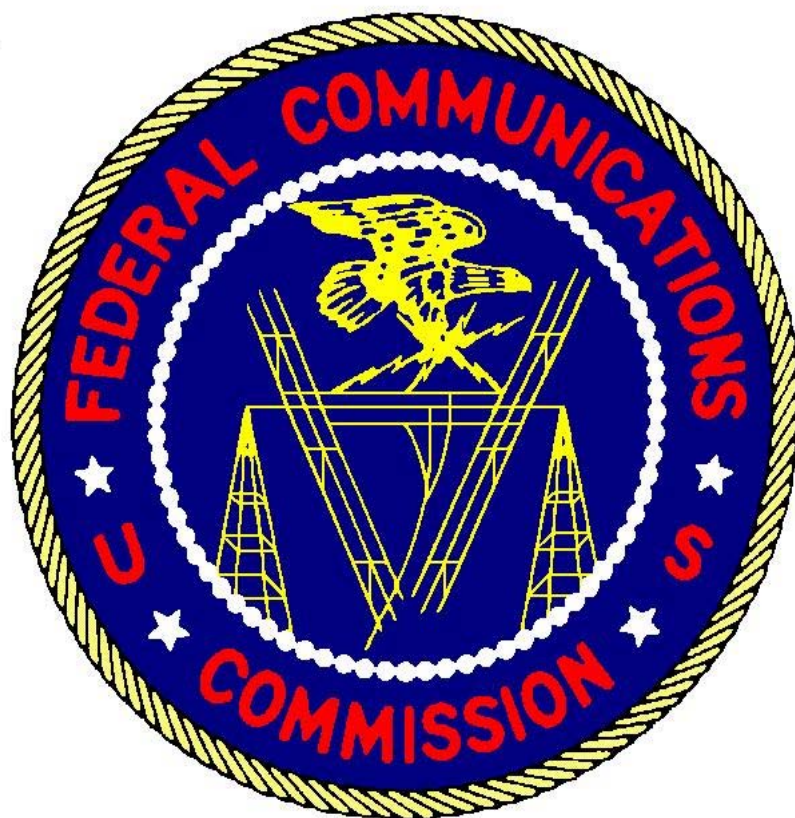


Federal Communications Commission



Annual Program Performance Report
Fiscal Year 2003

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Executive Summary

As required by the Government Performance and Results Act of 1993, the Annual Program Performance Report serves as the FCC's report card to Congress, the Administration and the American public on how effectively we have used our resources to achieve our goals.

In October 2002, the Commission issued a completely revised Strategic Plan for FY 2003-2008. The new strategic plan is based on six strategic goals that replaced the previous five core activities. Each strategic goal captures both project-type output activities the Commission pursues in order to achieve the long-term outcome indicators (trend data for FY 2003-2008). Implementing the new Strategic Plan in FY 2003 and a new cost accounting system in FY 2004 is beginning to allow for the implementation of performance-based budgeting in FY 2005.

The FY 2003 Annual Program Performance Report is based on the following strategic and performance goals:

- Broadband:** Broaden the deployment of broadband technologies across the United States and globally.
- Competition:** Ensure American consumers can choose among multiple reliable and affordable communications services.
Ensure that all American consumers retain reliable wireless and wireline phone services.
Create and maintain a two-way dialogue with regulators around the globe in order to foster the creation of pro-competitive global markets.
Create and maintain a two-way dialogue with American consumers so that they are informed about their rights and responsibilities.
- Spectrum:** Ensure that the Nation's spectrum is used efficiently and effectively.
Advocate U.S. spectrum interests in the international arena.
- Media:** Develop a sound analytic foundation for media ownership rules.
Facilitate the Congressionally-mandated transition to digital television and further the transition to digital radio.
- Homeland Security:** Promote the reliability, security, and survivability of the communications infrastructure.
- Modernize the FCC:** Become a more responsive, efficient, and effective agency capable of facing the technological and economic opportunities of the new millennium.

In FY 2003, the Commission met or exceeded 92% (22 of 24) of its outcome indicators, and did not meet 8% (2) of its indicators. Fiscal Year 2003 data was not available for 3 indicators and these were not included in our calculations. Achievement of the outcome indicators was measured by accomplishment of output activities. Although actions we take (output activities) are likely to influence the marketplace, they cannot control the marketplace. The Commission generally controls the output activities, which in turn influence the outcome indicators. We measure our progress by whether we accomplish our output activities and the corresponding increase or decrease in the measurement of our outcome indicators. The external factors that may affect our reaching our objective are economic, legal and organizational. These factors are highlighted in our Strategic Plan on pages 8-9.

FCC's Organizational Structure

The FCC is an independent Federal agency established by the Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable.

The FCC is directed by five Commissioners appointed by the President and confirmed by the Senate for 5-year terms, except when filling an unexpired term. The President designates one of the Commissioners to serve as Chair. Only three Commissioners may be members of the same political party. The Chairman and other Commissioners oversee FCC activities, delegating selected responsibilities to the bureaus and staff offices.

The FCC consists of six operating bureaus and 10 staff offices. The bureaus' responsibilities include: processing applications for licenses and other filings; analyzing complaints; conducting investigations and taking action; developing and implementing regulatory programs; and taking part in hearings. Our offices provide support services. Even though the bureaus and offices have their individual functions, they regularly join forces and share expertise in addressing Commission issues.

FCC Bureaus

Consumer and Governmental Affairs Bureau (CGB) – educates and informs consumers about telecommunications laws and regulations and solicits their input to help guide the work of the Commission. CGB coordinates telecommunications policy efforts with industry and with other governmental agencies – federal, tribal, state and local – in serving the public interest.

Enforcement Bureau (EB) – enforces the Communications Act, as well as the Commission's rules, orders, and authorizations. EB supports the Commission's homeland security and emergency preparedness initiatives.

International Bureau (IB) – regulates and licenses international telecommunication and satellite services and represents the Commission in international communications matters (such as technical standards, spectrum allocations, and development issues).

Media Bureau (MB) – develops, recommends and administers the policy and licensing programs for the regulation of media, cable television, broadcast television and radio, and satellite services in the United States and its territories.

Wireless Telecommunications Bureau (WTB) – handles all Commission domestic wireless telecommunications programs and policies (except those involving satellite communications or broadcasting), cellular and PCS phones, pagers and two-way radios. WTB also regulates the use of radio spectrum to fulfill the communications needs of businesses, local and state governments, public safety service providers, aircraft and ship operators, and individuals and plans and administers all Commission spectrum auctions.

Wireline Competition Bureau (WCB) – is responsible for rules and policies concerning telephone companies that provide interstate, and, under certain circumstances, intrastate telecommunications services to the public through the use of wire-based transmission facilities (i.e., corded/cordless telephones).

FCC Offices

Office of Administrative Law Judges (OALJ) – presides over hearings and issues Initial Decisions.

Office of Communications Business Opportunities (OCBO) – provides advice to the Commission on issues and policies concerning opportunities for ownership and contracting by small, minority, and women-owned communications business.

Office of Engineering and Technology (OET) – allocates spectrum for non-governmental use and provides expert advice on technical issues before the Commission. OET makes recommendations on how spectrum should be allocated, and established technical standards for spectrum users.

Office of General Counsel (OGC) – serves as chief legal advisor to the Commission and its various bureaus and offices. OGC advises the Commission on fostering competition and promoting deregulation in a competitive environment.

Office of Inspector General (OIG) – conducts and supervises audits and investigations relating to the operations of the Commission. OIG recommends policies for activities designed to promote economy, efficiency, and effectiveness, as well as to prevent and detect fraud and abuse.

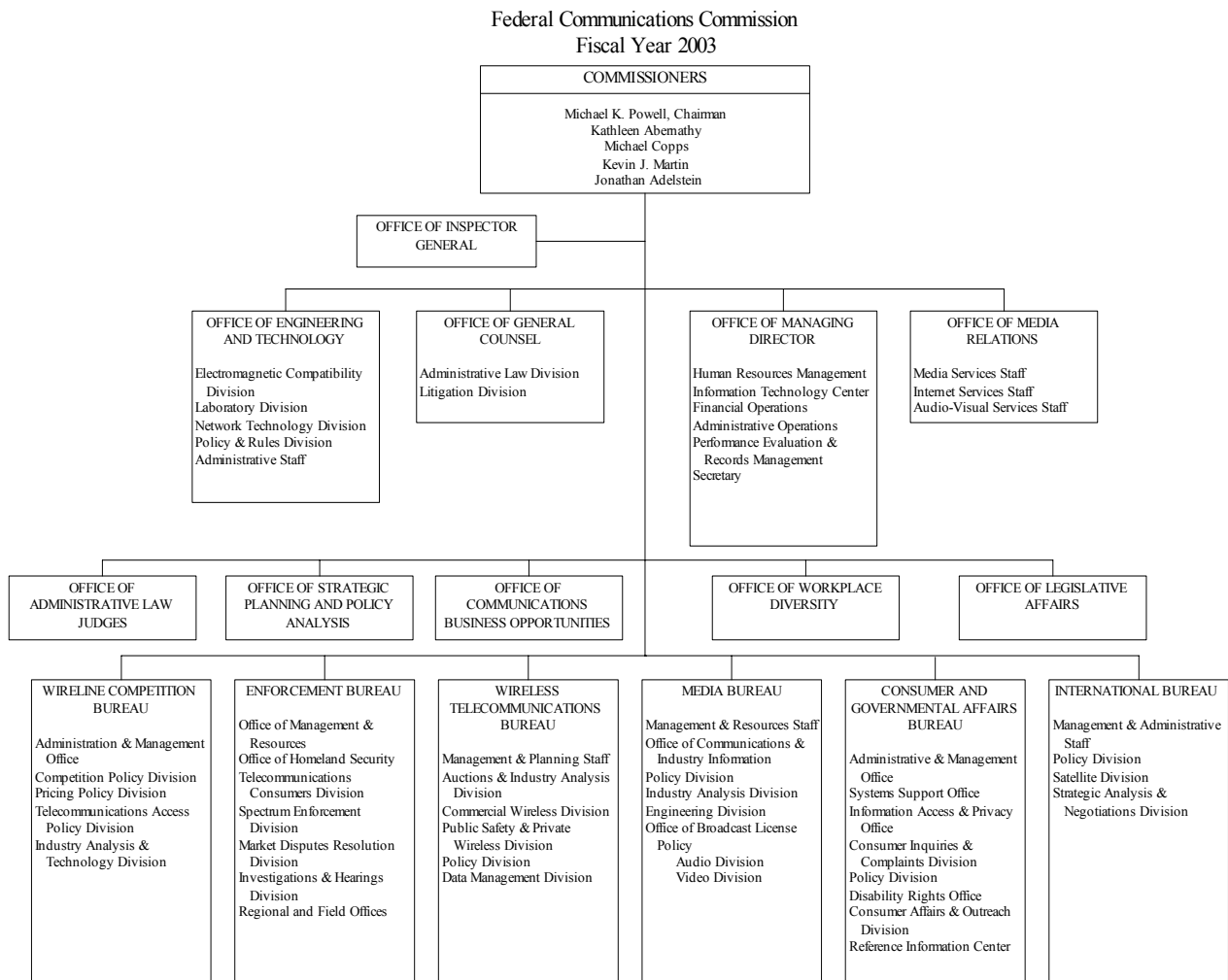
Office of Legislative Affairs (OLA) – is the Commission’s main point of contact with Congress and other governmental entities.

Office of the Managing Director (OMD) – functions as a chief operating official, serving under the direction and supervision of the FCC’s Chairman. Provides direction to the bureaus and staff offices in management and administrative matters.

Office of Media Relations (OMR) – informs the news media of Commission decisions and serves as the Commission’s main point of contact with the media. This office also manages the Commission’s web site.

Office of Strategic Planning and Policy Analysis (OSP) – develops and implements strategic plan identifying short- and long-term policy objectives for the agency and provides expert policy guidance and analysis concerning cross-cutting communications issues.

Office of Workplace Diversity (OWD) – advises the Commission on all issues related to workforce diversity, affirmative recruitment, and equal employment opportunity.



BROADBAND

Strategic Goal: Establish regulatory policies that promote competition, innovation, and investment in broadband services and facilities while monitoring progress toward the deployment of broadband services in the United States and abroad.

Performance Goal:

- ❖ Broaden the deployment of broadband technologies across the United States and globally.

FY 2003 Outcome Indicators:

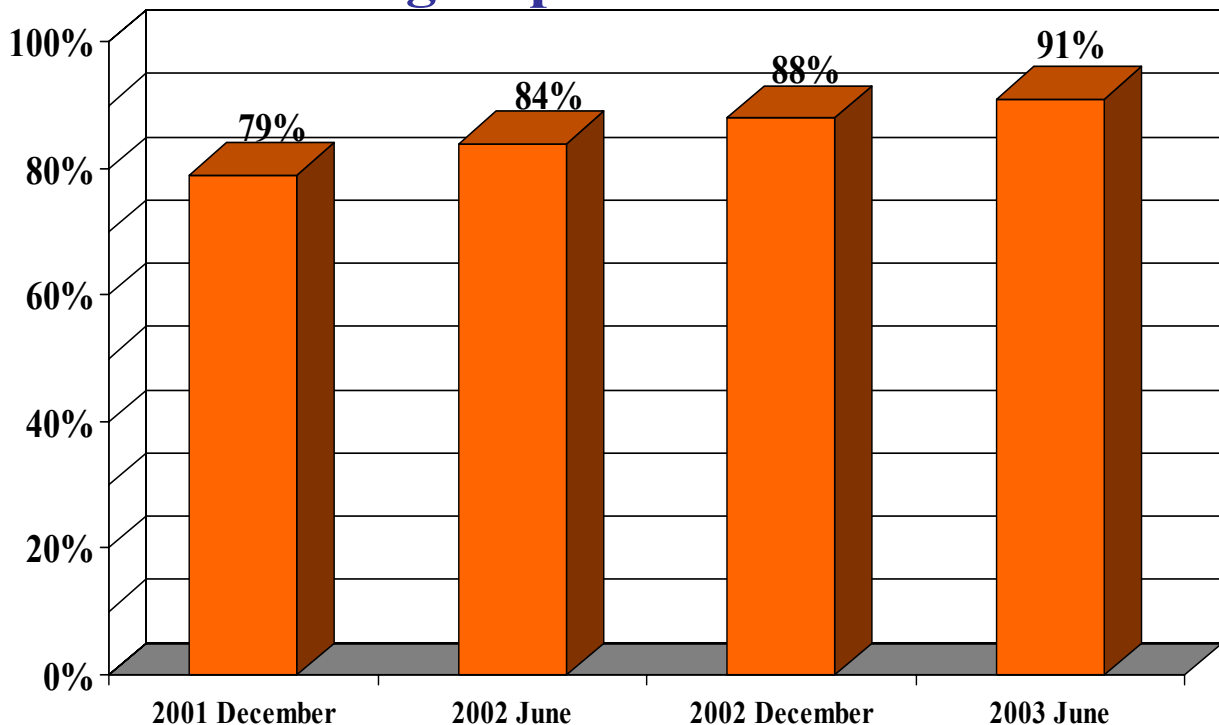
- Increasing percentage of households with access to broadband services.
- Increasing access to broadband services and devices across multiple platforms: DSL, cable modem, satellite, etc.

~~ FY 2003 Outcome Indicators ~~

➤ **Increasing access to broadband services.**

❖ At the end of June 2003, subscribers to high-speed services were present in 91% of the zip codes in the United States for a total of 23.5 million high-speed lines. High-speed lines deliver services at speeds exceeding 200 kilobits per second (kbps) in at least one direction, while advanced services lines deliver services at speeds exceeding 200 kbps in both directions. Reporting of state-level data is required for providers with at least 250 high-speed connections in service in a state. Of the 23.5 million high-speed lines in service at the end of June 2003, 20.6 million were residential and small business, a 19% increase from six months earlier. A total of 16.3 million lines provided advanced services, a 32% increase from the end of 2002.

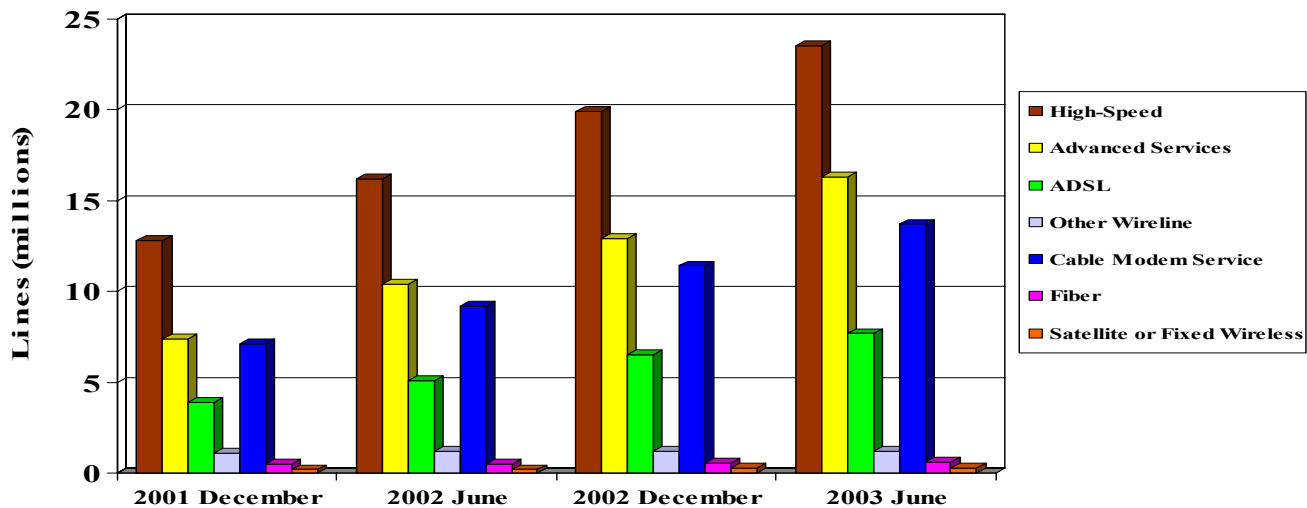
Percentage of Zip Codes with High-Speed Services



➤ **Increasing access to broadband services across multiple platforms: DSL, cable modem, satellite, etc.**

- ❖ High-speed asymmetric digital subscriber lines (ADSL) in service increased by 19% during the first half of 2003, from 6.5 million to 7.7 million lines, compared to a 27% increase, from 5.1 million to 6.5 million lines, during the preceding six months. For the full year, subscription to high-speed ADSL increased by 50%.
- ❖ Subscription to cable modem high-speed services increased by 20% during the first six months of 2003, from 11.4 million to 13.7 million lines, compared to a 24% increase, from 9.2 million to 11.4 million lines, during the second half of 2002. For the full year, high-speed cable modem connections increased by 49%.
- ❖ The FCC continues to take steps to remove barriers to deployment, encourage investment in technologies that deliver advanced services, and vigorously promote competition in the marketplace.

Access to Broadband Services Across Multiple Platforms



- ❖ **High-Speed Services:** Services with the capability of supporting a bandwidth in excess of 200 kilobits per second (kbps) in at least one direction. High-speed Internet (access) and digital TV (service) are examples of applications that could “ride” over advanced services, whereas asymmetric digital subscriber lines (ADSL) and cable modem service are particular technologies that are used to deliver advanced services and/or high-speed services.
- ❖ **Advanced Services:** Services that have the capability of supporting, in both the provider-to-customer (downstream) and the customer-to-provider (upstream) directions, a bandwidth in excess of 200 kbps in the last mile.

