

# **FEDERAL COMMUNICATIONS COMMISSION**

## ***FY 2003 Budget Estimates to Congress***

### **Prefatory Note**

The FY 2003 Annual Performance Plan is based on the FCC's Strategic Plan submitted to OMB and Congress in August 1999. We have made significant progress in meeting our strategic objectives. FY 2002 is the last year of a 3-year cycle for a Strategic Plan, and some modifications are required to a number of performance measures. In several cases, work was completed ahead of schedule on a performance measure and we will no longer report on it. In other cases, we have modified measures to reflect recent changes in the telecommunications industry or to reflect current industry trends. In a few other cases, we have made minor modifications to the wording of a performance measure so that it would match current data collection activities.

We have included FY 2001 performance data where it is available. The FCC will submit all performance data in our FY 2001 Annual Program Performance Report due to Congress on March 29, 2002.

### **Goals and Objectives**

The fundamental mission of the Federal Communications Commission is to implement the Communications Act of 1934, as amended, in a manner that promotes competition, innovation, and deregulation in the communications industry and the availability of high-quality communications services for all Americans.

In order to achieve those objectives at this time of great innovation in the communications industry, this agency must strive to stay on the cutting edge of changes in technology, economics, and law. The advent of Internet-based and other new technology-driven communications services will continue to erode the traditional regulatory distinctions between different sectors of the communications industry. Our most immediate challenge is to integrate the changing character of the industry into our core functions of (1) licensing; (2) competition; (3) enforcement; (4) consumer information services, and (5) spectrum management. For this agency to fulfill its congressional charge, it must write and execute a new business plan built along four dimensions: (1) a clear substantive policy vision, consistent with the various communications statutes and rules, that guides our deliberations; (2) a pointed emphasis on management that builds a strong team, produces a cohesive and efficient operation, and leads to clear and timely decisions; (3) an extensive training and development program to ensure that we possess independent technical and economic expertise; and (4) organizational restructuring to align our institution with the realities of a dynamic and converging marketplace.

### **Overall Objectives**

Consistent with the objectives of the Communications Act of 1934, the agency has sought to rely increasingly on market forces to promote competition in order to foster the availability of high quality services to consumers at reasonable prices. We are challenged to continue to find ways to foster competitive entry into established markets while encouraging the development of open, competitive markets featuring new and innovative technological services. The FCC must strive through its enforcement processes to ensure that its rules are adhered to faithfully and fully, and to continue to monitor business practices and their impact on consumers. The FCC must also keep focused on an ever increasing global communications marketplace, and the challenge globalization poses for spectrum sharing and maintaining open international markets.

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### LICENSING

This activity includes the authorization or licensing of radio stations, telecommunications equipment and radio operators, as well as the authorization of common carrier and other services and facilities.

**Activity Goal:** To promote efficient and innovative licensing and authorization of services by automating functions and fully implementing automated licensing and electronic filing systems across the agency, and by creating a more efficient, effective, and responsive agency with substantially reduced backlogs in licensing applications, petitions for reconsideration, and other proceedings.

As the FCC works to promulgate policies conducive to advances in information technology, we must lead the way in E-Government. Across the agency, we must invest in new technology that will improve our processes and allow us to be as responsive as possible. Specifically, we must continue to automate our processes and to make more information available to the public electronically and on an interactive basis.

**Means/Strategies/Resources:** The FCC has sought to improve its licensing activities through a multiyear plan to reengineer and integrate its licensing databases, and through implementation of interactive electronic filing systems. These initiatives have included universal licensing, streamlined application processes, revised and simplified licensing forms, blanket authorizations, authorization for unlicensed services, and electronic filing of license applications and certifications. The benefits we have derived from these projects are many and include a more economical use of FCC personnel resources, improvement in processing times, the ability of our customers to file via the Internet or through other electronic filing mechanisms, and the ability to provide our customers with immediate status reports on their applications. This results in improved service to the public.

In Fiscal Year 2003 we are requesting a total of \$2.93 million to upgrade and consolidate our electronic filing systems and expand our E-Government capabilities including \$.83 million required for specific enhancements and upgrades to systems for our Mass Media Bureau (\$400,000), the Wireless Telecommunications Bureau (\$75,000) and the Office of Engineering and Technology (\$355,000). These improvements are consistent with and mandated by the Government Paperwork Elimination Act of 1999. An additional \$2.1 million is required to consolidate and provide a single interface between our licensing systems. As the industries we oversee converge, many telecommunications companies hold licenses across several licensing services. Our clients--private companies, the bar, and the public--want to be able to search on a single entity across all our licensing services.

**Verification/validation of licensing data:** Each of the FCC's application processing systems generate detailed reports on processing activities. Every quarter, the bureaus/offices submit compilations of these statistics for the FCC's Quarterly Performance and Results Review. Each bureau/office attests to the accuracy of the data in a transmittal memorandum accompanying their submission. Obvious inconsistencies, changes in trends, etc., are noted and additional discussions take place to clarify and resolve these issues.

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The following chart reflects resources dedicated to **licensing** 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 licensing activities.

(Dollars in Thousands) <sup>1</sup>	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated <sup>2</sup> FY 2002	Estimated <sup>3</sup> FY 2003	Projected Change (+/-)
Cost by Activity	\$36,952	\$36,314	\$44,253	\$46,073	\$53,746	+\$7,673
Full Time Equivalents (FTEs)	430	402	392	390	390	0

<sup>1</sup> These amounts reflect resources as authorized and available to the Commission for FY 1999-FY 2002, but do not include prior year estimated funding associated with the President's proposed retirement legislation. **FY 2003 does include** the estimated funding to support the President's proposal to provide for full funding of Federal employees retirement costs.

<sup>2</sup> The FCC is currently involved in a restructuring and reorganization of activities. Once this realignment of activities has been approved by the Appropriations Committees, FTE allocations will be finalized, and the Commission will provide revised FTE charts to the committees for FY 2002 and FY 2003.

<sup>3</sup> *Id.*

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LICENSING			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Automate Agency Processes			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Create a paperless FCC by automating functions &amp; fully implementing automated licensing &amp; electronic filing systems to promote one-stop shopping. Consolidate individual systems &amp; adopt one standard user interface where possible to simplify public use of our systems.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY99:</b> Provide electronic filing capabilities for CCB, MMB, IB, WTB, and OET.</li> <li>✓ <b>FY00:</b> 60% of filings made electronically where available.</li> <li>✓ <b>FY01:</b> 70% of filings made electronically where available.</li> <li>✓ <b>FY02:</b> 80% of filings made electronically where available.</li> <li>✓ <b>FY03:</b> 85% of filings made electronically where available.*</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY99:</b> Electronic filing provided for CCB, IB, and OET. Majority of MMB and WTB licensing services provided electronic filing capability.</li> <li>✓ <b>FY00:</b> 60% of filings made electronically where available.</li> <li>✓ <b>FY01:</b> 77% of filings made electronically where available.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review. Results will also be obtained from feedback from our stakeholders via e-mail and comments received at public outreach meetings.</p>

\* Successful completion of this performance measure is dependent on the approval of funding requested by the Commission for FY 2003.

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LICENSING			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Streamline Agency's Processes and Procedures			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Improve our speed of disposal for processing license applications.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY99:</b> Meet 90% of processing goals.</li> <li>✓ <b>FY00:</b> Meet 90% of processing goals.</li> <li>✓ <b>FY01:</b> Meet 90% of processing goals.</li> <li>✓ <b>FY02:</b> Meet 95% of processing goals.</li> <li>✓ <b>FY03:</b> Maintain 95% of processing goals*</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY99:</b> 88% within processing goals.</li> <li>✓ <b>FY00:</b> 89% within processing goals.</li> <li>✓ <b>FY01:</b> 94% within processing goals.</li> </ul>	<p>Performance is measured using data collected in the Quarterly Performance and Results Review.</p>
<ul style="list-style-type: none"> <li>✓ Substantially reduce our backlog including licensing applications, petitions for reconsideration and other proceedings.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Backlog does not exceed 40% of receipts.</li> <li>✓ <b>FY01:</b> Backlog does not exceed 10% of receipts.</li> <li>✓ <b>FY02:</b> Backlog does not exceed 5% of receipts.</li> <li>✓ <b>FY03:</b> Backlog does not exceed 5% of receipts.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Backlog reduced from 40% to 4%.</li> <li>✓ <b>FY01:</b> Backlog reduced to 1.5%</li> </ul>	<p>Performance is measured using data collected in the Quarterly Performance and Results Review.</p>

\* The ability to maintain processing goals is dependent on funding requested for FY 2003 to replace and upgrade hardware and software.

