

Federal Communications Commission

**STRATEGIC PLAN:
A NEW FCC FOR THE 21ST CENTURY**

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A NEW FCC FOR THE 21ST CENTURY

DRAFT STRATEGIC PLAN

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EXECUTIVE SUMMARY

The Federal Communications Commission's primary goals are to promote competition in communications, protect consumers, and support access for every American to existing and advanced communications services.

-- Mission Statement

In five years, we expect U.S. communications markets to be characterized predominately by vigorous competition that will greatly reduce the need for direct regulation. 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.

As a result, over the next five years, the FCC must wisely manage the transition from an industry regulator to a market facilitator. The FCC as we know it today will be very different in both structure and mission. The attached draft strategic plan is intended to provide a roadmap for the next five years to help the FCC manage this transition. The plan sets forth our overall goals and objectives as follows:

Create A Model Agency For The Digital Age.

- ✓ Lead the way in the Information Age.
- ✓ Reorganize to create an agency infrastructure conducive to convergence.
- ✓ Create a faster, flatter, more functional agency.
- ✓ Preserve and increase the wealth of knowledge and expertise of FCC staff.

Promote Competition In All Communications Markets.

- ✓ Eliminate barriers to entry in domestic markets.
- ✓ Deregulate as competition develops.
- ✓ Enforce the rules so that businesses compete fairly.
- ✓ Promote competition in international communications markets.

Promote Opportunities For All Americans To Benefit From The Communications Revolution.

- ✓ Ensure access for all Americans to existing and future communications services.
- ✓ Promote opportunities to expand direct participation in existing and future communications businesses.
- ✓ Foster a consumer friendly marketplace.

Manage The Electromagnetic Spectrum (The Nation's Airwaves) In The Public Interest.

- ✓ Create more efficient spectrum markets.
- ✓ Increase the amount of spectrum available for use, particularly for new services.

The plan establishes specific policy initiatives and performance measurements for these goals and objectives. The plan also notes where statutory changes may be necessary to achieve the goals and includes a summary of legislative proposals (Appendix D).

The draft strategic plan was developed in consultation with the senior management of the Commission and numerous other stakeholders, including consumer groups, state and local government representatives, industry, and academia. It will continue to be developed after further discussion with Congress and our stakeholders.

I. PLAN OVERVIEW

A. Statement of Vision

In five years, we expect U.S. communications markets to be characterized predominately by vigorous competition that will greatly reduce the need for direct regulation. We also expect that the advent of Internet-based and other new technology-driven communications services will erode the traditional regulatory distinctions between different sectors of the communications industry. The Federal Communications Commission's (FCC) primary goals of promoting competition in communications, protecting consumers, and supporting access for every American to existing and advanced communications services will continue unabated. What will change are the means and mix of resources necessary to achieve these goals in an environment marked by greater competition and convergence of technology and industry sectors.

In this new environment, the FCC must focus on sustaining competitive communications markets and protecting the public interest where markets fail to do so. Our core functions will include: i) universal service, consumer protection and information; ii) enforcement and promotion of competitive markets domestically and worldwide; and iii) spectrum management.

As a result, a number of the FCC's current functions and regulatory structures no longer will be necessary. The FCC as we know it today will be very different both in structure and mission. Increased automation and efficiency will enable the FCC to streamline its licensing activities, accelerate the decisionmaking process, and allow the public faster and easier access to information. The FCC will be a "one-stop, digital shop" where form-filing and document-location are easy and instantaneous.

B. Overall Objective

Over the next five years, the FCC must wisely manage the transition from an industry regulator to a market facilitator. The enactment of the Telecommunications Act of 1996 -- and the establishment of a new pro-competitive, deregulatory model for communications policy -- necessitates a reassessment of our core policy functions, structure, and processes. New competitors and technological innovation are currently transforming communications markets, but history has shown that markets that have been highly monopolistic often do not naturally become fully competitive. History has also shown that domestic markets that have been protected from foreign competition do not naturally open to global competition. Therefore, during this crucial period of transition, the overall strategic objective of the FCC must be to continue to promote competition, open markets, and technological innovation, while also continuing to protect and empower consumers as they navigate the new world of communications. At the same time, the Commission must significantly revamp its functions, processes, and structure agency-wide to meet the challenges of a rapidly progressing global information-age economy and an evolving global communications market. Pursuing these strategic objectives will require the identification of clear goals and the execution of year-by-year action plans. As we accomplish our transition goals, we set the stage for a competitive environment in which communications markets look and function like other competitive industries.

C. Goals and Objectives

Our overall goals and objectives are provided below. A more detailed description of our goals and objectives and the policy initiatives necessary to achieve them are included in Section III of this plan. In addition, a five-year timeline is included in Appendix A. This document is intended to be a work in progress. We will continue to solicit input from Congress and from our stakeholders. We will modify and update this plan as appropriate.

Create A Model Agency For The Digital Age.

- ✓ Lead the way in the Information Age.
- ✓ Reorganize to create an agency infrastructure conducive to convergence.
- ✓ Create a faster, flatter, more functional agency.
- ✓ Preserve and increase the wealth of knowledge and expertise of FCC staff.

Promote Competition In All Communications Markets.

- ✓ Eliminate barriers to entry in domestic markets.
- ✓ Deregulate as competition develops.
- ✓ Enforce the rules so that businesses compete fairly.
- ✓ Promote competition in international communications markets.

Promote Opportunities For All Americans To Benefit From The Communications Revolution.

- ✓ Ensure access for all Americans to existing and future communications services.
- ✓ Promote opportunities to expand direct participation in existing and future communications businesses.
- ✓ Foster a consumer friendly marketplace.

Manage The Electromagnetic Spectrum (The Nation's Airwaves) In The Public Interest.

- ✓ Create more efficient spectrum markets.
- ✓ Increase the amount of spectrum available for use, particularly for new services.

II. A NEW FCC FOR THE 21ST CENTURY: MANAGING THE TRANSITION

A. Introduction

The new, pro-competitive, deregulatory communications model established in the 1996 Act is based on two principal goals -- a fully competitive marketplace and access for every American to current and future advanced communications services. Congress defined a new policy framework for achieving these goals in the 1996 Act, and over the past few years, the FCC and the states have been working toward full implementation of these policies.

Today we see tantalizing glimpses of the competitive, deregulated telecommunications marketplace that Congress had in mind. Many markets, such as mobile wireless and wireline

long distance markets, are already quite competitive, and many -- but by no means all -- of the fundamental prerequisites for fully competitive, deregulated local telecommunications markets are now in place. In many markets, consumers are receiving the benefits of competition through lower prices, greater choices, and better quality service.

This is not to say, however, that fully competitive markets are inevitable. Vigorous enforcement of the fundamental prerequisites for competitive markets and expeditious dispute resolution will remain necessary for some years to come. Consumers must become familiar with the myriad new communications options and providers available, as well as the new demands which emerge from the advent of increased competition. Consumers do not yet have the benefit of experience in addressing the challenges of a communications marketplace that looks and functions like other competitive industries. We must continue to ensure, therefore, that the momentum toward competitive markets moves forward on a technology-neutral basis, that we continue to cultivate public support for this change, and that all Americans benefit from the communications revolution.

At the same time, the FCC must significantly restructure and streamline its functions, processes, and organization agency-wide to better serve the American people in the new millennium. We must develop a pro-competitive regulatory model and a strategic plan that will serve as the Commission's blueprint as we enter the 21st Century. Competition and convergence of technologies and industries require that we comprehensively transform our processes, management, and regulatory structure to become a faster, more functional, and flexible agency.

B. 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. The participants from each of the forums are listed in Appendix B.

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.)

C. Strategic Plan: Implementation Strategies

In Section III below, we set forth our primary goals for the next five years: 1) Create a model agency for the Digital Age; 2) Promote competition in all communications markets; 3) Promote opportunities for all Americans to benefit from the communications revolution; and 4) Manage the electromagnetic spectrum (the nation's airwaves) in the public interest. For each of these goals, we establish specific objectives and policy initiatives that need to be implemented to achieve these goals fully. To assess whether we are on track in achieving these goals, we establish specific performance measurements to be achieved within five years on key dimensions such as industry outcomes, consumer benefits, and Commission output. These five-year overall performance measures will serve as the primary indicia of progress toward the Commission's long-term vision of fully competitive communications markets and our transformation into a model agency for the Digital Age.¹

¹ The objectives, initiatives and performance measures often cut across more than one goal. We have attempted to place them where they are the most prominent. However, this should not be misinterpreted to mean that they do not apply in all areas. The goals, objectives, and performance measures cut across all of the Commission.

In addition, where appropriate, we note deregulatory, streamlining, and/or restructuring actions that are conducive to achieving our five-year goals and objectives. Deregulatory actions are particularly appropriate under our goal of “Promoting Competition in all Communications Markets.” Finally, we also note where statutory changes may be necessary to achieve our goals. Appendix D includes a summary of the legislative proposals we propose to help us carry out our goals and objectives.

