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Additional Resources/Justification: Total: \$795k

The FCC consolidated the majority of its Enforcement activities at the beginning of Fiscal Year 2000 combining organizations from the Common Carrier, Compliance and Information, Mass Media and Wireless Telecommunications Bureaus. Each of these bureaus tracked their workload statistics using different criteria and software. The Enforcement Bureau requires \$578k in FY 2001 to redesign and integrate their workload and project loading systems. We are planning to use this tracking system to serve as a model for our other bureaus as we consolidate like functions. \$500k will be spent on contract support with the additional \$78k used for the purchase of hardware, software and supplies.

\$217k is required by the Enforcement Bureau to establish desktop access to the Consumer Information Bureau's database. As we consolidate our functions along activity lines we must also establish links where functions and concerns overlap. One link that must be established is between the Enforcement Bureau's Telecommunications Consumers Division (TCD) and CIB's Consumer Information Center. TCD is required to analyze consumer complaints and recommend or initiate investigations and/or enforcement actions. To be able to do this, TCD must have access to the Consumer Information Center's database of consumer complaints and other material. \$160k is required for contract support funding to design and implement the access protocols. An additional \$57k is needed to upgrade existing personal computers and to purchase additional hardware and software.

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ENFORCEMENT ACTIVITY OBJECTIVE 1 (CONTINUED)

Strategic Objective: Enforce the Rules so that Businesses Compete Fairly			
Policy Initiative	FY 2001 Goal	Performance Measurement	
✓ Enforce all disability accessibility provisions.	✓ Implement all disability accessibility rules; achieve 80% compliance with new disability rules.	Performance will be measured by an analysis of our enforcement of disability rules compiled by the Enforcement Bureau based on the number of complaints received.	
✓ Expeditiously resolve complaints regarding spectrum use, public safety and technical issues such as interference, equipment licensee requirements and Emergency Alert System (EAS) rules.	✓ 90% compliance with antenna registration, interference complaints and equipment license requirements.	Enforcement statistics are currently compiled by the Enforcement Bureau and are based on the number of complaints received.	

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CONSUMER INFORMATION SERVICES

This activity includes the publication and dissemination of Commission decisions and actions, and related activities; public reference and library services; the duplication and dissemination of Commission records and databases; the receipt and disposition of public inquiries; informal complaints, consumer, small business and public assistance; and public affairs and media relations. Includes direct organizational FTE and FTE workyear effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with consumer information activities.

Activity Goal: To provide information services to our customers in the most useful formats available and in the most timely, accurate and courteous manner possible. This will be accomplished by evolving the FCC's web site into a model for accessibility and availability of information and by ensuring that all Agency electronic and information technologies are accessible and usable by persons with disabilities.

Means/Strategies/Resources: In Fiscal Year 2000 the FCC took a final step in the consolidation of its consumer information activities by centralizing all information services within one organization. Our goal in consumer information services to provide "one-stop shopping" to the telecommunications consumer.

Consolidation of information services under a single structure yields significant benefits to our customers and stakeholders. First, we are able to provide timely, accurate and consistent information regardless of its source or format – whether telephone, e-mail, voice mail, FAX, paper or via our website. Second, we can track trends and map "hot" consumer issues nationwide, by region or by state. Third, we can achieve economies of scale – or "more bang for our buck" – all our dollars will be spent once – not several times throughout the Commission. Finally, we can develop a useful Consumer Information Strategic Plan for FCC-wide applications with no duplication in our coverage.

Over the past several years we have made remarkable progress in improving our consumer information services. Our Internet Home Page provides consumers with a wealth of information on all telecommunications topics. Moreover, in FY 1999 we inaugurated our electronic filing comment system that allows our stakeholders throughout the country to file their rulemaking comments electronically. Our Consumer Information Centers in Gettysburg, Pennsylvania, and at headquarters, provide consumers with detailed information on all telecommunications-related topics. In Fiscal Year 2001 we will continue to improve and expand our current information outreach efforts.