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LICENSING			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Streamline Agency's Processes and Procedures			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Act on petitions for reconsideration that do not raise significant new issues within 60 days of the record closing.	✓ <b>FY00:</b> 75% acted on in 60 days ✓ <b>FY01:</b> 90% acted on in 60 days ✓ <b>FY02:</b> 95% acted on in 60 days. ✓ <b>FY03:</b> 95% acted on in 60 days.	✓ <b>FY00:</b> 38% acted on in 60 days. ✓ <b>FY01:</b> 94% acted on in 60 days.	Performance is measured by data collected in the Quarterly Performance and Results Review.

# **FEDERAL COMMUNICATIONS COMMISSION**

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### **COMPETITION**

This activity includes formal inquiries and rule making proceedings to establish or amend the Commission's rules and regulations, action on petitions for rule making and requests for rule interpretations or waivers; economic studies and analyses; and development of equipment standards.

**Activity Goal:** To encourage, through our policy and rule making activities, the development of competitive, innovative, high-quality communications systems, with a minimum of regulation or with an absence of regulation where appropriate in a competitive market. This will be accomplished by eliminating barriers to entry in domestic markets, by deregulating where appropriate, by promoting competition in international communications markets, by promoting opportunities for all Americans to utilize communications services, and by the vigorous enforcement of our rules and regulations.

**Means/Strategies/Resources:** As we deregulate, our role will change from a market regulator to a market facilitator. We will rely less on our traditional rulemaking procedures where possible and will rely more on interagency task forces, advisory committees, and state, local, and regional consortia. We will endeavor to assist the rapid expansion of innovative new technologies. We will continue to promote the development of competition in the local exchange market through the expeditious review of Section 271 applications that will dramatically increase the range of choices in local telephone service providers, multipoint video programming market services, and mobile wireless providers. At the same time, we will vigorously review our rules and our spectrum allocation policies to ensure that these do not deter the development of emerging technologies.

**Verification/validation of competition data:** Several performance measures for the competition activity are based on annual competition reports compiled by the Cable Services, Common Carrier and Wireless Telecommunications Bureaus. The competition reports are based on annual surveys of specific telecommunications industries conducted by the bureaus. The reports are presented at an FCC open meeting and are made available in paper or at the FCC home page. Tracking and validating Section 271 and merger review activities are completed through an actual count of days. Many other performance measures under the competition activity are conducted as formal rule makings with notice and comment periods under the terms of the Administrative Procedure Act. Verification is whether the rule making was completed according to the planned schedule. Finally, statistics for a few performance measures are compiled from studies conducted by another Federal agency. The FCC does not validate the data compiled by other Federal agencies.

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The following chart reflects resources dedicated to **competition** 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 competition activities.

(Dollars in Thousands) <sup>4</sup>	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated <sup>5</sup> FY 2002	Estimated <sup>6</sup> FY 2003	Projected Change (+/-)
Cost by Activity	\$64,147	\$68,009	\$70,177	\$73,031	\$79,044	+\$6,013
Full Time Equivalents (FTEs)	556	528	502	496	496	0

<sup>4</sup> These amounts reflect resources as authorized and available to the Commission for FY 1999-FY 2002, but do not include prior year estimated funding associated with the President's proposed retirement legislation. **FY 2003 does include** the estimated funding to support the President's proposal to provide for full funding of Federal employees retirement costs.

<sup>5</sup> The FCC is currently involved in a restructuring and reorganization of activities. Once this realignment of activities has been approved by the Appropriations Committees, FTE allocations will be finalized, and the Commission will provide revised FTE charts to the committees for FY 2002 and FY 2003.

<sup>6</sup> *Id.*



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## FY 2003 Budget Estimates to Congress

COMPETITION			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Eliminate Barriers To Entry In Domestic Markets			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Complete the opening of local telecommunications markets through pro-competitive unbundling, interconnection & co-location policies.	<b>FY00:</b> ✓ 15% of households with 1 new local residential competitor; ✓ 10% have 2 new local residential competitors.  <b>FY01:</b> ✓ 90% of households live in zip codes with 1 CLEC; ✓ 80% with 2 CLECS.  <b>FY02:</b> ✓ 90% of households live in zip codes with 1 CLEC; ✓ 80% with 2 CLECS; ✓ 10% with 3 CLECS.  <b>FY 03:</b> ✓ 92% of households live in zip codes with 1 CLEC; ✓ 82% with 2 CLECS; ✓ 10% with 3 CLECS.	<b>FY00:</b> ✓ 86% of households with 1 new CLEC; ✓ 73% of households with 2 new CLECS.  <b>FY01:</b> ✓ 88% of households with 1 new CLEC; ✓ 77% of households with 2 new CLECS.	Performance is measured by reviewing the Wireless Telecommunications Bureau's Annual Competition Report and Common Carrier Bureau's Annual Competition Report.
✓ 271 applications.	✓ <b>FY00-03:</b> Expeditiously process 271 applications within 90 days of receipt.	✓ <b>FY00:</b> Two of the four 271 applications were withdrawn, two were processed within 90 day statutory requirement.	Performance is measured using data collected in the Quarterly Performance and Results Review.

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Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Eliminate Barriers to Entry in Domestic Markets			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Advanced technologies: Multichannel Video Programming Distributors (MVPDs).	<b>FY00:</b> ✓ 15% of households have access to advanced cable; ✓ 10% of households with access to 3 or more MVPDs.  <b>FY01:</b> ✓ 15% of households have access to advanced cable; 10% of households with access to 3 or more MVPDs.  <b>FY02:</b> ✓ 10% of households have access to 3 or more MVPD.  <b>FY03:</b> ✓ 10% of households with access to 3 or more MVPDs.	<b>FY00:</b> ✓ 2.9% penetration for advanced cable services; 91% have access to 3 or more MVPDs; 5% have access to 4 or more; 5% have access to 5 or more.  <b>FY01:</b> ✓ 2.6% penetration for advanced cable services; 91% have access to 3 or more MVPDs; 6% have access to 4 or more.	Performance is measured by reviewing the Cable Services Bureau's Annual Report on Cable Industry Prices.
✓ Mobile Wireless.	✓ <b>FY00:</b> 73% of households with access to 5 or more mobile wireless providers. ✓ <b>FY01:</b> 78%. ✓ <b>FY02:</b> 80%. ✓ <b>FY03:</b> 80%.	✓ <b>FY00:</b> 75% of households with access to 5 or more providers.	Performance is measured by reviewing the Wireless Telecommunications Bureau's Annual Competition Report.

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COMPETITION			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Eliminate Barriers to Entry in Domestic Markets			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Digital Television (DTV).</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Authorize DTV service.</li> <li>✓ <b>FY01:</b> Authorize In-Band On-Channel Service (conversion of analog radio to digital).</li> <li>✓ Adopt Report and Order in Digital Audio Broadcasting Proceeding.</li> <li>✓ Periodic review of UNE requirements.</li> <li>✓ <b>FY02:</b> License all commercial DTV stations (on air).</li> <li>✓ License national digital radio service.</li> <li>✓ Assess competition in the multi-channel market.</li> <li>✓ <b>FY03:</b> Act on all grantable DTV applications within 9 months of receipt.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 67 of 1,314 commercial stations licensed (5.1%); 8 of 384 non-commercial stations licensed (2.1%).</li> <li>✓ <b>FY01:</b> A total of 119 or 7% of 1,579 stations licensed.</li> </ul>	<p>Performance is measured using data collected in the Quarterly Performance and Results Review.</p>

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Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Eliminate Barriers to Entry in Domestic Markets			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Streamline merger review procedure.	✓ <b>FY00:</b> Develop new merger review timetable.  ✓ <b>FY01:</b> Act on all major merger and acquisition applications within 180 days of receipt. ✓ <b>FY02:</b> The same as above. ✓ <b>FY03:</b> The same as above.	✓ <b>FY00:</b> New merger timetable implemented on an expedited basis. All mergers submitted after new procedures implemented were reviewed within 180 days.  ✓ <b>FY01:</b> 13 of 15 mergers were acted on within 180 days of receipt.	Performance is measured using data collected in the Quarterly Performance and Results Review.

