<b>Available Cash as of September 30<sup>4</sup></b>	<b><u>\$166,489</u></b>	<b><u>\$69,071</u></b>	<b><u>\$317,931</u></b>	<b><u>\$513,456</u></b>	<b><u>\$2,980,154</u></b>	<b><u>\$8,620,648</u></b>

<sup>1</sup>Cash associated with licenses that have not been granted as of stated date.

<sup>2</sup>Upfront auction deposits not refunded as of stated date.

<sup>3</sup>Remaining amount owed to the Incentive Auction Reverse Auction Winners.

<sup>4</sup>For FY 2017, the amount includes approximately \$7 billion for deficit reduction when all the licenses from the incentive auction are granted.

## 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 2017 Actuals</u>	<u>FY 2018 Annualized CR Amount</u>	<u>FY 2019 Congressional Request</u>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$26,482	\$23,890	\$24,364
Personnel benefits (12.0)	7,890	7,378	7,524
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$34,372</b>	<b>\$31,268</b>	<b>\$31,888</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$6	\$11	\$11
Travel & transportation of persons (21.0)	252	327	334
Transportation of things (22.0)	33	24	24
Rent payments to GSA (23.1)	6,550	5,657	5,769
Communications, utilities, & misc. charges (23.3)	1,470	1,785	1,820
Printing and reproduction (24.0)	175	182	185
Other services from non-Federal sources (25.2)	11,801	27,831	22,607
Other goods & services from Federal sources (25.3)	942	393	401
Operation & maintenance of equipment (25.7)	39,433	44,287	45,165
Supplies and materials (26.0)	3,267	3,530	3,600
Equipment (31.0)	733	906	924
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	5	5	5
<b>Subtotal - Other Expenses</b>	<b>\$64,669</b>	<b>\$84,937</b>	<b>\$80,846</b>
<b>Total - Auctions Cost Recovery Reimbursable Authority</b>	<b>\$99,041</b>	<b>\$116,205</b>	<b>\$112,734</b>

## Spectrum Auctions Expenditures Report

Section 309(j) of the Communications Act permits the Commission to use funds raised from auctions to fund its auctions program, including contracts for services and costs related to 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 2019 is \$112,734,000 to further the objective of making more spectrum available for commercial use; to continue post incentive auction work; to upgrade and improve auctions infrastructure in preparation for future actions; and to continue implementation of the Spectrum Pipeline Act of 2015. The FY 2019 request is a decrease of \$3,471,453 or 3 percent, from the FY 2018 annualized continuing resolution level of \$116,205,453. The salary increases of \$0.619 million for FY 2019 is not included in the Commission's request. This increase will be paid from the Commission's existing auctions base budget.

The Commission's spectrum auctions program expenditures support efficient licensing while also contributing significant funds to the U.S. Treasury for deficit reduction 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 broadcast incentive auctions, fund certain public-safety-related programs and contribute to deficit reduction. Specifically, Congress directed that the net proceeds from these auctions, in addition to being used to reimburse Federal agencies for costs incurred as a result of sharing or relocating Federal spectrum assignments and to reimburse the relocation expenses of full power and Class A broadcast stations being repacked in the new TV Band following the incentive auction, be distributed as follows: \$135 million for a state and local First Responder Network Authority (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.

As of September 30, 2016, the FCC has transferred \$39.8 billion from the H-Block and AWS-3 auctions to satisfy all the distribution requirements as directed by Congress in the Middle Class Tax Relief and Job Creation Act of 2012. Of this total, in FY 2016, the Commission transferred \$8.4 billion to the Public Safety Trust Fund. This amount includes \$328.9 million for deficit reduction above and beyond the initial \$20.4 billion initially mandated by Congress in the Middle Class Tax Relief and Job Creation Act of 2012.

At the conclusion of the incentive auction on April 13, 2017, the Commission had raised over \$114.6 billion in auctions revenues since initiating the auctions program in 1994. During this period, the auctions program expenses have been less than two percent of the Commission's total auctions revenues. The Commission operated the auctions program for nine years at \$85 million annually without any increase in funding, including increases for inflation. It only received increases in FYs 2013 through 2017 to fund the implementation costs for the broadcast incentive auction and Spectrum Pipeline Act of 2015, and to fund the necessary expenses associated with headquarters move to a new facility or reconfiguring the existing space in FY 2016.

Spectrum auction planning, development, and implementation is performed agency-wide and is very 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

Task Force is composed of staff from across the Commission, including the Wireless Telecommunications Bureau, Media Bureau, International Bureau, Bureau of Consumer and Governmental Affairs, 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 Commission uses these funds to enable successful auctions and expends them in a manner consistent with that objective.

Every auction is different and has specific requirements, which require careful attention to detail and planning. Since auction activities are performed agency-wide and are unique, allocating the appropriate amount of cost and overhead related to the auctions program is a challenge. In addition, the complexity of spectrum auctions has increased steadily as the Commission works through more difficult technical and policy issues, and spectrum auctions generally require long lead times to design, develop, and implement secure, reliable, and effective auction application, bidding, and post-auction licensing systems.

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.

At the direction of Congress, and after years of planning and systems development to put all the necessary rules and complex bidding systems in place, the Commission concluded the final bidding phase of the historic broadcast incentive auction in FY 2017. After the Commission's implementation of auction results is complete, the incentive auction will have made available 84 megahertz of low-band spectrum for commercial and unlicensed wireless use by repurposing a portion of the broadcast TV band for wireless use. The incentive auction began on March 29, 2016, and closed on April 13, 2017. The total net winning bids of approximately \$19.3 billion from the first-ever incentive auction places it in second place among all Commission auctions in terms of the amount of total winning bids. Approximately \$7 billion will be transferred to the U.S. Treasury for deficit reduction.

A primary Commission auction focus in FY 2019 will be to continue to carry out its responsibilities related to the post-incentive-auction implementation. This work includes continuing to make disbursements from the \$1.75 billion TV Broadcaster Relocation Fund to broadcasters and MVPDs and continuing to relocate 987 broadcasters with minimum disruption to the viewing public. It also includes re-licensing up to 133 additional winning bidder station's that relinquish their spectrum to share a new channel with another broadcast television station. The Commission also will continue to carry out its responsibilities to consider the relocation of potentially thousands of LPTV and TV translator stations that will be displaced by the reallocation of the television bands.

The construction period of this "repacking" process formally began on July 12, 2017, 90 days after the release of the Closing and Channel Reassignment Public Notice. This period will continue for



36 months thereafter and is scheduled to be completed in FY 2020. Repacking involves reorganizing and assigning channels to the remaining broadcast television stations to create contiguous blocks of cleared spectrum suitable for flexible wireless use. The scope of the repacking component of this auction makes it a unique and computationally complex challenge that will continue to require substantial resources and engagement from the Commission over the next three years. The task requires that the Commission manage and organize every station's transition in a manner that respects the constraints imposed by linked-station sets – that is, a set of two or more stations with interference relationships and dependencies – as well as accounting for limited resources available to accomplish transition-related work. Active oversight of the multi-year process will require substantial Commission staff resources to coordinate with broadcasters; with vendors involved in transition tasks; with other government and regulatory agencies at the federal, state, and local levels; and with international regulatory partners in the Canada and Mexico border regions of the United States. It will require Commission staff to monitor broadcaster progress, identify and resolve transition-related problems and challenges that could endanger the transition schedule, process applications, and review and verify information. Accomplishing the transition will require additional software, cloud computing resources, and assistance from skilled computer scientists, software engineers, and technology security experts. It also requires the Fund Administrator, which is overseen by Commission staff, to administer the reimbursement of \$1.75 billion to the qualified relocating broadcasters and MVPDs by reviewing cost estimates and invoices to prevent waste, fraud, and abuse.

In FY 2019, the Commission also will continue to focus on communications, education, and outreach efforts to all stakeholders in the incentive auction. The Incentive Auction Task Force, together with the Media Bureau and Bureau of Consumer and Governmental Affairs, will continue to provide training materials for broadcast stations, MVPDs, wireless microphone operators, and unlicensed users affected by the transition. These efforts will include troubleshooting guides for our consumer call center staff, an updated Consumer Q&A, and updated Consumer Guides. Wherever possible, the Commission will make these materials available in multiple languages. The Commission is also developing, and will maintain and update throughout the transition, a comprehensive “Post-Auction Transition” website that will serve as a single point of reference for all transition information for stakeholders and consumers. These efforts will continue to be maintained and updated throughout the transition period ending in 2020.

In addition to these post-incentive auction efforts, the Commission continues to plan for potential future auctions, most notably auctions related to reallocating bands made available in the Spectrum Frontiers proceeding to terrestrial wireless use and a new auction for Citizens Broadband Radio Service (CBRS) (3.5 GHz band) licenses. Other auctions that may continue to be a focus for the Commission in 2019 include the re-auction of certain AWS-3 or other licenses; the auction of FM translator allocations; and an auction of unsold 600 MHz licenses from the broadcast incentive auction. The Commission is also working to update and modernize its auction systems to improve their speed and flexibility to commence new auctions when additional spectrum that could be made available is identified.

The actual and estimated FTE levels for the spectrum auctions program for FYs 2017 through 2019 are shown on page 17. At the end of the Spectrum Auctions section is a crosswalk showing how spectrum auctions program funds will be utilized in FY 2019.

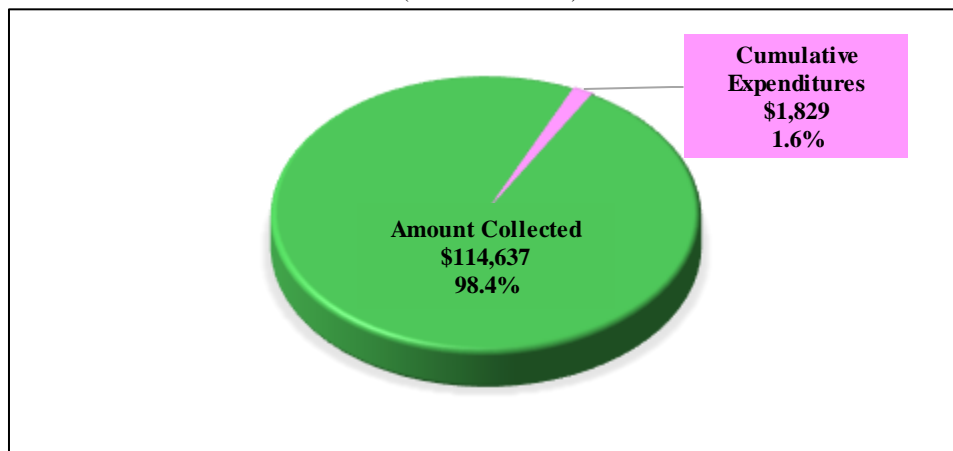
The following two schedules provides some details of the spectrum auctions program since its inception in 1994. These schedules also provide some perspective into how much money was

collected for the U.S. Treasury or for broader government use and the total cost in running the Commission’s spectrum auctions program.

### Spectrum Auctions and Collections Fiscal Years 1994 through December 31, 2017

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	13,834,978,827
2007	5	293	163,429,971
2008	3	1,144	18,988,396,013
2009	2	115	5,597,028
2010	3	4,788	25,973,019
2011	3	126	31,493,200
2012	1	93	3,878,133
2013	2	3,197	5,782,012
2014	2	186	1,564,594,550
2015	2	1,611	41,755,658,759
2016	0	0	0
2017	1	2,776	19,318,072,507
<b>Totals</b>	<b>88</b>	<b>44,167</b>	<b>\$114,637,423,039</b>

### Spectrum Auctions Program – Collections vs. Expenditures Fiscal Years 1994 through December 31, 2017 (Dollars in Millions)



Cumulative Expenditures includes the Congressional request amount for FY 2018.

## Crosswalk - Summary of Changes for Spectrum Auctions Program

(Dollars in Thousands)

	FY 2018 Continuing Resolution Amounts & Adjustments							FY 2019 Base	FY 2019 Adjustments		FY 2019 Congressional Request
	Base <sup>1</sup>	CR's Mandatory Reduction	Annualized CR Amount	Inflationary Increases		Reduction in Funding			Non-Salary Inflationary Increases	Base Realignments	
				Salary	Non-Salary	Personnel Cost	Non-Personnel Cost				
Consumer & Governmental Affairs Bureau	\$130	\$0	\$130	\$0	\$0	\$0	\$0	\$130	\$3	\$0	\$132
International Bureau	\$247	\$0	\$247	\$0	\$0	\$0	\$0	\$247	\$5	\$0	\$252
Media Bureau	\$1,457	\$0	\$1,457	\$0	\$0	\$0	\$0	\$1,457	\$29	\$0	\$1,486
Wireless Telecommunications Bureau	\$6,823	\$0	\$6,823	\$0	\$0	\$0	\$0	\$6,823	\$135	\$0	\$6,958
Office of Administrative Law Judges	\$10	\$0	\$10	\$0	\$0	\$0	\$0	\$10	\$0	\$0	\$10
Office of General Counsel	\$4	\$0	\$4	\$0	\$0	\$0	\$0	\$4	\$0	\$0	\$4
Office of Managing Director	\$76,909	-\$582	\$76,326	\$0	\$1,554	\$0	-\$3,465	\$74,415	\$1,408	-\$4,013	\$71,811
Office of Media Relations	\$34	\$0	\$34	\$0	\$0	\$0	\$0	\$34	\$1	\$0	\$35
Office of Workplace Diversity	\$13	\$0	\$13	\$0	\$0	\$0	\$0	\$13	\$0	\$0	\$13
Compensation & Benefits	\$31,232	-\$212	\$31,019	\$672	\$0	-\$3,816	\$0	\$27,875	\$0	\$4,013	\$31,888
Office of Inspector General	\$142	\$0	\$142	\$0	\$0	\$0	\$0	\$142	\$3	\$0	\$145
<b>TOTAL</b>	<b>\$117,000</b>	<b>-\$795</b>	<b>\$116,205</b>	<b>\$672</b>	<b>\$1,554</b>	<b>-\$3,816</b>	<b>-\$3,465</b>	<b>\$111,150</b>	<b>\$1,584</b>	<b>\$0</b>	<b>\$112,734</b>

<sup>1</sup>Base is the FY 2017 Appropriated and Enacted amount.