~ FY 2003 Output Activities ~

<i>FY 2003 Output Activities</i>	<i>FY 2003 Accomplishments</i>
<ul style="list-style-type: none"> ✓ Complete rulemakings that influence the deployment and adoption of broadband technologies: <ul style="list-style-type: none"> ▪ National Performance Standards Measure NPRM ▪ The Incumbent Local Exchange Carrier (ILEC) Broadband Notice 	<ul style="list-style-type: none"> ➤ The FCC adopted five proceedings that will build the foundation for a comprehensive and consistent national broadband policy that will promote greater investment in the nation’s broadband infrastructure. <ul style="list-style-type: none"> » In November 2001, the Commission adopted two Notice of Proposed Rulemakings seeking comment on whether national performance measures would be appropriate for special access services and unbundled network elements. The Chairman has since concluded that the agency’s limited resources are best spent on other proceedings at this time. Thus, these rulemakings remain unresolved. » In December 2001, the Commission adopted an NPRM that initiated an examination of the appropriate regulatory

<ul style="list-style-type: none"> ▪ Triennial Unbundled Network Element (UNE) Review ▪ Wireline Broadband NPRM ▪ Cable Modem proceeding 	<p>requirements for the ILEC provision of broadband services, with a focus on traditional Title II common carrier regulation. The Commission sought comment on whether the ILEC provision of broadband services should be subject to dominant carrier regulation when an ILEC is dominant in the provision of traditional local exchange and exchange access service.</p> <ul style="list-style-type: none"> » In May 2003, the Commission adopted an NPRM regarding the level of regulation that the BOC provision of inter-Local Access and Transport Area (LATA) services should be subjected to, upon the sunset of certain Section 272 requirements. The <i>Section 272 Sunset NPRM</i> overlaps somewhat with the broadband issues raised by the <i>Incumbent ILEC Broadband NPRM</i>. The Commission may address the issues raised by the <i>Incumbent ILEC Broadband NPRM</i> and the <i>Section 272 Sunset NPRM</i> together in the same Order in 2004. » The <i>Triennial Review Order</i>, released in August 2003, reduced the unbundling obligations applicable to new broadband networks, promoting investment in advanced facilities by incumbent LECs and competitors, in furtherance of the goals of Section 706 of the Telecommunications Act. In particular, the <i>Order</i> significantly reduced the unbundling obligations for mass market “fiber-to-the-home” loops. » In its <i>Triennial Review Order</i>, the Commission also adopted an NPRM seeking comment on whether the FCC should modify the so-called pick-and-choose rule that permits requesting carriers to opt into individual portions of interconnection agreements without accepting the entire agreement. Comments on the NPRM were filed in October and November 2003. The projected completion data of the pick-and-choose NPRM is late summer 2004. » On February 14, 2002, the FCC adopted an NPRM that concluded that wireline broadband Internet access services – whether provided over a third party’s facilities or self-provisioned facilities – are information services, with a telecommunications component, rather than telecommunications services. Information services include such services as voice mail and e-mail, which ride over telecommunications facilities. » On October 6, 2003, the U.S. Court of Appeals for the Ninth Circuit released its <i>Brand X</i> decision. In that decision, the Court held that the transmission element of cable modem broadband service constitutes a telecommunications service. The decision in <i>Brand X</i> is directly relevant to the regulatory classification issues raised in the <i>Wireline Broadband NPRM</i>. The Commission has petitioned the Court for a rehearing en banc. That petition is pending. The Commission may consider the <i>Wireline Broadband NPRM</i> after the Court rules on the Commission’s petition. » On March 14, 2002, the FCC adopted a Declaratory Ruling and NPRM designed to promote widespread deployment of broadband services. » On October 6, 2003, the Ninth Circuit Court of Appeals vacated the Declaratory Ruling, in part. The Commission’s Office of General Counsel has sought rehearing of the Court of Appeals decision. The ultimate resolution of the item is to promote broadband deployment, which should result in better quality, lower prices and more choices for consumers.
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<ul style="list-style-type: none"> ▪ Ka-Band Non-geostationary Satellite Orbit, Fixed Satellite Service (NGSO FSS) R&O ▪ Earth Stations on Vessels NPRM ✓ Develop a statutory definition of and analytical framework for broadband services across multiple platforms. ✓ Initiate study of power line communications in the provision of broadband services to the home. ✓ Collect and publish baseline data on the deployment of broadband services, particularly to rural America. 	<ul style="list-style-type: none"> ➤ The FCC completed and commenced several rulemakings dealing with satellite issues which foster the deployment and adoption of broadband technologies: <ul style="list-style-type: none"> » On June 18, 2003, the FCC adopted a Report and Order which decided the means for sharing among existing and prospective licensees in the non-geostationary satellite orbit, fixed satellite service (“NGSO FSS”) in certain Ka-band frequencies. Existing and prospective licensees for Ka-band NGSO FSS propose satellite-based Internet service and a variety of other data, video and telephony services, often through high-speed or broadband communications channels. We anticipate this action will foster an increase in competition for existing satellite and terrestrial service, thereby providing consumers with additional choices when purchasing these services. » During FY 2003, the FCC moved forward on the Earth Stations on Vessels NPRM which proposes to provide regulatory certainty to both terrestrial fixed service and fixed satellite service operators in the Ku-band and C-band, proposing rules for satellite services on vessels, including broadband services. This proposal will implement the results of the 2003 World Radiocommunication Conference and will seek to establish a new framework for the licensing of earth stations on vessels (ESVs) in the United States. This initiative will advance FCC’s goals for market-driven deployment of broadband technologies, innovation, and efficient use of spectrum and offers consumers the benefits of broadband services while on vessels, including cruise ships, cargo, and other vessels. ➤ In the Declaratory Ruling, the FCC classified the cable modem service as an interstate “information service” that is subject to FCC jurisdiction and not a “cable service” as previously defined by the Communications Act. In the Wireline Broadband NPRM, the FCC developed an analytical framework that is consistent, to the extent possible, across multiple platforms. The regulatory framework will conceptualize broadband broadly to include any and all platforms capable of fusing communications power, computing power, high-bandwidth intensive content, and access to the Internet. Service providers across platforms are now in the process of re-engineering legacy networks to provide broadband Internet access. ➤ On April 23, 2003, the FCC issued a Notice of Inquiry (NOI) seeking public comment on using existing electrical power lines to provide Internet and broadband services to homes and offices. ➤ The NOI fulfilled our obligation to initiate a study of power line communications. Work is now proceeding to further detail requirements necessary for broadband over power line (BPL) deployment in parallel with industry-led trials. Success in this deployment will yield another avenue for the delivery of broadband to the consumer and business marketplace. ➤ As of June 2003, 483 providers (holding companies) of local telecommunications and broadband services filed a FCC Form 477, a questionnaire used to determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion.
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COMPETITION

Strategic Goal: Support the Nation’s economy by ensuring there is a comprehensive and competitive framework within which the communications and video programming revolution can continue so that all consumers can make meaningful choices among and have equal access to communications services, and foster the creation of a pro-competitive environment overseas by establishing a dialog with regulators in other countries.

Performance Goals:

- ❖ Ensure American consumers can choose among multiple reliable and affordable communications services.
- ❖ Ensure that all American consumers retain reliable wireless and wireline phone services.
- ❖ Create and maintain a two-way dialogue with regulators around the globe in order to foster the creation of pro-competitive global markets.
- ❖ Create and maintain a two-way dialogue with American consumers so that they are informed about their rights and responsibilities.

FY 2003 Outcome Indicators:

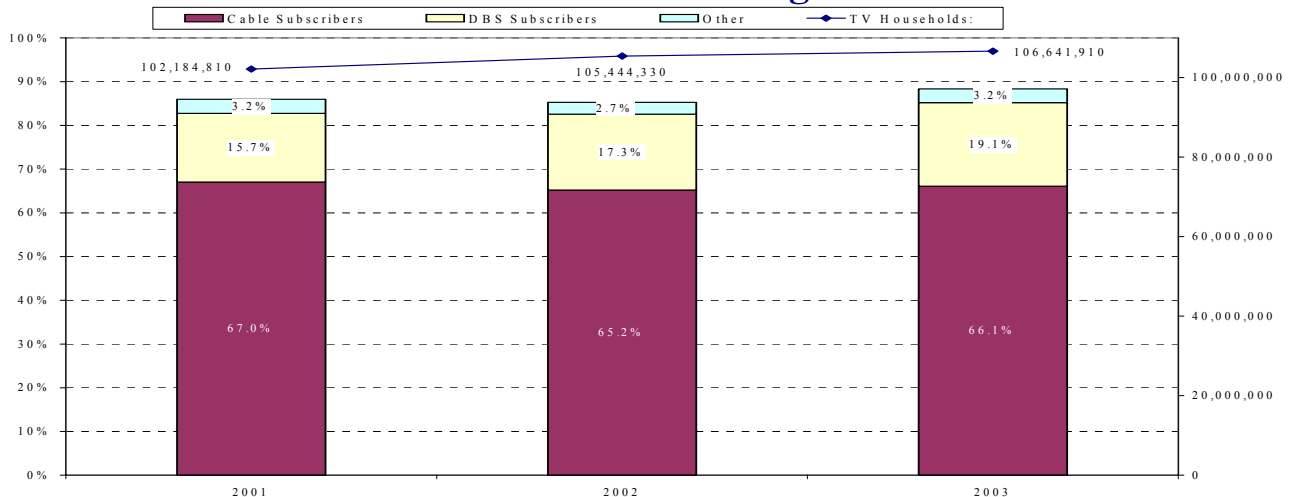
- Increasing percentage of households with competing providers for multichannel video programming and information services.
- Increasing number of consumers and businesses have reliable wireless and wireline phone service (continuity of service).
- Decreasing price for residential and business domestic (local/interstate) wireless and wireline services.
- Decreasing price for international calls.

~~ FY 2003 Outcome Indicators ~~

➤ **Increasing percentage of households with competing providers for multichannel video programming and information services.**

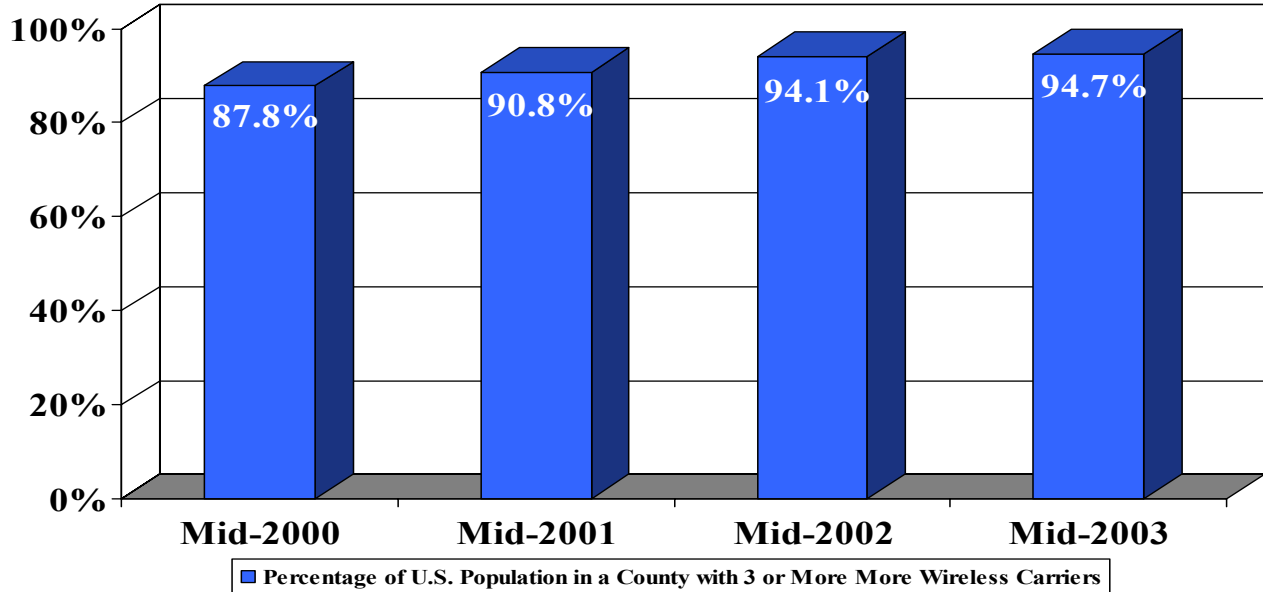
❖ As of June 2003, 88.4% of the 106.6 million total television households subscribed to a multichannel video programming distribution (MVPD) service, an increase of 3.2 percentage points over the 85.2% of all TV households that were MVPD subscribers in June 2002. In June 2003, 66.1% of all TV households were cable subscribers; 19.1% were direct broadcast satellite (DBS) subscribers; and 3.2% subscribed to other MVPD services. In June 2003, non-cable MVPD subscribers represented 22.3% of all TV households, a 2.3 percentage point increase over the 20% reported in June 2002.

MVPD Subscribers as a Percentage of TV Households



- *Increasing number of consumers and businesses have a choice among wireless and wireline service providers.*

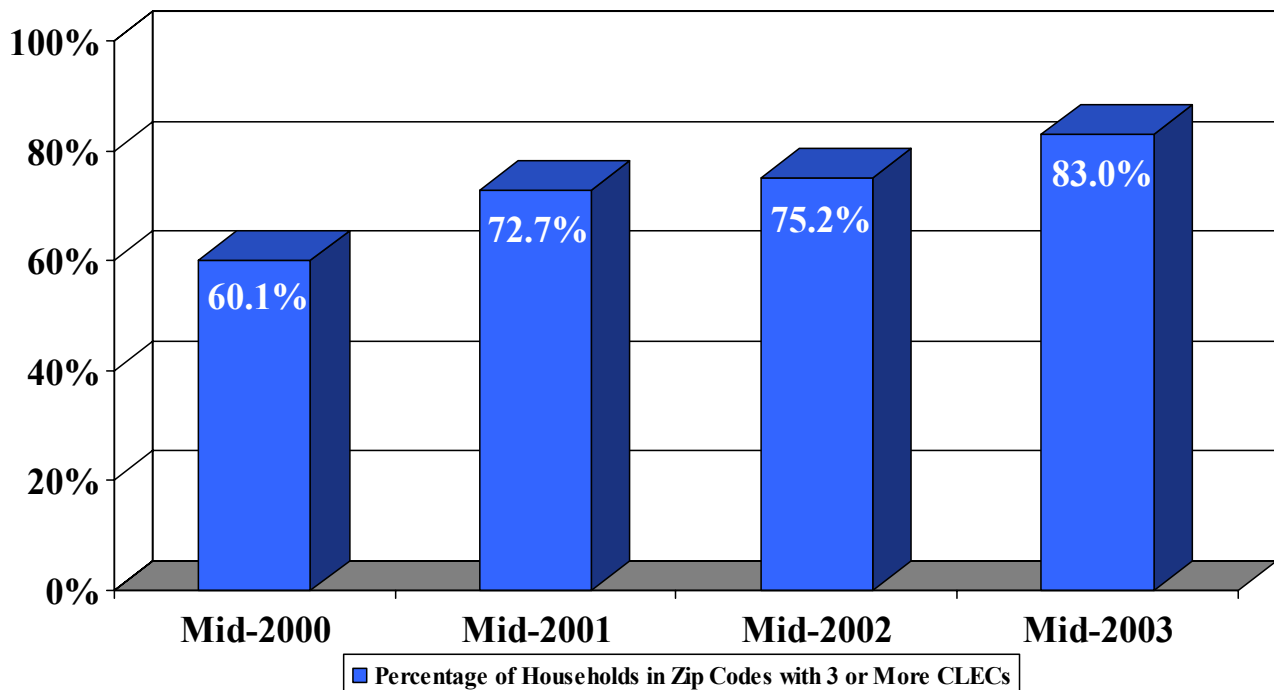
Wireless Carrier Market Entry (2000-2003)



Source of Data: WTB's CMRS Report

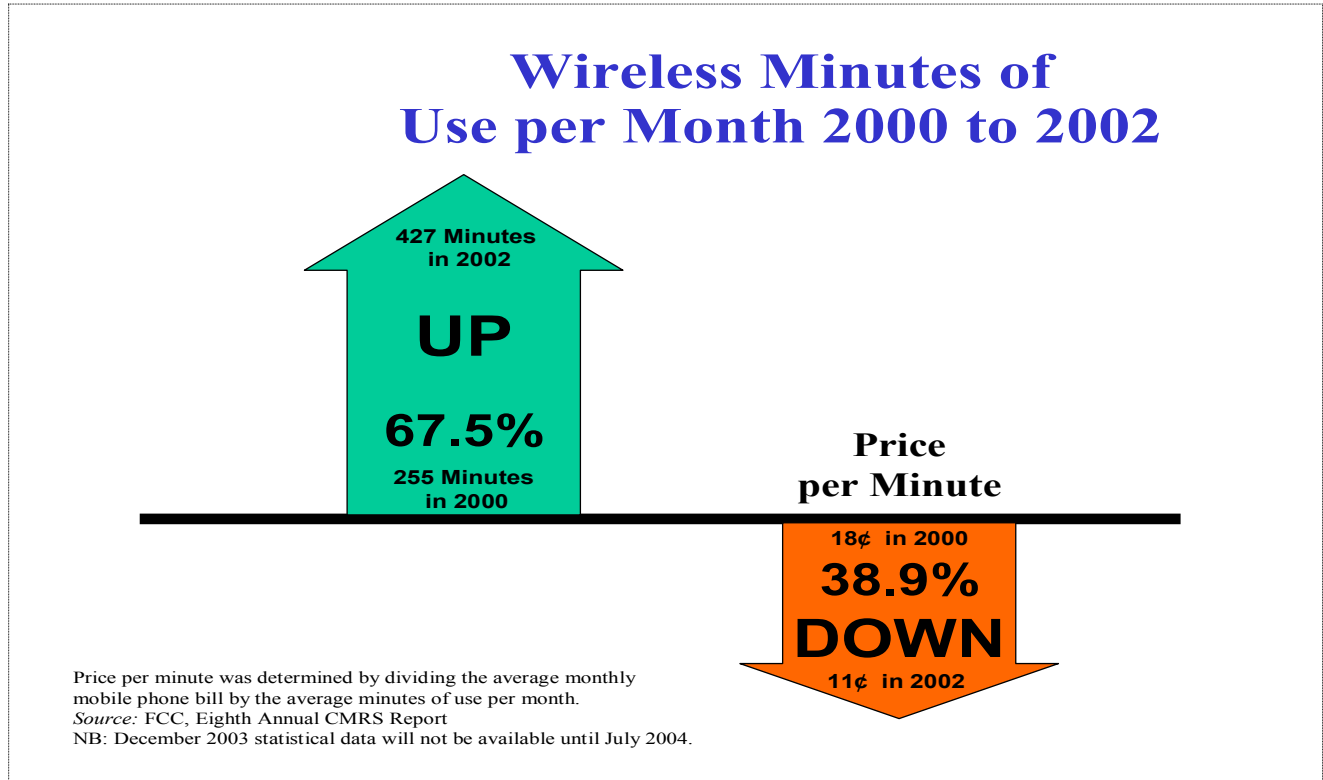
Mobile carriers generally do not release information on the number of completed calls or service downtime. However, the existence of multiple carriers in the same geographic areas permits customers multiple avenues of access to wireless service.

Competitive Local Exchange Carrier Market Entry (2000-2003)

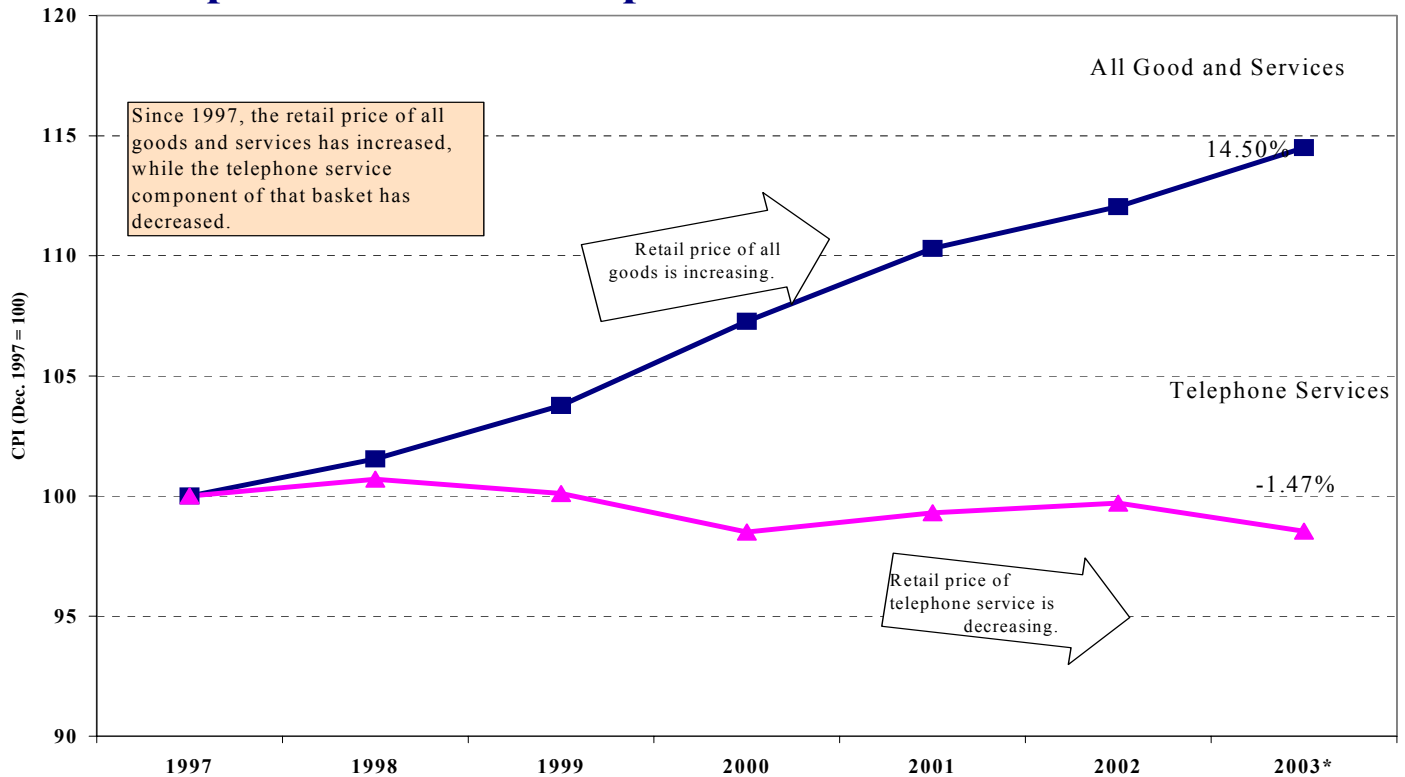


Source: Local Telephone Competition: Status as of June 30, 2003, Industry Analysis and Technology Division, Wireline

➤ Lower relative price for wireless and wireline services.



Consumer Price Indices Telephone Services Compared to All Goods and Services



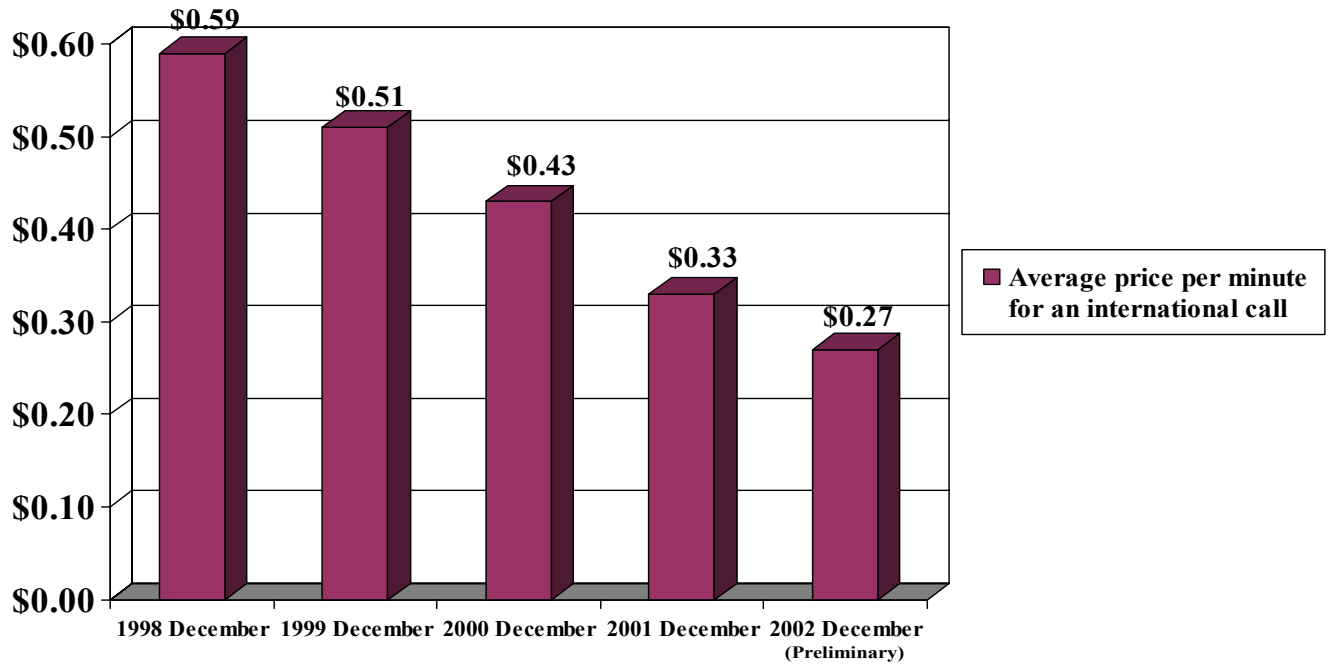
Source: Bureau of Labor Statistics.