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COMPETITION			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Deregulate where Appropriate to Promote Competition			
Policy Initiative	Goals	Performance	Performance Measurement
<p>✓ Reduce the burden of filing, reporting, record keeping and accounting requirements across all communications industries.</p>	<p>✓ <b>FY00:</b> Complete an aggressive 2000 Biennial Review aimed at eliminating unnecessary rules and regulations.</p> <p>✓ 10% reduction in the number of forms required by the FCC.</p> <p>✓ <b>FY01:</b> 20% reduction in the number of forms required by the FCC.</p> <p>✓ <b>FY02:</b> 30% reduction in the number of forms required by the FCC.</p> <p>✓ <b>FY03:</b> Review 50% of agency forms and streamline and modernize forms where appropriate.</p> <p><b>Note:</b> Recent increases in the number of FCC forms are the result of requirements for data collection imposed by Congress. We have determined that a preferred way to measure agency progress in reducing reporting requirements would be an annual review of half the agency's forms.</p>	<p>✓ <b>FY00:</b> Biennial Review completed on schedule. The FCC issued a Memorandum, Opinion and Order relaxing a number of mass media procedures.</p> <p>✓ 31 forms eliminated, 17 added for an annual reduction of 7%.</p> <p>✓ <b>FY01:</b> 20 forms eliminated, 9 added for an annual reduction of 7.9%.</p>	<p>Baseline data is available from the agency's annual Information Collection Budget submitted to OMB. Forms reduction is also tracked in the Quarterly Performance and Results Review.</p>

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COMPETITION			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Deregulate where Appropriate to Promote Competition			
Policy Initiative	Goals	Performance	Performance Measurement
<p>✓ Streamline the technical rules for and privatize certain aspects of the certification of telephone and other equipment.</p>	<p>✓ <b>FY00:</b> Begin reduction in technical rules for certifying equipment.</p> <p>✓ <b>FY01:</b> 20% reduction in technical rules for certifying equipment.</p> <p>✓ <b>FY02:</b> 40% reduction.</p> <p>✓ <b>FY03:</b> Goal is eliminated.</p>	<p>✓ <b>FY00:</b> FCC began designating domestic Telecommunications Certification Bodies for certifying equipment in June 2000. Preparation for implementing the terms of Mutual Recognition Agreement with Europe was initiated. In addition, FCC met its goal of completing the Part 68 Order, which eliminated the regulations governing development of technical standards and certification procedures for telecommunications equipment.</p> <p><b>Note:</b> The FCC achieved its goal of streamlining its technical certification rules ahead of schedule and this performance measure will be discontinued.</p>	

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COMPETITION			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Promote Competition in International Communications Markets			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Encourage new market entrants and opportunities for the wireless and satellite industries, including fixed and mobile voice services, fixed and mobile data services, direct broadcast services, and earth exploration services.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Average price of an international call: \$.65 per minute.</li> <li>✓ <b>FY01:</b> Average price of an international call: \$.55 per minute.</li> <li>✓ <b>FY02:</b> Average price of an international call: \$.45 per minute.</li> <li>✓ <b>FY03:</b> Average price of an international call: \$.40 per minute.</li>   <li>✓ <b>FY00:</b> Encourage satellite and wireless industries to develop sharing mechanisms whenever possible and license as many of new entrant systems as possible.</li> <li>✓ <b>FY01:</b> Same as FY00.</li> <li>✓ <b>FY02:</b> Same as FY01.</li> <li>✓ <b>FY03:</b> Encourage competition in the international telecommunications market by authorizing systems as quickly as possible and by coordinating the global allocation of spectrum. <b>(New goal)</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Average price of an international phone call: \$.51 per minute.</li> <li>✓ <b>FY01:</b> Average price of international phone call: \$.43 per minute (as of 12/31/00).</li>   <li>✓ <b>FY00:</b> The FCC developed an innovative licensing approach for a new generation of mobile satellite services in the 2GHz frequency band, and released a Report and an NPRM addressing difficult spectrum sharing issues between the terrestrial fixed and fixed satellite services.</li> </ul>	<p>Average price of an international phone call is tracked in the Quarterly Performance and Results Review.</p> <p>Performance will be measured by the number of new system entrants licensed and subscribership statistics to these new services.</p>

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COMPETITION			
Strategic Goal C: PROMOTE OPPORTUNITIES FOR ALL AMERICANS TO BENEFIT FROM THE COMMUNICATIONS REVOLUTION			
Strategic Objective: Promote Access for All Americans to Communications Services			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Increase penetration rates to underserved areas.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 15% increase in penetration rate for mobile wireless telephone services.</li> <li>✓ <b>FY01:</b> 30% increase in penetration rate for mobile wireless telephone services.</li> <li>✓ <b>FY02:</b> 25%-30% increase in penetration rate for mobile wireless telephone services.</li> <li>✓ <b>FY03:</b> 25%-30% increase in penetration rates for mobile wireless telephone services.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 28% increase in penetration rates.</li> <li>✓ <b>FY 01:</b> Year-end 2000 data indicates a 39% penetration rate.</li> </ul>	<p>Performance is measured from data contained in the Annual Competition Report.</p>
<ul style="list-style-type: none"> <li>✓ Schools and Libraries.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 75% of schools and libraries connected to the Internet.</li> <li>✓ <b>FY01:</b> 90% of public school instructional classrooms connected to the Internet.</li> <li>✓ <b>FY02:</b> 93% of public school instructional classrooms connected to the Internet.</li> <li>✓ <b>FY03:</b> 100% of public school instructional classrooms connected to the Internet.</li> <li>✓ 85% of private school instructional classrooms connected to the Internet.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 77% of public school instructional classrooms connected to the Internet.</li> </ul>	<p>Performance for Universal Service and related goals is derived from data obtained from the Universal Service Administrator and from the National Center for Educational Statistics.</p>



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COMPETITION			
Strategic Goal C: PROMOTE OPPORTUNITIES FOR ALL AMERICANS TO BENEFIT FROM THE COMMUNICATIONS REVOLUTION			
Strategic Objective: Promote Access for All Americans to Communications Services			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Rural/Underserved Communities.	✓ <b>FY03:</b> 50% of eligible low-income consumers utilize Lifeline Services. (New goal)		Performance will be tracked in the Quarterly Performance and Results Review.