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## **ECONOMY ACT REIMBURSABLE AGREEMENTS**

The Economy Act provides authority for Federal agencies to order goods and services from other Federal agencies and be reimbursed for costs of those goods and services. An interagency agreement is an arrangement in which one agency (Servicing Agency) provides goods or services to another agency (Requesting Agency) and receives reimbursement of costs incurred. Agencies can use interagency agreements to conduct a wide variety of operations. Interagency agreements can be routine in nature, involve the acquisition of goods or services necessary to maintain agency operations, or support a specific program.

As the Servicing Agency, the Commission earned approximately \$0.7 million in Economy Act Reimbursable Agreements with other Federal agencies in FY 2017. The Commission estimates that in FYs 2018 and 2019, interagency reimbursable agreements will total approximately \$4 million for each fiscal year.

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## **FEE COLLECTIONS**

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## **Regulatory Fees**

The Omnibus Budget Reconciliation Act of 1993, P.L. 103-66, 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, 2016, pursuant to an order adopted and released by the Commission on September 1, 2016.

## **Availability of Regulatory Fees**

Proposed appropriations language for FY 2018 prohibits the Commission from using any excess offsetting collections received in FY 2018 or any prior years. The Commission proposed the same treatment of excess collections in its FY 2019 budget request. As of September 2017, the Commission has collected almost \$112 million in excess regulatory fees in total, including prior years.

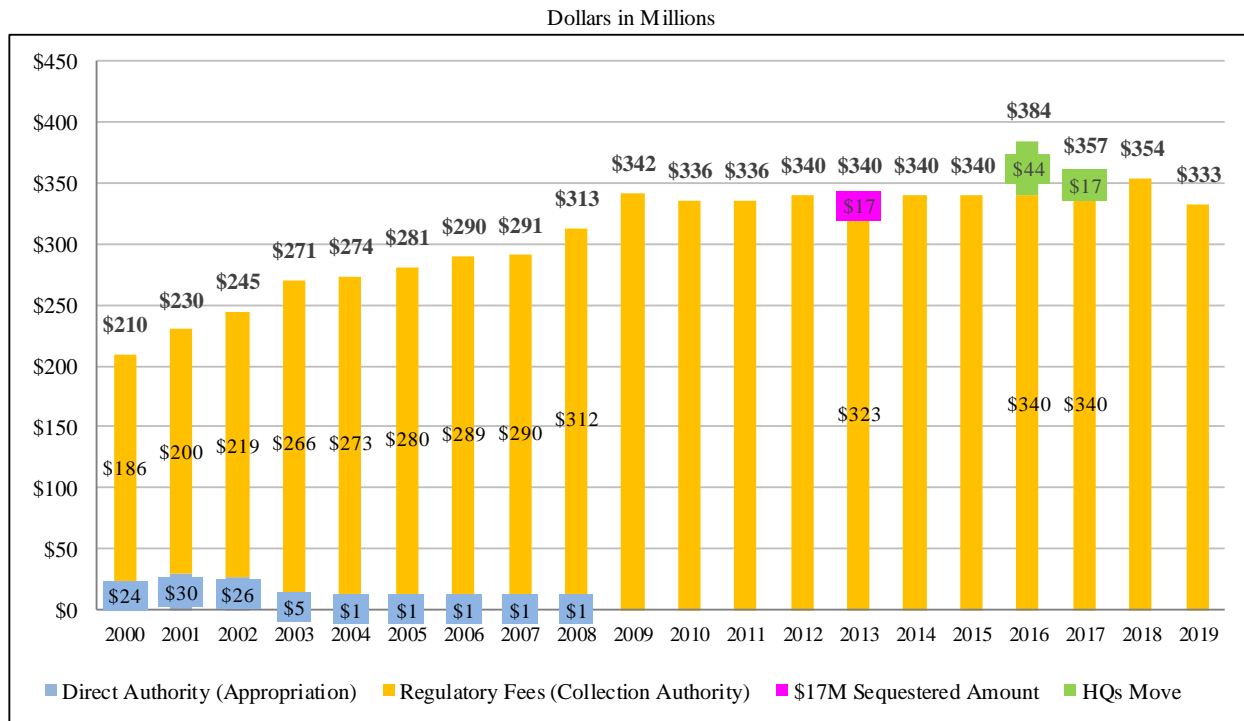
The Commission receives an annual Salaries and Expenses appropriation. On March 1, 2013, the Office of Management and Budget (OMB) issued a report to Congress on sequestration for FY 2013. For the FCC, this translated into a \$17 million reduction in new budgetary authority. The sequestered amount is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

The FY 2019 request level for regulatory fees is \$333.1 million, which is a decrease of \$21.2 million or 6 percent from the FY 2018 annualized continuing resolution level of \$354.3 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 – Regulatory Fees

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

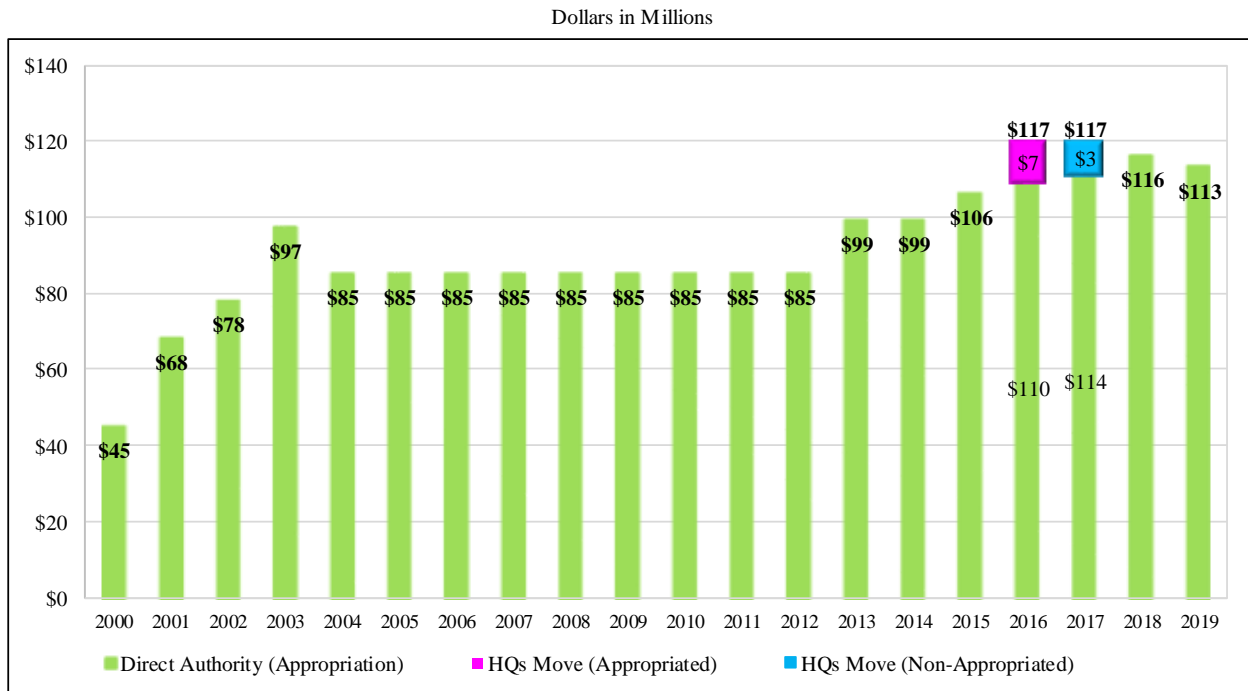


The FY 2018 amount is the annualized CR amount and FY 2019 represents the amount requested.

For FYs 2016 and 2017, \$44 million and \$17 million, respectively, represent amounts provided for the necessary expenses associated with moving the FCC headquarters to a new facility 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.

## Historical Appropriated Budget Authority – Spectrum Auctions Program

The following graph depicts the historical appropriated budget authority for the spectrum auctions program since fiscal year 2000.



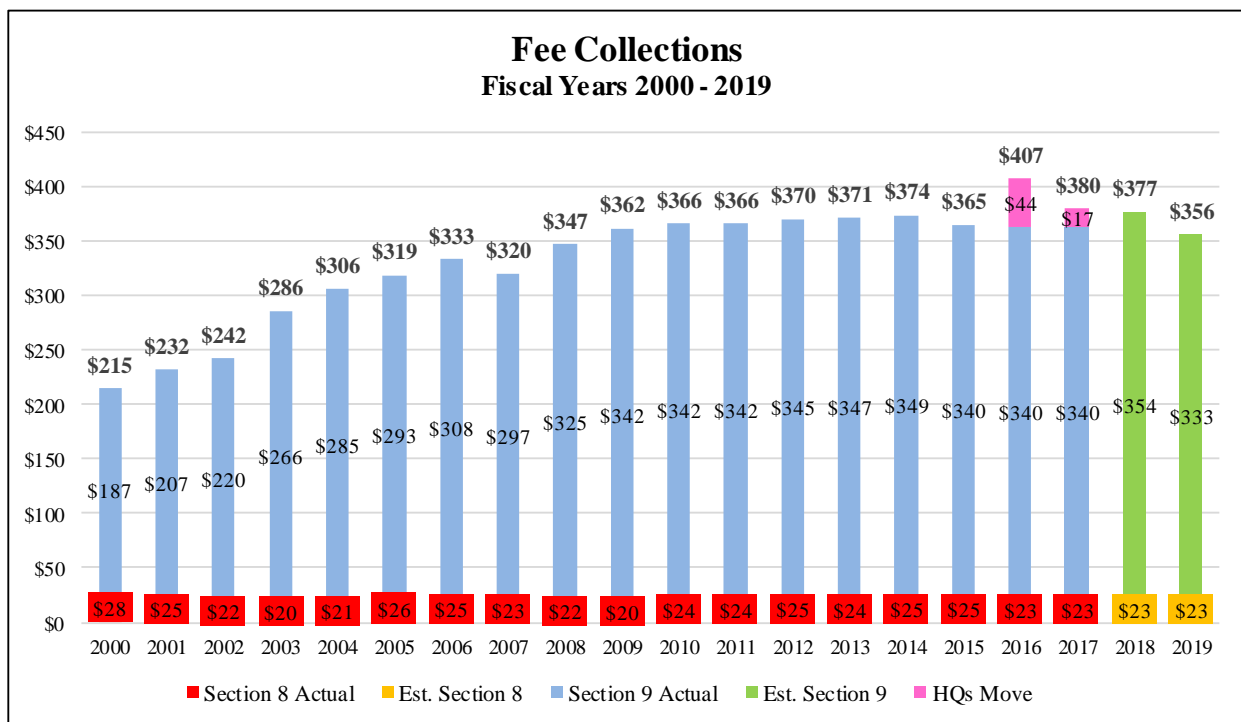
The FY 2018 amount is the annualized CR amount and FY 2019 represents the amount requested.

For FY 2016, \$7 million represents the amount provided by appropriation for the necessary expenses associated with moving the FCC headquarters to a new facility to significantly reduce space consumption. For FY 2017, \$3 million represents the Commission reserved amount to ensure adequate funds are available based on GSA's initial estimates.

## Application Processing Fees

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 commercial 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 July 6, 2016, and released on July 7, 2016. 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.



For FYs 2016 and 2017, \$44 million and \$17 million, respectively, represent amounts provided for the necessary expenses associated with moving the FCC headquarters to a new facility to significantly reduce space consumption.

The FY 2018 amount is the annualized CR amount.

# **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."<sup>4</sup> 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."<sup>5</sup>

## **Vision Statement**

The FCC's vision is to develop a regulatory environment to encourage the private sector to build, maintain, and upgrade next-generation networks so that the benefits of advanced communications services are available to all Americans. The FCC will work to foster a competitive, dynamic and innovative market for communications services through policies that promote the introduction of new technologies and services and ensure that Commission actions promote entrepreneurship and remove barriers to entry and investment. The Commission will also strive to develop policies that promote the public interest, improve the quality of communications services available to those with disabilities, and protect public safety.

## **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:

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<sup>4</sup> 47 U.S.C. § 151.

<sup>5</sup> *Id.*

- **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 informal complaints. The Bureau also maintains collaborative partnerships with state, local, and Tribal governments in such critical areas as emergency preparedness and implementation of new technologies. In addition, the Bureau's Disability Rights Office provides expert policy and compliance advice on accessibility with respect to various forms of communications for persons with disabilities.
- **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, resolves intercarrier disputes, 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 that is of high quality and reliability.
- **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, mobile broadband, and other radio services used by businesses and private citizens. The Bureau also conducts auctions of spectrum licenses and reverse auctions that award support from the Universal Service Fund for broadband deployment.
- **The Wireline Competition Bureau** develops, recommends, and implements policies and programs for wireline telecommunications, including fixed (as opposed to mobile) broadband and telephone landlines, striving to promote the widespread development and availability of these services. The Bureau has primary responsibility for the Universal Service Fund which 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 orientation.

## Strategic Goals

The FCC is responsible to Congress and the American people for ensuring a vibrant competitive marketplace driven by policies that create an environment for innovation, investment, better products and services for consumers, lower prices, more job creation, and faster economic growth. The FCC must also provide leadership to assure that the communications needs of public safety officials are met; promote the universal availability and deployment of broadband and telecommunications services; make communications services accessible to all people; and protect and empower consumers in the communications marketplace. For FY 2018, the Commission revised its strategic goals to reflect the agency's focus on expanding broadband deployment and promoting innovation in the communications marketplace. The Commission's revised strategic goals are:

1. Closing the Digital Divide
2. Promoting Innovation
3. Protecting Consumers & Public Safety
4. Reforming the FCC's Processes

## What the FCC Commits to Accomplish in FY 2019

To implement its strategic goals, the FCC has identified several underlying strategic objectives. Each strategic objective has associated performance goals and targets.

### *Strategic Goal 1: Closing the Digital Divide*

**Strategic Objective 1.1:** Expand broadband deployment in all parts of the country, including hard-to-serve areas, rural areas, and Tribal lands, and reduce the digital divide across America by creating a light-touch regulatory environment that maximizes private sector investment in broadband.