The CPI index of telephone services is based on a market basket intended to represent the telephone-related expenditures of a typical urban household, includes local, long distance, and cellular services.

* Jan-Oct

➤ *Decreasing price for international calls.*

Average Price Per Minute for an International Call



December 2003 statistical data will not be available until January 2005.

Total U.S. Revenue/Outgoing U.S. minutes = Price Per Minute.

~~ FY 2003 Output Activities ~~

<i>FY 2003 Output Activities</i>	<i>FY 2003 Accomplishments</i>
<p><u>Affordable Choice</u></p> <ul style="list-style-type: none"> ✓ Conduct review and make recommendations to improve the USF contribution methodology. ✓ Enforce regulations that encourage reliable, affordable provision of multichannel video programming services by multiple providers. 	<p><u>Affordable Choice</u></p> <ul style="list-style-type: none"> ➤ On December 12, 2002, the FCC adopted interim modifications to the universal service contribution methodology to maintain the viability of universal service in the near term. Specifically, the FCC concluded that contributions should be based on projected collected interstate end-user telecommunications revenues. The FCC also adopted a rule prohibiting carriers from marking up the contribution factor in universal service pass-through charges for end-user customers. ➤ On April 23 and December 17, 2003, the FCC adopted new rules to simplify and streamline the operations of the schools and libraries program of the universal service fund (USF) to improve program administration, create a more efficient application process for program participants, and improve program oversight to prevent waste, fraud, and abuse. ➤ In 2003, the FCC resolved over 170 must carry and market modification proceedings which ensure that video programming can be viewed over cable systems, and issued over 50 appeal orders governing cable rate

<p><u>Reliable Service</u></p> <ul style="list-style-type: none"> ✓ Conduct quarterly reviews of carrier compliance with Section 214 (continuity of service) requirements. <p><u>Two-way Dialogues</u></p> <ul style="list-style-type: none"> ✓ Initiate and maintain a two-way dialogue with regulators around the globe on broadband and other emerging technologies. <ul style="list-style-type: none"> ✓ Conduct review of international regulatory and accounting rate policies that will promote competition and lower international calling rates for U.S. consumers. (Output activity language modified.) 	<p>reasonableness. In addition, the FCC granted several Open Video System applications to cable competitors and acted to ensure vertically integrated programming is available to competitors.</p> <p><u>Reliable Service</u></p> <ul style="list-style-type: none"> ➤ During FY 2003, 49 applications were filed with the FCC under Section 214 of the Telecommunications Act of 1996 for discontinuance of wireline service. Section 214 requirements ensure that service to communities is not discontinued without advance notice to the public and Commission authorization. The rules include special procedures and filing requirements in a number of special situations, including impairment of telephone and telegraph service, emergency discontinuances, closure of public toll stations, closures at military establishments, and notification of service outages. Receipt and processing of carrier filings for discontinuance are monitored on a quarterly basis. <p><u>Two-way Dialogues</u></p> <ul style="list-style-type: none"> ➤ The FCC held discussions with regulators from Italy, Germany, India, Denmark, Jamaica, China, Singapore, Brazil, Spain, Russia, Japan, Korea, and representatives of the Telecommunications Regulators Association of Southern Africa on broadband and other emerging technologies. Additionally, the agency hosted 490 international visitors from 124 countries during FY 2003. ➤ At the World Radiocommunication Conference-2003, the FCC successfully negotiated with other countries to add allocations to increase opportunities for broadband via the radio spectrum. Specifically, we reached agreement for spectrum that can be used to provide Wi-Fi services in the 5 GHz band and high-speed internet access to airline passengers in the 14GHz band. ➤ On October 10, 2002, the FCC adopted a Notice of Proposed Rulemaking addressing the reform of the International Settlements Policy, international simple resale and benchmarks policy, and the issue of foreign mobile termination rates.
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SPECTRUM

Strategic Goal: Encourage the highest and best use of spectrum domestically and internationally in order to encourage the growth and rapid deployment of innovative and efficient communications technologies and services.

Performance Goals:

- ❖ Ensure that the Nation’s spectrum is used efficiently and effectively.
- ❖ Advocate U.S. spectrum interests in the international arena.

FY 2003 Outcome Indicators:

- Increasing number of approvals for enhanced telecommunications equipment.
- Increasing deployment of new services making use of underutilized or unlicensed spectrum.
- U.S. positions on spectrum effectively advanced in the international negotiations and enforcement of treaties (number of U.S. positions partially or fully adopted).

~~ **FY 2003 Outcome Indicators** ~~

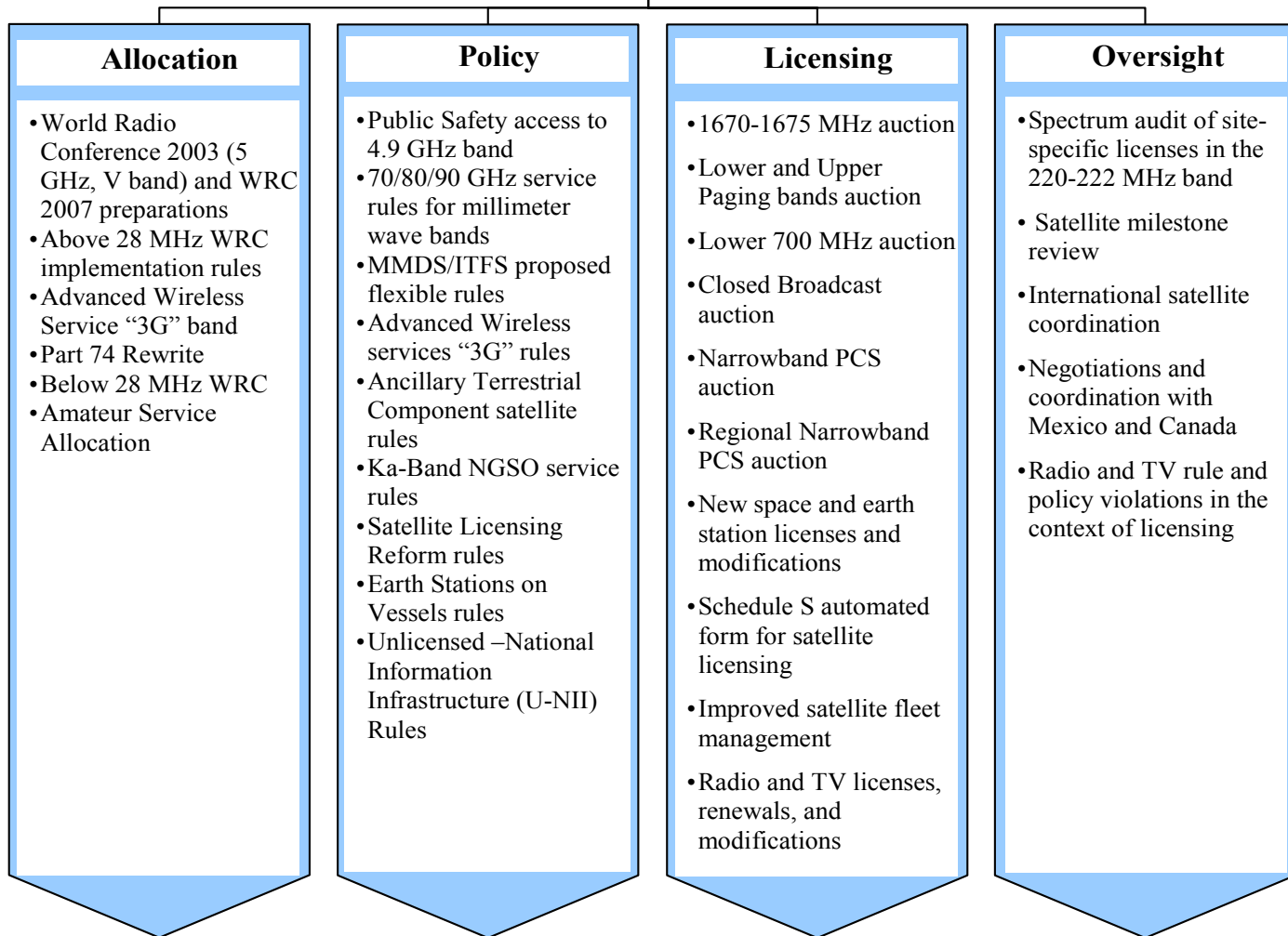
➤ **Increasing number of approvals for enhanced telecommunications equipment.**

Enhanced Telecommunications Equipment Authorization

<i>Type of Telecommunications Equipment Approved (Grants Issued)</i>	<i>1st Quarter</i>	<i>2nd Quarter</i>	<i>3rd Quarter</i>	<i>4th Quarter</i>	<i>Total FY 03</i>
Telecommunications Certification Bodies (TCB)	1,054	1,166	1,250	1,475	4,945
FCC Equipment Authorization Services (EAS)	158	134	122	107	521
Total	1,212	1,300	1,372	1,582	5,466

➤ *Increasing deployment of new services making use of underutilized or unlicensed spectrum.*

Facilitate deployment of new or existing services or devices that make efficient use of spectrum



Potential Long-term Outcomes for Spectrum

In FY 2003, the Commission made significant progress in developing and implementing spectrum initiatives that contribute to overall performance goals for spectrum both domestically and internationally. Collectively, these activities promote:

- **Increased access to spectrum** by making new or more flexible spectrum available (via auction or other means) for public safety, broadband mobile and fixed, satellite and other uses, including unlicensed applications.
- **Expeditious delivery of service to consumers** through improved licensing mechanisms that utilize automation, encourage licensee due diligence and sharing of spectrum to further efficiency.
- **Deployment of new technologies and robust services** through enhanced performance standards, and other rules that will encourage future investment as well as research and development activities.
- **Efficient and effective use of spectrum** through build-out compliance and audit procedures.

- **U.S. positions on spectrum effectively advanced in the international negotiations and enforcement of treaties (number of U.S. positions partially or fully adopted).**

International Negotiations

World Radiocommunication Conference (WRC) 2003 established treaty text in the form of the Radio Regulations, which bind countries once ratified. The FCC participates in the U.S. delegation to the WRC as the advocates for commercial operators for two main reasons: (1) to secure spectrum allocations that allow for new telecommunications services to enter the market; and (2) to protect incumbent telecommunication services from interference.		
	Agenda Items (Major WRC-03 Issues)	United States Position
World Radiocommunications Conference for 2003 (WRC-2003)	<ul style="list-style-type: none"> ➤ Harmonization of Public Protection/Disaster Relief Spectrum ➤ High Speed Internet Access for Airline Passengers ➤ Regulatory Restrictions on the Global Positioning System (GPS) ➤ Wi-Fi (5 GHz Spectrum) 	<p>The World Radiocommunications Conference-2003 adopted a Resolution that provides guidance to countries on possible bands for use by public protection or disaster relief systems. The United States achieved its objective of including in the Resolution the ranges 746-806 MHz, 806-869 MHz and 4940-4990 MHz for future advanced solutions for public protection and disaster relief.</p> <p>The United States succeeded in getting the World Radiocommunication Conference-2003 to make a secondary aeronautical mobile satellite service allocation in the 14-14.5 GHz band. This allocation will allow systems, including the Boeing <i>Connexion</i> system, to provide high speed broadband service to airline passengers. Lufthansa and British Air have already provided the service on a test basis.</p> <p>The World Radiocommunication Conference-2003 addressed regulatory issues related to the radio navigation satellite service (RNSS) such as GPS. The United States successfully resolved the regulatory issues including the most contentious related to coordination of systems. As a result of negotiations, the U.S. GPS system and Galileo (the proposed European system) will follow formal coordination procedures on a going-forward basis only. The U.S. achieved its goal of ensuring the International Telecommunication Union would not retroactively apply radio regulation procedures to earlier GPS filings.</p> <p>The United States achieved its goal of allocating additional spectrum for mobile systems including Wi-Fi operations. WRC-03 allocated 455 MHz of spectrum in the 5 GHz band. Consistent with the FCC position, the WRC-03 decision provides flexibility to allow outdoor applications in part of the band. U.S. consumers will benefit by the economies of scale that this international allocation affords the ICT manufacturers.</p>