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COMPETITION			
Strategic Goal C: PROMOTE OPPORTUNITIES FOR ALL AMERICANS TO BENEFIT FROM THE REVOLUTION			
Strategic Objective: Promote Consumer Education and Information			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Telephone Area Codes.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Approve number optimization plan.</li> <li>✓ <b>FY01:</b> Decrease number of new area codes added by at least 8%.</li> <li>✓ <b>FY02:</b> Decrease number of new area codes added by at least 20%.</li> <li>✓ <b>FY03:</b> Decrease number of new area codes added by at least 20%.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> FCC issued two Reports and Orders on Number Resource Utilization.</li> </ul>	<p>Performance will be measured by increased utilization rates for numbers and the quantity of numbers returned. FY99 will serve as baseline.</p>
<ul style="list-style-type: none"> <li>✓ More efficient number pooling.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Implement more efficient number block pooling for at least 18 of the 100 largest MSAs.</li> <li>✓ <b>FY01:</b> Implement more efficient number block pooling for at least 18 of the 100 largest MSAs.</li> <li>✓ <b>FY02:</b> Implement more efficient number block pooling for at least 40 of the 100 largest MSAs.</li> <li>✓ <b>FY03:</b> Implement more efficient number block pooling for at least 40 of the 100 largest MSAs.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> On-going. National pooling framework established; several state pooling trials in place.</li> </ul>	

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COMPETITION			
Strategic Goal C: PROMOTE OPPORTUNITIES FOR ALL AMERICANS TO BENEFIT FROM THE COMMUNICATIONS REVOLUTION			
Strategic Objective: Promote Consumer Education and Information			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Telephone billing practices.	<ul style="list-style-type: none"> <li>✓ <b>FY03:</b> Increase consumer awareness and understanding of long distance, international, and wireless plans and services to reduce consumer expenditure. <b>(New goal)</b></li> <li>✓ Reach one million consumers in FY 2003 by producing and distributing 6 video news releases and 4 satellite media tours. <b>(New goal)</b></li> </ul>		Performance will be tracked in the Quarterly Performance and Results Review.
✓ Underserved consumers.	<b>FY03:</b> Develop materials to inform and educate consumers on their rights and responsibilities; include focusing on underserved groups including the Hispanic and African American communities, Indian Country, and consumers with disabilities. <b>(New goal)</b>		

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

### ENFORCEMENT

This activity includes enforcement of the Communications Act of 1934 and the Commission's rules, regulations and authorizations, including investigations, inspections, compliance monitoring, and sanctions of all types. Also includes the receipt and disposition of formal complaints regarding common carrier rates and services, the review and acceptance/rejection of carrier tariffs, and the review, prescription, and audit of carrier accounting practices.

**Activity Goal:** To promote the public interest and pro-competitive policies by enforcing statutory provisions and rules and regulations that ensure that Americans are afforded efficient use of communications services and technologies. This will be accomplished by enforcing the existing rules so that businesses compete fairly.

**Means/Strategies/Resources:** An important element in a competitive market is the full and fair enforcement of our rules and regulations. Effective use of the FCC's resources is critical to ensuring full implementation of the Communications Act and the Commission's rules designed to open communications markets to competition and enhance choice for consumers. An essential step in our achieving this objective was the creation of the Enforcement Bureau in November 1999 that consolidated functions formerly dispersed throughout the agency in order to respond quickly and efficiently to the demands of a competitive environment. The consolidation of our enforcement activities allows us to create a streamlined, centralized enforcement program, capable of spotting problems as they emerge and making the agency better equipped to provide a wide range of enforcement initiatives.

As part of our efforts to consolidate all like activities under the Enforcement and Consumer Information Bureaus, we will continue to strengthen the links between these two activities. The two organizations work closely to watch for trends and to share data with each other. The Consumer Information Bureau in coordination with the Enforcement Bureau will issue "consumer alert" bulletins and will establish special web sites. The end result will be improvements in performance for both these activities through an improved outreach program, a better-educated telecommunications consumer, and a more law-abiding industry.

The key to an effective FCC field enforcement program is mobility—the ability to respond quickly and effectively in emergency field investigations. The Agency has 25 field installations or resident agent office locations in 20 states. Approximately 35% of the United States population reside beyond the same-day reach of our field enforcement. The FCC needs additional travel funds for investigations beyond a day's travel. We are requesting an additional \$450,000 to allow for an increased number of overnight travel trips per agent per year.

Our primary field enforcement mission is technical enforcement. Our field installations perform much of their work using equipment in mobile signal analysis systems built into sedans and SUVs. Our fleet of direction-finding vehicles and our direction-finding equipment are aging and we must implement a lifecycle replacement plan to ensure the continued effectiveness of our field enforcement activities. We are requesting \$900,000 for the first phase of a ten year lifecycle replacement of our signal analysis technical equipment. In addition we are requesting funds to initiate lifecycle replacement of all FCC vehicles as well as funding to provide for leased vehicles to respond to enforcement issues. We will require \$216,000 to purchase 8 vehicles, \$205,000 to lease 41 GSA vehicles and \$100,000 for increased fuel and maintenance costs. Our ability to successfully complete our enforcement performance measures is dependent on this additional funding. A total of \$1 million is needed to improve our primary and alternate emergency management centers. \$770,000 is required to provide redundant telecommunications circuits, back-up electric power, encrypted data and voice systems for classified inter-agency communications, and much needed IT improvements and data redundancy. \$230,000 will provide equipment, furnishings, and communications infrastructure for the Agency's alternate relocation sites.

# **FEDERAL COMMUNICATIONS COMMISSION**

## ***FY 2003 Budget Estimates to Congress***

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We believe that investment in the primary and alternate relocation sites will ensure the ability of the Commission to continue direct support for commercial communications entities and government organizations thus assuring that adequate communications resources are available to the public in times of crisis.

**Verification/validation of enforcement data:** Enforcement activities are tracked in the Quarterly Performance and Results Review. The Bureau Chief attests to the accuracy of the data at the time of submission. Slamming complaints (page 46) are tracked by the Consumer Information Bureau's automated informal complaint tracking system that tracks the number and nature of each informal complaint submitted.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

This chart reflects resources dedicated to **enforcement** activities in several bureaus 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 enforcement activities.

(Dollars in Thousands) <sup>7</sup>	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated <sup>8</sup> FY 2002	Estimated <sup>9</sup> FY 2003	Projected Change (+/-)
Cost by Activity	\$58,037	\$65,070	\$68,083	\$72,296	\$82,638	+\$10,342
Full Time Equivalents (FTEs)	586	599	593	603	603	0

<sup>7</sup> These amounts reflect resources as authorized and available to the Commission for FY 1999-FY 2002, but do not include prior year estimated funding associated with the President's proposed retirement legislation. **FY 2003 does include** the estimated funding to support the President's proposal to provide for full funding of Federal employees retirement costs.

<sup>8</sup> The FCC is currently involved in a restructuring and reorganization of activities. Once this realignment of activities has been approved by the Appropriations Committees, FTE allocations will be finalized, and the Commission will provide revised FTE charts to the committees for FY 2002 and FY 2003.

<sup>9</sup> *Id.*

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

ENFORCEMENT			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Enforce the Rules so that Businesses Compete Fairly			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Use the Accelerated Docket and other means to expedite resolution of important competition-related formal complaints.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 10% increase in Common Carrier formal complaints resolved per attorney.</li> <li>✓ <b>FY01:</b> 25% increase in Common Carrier formal complaints resolved per attorney.</li> <li>✓ <b>FY02:</b> 50% increase in Common Carrier formal complaints resolved per attorney.</li> <li>✓ <b>FY03:</b> 50% increase in Common Carrier formal complaints resolved per attorney.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 71% increase in formal complaints resolved per attorney.</li> <li>✓ <b>FY01:</b> 187% increase in formal complaints resolved per attorney.</li> </ul>	<p>The number of formal complaints is tracked in the Quarterly Performance and Results Review.</p>
<ul style="list-style-type: none"> <li>✓ Show zero tolerance for perpetrators of consumer fraud such as slamming and cramming. Impose substantial monetary forfeitures against the worst offenders.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 10% reduction in the number of long-distance slamming informal complaints.</li> <li>✓ <b>FY01:</b> 20% reduction in the number of long-distance slamming informal complaints</li> <li>✓ <b>FY02:</b> 40% reduction in the number of long-distance slamming informal complaints.</li> <li>✓ <b>FY03:</b> Improve/increase working relationship with states to enforce new slamming rules (New goal: rules now allow states to administer FCC slamming rules).</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Data collection procedures are under review. Significant monetary fines levied on carriers guilty of slamming practices.</li> <li>✓ <b>FY01:</b> 51% reduction in the number of long-distance slamming informal complaints.</li> </ul>	<p>Performance is tracked through analysis of data collected in the Quarterly Performance and Results Review.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