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As extensive as our consumer efforts have been we have learned that our stakeholders want and need more. They want to have "one-stop shopping" for all their telecommunications information needs whether it is status checking on multi-service licenses, locating all the licenses held by a single entity, the daily status or a rulemaking or integrated access to our bureaus/offices databases. In Fiscal Year 2001 we intend to start construction on an electronic "gateway" that will provide our customers with this access. The construction of this electronic gateway will have many benefits for our customers and for us. For the first time, FCC staff can share information and data collection activities across all organization and database boundaries which will result in more accurate and timely information on which to base our decisions.

The following chart reflects resources dedicated to consumer information services activities and includes both direct organizational FTE and operating cost, as well as staff office support (FTE and operating cost), necessary to provide policy direction, program development, legal services, executive direction and other support services associated with consumer information activities.

(Dollars in Thousands)	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Projected Change (+/-)
Cost by Activity	\$12,626	\$18,940	\$23,690	+\$4,750
Full Time Equivalents (FTEs)	188	240	265	+25

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CONSUMER INFORMATION SERVICES ACTIVITY OBJECTIVE 1

Strategic Objective: Lead the Way in the Information Age		
Policy Initiative	FY 2001 Goal	Performance Measurement
Evolve the FCC's web site into a model for accessibility and availability of information. Develop electronic systems or sub-systems to provide via the Internet tracking information about Commission proceedings and processes, including licensing, policy development, and issues resolution.	✓ Define requirements for agency-wide Intelligent Gateway.	This initiative is a multi-year project and the results or outcome of this initiative cannot be measured until after the Gateway is fully implemented. For the initial phase of the goal, performance will be measured by whether the requirements study is completed on time. Following implementation, success will be measured through the tracking of customer use statistics.

Additional Resources/Justification: Total: \$900k

\$900k is required in contract support funding for development work on an agency-wide Intelligent Gateway. In the past few years, the FCC has developed electronic filing and licensing systems that are available either over the Internet or through a wide-area network. An Intelligent Gateway will tie all FCC information systems together and will provide the user with a single, easy-to-use electronic access to FCC information.

A key demand of our stakeholders has been faster and more efficient access to our decision-making processes. Often, the same company has multiple licenses in a number of services overseen by more than one bureau. The Gateway will offer users status tracking, electronic filing, document management and electronic processing capabilities for all Bureaus/Offices through a single portal. Building the Gateway will entail developing interactive Internet queries, a common query language for all electronic filing systems, interfaces from operating systems and down or "off" loading capability.

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Additional Resources/Justification (Cont'd):

The Gateway will be a multi-phased, multi-year project. \$900k is needed in contract support funding to complete the requirements analysis and to develop a blueprint for planning and implementing the Gateway. The second phase, planned for Fiscal Year 2002, is a "proof in concept" system that will develop a working model including status tracking, document management and electronic filing. The third phase will complete the project by extending the Intelligent Gateway capability to all FCC electronic systems.

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CONSUMER INFORMATION SERVICES ACTIVITY OBJECTIVE 1 (CONTINUED)

Strategic Goal A: CREATE A MODEL AGENCY FOR THE DIGITAL AGE Strategic Objective: Lead the Way in the Information Age		
✓ Ensure that all agency electronic and information technologies are accessible and usable by persons with disabilities.	✓ 75% of all agency materials accessible by persons with disabilities.	Measurement will be the total number of documents available to the general public versus the number of documents available to the disabled population. The number of documents available in alternative formats will be tracked beginning in FY 2000.

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SPECTRUM MANAGEMENT

This activity includes management of the electromagnetic spectrum as mandated by the Communications Act of 1934 as amended. Spectrum management includes the structure and processes for allocating, allotting, assigning, and licensing this scarce resource to the private sector and state and local governments in a way that promotes competition while ensuring that the public interest is best served. In order to manage spectrum in both an efficient and equitable manner, the Commission prepares economic, technical and engineering studies, coordinates with Federal agencies, and represents U.S. industry in international fora. Includes direct organizational FTE and FTE work year effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with spectrum management activities.

Activity Goal: To manage the use of the Nation's airwaves in the public interest for all non-Federal government users, including private sector, and state and local government users. This will be accomplished by creating more efficient spectrum markets and by increasing the amount of spectrum available, particularly for new services.