#### *Performance Goals and Targets:*

- 1.1.1 Expand facilities-based competition among providers of voice, data, and other communications services, domestic and international, by adopting pro-competitive rules.
  - Promote broadband deployment throughout the country by taking steps in FY 2019 to implement recommendations of the Broadband Deployment Advisory Committee (BDAC).
  - Ensure data used to monitor voice and broadband marketplaces collected using Form 477 is accurate, reliable and useful to the Commission, Congress, the industry and the public.
  - Continue to promote, and defend an Internet free from unnecessary regulatory requirements, in order to facilitate innovation and investment in the markets for broadband services.
- 1.1.2 Ensure that broadband networks are built and available to all American consumers, regardless of race, gender, religion, sexual orientation, geography or other factors.
  - Take steps to facilitate robust construction of communications networks, including administering buildout obligations associated with high-cost Universal Service Fund support and buildout obligations associated with spectrum licenses.

- Accelerate the deployment of next-generation networks and services by taking steps to make access to utility-owned and/or government-controlled broadband infrastructure (e.g., poles, ducts, conduits, rights-of-way) faster and cheaper.

**Strategic Objective 1.2:** Reduce and remove regulatory burdens and barriers to infrastructure investment and provide opportunities for innovation in broadband services and technologies by developing a flexible approach that will modernize, reform, and simplify the Universal Service Fund (USF) programs to facilitate affordable broadband deployment.

***Performance Goals and Targets:***

1.2.1 Efficiently support broadband deployment where it is most needed by implementing USF reverse auctions that use market-based funding mechanisms that are grounded in sound economics.

- Take steps in FY 2019 to process applications and, if appropriate in the public interest, authorize support through the Connect America Fund (CAF) Phase II auction.
- Commence implementation of auction processes for funding of high-cost areas not allocated through the CAF Phase II auction.
- Conduct reverse auction to award universal service support through Mobility Fund Phase II (MF-II) by the end of FY 2019 and commence disbursement of USF funding to winning bidders.

1.2.2 Decrease the cost and expedite the construction of next-generation networks by removing regulatory barriers to broadband deployment.

- Take steps during FY 2019 to implement the deregulatory framework of the Business Data Services Order.
- Take steps to ensure that the network change notification process for retirement of copper facilities and transition to fiber does not impose unnecessary burdens.
- Enhance coordination with other Federal agencies, including sharing of compliance information, to eliminate duplicative governmental review and unnecessary delay in deployment of broadband infrastructure.

**Strategic Objective 1.3:** Reduce the digital divide and bring the benefits of the digital age to all Americans by ensuring that effective policies utilizing basic principles of economics are in place to promote entrepreneurship and expand economic opportunity.

***Performance Goals and Targets:***

1.3.1 Ensure appropriate assessment of costs and benefits of actions taken to reduce the digital divide, promote entrepreneurship, and bring the benefits of broadband to all Americans by incorporating improved economic analysis into Commission items that address these topics.

- Ensure distribution of money from Mobility Fund Phase II takes into account economic challenges to wireless infrastructure deployment in rural America.

- Work collaboratively with Tribal Nations and intergovernmental organizations to streamline historical and environmental review to balance the assessment and remediation of significant impacts with the reduction of unnecessary economic burdens on companies deploying infrastructure needed to close the digital divide for American consumers.
- Evaluate feedback by stakeholder groups regarding opportunities to streamline or eliminate infrastructure siting requirements.
- Facilitate streamlined government regulation of wireless infrastructure deployment to reduce the costs of deployment; provide market-driven incentives for private sector investment in greater coverage and capacity of networks; and work with state and local governments to better align regulations and fees on new wireless infrastructure with costs of protecting legitimate local interests in land management and public safety.

1.3.2 Foster an environment that will encourage participation in broadband markets by new and non-traditional participants.

- Act on pending non-geostationary and geostationary broadband satellite system applications and streamline the rules that apply to the operation of those systems.

**Strategic Objective 1.4:** Reduce the digital divide, create incentives for providers to connect consumers in hard-to-serve areas, meet consumer demand for mobile connectivity, and bring the benefits of communications services to all Americans by developing and implementing flexible, market-oriented policies related to the assignment and use of spectrum.

***Performance Goals and Targets:***

1.4.1 Encourage facilities-based competition, embrace a flexible use policy for spectrum and free up spectrum for mobile broadband by pursuing spectrum allocation and license assignment policies to achieve the effective and efficient use of spectrum.

- Take steps to design and plan an auction of spectrum that would make available additional spectrum for wireless broadband deployment.
- Ensure that the FCC’s decision-making process includes, where appropriate, consultation with Tribal Nations regarding potential impact and concomitant new and enhanced opportunities and outcomes of spectrum allocation and license assignment policies.
- Review internal proposals to improve the efficiency of spectrum use.
- Act on 90% of applications for experimental licenses within 90 days of receipt.
- Promote compliance with rules designed to maximize the effective and efficient use of spectrum by taking enforcement action in appropriate cases.
- Make timely progress on potential repurposing of Federal spectrum to commercial use by processing of all Spectrum Pipeline Plans submitted by Federal agencies for potential relocation of their radio operations to other bands within 120 days.

1.4.2 Continue post-incentive auction repacking and reimbursement efforts for broadcasters.

- Follow through with the post-auction transition plan by granting applications of at least 400 stations to enable testing of new equipment on post-auction channels and ensuring that at least 300 reassigned stations assigned to new channels stop operating on their pre-auction channel by the end of FY 2019.
- Investigate and prioritize actions on allegations of violations of the post-incentive auction repacking and reimbursement rules, and take appropriate enforcement action on 95% of apparent violations within one year.
- Take final action on all outstanding requests for changes to the incentive auction plan in the border areas with Canada and Mexico.
- Make timely progress on the transition phase of the incentive auction in which broadcasters affected by the broadcast incentive auction must move their operations to their post-auction channels in order to make 600 MHz spectrum available for deployment of mobile broadband services by carriers who purchased it in the incentive auction.

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

- Resolve 8,000 applications filed by television and radio licensees.
- Ensure timely authorization of innovative and compliant products in the marketplace by managing and auditing the Telecommunications Certification Bodies (TCBs) program and performance.
- Conduct semi-annual meetings with TCBs to review test procedures and provide training on new technologies.
- Take enforcement action in appropriate cases against violations of spectrum-related rules, such as interference and unauthorized use of frequencies.
- Investigate and prioritize actions on allegations of violations of the Commission's spectrum licensing and equipment authorization rules and take appropriate enforcement action on 95% of apparent violations within one year.
- Process at least 95% of routine spectrum license applications within 90 days of receipt.

1.4.4 Facilitate broadband deployment and access by employing effective and efficient means, such as reverse auctions.

- Conduct MF-II reverse auction to award universal service support and commence disbursement of USF funding to winning bidders by the end of FY 2019.

***Strategic Goal 2: Promoting Innovation***

***Strategic Objective 2.1:*** Ensure flexibility in the decision-making process, and advance the networks of the future and the innovative new products and services that take advantage of those networks, by removing barriers to innovation and investment.

***Performance Goals and Targets:***

- 2.1.1 Allow television broadcasters to innovate, leverage the power of the Internet, and fully enter the digital era by implementing the next generation broadcast standard.

- Encourage broadcaster innovation in delivering new services, including hybrid services involving both broadband and broadcasting delivery.
- 2.1.2 Foster innovation and promote the efficient use of spectrum by ensuring a competitive and vibrant unlicensed ecosystem.
- Authorize the use of more spectrally efficient technologies and identify additional frequency bands for unlicensed operations. Initiate action on 50% of incoming requests within 6 months, and 90% within one year.
- 2.1.3 Allow new services and technologies to come to market by expediting processes.
- Determine if a petition or application proposes a new technology that is in the public interest under Section 7 of the Communications Act of 1934 within one year from the date that the application or petition is filed.
  - Finalize space and earth station rules to facilitate the deployment of services from “small satellites” by August 2019.
  - Approve regional recommendations in the International Telecommunications Union promoting harmonized frequency arrangements for mobile broadband systems providing economies of scale, and facilitating deployment and cross-border coordination.
  - Develop World Radiocommunication Conference Advisory Committee (WAC-19) proposals supporting U.S. industry priorities, fostering an international regulatory environment for the development of new technologies and radiocommunication services.
  - Adopt a Notice of Proposed Rulemaking to examine the application of section 214 international authorization requirements in light of technological developments, including the transition to IP.
  - Obtain a commitment from other Federal agencies that have submarine cable-related permits and licenses to streamline their processes to facilitate timely deployment of submarine cable infrastructure.
  - Enhance effective collaboration with other Federal agencies to foster the innovative use of existing spectrum through the introduction of new technologies and services.
  - Promote innovation and the introduction of new products and services by expeditiously reviewing requests to use existing spectrum in new and novel ways.

**Strategic Objective 2.2:** Take targeted action to address real problems in the marketplace instead of imposing broad, preemptive regulations to address hypothetical harms.

***Performance Goals and Targets:***

- 2.2.1 Promote a flexible approach to oversight and foster investment in 5G networks by considering actions that address real problems in the marketplace. Decisions will be fact-based, relying on economic analysis, ongoing fact-gathering initiatives and data analysis.
- Take steps to advance rulemaking that will make available a range of spectrum bands for flexible use to spur wireless broadband development.

- Develop service rules for the use of spectrum that provide additional flexibility for licensees and operators to test and deploy new technologies.
  - Investigate allegations of spectrum interference and take appropriate enforcement action on 95% of apparent rules violations within one year.
- 2.2.2 Promote investment in infrastructure and 5G networks by eliminating unnecessary administrative burdens.
- Work with the Advisory Council on Historic Preservation to implement at least one program alternative in order to streamline compliance with or eliminate certain requirements of National Environmental Policy Act and National Historic Preservation Act reviews of wireless infrastructure deployments.
- 2.2.3 Work to promote a high-quality, globally interconnected communications infrastructure through international telecommunications and satellite programs and policies.
- Work with the Commission’s counterparts in other countries and advise on best practices in communications policy.
  - In coordination with other Federal agencies, develop and advance spectrum proposals at the World Radiocommunication Conference 2019 (WRC-19) resulting in the adoption of consensus positions developed by Federal agencies, non-governmental organizations, and private-sector partners by October/November 2019.
  - In coordination with other Federal agencies, seek to promote policies that are consistent with FCC regulatory rules and policies at the International Telecommunication Union.

***Strategic Goal 3: Protecting Consumers and Public Safety***

***Strategic Objective 3.1:*** Improve communications services for all Americans, including those with disabilities, by developing and implementing an aggressive consumer agenda.

***Performance Goals and Targets:***

- 3.1.1 Implement proposals to target and eliminate unlawful telemarketing and robocalling.
- Facilitate the development of solutions for subscriber identification of robocalls, mechanisms for caller ID validation, options for databases of re-assigned numbers, and tools to reduce high-impact fraudulent robocalls.
  - Implement measures to combat unlawful robocalling while also protecting consumer privacy and the ability to make lawful calls.
  - Work with other Federal agencies on combatting unlawful robocalls.
  - Investigate allegations about violations of rules designed to protect consumers, including robocalls, and take appropriate enforcement action on 95% of apparent violations within one year.

3.1.2 Improve the quality of telecommunications relay services to make them more functionally equivalent to voice services available to hearing individuals.

- Implement trials and pilot programs for deaf interpreters, skills-based routing, and home communications assistant workstations for video relay service (VRS) calls.
- Develop VRS performance goals and service quality metrics.
- Facilitate transition of IP CTS (Internet Protocol Captioned Telephone Service) from a human-mediated service to a more cost-efficient and lower-latency automated service using automatic speech recognition (ASR).
- Investigate complaints involving violations of the Commission’s Telecommunications Relay Service (TRS) rules and take appropriate enforcement action on 95% of apparent violations within one year.

3.1.3 Work with stakeholders to ensure that Commission proceedings consider and identify consumer protection issues and policies across different technologies and market sectors.

- Provide consumers with up-to-date, user-friendly publications concerning their rights, responsibilities, and service options so that they can make informed decisions.
- Monitor trends in consumer complaints and work with interested consumer, industry, and government stakeholders to identify marketplace practices that negatively affect consumer interests and competition.

3.1.4 Implement actions to ensure that individuals with disabilities can access video programming.

- Ensure that transitions to new standards, such as ATSC 3.0, continue to provide consumers with disabilities with access to video programming through closed captioning, video description, accessible emergency information, and accessible user interfaces.

**Strategic Objective 3.2:** Support the ability of first responders, including law enforcement, by developing and implementing policies and procedures to strengthen public safety.

***Performance Goals and Targets:***

3.2.1 Combat the use of contraband cellphones in correctional facilities by developing reforms and examining other technological solutions.

- Adopt new rules or facilitate voluntary industry solutions to combat use of contraband cellphones in correctional facilities.

3.2.2 Help protect law enforcement officers by overseeing the implementation of the “Blue Alert” option to the nation’s Emergency Alert System (EAS), which would notify the public of threats to law enforcement and assist in the apprehension of dangerous suspects.

- Educate state and local governments on Blue Alert notifications to enhance public safety, through communication with the Intergovernmental Advisory Committee, national



association conference attendance and meetings or webinars targeted to state and local government officials.

- Conduct outreach regarding the implementation of Blue Alerts to equipment manufacturers, EAS Participants, and providers participating in Wireless Emergency Alerts.
- Partner with the Department of Justice to continue outreach and ensure Blue Alerts are effectively implemented, in furtherance of the national Blue Alert network.

3.2.3 Adopt public safety spectrum policies that facilitate interoperable communications by first responders.

- Adopt rules that streamline the process for establishing interoperability agreements between Federal agencies and state, local, territorial, and tribal public safety agencies on Federal and non-Federal channels.

***Strategic Objective 3.3:*** Improve public safety and communications reliability across the country and advance access to public safety and emergency communications by developing and implementing policies using a broad range of technologies.

***Performance Goals and Targets:***

3.3.1 Promote the nationwide availability of reliable and effective 911, Enhanced 911 (E911), and Next Generation 911 (NG911) service by developing and implementing policies that will ensure the reliability and resiliency of communications networks, particularly for 911 and NG911 networks.