ENFORCEMENT			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Enforce the Rules so that Businesses Compete Fairly			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Enforce all disability accessibility provisions</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Implement all disability accessibility rules; achieve 65% compliance with new disability rules.</li> <li>✓ <b>FY01:</b> Achieve 80% compliance with new disability rules.</li> <li>✓ <b>FY02:</b> Achieve 85% compliance with new disability rules.</li> <li>✓ <b>FY03:</b> Resolve informal consumer accessibility complaints within 6 months of filing; extraordinarily complex or difficult cases within 12 months. <b>(New goal)</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> The FCC continues to monitor disability actions and has resolved a number of informal complaints. No formal complaints were received in FY00.</li> </ul>	<p>Performance is tracked through analysis of data collected in the Quarterly Performance and Results Review.</p>



# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

ENFORCEMENT			
Strategic Goal B: PROMOTE COMPETITION IN ALL COMMUNICATIONS MARKETS			
Strategic Objective: Enforce the Rules so that Businesses Compete Fairly			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Expediently resolve complaints concerning spectrum use, public safety, and interference.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 85% compliance with antenna registration marking and lighting rules.</li> <li>✓ <b>FY01:</b> 90% compliance.</li> <li>✓ <b>FY02:</b> 92% compliance.</li> <li>✓ <b>FY03:</b> 92% compliance with antenna registration.</li> <li>✓ 100% compliance with filing of basic cable signal leakage reports. <b>(New goal)</b></li> <li>✓ Respond to immediate safety of life emergencies within 24 hours, 100% of the time. <b>(New goal) *</b></li> <li>✓ Respond to 90% of complaints made by public safety entities within 20 days of receipt (cases that cannot be resolved by telephone inquiry/follow-up). <b>(New goal) *</b></li> <li>✓ Respond to 90% of industry complaints concerning deliberate FCC rule violations that adversely impact the complainant's legitimate interests (cases that cannot be resolved by telephone inquiry/follow-up). <b>(New goal) *</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> The FCC inspected 2,151 towers: 92% were registered and 94% were properly marked and lit.</li> <li>✓ <b>FY 01:</b> The FCC inspected 2,156 towers 97% were registered and 96% were properly marked and lit.</li> </ul>	<p>Performance is tracked through analysis of data collected in the Quarterly Performance and Results Review.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

### CONSUMER INFORMATION SERVICES

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

This activity includes the publication and dissemination of Commission decisions and actions, and related activities; public reference services; the duplication and dissemination of Commission records and databases; the receipt and disposition of public inquiries; informal consumer complaints; consumer, small business and public assistance; and public affairs and media relations.

**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 FY 2000 the FCC took a final step in the consolidation of its consumer information activities by centralizing consumer information services within one organization. Our goal in consumer information services is 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 web site. Second, we can track trends and map "hot" consumer issues nationwide, by region or by state. Third, we can achieve economies of scale, all our dollars will be spent once—not several times throughout the Commission. Finally, we can develop a useful Consumer Information Bureau's 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. In FY 2000 we conducted a thorough evaluation of our web site services, including a survey of our users. We found that they want "one stop shopping" for all their information needs whether it is status checking on multi-service licenses, locating all the licenses held by a single entity, the daily status of a rule making, or integrated access to our bureau/office databases. In 2001, we implemented a redesigned home page that provides consumers with a wealth of information on all telecommunications topics. In FY 2002 and FY 2003, we intend to implement additional findings of our Web Evaluation Task Force and we will continue our efforts to make our home page one of the friendliest and most comprehensive in the Federal government. We have implemented an electronic filing comment system that allows our stakeholders throughout the country to file their rule making comments electronically. Our Consumer Information Centers in Gettysburg, Pennsylvania and Washington, D.C. provide consumers with detailed information on all telecommunications-related topics. We intend to continue to make improvements in the nationwide services we provide consumers including extending our hours of service in western time zones.

We plan to undertake several new or expanded performance measures in FY 2003. Included among these are:

- Increase consumer awareness and understanding of long distance international and wireless plans and services;
- Reach one million consumers by providing and distributing 6 video news releases and 4 satellite media tours;
- Develop materials to inform and educate consumers on their rights and responsibilities; including focusing on Hispanic and African American communities, Indian Country and consumers with disabilities; and
- Continue to improve our web site, making it a model for E-Government.<sup>10</sup>

These performance measures are part of our planned expansion in our comprehensive consumer education and outreach program. In FY 2003 we are requesting an additional \$2.15 million for information technology initiatives and consumer education and outreach initiatives to support our consumer information services activity. \$750,000 is required to improve our response time to consumer inquiries and complaints. \$1.0 million is required to improve our internet web site to make it easier to

<sup>10</sup> Performance measures for several Consumer Information Services goals are listed under the competition activity on page 42.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

use and make more information and services available to users. The proposed Consumer Information Management System will reduce consumer call wait times, increase the percentage of calls answered, and increase the number of consumer inquiries and complaints processed. In addition, this system will allow us to electronically exchange information with state and local government offices, public utility commissions, and the public. \$400,000 is needed for essential upgrades and improvements to our Electronic Comments Filing System (ECFS). ECFS allows the user to electronically file comments and retrieve exact images of documents that have been submitted in rule making proceedings.

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.

**Verification/validation of consumer information data:** Our Consumer Information Center's automated system tracks all inquiries and complaints as to date and time of receipt, subject of call, response time, language requested, etc. Informal complaints are tracked and monitored using our OSCAR system. This system tracks all consumer complaints by subject and a list of the "hot" topics is maintained by the bureau. Data on informal complaints is reviewed and analyzed each quarter prior to its inclusion in the Quarterly Performance and Results Review. Other performance measures, such as consumer outreach initiatives, are tracked and reported on each quarter. These events are also highlighted in the FCC Monthly Calendar of Events and in Public Notices highlighting the special outreach program.

(Dollars in Thousands) <sup>11</sup>	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated <sup>12</sup> FY 2002	Estimated <sup>13</sup> FY 2003	Projected Change (+/-)
Cost by Activity	\$12,626	\$18,892	\$23,918	\$25,242	\$30,674	+\$5,432
Full Time Equivalents (FTEs)	188	236	269	271	271	0

<sup>11</sup> These amounts reflect resources as authorized and available to the Commission for FY 1999-FY 2002, but do not include prior year estimated funding associated with the President's proposed retirement legislation. **FY 2003 does include** the estimated funding to support the President's proposal to provide for full funding of Federal employees retirement costs.

<sup>12</sup> The FCC is currently involved in a restructuring and reorganization of activities. Once this realignment of activities has been approved by the Appropriations Committees, FTE allocations will be finalized, and the Commission will provide revised FTE charts to the committees for FY 2002 and FY 2003.

<sup>13</sup> *Id.*

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

CONSUMER INFORMATION SERVICES			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Provide Improved Access to All Agency Information			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Evolve the FCC's web site into a model for accessibility and availability of information. Develop electronic systems or sub-systems to provide tracking information about Commission proceedings and processes, including licensing, policy development, and issues resolution.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Define requirements for agency-wide plan to improve online access to FCC information.</li> <li>✓ <b>FY01:</b> Develop phased-in plan to improve online access to FCC information.</li> <li>✓ <b>FY02:</b> Implement plan to improve access to FCC information via the Internet.</li> <li>✓ <b>FY03:</b> Continue to implement plan to improve access to FCC information via the Internet. *</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> FCC established a web evaluation task force to survey our customers and identify ways to improve access to all FCC information.</li> </ul>	<p>Progress is reported in the Quarterly Performance and Results Review.</p>
<ul style="list-style-type: none"> <li>✓ Provide improved access to consumer information.</li> </ul>	<ul style="list-style-type: none"> <li>✓ 100% of consumer-related educational materials available in Spanish. (New goal)</li> </ul>		