D. 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 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.

A third category of uncertainty is the degree of consumer demand for new communications services. Many new services, such as high-speed Internet access, digital television, wireless data service, and satellite-delivered services, will continue to be deployed by service providers, and many market analysts forecast strong consumer adoption rates. However, the breadth and depth of long-run consumer demand for these new services remain unknown. The business models of many new competitors hinge on combining multiple existing and new services on a single service delivery platform. For example, the profitability of companies that are “overbuilding” new hybrid fiber-coax networks to compete with cable and telephone incumbents depends on selling customers bundles of service including multichannel digital video, high-speed Internet access, and telephony. Only by combining revenue streams can new entrants saddled with heavy network construction costs compete with incumbents operating existing networks. If consumer adoption of new services fails to meet expectations, competition could be slower to develop.

Next, the prospects for competitive communications markets are significantly affected not only by national developments, but also by developments in world markets. The opportunities for the United States can be more fully realized if other countries join us in fostering competition in their communications marketplaces. Market access restrictions in foreign countries significantly impede U.S. companies’ ability to compete on a global scale. Specifically, our vision of fully competitive communications markets in the United States in five years is contingent to some degree on whether other nations also establish the necessary conditions for deregulation, competition, and increased private investment in their communications infrastructure. Our success will depend on vigorous enforcement of the market access commitments set forth in the 1997 World Trade Organization (WTO) Agreement on Basic Telecommunications Services.

Finally, the Commission’s ability to carry out its vision is largely dependent on adequate resources to carry out critical activities. In many cases, the FCC will need to redeploy existing budget and staff resources to address changing priorities. In addition, many of the initiatives listed in the plan to reinvent ourselves as a model agency for the digital age may require Congressional approval and continued adequate funding. Additional resources also may be required for new initiatives, for example in the areas of universal service, enforcement of disability access provisions, enforcement of slamming/cramming rules, electronic government, alternative dispute resolution, and spectrum management, all of which ultimately will result in a more effective and efficient organization. Our success is tied directly to our ability to maintain critical staffing levels and fund ongoing and new initiatives.

III. SPECIFIC IMPLEMENTATION PLANS, 2000-2004

This section identifies specific policy initiatives and performance measures as a roadmap for the Commission to follow over the next five years and to measure progress toward our objectives. The initiatives highlighted below do not represent all of the Commission’s activities, but rather are intended to present the critical tasks that we must achieve in order to make progress on our specific goals and objectives. The performance measures represent an attempt to quantify and measure our progress. Where possible, we have included both two and five-year performance measures in the main text. We have also included year-by-year benchmarks in Appendix A.

Appendix A includes a five-year timeline of the major steps the Commission plans to take to achieve the vision outlined in this plan.

A. Create A Model Agency for the Digital Age.

(1) Lead The Way In The Information Age.

As the FCC works to promulgate policies conducive to advances in information technology, we must lead the way in electronic government. Across the agency, we must invest in new technology that will allow us to be as responsive to the public 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.

Key Policy Initiatives:

- ✓ Create a paperless FCC by automating functions and fully implementing automated licensing and electronic filing systems across the agency to promote “one-stop shopping.” Consolidate individual systems and adopt more standard user interfaces as much as possible to simplify public use of our systems.
- ✓ Strengthen internal data collection and coordination with other Federal agencies and state and local governments, particularly regarding data on local competition, national deployment of broadband technology, and consumer issues.
- ✓ 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 issue resolution.
- ✓ Ensure that all agency electronic and information technologies are accessible and usable by persons with disabilities.

<u>Performance Measures:</u>	<u>Two-Year Goals:</u>	<u>Five-Year Goals:</u>
▪ Electronic Filing. ²	70%	100%
▪ Agency Materials Accessible by Persons with Disabilities.	75%	100%

² To the extent people have access to electronic media, our goal is 100% electronic filing. However, we recognize that some entities may not have access.

(2) Reorganize To Create An Agency Infrastructure Conducive To Convergence.

The FCC is currently structured along the traditional 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. A reorganization of the agency along functional rather than technology lines will put the FCC in a better position to carry out its core responsibilities more productively and efficiently. There was consensus in each of the public forums and in many of the other comments we have received that a reorganization along these lines would not only be more efficient, but is a necessary prerequisite to competition and convergence. As we move forward on reorganization, we look forward to continued dialogue with Congress and our stakeholders to ensure that we restructure in a meaningful way that better serves the public.

Key Policy Initiatives:

- ✓ As the first step in the reorganization process, the Commission, pending Congressional approval, plans to consolidate currently dispersed enforcement functions into a new Enforcement Bureau and currently dispersed public information functions into a Consumer Information Bureau. The consolidation of these two key functions that are now spread across the agency will improve efficiency and enhance the delivery of these services to the general public and to industry.
- ✓ In the second phase of the reorganization process, we will begin the transition to consolidate our policy/rulemaking and authorization of service/licensing functions across the agency in order to achieve economies of scale in the administration of our core responsibilities. Consolidation of our licensing functions will provide one-stop shopping facilitating access and timeliness. Consolidating our rulemaking activities will allow for leverage of staff expertise and streamlining and standardization of our regulatory processes.
 - We will begin by selecting one of our current technology-specific bureaus as a test case. We will restructure this bureau into a prototype of the eventual agency-wide structure. Specifically, we will reorganize the bureau into licensing and policy divisions.
 - Our next step will be to apply this model to all of our technology-specific bureaus in preparation for consolidation across the agency.
 - We envision our end state as a new agency structure comprised of enforcement, consumer information, licensing, competition/policy, and international areas, which will replace the current traditional, industry-specific bureaus.
- ✓ Concurrently, we will examine the effects of increased competition and convergence on our existing bureaus to consider what areas should be restructured. For example, consideration

will be given toward restructuring our media-related functions in the cable and mass media areas to create a media competition bureau.

- ✓ Continue efforts to coordinate with other federal agencies and with state and local governments on communications issues through regular roundtables, forums, meetings, and discussions. Efforts are already underway to improve coordination with the Federal Trade Commission and the Departments of Justice and Commerce in order to ensure that our functions are complementary. This is particularly important with regards to competition, consumer, and international issues.

<u>Performance Measures:</u>	<u>Timeframe:</u>
▪ Complete current restructuring of Enforcement and Consumer Information Bureaus	By Year 2000
▪ Restructured Prototype Bureau	By Year 2001
▪ Restructure all Bureaus	By Year 2003
▪ Agency-Wide Restructuring	By Year 2004

(3) Create A Faster, Flatter, More Functional Agency.

The FCC must be structured to react quickly to market developments, to work more efficiently in a competitive environment, and to focus on bottom-line results for consumers. Ultimately, throughout the agency, we must be structured to render decisions quickly, predictably, and without imposing needless costs on industry or consumers through unnecessary delay.

Key Policy Initiatives:

- ✓ We will substantially reduce our backlog of licensing applications, reconsiderations, and other proceedings and to reduce the average level of review of items to accelerate the decisionmaking process. In addition, we plan to act on petitions for reconsideration that do not raise significant new issues within 60 days of the record closing.
- ✓ Consistent with our proposed reorganization along functional lines, increase reliance on interbureau task forces to promote greater coordination of policies across the agency. We have already begun to use this approach, for example, in the areas of access to telecommunications services for underserved areas and access for people with disabilities.
- ✓ Establish common forms where possible and streamline our application processes.
- ✓ Restructure the Office of the Secretary to facilitate management of items and ensure that offices adhere to timetables and voting procedures.
- ✓ Make greater use of alternative dispute resolution mechanisms and negotiated rulemakings.
- ✓ Consider additional areas that may be appropriate for forbearance in accordance with Section 10 of the Act. The Commission has granted in whole or in part 14 (74%) of the 19 forbearance petitions filed with it. These have included forbearance from various entry,

accounting, record keeping, and other requirements for mid-size local exchange carriers, forbearance from tariffing requirements for non-incumbent local exchange carriers, and forbearance from Section 272 separate subsidiary requirements for the Bell Operating Companies in various circumstances. In addition, the Commission has exercised its forbearance authority in other situations not in response to a specific forbearance petition, for example, in forbearing from tariffing requirements for interexchange carriers.

<u>Performance Measures:</u>	<u>Two-Year Goals:</u>	<u>Five-Year Goals:</u>
▪ Reduction in current backlogs in each Bureau.	60%	100%
▪ Reduction in levels of review of items.	15%	50%
▪ Reduction in time to adopt items.	50%	75%

(4) Preserve And Increase The Wealth Of Knowledge And Expertise Of FCC Staff.

It is critical 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 Commission 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 through staff retraining, reassignment, and other methods. We must ensure that we have a critical mass of trained personnel and that we empower our staff to embark upon strategic thinking with clear policy direction.

Key Policy Initiatives:

- ✓ Increase training opportunities for employees in substantive areas and team-based project management, consistent with convergence.
- ✓ Recruit high-quality staff knowledgeable about the communications marketplace. Strengthen technical capabilities by hiring more engineers/technologists and re-establishing an entry-level engineering training program.
- ✓ Pursue a variety of options to retain and reward high-quality employees by, for example, hiring employees under permanent status versus term contracts, providing appropriate opportunities for telecommuting, job-sharing and flexible, family-friendly work schedules, and awarding high achievers for excellent performance.
- ✓ Offer voluntary buyout authority³ for 100 employees (more or less as appropriate) to enhance the Commission's ability to facilitate our restructuring efforts in a cost-effective manner and to alter the skills mix of our workforce to carry out our changing mission more effectively.