- Delineate the technical responsibilities of participants in the NG911 ecosystem: originating service providers, system service providers, Emergency Services IP networks (ESInets) and Public Safety Answering Points (PSAPs).
- Promote compliance with Commission's rules by taking action, where appropriate, on complaints and referrals concerning the Commission's 911, E911 and NG911 rules.
- Investigate cases involving violations of the FCC's rules related to 911, E911 and NG911 service and take appropriate enforcement action on 100% of apparent violations within one year.

3.3.2 Collect and analyze outage information for communications networks and 911/NG911 networks by working with stakeholders to understand and address problems.

- Field offices will contact complainants or otherwise initiate action on complaints raising high priority (including public safety) issues within one calendar day of filing with the FCC.
- Review service provider compliance and outage reports and take enforcement action where appropriate to ensure that consumers have access to advanced public safety service in an emergency.

3.3.3 Analyze each major outage to determine whether new practices and existing practices could have prevented the outage and could prevent future outages.

- Based on an analysis of aggregated outage data, publicly share “lessons learned” regarding voluntary best practices and other measures providers can take to help prevent similar outages in the future.
- 3.3.4 Fulfill the FCC’s responsibilities to the National Preparedness System, including support to Emergency Support Function #2 (Communications). Provide situational awareness of communications systems; coordinate with industry and other Federal partners to facilitate communications network preparedness, response, and restoration by working closely with local, state, Tribal government and Federal partners during a crisis.
- During incidents where ESF 2 is activated, respond to requests for interference resolution solutions from Federal, state, and local law enforcement and national security partners within one day.
- 3.3.5 Strengthen consumer access to emergency services and emergency public information sources during emergencies by supporting improved preparedness, reliability of communications networks, and disaster management practices.
- Work in partnership with other Federal agencies, as well as state, local, and Tribal governments, to share information, identify and establish best practices, and coordinate efforts to protect America’s safety and security.
  - Participate in agency-wide continuation of operations planning (COOP), including preparations for significant public events (such as the Super Bowl).
- 3.3.6 Facilitate the effectiveness and reliability of the Emergency Alert System (EAS) and Wireless Emergency Alerts (WEA), while encouraging the development of new alerting capabilities within emerging technologies.
- Provide support to at least one FEMA-initiated test of the EAS and WEA to ensure continued effectiveness of these alert and warning systems.
  - Initiate a rulemaking proceeding to further explore improvements to WEA based on advancements in technology.

***Strategic Goal 4: Reforming the FCC’s Processes***

***Strategic Objective 4.1:*** Serve the American public by improving the efficiency, effectiveness, and transparency of the FCC’s operations.

***Performance Goals and Targets:***

- 4.1.1 Provide information about the status of matters pending before the FCC by developing and posting information online and communicating with stakeholders.
- Respond to 95% of informal consumer complaints within 1 business day of receipt.

- Develop and execute strategies for continued improvement and enhancement of the FCC’s informal complaint process regarding user experience and sharing of reliable complaint data.
  - Conduct timely review of tariffs filed in the Electronic Tariff Filing System (ETFS) in FY 2019.
  - Ensure that the FCC domestic transfer of control webpage is accurate and up-to-date in FY 2019 to inform all stakeholders of the status of pending transactions from the time of filing until the date of Commission action.
  - Ensure that the FCC VoIP direct access to numbering resources webpage is accurate and up-to-date in FY 2019 to inform all stakeholders of the status of pending applications from the time of filing until the date of Commission action.
- 4.1.2 Ensure that FCC regulations solve real problems at a reasonable cost by implementing the principles of regulation and requirements for regulatory impact analysis articulated in Executive Order 13563 of January 18, 2011 (Improving Regulation and Regulatory Review), and Executive Order 12866 of October 4, 1993 (Regulatory Planning and Review).
- For significant rulemakings in FY 2019 that have an annual effect on the economy of at least \$100 million, conduct a regulatory impact analysis that includes an evidence-based assessment of the problem the regulation is intended to solve and an evaluation of the benefits and costs of alternative solutions.
  - For rulemakings with lesser impacts, conduct a regulatory impact analysis at a level of depth concomitant with the impact of the regulation.
  - Define best practices for economic analysis of regulations, standardize analytical methods, and employ workshops and hands-on guidance to disseminate this information to FCC staff.
- 4.1.3 Ensure the Commission’s ability to meet its Mission Essential Functions and other critical activities during emergencies and disasters affecting FCC facilities and/or staff.
- Maintain up-to-date contacts and relationships with Tribal Nations, local governments, disability groups, and consumer organizations to facilitate the dissemination of critical updates and information in the event of an emergency or disaster.
  - Increase internal FCC staffing to meet safety and national security requirements.
- 4.1.4 For each program objective, ensure that the Commission adheres to all legal requirements in its operations by providing timely and accurate legal advice and representation regarding proposed and existing policies and rules within the FCC’s purview.
- 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.

**Strategic Objective 4.2:** Achieve statutory objectives while reducing burdens on industry and promoting innovation and job growth by continuously reviewing the FCC’s regulatory and operational processes and significant regulations.

***Performance Goals and Targets:***

4.2.1 Implement a regulatory reform agenda guided by the principles of Executive Order 13771 of January 30, 2017 (Reducing Regulation and Controlling Regulatory Costs) and Executive Order 13579 of July 11, 2011 (Regulation and Independent Regulatory Agencies) by reviewing existing FCC regulations and eliminating those regulations that fail to solve real problems at a reasonable cost.

- Identify regulations that may be candidates for retrospective assessment by engaging stakeholders in ongoing dialogue.
- Conduct retrospective analysis of a prioritized set of existing regulations to identify their actual benefits and costs.
- Provide recommendations for reform of existing transaction review processes to create a more-efficient and expedited review of proposed license transfers.
- As a part of the Commission’s initiative on the modernization of media regulation, eliminate or modify requirements applicable to media entities in order to reduce regulatory burdens.

4.2.2 Eliminate reports and related filing requirements that are unnecessary, duplicative, or fail to produce benefits that justify their costs by reviewing the Commission’s information collections processes.

- Develop a proposal to re-work forms and data collections, including coverage maps wireless carriers submit to the Commission, to require, to the extent feasible, less burdensome, more uniform, and more easily collectible data points, while ensuring that the maps reflect accurate signal coverage.
- Initiate review of Part 25 rule that requires annual reporting requirements for geostationary-satellite orbit fixed-satellite service systems.
- Ensure rulemaking proceedings include review of existing regulations to identify opportunities to reduce and eliminate unnecessary, duplicative, or unbeneficial reporting and filing obligations.
- Conduct a rulemaking to reform and modernize the public safety frequency coordination process.

**Strategic Objective 4.3:** Effectively manage and modernize the FCC’s information technology (IT), financial, record keeping, facilities and human capital resources to best achieve the FCC’s mission.

***Performance Goals and Targets:***

4.3.1 Make information readily available to agency management for decision-making by improving Commission systems.

- Update and maintain dashboards and information management systems, including systems to monitor field investigations, commercial radio and public safety complaints, consumer protection complaints and records retention.
  - Participate in ongoing dialogue with Chairman/Commissioners' offices and other Bureaus and Offices to provide information in an efficient and timely manner.
- 4.3.2 Carry out the agency's mission by upgrading and enhancing technology and tools used by Commission staff.
- Enhance access to real-time data for decision-making, reduce operating and maintenance costs and meet increased demand loads of public filings by continuing to migrate outdated technology-based systems and applications to cloud-based environments.
  - Complete the first stage of revamping the International Bureau Filing System (IBFS).
  - Finalize proposal for IT project to update antiquated AM and HF software for international coordination of U.S. stations.
  - Develop proposal for IT project to update Canadian Co-channel Serial Coordination System (COSER) software to ensure compatibility with Canada's spectrum management software.
  - Participate in agency-wide working groups to identify possible upgrades or enhancements to technology and tools to facilitate staff's ability to carry out the agency's mission.
  - Take additional steps to transition the FCC's Universal Licensing System to a modernized technical platform.
  - Take additional steps toward modernizing the FCC's auction application system, migrating additional application types to a modernized platform.
  - Review existing staffing and communications processes, and explore more efficient, effective ways to communicate with stakeholders, provide enhanced transparency, facilitate meetings, and receive and respond to requests for status updates (such as online dashboards reflecting status of proceedings and requests).
  - Explore technological tools to enhance productivity and accountability in the Federal workforce.
- 4.3.3 Maintain a high level of cybersecurity readiness and presence by providing FCC staff with a secure digital infrastructure.
- Ensure that all FCC staff and contractors timely complete cybersecurity training.
  - Continue making upgrades to the security of the FCC's IT systems.
- 4.3.4 Ensure that all financial operations are helping control or contain costs, providing high quality customer service, and improving the effectiveness and efficiency of Commission operations by conducting a program of continuous review and evaluation.
- Coordinate on budget planning and execution to help ensure that auction, spectrum, and licensing activities are conducted effectively and efficiently.
- 4.3.5 Expand the role of economics and engineering at the FCC by developing workforce recruitment initiatives.

- Implement an Honors Economist Program and Honors Engineer Program.
- Continue participation in agency-wide efforts to recruit economists and engineers.

**Strategic Objective 4.4:** Ensure that the Universal Service Fund (USF) programs are well managed, efficient and fiscally responsible and reduce fraud, waste and abuse.

***Performance Goals and Targets:***

4.4.1 Reduce the potential for fraud, waste, and abuse in the USF programs.

- Continue to take steps in FY 2019 to coordinate with the Universal Service Administrative Company (USAC) to ensure that processes are in place to detect and prevent ineligible subscribers from receiving Lifeline program benefits, including implementation of the National Eligibility Verifier.
- Perform analysis of E-Rate program and develop a methodology in the existing data for flagging certain participating entities for review based on comparisons to peer schools and libraries.
- Investigate and prioritize actions on allegations of violations of the USF rules and take appropriate enforcement action on 95% of violations within one year.
- Develop policy proposals to simplify and remove waste in the rural health care program.
- Take steps to coordinate and share information with USAC in FY 2019 to proactively identify and remedy opportunities for fraud, waste, and abuse in all USF programs.

4.4.2 Ensure that the USF programs are administered efficiently and effectively by reviewing the administrative costs of the programs.

- Review internal proposals to improve the efficiency of the administration of universal service programs.
- Review all USAC IT projects commenced in FY 2019 to promote efficiency and effectiveness in USAC's operations.

**FISCAL YEAR 2019 REQUIREMENTS BY  
BUREAUS AND OFFICES**

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## Offices of the Chairman and Commissioners

Offices of the Chairman and Commissioners	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>15</b>	<b>20</b>	<b>20</b>
11 - Personnel compensation	\$1,930,808	\$2,460,660	\$2,509,433
12 - Personnel benefits	564,409	694,032	707,789
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$2,495,217</b>	<b>\$3,154,692</b>	<b>\$3,217,222</b>
21 - Travel & transportation of persons	\$165,914	\$292,455	\$298,252
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	453,318	596,454	608,276
24 - Printing and reproduction	0	0	0
25 - Other contractual services	1,514	4,000	4,000
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$620,746</b>	<b>\$892,909</b>	<b>\$910,528</b>
<b>TOTAL</b>	<b>\$3,115,963</b>	<b>\$4,047,601</b>	<b>\$4,127,750</b>

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

Consumer and Governmental Affairs Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>136</b>	<b>126</b>	<b>118</b>
11 - Personnel compensation	\$16,160,534	\$15,302,363	\$14,386,292
12 - Personnel benefits	4,866,387	4,316,051	4,026,903
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$21,026,921</b>	<b>\$19,618,414</b>	<b>\$18,413,196</b>
21 - Travel & transportation of persons	\$117,887	\$200,000	\$203,965
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,113,670	1,075,944	1,097,271
24 - Printing and reproduction	0	0	0
25 - Other contractual services	1,155,817	1,164,283	1,087,361
26 - Supplies and materials	0	2,000	2,040
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$2,387,374</b>	<b>\$2,442,227</b>	<b>\$2,390,635</b>
<b>TOTAL</b>	<b>\$23,414,295</b>	<b>\$22,060,641</b>	<b>\$20,803,831</b>

The Consumer and Governmental Affairs Bureau develops and administers the Commission's consumer and inter-governmental affairs policies and initiatives to enhance the public's understanding of the Commission's work and to facilitate the Agency's relationships with other governmental agencies and organizations. The Bureau 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 and industry 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.
- Coordinating with the Office of Managing Director to ensure compliance with section 508 of the Rehabilitation Act, requiring the Commission to procure and maintain accessible information and communication technologies for people with disabilities inside and outside the Agency.
- Coordinating with the Chairman, Commissioners, Bureaus and Offices, and other federal agencies to provide Tribal perspectives on regulatory policies impacting the provision and deployment of telecommunications services on Tribal lands and to Tribal and Native homeland communities.
- Engaging with Tribal governments and organizations representing those constituencies through meetings, trainings, and formal consultations to facilitate a dialogue on telecommunications issues in Tribal lands and how the FCC's rules, policies and programs impact the provision of telecommunications services on Tribal lands and in Native homeland communities.

## Enforcement Bureau

Enforcement Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>203</b>	<b>189</b>	<b>187</b>
11 - Personnel compensation	\$27,086,311	\$25,915,762	\$26,429,445
12 - Personnel benefits	8,136,776	7,271,112	7,415,235
13 - Benefits for former personnel	75,000	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$35,298,087</b>	<b>\$33,186,874</b>	<b>\$33,844,679</b>
21 - Travel & transportation of persons	\$251,354	\$280,400	\$285,958
22 - Transportation of things	9	20,000	20,396
23 - Rent, Communications, and Utilities	2,729,542	2,142,694	2,185,165
24 - Printing and reproduction	0	0	0
25 - Other contractual services	335,131	347,300	354,184
26 - Supplies and materials	79,128	132,000	134,616
31 - Equipment	509,291	2,500,000	2,499,553
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$3,904,455</b>	<b>\$5,422,394</b>	<b>\$5,479,873</b>
<b>TOTAL</b>	<b>\$39,202,542</b>	<b>\$38,609,268</b>	<b>\$39,324,552</b>

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:

- Investigating and resolving complaints regarding, for example:
  - 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;
  - The Telephone Consumer Protection Act, which generally prohibits unauthorized robocalls, and the Truth in Caller ID Act, which prohibits unlawful spoofing;
  - 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.
  - Overseeing proceedings suspending or debaring parties from Universal Service Fund programs.
- Protecting Consumers:
  - Investigating unlawful marketing and billing practices, including unauthorized robocalling, caller ID spoofing, cramming, phone and text harassment; and unlawful disclosure of customer proprietary network information.
- Safeguarding Competition:
  - Enforcing merger conditions and unfair or anti-competitive practices that violate the law.
- Securing Networks:
  - Investigating interference or misuse of critical infrastructure.
- Mediating and settling disputes between service providers, upon request.
- 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.