Enforcement of Treaties

<i>Enforcement of Treaties</i>
<p>During FY 2003, work was performed on a large number of issues dealing with coordination of bilateral cross-border spectrum use in Canada and Mexico.</p> <p style="text-align: center;">CANADA</p> <p>Interim Arrangement with Wireless Communications Service Amendment to DTV Letter of Understanding (LOU) for Public Safety Access to Channels 63 & 68 Special Coordination Procedures (SCP) between Skytel Corp. of U.S and DataTrail of Canada SCP between Nextel Comm of U.S. and Tele-Mobile Co. in Canada</p> <p style="text-align: center;">MEXICO</p> <p>United States and the Secretaria de Comunicaciones y Transportes FM and TV Channel 6 United States and the Secretaria de Comunicaciones y Transportes Low Power TV and other services in the 700 MHz band</p>

~~~ **FY 2003 Output Activities** ~~~

| <b>FY 2003 Output Activities</b>                                                                                                                                                                                                                         | <b>FY 2003 Accomplishments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p><u>Effective Use</u></p> <ul style="list-style-type: none"> <li>✓ Complete study to determine measures to facilitate deployment of cognitive radio.</li> <br/> <li>✓ Increase the number of new spectrum use licenses (prompt assignment).</li> </ul> | <p><u>Effective Use</u></p> <ul style="list-style-type: none"> <li>➤ During FY-2003, the FCC held a public tutorial and a workshop on cognitive radio technologies to study the latest developments in this area. The tutorial, held on February 13, 2003, considered the feature detector technology, which is one of the latest cognitive radio technologies. The workshop, held on May 19, 2003, considered a broad range of cognitive radio technologies, as well as possible measures for facilitating deployment of such technologies. Both activities laid the groundwork to formulate a rulemaking proceeding in this regard, which was adopted by the FCC on December 17, 2003.</li> <br/> <li>➤ During FY 2003, the FCC processed nearly 521,000 applications for wireless telecommunications services. This included 236,000 applications for new and renewed licenses and special temporary authority, 50,000 assignments of licenses and transfer of control, 56,000 license modifications, and 179,000 other requests. Ninety-eight percent of these applications were processed in 90 days or less.</li> <br/> <li>➤ The FCC adopted seven rulemakings to increase the number of new spectrum use licenses: <ul style="list-style-type: none"> <li>◆ On October 30, 2002, the FCC adopted a Report and Order amending Part 74 of the rules pertaining to the broadcast auxiliary service (BAS) to permit BAS stations to introduce new technologies and create a more efficient BAS that can more readily adapt as the broadcast industry converts to the use of digital technology, such as digital television (DTV).</li> <li>◆ On November 7, 2002, the FCC adopted a 2<sup>nd</sup> Report and Order allocating a total of 90 megahertz to fixed and mobile services. This allocation consists of two contiguous 45-megahertz blocks suitable for the provisions of advanced wireless services (AWS).</li> <li>◆ On February 12, 2003, the FCC adopted 2<sup>nd</sup> Report and Order and 2<sup>nd</sup> Further Notice of Proposed Rulemaking which addressed the promotion of spectrum-efficient technologies on certain Part 90 frequencies in the private land mobile radio services (PLMRS).</li> <li>◆ On February 14, 2003 the FCC adopted a Report and Order that addressed the diversity of low power operations in the private land mobile radio (PLMR) 450-470 MHz band.</li> <li>◆ On April 29, 2003, the FCC adopted a Report and Order amending Parts 2 and 97 of the Commission's Rules to create a low frequency allocation for the Amateur Radio Service which provides access to 5 channels in or near the 5250-5400 kHz on a secondary basis for the amateur service, and upgrading the existing secondary amateur service allocation to primary status in the 2400-2402 MHz band. These changes will enhance the ability of amateur operators to communicate at 5000 kHz when propagation conditions do not permit communication at 3500 or 7000 kHz, and provide additional protection for the amateur operators now using the 2400-2402 MHz band.</li> <li>◆ On June 25, 2003, the FCC adopted the 3<sup>rd</sup> Report and Order which revised the service area definition as well as the buildout requirement for the Multichannel Video Distribution and Data Service in the 12.2-12.7 GHz band (12 GHz band).</li> <li>◆ On August 7, 2003, the FCC adopted a Memorandum Opinion and Order adopting service rules to govern the licensing of 27 MHz of electromagnetic spectrum in the 216-220 MHz, 1390-1395 MHz,</li> </ul> </li> </ul> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p>✓ Initiate procedures to allocate underutilized spectrum and promote the use of unlicensed services.</p> <p>✓ Improve satellite licensing and fleet management. (New FY 2003 output activity.)</p> <p><u>International Interests</u></p> <p>✓ Negotiate and enforce satellite and other coordination treaties with affected countries.</p> <p>✓ Advance U.S. positions on spectrum use at the 2003 World Radiocommunication Conference.</p> | <p>1427-1429 MHz, 1429-1432 MHz, 1670-1675 MHz, and 2385-2390 MHz bands, which were reallocated for non-Government use.</p> <p>➤ The FCC adopted two rulemakings to increase the deployment and allocation of underutilized spectrum and to promote the efficient use of unlicensed spectrum.</p> <ul style="list-style-type: none"> <li>◆ On January 29, 2003, the FCC adopted a 3<sup>rd</sup> Report and Order, 3<sup>rd</sup> Notice of Proposed Rulemaking and 2<sup>nd</sup> Memorandum Opinion and Order. The FCC reallocated 30 MHz of spectrum from the 2 GHz Mobile Satellite Service (MSS) to fixed and mobile services; allocated for fixed and mobile wireless services the 1990-2000 MHz, 2020-2025 MHz, and 2165-2180 MHz bands; and sought comment on use of the 1910-1920 MHz band, which is currently available for unlicensed personal communications service (UPCS) asynchronous (generally data) applications, but at present is unused.</li> <li>◆ On February 25, 2003, the FCC adopted a Report and Order to implement domestically, various allocation decisions from International Telecommunication Union (ITU) World Radiocommunication Conferences concerning the frequency bands below 28 MHz.</li> </ul> <p>➤ These rulemakings reassign underutilized spectrum for use in advanced wireless services and will permit greater broadband access for wireless consumers. These actions promote increased use of both licensed and unlicensed spectrum.</p> <p>➤ The FCC completed three steps to reform its satellite licensing. First, in April 2003, the FCC adopted a new first-come/first-served approach for satellite space station licensing. Second, in June 2003, the FCC allowed companies the ability to move satellites within their fleets to locations for which they have a license. Third, in June 2003, the FCC introduced a number of initiatives to facilitate the application process for satellite and earth station licenses.</p> <p><u>International Interests</u></p> <p>➤ As shown above in the “Enforcement of Treaties” Table, in FY 2003, work was performed on a large number of issues dealing with a coordination of bilateral cross-border spectrum use in Canada and Mexico.</p> <p>➤ During FY 2003, the FCC participated in the following Administration-to-Administration satellite coordination agreements: Australia, Russia, Brazil, Germany, Japan, United Kingdom, Spain, the Netherlands, Papua New Guinea and Malta. These agreements enabled U.S. satellite networks to operate without causing or receiving harmful interference relative to the foreign satellite networks.</p> <p>➤ At the World Radiocommunication Conference for 2003 (WRC-03), the U.S. addressed and resolved a number of issues including: (1) Harmonization of Public Protection/Disaster Relief Spectrum; (2) High Speed Internet for Airline Passengers; (3) Regulatory Restrictions on the Global Positioning System (GPS); and (4) Wi-Fi (5 GHz spectrum). The first phase of the Implementation Plan for the Final Acts of the WRC-03 was completed. As specified in the WRC-03 Implementation Plan issued on August 7, 2003, all of the FCC actions targeted for completion by the end of 2003 have been implemented. The results of WRC-03 will further advance the digital migration to new spectrum-based technology platforms and further protect homeland security.</p> |
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# MEDIA

**Strategic Goal:** Revise media regulations so that media ownership rules promote competition and diversity in a comprehensive, legally sustainable manner and the mandated migration to digital modes of delivery is facilitated.

**Performance Goals:**

- ❖ Develop a sound analytic foundation for media ownership rules.
- ❖ Facilitate the Congressionally-mandated transition to digital television and further the transition to digital radio.

**FY 2003 Outcome Indicators:**

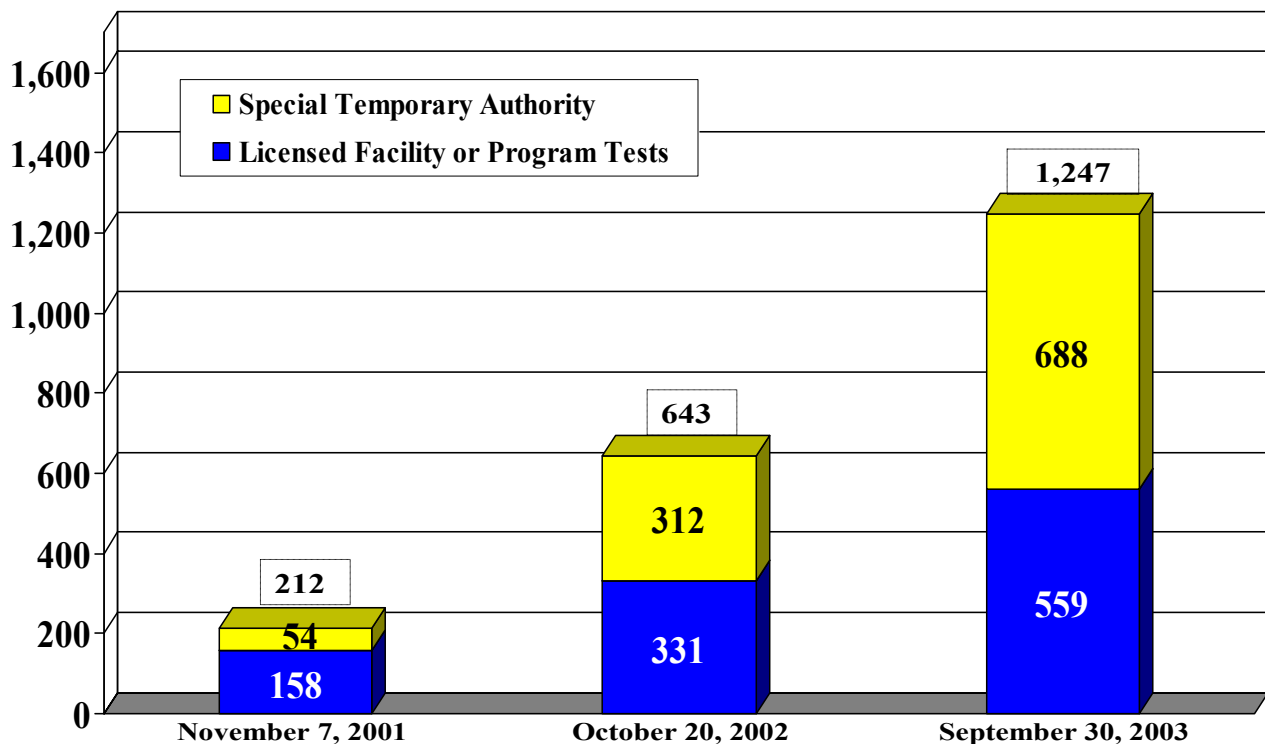
- Significant progress in the transition to digital television and radio.
- Increasing investment by consumers in digital equipment.
- Increasing deployment by industry in digital programming, equipment, and infrastructure.

### ~~ FY 2003 Outcome Indicators ~~

➤ **Significant progress in the transition to digital television and radio.**

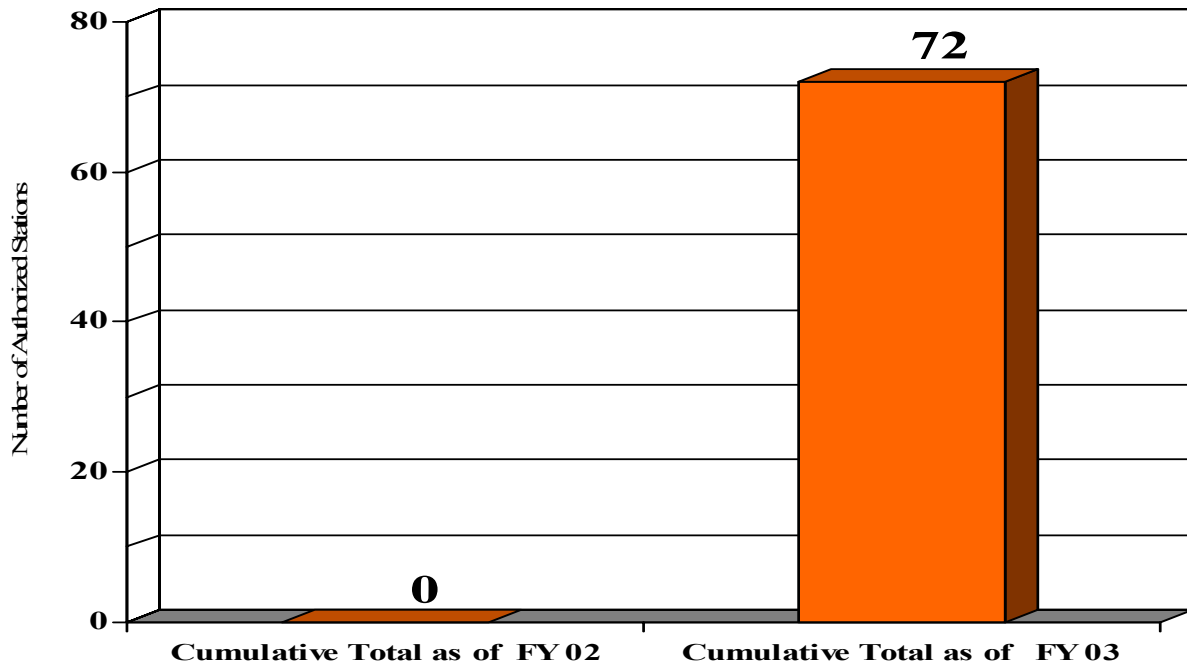
❖ By the end of FY 2003, a total of 1,247 or (73.4%) of 1,698 stations were authorized to be on the air – 688 (40.5% -- 611 commercial and 77 non-commercial) were under Special Temporary Authority and 559 (35.2% -- 438 commercial and 121 non-commercial) were licensed facility or program test DTV stations. An increase in the number of television stations broadcasting digitally led to increased consumer demand for improved television service and for the development of the new DTV technology and competition.

## DTV Stations Authorized to be on the Air



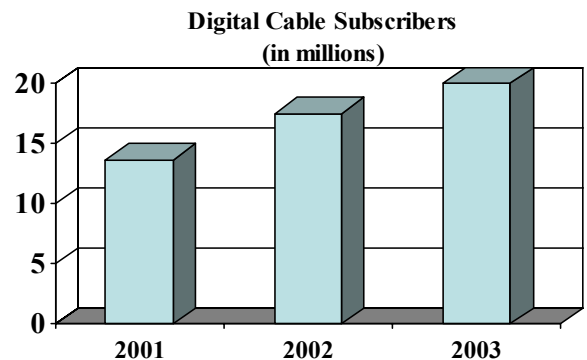
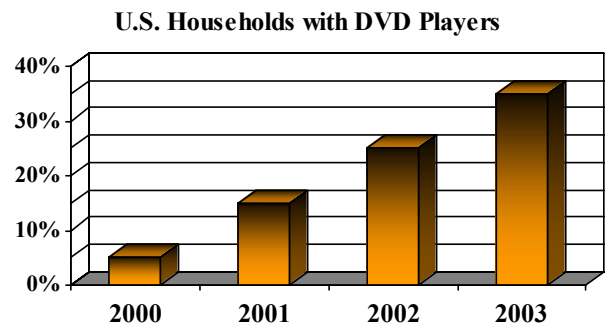
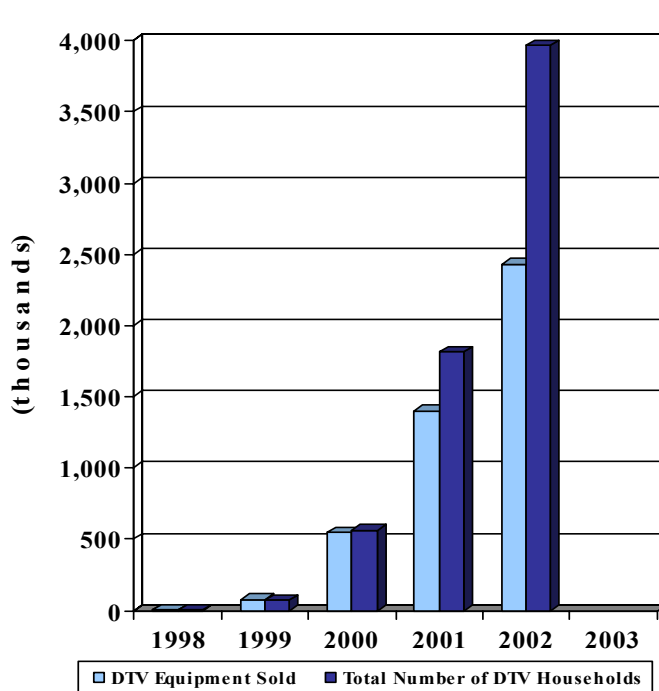
- ❖ In October 2002, a Report and Order was adopted selecting a digital audio transmission technology. By the end of FY 2003, 72 digital terrestrial radio stations were authorized.

## TRANSITION TO DIGITAL TERRESTRIAL RADIO



- *Increasing investment by consumers in digital equipment.*

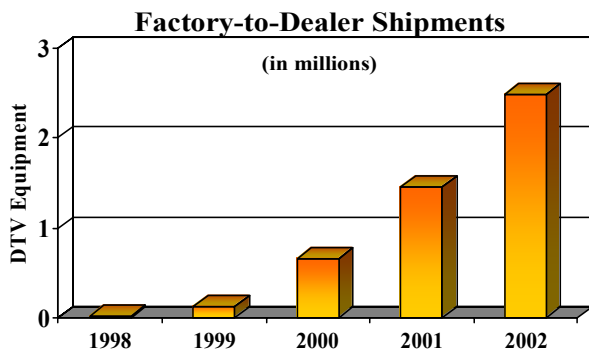
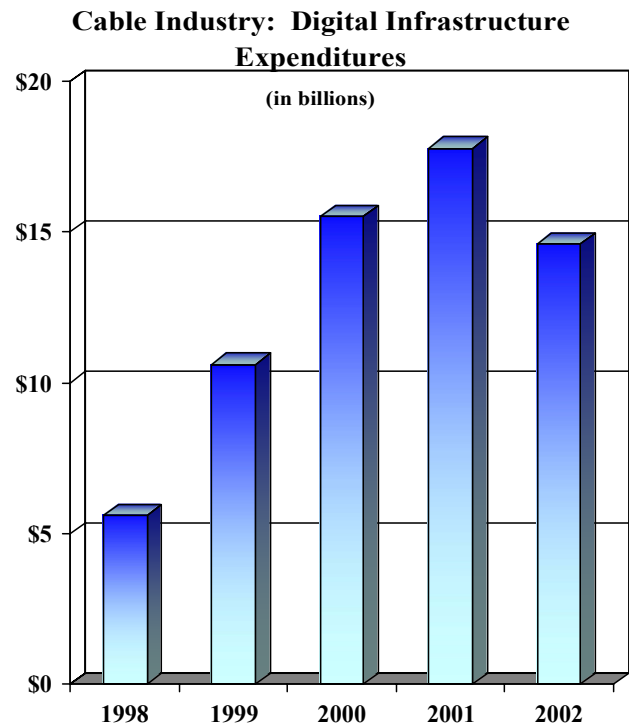
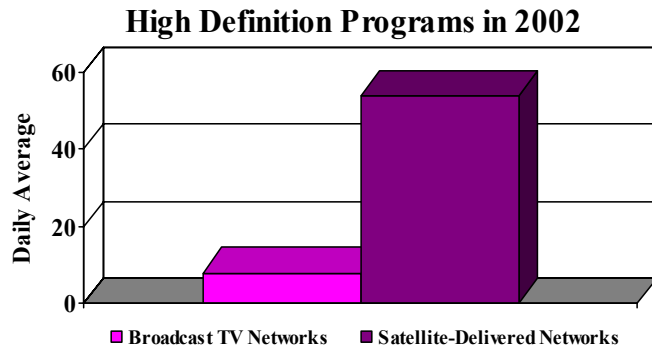
## Increasing Investment by Consumers in Digital Equipment



2003 statistical data will not be available until the Summer of 2004.

➤ *Increasing deployment by industry in digital programming, equipment, and infrastructure.*

## Deployment by Industry in Digital Programming, Equipment, and Infrastructure



2003 statistical data will not be available until the Summer of 2004.

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### ~~ FY 2003 Output Activities ~~

| <i><b>FY 2003 Output Activities</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <i><b>FY 2003 Accomplishments</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Media Ownership</u></p> <ul style="list-style-type: none"> <li>✓ Complete selected studies that support development of appropriate media rules for the current media marketplace.</li> <br/> <li>✓ Issue Third Biennial Review Report of Broadcast Ownership Rules.</li> </ul> <p><u>Digital TV/Radio</u></p> <ul style="list-style-type: none"> <li>✓ Create and enforce regulations to advance the digital transition and implement public education efforts.</li> </ul> | <p><u>Media Ownership</u></p> <ul style="list-style-type: none"> <li>➤ October 1, 2002, the FCC's Media Ownership Working Group released 12 media ownership studies that support the development of appropriate media rules for the media marketplace.</li> <br/> <li>➤ On June 2, 2003, the FCC revised its broadcast ownership rules, in compliance with Section 202(h) of the Communications Act, to assure that the rules protect diversity, localism, and competition while taking account of the media marketplace.</li> </ul> <p><u>Digital TV/Radio</u></p> <ul style="list-style-type: none"> <li>➤ In October 2002, the FCC adopted a Report and Order selecting a digital audio transmission technology. Following its review of extensive tests, the FCC authorized digital FM and digital daytime AM operations. This action permits, but does not require, broadcasters to begin providing terrestrial digital radio service immediately. The pace and extent of implementation will be determined by broadcasters,</li> </ul> |

|                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p>✓ Develop statistical data for tracking consumer/industry investment in digital programming and equipment.</p> | <p>consumers, and consumer electronics manufacturers. The FCC expects to adopt a Further Notice of Proposed Rulemaking in FY 2004 concerning final transmission standards, technical standards, and service and licensing rules.</p> <ul style="list-style-type: none"> <li>➤ On April 4, 2003, the FCC adopted a Report and Order and Memorandum Opinion and Order establishing standards and procedures to govern extensions of time to construct and operate Commercial and Non-Commercial Educational DTV stations.</li> <li>➤ On August 6, 2003, the FCC took an important step toward bringing digital TV service to rural America by adopting a Notice of Proposed Rulemaking seeking comment on rules for digital low power television and television translator stations.</li> <li>➤ On September 10, 2003, the FCC adopted rules for digital “plug-and-play” cable compatibility so that consumers can plug their cable directly into their digital TV set without the need of a set-top box.</li> <li>➤ The FCC continues to license commercial and non-commercial digital television (DTV) stations.</li> <li>➤ The FCC procured various commercial publications to gather statistical data to track the progress of the digital conversion.</li> </ul> |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# HOMELAND SECURITY

**Strategic Goal:** Provide leadership in evaluating and strengthening the Nation’s communications infrastructure, in ensuring rapid restoration of that infrastructure in the event of disruption, and in ensuring that essential public health and safety personnel have effective communications services available to them in emergency situations.

**Performance Goal:**  
 ❖ Promote the reliability, security and survivability of the communications infrastructure.

**FY 2003 Outcome Indicators:**

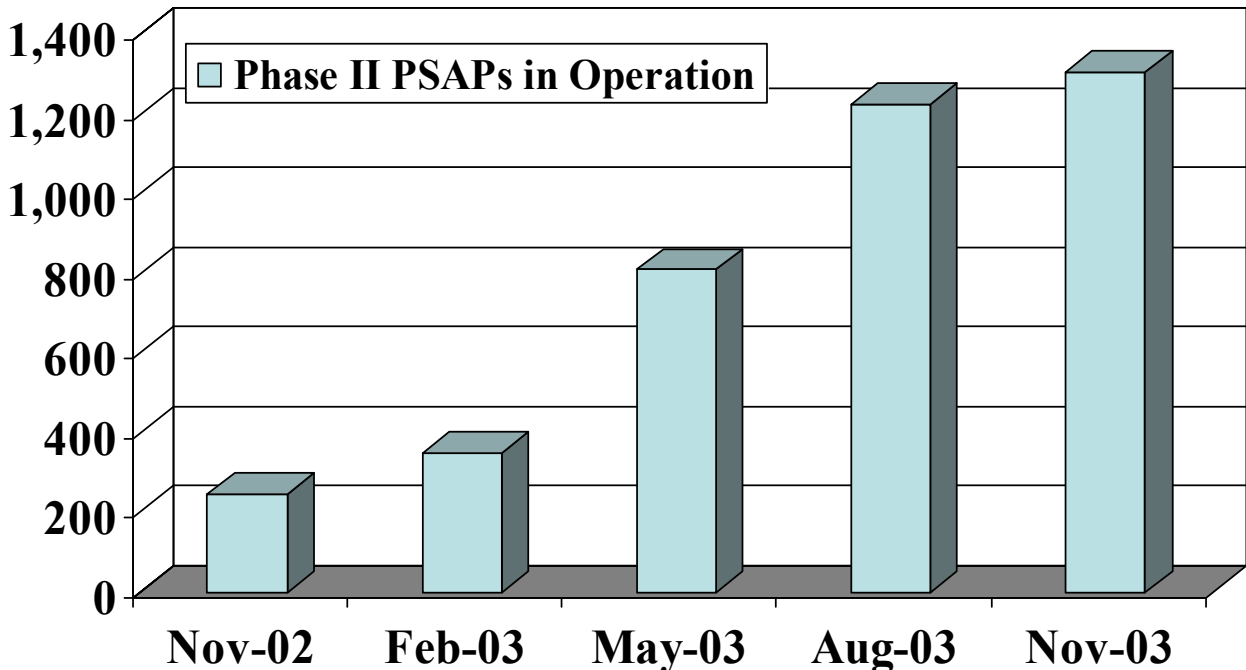
- Increasing deployment of E-911.
- Increasing deployment of WPAS. [*Indicator will be deleted in FY 2004.*]
- Increasing Telecommunications Service Priority (TSP) participation.
- Increasing reporting of service outages across multiple platforms. [*Indicator will be deleted in FY 2004.*]
- Increasing amount of spectrum available for public safety communications.

## ~~ FY 2003 Outcome Indicators ~~

➤ *Increasing deployment of E-911.*

## Phase II E-911 Operational Growth

Nov. 1, 2002 – Nov. 1, 2003  
(Cumulative)



Number of Public Safety Answering Points (PSAPs) receiving Phase II location information from at least one mobile service licensee. Phase II rules require licensees to transmit 911 caller location information to PSAPs with greater accuracy than Phase I deployment.



➤ **Increasing deployment of WPAS.**

## Deployment of Wireless Priority Access Service (WPAS)

| Area of Deployment (nation-wide)                                                                                                                                                                                                                                     | Carrier  | Effective Date   | Status of Deployment                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Washington, DC<br>New York, NY                                                                                                                                                                                                                                       | T-Mobile | December 9, 2003 | All WPAS users must dial *272 preceding the destination number to obtain priority access during wireless network congestion.                                                                                                                                                                                                 |
| Eastern United States                                                                                                                                                                                                                                                | T-Mobile | January 21, 2003 | NCS plans to add other global system for mobile communications (GMS) carriers (AT&T Wireless, Cingular, and Nextel) in the near future. NCS also plans to add code division multiple access (CDMA) carriers such as Verizon Wireless and Sprint PCS as soon as funding is available.                                         |
| Albuquerque, NM / Austin & Dallas, TX / Chicago, IL / Cincinnati, OH / Denver, CO / Detroit, MI / Honolulu, HI / Milwaukee, WI / Oklahoma City & Tulsa, OK / Salt Lake City, UT; Wichita, KS / Connecticut area / South & Central PA / Upstate New York / West Texas | T-Mobile | April 24, 2003   | NCS plans to add other global system for mobile communications (GMS) carriers in the future. NCS also plans to add code division multiple access (CDMA) carriers.                                                                                                                                                            |
| Arizona / Connecticut / Delaware / Idaho / Indiana / Maine / Maryland / Mississippi / Missouri / Montana / Nebraska / New Jersey / Oregon / New Hampshire / Rhode Island / Washington / Wyoming                                                                      | T-Mobile | October 2003     | WPAS is currently available in the markets listed. WPAS is also available in portions of the T-Mobile network in: Iowa, Kansas, Minnesota, North Dakota, South Dakota, and Wisconsin.<br><br>WPAS will not be available on the T-Mobile network until early 2004 in: California, Nevada, North Carolina, and South Carolina. |

Wireless Priority Access Service (WPAS) is a Department of Homeland Security, National Communications System (NCS) program for wireless priority network access available only to designated leadership at all government levels, national security & emergency preparedness personnel, and private sector critical infrastructure leaders and decision makers. The WPAS rules were approved by the FCC. The NCS manages the program. Deployment of WPAS is on a volunteer basis.

➤ **Increasing Telecommunications Service Priority (TSP) participation.**

❖ TSP provides for priority restoration of communications services that support national security and emergency preparedness (NS/EP) missions during disasters, including terrorist attacks. Any federal, state, or local government entity that relies on telecommunications services to provide its NS/EP mission can qualify for TSP. Nationwide, there are 55,000 communications lines covered by the TSP program. All 911-centers in the nation would qualify for the TSP program; however, only a very small percentage of 911-centers actually participate. In the first quarter of FY 2003, only 759 911-center communications lines were covered by the TSP program out of 30,000 lines that would qualify. As a result, the FCC began an initiative to increase TSP coverage of 911-centers. The TSP program increases the reliability of essential NS/EP communications services by minimizing out-of-service times. During FY 2003, TSP coverage for 911-centers increased by over 200% (from 759 to 2,471). As a result, these centers' operations were made substantially more reliable.

## Increase Telecommunications Service Priority (TSP) Participation

| User Type          | 1 <sup>st</sup> Quarter | 2 <sup>nd</sup> Quarter | 3 <sup>rd</sup> Quarter | 4 <sup>th</sup> Quarter |
|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 911 Administrators | 759 (1.0%)              | 1,211 (1.6%)            | 1,947 (2.6%)            | 2,471 (3.3%)            |

➤ **Increasing reporting of service outages across multiple platforms.**

- ❖ Service Platforms Covered -- Includes wireline carriers and CATV providers for “Voice and Dial-up Data” services. Does not include any “Broadband Data” services and does not include wireless or satellite service providers for either service category. Hence, two of our ten possible platform/service category combinations are included, resulting in 20%.
- ❖ Voice and Dial-up Data Subscribers Covered – Includes wireline carriers and CATV account for 327 million assigned telephone numbers out of a total 483 million; hence 68% of total subscribers are covered by our current outage reporting requirements.
- ❖ Broadband Data Subscribers Covered – No “Broadband Data” services are covered by our current reporting requirements.

➤ **Increasing amount of spectrum available for public safety communications.**

### Spectrum Available for Public Safety Communications

| Spectrum Service/Device                                                                                                                                           | Frequency                                                                           | Detail                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FCC affirmed rules to authorize the deployment of ultra-wideband technology in a Memorandum Opinion and Order on Reconsideration (MO&O).                          | 960-3100 MHz                                                                        | On February 13, 2003, the FCC adopted a MO&O that largely reaffirmed the procedures adopted in 2002 to authorize the unlicensed operations of ultra-wideband devices. Minor changes were implemented to further facilitate the operation of imaging devices (i.e., through-wall imaging systems by law enforcement, emergency rescue and firefighter personnel in emergency situations, etc.). |
| The 4.9. GHz Band Transferred from Federal Government Use in a Memorandum Opinion and Order on Reconsideration (MO&O) and 3 <sup>rd</sup> Report and Order (R&O). | 4940-4990 MHz                                                                       | On April 23, 2003, the FCC adopted a MO&O and 3 <sup>rd</sup> R&O that established licensing and service rules for the 4940-4990 MHz to promote effective public safety communications and innovation in wireless broadband services in support of public safety.                                                                                                                              |
| Licensing electromagnetic spectrum (27 MHz) in MO&O                                                                                                               | 216-220 MHz,<br>1390-1395 MHz,<br>1427-1432 MHz,<br>1670-1675 MHz,<br>2385-2390 MHz | On August 7, 2003, the FCC adopted a MO&O adopting service rules to govern the licensing of 27 MHz of electromagnetic spectrum in the 216-220 MHz, 1390-1395 MHz, 1427-1429 MHz, 1429-1432 MHz, 1670-1675 MHz, & 2385-2390 MHz bands, which were reallocated for non-Government use.                                                                                                           |

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### ~~ FY 2003 Output Activities ~~

| <i>FY 2003 Output Activities</i>                                                                                                                       | <i>FY 2003 Accomplishments</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>✓ Complete the deliverables required by the Network Reliability and Interoperability Council (NRIC).</li> </ul> | <ul style="list-style-type: none"> <li>➤ On March 14, 2003, NRIC met to consider best practices for network restoration and disaster recovery/business continuity, and received progress reports from various focus groups. NRIC VI completed Phase I and identified seven accomplishments.</li> <li>➤ The Network Reliability and Interoperability Council has published all best practices and completed a thorough outreach campaign that will wind up with a DVD describing the work of the Council that can be distributed via direct mail or the Internet. Majority of best practices that the industry uses to ensure continuity of service in times of crisis was increased to include physical security, cybersecurity, public safety and business continuity. These best practices will better fortify domestic communications networks against terrorist attacks.</li> </ul> |



# MODERNIZE THE FCC

**Strategic Goal:** Emphasize performance and results through excellent management, develop and retain independent mission-critical expertise, and align the FCC with dynamic and converging communications markets.

**Performance Goal:**

- ❖ Become a more responsive, efficient, and effective agency capable of facing the technological and economic opportunities of the new millennium.

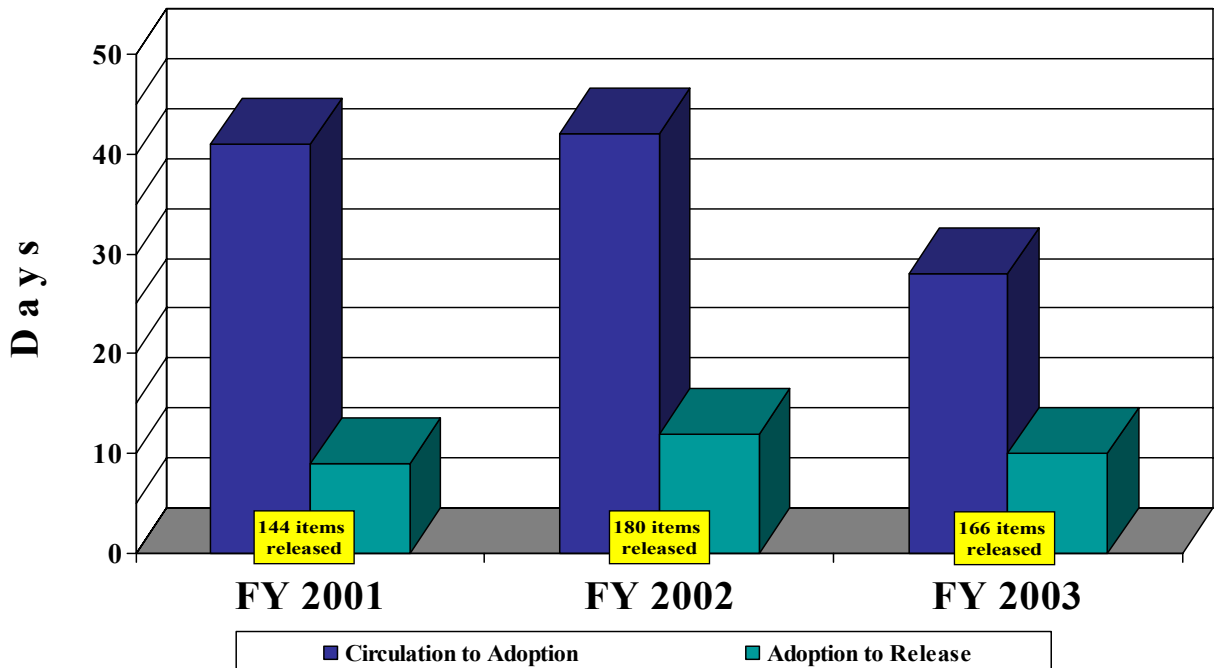
**FY 2003 Outcome Indicators:**

- Reducing the average time required to complete rulemakings (document/knowledge management and workflow).
- Increasing efficiency in the processing of workload (measured by and reported in the Quarterly Performance & Results Review (QPRR)).
- Employing of appropriate number of attorneys, engineers and economists.
- All FCC employees participating in appropriate career development activities.
- Increasing rate of agency achievement of strategic objectives.

*~~ FY 2003 Outcome Indicators ~~*

- *Reducing the average time required to complete rulemakings (document/knowledge management and workflow).*

## Average Time Required to Complete Rulemakings

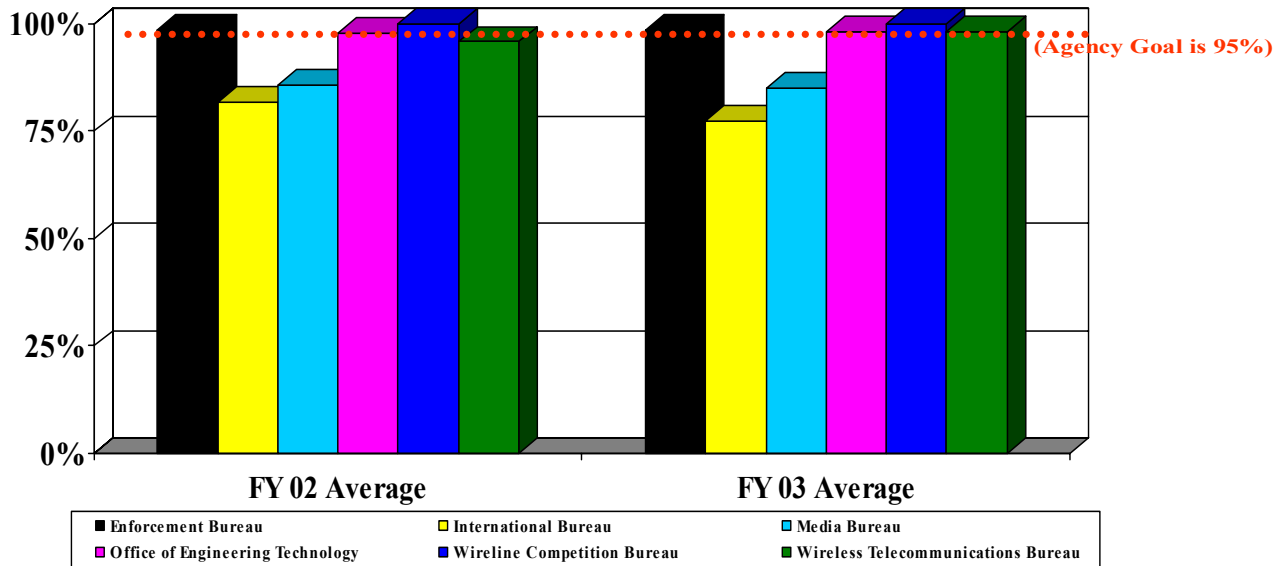