Means/Strategies/Resources: The successful deployment of many new communications technologies depends on the availability of electronic spectrum. To ensure that the FCC does not hinder the growth of new services, we issued guidelines in November, 1999, for our future spectrum management policies that we believe will maximize the efficient use of spectrum and make more spectrum available while ensuring that public safety interests are served. Our spectrum management goals are based on principles that will:

- Allow flexibility in allocations as appropriate;
- Promote new spectrum efficient technologies, such as those that support ultra-wideband and spread spectrum operations;
- Ensure that important communications needs, such as public safety, are met;
- Improve the efficiency of our spectrum assignment processes;
- Encourage the development of secondary markets for spectrum to ensure full utilization;
- Continue to seek out ways to make more spectrum available, for example, through refarming methods, user fees or by reclaiming existing spectrum.

In addition to publishing our spectrum principles, we also established a Spectrum Policy Executive Committee that will: (1) address broad policy issues affecting spectrum management; (2) implement initiatives consistent with our spectrum principles, and (3) coordinate interbureau spectrum issues. The FCC has established a Chief Technologist position and recruited nationally known scientists to serve in this

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position. Finally, the FCC has established a Technological Advisory Council comprised of a diverse number of recognized technical experts who will continue to provide the advise the Commission needs to stay abreast of innovations and new developments in the telecommunications industry.

The following chart reflects resources dedicated to **spectrum management activities** and includes both direct organizational FTE and operating cost, as well as staff office support (FTE and operating cost), necessary to provide policy direction, program development, legal services, executive direction and other support services associated with spectrum management activities.

T	Estimated	Estimated	Estimated	Projected
(Dollars in Thousands)	FY 1999	FY 2000	FY 2001	Change (+/-)
Cost by Activity	\$20,205	\$21,658	\$23,548	+\$1,890
Full Time Equivalents (FTEs)	165	172	172	0

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SPECTRUM MANAGMENT ACTIVITY OBJECTIVE 1

Strategic Objective: Create More Efficient Spectrum Markets			
Policy Initiative	FY 2001 Goal	Performance Measurement	
✓ Streamline and reform assignment and licensing procedures to facilitate getting spectrum into the marketplace.	✓ Convene a task force to work with industry and academia to develop recommendations on ways to improve assignment and licensing. Conduct at least one auction with new assignment mechanisms.	Performance will be measured based on reduction in the time needed to license spectrum. Baseline data is available from previously completed auctions.	
✓ Facilitate efficient aftermarket trading and aggregation of spectrum by creating tool such as a public database of current spectrum users and forums to bring together buyers and sellers of "aftermarket" spectrum.	✓ Define data requirements needed by industry to increase secondary market. Complete design for the database.	Performance will be measured by the increase in the number of secondary transactions taking place and percentage of capacity utilization of spectrum.	
✓ Seek ways to reduce interference through alternate dispute resolution and improve coordination with the National Telecommunications and Information Administration (NTIA).	✓ Convene a task force with NTIA and other Federal users to discuss methods to improve sharing of spectrum. Develop a plan in conjunction with the Enforcement Bureau to use alternative dispute resolution to negotiate interference.	Performance will be measured by reductions in the number of interference complaints relative to current baselines.	

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- Promote the efficient use of public safety spectrum to ensure that critical communications needs for the protection of life, health and property are met.
- Implement the interoperability recommendations of the National Coordinating Committee.

Performance will be measured based on the full implementation of the recommendations, which will not be available until the end of 2000.

Additional Resources/Justification: Total: \$625k

As active participants in the Information Age it has become clear that as the agency that regulates the public spectrum we have been handicapped by our lack of essential analytic tools to respond quickly to the demand for more flexible and enhanced use of this spectrum. We are requesting \$625k to develop a comprehensive public database of existing use of the radio-frequency spectrum. The database will result in the public spectrum being put to its highest possible use. Currently, the FCC collects data on site-specific licensed facilities. The spectrum database will allow improved spectrum management, encourage the development of an active secondary market for spectrum by providing for the collection of additional data, including site-specific deployment information for area-wide licensees.