³ Subject to Congressional approval.

<u>Performance Measures:</u>	<u>Two-Year Goals:</u>	<u>Five-Year Goals:</u>
▪ New legal, technical, and managerial training modules established.	2	5
▪ Employee development plans implemented (% of total employees).	20%	100%
▪ Increase the number of engineers/technologists.	5%	15%
▪ Increase options to retain and reward employees.	2	5

B. Promote Competition In All Communications Markets.

(1) Eliminate Barriers To Entry in Domestic Markets.

Entry barriers (legal, economic, or operational) in communications markets are antithetical to the development of robust competition. Elimination or reduction of such barriers enables new competitors to enter communications markets easily and enhance consumer choice. In addition, over the next five years, a number of important policy steps will be required to ensure that competition continues to develop in communications markets. As competition becomes a reality, deregulation must occur (see B(2)).

Key Policy Initiatives:

- ✓ Complete the opening of local telecommunications markets through pro-competitive unbundling, interconnection, and collocation policies, pursuant to Section 251 of the Act, the development of competitive alternatives to wireline technology, and thorough assessment of the impact of consolidation on these markets.
- ✓ Increase competition in the long distance market through Bell Operating Company entry into in-region long-distance markets where the local market is open, pursuant to the competitive checklist of Section 271 of the Act.
- ✓ Promote, through market-based approaches, the competitive deployment of advanced technologies in all areas of the country, particularly in rural areas. Examples of these services include high-speed internet connections, wireless data technologies, and digital television. Create a joint conference with the states to promote deployment of advanced services to rural areas.
- ✓ Promote increased competition and choice in the multichannel video distribution marketplace through, for example, Direct Broadcast Satellite and Direct-to-Home services.
- ✓ Promote competition in over-the-air broadcast television and radio services.

<u>Performance Measures:</u> ⁴	<u>Five-Year Goals:</u>
▪ Additional Basic Residential Telephone Service Providers per major market for residential customers (baseline of 1).	2
▪ Additional Broadband Connectivity Providers per major market for residential customers (baseline of 1).	2
▪ Mobile Wireless: Percent of Population with Access to five or more providers (baseline of 73%).	90%
▪ Total Multichannel Video Distribution Providers per major market (baseline of 3).	5

(2) Deregulate As Competition Develops.

Eliminating outdated rules will play an important role in accelerating the transition to fully competitive markets. Consumers ultimately pay the cost of unnecessary regulation. Thus, one of our primary objectives must be to deregulate as competition develops, and to substitute market-based approaches for direct regulation. In addition, we must resist imposing legacy regulations on new technologies. Our goal should be to deregulate the old instead of regulating the new.

Key Policy Initiatives:

- ✓ We will implement an aggressive Year 2000 Biennial Review aimed at eliminating unnecessary rules, in particular in areas where competition has emerged, e.g., wireless.
- ✓ End rate regulation where competition has matured, and as required by statute.
- ✓ Reduce the burden of filing, reporting, record keeping, and accounting requirements across all communications industries, particularly for small companies, where no longer necessary to further the public interest.
- ✓ Streamline the technical rules for, and privatize certain aspects of, the certification of telephones and other equipment.
- ✓ Promote pro-competitive, deregulatory policies overseas.
- ✓ Continue to resist regulatory intervention in the deployment of Internet and data services.
- ✓ Establish a Digital Age task force to study and recommend statutory changes in the Act in light of greater competition, convergence, and the Digital Age.

⁴ These are outcome measures which indicate the extent to which the FCC has fostered a competitive marketplace. Measures are not an indication that FCC is proposing regulations requiring the number of providers.

<u>Performance Measures:</u>	<u>Five-Year Goals:</u>
▪ Reduction in number of forms required by FCC.	50%
▪ Privatization of Part 68 technical rules for certifying equipment.	90%

(3) Enforce The Rules So That Businesses Compete Fairly.

An undesirable by-product of the rise of competition in various telecommunications markets has been an increase in fraudulent practices by certain providers of telecommunications services. In the fast-paced, newly developing world of communications competition, we must be able to respond swiftly and effectively to complaints that companies are taking advantage of other companies or consumers.

Effective use of the Commission's enforcement resources is critical to ensuring full implementation of the Communications Act and the Commission's rules designed to open communications markets to competition, enhance choice for consumers, and maintain public support for deregulation. An essential element to this objective is the creation of an Enforcement Bureau⁵ which consolidates functions currently dispersed throughout the agency in order to respond quickly and efficiently to the demands of a competitive environment.

Key Policy Initiatives:

- ✓ Use the Accelerated Docket and other mechanisms to expedite resolution of important competition-related formal complaints.
- ✓ Show zero tolerance for perpetrators of consumer fraud such as slamming and cramming. Impose substantial monetary forfeitures against the worst offenders to help eliminate the profit associated with such illegal practices and to deter future noncompliance.
- ✓ Enforce all disability accessibility provisions, including Title IV of the Americans with Disabilities Act, the Hearing Aid Compatibility Act, and Sections 255 and 713 of the Telecommunications Act of 1996, to ensure that communications are accessible and usable to persons with disabilities.
- ✓ Expeditiously resolve complaints regarding spectrum use, public safety, and technical issues such as interference, tower marking and lighting, equipment and licensee requirements, and Emergency Alert System (EAS) rules. Quickly resolve complaints regarding children's television programming requirements and other broadcast-related requirements.
- ✓ Substantially improve the ratio of formal complaints against common carriers resolved through settlement or decision by an attorney or other professional staff.

⁵ Creation of the Enforcement Bureau is pending Congressional approval.

<u>Performance Measures:</u>	<u>Two-Year Goals:</u>	<u>Five-Year Goals:</u>
▪ Decrease in annual long distance slamming complaints.	20%	75%
▪ Increase in average number of common carrier complaints resolved per professional staff person.	25%	100%
▪ Antenna tower compliance with registration, marking, and lighting requirements.	85%	95%

(4) Promote Competition In International Communications Markets.

Over the next five years, the Commission will pursue an aggressive agenda aimed at increasing competition in communications markets around the world. Increased international competition will benefit American consumers in the form of lower rates for international telecommunications and will open new market opportunities for American companies.

Key Policy Initiatives:

- ✓ Work with regulators from other countries to promote full implementation of existing WTO commitments. Reduce entry barriers in foreign communications markets by securing additional market opening commitments and expanding current commitments. Work with other government agencies, most notably the United States Trade Representative, to encourage countries that did not commit -- or made limited commitments -- to liberalize their telecommunications markets in previous WTO negotiations to participate in the General Agreement on Trade in Services⁶ and the Basic Telecommunications Agreement.
- ✓ 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 by working with other countries to facilitate greater non-discriminatory market access for wireless and satellite systems worldwide
- ✓ Promote the development of global standards that encourage competition and innovation in wireless services, while at the same time realizing the benefits of interoperability, such as worldwide roaming.
- ✓ Provide technical assistance to developing countries seeking to implement competitive reforms or establish independent regulatory regimes.
- ✓ Review undersea cable rules and policies to foster continued growth of the global information society.

⁶ The World Trade Organization is an international organization which provides global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably, and freely as possible. WTO Web Page, *About the WTO* <<http://www.wto.org/wto/inbrief/inbr00.htm>> ("WTO Web Page"). WTO members are bound to the obligations defined in the General Agreement on Trade in Services or GATS. GATS operates on three levels: the main text containing general principles; annexes dealing with rules for specific sectors; and individual countries' specific market access commitments.

- ✓ Promote competition in the international telecommunications market through reform of the international settlement structure and development of alternatives which reduce the cost of providing international service.
- ✓ Encourage the privatization of INTELSAT consistent with the transition to competitive markets.

<u>Performance Measures:</u>	<u>Five-Year Goals:</u>
<ul style="list-style-type: none"> ▪ Consultations with regulators to promote full implementation of WTO commitments. 	At least 50 countries
<ul style="list-style-type: none"> ▪ Work plans implemented with strategic developing countries to eliminate entry barriers and adopt competitive telecommunications models. 	12
<ul style="list-style-type: none"> ▪ Decrease in average cost of an international call. 	60%

C. Promote Opportunities For All Americans To Benefit From The Communications Revolution.

(1) Ensure Access For All Americans To Existing And Future Communications Services.

Section 1 of the Communications Act of 1934 states that the purpose of the Act is to “make available to all the people of the United States, without discrimination . . . a rapid, efficient, Nationwide, and worldwide wire and radio communication service . . . at reasonable charges.” The 1996 Act reaffirmed that we must ensure the availability of affordable phone service to consumers in all regions of the nation. In addition, Section 706 of the 1996 Act directs the Commission to encourage the deployment of advanced services to all Americans on a reasonable and timely basis. Where competition cannot ensure such access, the FCC will continue to take action to support and promote universal service and other public interest policies specified in the Act.