- *Increasing efficiency in the processing of workload (measured by and reported in the Quarterly Performance & Results Review (QPRR)).*

## Percentage of Actions Disposed of Within Speed of Disposal Goals

FY 03 Goal: 95%

Source of Data: Speed of Disposal Reports from Bureaus/Offices

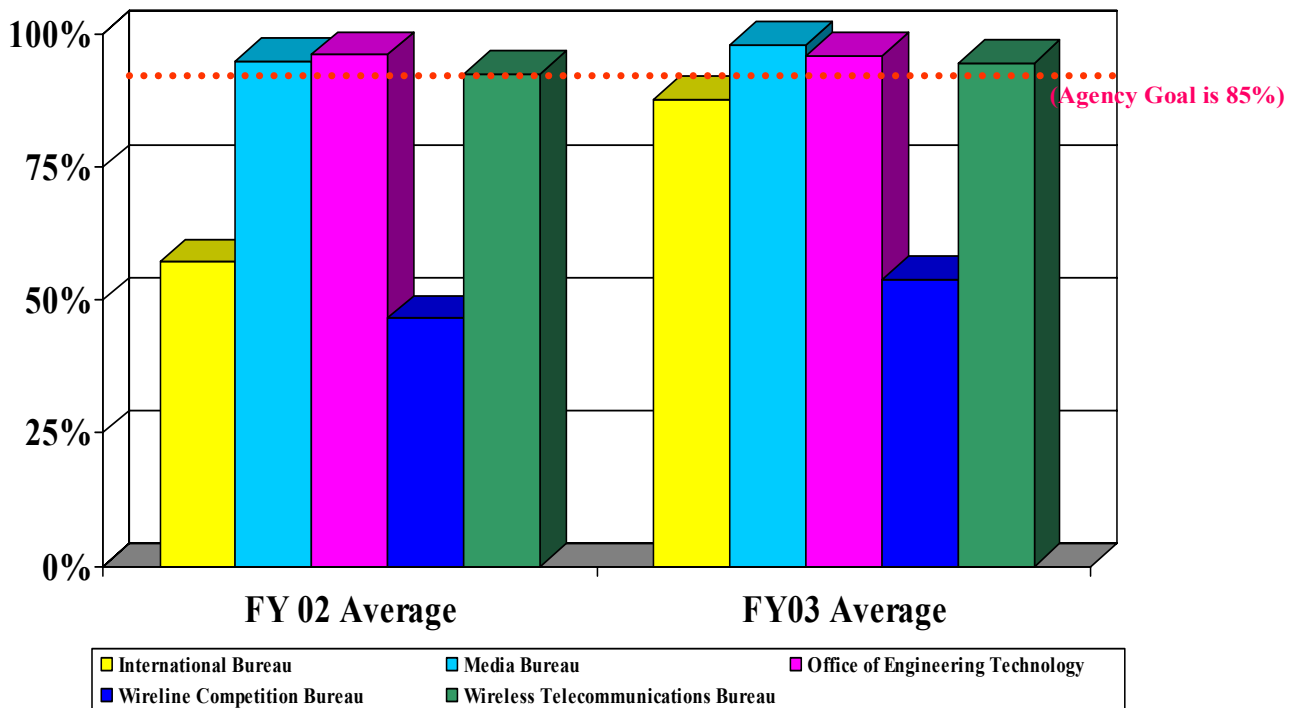


This chart reflects Customer Service Goals.

## PERCENTAGE OF ACTIONS FILED ELECTRONICALLY

FY 03 Goal: 85%

Source of Data: Speed of Disposal Reports from Bureaus/Offices



➤ *Employing of appropriate number of attorneys, engineers and economists.*

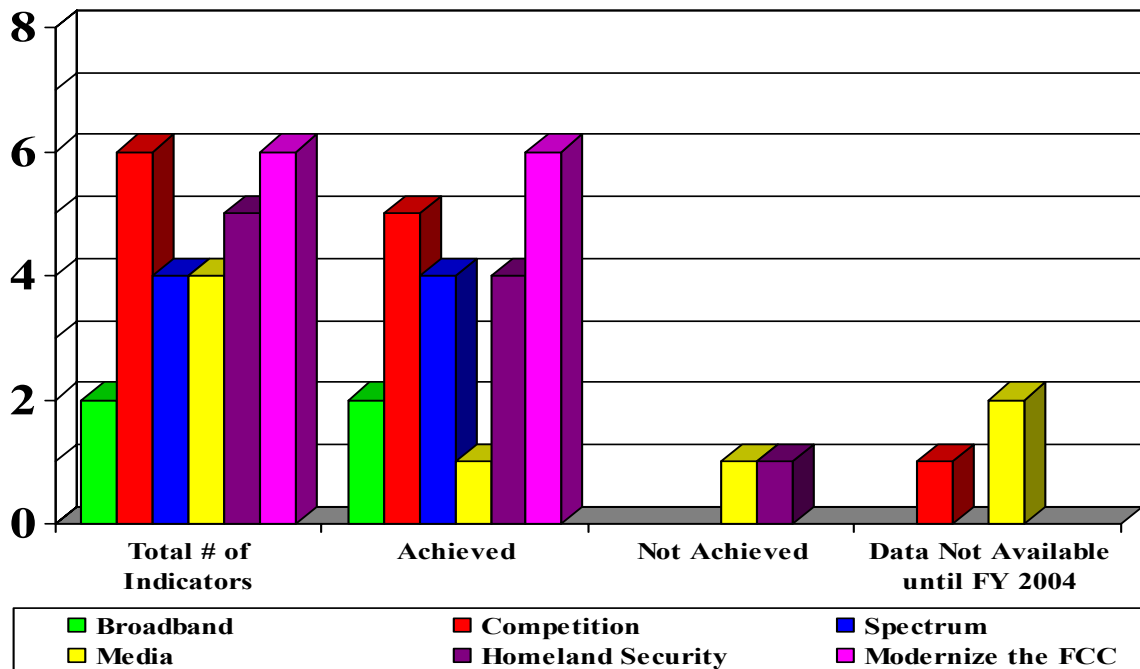
| Outcome Indicators                                                                                                                                                                                                                                                                  | Status                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>✓ Employ appropriate number of attorneys, engineers and economists.                             <ul style="list-style-type: none"> <li>○ Perform Workforce Analysis</li> <li>○ Develop Plan for Addressing Imbalances</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>➤ Workforce analysis was initiated in July 2003 and completed in December 2003.</li> <li>➤ A draft Plan is scheduled for completion in FY 2004.</li> </ul> |

➤ *All FCC employees participating in appropriate career development activities.*

| Outcome Indicators                                                                                                                                                                                                                                                                                                                                                  | Status                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>✓ Ensure all FCC employees participate in appropriate career development activities.                             <ul style="list-style-type: none"> <li>○ Establish Performance Baseline Through Agency-wide Survey</li> <li>○ Implement Individual Development Plan (IDP) Program for All Employees.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>➤ Completed agency-wide workforce survey on the use of FCC University to establish performance baseline.</li> <li>➤ The FCC began mandatory briefings for all supervisors in September 2003 and briefings for all employees in October 2003, in time for mid-year career development plan discussions.</li> </ul> |

➤ *Increasing rate of agency achievement of strategic objectives.*

## Agency’s Strategic Plan Achievements (FY 2003 Outcome Indicators)



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~~ FY 2003 Output Activities ~~

| <i>FY 2003 Output Activities</i>                                                                                                                                                                                                                                                                                                                                                                   | <i>FY 2003 Accomplishments</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><u>Efficient Processes</u></p> <ul style="list-style-type: none"> <li>✓ Initiate analysis and design of an integrated licensing interface portal and Help Desk.</li> <br/> <li>✓ Initiate policy and rulemaking system (document/knowledge management and workflow) pilot for selected auctions proceedings.</li> <br/> <li>✓ Bureau/Office efficiency initiatives reported in QPRR.</li> </ul> | <p><u>Efficient Processes</u></p> <ul style="list-style-type: none"> <li>➤ The FCC took the first steps leading to the modernization of outdated web based application systems. Using external customer feedback, FCC created a new Support Center Website that is more customer focused and provides toll-free telephone assistance. This effort involved the integration of separate processes, as well as the introduction of new technologies and web based self-help tools including online submission of password reset requests and technical support requests.</li> <li>➤ The FCC also commenced implementation of electronic filing for the Cable Operations and Licensing System on March 13, 2003, for forms filed by cable systems.</li> <br/> <li>➤ In FY 2003, the FCC initiated a pilot project to improve productivity, decision-making, and collaboration in the policy and rulemaking process. This project, “Improving the Management of Policy Activities through Collaborative Technologies” (IMPACT) will implement document management, workflow, knowledge management and collaboration tools, and new document editing capabilities to increase the timeliness of policy and rulemaking activities.</li> <li>➤ As reflected in the rulemaking chart on page 27, between FY 2002 and FY 2003, based on the total number of items circulated in FY 2002 (180 items) and FY 2003 (166 items), the FCC had a 33% decrease in the average number of days for an item to be adopted (from 42 to 28) and a 17% decrease in the average number of days for release (from 12 to 10).</li> <li>➤ The FCC identified 27 outcome (performance) indicators to be tracked and monitored in the QPRR categorized under the six agency-wide goals – Broadband, Competition, Spectrum, Media, Homeland Security, and Modernize the FCC.</li> <li>➤ In FY 2003, as reflected in the two charts on page 27, the FCC exceeded its speed of disposal and electronic filing goals.             <ul style="list-style-type: none"> <li>• Speed of Disposal -- 98% of 576,860 actions were disposed within the processing goals, a 2% increase in comparison to 96% of 635,967 actions disposed of in FY 2002.</li> <li>• Actions Filed Electronically -- 95% of the 575,838 applications were filed with electronic filing capability or online, a 3% increase in comparison to 92% of 621,227 applications filed online in FY 2002.</li> </ul> </li> </ul> |
| <p><u>Expert Staff</u></p> <ul style="list-style-type: none"> <li>✓ Develop plan to ensure agency has appropriate engineering, legal, and economic expertise.</li> </ul>                                                                                                                                                                                                                           | <p><u>Expert Staff</u></p> <ul style="list-style-type: none"> <li>➤ During FY 2003, the FCC initiated a workforce analysis to determine the appropriate mix of engineers, attorneys, and economists.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <ul style="list-style-type: none"> <li>✓ Formalize Engineering-in-Training (EIT) Program and establish a mentoring program.</li> <br/> <li>✓ Expand competency-based career development program for key groups.</li> <br/> <p><u>Results-Based Management</u></p> <li>✓ Senior Executive Service (SES) performance plans and awards are linked to the FCC’s Strategic Plan goals and measures.</li> <br/> <li>✓ Develop plan for implementation of performance-based budgeting.</li> </ul> | <ul style="list-style-type: none"> <li>➤ The FCC hired 7 engineers through the Engineer-in-Training program and visited 15 universities to conduct on-campus recruitment.</li> <li>➤ The FCC held training sessions for people who wanted to become mentors and for those who wanted to receive mentoring. We matched Graduate Degree Program (Engineering) participants with mentors and is currently ongoing.</li> <br/> <li>➤ During FY 2003, the FCC established a performance baseline through an agency-wide survey and implemented Individual Development Plan (IDP) program for all employees. The FCC University catalog was expanded to include new sections for consumer affairs and consumer outreach specialists, program and management analysts, and clerical and administrative staff.</li> <br/> <p><u>Results-Based Management</u></p> <li>➤ As of March 2003, the FCC linked all SES performance plans and awards linked to the FCC Strategic Plan.</li> <br/> <li>➤ The FCC established a performance-based budgeting system through the integration of budget, performance goals, and resources.</li> </ul> |
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## *Program Evaluations*

The Commission is dedicated to ensuring that both the mission and resources entrusted to it are properly and effectively managed. The performance of the Commission is evaluated in several ways – through the Annual Program Performance Report and the annual financial audit, by investigations and audits conducted by the FCC’s Inspector General and the U.S. General Accounting Office (GAO), and via formal program evaluations carried out by staff in the Office of the Managing Director.

At the request of Congress, the Commission prepared the “Annual Competition Reports” for cable television, wireless, the local telephony markets, and for advanced telecommunications services. These reports track the growth of technology use and competition in these four large service areas. In addition, and again at the request of Congress, the General Accounting Office (GAO) wrote a number of reports evaluating FCC activities which resulted in recommendations to the Chairman of the Commission; others were broader reviews of communications-related issues or other matters in which the Commission may have a role or possess information useful to GAO. The Commission provided input for the following reports issued by GAO in FY 2003:

- 1) Telecommunications: FCC Should Include Call Quality in its Annual Report on Competition in Mobile Phone Service (GAO-03-501)
- 2) Telecommunications: Comprehensive Review of U.S. Spectrum Management with Broad Stakeholder Involvement Is Needed (GAO-03-277)
- 3) Telecommunications: Additional Federal Efforts Could Help Advance Digital Television Transition (GAO-03-7)
- 4) Building Security: Security Responsibilities for Federally Owned and Leased Facilities (GAO-03-8)
- 5) Telecommunications: Issues in Providing Cable and Satellite Television Services (GAO-03-130)

During FY 2003, the Commission participated in OMB’s Program Assessment Rating Tool (PART) addressing the Schools and Libraries (E-rate) Program of the Universal Service Fund. Congress set forth the purpose of the USF program for elementary and secondary schools/classrooms and libraries to have access to advanced telecommunications services at rates less than the amounts charged for similar services to other parties. As a result of our analysis, the Commission determined that several steps needed to be taken to improve the universal service schools and libraries program. In December 2003, the Commission adopted an Order outlining new rules to further improve the administration of the schools and libraries program (E-rate program). The Commission moved forward to simplify program administration, ensure equitable distribution of funds, and prevent waste, fraud, and abuse.

To further improve agency efficiency and operate more effectively, the Commission evaluated four program areas as a means to streamline productivity:

- (1) Regulatory Fees Program – The evaluation of the regulatory fee program focused on reforming and streamlining tedious procedures, eliminating unnecessary barriers, and improving use of agency resources.
- (2) Workforce Planning – Late FY 2003, an agency-wide workforce analysis was conducted to identify imbalances in the professional staff arena (attorney, engineer, and economist), with a Plan due to the Chairman in FY 2004.
- (3) Policy and Rulemaking Processes -- The FCC initiated the IMPACT Project (Improving the Management of Policy Activities through Collaborative Technologies) to help the FCC become more efficient, productive and responsive in the key area of policy and rulemaking. The IMPACT Project began in FY 2003 with a pilot implementation of document management, workflow, knowledge management and collaboration tools, and new document editing capabilities in FY 2004.
- (4) Electronic Licensing and Filing Systems (Integrated Licensing Interface Portal and Help Desk) – The FCC took the first steps leading to the modernization of outdated web based application systems to improve the agency’s electronic filing and licensing systems. Using external customer feedback, the FCC created a new Support Center Website (<http://esupport.fcc.gov>) that is more customer focused and provides toll-free telephone assistance. This effort involved the integration of separate processes, as well as the introduction of new technologies and web based self-help tools including online submission of password reset requests and technical supports.

## *Conclusion*

The FCC is continuing to find ways to foster competitive entry into established markets, while encouraging the development of open, competitive markets for new and innovative technological services. We must continually shift our focus to accommodate the changing telecommunications marketplace, to address consumers' continued need for improved access to advanced telecommunications services and other emerging technologies, and to ensure the interoperability and survivability of our Nation's telecommunications infrastructure. With the implementation of the FCC's new Strategic Plan, covering fiscal years 2003 through 2008, the agency is in a better position to advance the public interest and to ensure the wise allocation of agency resources. In a continuing effort to improve agency management, the Commission is implementing a new cost accounting system in FY 2004 that links all resources to the six long-term strategic goals and tracks related expenditures.

The FCC is responsible to Congress and the American people for ensuring that an orderly, efficient, and effective framework exists within which communications products and services can quickly and affordably be provided to the public. It is the mission of the FCC to ensure that the American people have available nation- and world-wide communications services (radio, television, wireline, wireless, satellite, and cable) at reasonable costs and without discrimination. The FCC must address the communications aspects of public health and safety, ensure the universal availability of basic telephone service, make communications services accessible to all people whether they live in a rural area or have disabilities, and protect and inform consumers about their rights.

In FY 2004, the FCC will continue its important work to promote a regulatory environment that facilitates competition in all communications markets and the development and deployment of new technologies and services for all Americans.

## ***FY 2004 & FY 2005***

### ***Performance Goals ~ Outcome Indicators ~ Output Activities***

# **BROADBAND**

**Performance Goal:** Broaden the deployment of broadband technologies across the United States and globally.

**FY 2004 - 2005 Outcome Indicators:**

- Increasing access to broadband services.
- Increasing access to broadband services and devices across multiple platforms: DSL, cable modem, satellite, terrestrial wireless, etc.
- Increasing number and types of unlicensed/licensed wireless broadband devices.



### ***FY 2004 Output Activities***

**Output 1** – Conduct rulemakings/issue and vigorously enforce regulations that influence the deployment and adoption of broadband technologies:

- Wireline Broadband Proceeding,
- Cable Modem Proceeding,
- Advanced Wireless Services,
- MVDDS proceeding,
- MDS/ITFS NPRM, and
- Biennial Review proceedings.

**Output 2** – Review and, if necessary, adjust the definition of what constitutes broadband.

**Output 3** – Continue to measure the deployment of broadband technology, particularly to rural America.

**Output 4** – Take further action in ongoing rulemaking proceeding to evaluate Broadband over Power Lines.

**Output 5** – Continue to facilitate access to spectrum in order to encourage deployment of new and innovative broadband services.

**Output 6** – Create and maintain a dialogue with regulators at the state, local and tribal level and around the globe on policies to promote broadband development.

### ***FY 2005 Output Activities***

**Output 1** – Conduct rulemakings/issue and vigorously enforce regulations that influence the deployment and adoption of broadband technologies:

- Wireline Broadband Proceeding,
- Cable Modem Proceeding,
- Advanced Wireless Services,
- MDS/ITFS NPRM, and
- Biennial Review proceedings.

**Output 2** – Review economic and regulatory factors that impede broadband's deployment, particularly to rural America.

**Output 3** – Continue to measure the deployment of broadband technology, particularly to rural America.

**Output 4** – In connection with Commission proceedings, develop testing procedures for broadband equipment useful for facilitating authorization under Commission rules.

**Output 5** – Create and maintain a dialogue with regulators at the state, local and tribal level and around the globe on policies to promote broadband development.

**Output 6** – Facilitate deployment of satellite broadband services.

# COMPETITION

## *Performance Goals:*

- ❖ Ensure American consumers can choose among multiple reliable and affordable means of communications.
- ❖ Ensure that all American consumers have and retain reliable wireless and wireline phone services.
- ❖ Create and maintain a dialogue with regulators around the globe to foster and sustain the creation of pro-competitive foreign and domestic markets.
- ❖ Create and maintain a dialogue with American consumers so that they are informed about their rights, choices and responsibilities and ensure these rights through strong enforcement.

## *FY 2004 - 2005 Outcome Indicators:*

- Increasing percentage of households with competing providers for multichannel video programming and information services.
- Increasing number of consumers and businesses have a choice among wireless and wireline service providers.
- Lower relative price for wireless and wireline services.
- Decreasing price for international calls.



## *FY 2004 Output Activities*

**Output 1** – Foster the pro-competitive goals of the Telecommunications Act by reforming total element long-run incremental cost (TELRIC), intercarrier compensation, and universal service, examining voice over internet protocol (VOIP), local number portability, forbearance, biennial review proceeding, and implementing and enforcing provisions of the UNE proceeding.

**Output 2** – Adopt and enforce regulations which streamline and encourage reliable affordable communications services by multiple providers.

**Output 3** – Adopt and enforce rules to streamline administration of the Universal Service support mechanism and protect against waste, fraud, and abuse.

**Output 4** – Conduct quarterly reviews of carrier compliance to ensure continuity of service requirements are met.

**Output 5** – Increase consumer awareness of their rights in relation to phone service and enforce regulations to ensure those rights.

**Output 6** – Maintain a dialogue with regulators around the globe on competition issues.

**Output 7** – Review and analyze merger and transfers of control requests to ensure that consumers retain reliable and affordable communications services that serve the public interest.

**Output 8** – Adopt and implement policies that will decrease the price of international calls.

**Output 9** – Initiate international reporting reform.

## *FY 2005 Output Activities*

**Output 1** – Foster the pro-competitive goals of the Telecommunications Act by reforming TELRIC, intercarrier compensation, and universal service, examining voice over internet protocol (VOIP), local number portability, forbearance, biennial review proceeding, and implementing and enforcing provisions of the unbundled network elements (UNE) proceeding.

**Output 2** – Adopt, implement and enforce regulations that promote the provision of advanced communications to all consumers, including wireless and satellite multichannel video services.

**Output 3** – Implement rules to streamline Universal Service Fund (USF) administration and protect against waste, fraud, and abuse through effective enforcement.

**Output 4** – Conduct quarterly reviews of carrier compliance to ensure continuity of service requirements are met.

**Output 5** – Continue international reporting reform.

**Output 6** – Increase consumer awareness of their rights in relation to phone service and enforce regulations to ensure those rights.

**Output 7** – Maintain a dialogue with regulators around the globe on competition issues.

**Output 8** – Review and analyze merger and transfers of control requests to ensure that consumers retain reliable and affordable communications services that serve the public interest.

**Output 9** – Adopt and implement policies that will decrease the price of international calls.

**Output 10** – Prepare for WRC-07.

# SPECTRUM

## *Performance Goals:*

- ❖ Ensure that spectrum is used efficiently and effectively.
- ❖ Facilitate domestic and international deployment of new spectrum-based technologies and services.
- ❖ Generally shift from rigid to flexible policy models.
- ❖ Promote ease of access to spectrum by more users.

## *FY 2004 - 2005 Outcome Indicators:*

- Increasing number of approvals for enhanced telecommunications equipment.
- Facilitate deployment of new or existing services or devices that make efficient use of spectrum, while ensuring continued operation of existing services.
- Effectively advance U.S. positions on spectrum in international negotiations and enforcement of treaties (number of U.S. positions partially or fully adopted).



## *FY 2004 Output Activities*

**Output 1** – Continue implementation of recommendations made by the Spectrum Policy Task Force and take steps to improve the efficient and effective use of spectrum such as promoting the use of spectrum for new efficient technologies and systems.

**Output 2** – Increase the number of new spectrum users.

**Output 3** – Negotiate and enforce satellite and other coordination treaties with affected countries.

**Output 4** – Develop rules to permit the licensing of innovative satellite technologies.

**Output 5** – Advance U.S. positions on spectrum through the International Telecommunications Union and other for a, including preparations for WRC-07.

**Output 6** – Enforce satellite milestones.

**Output 7** – Encourage the deployment of new spectrum efficient technologies, including spread spectrum systems, ultra-wideband systems and cognitive radio.

**Output 8** – Enforce regulations and investigate complaints affecting communications systems and infrastructure.

**Output 9** – Construct anechoic test facility for making sensitive measurements for advanced equipment and systems at the Columbia Engineering Laboratory.

**Output 10** – Increase reliance on market-driven transactions to promote and facilitate efficient spectrum usage.

## *FY 2005 Output Activities*

**Output 1** – Continue implementation of recommendations made by the Spectrum Policy Task Force and take steps to improve the efficient and effective use of spectrum such as promoting the use of spectrum for new, spectrum efficient technologies and systems.

**Output 2** – Increase the number of new spectrum users.

**Output 3** – Negotiate and enforce satellite and other coordination treaties with affected countries.

**Output 4** – Develop rules to permit the licensing of innovative satellite technologies.

**Output 5** – Advance U.S. positions on spectrum through the International Telecommunications Union and other for a, including preparations for WRC-07.

**Output 6** – Enforce satellite milestones.

**Output 7** – Encourage the deployment of new spectrum efficient technologies, including spread spectrum systems, ultra-wideband systems and cognitive radio.

**Output 8** – Enforce regulations and investigate complaints affecting communications systems and infrastructure.

**Output 9** – Promote the efficient use of spectrum for new technologies.

**Output 10** – Increase reliance on market-driven transactions to promote and facilitate efficient spectrum usage.

**Output 11** – Begin a multi-year audit of spectrum use to identify underutilized blocks of spectrum.

**Output 12** – Identify 100 megahertz of encumbered spectrum bands below 5 GHz and currently licensed under legacy command-and-control regimes to transition to expanded flexible rights licensing models within the next five years.



# MEDIA

## *Performance Goals:*

- ❖ Develop a sound analytic foundation for media ownership rules.
- ❖ Facilitate the transition to digital television and radio.
- ❖ Clarify and ensure compliance with general media obligations.

## *FY 2004 - 2005 Outcome Indicators:*

- Significant progress in the transition to digital television and radio.
- Increasing investment by consumers in digital equipment.
- Increasing deployment by industry in digital programming, equipment, and infrastructure.