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

CONSUMER INFORMATION SERVICES			
STRATEGIC GOAL B: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Provide Improved Access to All Agency Information			
Policy Initiative	Goals	Performance	Performance Measurement
<p>✓ Ensure that all agency electronic and information technologies are accessible to and usable by persons with disabilities.</p>	<p>✓ <b>FY00:</b> 50% of all agency materials accessible in alternative format within 5 days of request.</p> <p>✓ <b>FY01:</b> 75% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week.</p> <p>✓ <b>FY02:</b> 90% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week.</p> <p>✓ <b>FY03:</b> 95% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week.</p>	<p>✓ <b>FY00:</b> FCC has developed an "on demand" approach to making our material accessible. FCC material is available in audio, braille (transcribed), braille (embossed), diskette, and large print.</p>	<p>Performance is tracked through analysis of data collected in the Quarterly Performance and Results Review.</p>

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

CONSUMER INFORMATION SERVICES			
Strategic Goal C: PROMOTE OPPORTUNITIES FOR ALL AMERICANS TO BENEFIT FROM THE COMMUNICATIONS REVOLUTION			
Strategic Objective: Promote Access for All Americans to Communications Services			
Policy Initiative	Goals	Performance	Performance Measurement
✓ Complaints/Information.	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 10% reduction in response to informal consumer complaints.</li> <li>✓ <b>FY01:</b> Reduce average response time to informal consumer complaints to less than 10 days.</li> <li>✓ <b>FY02:</b> Reduce average response time to informal consumer complaints to 5-7 days.</li> <li>✓ <b>FY03:</b> Same as FY02.*</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> The FCC achieved a 100% reduction in backlog of informal consumer complaints. Average time taken to respond to a complaint was reduced to 10-13 days.</li> </ul>	Performance is tracked through analysis of data collected in the Quarterly Performance and Results Review.
✓ Telephone Inquiries.	<ul style="list-style-type: none"> <li>✓ <b>FY03:</b> Reduce average response time to telephone inquiries by 50%. (New goal)</li> </ul>		

\* Successful completion of this performance measure is dependent on the approval of additional funding requested for FY 2003 by the Commission which will allow us to replace the current obsolete complaint processing system.

# FEDERAL COMMUNICATIONS COMMISSION

**FY 2003 Budget Estimates to Congress**

CONSUMER INFORMATION SERVICES			
Strategic Goal C: PROMOTE OPPORTUNITIES FOR ALL AMERICANS TO BENEFIT FROM THE COMMUNICATIONS REVOLUTION			
Strategic Objective: Promote Access for All Americans to Communications Services			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Consumer Outreach.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Implement consumer outreach program, including new consumer advocacy partnerships with federal, state, and local government, industry, and consumer groups.</li> <li>✓ <b>FY01:</b> Implement consumer outreach program, including new consumer advocacy partnerships.</li> <li>✓ <b>FY02:</b> Extend partnerships with industry and consumer groups.</li> <li>✓ <b>FY03:</b> Improve and increase working partnerships with consumer groups, government, agencies and industry.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Established consumer advocacy partnerships with Federal, state, and local government. Also launched a pilot database project, the State and National Action Plan (SNAP), which shares data on slamming and cramming complaints and inquiries. See FY 2000 Annual Performance Plan for a listing of additional significant activities.</li> </ul>	<p>Performance will be measured by the number of joint partnership programs the FCC establishes during a fiscal year.</p>

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

### SPECTRUM MANAGEMENT

This activity includes management of our Nation's airwaves as mandated by the Communications Act of 1934, as amended. Spectrum management includes the structure and processes for allocating, assigning, and licensing this scarce resource in a way that promotes competition while ensuring that the public interest is served. In order to manage spectrum in both an efficient and equitable manner, the Commission employs market-based technical solutions to maximize use of the spectrum. The FCC coordinates the management of the private sector radio spectrum with other Federal agencies also involved in spectrum management issues. The FCC also represents U.S. communications interests in coordination with the State Department in international fora and advocates U.S. positions abroad.

**Activity Goal:** To effectively manage the use of the Nation's airwaves in the public interest for all non-Federal government users, including commercial, international businesses, and public safety users. This will be accomplished by creating more efficient spectrum markets and, where possible, increasing the amount of spectrum available.

**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 for our future spectrum management policies that we believe will maximize the efficient use of spectrum and make more spectrum available while ensuring that the public interest is served. Our spectrum management goals are based on principles that will:

- Allow flexibility in allocations and service rules as appropriate;
- Promote new spectrum efficient technologies, such as software defined radio and spread spectrum operations;
- Ensure that important communications needs are met, such as public safety;
- Improve the efficiency of spectrum utilization;
- Encourage the development of secondary markets for spectrum to promote greater use of the spectrum;
- Continue to seek out ways to make more spectrum available, for example, through refarming methods or by reclaiming spectrum for higher-valued uses; and,
- Authorize equipment in a timely fashion while ensuring radio frequency safety.

To improve our spectrum management activities we have 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 inter-bureau spectrum issues. The FCC has established a Chief Technologist position and recruited nationally known scientists to serve in this 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 advice the Commission needs to stay abreast of innovations and new developments in the telecommunications industry.

Additional and new uses of the electronic spectrum hold great promise to the telecommunications industry and to the American consumer. A key new goal in FY 2003 for our spectrum management activity is to improve our capability to measure radio frequency equipment to minimize interference and improve consumer safety. Another ongoing performance measurement is to examine the implementation of new spectrum efficient technologies.



# FEDERAL COMMUNICATIONS COMMISSION

## ***FY 2003 Budget Estimates to Congress***

However, the FCC cannot attain these goals without replacing its current open-air testing facility and replacing its borrowed and aging testing equipment. Currently, the FCC has only one calibrated test facility. Since it is an open-air facility, it cannot be used during a significant number of days during the year. We are requesting \$200,000 to complete an architectural and engineering design plan to upgrade and enclose our laboratory testing facility in Columbia, Maryland. Current plans are to complete enclosure of the facility in FY 2004.

An additional \$750,000 is needed to begin a multi-year lifecycle program for all laboratory technical testing equipment. This equipment will replace borrowed or obsolete equipment including \$500,000 to purchase a gigahertz transverse electromagnetic cell (GTEM). Our laboratory has one GTEM on loan from private industry. Having our own GTEM will allow us to test and compare data consistent with industry standards. The remaining \$250,000 is required to purchase testing equipment to support all measurement functions at the laboratory, including radio frequency exposure measurements, measurements of millimeter wave technologies, and to perform research on emerging technologies that propose new uses of the spectrum.

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.

**Verification/validation of data:** New or revised allocations of the spectrum are subject to coordination and negotiation with Congress, the National Telecommunications and Information Administration and other agencies. To improve our spectrum management activities, the FCC has established a Spectrum Policy Executive Committee and a Technological Advisory Council, the latter comprised of recognized technical experts who provide guidance on complex spectrum management issues. New spectrum initiatives are conducted as rule makings with extended notice and comment periods for interested parties to make their views known. Potential new uses of the spectrum, such as "3G" or third generation, are the subject of technical reports. The results of our spectrum management activities are highlighted in public notices and the text of technical reports are available at our home page and at the individual home pages of our bureaus and offices.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

(Dollars in Thousands) <sup>14</sup>	Estimated FY 1999	Estimated FY 2000	Estimated FY 2001	Estimated <sup>15</sup> FY 2002	Estimated <sup>16</sup> FY 2003	Projected Change (+/-)
Cost by Activity	\$20,205	\$21,620	\$23,503	\$28,428	\$31,989	+\$3,561
Full Time Equivalents (FTEs)	165	168	175	215	215	0

<sup>14</sup> These amounts reflect resources as authorized and available to the Commission for FY 1999-FY 2002, but do not include prior year estimated funding associated with the President's proposed retirement legislation. FY 2003 does include the estimated funding to support the President's proposal to provide for full funding of Federal employees retirement costs.

<sup>15</sup> The FCC is currently involved in a restructuring and reorganization of activities. Once this realignment of activities has been approved by the appropriations Committees, FTE allocations will be finalized, and the Commission will provide revised FTE charts for FY 2002 and FY 2003.