Key Policy Initiatives:

- ✓ Continue universal service reform by adopting and implementing a new mechanism to provide support to states for high cost local telephony customers in conjunction with access charge reform. Work to ensure that universal service funding is technology-neutral and includes funding for wireless carriers.
- ✓ Reform access charge mechanisms to reflect and promote the development of economically efficient entry and competition in the interstate access market, thereby promoting access and availability of the public switched network.
- ✓ Substantially improve penetration rates for both basic and advanced services to underserved and rural areas by revising our rules if necessary and promoting innovative uses of wireline, wireless, satellite, and other technologies in such areas.

- ✓ Continue oversight of the Act's universal service discount mechanism for subsidized telecommunications to schools, libraries and rural health care providers to ensure their efficient and effective operation.
- ✓ Continue to pursue a range of pro-competitive policies to ensure that consumers have access to communications equipment and services at reasonable rates, particularly new technologies, such as high-speed Internet access, digital TV, and satellite and wireless services, and that they have access to emergency information over all these technologies.
- ✓ Ensure that Americans with disabilities can use and have access to communications technology.

<u>Performance Measures:</u>	<u>Five-Year Goals:</u>
▪ Increase market penetration rates of basic telephony service in rural and other underserved areas ⁷ (currently less than 50%) to national average.	94%
▪ Increase market penetration rates for mobile wireless telephone service (currently 25%).	50%
▪ Availability of advanced services to residences.	90%
▪ Buildout of digital broadcast television service.	100%
▪ Schools and libraries connected to the internet.	100%
▪ Elimination of implicit access charge subsidies.	100% (three-year goal)

(2) Promote Opportunities To Expand Direct Participation In Existing And Future Communications Businesses.

As the nation's communications sector continues to undergo unprecedented growth, we must ensure that Americans of all backgrounds have the opportunity to benefit, not only as consumers of communications services, but also as employees or owners of communications businesses. In particular, we need to open the doors of opportunity to women, minority, and small-scale entrepreneurs across all communications industries. This goal is critical to preserving diversity of viewpoints and a vibrant democracy, and to ensuring that all Americans are able to take advantage of the dynamic telecommunications market.

Key Policy Initiatives:

- ✓ Complete proceeding to reexamine broadcast employment rules in light of recent federal court decisions.
- ✓ Periodically review broadcast and cable ownership rules to continue to promote diversity of views and localism while updating our rules to keep pace with the ever changing mass media marketplace.

⁷ Where affordability is the reason for low penetration rates.

- ✓ Open low-power radio frequencies for local use across the nation to create outlets for an array of new voices to be heard, like churches, community groups, and colleges.
- ✓ Encourage the creation of a new tax certificate program⁸ that would apply not just to radio, television, and cable, but to all telecommunications businesses, including wireline, wireless and satellite.
- ✓ Develop an outreach plan to increase the presence of women, minorities, and small-business owners of communications outlets, which will include forums on broadcast and wireless auctions as well as strategies to bring together these entities with representatives from financial and high technology institutions.

<u>Performance Measures:</u>	<u>Timeframe:</u>
▪ Biennial review of broadcast ownership rules.	In 2000, 2002 & 2004
▪ Outreach forums.	In 2000-2001

(3) Foster a More Consumer Friendly Marketplace.

Competitive markets work only when consumers have the information required to make informed choices. The Commission is in the process of consolidating its consumer information functions into a Consumer Information Bureau⁹ that will provide consumers a one-stop shop for obtaining the information they need to make wise choices in a robust and competitive marketplace. The Bureau will encourage public participation in Commission activities by providing convenient ways for the public to make its views known. This feedback will help ensure that the Commission's rules are fair, effective, and sensible, and that they support competition while responding to consumer concerns.

Key Policy Initiatives:

- ✓ Ensure that consumer bills are truthful, clear and easy to understand. Remain vigilant in protecting customer privacy.
- ✓ Ensure that all carriers have adequate numbering resources and consumers do not have to undergo avoidable area code changes. The Commission must facilitate optimal use of telephone numbering resources to avoid premature exhaustion of the useful life span of the current North American Numbering plan.
- ✓ Give parents the tools they need to ensure that their children use communications services in positive ways by providing information on filtering software, how to block 1-900 calls, cable "lock-boxes," the TV ratings system, and the V-chip.

⁸ Subject to Congressional approval.

⁹ Creation of the Consumer Information Bureau is pending Congressional approval.

- ✓ Continuously improve response times to consumer information requests and informal complaints.
- ✓ Increase outreach to consumers and other groups locally and across the country through pro-active educational forums and field hearings, video-conferencing, visits to schools and other community organizations, and the development of more consumer-oriented outreach materials.
- ✓ Establish a Consumer Advisory Board to advise the Commission on consumer issues, including issues concerning access for individuals with disabilities.

<u>Performance Measures:</u>	<u>Five-Year Goals:</u>
▪ Implement more efficient number block pooling.	100 Largest MSAs
▪ Decrease in new area codes activated per year.	50%
▪ Improvement in response time to consumer complaints.	90%
▪ Reduction in consumer complaints.	50%
▪ Increase in consumer awareness of communications services choices.	100%

D. Manage The Electromagnetic Spectrum (the Nation's Airwaves) In The Public Interest.

(1) Create More Efficient Spectrum Markets.

The Commission is charged with managing 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. Fundamental to this mandate is the difficult task of advancing the pro-competitive goals of the Communications Act, while at the same time ensuring that other public interest goals are met. Competing demands and changing technologies make spectrum management a unique challenge. Since spectrum is a finite public resource, it is important that it be allocated and assigned efficiently to provide the greatest possible benefit to the American public. It is also important to encourage the development and deployment of technology that will increase the amount of information that can be transmitted in a given amount of bandwidth. To meet these challenges, the Commission must constantly strive to improve the way it both allocates and assigns spectrum.

Key Policy Initiatives:

- ✓ Create more value to end users through flexible allocations and more relaxed service rules which foster a level playing field across services. Ensure that the Commission is not a bottleneck for spectrum. Rely principally on the marketplace to achieve the highest value use of spectrum.
- ✓ Explore innovative assignment mechanisms (e.g., band managers, combinatorial bidding and two-sided auctions) that promote efficiency through market forces and enable users to easily aggregate and disaggregate spectrum for varied uses.

- ✓ Review and reform licensing procedures, from application filing to final grant, for all FCC authorizations for purposes of minimizing administrative overhead and of seeking opportunities for more efficient processing.
- ✓ Facilitate efficient aftermarket trading and aggregation of spectrum by creating tools such as a public database on current spectrum users and forums to bring together buyers and sellers of “after market” spectrum.
- ✓ Develop and encourage creative, market-oriented ways to reduce interference.
- ✓ Work with industry and the National Telecommunications and Information Administration to promote the use of technologies and approaches to spectrum allocation and assignment that minimize interference and increase coordination between Government and non-Government users. Promote greater transparency in the management of shared spectrum.
- ✓ Promote the efficient use of public safety spectrum to ensure that critical communications needs for the protection of life, health and property are met.

<u>Performance Measures (relative to current levels):</u>	<u>Five-Year Goals:</u>
▪ Increase availability of flexibly allocated spectrum.	100%
▪ Increase in total output of spectrum-based services (e.g. minutes, bytes, or customers).	200% (doubled)
▪ Increase data transmission speed for mobile users.	300% (tripled)
▪ Increase utilization of unlicensed and private spectrum.	30%
▪ Decrease time-to license for both auctioned and non-auctioned licenses, while maintaining appropriate levels of public-interest review.	50%
▪ Decrease burden-hours for license applicants through streamlining and redundancy reduction.	25%

(2) Increase the Amount of Spectrum Available, Particularly for New Services.

The past few years have seen tremendous growth in information technology, particularly in the wireless industry. As markets become more competitive and new services are introduced, demand for spectrum will increase. The Commission must seek new methods to make spectrum available and ensure that it is put to the highest value use. Increasing the supply of spectrum will reduce the cost of using spectrum and thereby increase the output and reduce the price of spectrum-based services. It will also create new opportunities for competitive technologies and services for the American public.

Key Policy Initiatives:

- ✓ Create incentives for freeing up spectrum (e.g., foster the adoption of digital television, two-sided auctions, and fees for some non-auctionable services).
- ✓ Reallocate spectrum to increase availability for higher value uses, e.g., possibly third generation mobile and new satellite services.

- ✓ Consider expanded provision of spectrum for ultra wideband use and unlicensed services.
- ✓ Coordinate actively with state and local officials to ensure that the spectrum needs of the public safety community are met, including improved build-out and emergency wireless service deployment.
- ✓ Continue to advocate changes in the International Telecommunication Union spectrum allocations to better accommodate U.S. spectrum uses and greater flexibility internationally. Build regional and global acceptance of U.S. spectrum views and initiatives by engaging other governments and organizations in constructive discussions. Encourage the private sector to become more pro-active in building support internationally for efficient world spectrum allocations.