## *FY 2004 Output Activities*

**Output 1** – Resolve challenges to revised rules issued in Third Biennial Review of Broadcast Ownership Rules and issue NPRM for Fourth Biennial Review of broadcast ownership rules to assure that the rules reflect the current media marketplace.

**Output 2** – Adopt and enforce regulations to advance the digital transition and implement public education efforts, e.g., DTV Must-Carry, DTV Periodic Review, DTV LPTV and TV Translators, Plug-and-Play, Broadcast Flag, and Digital Audio Systems and Service Rules.

**Output 3** – Initiate any further actions to gather information and data from consumers, industry, civic organizations, and others to assess broadcasters' service to local communities.

**Output 4** – Resolve and enforce broadcast, cable and satellite operating matters in a timely way (e.g., children's television, public files, leased access, main studio, EEO, political programming, closed captioning, analog must carry, and other non-technical rules).

**Output 5** – Conduct staff review of DTV technical rules to identify any changes needed to facilitate the completion of the DTV transition mandated by statute.

**Output 6** – Foster the digital television transition by negotiating cross-border agreements with Canada and Mexico.

## *FY 2005 Output Activities*

**Output 1** – Complete Fourth Biennial Review of Broadcast Ownership Rules, including adoption of revised Media Ownership Rules that reflect the current media marketplace.

**Output 2** – Continue to adopt and enforce regulations to advance the digital transition and implement public education efforts, e.g., DTV Must-Carry, DTV Periodic Review, DTV LPTV and TV Translators, Plug-and-Play, Broadcast Flag, and Digital Audio Systems and Service Rules.

**Output 3** – Issue a Report to gather information and data from consumers, industry, civic organizations, and others to assess broadcasters' service to local communities.

**Output 4** – Resolve and enforce broadcast, cable and satellite rule compliance matters that arise in licensing proceedings in a timely way (e.g., children's television, public files, leased access, main studio, EEO, political programming, closed captioning, analog must carry, and other non-technical rules).

**Output 5** – Initiate any actions to revise DTV technical rules and table of allotments necessary to facilitate the completion of the DTV transition mandated by statute.

**Output 6** – Foster the digital television transition by working with industry to educate consumers to stimulate consumer investment in digital equipment.

**Output 7** – Foster the digital television transition by negotiating cross-border agreements with Canada and Mexico.

# HOMELAND SECURITY

**Performance Goal:** Promote the reliable, secure, and survivable communications infrastructure.

**FY 2004 - 2005 Outcome Indicators:**

- Increasing deployment of E-911.
- Increasing Telecommunications Service Priority (TSP) participation.
- Increasing amount of spectrum available for public safety communications.
- Decreasing number of interference complaints affecting public safety communications.



## *FY 2004 Output Activities*

**Output 1** – Identify and engage domestic and international counterparts on homeland security issues.

**Output 2** – Develop regulations to ensure the security and survivability of the satellite communications infrastructure, including treatment of orbital debris.

**Output 3** – Ensure public safety has adequate means of meeting communications needs through spectrum and technology.

**Output 4** – Increase the deployment of Telecommunications Service Priority participation.

**Output 5** – Enhance consumer awareness of communications security and reliability issues in emergency situations.

**Output 6** – Enforce technical regulations and investigate harmful interference complaints affecting public safety communications systems and infrastructure.

**Output 7** – Enhance public safety communications.

**Output 8** – Enhance telecommunications and media network reliability.

**Output 9** – Complete rulemakings/issue regulations that further the accessibility of the telecommunications network to people with disabilities (e.g., Telecom Relay Services (TRS) including annual review of TRS issues, and Section 255 accessibility to equipment and services).

**Output 10** – Facilitate deployment of enhanced 911 services through new regulations, clarification of existing regulations, enforcement proceedings, and data tracking.

**Output 11** – Coordinate Section 214 market access and Section 310 foreign ownership reviews with the Executive Branch.

**Output 12** – Complete the deliverables required by the Network Reliability and Interoperability Council (NRIC) and Media Security and Reliability Council (MSRC) charters.

**Output 13** – Enhance the Emergency Alert System through consistent, strong enforcement of EAS equipment and testing requirements.

## *FY 2005 Output Activities*

**Output 1** – Identify and engage domestic and international counterparts on homeland security issues.

**Output 2** – Develop regulations to ensure the security and survivability of the satellite communications infrastructure.

**Output 3** – Ensure public safety has adequate means of meeting communications needs through spectrum and technology.

**Output 4** – Increase the deployment of Telecommunications Service Priority participation.

**Output 5** – Enhance the delivery of alert and public warning messages.

**Output 6** – Enforce technical regulations and investigate harmful interference complaints affecting public safety communications systems and infrastructure.

**Output 7** – Enhance public safety communications.

**Output 8** – Enhance telecommunications and media network reliability.

**Output 9** – Complete rulemakings/issue regulations that further the accessibility of the telecommunications network to people with disabilities (e.g., Telecom Relay Services (TRS) including annual review of TRS issues, and Section 255 accessibility to equipment and services).

**Output 10** – Facilitate deployment of enhanced 911 services through new regulations, clarification of existing regulations, enforcement proceedings, and data tracking.

**Output 11** – Enhance consumer awareness of communications security and reliability issues in emergency situations.

**Output 12** – Coordinate Section 214 market access and Section 310 foreign ownership reviews with the Executive Branch.

# ***MODERNIZE THE FCC***

**Performance Goal:** Become a more responsive, efficient, and effective agency.

**FY 2004 - 2005 Outcome Indicators:**

- Reducing the average time required to complete rulemakings (improve workflow, document and knowledge management).
- Increasing efficiency in the processing of workload (measured by and reported in the Quarterly Performance & Results Review (QPRR)).
- Employing of appropriate number of attorneys, engineers and economist.
- All FCC employees participating in appropriate career development activities.
- Increasing rate of agency achievement of strategic objectives.



## ***FY 2004 Output Activities***

**Output 1** – Assess and report on the initial results of the IMPACT pilot.

**Output 2** – Bureau/Office efficiency initiatives reported in Quarterly Performance and Review Report.

**Output 3** – Ensure appropriate number of engineers, economists, and attorneys.

**Output 4** – All agency staff participates in appropriate career development discussions with their supervisor.

**Output 5** – Supervisory and managerial performance plans and awards are linked to the FCC's Strategic Plan goals and measures.

**Output 6** – Implement performance-based budgeting based on OMB guidelines.

**Output 7** – To improve FCC operations, conduct audits, assessments and evaluations and make recommendations (e.g., Fiscal Year Financial Statements, Federal Information Security Management Act (FISMA) Evaluations, and Continuity of Operations Plan (COOP)).

## ***FY 2005 Output Activities***

**Output 1** – Bureau/Office efficiency initiatives reported in the Quarterly Performance and Review Report.

**Output 2** – Expand the Improving Management of Policy Activities through Collaborative Technologies (IMPACT) project.

**Output 3** – Continue to review and adjust staff composition to ensure a high-performing, diverse workforce.

**Output 4** – Implement a learning management system.

**Output 5** – Employee performance plans and awards are linked to the FCC's Strategic Plan's goals and measures.

**Output 6** – Continue implementation of performance-based budgeting based on OMB guidelines.

**Output 7** – To improve FCC operations, conduct audits, assessments and evaluations and make recommendations (e.g., Fiscal Year Financial Statements, and Federal Information Security Management Act (FISMA) Evaluations).



# APPENDIX

## FY 1999 - FY 2002 Performance

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### LICENSING

**Policy Initiative:** Improve our speed of disposal for processing license applications. Substantially reduce our backlog including licensing applications, petitions for reconsideration and other proceedings. Act on petitions for reconsideration that do not raise significant new issues within 60 days of the record closing. Performance was measured from data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ 90% of applications disposed within speed of disposal goals.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 90% disposal within speed of disposal goals.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 90% disposal within speed of disposal goals.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 95% disposal within speed of disposal goals.</li> </ul> <p style="text-align: center;">*****</p> <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY 99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Backlog does not exceed 40% of receipts.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Backlog does not exceed 10% of receipts.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Backlog does not exceed 5% of receipts.</li> </ul> <p style="text-align: center;">*****</p> <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY 99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 75% of petitions for reconsideration with no significant new issues acted on within 60 days.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 90% acted on in 60 days.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 95% acted on in 60 days.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ 88% processed within speed of disposal goals.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 89% processed within speed of disposal goals.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 94% processed within speed of disposal goals.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 96% processed within speed of disposal goals.</li> </ul> <p style="text-align: center;">*****</p> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Backlog reduced to 4%.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Backlog reduced to .82%.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Backlog reduced to 1.7%.</li> </ul> <p style="text-align: center;">*****</p> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 38% acted on in 60 days.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 94% acted on in 60 days.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 97% acted on in 60 days.</li> </ul> |

**Policy Initiative:** Create a paperless FCC by automating functions and fully implementing automated licensing and electronic filing systems to promote one-stop shopping. Consolidate individual systems and adopt one standard user interface where possible to simplify public use of our systems. Performance was measured from data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Provide electronic filing capabilities for licensing bureaus/offices.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 60% of all documents filed electronically.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 70% of all documents filed electronically.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 80% of all documents filed electronically.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Provided electronic filing capabilities for licensing bureaus/offices.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 60% of all documents were filed electronically.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 77% of all documents were filed electronically.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 92% of all documents were filed electronically.</li> </ul> |

# COMPETITION

**Policy Initiative:** Reduce the burden of filing, reporting, record keeping and accounting requirements across all communications industries. Baseline data was available from the agency's annual Information Collection Budget submitted to Office of Management and Budget. Forms reduction was also tracked in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will continue to evaluate whether certain regulations are no longer necessary in the public interest and should be repealed or modified.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Complete an aggressive 2000 Biennial Review aimed at eliminating unnecessary rules and regulations.</li> <li>➤ 10% reduction in the number of forms required by the FCC, using FY99 as a baseline.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 20% reduction in the number of forms required by the FCC, using FY99 as a baseline.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 30% reduction in the number of forms required by the FCC, using FY99 as a baseline.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Initiated a number of rule makings to eliminate obsolete or overlapping regulations and/or reporting requirements identified in the FY98 Biennial Review of agency's rules and regulations.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Biennial Review completed on schedule. The FCC issued a Memorandum Opinion and Order relaxing a number of mass media procedures.</li> <li>➤ 14 forms eliminated and 12 added for a year-end total of 141, representing a 1.4% reduction from FY99 (143 FCC forms).</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 20 forms eliminated and 9 forms added for a year-end total of 130, representing a 9.1% reduction from FY99.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 12 forms eliminated and 1 form was added for a year end total of 119, representing a 16.8% reduction from FY99.</li> </ul> |

**Policy Initiative:** Complete the opening of local telecommunications markets through pro-competitive unbundling, interconnection and co-location policies. Performance was measured by reviewing the Wireline Competition Bureau's Annual Competition Report.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will continue to implement the local competition provisions of the Telecommunications Act of 1996.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 15% of households with 1 new local residential competitor;</li> <li>➤ 10% have 2 new local residential competitors.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 30% of households live in zip codes with 1 CLEC;</li> <li>➤ 10% with 2 CLECs.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 90% of households live in zip codes with 1 CLEC;</li> <li>➤ 80% with 2 CLECs;</li> <li>➤ 10% with 3 CLECs.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Implemented a variety of rule makings designed to provide guidance in the areas of unbundling, collocation, line sharing, and pricing in order to facilitate local competition.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 88% of households with 1 new CLEC;</li> <li>➤ 78% of households with 2 new CLECs.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 91% of households with 1 new CLEC;</li> <li>➤ 83% of households with 2 new CLECs.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 94% of households with 1 new CLEC;</li> <li>➤ 86% of households with 2 new CLECs;</li> <li>➤ 78% of households with 3 new CLECs.</li> </ul> |

**Policy Initiative:** Digital Television (DTV). Performance was measured using data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Authorize DTV service.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Authorize In-Band On-Channel Service (conversion of analog radio to digital).</li> <li>➤ Adopt Report and Order in Digital Audio Broadcasting Proceeding.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ License all commercial DTV stations (on air).</li> <li>➤ License national digital radio service.</li> <li>➤ Assess competition in the multi-channel market.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ In FY00, Digital Broadcast Buildout shows that 67 of 1,314 (5.1%) DTV commercial stations were licensed; and 8 of 384 (2.1%) non-commercial stations were licensed.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ A total of 119 or 7.0% of 1,698 stations were licensed. The digital radio goals were not achieved because the AM and FM systems had not been fully developed or tested.</li> <li>➤ The FCC expected to adopt a First Report and Order and a Further Notice of Proposed Rule Making in the Digital Audio Broadcasting Proceeding in FY02; and a Second Report and Order adopting transmission standards, technical standards and service and licensing rules in FY03.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ A total of 331 or 19.5% of 1,698 stations were on the air with licensed facilities or program test authority – 279 of 1,314 (21%) commercial DTV stations and 52 of 384 (14%) non-commercial education DTV stations.</li> <li>➤ The FCC adopted a Report and Order in 2002 selecting a digital transmission technology.</li> <li>➤ Following its review of extensive tests, the FCC authorized digital FM and digital daytime AM operations in October 2002. This action permits, but does not require, broadcasters to begin providing terrestrial digital radio service immediately. The pace and extent of implementation will be determined by broadcasters, consumers, and consumer electronics manufacturers. The FCC expects to adopt a Further Notice of Proposed Rulemaking in FY03. A Second Report and Order to adopt transmission standards, technical standards, and service and licensing rules is expected in FY04. The vast majority of consumers can choose among at least three competitive multichannel video programming providers – a cable operator and two DBS operators. In October 2002, the FCC designated the proposed merger of the two primary DBS providers for hearing, in part, due to concerns regarding the elimination of competitive alternatives for consumers.</li> </ul> |

| <b>Policy Initiative:</b> Section 271 Applications. Performance was measured using data collected in the Quarterly Performance and Results Review.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will continue to work closely with other Federal agencies, state commissions and the public to ensure the expeditious processing of Section 271 applications.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Expeditiously process Section 271 applications within 90 days of receipt.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Expeditiously process Section 271 applications within 90 days of receipt.</li> <li>➤ Periodic review of UNE requirements.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Expeditiously process Section 271 applications within 90 days of receipt.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Obtained ex parte exemption to allow free communication/close coordination with Department of Justice in reviewing Section 271 applications.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The Commission received 4 applications – 2 timely approved and 2 withdrawn; thereby meeting 100% of its processing goals.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The Commission received 6 applications covering 7 states. Five applications were timely approved during FY01.</li> <li>➤ On December 20, 2001, the FCC released an NPRM seeking to examine the framework under which incumbent local exchange carriers (LECs) must make unbundled network elements available to requesting carriers, and posing questions on the lessons learned since the passage of the Telecommunications Act of 1996. The comment cycle closed April 2002.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The Commission received 15 applications covering 26 states. Eight applications were timely approved/processed, four were withdrawn and three remained pending during FY02. 100% of processing goals were met pursuant to the competitive requirements of Section 271 of the Act.</li> </ul> |

| <b>Policy Initiative:</b> Mobile Wireless. Performance was measured by reviewing the Wireless Telecommunications Bureau's Annual Competition Report.                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                           |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 73% of households with access to 5 or more mobile wireless providers.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 78% of households with access to 5 or more mobile wireless providers.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 80% of households with access to 5 or more mobile wireless providers.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 75% of households with access to 5 or more providers.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 80% of households with access to 5 or more providers.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 83% of households with access to 5 or more providers.</li> </ul> |

| <p><b>Policy Initiative:</b> Advanced Technologies – Multichannel video programming distributors (MVPDs) and advanced cable. Performance was measured by reviewing the Commission’s Annual Video Competition Report.</p>                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 15% of households have access to advanced cable;</li> <li>➤ 10% of households with access to 3 or more MVPDs.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 15% of households have access to advanced cable;</li> <li>➤ 10% of households with access to 3 or more MVPDs.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 10% of households with access to 3 or more MVPDs.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Approximately 58% of television households have access to advanced cable (cable modem) service;</li> <li>➤ 91% of households have access to 3 or more MVPDs; 5% access to 4 or more; 5% access to 5 or more.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Approximately 66% of television households have access to advanced cable (cable modem) service;</li> <li>➤ 91% of households have access to 3 or more MVPDs; 6% access to 4 or more.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Over 90% of households have access to 3 or more MVPDs; approximately 6% have access to 4 or more.</li> </ul> |

| <p><b>Policy Initiative:</b> Streamline merger review procedure. Performance was measured from data collected in the Quarterly Performance and Results Review.</p>                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Develop new merger review timetable.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Act on all major merger and acquisition applications within 180 days of receipt.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Same as FY01.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ New merger timetable implemented on an expedited basis. All mergers submitted after new procedures implemented were reviewed within 180 days.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Thirteen major mergers were acted on within 180 days of being placed on public notice and two mergers exceeded the goal of 180 days.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Fifteen major mergers were acted on within 180 days of being placed on public notice and two mergers exceeded the goal of 180 days: COMSAT/Telenor (209 days) and Iridium/“Old” Iridium (230 days).</li> </ul> |

| <p><b>Policy Initiative:</b> Streamline the technical rules for and privatize certain aspects of the certification of telephone and other equipment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will initiate rule makings to update Part 68 of our rules and regulations to incorporate technological innovations.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Begin reduction in technical rules for certifying equipment.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 20% reduction in technical rules for certifying equipment.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 40% reduction in technical rules for certifying equipment.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ An NPRM proposing to deregulate Part 68-Equipment Registration was prepared for consideration during FY00.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ FCC began designating domestic Telecommunications Certification Bodies (TCB) for certifying equipment in June 2000. Preparation for implementing the terms of the Mutual Recognition Agreement with Europe was initiated. In addition, FCC met its goal of completing the Part 68 Order, which eliminated the regulations governing development of technical standards and certification procedures for telecommunications equipment.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Streamlining of rules was completed in FY00. During FY01, the FCC significantly streamlined equipment authorization procedures reducing the time-to-market for new products. The backlog of equipment authorization applications was reduced from 700 to less than 200 (71.4%). Speed of service for processing equipment authorization applications declined from an average of 51 days to 37 days. While certain equipment must be approved by the FCC, most equipment can either be self-approved by the manufacturer or approved by a TCB.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ NOTE: The FCC achieved its goal of streamlining its technical certification rules ahead of schedule and this performance measure will be discontinued.</li> </ul> |

**Policy Initiative:** 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. Average price of an international phone call is tracked in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                         | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                           |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul>                                               |                                                                                                                                                                                                                                                                                                                                     |
| <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Average price for an international call: \$0.65 per minute.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Average price of an international phone call: \$0.48 per minute.</li> </ul>                                                                                                                                                                                            |