## International Bureau

International Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>98</b>	<b>92</b>	<b>90</b>
11 - Personnel compensation	\$13,350,128	\$12,881,541	\$12,856,869
12 - Personnel benefits	3,898,725	3,653,768	3,656,190
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$17,248,853</b>	<b>\$16,535,309</b>	<b>\$16,513,059</b>
21 - Travel & transportation of persons	\$477,258	\$617,000	\$629,229
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	973,363	934,962	953,494
24 - Printing and reproduction	0	0	0
25 - Other contractual services	2,099	2,500	2,550
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$1,452,720</b>	<b>\$1,554,462</b>	<b>\$1,585,273</b>
<b>TOTAL</b>	<b>\$18,701,573</b>	<b>\$18,089,771</b>	<b>\$18,098,333</b>

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 Bureau assumes the principal representational role for Commission activities in international organizations. The 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

Media Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>160</b>	<b>149</b>	<b>149</b>
11 - Personnel compensation	\$17,809,528	\$17,075,789	\$17,414,252
12 - Personnel benefits	5,082,509	4,834,197	4,930,017
13 - Benefits for former personnel	25,000	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$22,917,037</b>	<b>\$21,909,986</b>	<b>\$22,344,269</b>
21 - Travel & transportation of persons	\$17,707	\$30,000	\$30,595
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,219,385	1,171,623	1,194,846
24 - Printing and reproduction	0	0	0
25 - Other contractual services	17,378	20,000	20,397
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$1,254,470</b>	<b>\$1,221,623</b>	<b>\$1,245,837</b>
<b>TOTAL</b>	<b>\$24,171,507</b>	<b>\$23,131,609</b>	<b>\$23,590,107</b>

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:

- Process applications for authorization, assignment, transfer, and renewal of licensed media services, including AM, FM, TV, the cable TV relay service, and related matters.
- 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.



## Public Safety and Homeland Security Bureau

Public Safety and Homeland Security Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>105</b>	<b>93</b>	<b>98</b>
11 - Personnel compensation	\$13,963,174	\$12,836,186	\$13,970,615
12 - Personnel benefits	4,214,324	3,602,514	3,893,920
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$18,177,498</b>	<b>\$16,438,700</b>	<b>\$17,864,536</b>
21 - Travel & transportation of persons	\$77,184	\$65,000	\$66,288
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	836,425	806,289	822,271
24 - Printing and reproduction	0	0	0
25 - Other contractual services	464,296	385,000	392,631
26 - Supplies and materials	3,044	2,000	2,040
31 - Equipment	6,028	29,377	29,959
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$1,386,977</b>	<b>\$1,287,666</b>	<b>\$1,313,189</b>
<b>TOTAL</b>	<b>\$19,564,475</b>	<b>\$17,726,366</b>	<b>\$19,177,725</b>

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, 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 and operation 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; 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.
- Intakes and processes applications for public safety allocated spectrum and related requests.
- Recommends and develops emergency plans, policies, and preparedness programs covering: (1) reporting and situational awareness of communications status during an emergency; (2) Commission functions during emergency conditions, and (3) the provision of service by communications service providers during emergency conditions.
- Under the 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; plans and maintains readiness to lead response for major communications disruptions as directed by the President.

- Administers Commission recordkeeping and information collection requirements pertaining to public safety issues.
- Oversees public safety related Federal Advisory Committees.
- 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, Sensitive Compartmented Information Facility (SCIF) and central spectrum monitoring and analysis center.
- Acts on emergency requests for Special Temporary Authority (STA) during non-business hours.
- When the FCC is invited, represents the Chairman in deputies' meetings and, in his absence, principals' committee meetings of the National Security Council and represents the Commission on other interagency bodies supporting public safety and national security missions.
- Performs such other functions and duties as may be assigned or referred to it by the Commission or the Defense Commissioner.

## Wireless Telecommunications Bureau

Wireless Telecommunications Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>204</b>	<b>192</b>	<b>190</b>
11 - Personnel compensation	\$12,825,790	\$11,527,603	\$11,756,095
12 - Personnel benefits	3,812,178	3,246,247	3,310,592
13 - Benefits for former personnel	36,000	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$16,673,968</b>	<b>\$14,773,850</b>	<b>\$15,066,686</b>
21 - Travel & transportation of persons	\$11,536	\$20,750	\$21,161
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	467,570	449,255	458,160
24 - Printing and reproduction	0	0	0
25 - Other contractual services	2,343,639	990,689	1,010,326
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$2,822,745</b>	<b>\$1,460,694</b>	<b>\$1,489,646</b>
<b>TOTAL</b>	<b>\$19,496,713</b>	<b>\$16,234,544</b>	<b>\$16,556,333</b>

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 in the United States.
- Promoting access, efficiency, and innovation in the licensing and use of the electromagnetic spectrum.
- Promoting investment in wireless communications infrastructure, including broadband.
- Developing policies and implementing the Commission's authority regarding the conduct of auctions of Commission spectrum licenses.
- Ensuring choice and opportunity in the development of wireless communication services and markets.

- Facilitating competition in the provision of mobile wireless services to the benefit of consumers by ensuring that applications to assign or transfer licenses will serve the public interest.
- Promoting the integration and interconnection of wireless communications networks with other communications networks and facilities.
- 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.
- In conjunction with the International Bureau and the Office of Engineering and Technology, engages in the representation of United States' spectrum interests and serves as an expert resource on spectrum and infrastructure policy matters in international fora.

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.
- Facilitating the development and efficient operation of electronic systems for submission of applications for licenses and registration.
- 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

Wireline Competition Bureau	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>168</b>	<b>155</b>	<b>160</b>
11 - Personnel compensation	\$23,337,233	\$22,315,522	\$23,157,844
12 - Personnel benefits	7,004,288	6,247,968	6,471,811
13 - Benefits for former personnel	25,000	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$30,366,521</b>	<b>\$28,563,490</b>	<b>\$29,629,654</b>
21 - Travel & transportation of persons	\$9,670	\$45,000	\$45,892
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	1,298,009	1,247,167	1,271,887
24 - Printing and reproduction	0	0	0
25 - Other contractual services	50,457	71,000	72,407
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$1,358,136</b>	<b>\$1,363,167</b>	<b>\$1,390,187</b>
<b>TOTAL</b>	<b>\$31,724,657</b>	<b>\$29,926,657</b>	<b>\$31,019,841</b>

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 related operations, drawing on relevant legal, economic, technological, legislative, regulatory, expertise, information and developments. The Bureau has the following duties and responsibilities:

- Working to ensure that all Americans have access to robust and affordable broadband and voice services.
- Working to ensure access to affordable broadband connectivity for low income consumers, schools, school districts, libraries, and rural health-care providers.
- Working to ensure there is a sustainable framework for competitive telecommunications and broadband providers.
- Protecting and preserving the open Internet.
- Working to ensure that the public has access to accurate and comprehensive data about communications services, including data about broadband services.
- Developing and coordinating wireline telecommunications policy.
- Handling adjudicatory and rulemaking proceedings affecting wireline telecommunications service providers and broadband providers.

- Preparing for Commission consideration draft 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.
- Working to ensure wireline carrier networks and personnel are protected from harms caused by the attachment of terminal equipment.
- Making determinations regarding lawfulness of carrier tariffs.
- Administering U.S. numbering policy (including local number portability).
- Taking action on applications filed pursuant to section 214 of the Communications Act 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, tribal, 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

Office of Administrative Law Judges	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>4</b>	<b>4</b>	<b>4</b>
11 - Personnel compensation	\$410,459	\$372,482	\$379,865
12 - Personnel benefits	101,571	101,982	104,003
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$512,030</b>	<b>\$474,464</b>	<b>\$483,868</b>
21 - Travel & transportation of persons	\$2,047	\$1,013	\$1,033
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	24,794	23,823	24,295
24 - Printing and reproduction	0	0	0
25 - Other contractual services	4,523	4,000	4,079
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$31,364</b>	<b>\$28,836</b>	<b>\$29,407</b>
<b>TOTAL</b>	<b>\$543,394</b>	<b>\$503,300</b>	<b>\$513,276</b>

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

Office of Communications Business Opportunities	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>7</b>	<b>7</b>	<b>7</b>
11 - Personnel compensation	\$875,127	\$901,369	\$919,235
12 - Personnel benefits	260,784	263,207	268,424
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$1,135,911</b>	<b>\$1,164,576</b>	<b>\$1,187,659</b>
21 - Travel & transportation of persons	\$731	\$15,800	\$16,113
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	105,318	101,194	103,199
24 - Printing and reproduction	0	0	0
25 - Other contractual services	0	0	0
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$106,049</b>	<b>\$116,994</b>	<b>\$119,312</b>
<b>TOTAL</b>	<b>\$1,241,960</b>	<b>\$1,281,570</b>	<b>\$1,306,972</b>

The Office of Communications Business Opportunities (OCBO) 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 its component Bureau/Office managers, supervisors, and staff 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.
- 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

Office of Engineering and Technology	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>77</b>	<b>72</b>	<b>73</b>
11 - Personnel compensation	\$10,086,892	\$9,647,405	\$10,218,011
12 - Personnel benefits	3,091,101	2,751,832	2,921,074
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$13,177,993</b>	<b>\$12,399,237</b>	<b>\$13,139,085</b>
21 - Travel & transportation of persons	\$16,347	\$22,000	\$22,436
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	504,871	485,096	494,711
24 - Printing and reproduction	0	0	0
25 - Other contractual services	627,172	629,767	642,249
26 - Supplies and materials	21,668	21,000	21,416
31 - Equipment	262,400	250,000	204,955
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$1,432,458</b>	<b>\$1,407,863</b>	<b>\$1,385,768</b>
<b>TOTAL</b>	<b>\$14,610,451</b>	<b>\$13,807,100</b>	<b>\$14,524,853</b>

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, radio treaty matters, and equipment authorization procedures), 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) within the Department of Commerce 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

Office of General Counsel	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>77</b>	<b>72</b>	<b>68</b>
11 - Personnel compensation	\$11,264,186	\$11,894,630	\$11,320,396
12 - Personnel benefits	3,278,839	3,349,767	3,176,164
13 - Benefits for former personnel	50,000	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$14,593,025</b>	<b>\$15,244,397</b>	<b>\$14,496,560</b>
21 - Travel & transportation of persons	\$8,036	\$23,200	\$23,660
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	722,515	694,215	707,975
24 - Printing and reproduction	0	0	0
25 - Other contractual services	66,210	20,500	20,906
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$796,761</b>	<b>\$737,915</b>	<b>\$752,541</b>
<b>TOTAL</b>	<b>\$15,389,786</b>	<b>\$15,982,312</b>	<b>\$15,249,101</b>

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

Office of Legislative Affairs	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>9</b>	<b>7</b>	<b>8</b>
11 - Personnel compensation	\$1,114,932	\$939,845	\$1,084,399
12 - Personnel benefits	356,426	279,187	322,418
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$1,471,358</b>	<b>\$1,219,031</b>	<b>\$1,406,817</b>
21 - Travel & transportation of persons	\$3,277	\$500	\$510
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	96,437	92,659	94,496
24 - Printing and reproduction	0	0	0
25 - Other contractual services	0	100	102
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$99,714</b>	<b>\$93,259</b>	<b>\$95,107</b>
<b>TOTAL</b>	<b>\$1,571,072</b>	<b>\$1,312,290</b>	<b>\$1,501,923</b>

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

Office of the Managing Director	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>198</b>	<b>178</b>	<b>184</b>
11 - Personnel compensation	\$20,847,039	\$19,714,989	\$20,121,762
12 - Personnel benefits	5,809,177	5,761,079	5,995,270
13 - Benefits for former personnel	68,800	69,694	71,076
<b>Subtotal - Personnel Costs</b>	<b>\$26,725,016</b>	<b>\$25,545,762</b>	<b>\$26,188,108</b>
21 - Travel & transportation of persons	\$90,653	\$135,246	\$137,927
22 - Transportation of things	107,532	47,915	48,865
23 - Rent, Communications, and Utilities	28,641,438	29,564,570	30,150,578
24 - Printing and reproduction	1,004,750	1,093,027	1,114,692
25 - Other contractual services	39,647,029	76,032,052	50,364,708
26 - Supplies and materials	3,411,227	1,353,454	1,380,280
31 - Equipment	430,034	1,155,028	1,177,922
42 - Insurance claims and indemnities	16,897	30,325	30,827
<b>Subtotal - Non-Personnel Costs</b>	<b>\$73,349,560</b>	<b>\$109,411,618</b>	<b>\$84,405,798</b>
<b>TOTAL</b>	<b>\$100,074,576</b>	<b>\$134,957,380</b>	<b>\$110,593,906</b>

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 (USF), Telecommunications Relay Service (TRS) Fund, and the North American Numbering Plan (NANP) Fund.
- Formulating and implementing 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.
- Assist the Chairman in carrying out the administrative and executive responsibilities delegated to the Chairman as the administrative head of the agency.