<u>Performance Measures:</u>	<u>Five-Year Goals:</u>
▪ Additional spectrum supply made available for assignment	Approx. 300 MHz
▪ Increase in capacity for:	
➤ Mobile services	25%
➤ Fixed services	25%

IV. CONCLUSION

We look forward to working with Congress, industry, consumers, and all our stakeholders to refine this plan. It is a work in progress and we are committed to ongoing discussions and additional input. Written comments on this plan can be sent to "newfcc@fcc.gov". Our goal is a blueprint for change that we can all be proud of and commit to as we enter the new millennium.

We also plan to conduct ongoing reviews of our goals and objectives to ensure that they accurately represent our highest priorities, even as the communication marketplace continues to evolve. In addition, we will conduct ongoing reviews of our policy initiatives and programs to ensure their effectiveness, and we will continuously assess our progress toward achieving the performance measures proposed in this plan.

The changes that we propose in this plan are not trivial. In five years, the structure and mission of the agency will be changed dramatically. The FCC will be remade for a new century and for a rapidly changing industry. But no matter how much it changes, the FCC will remain committed to the goals set forth in our authorizing statute of promoting competition in communications, protecting consumers, and supporting access for every American to existing and advanced communications services.

**APPENDIX A
FIVE-YEAR PLAN**

Model Agency For The Digital Age.	Year 1	Year 2	Year 3	Year 4	Year 5
<p>Lead the way in the Information Age.</p> <ul style="list-style-type: none"> ✓ Paperless FCC ✓ Data collection ✓ Web site/Tracking ✓ Database Accessibility <p>* Percentage of FCC licensing/filing systems offering an electronic interface.</p>	<p>60% Electronic Filing*.</p> <p>Define requirements for agency-wide Intelligent Gateway.</p>	<p>70% Electronic Filing*.</p> <p>Design & prototype Intelligent Gateway.</p>	<p>80% Electronic Filing*.</p> <p>Implementation of Intelligent Gateway providing the public electronic access to tracking information.</p>	<p>90% Electronic Filing*.</p>	<p>100% Electronic Filing.</p>
<p>Reorganize for convergence.</p> <ul style="list-style-type: none"> ✓ Enforcement and Consumer Information Bureaus ✓ Future Reorganization (TBD) ✓ Fed/State Coordination 	<p>Develop plan for phase 2 of reorg. (prototype bureau). Internal analysis of reorganization options.</p>	<p>Implement phase 2 of reorganization. Develop plan for phase 3 of reorganization (restructuring of each bureau).</p>	<p>Implement phase 3 of reorg.</p> <p>Develop plan for phase 4 of reorganization (consolidation of agency functions)</p>	<p>Implement phase 4 of reorg. Fully restructured around functional lines.</p>	
<p>Ensure Americans with disabilities have access to electronic and information technology</p>					
<p>Faster, flatter, more functional agency.</p> <ul style="list-style-type: none"> ✓ Forbearance ✓ Current backlog of applications ✓ Levels of review ✓ Task Force <p>* In some cases, the Commission may not be able to complete action on items within FCC-established timelines due to external or extraordinary requirements. ** Does not include enforcement division.</p>	<p>Current Backlog* Reduction: 75% Cable & Wireless 50% International, OET, & CCB**</p> <p>Implement auto processing for broadcast appl.</p>	<p>Current Backlog * Reduction: 80% Cable 100% Wireless 25% Broadcast 65% International 75% OET & CCB**</p> <p>Extend auto processing to all broadcast appl.</p>	<p>Current Backlog* Reduction: 100% Cable, Wireless, & CCB** 50% Broadcast 75% International 90% OET</p> <p>Enhance auto processing for broadcasting appl.</p>	<p>Current Backlog* Reduction: 100% Cable, Wireless, OET, & CCB** 75% Broadcast 80% International</p>	<p>Current Backlog* Reduction: 100% for the Commission</p>
<p>Staffing.</p> <ul style="list-style-type: none"> ✓ Training Opportunities ✓ Technical Expertise ✓ Retain and Reward ✓ Buy-out Authority* <p>* Subject to Congressional approval.</p>	<p>Voluntary buy-outs.</p>	<p>Increase engineering staff by 5-15%.</p>			

Promote Competition..	Year 1	Year 2	Year 3	Year 4	Year 5
Eliminate barriers to entry. ✓ Local competition ✓ 271 Applications ✓ Advanced Technologies/DTV ✓ Multichannel Video/Broadcasting <u>Acronyms:</u> HH = Households UNE = Unbundled Network Elements DTV = Digital Television MMDS = Multichannel Multipoint Distribution Service ITFS = Instructional Television Fixed Service. LECs = Local Exchange Carriers MVPD = Multi-Channel Video Program Distribution Providers	HH with New Local Resid. Competitors: 5% have 1. Reciprocal compensation rules.	HH with New Local Resid. Competitors: 30% have 1 10% have 2	HH with New Local Resid. Competitors: 60% have 1 30% have 2 10% have 3	HH with New Local Resid. Competitors: 90% have 1 60% have 2 30% have 3	HH with New Local Resid. Competitors: 99% have at least 1 90% have 2 60% have 3
	Approval of 271 applications			Periodic review of UNE requirements. License national digital radio service.	
	Define UNE elements. 15% penetration adv. Cable svc. 10% of HH with access to 5 or more MVPD. 73% HH with access to 5 or more mobile wireless providers. Authorize DTV svc. Authorize MMDS/ITFS to compete with LECs.	25% penetration adv. Cable svc. 10% of HH with access to 5 or more MVPD. 78% HH with access to 5 or more mobile wireless providers. Authorize In-Band On-Channel service (conversion of analog radio to digital.)	30% penetration adv. Cable svc. 10% of HH with access to 5 or more MVPD. 82% HH with access to 5 or more mobile wireless providers. License all commercial DTV stations (on-air). Assess competition in multi-channel mkt.	40% penetration adv. Cable svc. 10% of HH with access to 5 or more MVPD. 87% HH with access to 5 or more mobile wireless providers. License all non-commercial DTV station (on-air). Enhance competition in multichannel mkt.	50% penetration adv. Cable svc. 10% of HH with access to 5 or more MVPD. 90% HH with access to 5 or more mobile wireless providers. Full competition in multi-channel mkt.
Deregulate. ✓ Biennial Review ✓ Eliminate Rate Regulation ✓ Equipment Certification	2000 Biennial Review	Process pricing flexibility applications			
	Commence accreditation of private telecom cert bodies for equip cert.	Authorize new noncommercial & commercial broadcast services through auctions/point system			
Enforce the rules. ✓ Accel Docket/Local Comp. ✓ Consumer Fraud ✓ Disability Access ✓ Public Safety					75% decrease in slamming complaints. 95% antenna tower compliance.
	Implement and enforce disability accessibility rules; assess industry trends and evaluate enforcement priorities; and coordinate and exchange information with States on enforcement -related issues.				
International communications mkts. ✓ Reduce entry barriers ✓ New market entrants ✓ Technical assistance ✓ International Actg Rates ✓ INTELSAT privatization	Avg. Price of Intern'l Call = \$0.65. Review undersea cable rules & policies	Avg. Price of Intern'l Call = \$0.55. INTELSAT privatization	Avg. Price of Intern'l Call = \$0.45.	Avg. Price of Intern'l Call = \$0.35.	Avg. Price of Intern'l Call = \$0.25. Full implementation of benchmarks.
	Consult with regulators from 50 countries to promote full implementation of WTO				
	Initiate pro-comp work plans with 12 strategic developing countries.				

Promote Opportunities For All Americans To Benefit From The Communications Revolution.	Year 1	Year 2	Year 3	Year 4	Year 5
<p>Ensure access for all Americans to existing and future communications services.</p> <ul style="list-style-type: none"> ✓ Universal Service Reform ✓ Penetration Rates ✓ Schools and Libraries ✓ Reasonable Rates ✓ Disability Access 	<p>50% penetration rate for undersvd.</p> <p>Complete USF rules pursuant to Telecom Act for non-rural telcos and implement funding mech.</p> <p>Create joint conference with states to promote deployment of advanced services to rural areas.</p> <p>Establish Disability Accessibility Office.</p>	<p>65% penetration rate for undersvd.</p> <p>Implement recommendation of joint conference on advanced services.</p> <p>Auction and investment forums focused on women, minority, and small businesses.</p>	<p>75% penetration rate for undersvd.</p> <p>Complete USF rules pursuant to Telecom Act for rural telcos and implement funding mech.</p>	<p>85% penetration rate for undersvd.</p>	<p>94% penetration rate for undersvd.</p>
<p>Promote opportunities to expand direct participation in existing and future communications businesses.</p> <ul style="list-style-type: none"> ✓ Broadcast Employment Rules ✓ Broadcast and Cable Ownership Rules ✓ Finance Opportunities ✓ Tax Certificate Program* <p>* Subject to Congressional approval.</p>	<p>Define new broadcast employment rules.</p> <p>Define and implement broadcast and cable ownership rules.</p>	<p>Implement new broadcast employment rules.</p> <p>Fully implement broadcast ownership rules.</p>	<p>Monitor new broadcast employment rules</p> <p>Review broadcast ownership rules for impact on mkt.</p>	<p>Revise broadcast ownership rules to promote further participation by designated entities.</p>	<p>Fully integrated broadcast marketplace.</p>
<p>Foster a consumer friendly marketplace.</p> <ul style="list-style-type: none"> ✓ Billing and Customer Privacy ✓ Parent Information ✓ Response Times ✓ Industry Trends ✓ Outreach & Coordination 	<p>Approve number optimization plan.</p> <p>Establish Consumer Advisory Board.</p>	<p>Design pricing/fee structure for telephone numbers.</p>	<p>Implement new pricing/fee structure for telephone numbers.</p>		<p>50% reduction in new areas codes activated/yr. 90% increase in response time to consumers. 100% improvement in customer satisfaction with complaint resolution process.</p> <p>Establish new consumer advocacy partnerships with Fed, State & Local govt, industry, & consumer groups.</p>