| <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Average price of an international call: \$0.55 per minute.</li> </ul>  | <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Average price of an international phone call: \$0.43 per minute.</li> </ul>                                                                                                                                                                                            |
| <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Average price of an international call: \$0.45 per minute.</li> </ul>  | <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Average price of an international phone call: \$0.33 per minute.</li> <li>➤ The estimated savings in the telephone rates over the previous year were approximately \$5.4 billion (based on \$0.48 per minute for calendar year 2000) to American consumers.</li> </ul> |



**Policy Initiative:** 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. Performance will be measured by the number of new system entrants licensed and subscribership statistics to these new services.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will continue to participate in global standard setting for communications services.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Encourage satellite and wireless industries to develop sharing mechanisms whenever possible and license as many of new entrant systems as possible.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Same as FY00.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Same as FY01.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Proposed rules to implement the international arrangements governing Global Mobile Personal Communications by Satellite adopted by ITU.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC developed an innovative licensing approach for a new generation of mobile satellite services in the 2GHz frequency band, and released an NPRM and Report and Order addressing difficult spectrum sharing issues between the terrestrial fixed and fixed satellite services.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Issued an Order finalizing the INTELSAT privatization under the Orbit Act with 17 INTELSAT authorizations.</li> <li>➤ Adopted an Order approving Inmarsat privatization consistent with the Orbit Act and authorized four companies to operate Inmarsat terminals in the United States.</li> <li>➤ Adopted an NPRM exploring the possibility of allowing mobile satellite service operators to use terrestrial components in their mobile satellite service spectrum.</li> <li>➤ Issued 11 satellite licenses for 34 orbit locations in the Ka-Band.</li> <li>➤ Issued 8 licenses for launch and operation of 8 mobile satellite systems in the 2 GHz band.</li> <li>➤ Proposed an allocation for satellite services in the V-Band that allowed terrestrial operation to take place in the same band.</li> <li>➤ Proposed a band arrangement and licensing rules for NGSO/FSS satellite operators in the Ku-Band.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Issued a Report and Order setting out sharing arrangements between NGSO FSS Ku-band licensees.</li> <li>➤ Issued 7 new space station licenses.</li> <li>➤ Issued 260 new earth station licenses.</li> <li>➤ Authorized the addition of one foreign-licensed satellite provider to the “permitted list,” allowing automatic access by any routine earth station in the United States.</li> <li>➤ Issued a second Notice of Proposed Rulemaking exploring the options for streamlining of the earth station application process.<br/>In June 2002, the FCC released an Order modifying Parts 43 and 63 of the Rules. The modifications lessen regulatory burdens for certain carriers: CMRS carriers are exempt from Section 63.19 discontinuance requirements, and CMRS carriers providing resale of international switched services need not file quarterly traffic and revenue reports region.</li> </ul> |

**Policy Initiative:** Schools and Libraries. Performance for Universal Service and related goals is derived from data obtained from the Universal Service Administrator and from the National Center for Educational Statistics.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will work to improve the connections of classrooms, libraries and rural health facilities to the Internet.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 75% of schools and libraries connected to the Internet.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 90% of public school instructional classrooms connected to the Internet.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 93% of public school instructional classrooms connected the Internet.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Released Order extending funding for schools and libraries to get connected to the Internet.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 77% of public school instructional classrooms connected to the Internet.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ This goal was not met because the demand for priority one services (telecommunications and Internet access) had increased substantially, leaving less funding for priority two services (internal connections that bring access to individual classrooms). Only 87% of public school instructional classrooms were connected to the Internet. In the fall of 2001, 99% of public schools in the United States had access to the Internet. Over the years, changes have occurred in the types of Internet connections used by public schools and the speed at which they are connected to the Internet. In 2001, 85% of public schools used broadband connections to access the Internet, a 5% increase from 2000.</li> <li>➤ In some cases, due to cuts in local educational budgets, applicant schools may not have been able to contribute their portion of the funds necessary to connect classrooms.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ <b>??% of public school instructional classrooms connected to the Internet.</b></li> </ul> |

**Policy Initiative:** Increase penetration rates to underserved areas. Performance is measured from data contained in the Wireless Telecommunications Bureau's Annual Competition Report.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                        |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 15% increase in penetration rate for mobile wireless telephone services.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 30% increase in penetration rate for mobile wireless telephone services.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 25%-30% increase in penetration rate for mobile wireless telephone services.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 28% increase in penetration rates.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 39% increase in penetration rates.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 45% increase in penetration rates.</li> </ul> |

| <p><b>Policy Initiative:</b> Telephone Area Codes. Performance was measured by increased utilization rates for numbers and the quantity of numbers returned. FY 1999 will serve as baseline.</p>                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Approve number optimization plan.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Decrease number of new area codes added by at least 8%.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Decrease number of new area codes added by at least 20%.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ FCC issued two Report and Orders on Number Resource Utilization.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC issued a Third Report and Order on Number Resource Optimization. Fourteen new area codes were activated in 2000, and 20 codes were scheduled to be activated in 2001. This represents a 43% increase in area code activation, compared to the period before the Commission’s number conservation measures were implemented. However, this still represents a significant decline in area code activation, which we expect to continue to decrease after the areas that currently need resources implement area code relief.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Approximately 20 new area codes were activated in 2001, and approximately 10 new area codes have been activated in 2002. The level of activations in 2002 represents a 50% decrease in area code activations over 2001.</li> </ul> |

| <p><b>Policy Initiative:</b> More efficient number pooling. Performance was measured by increased utilization rates for numbers and the quantity of numbers returned.</p>                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Implement more efficient number block pooling for a least 18 of the 100 largest MSAs.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Same as FY00.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Implement more efficient number block pooling for at least 40 of the 100 largest MSAs.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ On-going. National pooling framework established; several state pooling trials in place.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC issued a Third Report and Order on Number Resource Optimization that set forth final procedures and established a Federal cost recovery mechanism for pooling. Despite a rise in area code activation, pooling has contributed directly to a significant decrease in net central office code assignments, from an average of 2,172 codes per month for the period January-October 2000, to 413 for January-October 2001.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Thousands-block number pooling has been implemented in approximately 86 MSAs and 185 area codes. During 2002, 3,604 central office codes were returned. Net central office code assignments were 3,574 as compared to 4,340 in 2001.</li> </ul> |

# ENFORCEMENT

**Policy Initiative:** Use the Accelerated Docket and other means to expedite resolution of important competition-related formal complaints. The number of formal complaints was tracked in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 10% increase in Common Carrier formal complaints resolved per attorney.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 25% increase in Common Carrier formal complaints resolved per attorney.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 50% increase in Common Carrier formal complaints resolved per attorney.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Pending formal Common Carrier complaints were reduced by 21% over FY98 levels.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 71% increase in Common Carrier formal complaints resolved per attorney.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 187% increase in Common Carrier formal complaints resolved per attorney (using FY99 as a baseline).</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC far exceeded this goal, achieving a 134% increase in the number of Common Carrier formal complaints resolved per attorney (using FY99 as a baseline). Improved efficiency in resolving complaints makes the formal complaint process a more credible option for dispute resolution and a deterrent to unlawful conduct.</li> <li>➤ The FCC took in over \$10 million in competition-related enforcement actions.</li> </ul> |

**Policy Initiative:** Show zero tolerance for perpetrators of consumer fraud such as slamming and cramming. Impose substantial monetary forfeitures against the worst offenders. Performance was tracked through analysis of data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 10% reduction in the number of long-distance slamming informal complaints.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 20% reduction in the number of long-distance slamming informal complaints.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 40% reduction in the number of long-distance slamming informal complaints.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Data collection procedures were under review such that it was not possible to determine if goal was met. However, significant monetary fines were levied on carriers guilty of slamming practices.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 51% reduction in the number of long-distance slamming informal complaints.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ In FY 2002, a total of 4,179 slamming complaints were filed with the FCC, representing a 41.2% reduction over FY 2000 (baseline).</li> <li>➤ The FCC took in over \$15 million in consumer protection enforcement actions.</li> </ul> |

**Policy Initiative:** Enforce all disability accessibility provisions. Performance was tracked through analysis of data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Implement all disability accessibility rules; achieve 65% compliance with new disability rules.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Achieve 80% compliance with new disability rules.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Achieve 85% compliance with new disability rules.</li> </ul> | <p><b>FY99</b></p> <ul style="list-style-type: none"> <li>➤ Release an Order implementing Section 255 of the Telecommunications Act, which is the basis for enforcement.</li> </ul> <p><b>FY00</b></p> <ul style="list-style-type: none"> <li>➤ The FCC continues to monitor disability actions and has resolved a number of informal complaints. No formal complaints were filed in FY00.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC continues to monitor disability-related enforcement issues and has initiated one investigation in this area. No disability-related formal complaints were filed in FY01.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ No disability-related formal complaints were filed in FY02.</li> <li>➤ The FCC now tracks all disability-related inquiries and complaints on its Operations Support for Complaint Analysis and Resolution (OSCAR) reporting system. This has significantly improved the agency's ability to identify trends in disability issues as they arise, and to expand its outreach efforts to the disabilities community and other interested parties. Since April 2002, when this tracking commenced, 650 disability inquiries and complaints have been recorded on OSCAR, and all of these cases are categorized by media – Cable, Radio &amp; Broadcast, Wireline, and Wireless – and specific issues (TRS, Hearing Aid Compatibility, Access to Emergency Information, etc.). Our coverage of disability issues in our Quarterly Reports and specialized reporting to external parties has expanded considerably.</li> </ul> |

**Policy Initiative:** Expediently resolve complaints concerning spectrum use, public safety, and technical issues such as air navigation hazards, interference, station license requirements and Emergency Alert System (EAS) rules. Performance was tracked through analysis of data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ We will enhance our capabilities to resolve radio interference problems by updating our radio direction finding systems.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 85% compliance with antenna registration, marking and lighting rules.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 90% compliance with antenna registration, marking and lighting rules.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 92% compliance with antenna registration, marking and lighting rules.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Updated a variety of radio direction finding systems to aid in enforcement activities.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC inspected 2,151 towers: 92% were registered and 94% were properly marked and lit.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC inspected 2,156 towers: 97% were registered and 96% were properly marked and lit.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC inspected 3,613 towers, 98.4% were registered and 92.6% were properly painted and lit. This goal benefits the consumer by promoting air safety. The drop in percentage of towers properly marked and lit reflects the fact that Enforcement Bureau field agents expanded the geographic area in which they conducted inspections, thus casting a “wider net” to find noncompliant towers.</li> <li>➤ The FCC took in approximately \$1 million in tower safety enforcement actions.</li> </ul> |

# CONSUMER INFORMATION SERVICES

**Policy Initiative:** Ensure that all agency electronic and information technologies are accessible to and usable by persons with disabilities. Performance was tracked through analysis of data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 50% of all agency materials accessible in alternative format within 5 days of request.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 75% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 90% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC has developed an “on demand” approach to making our material accessible. FCC material is available in audio, Braille (transcribed), Braille (embossed), diskette, and large print.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC filled requests for persons with disabilities in alternatively formatted information within 1 to 2 days after their request was submitted. Audiotapes were provided within 2 days of initial request.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC filled 98% of alternatively formatted information available for persons with disabilities within 1 to 2 days after their request was submitted. Audiotapes were provided within 2 days of initial request.</li> </ul> |

**Policy Initiative:** Complaints/Information. Performance was tracked through analysis of data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 10% reduction in response to informal consumer complaints.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Reduce average response time to informal consumer complaints to less than 10 days.</li> </ul> <p><b>FY 02:</b></p> <ul style="list-style-type: none"> <li>➤ Reduce average response time to informal consumer complaints to 5-7 days.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Y2K and other problems with the automated informal complaint system required significant upgrades and revisions, which delayed response time improvements.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC achieved a 100% reduction in backlog of informal consumer complaints. Average time taken to respond to a complaint was reduced to 10-13 days.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC received 111,528 informal complaints and disposed of 122,247 (including those pending from previous year). The average time required for staff to respond to informal consumer complaints was reduced to less than 10 business days.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC received 79,295 informal complaints and disposed of 73,679. The FCC successfully met its goal to reduce the average response time of 5-7 days for informal consumer complaints, thereby improving customer service to consumers.</li> </ul> |

**Policy Initiative:** Evolve the FCC’s web site into a model for accessibility and availability of information. Develop electronic systems or sub-systems to provide tracking information about Commission proceedings and processes, including licensing, policy development, and issues resolution.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                           | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><b>FY99:</b><br/>➤ No FY99 goal.</p> <p><b>FY00:</b><br/>➤ Define requirements for agency-wide plan to improve online access to FCC information.</p> <p><b>FY01:</b><br/>➤ Develop phased-in plan to improve online access to FCC information.</p> <p><b>FY02:</b><br/>➤ Implement plan to improve access to FCC information via the Internet.</p> | <p><b>FY00:</b><br/>➤ The FCC established a web evaluation task force to survey our customers and identify ways to improve access to all FCC information.</p> <p><b>FY01:</b><br/>➤ During FY01, the FCC made substantial achievements in improving online access to its information--</p> <ul style="list-style-type: none"> <li>• Established the Web Content Management Committee</li> <li>• Redesigned the agency’s web site to make information compliant with Section 508 disability requirements.</li> <li>• Implemented a new enterprise search engine.</li> <li>• Unveiled “Bienvenidos,” our consumer pages for Spanish-speaking consumers.</li> <li>• Implemented web-based telephone company locator system.</li> <li>• Implemented Electronic Document Management System (EDOCS).</li> <li>• Improved access to consumer information.</li> <li>• Categorized all of our consumer fact sheets onto an online directory.</li> <li>• Provided an online version of the toll-free telephone menu system.</li> <li>• Consolidated complaint information into one site.</li> </ul> <p><b>FY02:</b><br/>➤ The FCC’s web site redesign was completed.<br/>➤ The Third Annual E-government Study of state and federal government web sites ranked the FCC’s web site first among all Federal government agencies.<br/>➤ Revised and expanded the E-FOIA Request Form to allow the public to submit more detail request.<br/>➤ Developed new policies and procedures for posting files to the web site to prevent duplicate posting of documents and to prevent sensitive information from being made public.<br/>➤ Upgraded the main web server software to the latest version.<br/>➤ Current web pages provide consumers and the industry with improved and timelier access to FCC information.</p> |



**Policy Initiative:** Consumer Outreach. Performance was measured by the number of joint partnership programs the FCC establishes during a fiscal year.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Implement consumer outreach program, including new consumer advocacy partnerships with Federal, state, and local governments, industry, and consumer groups.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Implement consumer outreach program, including new consumer advocacy partnerships.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Extend partnerships with industry and consumer groups.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Established consumer advocacy partnerships with Federal, state, and local governments. Also launched a pilot database project, the State and National Action Plan (SNAP), which shares data on slamming and cramming complaints and inquiries. See FY00 Annual Program Performance Report for a listing of additional significant activities.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Established partnerships with Federal, state and local government agencies, consumer groups, and the military for distribution of information.</li> <li>➤ Began a campaign to educate consumers regarding inexpensive international calling options. As part of this campaign, the Commission developed a brochure (in 13 languages) to provide critical information to consumers on international calling and associated rates. FCC's web site (<a href="http://www.fcc.gov/cib/information_directory.html#International">http://www.fcc.gov/cib/information_directory.html#International</a>).</li> <li>➤ Established the Consumer/Disability Telecommunications Advisory Committee.</li> <li>➤ Entered into an agreement with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers to streamline the historic review process for collocated antennas.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC established the State Slamming Database as an example of our cooperative efforts with states. The agency receives reports each month from all 36 states that have opted into the Commission's Slamming Resolution program. The input is consolidated on the State Slamming Database, which tracks receipts, resolutions, and actual slamming cases – detailed by operator – each month. The database allows local and national trends in slamming to be readily identified, and enhances data sharing between the Commission and the opted-in states.</li> </ul> |

**Policy Initiative:** Consumer Outreach. Performance was measured by the number of joint partnership programs the FCC establishes during a fiscal year.

| <i>Goal</i>                                                                                                                                              | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><b>Continuing—</b></p> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Extend partnerships with industry and consumer groups.</li> </ul> | <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC also shares selected disability complaint and inquiry data with the Institute of Electronic &amp; Electrical Engineers on a monthly basis, and this information is included in its publications. The information is relied upon, in part, by the FCC technical community as a way of identifying trends in disability issues and promoting the development of new products responsive to evolving needs.</li> <li>➤ The FCC issued a consumer alert to educate consumers regarding surcharges on international calls that terminate on foreign mobile telephones.</li> <li>➤ The FCC worked with industry and U.S. and foreign government entities in partnerships directed toward fostering regulatory best practices for global communications services. Examples include support for a network in southern Africa to exchange expertise concerning information and communications technologies; participation in the ITU Development Sector Regulators Symposium; and training activities with USAID (focused on Eastern Europe, Africa, and the Caribbean), the World Bank (Latvia) and the U.S. Telecommunications Training Institute. In addition, the FCC International Visitors Program held 86 briefings for 435 foreign visitors, and the FCC participated in 110 multilateral conferences and 11 bilateral meetings.</li> <li>➤ The FCC participated in Study Groups at the International Telecommunications Union (ITU). ITU Study Groups include participants from around the world and provide a venue for exchanging information and ideas on various aspects of telecommunications regulation.</li> <li>➤ The FCC developed a brochure to provide critical information to consumers on rates and features of wireless calling plans. FCC’s web site (<a href="http://www.fcc.gov/cgb/wirelessphone.pdf">http://www.fcc.gov/cgb/wirelessphone.pdf</a>). The FCC negotiated with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers to streamline the historic preservation review process for new construction.</li> </ul> |