## Office of Media Relations

Office of Media Relations	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>13</b>	<b>11</b>	<b>11</b>
11 - Personnel compensation	\$1,689,174	\$1,350,885	\$1,377,661
12 - Personnel benefits	516,371	389,993	397,723
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$2,205,545</b>	<b>\$1,740,878</b>	<b>\$1,775,384</b>
21 - Travel & transportation of persons	\$792	\$9,000	\$9,178
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	106,093	105,732	107,827
24 - Printing and reproduction	0	0	0
25 - Other contractual services	185,108	270,000	275,352
26 - Supplies and materials	2,953	9,000	9,178
31 - Equipment	4,597	2,000	2,040
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$299,543</b>	<b>\$395,732</b>	<b>\$403,576</b>
<b>TOTAL</b>	<b>\$2,505,088</b>	<b>\$2,136,610</b>	<b>\$2,178,960</b>

The FCC's Office of Media Relations is the agency's liaison to the news media. It provides information to the public about the work of the FCC, manages content on the Commission's website, oversees the release of FCC documents, leads the agency's social media accounts, and manages audio/visual services for the Commission's public meeting room. The Office's duties and responsibilities include:

- Serving as the agency's primary liaison to the news media.
- Producing press releases, fact sheets, speeches, and other public relations materials.
- Managing and creating content for the FCC's social media sites, including Twitter, Facebook, YouTube, Flickr, and others.
- Managing the Commission's website, working with other Bureaus and Offices to create and manage website content, and overseeing the agency's web standards and guidelines.
- Providing audio/visual support services for the Commission, which includes all public meetings.
- Releasing all final Commission and Bureau documents to the public.
- Producing the Daily Digest of Commission releases.

## Office of Strategic Planning and Policy Analysis

Office of Strategic Planning and Policy Analysis	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>16</b>	<b>15</b>	<b>14</b>
11 - Personnel compensation	\$1,929,015	\$1,851,842	\$1,762,623
12 - Personnel benefits	604,382	554,366	527,657
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$2,533,397</b>	<b>\$2,406,208</b>	<b>\$2,290,280</b>
21 - Travel & transportation of persons	\$7,997	\$4,000	\$4,079
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	132,596	127,403	129,928
24 - Printing and reproduction	0	0	0
25 - Other contractual services	0	0	0
26 - Supplies and materials	0	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$140,593</b>	<b>\$131,403</b>	<b>\$134,008</b>
<b>TOTAL</b>	<b>\$2,673,990</b>	<b>\$2,537,611</b>	<b>\$2,424,288</b>

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. The Office and its staff:

- Work collaboratively with other Bureaus and Offices on major rulemaking proceedings and transaction reviews; serve as a “common pool resource” of highly skilled economists, attorneys, and other professional staff.
- Provide expert advice to the Chairman, Commissioners, or Bureau-Office Chiefs.
- Include and support the Commission’s Chief Economist and Chief Technologist.
- Conduct medium-range policy research on issues of future priority to the Commission.
- Coordinate the publication of the Commission’s White Paper series, a forum for staff to publish research aside from formal Commission actions.
- Host visiting scholars from academia and elsewhere who join the FCC on a temporary basis to contribute to the Commission’s mission.

- Conduct outreach efforts to relevant stakeholders, e.g., within academia, think tanks, the business community, and the capital markets.

## Office of Workplace Diversity

Office of Workplace Diversity	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>6</b>	<b>6</b>	<b>7</b>
11 - Personnel compensation	\$547,053	\$651,686	\$784,603
12 - Personnel benefits	176,278	176,886	180,392
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$723,331</b>	<b>\$828,572</b>	<b>\$964,995</b>
21 - Travel & transportation of persons	\$5,091	\$4,000	\$4,079
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	28,272	27,165	27,703
24 - Printing and reproduction	0	0	0
25 - Other contractual services	53,629	64,200	65,472
26 - Supplies and materials	1,685	0	0
31 - Equipment	0	0	0
42 - Insurance claims and indemnities	0	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$88,677</b>	<b>\$95,365</b>	<b>\$97,255</b>
<b>TOTAL</b>	<b>\$812,008</b>	<b>\$923,937</b>	<b>\$1,062,251</b>

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 employment opportunity (EEO) for all employees and applicants. A principal function of the Office is to lead, advise, and assist the Commission, including 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; the Rehabilitation Act of 1973 as amended; Age Discrimination in Employment Act of 1967, as amended; Executive Order 11478; the Genetic Information Nondiscrimination Act 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 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.
- Developing and administering the Commission's program of Alternative Dispute Resolution to provide mediation services and to promote the use of dispute prevention and alternative dispute techniques.
- 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

Office of Inspector General	FY 2017 Actuals	FY 2018 Annualized CR Amount	FY 2019 Congressional Request
<b>Full-Time Equivalents (FTEs)</b>	<b>46</b>	<b>60</b>	<b>60</b>
11 - Personnel compensation	\$5,648,426	\$7,088,364	\$7,229,403
12 - Personnel benefits	1,715,057	1,767,311	1,802,474
13 - Benefits for former personnel	0	0	0
<b>Subtotal - Personnel Costs</b>	<b>\$7,363,483</b>	<b>\$8,855,675</b>	<b>\$9,031,877</b>
21 - Travel & transportation of persons	\$3,568	\$60,975	\$62,183
22 - Transportation of things	0	0	0
23 - Rent, Communications, and Utilities	270,000	261,435	266,617
24 - Printing and reproduction	0	0	0
25 - Other contractual services	199	1,810,618	1,671,405
26 - Supplies and materials	0	513	523
31 - Equipment	896	30,785	31,395
42 - Insurance claims and indemnities	24	0	0
<b>Subtotal - Non-Personnel Costs</b>	<b>\$274,687</b>	<b>\$2,164,325</b>	<b>\$2,032,123</b>
<b>TOTAL</b>	<b>\$7,638,170</b>	<b>\$11,020,000</b>	<b>\$11,064,000</b>

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, waste, 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 2019 Budget Estimates to Congress  
Summary - Requested Resources**

**DISTRIBUTION OF BUDGET AUTHORITY**

(Dollars in Thousands)

	<u>FY 2017 Actuals</u>	<u>FY 2018 Annualized CR Amount</u>	<u>FY 2019 Congressional Request</u>	<u>Change to Budget Authority</u>
<b><u>FCC - Without Office of Inspector General:</u></b>				
Authority to Spend Offsetting Collections:				
Regulatory Fees	\$318,814	\$343,269	\$322,054	-\$21,215
<b>Total Appropriation - Offsetting Collections</b>	<b>\$318,814</b>	<b>\$343,269</b>	<b>\$322,054</b>	<b>-\$21,215</b>
Authority to Spend Other Offsetting Collections:				
Economy Act Reimbursable Agreements	\$697	\$4,000	\$4,000	\$0
Spectrum Auctions Cost Recovery Reimbursement	\$98,936	\$116,064	\$112,589	-\$3,475
<b>Total - Other Offsetting Collections</b>	<b>\$99,633</b>	<b>\$120,064</b>	<b>\$116,589</b>	<b>-\$3,475</b>
<b>Total Budget Authority - Available to Incur Obligations</b>	<b>\$418,447</b>	<b>\$463,333</b>	<b>\$438,643</b>	<b>-\$24,690</b>
Other Budget Authority:				
Credit Program Account <sup>1</sup>	\$32	\$100	\$50	-\$50
<b><u>FCC - Office of Inspector General (OIG):</u></b>				
Authority to Spend Offsetting Collections:				
Regulatory Fees	\$7,638	\$11,020	\$11,064	\$44
<b>Total Appropriation - Offsetting Collections</b>	<b>\$7,638</b>	<b>\$11,020</b>	<b>\$11,064</b>	<b>\$44</b>
Authority to Spend Other Offsetting Collections:				
Spectrum Auctions Cost Recovery Reimbursement	\$105	\$141	\$145	\$4
<b>Total - Other Offsetting Collections</b>	<b>\$105</b>	<b>\$141</b>	<b>\$145</b>	<b>\$4</b>
<b>Total Budget Authority - Available to Incur Obligations</b>	<b>\$7,743</b>	<b>\$11,161</b>	<b>\$11,209</b>	<b>\$48</b>
Other Budget Authority:				
OIG - Recovery of USF Oversight Cost <sup>1</sup>	\$380	\$1,548	\$723	-\$825
<b><u>TOTAL - FCC with Office of Inspector General:</u></b>				
<b>Total Appropriation - Offsetting Collections</b>	<b>\$326,452</b>	<b>\$354,289</b>	<b>\$333,118</b>	<b>-\$21,171</b>
<b>Total - Other Offsetting Collections &amp; Budget Authority<sup>2</sup></b>	<b>\$100,150</b>	<b>\$121,853</b>	<b>\$117,507</b>	<b>-\$4,346</b>
<b>Total Budget Authority - Available to Incur Obligations</b>	<b>\$426,602</b>	<b>\$476,142</b>	<b>\$450,625</b>	<b>-\$25,517</b>

<sup>1</sup>Represents carryover amount. Also, see note on page 123 related to this OIG fund.

<sup>2</sup>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 spectrum relocation. The Act also gave the Commission the authority to use \$1.75 billion 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. The Commission's budgetary authority related to the TV Broadcaster Relocation Fund is presented separately in this Appendices section.

**Fiscal Year 2019 Budget Estimates to Congress  
Summary - Requested Resources**

**OUTLAYS**

(Dollars in Millions)

	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b><u>FCC - Without Office of Inspector General:</u></b>			
New Offsetting Collections:			
Regulatory Fees	\$319	\$343	\$322
<b>Subtotal - Regulatory Fees</b>	<b>\$319</b>	<b>\$343</b>	<b>\$322</b>
Spectrum Auctions Receipts	\$99	\$116	\$113
Interagency/Other	\$1	\$4	\$4
<b>Subtotal - Outlays from New Discretionary Authority (FCC)</b>	<b>\$418</b>	<b>\$463</b>	<b>\$439</b>
<b><u>FCC - Office of Inspector General:</u></b>			
New Offsetting Collections:			
Regulatory Fees	\$8	\$12	\$11
<b>Subtotal - Outlays from New Discretionary Authority (OIG)</b>	<b>\$8</b>	<b>\$12</b>	<b>\$11</b>
<b>TOTAL OUTLAYS</b>	<b>\$426</b>	<b>\$474</b>	<b>\$450</b>

**Fiscal Year 2019 Budget Estimates to Congress  
Summary - Requested Resources**

**FULL-TIME EQUIVALENTs (FTEs)**

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
	<b>Actuals</b>	<b>Congressional</b>	<b>Congressional</b>
	<b>Actuals</b>	<b>Request</b>	<b>Request</b>
<b>Total Compensable Work Years:</b>			
Full-Time Equivalents (FTEs) Employment	<b>1,542</b>	<b>1,448</b>	<b>1,448</b>
<b>Proposed Distribution:</b>			
Offsetting Collections - Commission without OIG	1,302	1,206	1,206
Offsetting Collections - Office of Inspector General	46	60	60
<b>Subtotal - Regulatory Fees (Offsetting Collections)</b>	<b>1,348</b>	<b>1,266</b>	<b>1,266</b>
Spectrum Auctions Program	194	182	182
<b>TOTAL FTEs - COMMISSION</b>	<b>1,542</b>	<b>1,448</b>	<b>1,448</b>

**Fiscal Year 2019 Budget Estimates to Congress  
Summary - Distribution of Resources**

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

(Dollars in Thousands)

<u>Object Classification Description</u>	<u>FY 2017 Actuals</u>	<u>FY 2018 Annualized CR Amount</u>	<u>FY 2019 Congressional Request</u>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$180,876	\$174,729	\$177,679
Personnel benefits (12.0)	53,490	49,261	50,108
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$234,365</b>	<b>\$223,990</b>	<b>\$227,787</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$280	\$70	\$71
Travel & transportation of persons (21.0)	1,267	1,826	1,863
Transportation of things (22.0)	108	68	69
Rent payments to GSA (23.1)	35,435	33,598	34,264
Communications, utilities, & misc. charges (23.3)	4,289	6,309	6,434
Printing and reproduction (24.0)	1,005	1,093	1,115
Other services from non-Federal sources (25.2)	17,906	53,280	18,751
Other goods & services from Federal sources (25.3)	2,581	2,766	2,821
Operation & maintenance of equipment (25.7)	24,467	25,770	34,416
Supplies and materials (26.0)	3,520	1,520	1,550
Equipment (31.0)	1,213	3,968	3,946
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	17	30	31
<b>Subtotal - Other Expenses</b>	<b>\$92,087</b>	<b>\$130,299</b>	<b>\$105,331</b>
<b>Total Obligations from Regulatory Fees</b>	<b>\$326,452</b>	<b>\$354,289</b>	<b>\$333,118</b>
<b>Total Resources from Regulatory Fees</b>	<b>\$326,452</b>	<b>\$354,289</b>	<b>\$333,118</b>



**Fiscal Year 2019 Budget Estimates to Congress  
Summary - Distribution of Resources**

**SPECTRUM AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY**  
**(INCLUDING OIG)**

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$26,482	\$23,890	\$24,364
Personnel benefits (12.0)	7,890	7,378	7,524
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$34,372</b>	<b>\$31,268</b>	<b>\$31,888</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$6	\$11	\$11
Travel & transportation of persons (21.0)	252	327	334
Transportation of things (22.0)	33	24	24
Rent payments to GSA (23.1)	6,550	5,657	5,769
Communications, utilities, & misc. charges (23.3)	1,470	1,785	1,820
Printing and reproduction (24.0)	175	182	185
Other services from non-Federal sources (25.2)	11,801	27,831	22,607
Other goods & services from Federal sources (25.3)	942	393	401
Operation & maintenance of equipment (25.7)	39,433	44,287	45,165
Supplies and materials (26.0)	3,267	3,530	3,600
Equipment (31.0)	733	906	924
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	5	5	5
<b>Subtotal - Other Expenses</b>	<b>\$64,669</b>	<b>\$84,937</b>	<b>\$80,846</b>
<b>Total - Auctions Cost Recovery Reimbursable Authority</b>	<b>\$99,041</b>	<b>\$116,205</b>	<b>\$112,734</b>

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

**GOVERNMENT/OTHER REIMBURSABLE AUTHORITY**

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$90	\$150	\$150
Personnel benefits (12.0)	32	25	25
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$122</b>	<b>\$175</b>	<b>\$175</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	5	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)	487	3,000	3,000
Other goods & services from Federal sources (25.3)	0	0	0
Operation & maintenance of equipment (25.7)	13	425	425
Supplies and materials (26.0)	11	50	50
Equipment (31.0)	59	300	300
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
<b>Subtotal - Other Expenses</b>	<b>\$575</b>	<b>\$3,825</b>	<b>\$3,825</b>
<b>Total Government/Other Reimbursable Authority</b>	<b>\$697</b>	<b>\$4,000</b>	<b>\$4,000</b>

Note: OIG has no reimbursable agreement funds.