<sup>16</sup> *Id.*

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

SPECTRUM MANAGEMENT			
Strategic Goal D: MANAGE THE ELECTROMAGNETIC SPECTRUM IN THE PUBLIC INTEREST			
Strategic Objective: Promote More Efficient Use of Spectrum			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Streamline and reform assignment and licensing procedures to facilitate moving spectrum into the marketplace.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Initiate review of assignment and licensing techniques.</li> <li>✓ <b>FY01:</b> Convene a task force to work with industry and academia to develop recommendations on ways to improve assignment and licensing.</li> <li>✓ <b>FY02:</b> Clarify our transfer of control policies to facilitate secondary market transactions.</li> <li>✓ <b>FY03:</b> Examine implementation of new spectrum efficient technologies. *</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> The FCC released two rule makings reconfiguring the 30 MHz C-block re-auction spectrum into three 10 MHz blocks. See FY 2000 Annual Performance Report for additional accomplishments.</li> </ul>	<p>Performance will be measured by number of licenses issued and speed of service.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

SPECTRUM MANAGEMENT			
Strategic Goal D: MANAGE THE ELECTROMAGNETIC SPECTRUM IN THE PUBLIC INTEREST			
Strategic Objective: Promote More Efficient Use of Spectrum			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Promote the use of more spectrum-efficient frequency technologies.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Work with industry and NTIA to promote the use of technologies and approaches to spectrum allocation.</li> <li>✓ <b>FY01:</b> Examine management of shared spectrum and vehicles to enhance condition of shared spectrum with NTIA.</li> <li>✓ <b>FY02:</b> Examine implementation of new spectrum technology uses.</li> <li>✓ <b>FY03:</b> Continue to examine implementation of new spectrum technology uses.*</li> <li>✓ Improve our capability to measure radio frequency equipment to minimize interference and improve consumer safety. (New goal)*</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> The FCC adopted rules to provide for government access to non-government public safety spectrum in the 700 MHz band.</li> </ul>	<p>Performance will be measured by authorization of new spectrum efficient technologies and improved ability to measure and test RF emissions from radio equipment.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

SPECTRUM MANAGEMENT			
Strategic Goal D: MANAGE THE ELCTROMAGNETIC SPECTRUM IN THE PUBLIC INTEREST			
Strategic Objective: Foster the Increased Availability of Spectrum			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ New services.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Initiate actions to promote the development of new services.</li> <li>✓ Allocate 4 GHz of spectrum for unlicensed services.</li>   <li>✓ <b>FY01:</b> Increase the availability of flexibly allocated spectrum by 20% (baseline: FY00).</li> <li>✓ Initiate 3G spectrum allocations</li> <li>✓ <b>FY02:</b> Increase the availability of flexibly allocated spectrum by an additional 20% (baseline: FY00).</li> <li>✓ Implement 3G spectrum allocation and service rules.</li> <li>✓ <b>FY03:</b> Continue to implement service rules to enable the deployment of advanced wireless services to consumers.*</li> <li>✓ Facilitate new communications services and technologies through preparation for and participation in the 2003 World Radio-communications Conference.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> The FCC received a total of 100 applications to support the development of new technology applications in 7 services.</li> <li>✓ FCC completed a Report and Order allocating spectrum for unlicensed services.</li> </ul>	<p>Performance will be measured by the amount of spectrum made available for new technologies.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

SPECTRUM MANAGEMENT			
Strategic Goal D: MANAGE THE ELECTROMAGNETIC SPECTRUM IN THE PUBLIC INTEREST			
Strategic Objective: Foster the Increased Availability of Spectrum			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Spectrum auctions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Conduct all congressionally mandated auctions scheduled in FY00.</li> <li>✓ <b>FY01:</b> Conduct all auctions necessary to make spectrum available consistent with the FCC's and Congress' spectrum management goals.</li> <li>✓ <b>FY02:</b> Same as FY01.</li> <li>✓ <b>FY03:</b> Same as FY01.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Congress postponed the deadline for Auction 31 (Combinatorial Bidding).</li> <li>✓ <b>FY 01:</b> The FCC completed 6 auctions for the calendar year FY 2001.</li> </ul>	<p>Performance will be measured by the number of auctions conducted by scheduled dates.</p>

# FEDERAL COMMUNICATIONS COMMISSION

## *FY 2003 Budget Estimates to Congress*

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### AGENCY-WIDE PERFORMANCE IMPROVEMENT INITIATIVES

**Activity Goal:** To promote the overall efficiency, effectiveness, and responsiveness of the agency by attracting and retaining qualified employees, improve the level of the agency's expertise by developing continuing education programs in engineering and economics, and reviewing structural and procedural changes that will maximize our assets.

**Means/Strategies/Resources:** For this agency to fulfill its congressional charge, it must write and execute a new business plan built along four dimensions: (1) a clear substantive policy vision, consistent with the various communications statutes and rules, that guides our deliberations; (2) a pointed emphasis on management that builds a strong team, produces a cohesive and efficient operation, and leads to clear and timely decisions; (3) an extensive training and development program to ensure that we possess independent technical and economic expertise; and (4) organizational restructuring to align our institution with the realities of a dynamic and converging marketplace.

The FCC is requesting \$2 million to improve and greatly expand its training program. In FY 2001 we began to develop a training plan that will be comprehensive enough to serve as a recruitment and retention tool to train and retain professionals in job categories that traditionally have been difficult to fill. As part of this initiative, we have created an "FCC University," which includes online training courses; on-site training by outside experts from academic and government institutions, and off-site courses. In addition, in FY 2002, the FCC began to develop a Career Resource Guide and Training Handbook that will outline core competencies for major job categories at different skill levels and will provide a list of courses employees can take to ensure mastery of these competencies.

Training funds will also be used to retrain our employees as we reengineer and restructure our work processes. Our restructuring plans predate but are consistent with the government-wide plan to restructure the Federal workforce. The results of our training program will be a professional workforce with improved analytical and technical skills. In addition, we believe our training program will enhance our ability to recruit and retain highly skilled personnel by ensuring that they are able to continue to develop in their field.

Of particular note is our training plan is our "Excellence in Engineering" program, designed to recruit engineers for both our Headquarters and our field workforce. The training program has facilitated recruiting entry-level and experienced engineers, which is of vital importance as our current staff of senior engineers near retirement. We are requesting an additional \$165,000 in travel funds to support our "Excellence in Engineering" program in our field installations. Additional travel funds are needed to send field personnel to FCC-sponsored training offered at sites distant from our field installations.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

PERFORMANCE IMPROVEMENT INITIATIVES			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Reorganize to Create an Agency Infrastructure Conducive to Convergence			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Reorganize for convergence.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Develop plan for Phase 2 of reorganization; consider options for streamlining licensing processes.</li> <li>✓ <b>FY01:</b> Develop plan for Phase 3 of reorganization.</li> <li>✓ <b>FY02:</b> Evaluate restructuring initiatives.</li> <li>✓ <b>FY03:</b> Continue implementation of restructuring initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> A licensing task force reviewed options for streamlining the licensing process and provided recommendations to the Chairman in March 2000.</li> <li>✓ <b>FY01:</b> A reorganization plan was developed and presented to the Chairman in August 2001. Implementation of the reorganization is scheduled for February/March 2002.</li> </ul>	<p>Performance will be measured by whether planned phases are completed on schedule.</p>



# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

PERFORMANCE IMPROVEMENT INITIATIVES			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Preserve and Increase the Wealth of Knowledge and Expertise of FCC Staff			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Increase training opportunities for employees in substantive areas and team-based project management.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Establish a training task force to address issues of continuing education.</li> <li>✓ <b>FY01:</b> Establish two legal, technical, and managerial training modules.</li> <li>✓ <b>FY02:</b> Establish one additional legal, technical, and managerial training module.</li> <li>✓ <b>FY03:</b> Establish two additional legal, technical, and managerial training modules.*</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Established a Digital Age Steering Committee and Training Group to address issues of continuing education. New training schedule developed in October 2000.</li> <li>✓ <b>FY01:</b> FCC increased training opportunities for employees through development of a Strategic Training Plan.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review.</p>
<ul style="list-style-type: none"> <li>✓ Strengthen technical capabilities by hiring more engineers/technologists and re-establishing entry-level engineering program.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Increase engineering staff by 5% over FY99 baseline, including entry-level engineers.</li> <li>✓ <b>FY01:</b> Increase engineering staff by 5% over FY99 baseline.</li> <li>✓ <b>FY02:</b> Increase engineering staff by 10% over FY99 baseline.</li> <li>✓ <b>FY03:</b> Increase engineering staff by 15% over FY99 baseline.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> FCC exceeded 5% goal by hiring 15 engineers, including 5 entry-level recruits.</li> <li>✓ <b>FY01:</b> FCC exceeded 10% goal by hiring 29 engineers including 12 entry-level recruits.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