Manage The Electromagnetic Spectrum (The Nation's Airwaves) In The Public Interest.	Year 1	Year 2	Year 3	Year 4	Year 5
<p>Make spectrum markets work better.</p> <ul style="list-style-type: none"> ✓ End User Value ✓ Assignment Mechanisms ✓ Licensing Procedures ✓ Interference and Coordination ✓ Secondary Market 	<p>Design spectrum band database.</p> <p>Initiate review of assignment and licensing techniques.</p> <p>Assess technical and other constraints which could pose unnecessary barriers to entry.</p> <p>Tech Advisory Committee assessment of noise floor.</p> <p>Initiatives to digitize broadcast service.</p>	<p>Develop spectrum band database.</p> <p>Pursue rulemakings to encourage flexibility and regulatory parity for svc rules.</p> <p>Examine mgmt of shared spectrum. Adopt vehicles to enhance coordination of shared spectrum with NTIA.</p> <p>Restructure Equip lab to increase focus on enforcement & compliance.</p>	<p>Test database.</p> <p>Implement innovative spectrum assignment and licensing techniques.</p> <p>Decrease time to license by 25%.</p> <p>Increase output of spectrum-based services by 100%.</p> <p>Increase data speeds for mobile users by 150%.</p> <p>Restructure Equip lab to increase focus on enforcement & compliance.</p>	<p>Make database available to public.</p>	<p>Decrease time to license by 50%. Decrease burden-hours for license applicants by 25%.</p> <p>Increase output of spectrum-based services by 200%.</p> <p>Increase data speeds for mobile users by 300%.</p>
<p>Make more spectrum available for use.</p> <ul style="list-style-type: none"> ✓ New Services ✓ Public Safety ✓ WRC 2000 <p><u>Acronyms:</u> MRA = Mutual Recognition Agreement EU = European Union APEC = Asia Pacific Economic Council CITEL = Inter-American Telecommunications Commission</p>	<p>WRC 2000.</p> <p>Allocate 4 GHz of spectrum for unlicensed service.</p> <p>Develop plan for use of spectrum reallocated pursuant to statutory requs.</p> <p>Develop plan for implementation of ultrawide band devices and software-defined radios.</p> <p>Initiate negotiations with CITEL regarding MRAs on equipment authorization.</p>	<p>Receive Pub Sfty National Coordinating Committee (NCC) recommendations on stds to promote interoperability.</p> <p>Complete domestic allocations for fixed wireless svc.</p> <p>Initiate 3 G allocations.</p> <p>Conduct spectrum auctions for reallocated spectrum</p>	<p>Finalize implementation of MRAs with EU on equip authorization.</p> <p>Facilitate deployment of unlicensed svc.</p>	<p>Finalize implementation of MRAs with APEC on equip authorization.</p> <p>Initiate work to facilitate introduction of telecom services to all Americans from Public Utility electric power lines</p>	<p>Implement NCC recommendations for full interoperability.</p> <p>Complete oversight of buildout of digital television.</p>

APPENDIX B PUBLIC FORUM PARTICIPANTS

Transcripts of the public forums are available at www.fcc.gov/21st_century/.

May 20, 1999 GENERAL INDUSTRY PARTICIPANTS

American Mobile Telecommunications Association - Alan R. Shark, President & CEO
Association for Local Telecommunications Services - John D. Windhausen, Jr. President
Association of Local Television Stations - David L. Donovan, V.P., Legal & Legislative Affairs
AT&T Corporation - Leonard J. Cali, V.P. and Director, Federal Regulatory Affairs
Bell Atlantic Corporation - Thomas J. Tauke, Senior V.P.- Govt Relations
Cellular Telecommunications Industry Assoc.- Brian F. Fontes, Senior V.P. for Policy & Admin.
Competitive Telecommunications Association- Robert M. McDowell, V.P. & Assistant GC
Covad Communications Company - Thomas M. Koutsky, Assistant General Counsel
The Walt Disney Company - Preston Padden, Executive V.P.
GTE Service Corporation - Alan F. Ciamporcero, V.P.- Regulatory
Independent Telephone & Telecommunications Alliance - David W. Zesiger, Executive Director
MCI-WorldCom, Inc - Jonathan B. Sallet, Chief Policy Counsel
National Association of Black-Owned Broadcasters - James Winston, President
National Association of Broadcasters - Jerald N. Fritz, Corporate V.P. for Legal and Strategic Affairs, Albritton Communications Co. and Member, NAB TV Board of Directors
Org. for the Promotion & Adv. of Small Telecommunications Co - John N. Rose, President
Personal Communications Industry Association - Brent Weingardt, V.P., Govt Relations
The Roberts Companies- Michael V. Roberts, Chairman & CEO
Satellite Industry Association - Patricia A. Mahoney, Chair
SBC Telecommunications, Inc.- Dale "Zeke" Robertson, Senior V.P.- FCC
Satellite Broadcasting Communications Assoc- Andrew R. Paul, Senior V.P., Govt & Reg Affrs
Telecommunications Industry Association - Grant E. Seiffert, V.P. of Govt Relations
Teligent - David S. Turetsky, V.P. for Law and Regulatory Affairs
United States Telephone Association - Roy M. Neel, President & CEO
U.S. West, Inc. - Melissa Newman, Director, Federal Regulatory
Voice on the Net Coalition - Bruce D. Jacobs, Fisher Wayland Cooper Leader & Zaragoza,
Western Wireless Corporation - Michele C. Farquhar, Hogan & Hartson

June 2, 1999 CONSUMER, STATE AND LOCAL GOVERNMENT PARTICIPANTS

The Local and State Government Advisory Committee, Marilyn Praisner
Media Access Project, Andy Schwartzman
American Association of Retired Persons, Jeff Kramer
National Consumers League, Susan Grant
Competition Policy Institute, Debra Berlyn
Strategic Policy Research, Inc., Chip Shooshan
The Telecom Opportunity Institute, Jenell Trigg
Office of Advocacy, U.S. Small Business Administration, Eric Menge
The National Association of Telecommunications Officers and Advisors, Lee Ruck

Cable Administrator for Montgomery County, MD, Jane Lawton
National Association of the Deaf, Karen Peltz Strauss
Alliance for Public Technology, Maureen Lewis
Louisiana Music Commission, Steve Picou
People's Counsel for State of Maryland, Mike Travieso
The Office for the Advancement of Telehealth, Joanne Kumekawa
Telecommunications for the Deaf, Claude Stout
American Foundation for the Blind, Alan Dinsmore and Scott Marshall
Low Power Radio Coalition, Mike Bracy
National Association of Regulatory Utility Commissioners, Brad Ramsay
Campaign for Telecom Access, David Newberger
Consumer Action Network of Deaf and Hard of Hearing Consumers, Al Sonnenstrahl
American Council of the Blind, Melanie Brunson
National Black Media Coalition, Pluria Marshall
Children Now, Patti Miller
National Association of Telecommunications Officers and Advisors, Frederic Lee Ruck
Independent Center for Northern Virginia, Jim House

June 11, 1999 ACADEMIC AND ORGANIZATIONAL EXPERTS

Progressive Policy Institute, Rob Atkinson
American University, Patricia Aufderheide
Harvard JFK School, Nolan Bowie
Northwestern University, Barbara Cherry
University of Maryland, Peter Cramton
Black College Communication Association, Jannette Dates
Progress and Freedom Foundation, Jeff Eisenach
University of Santa Clara School of Law, Al Hammond
School of Communication, Gallaudet University, Judy Harkins
Univ. of CA at Davis and Resident Scholar, American Enterprise Institute, Thomas Hazlett
Brookings Institute, Robert Litan
National Obscenity Law Center, Division of Morality in Media, Paul J. McGeady
Department of Communications, Rutgers University, Phil Napoli
Annenberg School for Communication, W. Russell Neuman
Intel, Peter Pitsch
Joel Popkin & Company Economic Consulting, Steve Pociask
Boston University, Michael Riordan
Stanford University, Gregg Rosston
Penn State University, Jorge Schement
Carnegie Mellon, Marvin Sirbu
Phoenix Center for Advanced Legal and Economic Public Policy Studies, Larry Spiwak
Wayne State University, Jonathon Weinberg
Howard Law School, Patricia Worthy