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

**CREDIT PROGRAM ACCOUNT**

(Dollars in Thousands)

<u>Object Classification Description</u>	<u>FY 2017 Actuals</u>	<u>FY 2018 Annualized CR Amount</u>	<u>FY 2019 Congressional Request</u>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$0	\$40	\$0
Personnel benefits (12.0)	0	10	0
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$0</b>	<b>\$50</b>	<b>\$0</b>
<b>Other Expenses:</b>			
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)	32	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
<b>Subtotal - Other Expenses</b>	<b>\$32</b>	<b>\$50</b>	<b>\$50</b>
<b>Total Credit Program</b>	<b>\$32</b>	<b>\$100</b>	<b>\$50</b>

Note: The Commission is currently working with OMB to close out the Credit Program. OIG has no Credit Program funds.

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

**TV BROADCASTER RELOCATION FUND**

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$0	\$0	\$0
Personnel benefits (12.0)	0	0	0
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Expenses:</b>			
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	750,000	750,000
Insurance claims & indemnities (42.0)	0	0	0
<b>Subtotal - Other Expenses</b>	<b>\$0</b>	<b>\$750,000</b>	<b>\$750,000</b>
<b>Total TV Broadcaster Relocation Fund</b>	<b>\$0</b>	<b>\$750,000</b>	<b>\$750,000</b>

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 spectrum relocation. The Act also gave the Commission the authority to use \$1.75 billion from Incentive Auction revenues to reimburse TV Broadcasters for relocation costs. The TV Broadcaster Relocation Fund is capped at \$1.75 billion. The amount shown for FY 2019 is an estimated carry over of funds that has not been obligated in prior fiscal years, which is available until expended.

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

**OFFICE OF INSPECTOR GENERAL – UNIVERSAL SERVICE FUND**

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$0	\$0	\$0
Personnel benefits (12.0)	0	0	0
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	22	20	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)	344	1,473	723
Other goods & services from Federal sources (25.3)	14	0	0
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	0	0	0
Equipment (31.0)	0	55	0
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
<b>Subtotal - Other Expenses</b>	<b>\$380</b>	<b>\$1,548</b>	<b>\$723</b>
<b>Total Universal Service Program</b>	<b>\$380</b>	<b>\$1,548</b>	<b>\$723</b>

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 FYs 2018 and 2019. The carryover balances will be used to continue the USF oversight by OIG.

The amounts shown under the FY 2018 Congressional Request column were not changed from those amounts submitted to Congress in May 2017. In FY 2017, the OIG enacted \$3,475 but obligated \$380. A total of \$5,337 was carried over into FY 2018 and OIG has enacted \$4,614 in FY 2018, which is an increase of \$3,066 from OIG's initial FY 2018 request. The remaining unused carryover funds of \$723 is currently planned to be enacted in FY 2019.

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

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

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$175,227	\$167,641	\$170,449
Personnel benefits (12.0)	51,775	47,494	48,306
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$227,002</b>	<b>\$215,135</b>	<b>\$218,755</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$280	\$70	\$71
Travel & transportation of persons (21.0)	1,263	1,765	1,800
Transportation of things (22.0)	108	68	69
Rent payments to GSA (23.1)	35,165	33,345	34,006
Communications, utilities, & misc. charges (23.3)	4,289	6,301	6,426
Printing and reproduction (24.0)	1,005	1,093	1,115
Other services from non-Federal sources (25.2)	17,906	51,598	17,211
Other goods & services from Federal sources (25.3)	2,581	2,638	2,690
Operation & maintenance of equipment (25.7)	24,467	25,770	34,416
Supplies and materials (26.0)	3,520	1,519	1,550
Equipment (31.0)	1,212	3,936	3,914
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	17	30	31
<b>Subtotal - Other Expenses</b>	<b>\$91,812</b>	<b>\$128,134</b>	<b>\$103,299</b>
<b>Total - Obligations from Regulatory Fees</b>	<b>\$318,814</b>	<b>\$343,269</b>	<b>\$322,054</b>
<b>Total - Resources from Regulatory Fees</b>	<b>\$318,814</b>	<b>\$343,269</b>	<b>\$322,054</b>

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

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

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$26,482	\$23,890	\$24,364
Personnel benefits (12.0)	7,890	7,378	7,524
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$34,372</b>	<b>\$31,268</b>	<b>\$31,888</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$6	\$11	\$11
Travel & transportation of persons (21.0)	252	327	334
Transportation of things (22.0)	33	24	24
Rent payments to GSA (23.1)	6,550	5,657	5,769
Communications, utilities, & misc. charges (23.3)	1,470	1,785	1,820
Printing and reproduction (24.0)	175	182	185
Other services from non-Federal sources (25.2)	11,696	27,690	22,463
Other goods & services from Federal sources (25.3)	942	393	401
Operation & maintenance of equipment (25.7)	39,433	44,287	45,165
Supplies and materials (26.0)	3,267	3,530	3,600
Equipment (31.0)	733	906	924
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	5	5	5
<b>Subtotal - Other Expenses</b>	<b>\$64,564</b>	<b>\$84,796</b>	<b>\$80,701</b>
<b>Total - Auctions Cost Recovery Reimbursable Obligations</b>	<b>\$98,936</b>	<b>\$116,064</b>	<b>\$112,589</b>

**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

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

(Dollars in Thousands)

<u>Object Classification Description</u>	<u>FY 2017 Actuals</u>	<u>FY 2018 Annualized CR Amount</u>	<u>FY 2019 Congressional Request</u>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$5,648	\$7,088	\$7,229
Personnel benefits (12.0)	1,715	1,767	1,803
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$7,363</b>	<b>\$8,855</b>	<b>\$9,032</b>
<b>Other Expenses:</b>			
Benefits for former personnel (13.0)	\$0	\$0	\$0
Travel & transportation of persons (21.0)	4	61	62
Transportation of things (22.0)	0	0	0
Rent payments to GSA (23.1)	270	253	258
Communications, utilities, & misc. charges (23.3)	0	8	8
Printing and reproduction (24.0)	0	0	0
Other services from non-Federal sources (25.2)	0	1,683	1,541
Other goods & services from Federal sources (25.3)	0	128	131
Operation & maintenance of equipment (25.7)	0	0	0
Supplies and materials (26.0)	0	1	1
Equipment (31.0)	1	31	31
Land and structures (32.0)	0	0	0
Insurance claims & indemnities (42.0)	0	0	0
<b>Subtotal - Other Expenses</b>	<b>\$275</b>	<b>\$2,165</b>	<b>\$2,032</b>
<b>Total - Obligations from Regulatory Fees</b>	<b>\$7,638</b>	<b>\$11,020</b>	<b>\$11,064</b>
<b>Total - Resources from Regulatory Fees</b>	<b>\$7,638</b>	<b>\$11,020</b>	<b>\$11,064</b>



**Fiscal Year 2019 Budget Estimates to Congress  
Summary – Distribution of Resources**

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

(Dollars in Thousands)

<b>Object Classification Description</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>FY 2019 Congressional Request</b>
<b>Personnel Compensation &amp; Benefits:</b>			
Full-time & Other than full-time Permanent (11.1 & 11.3)	\$0	\$0	\$0
Personnel benefits (12.0)	0	0	0
<b>Subtotal - Personnel Compensation &amp; Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Expenses:</b>			
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)	105	141	145
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
<b>Subtotal - Other Expenses</b>	<b>\$105</b>	<b>\$141</b>	<b>\$145</b>
<b>Total - Auctions Cost Recovery Reimbursable Obligations</b>	<b>\$105</b>	<b>\$141</b>	<b>\$145</b>

**Fiscal Year 2019 Budget Estimates to Congress  
Summary - Distribution of Resources by Strategic Goals**

(Dollars in Thousands)

<b>FY 2017 Strategic Goals</b>	<b>Promoting Economic Growth and National Leadership</b>	<b>Protecting Public Interest Goals</b>	<b>Making Networks Work for Everyone</b>	<b>Promoting Operational Excellence</b>	<b>TOTAL</b>
<b>FY 2017 Actuals - Regulatory Fees</b>	<b>\$58,779</b>	<b>\$75,696</b>	<b>\$122,959</b>	<b>\$69,018</b>	<b>\$326,452</b>

<b>FYs 2018 &amp; 2019 Strategic Goals<sup>1</sup></b>	<b>Closing the Digital Divide</b>	<b>Promoting Innovation</b>	<b>Protecting Consumers and Public Safety</b>	<b>Reforming the FCC's Processes</b>	<b>TOTAL</b>
<b>FY 2018 Annualized Continuing Resolution (CR) Base</b>	<b>\$109,475</b>	<b>\$98,847</b>	<b>\$105,224</b>	<b>\$40,743</b>	<b>\$354,289</b>
<b>FY 2018 Adjustments to Annualized CR Base</b>	-\$4,755	-\$4,293	-\$4,570	-\$18,636	-\$32,254
<b>FY 2019 Base Level</b>	\$104,720	\$94,554	\$100,654	\$22,107	<b>\$322,035</b>
Adjustments to the Base Level	481	528	1,264	275	<b>2,548</b>
One-Time Requests	0	0	250	8,285	<b>8,535</b>
<b>FY 2019 Congressional Request - Regulatory Fees</b>	<b>\$105,201</b>	<b>\$95,082</b>	<b>\$102,168</b>	<b>\$30,667</b>	<b>\$333,118</b>

<sup>1</sup>New Strategic Goals starting in FY 2018.

**Fiscal Year 2019 Budget Estimates to Congress  
Allocation of Obligations by Budget Object Class Code**

(Dollars in Thousands)

<b>Budget Object Class Codes and Descriptions</b>	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR Amount</b>	<b>Adjustments</b>		<b>Program- mic Changes</b>	<b>FY 2019 Congres- sional Request</b>
			<b>To Establish FY 2019 Base</b>	<b>FY 2019 Base</b>		
11 Personnel Compensation	\$180,876	\$174,729	\$2,950	\$177,679	\$0	\$177,679
12 Benefits	53,490	49,261	847	50,108	\$0	50,108
13 Benefits for former personnel	280	70	1	71	\$0	71
21 Travel & transportation of persons	1,267	1,826	37	1,863	\$0	1,863
22 Transportation of things	108	68	1	69	\$0	69
23.1 Rent payments to GSA	35,435	33,598	666	34,264	\$0	34,264
23.3 Communications, utilities, & misc. charges	4,289	6,309	125	6,434	\$0	6,434
24 Printing and reproduction	1,005	1,093	22	1,115	\$0	1,115
25.2 Other services from non-Federal sources	17,906	53,280	-34,529	18,751	\$0	18,751
25.3 Other goods & services from Federal sources	2,581	2,766	55	2,821	\$0	2,821
25.7 Operation & maintenance of equipment	24,467	25,770	111	25,881	\$8,535	34,416
26 Supplies and materials	3,520	1,520	30	1,550	\$0	1,550
31 Equipment	1,213	3,967	-21	3,946	\$0	3,946
32 Land and structures	0	0	0	0	\$0	0
42 Insurance claims & indemnities	17	30	1	31	\$0	31
<b>Sub-Total</b>	<b>\$326,452</b>	<b>\$354,289</b>	<b>-\$29,706</b>	<b>\$324,583</b>	<b>\$8,535</b>	<b>\$333,118</b>
<b>Sub-Total - Appropriation Authority</b>	<b>\$326,452</b>	<b>\$354,289</b>	<b>-\$29,706</b>	<b>\$324,583</b>	<b>\$8,535</b>	<b>\$333,118</b>
Reimbursables - Government/Other	697	4,000	0	4,000	0	4,000
Spectrum Auction Cost Recovery Reimbursement	99,041	116,205	-3,471	112,734	0	112,734
<b>TOTAL REQUEST</b>	<b>\$426,190</b>	<b>\$474,494</b>	<b>-\$33,177</b>	<b>\$441,317</b>	<b>\$8,535</b>	<b>\$449,852</b>

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## **EXHIBITS AND REPORTS**

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## **Affirmation Statement from Senior Agency Official for Privacy (SAOP)**

### **Description of Privacy Program**

The FCC conducts a privacy program to meet all applicable privacy requirements and manage privacy risks within the agency. Led by the Senior Agency Official for Privacy (SAOP) and the Privacy Manager in the office of the Chief Information Officer (CIO), the program monitors the FCC bureaus and offices that maintain systems of records and information technology that collect and maintain personally identifiable information (PII). When necessary, program officials help system owners execute system of records notices (SORNS), Privacy Impact Assessments (PIAs), and other required disclosures. Program officials provide privacy training and advise system owners on how they can minimize the collection of PII, in particular, of Social Security numbers. The program is also responsible for making sure that the FCC's Privacy Act statements and other public-facing privacy information are clear and compliant with current laws, rules, and OMB guidance.

The privacy program works closely with the CIO's office to help identify and mitigate privacy risks in the agency's information systems. Through the PIA process, the program helps IT development staff and customers identify privacy risks in their systems and mitigate these risks as much as possible. Program officials also work closely with the FCC's Network Security Operations Center (NSOC) to prepare for and respond to PII breaches.

### **SAOP Comments on FY 2019 New Investments**

I have reviewed and support these proposed investments because moving systems from outdated legacy technologies to cloud-based platforms significantly improves the security of these systems, including systems that contain personally identifiable information (PII).

## **Information Technology Investments**

The information will be submitted electronically in accordance with OMB Circular A-11, Section 55.

### **IT Resources Statement**

As required by OMB Circular A-11, Section 51.3, the Chief Financial Officer (CFO) and Chief Information Officer (CIO) affirm the following:

- that the CIO has reviewed and approved the major IT investments portion of the budget request;
- that the CFO and CIO affirm that the CIO had a significant role in reviewing planned IT support for major program objectives and significant increases and decreases in IT resources; and
- that the IT Portfolio includes appropriate estimates of all IT resources included in the budget request.



## 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 115-31 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, 2018. The Antideficiency Act requires that funds be available before incurring an obligation on behalf of the Federal Government.