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SPECTRUM MANAGMENT ACTIVITY OBJECTIVE 2

Strategic Objective: Increase the Amount of Spectrum Available, Particularly for New Services			
Policy Initiative	FY 2001 Goal	Performance Measurement	
✓ Create incentives for freeing up spectrum (e.g., foster the adoption of digital television, two-sided auctions, and fees for some non-auctionable services.	✓ Complete the design of two-sided auctions and initiate implementation. Convene a working group with NTIA and industry to develop recommendations on incentives.	Performance will be measured by completion of milestones associated with the implementation plan for two-sided auctions and recommendations for incentives.	
✓ Allocate spectrum made available pursuant to legislation.	✓ Allocate and assign (auction) roughly 200 MHz of spectrum reallocated pursuant to legislation.	Performance will be measured in terms of number of new licenses issued for spectrum.	
✓ Consider expanded provision of spectrum for ultrawideband use and unlicensed services.	✓ Complete the NPRM and NOI on ultrawideband and software-defined radio technology.	Performance will be measured by completion of rulemaking for new spectrum efficient technologies.	

AGENCY-WIDE PERFORMANCE IMPROVEMENT INITIATIVES

Activity Goal: To establish organizational structures within the Agency and preserve and increase the wealth of knowledge and expertise of the FCC staff in order to fulfill the Agency's changing role in the "Information Age." This will be accomplished by reorganizing the Agency infrastructure to make it more conducive to technological convergence and by pursuing alternative work schedules to attract and retain skilled employees.

Means/Strategies/Resources: The FCC has traditionally been structured along the technology lines of wire, wireless, satellite, broadcast, and cable communications. As the lines between these industries merge and blur as a result of technological convergence and the removal of artificial barriers to entry, the FCC needs to reorganize itself in a way that recognizes these changes and prepares for the future rather than remaining tied to the past. A reorganization of the Agency, over time, along functional rather than technology lines, will put the FCC in a better position to carry out its core responsibilities more productively and efficiently. As the first step in this process, in November 1999, the FCC completed the process needed to consolidate the currently dispersed enforcement functions into a new Enforcement Bureau and the public information functions into a Consumer Information Bureau. These two key functions -- providing swift and effective enforcement to respond to consumer concerns and promote competition and providing consumers with information about their rights in a competitive environment -- are critical in a competitive world. In the second phase of the reorganization process, the FCC will begin the transition to consolidate the authorization of service/licensing functions across the Agency in order to achieve economies of scale in the administration of the FCC's core responsibilities. Consolidation of the licensing functions will provide one-stop shopping facilitating access and timeliness.

It is critical to the success of the FCC's efforts to create a model agency for the digital age that we preserve the integrity of our employees and capitalize on the wealth of knowledge and expertise at the Commission. It is the employees who have made the FCC a unique and vital organization and who will be at the forefront of defining how the FCC of the future responds to the dynamic changes in today's communications industry. Moreover, we must minimize workplace disruption that may result from restructuring efforts. Among the initiatives we will pursue to accomplish this are efforts to preserve and increase the wealth of knowledge and expertise of the FCC staff and the implementation of alternate work schedules to attract and retain skilled employees.

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PERFORMANCE IMPROVEMENT INITIATIVES ACTIVITY OBJECTIVE 1

Strategic Objective: Reorganize to Create an Agency Infrastructure Conducive to Convergence		
Policy Initiative	FY 2001 Goal	Performance Measurement
✓ Reorganize for Convergence	 ✓ Implement phase 2 of reorganization Consolidate licensing functions. ✓ Develop plan for phase 3 of reorganization (restructuring of each bureau). 	Performance will be determined by whether Phase 2 of the reorganization is completed on schedule. Results will also be measured by feedback obtained at regularly scheduled public forums.