APPENDIX C
SUMMARY OF RECOMMENDATIONS FROM PUBLIC FORUMS

<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<i>Reorganization/Structural Proposals</i>					
Consider OFTEL model of single administrator	x				
Consolidate FCC/NTIA into cabinet level Dept of Communications			x		
Coordinate consumer protection with the FTC	x	x		x	
Consider Creating a Licensing Bureau		x			x
Consider Creating Competition Bureau			x		x
Create Enforcement Bureau		x			x
Develop Mission Statement				x	
Flatten Organizational Structure				x	
Merge with FERC in some areas	x				
Promote use of task force (integrates bureaus)				x	
Reorganize to reflect convergence		x			x
Reorganize to reflect functions	x	x	x	x	x
Shift focus of Commission from rulemaking to enforcement	x			x	
Streamline Media Bureau with no licensing, only policy		x			
Be more consumer oriented				x	
Create Public Information Bureau		x			
Establish an Adv. Board of Consumer Advocates	x				
Establish an Advisory Committee for Section 706	x				
Establish an FCC Board on State rules on relay services	x				

APPENDIX C
SUMMARY OF RECOMMENDATIONS FROM PUBLIC FORUMS

<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<i>Staffing/Personnel Issues</i>					
Add economic advisor to each Commissioner's Office			x		
Establish Paralegal Program					
Hire more computer and social scientists			x	x	
Increase the number of Administrative Law Judges		x			
Train FCC Cons Counselors to facilitate dispute resolution	x				
Create a division on Disability Access					x
Be more family friendly, i.e. Telecommuting				x	
Career Counseling				x	
Compare position descriptions to like agencies				x	
Convert term employees to permanent status				x	
Create video tape library of training tapes				x	
Establish criteria for performance awards				x	
Establish employee development plans				x	
Free parking for employee of the month				x	
Include a section in the strategic plan on employee development				x	
Increase promotional opportunities				x	
Increase recognition of employee performance, e-mails/T-shirts				x	
Increase training opportunities				x	
Mgmt training for supervisors				x	
More personnel flexibility on title				x	
Provide ongoing mechanism for employees to provide input to mgmt				x	
Restructure staff/permanent hires/buy-out authority				x	
Seek OPM exemptions to attract staff		x			
Transfer contract projects to in-house				x	
Hire more technologies, engineers, and financial types		x		x	
Increase staffing for section 255	x				

APPENDIX C
SUMMARY OF RECOMMENDATIONS FROM PUBLIC FORUMS

<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<i>Licensing Process</i>					
Electronic Filing				x	x
Implement common forms		x		x	
Streamlined and simplified licensing forms				x	
Universal Licensing				x	
<i>Regulations and Rulemaking Process</i>					
Develop standards for regulation			x	x	x
Ensure transparency		x			
Eliminate old regulations/focus on core rules		x			
Eliminate sunshine rules		x			
Focus regulations on market failures	x	x		x	
Implement rules to facilitate convergence		x			
Include more text in NPRMS	x				
Increase use of forbearance authority		x	x		
Increase use of negotiated rulemaking	x				
Industry-driven solutions outside of APA/Neg rulemkg/Advis Committee					x
Reduce structural regulation		x			
Regulate by Dominant/Non-Dominant		x			
Shorten comment periods for NPRMs		x			
Shorten the reconsideration process		x			
Shorten NPRMS and make them easier to read		x			
Include reg hearing & comment pd to analyze accessibility for disabled					x
Focus rules on public interest/public good				x	
Have major meeting for each major rulemaking		x			
Include public interest impact statement in rulemakings	x				
Increase use of forums as an alternative to paper filing	x	x			

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<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<u>Timeliness</u>					
Bring in 8th floor earlier in the process			x		
Decrease levels or review/delegate more			x	x	x
Eliminate single point of veto power (commissioner or manager)				x	
Empower staff to decide summarily to dismiss pleadings with no merit				x	
Hold fewer meetings				x	
Increase coordination across bureaus		x		x	
Increase responsiveness to consumers and competitors				x	
Make decisions more timely	x	x	x	x	
Provide one-stop shopping for industry in the Commission				x	
Standardize orders as much as possible					x
<u>Enforcement</u>					
Elimate subscriber liability for pymt of charges if subscriber slammed					x
Implement penalties for slamming carriers					x
Strict procedures for 3rd-party verification of carrier change requests					x
Preservation of State enforcement of anti-slamming laws					x
Minimum federal floor for basic regulatory enfor methods					x

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<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<i>Improve Information</i>					
Act as referral agency to improve use of state/local resources	x				
Eliminate Fed Reg process and substitute internet notice					x
Automatic notification through website	x				
Decrease prices of information publications	x				
Develop a conformity assessment process		x			
Develop and make public Data on Bad Practices	x				
Develop benchmarks for status of competition		x			
Develop compliance guides	x				
Eliminate use of Fed Reg; publish on internet/Amend Fed Reg Act				x	
Establish office to coordinate/improve data on competition	x	x	x		
File Pleadings electronically				x	
Improve service at all levels of FCC to the public	x				
Improve website	x			x	x
Increase consumer choices	x				
Pursue consumer protection for low and high end customers	x				
Rely more on electronic media/information technology				x	
Track agenda items on Internet		x	x		x
Work jointly with other ag/better coordination/one-stop shop	x			x	
Clear Information/data gathering				x	
Conduct Community Forums/outreach	x			x	
Conduct field hearings	x				
Create a chat room on Internet		x			
Direct Specific Questions to Consumer Groups	x				
Empower consumers		x			x
Establish a regional place for consumers to meet with FCC staff	x				
Hold forums outside DC	x				
Increase discussion with financial community		x			
Increase discussion/coordination with states	x	x	x		x
Increased public outreach				x	
Create a communications museum					x
Seek more input from outside parties	x	x			

**APPENDIX C
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<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<i>International</i>					
Implement more mutual recognition agreements		x			
Retain International Bureau in reorganization.		x			x
<i>Merger Review</i>					
Develop public interest test for merger review		x			
<i>Content</i>					
Eliminate content regulation		x			
Include question "is it good for kids" in reviews	x				
<i>Promote and Deploy High Technology</i>					
Phaze out POTS					x
Promote single cable system for telephone/tv/radio/internet					x
Fully implement Section 706	x				
Create Fed-State Board on Section 706 Implementation					x
Propose exact rules for Section 706	x				
<i>Improve spectrum management process</i>					
Adopt uniform rules for spectrum			x		
Get more spectrum out			x		
Merge domestic and international spectrum responsibilities into one office					x
Maintain a registry of transmitters					x
Identify 3 areas for more flexible auctions (comb bidding)			x		
Ensure reliable wireless compatibility with E911					x
Utilize point system in awarding educ, noncomm, and FM bandwidth					x
Restrict 72-76 MHx to Assistive Listening Devices					x

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SUMMARY OF RECOMMENDATIONS FROM PUBLIC FORUMS**

<u>Initiative</u>	<u>Consumer Forum</u>	<u>Industry Forum</u>	<u>Academic Forum</u>	<u>Employee Forum</u>	<u>Misc. Public</u>
<i>Universal Service and Access for all Americans</i>					
Address telephone bill abuses	x				
Enforce current rules on Interconnection		x			
Ensure interconnection			x		
Ensure price transparency			x		
Promote Truth in Billing	x				
Establish at least one reg office/state to address disabled issues					x
Address access for disabled greater in international stds			x		
Create opportunities to diversify ownership		x	x		
Educate consumers on disability issues	x				
Enforcement Bureau should enforce equal opportunities			x		
Establish Advisory Bodies for ADA Telecom Provisions	x				
Improve implementation of Tel Dev Fund		x			
Incorporate disability issues in rulemakings	x				x
Increase enforcement of ADA	x				
Make USF income contingent			x		
Payphones and Hearing Room @ FCC need TTY	x				
Promote access for all Americans (disabilities, rural, Native Americans)	x				
Promote information infrastructure to households			x		
Promote widespread knowledge of relay	x				
Reflect America more in communications	x	x			
Enforce public interest mandate with broadcasters					x
Promote diversity in broadcasting/do not waiver duopoly rules					x

APPENDIX D LEGISLATIVE PROPOSALS

Create a Model Agency for the Digital Age

1. Authorize Buyout Authority (Adds a new Sec. 4(p))

Authorize the FCC to use "voluntary separation incentives" or employee "buyouts" to facilitate further staff downsizing and redeployment.

This will enable the Commission to reorganize and redeploy its staff in order to create a staffing infrastructure more conducive to ongoing industry convergence and a more functional organizational structure. However, this buyout authority will not authorize any "early out" staff departures.

2. Grant the FCC an Exemption from Certain Laws (Amends 5 U.S.C. Sec. 552 and 553 and 44 U.S.C. Sec. 1501 et seq.)

Grant the FCC an exemption from the open meeting requirements of the Government in the Sunshine Act, and the Federal Register publication requirements of the Federal Register Act and the Administrative Procedure Act.

These exemptions will enable the FCC to: 1) make its decisions faster and with greater efficiency than is now possible under the open meeting requirements of the Sunshine Act; and 2) provide faster and less expensive official publication of its rulemaking decisions by publishing them on its Internet Web pages rather than in the Federal Register.

3. Authorize the Use of Experts and Consultants (Amends Sec. 4(f)(1))

Authorize the FCC to obtain the services of non-agency experts and consultants at higher rates of daily compensation than are allowed under the current GS 15-Step 10 limit.