<b>Program and Financing (in millions of dollars)</b>				
		<b>2017 Actual</b>	<b>2018 Est.</b>	<b>2019 Est.</b>
<b>Obligation by program activity:</b>				
0001	Universal service fund	\$15,937	\$11,489	\$11,360
0002	Program support	\$214	\$216	\$243
0900	Total new obligations (object class 41.0)	\$16,151	\$11,705	\$11,603
<b>Budgetary resources</b>				
1000	Unobligated balance carried forward, start of year	(\$1,391)	(\$7,430)	(\$8,491)
1021	Recoveries of prior year unpaid obligations	\$797	\$970	\$747
1033	Recoveries of prior year paid obligations	\$91	\$0	\$0
1050	Unobligated balance (total)	(\$503)	(\$6,460)	(\$7,744)
<b>Budget authority:</b>				
Discretionary:				
1120	Appropriation transferred to other accounts	\$0	\$0	\$0
1160	Appropriation, discretionary (total)	\$0	\$0	\$0
Mandatory:				
1201	Appropriation(special fund) - Receipt	\$9,171	\$9,602	\$10,120
1201	Appropriation(special fund) - Interest	\$53	\$72	\$89
1160	Appropriation, discretionary (total)	\$9,224	\$9,674	\$10,209
<b>Spending authority from offsetting collections, mandatory:</b>				
1850	Collected (total)	\$0	\$0	\$0
1900	Budget authority (total)	\$9,224	\$9,674	\$10,209
1930	Total budgetary resources available	\$8,721	\$3,214	\$2,465
1941	Unexpired unobligated balance, end of year	(\$7,430)	(\$8,491)	(\$9,138)
<b>Change in obligated balances:</b>				
3000	Unpaid obligated balance, start of year	\$9,538	\$14,623	\$14,881
3010	Obligation incurred, unexpired accounts	\$16,151	\$11,705	\$11,603
3020	Total outlays (gross)	(\$10,269)	(\$10,477)	(\$10,905)
3040	Recoveries of prior year obligations	(\$797)	(\$970)	(\$747)
3050	Unpaid obligated balance, end of year (net)	\$14,623	\$14,881	\$14,832
3100	Obligation balance, start of year	\$9,538	\$14,623	\$14,881
3200	Obligation balance, end of year	\$14,623	\$9,674	\$14,832
<b>Budget authority and outlays net:</b>				
4090	Budget authority gross:	\$9,224	\$9,674	\$10,209
4100	Outlays from new mandatory authority	\$3,726	\$4,731	\$6,111
4101	Outlays from new mandatory balances	\$6,543	\$5,746	\$4,794
4110	Total outlays (net)	\$10,269	\$10,477	\$10,905
<b>Offsets against gross budget authority and outlays</b>				
4123	Offsetting collection from Non-Federal sources	(\$91)	\$0	\$0
4160	Budget authority net (mandatory)	\$9,224	\$9,674	\$10,209
4170	Outlays net (mandatory)	\$10,178	\$10,477	\$10,905
4180	Budget authority net (total)	\$9,224	\$9,674	\$10,209
4190	Outlays net (total)	\$10,178	\$10,477	\$10,905
<b>Memorandum (non-add) entries:</b>				
5000	Total investments, start of year: Federal securities: Par value	\$8,018	\$7,096	\$6,390
5001	Total investments, end of year: Federal securities: Par value	\$7,096	\$6,390	\$5,695

# Responses to Congressional Inquiries Concerning GAO Recommendations



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

August 28, 2017

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

Dear Chairman Gowdy:

On June 29, 2017, the Government Accountability Office (GAO) publicly released a report entitled *Additional Action Needed to Address Significant Risks in Federal Communications Commission's (FCC) Lifeline Program - GAO-17-538* (GAO Lifeline Report).<sup>1</sup> GAO examined, as part of its investigation: (1) the extent to which the Lifeline Program demonstrates effective performance towards program goals; (2) steps the FCC and the Universal Service Administrative Company (USAC) have taken to improve financial controls in place for the Lifeline Program and Universal Service Fund, and any remaining weaknesses that might exist; (3) steps the FCC and USAC have taken to improve subscriber eligibility verification, and any remaining weaknesses that might exist; and (4) steps the FCC and USAC have taken to improve oversight of Lifeline providers, and any remaining weaknesses that might exist.

On May 9, 2017, the Commission's Managing Director and Acting Chiefs of the Commission's Wireline Competition Bureau and Enforcement Bureau provided a letter detailing the Commission's actions addressing GAO's recommendations.<sup>2</sup> Actions underway include: (1) considering a process for review and approval of spending above the Lifeline budget; (2) implementing procedures to disseminate updated lists of state eligibility databases to Lifeline providers; (3) considering ways to improve review of compliance plans submitted by non-facilities-based service providers seeking to participate in the Lifeline program while protecting program integrity; (4) comprehensively reviewing Lifeline program violations in order to improve consistency in the Commission's Lifeline enforcement strategy, including imposition of monetary penalties and other corrective actions; (5) implementing a plan to expeditiously transfer the USF funds from a private bank to the U.S. Treasury; (6) amending USAC's contributor audit procedures to assess whether the USF assessments on carriers' bills are transparent and appropriately labeled in accordance with the FCC's Truth-in-Billing rules; and (7) resolving long-standing requests for guidance from USAC concerning USF contribution methodology. I intend to ensure that Commission staff are able under my chairmanship to follow through in implementing these actions.

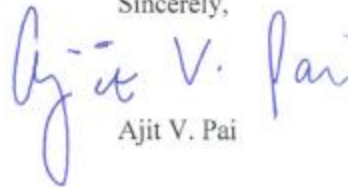
<sup>1</sup> GAO, *Additional Action Needed to Address Significant Risks in Federal Communications Commission's (FCC) Lifeline Program*, GAO-17-538 (GAO Lifeline Report), available at <https://www.gao.gov/assets/690/684974.pdf>.

<sup>2</sup> See GAO Lifeline Report at 78-82.

Also, in response to the GAO Lifeline Report and investigations by my office, the Office of the Inspector General, the Office of the Managing Director, the Enforcement Bureau, and the Wireline Competition Bureau, I have instructed USAC to promptly implement several safeguards to mitigate the risk of waste, fraud, and abuse in the Lifeline Program.<sup>3</sup> These safeguards are designed to strengthen program integrity through in-depth examinations of subscriber eligibility, oversubscribed addresses, phantom Lifeline subscribers, deceased Lifeline subscribers, and duplicate subscribers, and through increased oversight over sales agents.

I appreciate GAO's thorough analysis and recommendations, and I reiterate the Commission's commitment to implementing measures to address GAO's findings. Thank you for the opportunity to respond to the GAO Lifeline Report and I look forward to discussing this issue further if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is written in a cursive style with a large initial "A".

Ajit V. Pai

cc: The Honorable Rob Portman

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<sup>3</sup> See Letter from Ajit Pai, Chairman, Federal Communications Commission, to Vickie Robinson, USAC (July 11, 2017), available at [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2017/db0711/DOC-345729A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db0711/DOC-345729A1.pdf).



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

November 9, 2017

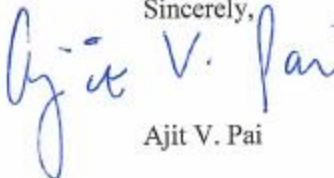
The Honorable Bill Nelson  
Ranking Member  
Committee on Commerce, Science, and Transportation  
United States Senate  
425 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Nelson:

On September 29, 2017, the Government Accountability Office (GAO) publicly released a report entitled *FCC Should Conduct Additional Analysis to Evaluate Need for Set-Top Box Regulation*, GAO 17-785 (Report).<sup>1</sup> GAO examined the Commission's efforts to ensure commercial availability of devices to access programming provided by multichannel video programming distributors (MVPDs).

The Report recommends that the Commission, as part of its statutorily required annual reports to Congress on the status of competition in the market for the delivery of video programming, conduct a comprehensive analysis of "how the ongoing evolution in the video programming market affects competition in the related market for set-top boxes and devices, including how this evolution affects the extent to which consumer choice for devices to access MVPD content remains a relevant aspect of the competitive environment." In a September 21, 2017 response to the draft report, the Chief of the Commission's Media Bureau agreed with GAO's recommendation.<sup>2</sup> As indicated in that response, the Commission will utilize the annual video competition report proceedings to gather data and solicit comment on issues relevant to whether there is a need for further regulations to ensure the commercial availability of devices to access MVPD programming. We will include an analysis of these data and comments in our future annual video competition reports.

I appreciate GAO's analysis and recommendation, and I reiterate the Commission's commitment to implementing measures to address GAO's findings.

Sincerely,  
  
Ajit V. Pai

cc: The Honorable Yvette D. Clarke

<sup>1</sup> GAO, *FCC Should Conduct Additional Analysis to Evaluate Need for Set-Top Box Regulation*, GAO 17-785, available at <https://www.gao.gov/products/GAO-17-785>.

<sup>2</sup> *Id.* at 26.



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

November 16, 2017

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 September 19, 2017, the Government Accountability Office (GAO) publicly released a report entitled *Broadband: Additional Stakeholder Input Could Inform FCC Actions to Promote Competition*, GAO -17-742.<sup>1</sup> In the Report, GAO recommends that the FCC annually solicit and report on stakeholder input regarding: (1) FCC actions to promote broadband competition and (2) how varying levels of broadband deployment affect prices and service quality.

My view is that the FCC should be aggressively seeking to remove barriers to broadband deployment because facilities-based competition is the surest way to provide consumers with more choices and better value. To that end, soon after becoming chairman we chartered the Broadband Deployment Advisory Committee (BDAC) which is tasked with recommending ways to bring down barriers to deployment. The BDAC is bringing together experts from consumer groups, state and local government, and industry to advise the FCC on the best path forward. I'm pleased that on November 9, 2017 the BDAC adopted its first set of recommendations and will continue to meet in the coming months to develop additional solutions.

In April 2017, we also initiated wireless and wireline rulemakings focused on accelerating broadband infrastructure deployment. These are currently open proceedings which I expect will result in a series of Commission orders promoting investment. As these actions begin to be implemented, I would expect consumers would reap the benefits in the form of greater choice and better value. I look forward to seeing this reflected in some of the data the Commission continues to collect.

Lastly, on September 1, 2017, the Chiefs of the Wireline Competition Bureau and the Wireless Telecommunications Bureau provided a letter in response to the draft GAO Report. As detailed in that letter, the Commission plans to seek comment on the topics identified in the GAO Report recommendations in appropriate Commission proceedings.<sup>2</sup> I intend to ensure that we follow through on implementing these actions.

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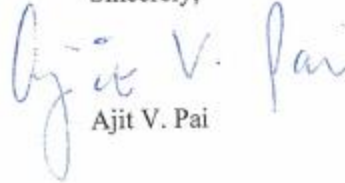
<sup>1</sup> GAO, *Broadband: Additional Stakeholder Input Could Inform FCC Action to Promote Competition*, GAO -17-742 (GAO Report), available at <https://www.gao.gov/products/GAO-17-742>.

<sup>2</sup> GAO Report at 34-35.

Page 2—The Honorable Ron Johnson

I appreciate the opportunity to respond to the GAO Report and I would be happy to discuss this issue further if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is written in a cursive style with a large initial "A".

Ajit V. Pai

cc: The Honorable John Thune



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

January 26, 2018

The Honorable Chris Coons  
Ranking Member  
Subcommittee on Financial Services and General Government  
Committee on Appropriations  
United States Senate  
125 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Coons:

On November 16th, 2017, the Government Accountability Office (GAO) publicly released a report entitled *INTERNET OF THINGS: FCC Should Track Growth to Ensure Sufficient Spectrum Remains Available*. In pursuit of an objective to ensure that the spectrum needs for the Internet of Things are met, the report recommends that the FCC should track the growth in (1) high-bandwidth IoT devices and (2) IoT devices that rely on unlicensed spectrum.

I concur that the FCC should ensure that adequate spectrum is available to support continued American wireless innovation benefiting all members of our society. The agency is now taking an all-of-the-above approach to spectrum, and we are striving to expand access in low-, mid-, and high-band spectrum to support licensed and unlicensed applications. In 2017 alone we completed the Broadcast Incentive Auction, finalized rules for access to high-band spectrum in our Spectrum Frontiers proceeding, and began an examination of whether the rules governing 3.5 GHz or other mid-band spectrum can be reformed to improve its use. Any of the spectrum bands made available through these actions could be used for IoT as well as for any other application as determined by market need.

In addition to IOT, Internet access, messaging, voice calling, video content, emergency services and a wide variety of applications contribute to the growing demand for spectrum. To determine overall spectrum trends, FCC staff rely upon a variety of sources: industry reports on technology, emerging applications and the growth, and the type of network traffic; information developed through our experimental licensing and equipment authorization processes; consultation with other, relevant federal agencies as well as with foreign regulatory agencies; utilization of industry advisory groups to the FCC; and continual meetings with innovators, wireless service providers, industry representatives and standards groups to better understand spectrum needs and related technologies.

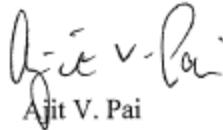
I should note that, in our experience, simply knowing the *numbers* of high bandwidth "Things" produced or tracking the numbers of IOT devices that rely on unlicensed spectrum does not correlate in a meaningful way to the *spectrum impact* of such devices. For example, knowing the number of cameras that can send images provides little or no information regarding their spectrum usage without information such as the resolution of the images, the transmission technique employed or how often transmissions occur. Moreover, there is little distinction between an application such as a video baby monitor using Wi-Fi and an over-the-top video

program delivered via Wi-Fi to a TV or other device in the home.

We are continuing to provide spectrum under our flexible use policies that can be used for IOT and many other uses. Using the sources I have described, we will continue to track the growth and evolution of IOT as well as other wireless applications and ensure that IOT spectrum needs together with those of the many services supported by the nation's wireless infrastructure will continue to be met.

I appreciate the opportunity to comment on the GAO Report and I would be happy to discuss this issue further if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is written in a cursive style with a large initial "A" and a long horizontal stroke extending to the right.

Ajit V. Pai

cc: The Honorable Darrell Issa  
The Honorable Suzan K. DelBene