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PERFORMANCE IMPROVEMENT INITIATIVES ACTIVITY OBJECTIVE 2

Strategic Goal A: CREATE A MODEL AGENCY FOR THE DIGITAL AGE Strategic Objective: Preserve and Increase the Wealth of Knowledge and Expertise of FCC staff			
Policy Initiative	FY 2001 Goal	Performance Measurement	
✓ Increase training opportunities for employees in substantive areas and team-based project management.	✓ Establish 2 legal, technical and managerial training modules.	Performance will be measured by whether the training modules were implemented, the number of employees trained and from feedback from the employees who participated in the training modules.	
Recruit high-quality staff knowledgeable about the communications market place. Strengthen technical capabilities by hiring more engineers/technologists and re-establishing an entry-level engineering training program.	 ✓ Increase engineering staff by 5%. ✓ Continue entry-level engineering program. 	Performance will be measured by an analysis of the number of entry-level engineers recruited. Baseline data is available for comparison.	
✓ Pursue a number of alternative work schedules to attract and retain skilled employees.		Performance will be measured by whether job opportunity programs are implemented and through analyses of surveys completed by participants in the alternative work schedule programs.	

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Additional Resources/Justification:

The Agency plans to utilize existing resources during FY 2001 to begin the process of assessing training needs, developing training modules, and developing recruiting sources for entry-level engineers. Implementation of the expanded training plans and specialized recruitment will require additional funding in future fiscal years.

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Public Outreach

In March and May of 1999, Chairman William E. Kennard testified, along with the other FCC Commissioners, before our Congressional oversight committees. As part of his testimony, Chairman Kennard submitted a report to Congress, "A New FCC for the 21st Century." This report served as the conceptual framework for the Commission's senior managers to meet and discuss the implications of the changing communications marketplace for the FCC and for the American people. From these discussions, we developed the framework of this Strategic Plan, including our draft vision statement, goals and major objectives. Next, senior executives from each of our Bureaus and Offices were asked to review their organization's functions, determine if they were still essential to the agency's key missions as determined by senior management, and provide specific policy initiatives and performance measurements for the next five years.

We also began to gather extensive input from our stakeholders to help us develop this strategic plan. We held three public forums seeking the views of general industry (May 20, 1999; 26 panel members), consumer, state and local government representatives (June 2, 1999; 24 panel members), and academic and organizational experts (June 11, 1999; 24 panel members). We also held an internal forum for FCC staff (June 24, 1999; 11 panel members and field offices). We asked for input at each forum on three key questions:

- 1. What should the FCC's role be in the 21st century?
- 2. How can the FCC work more efficiently and effectively to deliver services to the public?
- 3. How should the FCC be structured in the communications marketplace of the future?

Interested individuals who wanted to participate, but could not attend the sessions in Washington, D.C. were encouraged to participate through teleconferencing or to e-mail us via the Internet. A new web site was created at the FCC Home Page entitled "A New FCC for the 21st Century," and our stakeholders were encouraged to e-mail us at "newfcc@fcc.gov". The forums were broadcast live on the Internet and the public could listen to the forums via the FCC Internet Broadcast Home Page (http://www.fcc.gov/realaudio/). A transcript of each of the public forums can be downloaded from our Internet site (www.fcc.gov/21st_century/) and interested parties can also purchase the transcripts or audio or videotapes of these sessions.

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Much of the input we received from our stakeholders focused on how competition, convergence, globalization, and the Internet are currently affecting the communications marketplace, and will continue to do so in the future. Interestingly, there was a good deal of consensus from our stakeholders about the FCC's proposed core functions, as set forth in our March 1999 report: i) universal service, consumer protection and information; ii) enforcement and promotion of competitive markets domestically and worldwide; and iii) spectrum management. There was also a substantial amount of agreement -- both among our internal staff and our external stakeholders -- on the need to make the FCC a faster, flatter, and more functional agency. We have tried to incorporate many of common themes and ideas elicited at the forums in this report. (See Appendix C for a matrix summarizing the recommendations for a "New FCC" received from our stakeholders.)