This will allow market-based payments for experts and consultants without resorting to the formal procurement process required by 5 U.S.C. Sec. 3109, and would save the FCC permanent staffing resources, enabling the FCC to retain temporary outside experts and consultants at competitive rates, and thus augment the FCC's existing staff expertise.

4. Authorize Blanket Licensing of Radio Stations (Amends Sec. 307(e))

Clarify the FCC's authority to authorize the operation of radio stations and devices through blanket licensing by rule, and without individual licenses, as is currently authorized under Sec. 307(e) for the citizens band radio service, the radio control service, and for certain aircraft and ship stations in the aviation and maritime radio services.

This will contribute to the streamlining of the FCC's licensing process.

5. Expedite Processing of Routine Satellite Applications (Amends Sec. 309(c)(2)(G),(H), and adds a new Sec. 309(c)(2)(I))

Authorize FCC to exempt non-controversial, routine satellite earth station applications from the usual 30-day public notice period.

This will speed up the processing of routine satellite applications which in 1998 totaled approximately 600.

6. Grant Exemption to Award Personal Services Contracts (Adds a new Sec. 309(j)(14))

Exempt the FCC from the requirement that agencies must be specifically authorized by statute to enter into personal service contracts under 5 U.S.C. Sec. 3109(b).

This will enable the FCC more easily to hire and retain outside contractors to help conduct the agency's auction program.

7. Authorize Pro Forma Transfer of Licenses (Amends Sec. 310(d))

Authorize the FCC to adopt a notification procedure for *pro forma* assignments and transfers of station licenses and construction permits.

This will streamline the FCC's administrative process with regard to the processing of assignment and transfer applications.

8. Streamline Construction Permit Requirements (Amends Sec. 319(d))

Streamline the broadcast licensing process by replacing the current two-step, construction permit/license process with a single-step, license-only process.

This will speed up and streamline the broadcast licensing process.

Promote Competition in All Communications Markets

9. Reform the Satellite Home Viewer Act (Amends 17 U.S.C. Sec. 119, et seq.)

Amend this copyright statute to allow the provision of local-to-local broadcast signals by DBS providers, and to end the current cable subscriber 90-day waiting period for satellite services.

This will remove a significant barrier to the entry of satellite-delivered programming into the multi-channel video marketplace and facilitate competition between cable and satellite service providers in this marketplace.

10. Remove Entry Barriers for Information Delivery Technologies (Adds a new Sec. 716 and amends Sec. 207 of the Telecommunications Act of 1996)

Remove entry barriers and expand consumer access to competing providers of multichannel video programming and non-video telecommunications and information services to apartment houses, condominium buildings, and other multiple dwelling units when a resident requests service from the service provider. Further authorize the FCC to extend protection over broadband transmit/receive antennas, i.e., small antennas used to receive and to transmit broadband signals, including but not limited to two-way information transmission and/or transmission of information, using data, video, audio or other digital services or formats.

This will expand consumer access to and choice of competitive video services and eliminate barriers to competition for telecommunications services and technology, especially for the approximately 25% of the U.S. population living in multiple dwelling units (MDU's) such as apartments, condominiums, and trailer home parks. At the same time, any specific legislative proposal would provide a mechanism to compensate property owners for the use of their property and to reimburse owners for any damage that results from the installation or removal of facilities.

11. Authorize Broadcaster Suit vs. Unlicensed Broadcasters (Amends Sec. 301(a) and adds a new Sec. 301(b))

Authorize licensed broadcasters a private right of action to seek injunctions against "pirate" broadcasters, persons broadcasting without an FCC license within 100 miles of the licensee's city of license.

This will help ensure that the possible introduction of low power FM service will not be to the detriment of existing broadcasters. This will also facilitate enforcement of any eventual low power FM rules and regulations.

12. Maximize Criminal Fines (Amends Sec. 501)

Conform the criminal fine amounts in Sec. 501 to those in the Criminal Fine Improvements Act of 1987, 18 U.S.C. Sec. 3571, which supersedes the maximum fine limits in Sec. 501 and raises them from \$10,000 to \$100,000 and \$250,000.

This will toughen penalties for violation of FCC rules and regulations.

13. Authorize Appeal of Forfeiture Orders to Courts of Appeals (Amends Sec. 503(b)(4), Sec. 504)

Authorize direct appeal of forfeiture orders to the U.S. Court of Appeals, bypassing a hearing or trial de novo process.

This will provide speedier judicial review of Commission forfeiture orders.

14. Increase the Statute of Limitations for Forfeiture Proceedings Against Non-Broadcasters (Amends Sec. 503(b)(6)(B))

Change the statute of limitations on forfeitures against common carriers and other non-broadcasters from one to three years.

This will strengthen the effectiveness of the FCC's enforcement program by increasing the time period within which the Commission may issue a notice of apparent liability for a forfeiture to a telecommunications carrier or other non-broadcast entity.

15. Reform General Forfeiture Authority (Amends Sec. 504(a)-(b))

Authorize the FCC to prosecute to recover forfeitures in Federal district court if the Attorney General has not initiated such action within six months of written notice of an unpaid forfeiture penalty, or, alternatively, initiate an FCC adjudicatory hearing under Sec. 503(b).

This will streamline and increase the effectiveness of the FCC's enforcement program by aiding in the recovery of forfeitures that are payable to the Treasury of the United States.

16. Expand General Forbearance Authority (Amends Sec. 10(a))

Expand the FCC's authority to forbear from regulation regarding any and all FCC services rather than from regulation of only telecommunications services.

This will provide the FCC the needed flexibility to implement deregulatory proposals that reduce or eliminate unnecessary regulation for all its services, not just common carrier services. This will further allow the FCC to apply the same pro-competition, deregulatory benefits from common carrier forbearance to other sectors of the communications market, and would conserve government resources to a greater extent than is permissible today.

Promote Opportunities for All Americans to Benefit from Communications Markets

17. Provide International Telecommunications Relay Services (Amends Sec. 225)

Require foreign as well as interstate communications providers to provide both interstate and foreign telecommunications relay services ("TRS"); and to fund interstate and foreign telecommunications relay services on the basis of revenues derived from interstate and foreign communications.

This will create a mechanism to handle international TRS and ensure that international calls are treated on the same basis as domestic, interstate calls. This will also benefit the hearing impaired by increasing their ability and opportunity to receive telecommunications services.

18. Increase Eligible Carriers to Offer Lifeline Assistance (Amends Sec. 254)

Authorize carriers other than "eligible" telecommunications carriers to receive universal service support for serving Lifeline and Link Up customers.

This will promote competition and consumer choice and help ensure broader access to telecommunications services and technology, especially for those more indigent citizens receiving Lifeline and Link Up services.

19. Exempt ITFS Applications from Competitive Bidding (Adds a new Sec. 309(j)(2)(D))

Exempt applications for licenses or construction permits for Instructional Television Fixed Service (ITFS) stations from the FCC's competitive bidding authority.

This will enhance the ability of educational institutions and governmental entities, especially those with limited funds, to utilize ITFS channels for the benefit of their students and the public. An exemption for such institutions and entities from a requirement to bid at auction for spectrum reserved for instructional use will also further broaden access to important communications services and technology.

20. Create New Tax Incentive Program (Adds a new Sec.715)

Permits deferral of taxes on any gain from the sales of telecommunications businesses to small telecommunications firms, including disadvantaged firms and firms owned by minorities or women, as long as that gain is reinvested in one or more qualifying replacement telecommunications businesses. In addition, provides a tax credit for sellers who offer financing on sales to small telecommunications firms. Includes also strict limits on the size of eligible purchasing firms, the length of time the firm must hold the business purchased, and the dollar value of eligible transactions.

This will encourage diversification of ownership in the telecommunications industry, and provide entry opportunities for small businesses, disadvantaged businesses, and businesses owned by minorities and women.

21. Clarify the Authority of the Telecommunications Development Fund (Amends Sec. 309(j)(8)(C))

Authorizes any down payments the FCC may require from initially successful bidders to be placed in an insured, interest-bearing account with the interest credited to the Telecommunications Development Fund ("TDF") in the same manner as the up-front deposits made prior to the auction. Clarifies that the upfront deposits were intended to include the down payments. Further clarifies that the TDF is eligible for consideration as a small business investment company. This will enhance the funding of the TDF established in the Telecommunications Act of 1996 at no cost to the Treasury or the deficit.

Manage the Electromagnetic Spectrum (the Nation's Airwaves) in the Public Interest**22. Protect FCC Licenses from Bankruptcy Litigation (Adds a new Sec. 309(j)(8)(D))**

Clarify that provisions of the bankruptcy code are not applicable to any FCC licensee for which a payment obligation is owed, do not relieve any licensee from payment obligations, and do not affect the FCC's authority to revoke, cancel, transfer or assign such licenses.

This will benefit consumers by preventing auctioned FCC licenses from being tied up in bankruptcy court, thus allowing the FCC to redistribute licenses to entities that are better positioned to serve the public in a timely manner. This will also strengthen the integrity of the FCC's auctions process.