PERFORMANCE IMPROVEMENT INITIATIVES			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Preserve and Increase the Wealth of Knowledge and Expertise of FCC Staff			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Pursue a number of alternative work schedules to attract and retain skilled employees.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Implement telecommuting alternative.</li> <li>✓ <b>FY01:</b> Implement at least 2 alternative work schedules; e.g., telecommuting, job-sharing, flexible work schedules.</li> <li>✓ <b>FY02:</b> Identify additional options to attract, reward, and retain skilled employees.</li> <li>✓ <b>FY03:</b> Implement additional options to attract, reward, and retain skilled employees.*</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 15% of FCC staff were telecommuting by the end of FY00. Flexible work schedules are available to all FCC employees.</li> <li>✓ <b>FY01:</b> Telecommuting was successfully implemented. Our conversion of employees to permanent status was successfully completed in June 2001.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review.</p>

\* Successful completion of this performance measure is dependent on the approval of additional funding requested by the Commission for FY 2003.

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

GOVERNMENT-WIDE PERFORMANCE-BASED INITIATIVES			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Automate Agency Processing			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Implement improved financial collections systems.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Complete systems requirements and initiate a rulemaking to implement an FCC registration system.</li> <li>✓ <b>FY01:</b> Complete rulemaking and implement registration system in time for annual regulatory fee collection cycle.</li> <li>✓ <b>FY02:</b> <ul style="list-style-type: none"> <li>✓ Begin replacement of “publish and pay” system with the direct billing of licensees.</li> <li>✓ 25% of all regulatory fees billed directly to payee.</li> <li>✓ Modify collections system to allow for payment of fees for multiple licenses in a single transaction.</li> <li>✓ 15% of regulatory fees paid online.</li> </ul> </li> <li>✓ <b>FY03:</b> <ul style="list-style-type: none"> <li>✓ 30% of all regulatory fees billed directly to payee.</li> <li>✓ 25% of regulatory fees paid online.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Systems requirements and draft rule making completed.</li> <li>✓ <b>FY01:</b> Mandatory FCC registration number was adopted on August 24, 2001.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review.</p>

# FEDERAL COMMUNICATIONS COMMISSION

## FY 2003 Budget Estimates to Congress

GOVERNMENT-WIDE PERFORMANCE-BASED INITIATIVES			
Strategic Goal A: CREATE A MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE AGENCY			
Strategic Objective: Automate Agency Processes			
Policy Initiative	Goals	Performance	Performance Measurement
<ul style="list-style-type: none"> <li>✓ Implement improved e-commerce procedures.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> New goal.</li> <li>✓ <b>FY01:</b> Complete review of e-commerce options in procurement. Prepare comprehensive plan for implementation.</li> <li>✓ <b>FY02:</b> Make all FCC competitive solicitations available online at www.FedBizOpps.gov by October 2001 implementation date.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> Several solicitations posted at FCC web site.</li> <li>✓ <b>FY01:</b> The FCC is registered with FedBizOps. A web page was designed for Contracts and Purchasing Center with links to allow access to pre-award synopsis and solicitations.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review.</p>
<ul style="list-style-type: none"> <li>✓ Implement performance-based contracting.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> New goal.</li> <li>✓ <b>FY01:</b> Conduct review to identify additional contracts with performance-based applications.</li> <li>✓ <b>FY02:</b> Increase current number of performance-based contracts in excess of \$25,000 by 20%.</li> <li>✓ <b>FY03:</b> Increase current number of performance-based contracts in excess of \$25,000 by 25%.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY00:</b> 9 performance-based contracts in place.</li> <li>✓ <b>FY01:</b> A performance-based Contracts Training Program was established and 11 performance-based contracts are in place.</li> </ul>	<p>Performance is measured from data collected in the Quarterly Performance and Results Review.</p>
<ul style="list-style-type: none"> <li>✓ A-76 Competitions/FAIR Act inventories.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>FY02:</b> Conduct a cost comparison of FTEs based on the FY00 FAIR Act inventory.</li> <li>✓ <b>FY03:</b> Outsource 10% of FY 2000 inventory.</li> </ul>		

# **FEDERAL COMMUNICATIONS COMMISSION**

## ***FY 2003 Budget Estimates to Congress***

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### **Public Outreach**

The FCC intends to begin work early in FY 2002 on a completely new Strategic Plan. This Plan will reflect the continuing changes that have transformed the telecommunications marketplace in the past three years and will refocus the FCC's mission and strategic objectives to mirror these new developments. The Plan will also show a continuing shift in the FCC's role from a market regulator to that of a market facilitator.

In the FCC's Annual Performance Plan for Fiscal Years 1999 through 2002, the primary focus of FCC actions, particularly in its competition activity, was on completing implementation of the Telecommunications Act of 1996 and ensuring that its many and varied provisions, once implemented, were obeyed.

We can now turn our attention to other key activities—providing complete and timely information to consumers; enforcing our revised rules and regulations; and carefully managing our Nation's electronic spectrum. We plan to make the FCC a more efficient, effective, and responsive agency. To do this we envision a comprehensive retooling and redirection of the Commission's strategies in support of its mission. Our approach is to write and execute a new business plan built along four dimensions: (1) a clear substantive policy vision, consistent with the various communications statutes and rules, that guide our deliberations; (2) a pointed emphasis on management that builds a strong team, produces a cohesive and efficient operation, and leads to clear and timely decisions; (3) an extensive training and development program to ensure that we possess independent technical and economic expertise; and (4) organizational restructuring to align the FCC with the realities of a dynamic and converging marketplace.

### **External Factors**

A number of external factors will affect our ability to achieve our goals. 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.

A range of additional external factors 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 (IP) networks promises significant new competitive entry into the local and long distance voice markets, "IP telephony" technology is still developing. 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.

# **FEDERAL COMMUNICATIONS COMMISSION**

## ***FY 2003 Budget Estimates to Congress***

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### **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. 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.

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 Telecommunications Act of 1996 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.

### **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 and Annual Performance Plans.

At the request of Congress the FCC prepares “Annual State of Competition Reports” for cable television, wireless, the local telephony markets, and advanced telecommunications services. These reports track the growth of competition in these four large service areas. In addition, and at the request of Congress, the General Accounting Office (GAO) has embarked on an ambitious series of audits. In FY 2001, GAO initiated or completed studies of our activities in the following areas (among others): Universal Service, the Universal Fund for Schools and Libraries (2 studies), the Federal Government’s Management of Spectrum, the Cost and Impact of DoD Reallocation of Radio Frequencies to Support 3<sup>rd</sup> Generation Mobile Wireless Uses, the Transition to Digital Broadcast Television, Competition in the Internet Backbone Service Market, and the Health Effects of Radiofrequency Radiation Emitted by Cellular Telephones. The GAO is also working on several audits of FCC internal management systems. Where applicable, the FCC adopts GAO’s recommendations and revises rules and regulations or internal procedures. The FCC’s Office of Inspector General (OIG) undertakes a number of audits of FCC programs each year. Beginning in FY 1999, the OIG oversaw a comprehensive audit of FCC financial statements. In FY 2000, the second year the FCC completed an Annual Financial Accountability Report, the agency received a clean report. This is a notable milestone to reach in two years. Beginning in FY 2001, the OIG will expand the scope of its annual audit to include an evaluation of the agency’s strategic planning efforts. Finally, every two years, the FCC undertakes a comprehensive review of its rules and regulations. The next biennial review will be conducted in FY 2002.