External Factors

A number of external factors will affect our ability to achieve our vision of fully competitive communications markets in five years. The implementation plans contained in this strategic plan are based on the emergence of competition across all communications markets in five years. Based on developments to date and current forecasts, this is an aggressive, but not unrealistic objective. The fortitude with which the FCC and the states enforce the pro-competition mandates of the 1996 Act will continue to be a significant factor. Whether or not litigation delays the introduction or implementation of key FCC and state decisions is another factor. Our success will depend on whether previously monopolized communications markets are successfully opened up so that new entrants can compete in those markets.

Nonetheless, a range of additional external factors -- some of which can be influenced by FCC actions, and others, which largely cannot -- may affect the continued development of competition in communications markets. For example, convergence-driven competition depends heavily on investments in new technology by incumbent and new communications providers. To date, traditional wireline telephone service providers, cable operators, wireless firms, and satellite companies have made massive investments in the new networks that will allow, for example, cable operators to offer phone service, telephone companies to offer high-speed Internet and possibly video service, and wireless companies to offer phone service reliable and inexpensive enough to compete for basic local voice telephony. Should the pace of investment in these networks diminish, competition will be slower to develop.

Similarly, significant technological uncertainty remains for many new "converged" technologies. For example, although the carriage of voice traffic over packet-based, Internet Protocol networks promises significant new competitive entry into the local and long

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distance voice markets, so-called "IP telephony" technology currently cannot offer sufficient quality of service or feature functionality to be fully competitive with traditional telephone networks. Also, the use of shared "tree-and-branch" networks such as hybrid fiber-coax cable networks for voice or data service similarly poses technical obstacles at moderate to high penetration levels, and until the full reliability of cable networks can be demonstrated, the competitive impact of cable entry into telephone and data markets may be delayed. As a third example, a significant factor in the development of robust competition in the broadband access market is the rate of technological development of various "xDSL" (digital subscriber line which provides high speed data transmission) technologies that will be used to offer high-speed service over copper telephone loops. Each of these, as well as many other technological factors, could affect the rate at which competition develops across communications markets.

Cross-Cutting Functions

The Commission routinely interacts with a number of Federal agencies. For example, we: coordinate radio antenna and tower proposals with the Federal Aviation Administration to prevent interference and to ensure the safety of life and property; measure spurious radio signal emissions in cooperation with the Environmental Protection Agency (EPA) to monitor public risks associated with radiation; coordinate with the U.S. Customs Service concerning the import of electronic devices. We will continue to work with the National Technical Information Administration to coordinate efforts to ensure effective management of the public and private spectrum.

In order to fulfill our goal of creating a fully competitive communications marketplace in five years, we need a national, procompetitive, pro-consumer communications policy, supplemented by state and local government involvement. We work particularly closely with the Federal Trade Commission on consumer issues. We will continue to coordinate our efforts to halt the unscrupulous practices such as "slamming" and "cramming" practiced by some service providers. We will continue to work with the Department of Justice in the area of reviewing the scope and effect on the communications marketplace of the continuing wave of media mergers.

As we coordinate our efforts with other federal agencies, we must also seek the input of state and local government to achieve a truly national telecommunications policy. The Telecom Act set the groundwork for this goal, and the Commission is fulfilling its role of establishing the rules for opening communications markets across the country, in partnership with state regulators. The Commission will continue to work with state and local agencies and toward this end, we have instituted a Local and State Government Advisory Committee to share information and views on many critical communications issues.

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Program Evaluations

Although our goals and objectives were developed without the need for formal program evaluations, we used the results of several formal and informal evaluations in developing our Strategic Plan.

At the request of Congress the FCC prepares "Annual State of Competition Reports" for cable television, CMRS and the local telephony markets. These reports track the growth of competition in these three large service areas. In addition and again, at the request of Congress, the General Accounting Office has embarked on an ambitious series of audits. In Fiscal Year 1999, GAO was reviewing our actions in the following areas: the Schools and Libraries Corporation, the status of cross ownership among providers of multi-channel video programming, the Impact of Sports Programming Costs on Cable Television Rates, Competition in Local Telephone Markets, and Telephone Company mergers. GAO is also working on several audits of FCC internal management systems. Where applicable, the FCC adopts GAO's recommendations and we revise our rules and regulations or internal procedures. In addition, the FCC conducts a biennial review of its rules and regulations.