# ***SPECTRUM MANAGEMENT***

**Policy Initiative:** Streamline and reform assignment and licensing procedures to facilitate moving spectrum into the marketplace. Performance was measured by number of licenses issued and speed of service.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Initiate review of assignment and licensing techniques.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Convene a task force to work with industry and academia to develop recommendations on ways to improve assignment and licensing.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Clarify our transfer of control policies to facilitate secondary market transactions.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC released two rule makings reconfiguring the 30 MHz C-block re-auction spectrum into three 10 MHz blocks.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ In February 2002, the Chairman established a new task force on spectrum policy and created a new position, Senior Spectrum Policy Advisor.</li> <li>➤ The FCC released a rule making adopting various technical and operational rules and policies concerning the use of frequencies in the 764-776 MHz and 794-806 MHz bands (700 MHz band) designated for interoperability uses. FCC is also conducting an audit of the construction and operational status of the Private Land Mobile Radio (PLMR) licensees holding authorizations in the Public Safety and Business Industrial radio services on coordinated frequencies below 800 MHz.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC eliminated the spectrum cap for Commercial Mobile Radio Services (CMRS), thereby facilitating secondary market transactions.</li> <li>➤ The FCC plans to adopt a Report and Order during FY03 that would further clarify our transfer of control policies.</li> <li>➤ The FCC issued a Notice of Proposed Rulemaking in the Space Station Licensing Reform proceeding that includes a proposal to remove restrictions on satellite licensees' rights to trade their licenses on the secondary markets.</li> <li>➤ The FCC conducted a spectrum occupancy measurement project in support of the Spectrum Policy Task Force at five locations.</li> </ul> |

**Policy Initiative:** Promote the use of more spectrum-efficient frequency technologies. Performance was measured by authorization of new spectrum efficient technologies and improved ability to measure and test RF emissions from radio equipment.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Work with industry and NTIA to promote the use of technologies and approaches to spectrum allocation.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Examine management of shared spectrum and vehicles to enhance condition of shared spectrum with NTIA.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Examine implementation of new spectrum technology uses.</li> </ul> | <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ Worked with the industry and NTIA to promote the use of technologies and approaches to spectrum allocation and assessments that minimize interference and increase coordination between Federal and non-Federal users.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC adopted rules to provide for government access to non-government public safety spectrum in the 700 MHz band.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC continued to work with the Interdepartmental Radio Advisory Committee (IRAC); coordinated with NTIA (Department of Commerce) on all FCC proceedings dealing with spectrum issues; and initiated review of the coordination process to examine ways for improvement.</li> <li>➤ Questions arose concerning shared spectrum and the robustness and redundancy of our public safety communications network, following 9/11. The FCC established a Homeland Security Policy Council (HSPC) comprised of senior level officials.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC initiated a rulemaking proceeding regarding service rules for the 4.9 GHz band, which was transferred from Government spectrum and designated for public safety uses.</li> <li>➤ The HPSC worked with other federal agencies as well as state and local entities concerning the robustness and redundancy of networks. The Network Reliability and Interoperability Council and the Media Security and Reliability Council also worked under new charters to address these issues.</li> <li>➤ The FCC issued new rules for ultra-wide band devices (UWB), issued certification for equipment under new UWB rules, and amended rules to allow more flexibility in design and operation of unlicensed devices. These actions will foster the development of new products and increase consumer choice.</li> <li>➤ The FCC issued a Notice of Proposed Rulemaking in the Space Station Licensing Reform proceeding proposes changing current satellite licensing procedures to allow for more efficient assignment of spectrum in satellite services.</li> <li>➤ The FCC participates in the U.S. ITU World Radio-communication Conference (WRC) preparatory process by soliciting input from U.S. industry in the FCC's WRC Advisory Committee process and directly in the Department of State's U.S. Delegation process. The next WRC will be held in June 2003. The WRC has 39 agenda items affecting planned spectrum use. The FCC's participation in preparatory activities conducted throughout the year has been critical for advancing commercial and public safety interests.</li> </ul> |

**Policy Initiative:** Spectrum auctions. Performance was measured by the number of auctions conducted by scheduled dates.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Conduct all congressionally mandated auctions scheduled in FY00.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Conduct all auctions necessary to make spectrum available consistent with the FCC's and Congress' spectrum management goals.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Same as FY01.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC postponed Auction 31 (Upper 700 MHz) in response to Congressional action.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC completed six auctions during FY01, which provided the industry with much needed spectrum to meet increased consumer demands.</li> <li>➤ No auctions for broadcast facilities were conducted this fiscal year, in view of the Court of Appeals ruling in <i>National Public Radio v. FCC</i>. In that proceeding, the Court ruled that Section 309(j)(2)(C) of the Communications Act of 1934, as amended, exempts applications for non-commercial educational (NCE) broadcast stations from auction, regardless of whether they apply for spectrum that the FCC has reserved specifically for them, or they apply for spectrum that is available generally for both commercial and NCE stations. Following the Court's ruling, the FCC initiated a proceeding to consider how to allocate and license non-reserved broadcast spectrum, and expects to resolve these issues in the near future. The agency will then implement its revised allocation and licensing policies, which will, in turn, allow new broadcast stations (both commercial and NCE) to provide additional service to the public.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC completed seven auctions during FY02, which provided the industry with much needed spectrum to meet increased consumer demands.</li> <li>➤ The Auction Reform Act of 2002 was signed into law on June 19, 2002. This legislation eliminated statutory deadlines for spectrum auctions that applied to several bands, and provided the Commission with discretion to schedule future auctions. However, the Auction Reform Act directed the Commission to proceed with the auction of the Lower 700 MHz band C and D blocks but to postpone the scheduled June 19, 2002 auction of the remaining portions of the Lower 700 MHz and Upper 700 MHz bands. In accordance with the statute, the auction of the Lower 700 MHz band C and D block spectrum began on August 27, 2002, and was completed on September 18, 2002. The Act also requires the Commission to report to Congress not later than June 19, 2003, on among other things, when it intends to reschedule the auction of the remaining 700 MHz bands.</li> <li>➤ One auction for full power analog television facilities was conducted this fiscal year. No other auctions for broadcast facilities were held during FY 2002 due to the Court of Appeals' ruling in <i>National Public Radio v. FCC</i>. Following the Court's ruling, the FCC has been considering methods for handling auctions that involved "mixed" application groups; that is, groups with both commercial and non-commercial applicants.</li> <li>➤ The FCC conducted a field spectrum occupancy measurement project at ten locations to determine whether there were interference sources that could pose an impediment to the use of new technology in spectrum subject to auction.</li> </ul> |

**Policy Initiative:** New services. Performance was measured by the amount of spectrum made available for new technologies.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Initiate actions to promote the development of new services.</li> <li>➤ Allocate 4 GHz of spectrum for unlicensed services.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Increase the availability of flexibly allocated spectrum by 20% (baseline: FY00).</li> <li>➤ Initiate 3G spectrum allocations.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Increase the availability of flexibly allocated spectrum by an additional 20% (baseline: FY00).</li> <li>➤ Implement 3G spectrum allocation and service rules.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC received a total of 100 applications to support the development of new technology applications in 7 services.</li> <li>➤ FCC completed a Report and Order allocating spectrum for unlicensed services.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Completed a proceeding to add flexibility to 190 MHz of spectrum at 2.5 GHz.</li> <li>➤ Initiated Advanced Wireless Service (includes 3G) spectrum allocations by issuing a Notice of Proposed Rulemaking.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Completed spectrum allocations in two separate proceedings for 77 MHz of spectrum transferred from Federal government use and 48 MHz of spectrum reallocated from TV broadcast use.</li> <li>➤ Completed flexible spectrum allocations for 125 MHz, an increase of 47.6% (FY 00 baseline: 262.5 MHz).</li> <li>➤ Advanced Wireless Services (3G) spectrum allocations were delayed until after FY02 assessment completed.</li> <li>➤ In November 2002, the FCC sought comment on licensing, technical, and operational rules to govern the use of the 1710-1755 MHz and 2110-2155 MHz bands for advanced wireless services (AWS). The FCC seeks to provide licensees in these bands with flexibility to use these bands to provide any service that is consistent with the bands' fixed and mobile allocation. These actions will benefit the public by fostering the development of new wireless services that will provide American consumers with additional communications options and capabilities.</li> <li>➤ FCC adopted service rules governing 27 megahertz of spectrum (216-220 MHz, 1390-1395 MHz, 1427-1429 MHz, 1429-1432 MHz, 1432-1435 MHz, 1670-1675 MHz, and 2385-2390 MHz) that was transferred from Government to non-Government use to accommodate a variety of communications needs.</li> <li>➤ FCC adopted service rules authorizing Multichannel Video and Distribution and Data Service in the 12.2-12.7 GHz band.</li> <li>➤ Provided spectrum for existing and potential licensees to plan for new or expanded networks or service offerings.</li> <li>➤ Allowed technological innovation, such as the development of TDD technologies, due to some of the spectrum being "unpaired."</li> </ul> |

# AGENCY-WIDE PERFORMANCE IMPROVEMENT INITIATIVES

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## *PERFORMANCE IMPROVEMENTS INITIATIVES*

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| <p><b>Policy Initiative:</b> Reorganize for convergence. Performance was measured by whether planned phases were completed on schedule.</p>                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <i>Goal</i>                                                                                                                                                                                                                                                                                              | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>FY99:</b><br/>➤ No FY99 goal.</p> <p><b>FY00:</b><br/>➤ Develop plan for Phase 2 of reorganization: consider options for streamlining licensing processes.</p> <p><b>FY01:</b><br/>➤ Develop plan for Phase 3 of reorganization.</p> <p><b>FY02:</b><br/>➤ Evaluate restructuring initiatives.</p> | <p><b>FY00:</b><br/>➤ A licensing task force reviewed options for streamlining the licensing process and provided recommendations to the Chairman in March 2000.</p> <p><b>FY01:</b><br/>➤ Work on the Reorganization Plan was completed in August 2001. The FCC adopted the Reorganization Order in December 2001.</p> <p><b>FY02:</b><br/>➤ Effective March 25, 2002, the FCC implemented a major reorganization with the establishment of three new bureaus – Media Bureau, Wireline Competition Bureau and Consumer and Governmental Affairs Bureau – in addition to the agency-wide consolidation of enforcement and consumer information functions.</p> |

**Policy Initiative:** Increase training opportunities for employees in substantive areas and team-based project management. Performance was measured from data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Establish a training task force to address issues of continuing education.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Establish two legal, technical, and managerial training modules.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Establish one additional legal, technical, and managerial training module.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Established a Digital Age Steering Committee and Training Group to address issues of continuing education. New training schedule developed in October 2000.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Increased training opportunities for employees through the development of an FCC Training Plan.</li> <li>➤ Established the FCC University, which provides an extensive training and development program to ensure that FCC engineers, economists, and other professionals possess the expertise to formulate telecommunications policy in the 21<sup>st</sup> Century.</li> <li>➤ Established the Excellence in Engineering” Program for technical and non-technical employees.</li> <li>➤ Implemented the Excellence in Economic Analysis Program that conducted 12 seminars and two advanced mini-courses taught by world renowned economists.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Developed a Learning and Development Program.</li> <li>➤ Established the Excellence in Engineering Graduate Degree Program, which provides up to three years of tuition support for engineers enrolled in an accredited post-graduate degree program.</li> <li>➤ Developed a Knowledge Sharing Program to increase knowledge, communications and improve relationships between Headquarters and Field Office personnel.</li> <li>➤ Implemented a training needs assessment to ensure that in-house courses offered mirror Bureau/Office needs.</li> <li>➤ Created and published both print and on-line versions of the FCC University competency-based training catalog, which is unique because it identifies technical and cross-cutting competencies for engineers, economists, attorneys, and leadership development at all levels.</li> <li>➤ Revised the electronic Training Request Form 182 to improve accuracy, and to include second level supervisory signature.</li> <li>➤ Issued three editions of the “Training Times,” an electronic newsletter designed to provide information and guidance regarding training and development.</li> </ul> |



**Policy Initiative:** Pursue a number of alternative work schedules to attract and retain skilled employees. Performance was measured from data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Implement telecommuting alternative.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Implement at least 2 alternative work schedule, e.g., telecommuting, job-sharing, flexible work schedules.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Identify additional options to attract, reward, and retain skilled employees.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 15% of FCC staff were telecommuting by the end of FY00. Flexible work schedules are available to all FCC employees.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC’s telecommuting program met its goals by increasing productivity, improving morale and job satisfaction and reducing absenteeism. In addition, the program had no negative impact on staff who worked at the office. The FCC also far exceeded legislative requirements by offering the program to an overwhelming majority of employees. During FY01, 16% of FCC employees telecommuted at least one day a week.</li> <li>➤ The Term to Permanent Conversion process, which allows term employees to compete for permanent positions, was successfully completed in June 2001.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC established a Recruitment Bonus program as a means to attract new employees. During FY 2002, a total of 19 bonuses were approved. Meeting the goal better enabled the Commission to compete with the private sector and other Government agencies in attracting well-qualified professionals. This, in turn, helped provide improved service to the industry and consumers.</li> <li>➤ The Telecommuting Program continues to be popular with approximately 325 regular telecommuters and 110 <u>ad hoc</u> telecommuters. The telecommuting program provides additional flexibility to employees in completing their work at home and other locations.</li> </ul> |

**Policy Initiative:** Strengthen technical capabilities by hiring more engineers/technologists and re-establishing entry-level engineering program. Performance was measured from data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Increase engineering/technology staff by 5% over FY99 baseline (277 engineers/technologists), including entry-level engineers.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Increase engineering/technology staff by 5% over FY99 baseline (277 engineers/technologists).</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Increase engineering/technology staff by 10% over FY99 baseline (277 engineers/technologists).</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ FCC exceeded 5% goal by hiring 15 engineers (5.4% of FY99 baseline), including 5 entry-level recruits.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ FCC exceeded 5% goal by hiring 29 engineers (10.5% of FY99 baseline), including 12 entry-level recruits. The agency launched an aggressive Engineer-in-Training Program, which was designed to improve the agency’s recruiting and retention position through accelerated promotions and an intensive, closely supervised, job-oriented program of instruction and evaluation.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC exceeded its 10% goal by hiring 34 engineers and technologists (12.3% of FY99 baseline), including 18 entry-level recruits.</li> <li>➤ Through the Engineer-in-Training (EIT) Program, 10 universities were visited to conduct on-campus recruitment – North Carolina A&amp;T, University of Maryland, Virginia Tech, University of Puerto Rico at Mayaguez, Ohio State University, Wright State University, Tennessee Tech University, Hampton University, Carnegie Melon University, Polytechnic University of San Juan. During FY02, the EIT Program has significantly enhanced and improved the agency’s recruiting and retention performance and allowed the FCC to compete successfully in the industry for talented engineers and college students.</li> </ul> |

**Policy Initiative:** Implement improved financial collections systems. Performance was measured by data collected in the Quarterly Performance and Results Review.

| <i>Goal</i>                                                                                                                                                                        | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                      |
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| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul>                                                                                              |                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Complete systems requirements and initiate a rule making to implement an FCC registration system.</li> </ul>          | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Systems requirements and draft rule making completed.</li> </ul>                                                                                                                                                                                                                                  |
| <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Complete rule making and implement registration system in time for annual regulatory fee collection cycle.</li> </ul> | <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The Report and Order, “Adoption of Mandatory FCC Registration Number (MD Docket #00-205)” was approved August 24, 2001. An FRN became mandatory on December 3, 2001. Establishment of a registration number will greatly improve tracking and collection of all fees due to the FCC.</li> </ul>   |
| <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Begin replacement of “publish and pay” system with the direct billing of licensees.</li> </ul>                        | <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC replaced the “publish and pay” system with a new revenue system accounts receivable module that was implemented September 2002. This module allowed direct billing of licensees.</li> </ul>                                                                                               |
| <ul style="list-style-type: none"> <li>➤ 25% of all licensees billed directly for regulatory fees.</li> </ul>                                                                      | <ul style="list-style-type: none"> <li>➤ The FCC exceeded the 25% goal of direct billing of regulatory fees for all licensees. The FCC identified candidates for billing at least 25% of expected revenue for FY02. \$107.7 million in actual assessments were billed comprising 49.2% of the total collection of \$218.8 million revenue for FY02.</li> </ul> |
| <ul style="list-style-type: none"> <li>➤ Modify collections system to allow for payment of fees for multiple licenses in a single transaction.</li> </ul>                          | <ul style="list-style-type: none"> <li>➤ The FCC completed modifications to the collections system to allow for payment of fees for multiple licenses in a single transaction.</li> </ul>                                                                                                                                                                      |
| <ul style="list-style-type: none"> <li>➤ 15% of regulatory fees paid online.</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>➤ An online payment system was developed. 646 regulatory fee payments, representing 55% of all monies collected, were received online.</li> </ul>                                                                                                                                                                       |

| <p><b>Policy Initiative:</b> Implement improved e-commerce procedures. Performance was measured by data collected in the Quarterly Performance and Results Review.</p>                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ New goal</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Complete review of e-commerce options in procurement. Prepare comprehensive plan for implementation.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Make all FCC competitive solicitations available online at <a href="http://www.FedBizOpps.gov">www.FedBizOpps.gov</a> by October 2001 implementation date.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ Several solicitations posted on FCC web site.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ The FCC is registered with FebBizOpps. An E-Commerce Team designed a web page for FCC's Contracts and Purchasing Center (CPC) to post solicitations and other pertinent procurement information. The web page has links to allow access to Pre-Award Synopses and Solicitations.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Effective October 2001, all competitive solicitations were available online at <a href="http://www.FedBizOpps.gov">www.FedBizOpps.gov</a>.</li> </ul> |

| <p><b>Policy Initiative:</b> Implement performance-based contracting. Performance was measured by data collected in the Quarterly Performance and Results Review.</p>                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <i>Goal</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>FY99:</b></p> <ul style="list-style-type: none"> <li>➤ No FY99 goal.</li> </ul> <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ New goal.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ Conduct review to identify additional contracts with performance-based applications.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Increase current number of performance-based contracts in excess of \$25,000 by 20%.</li> </ul> | <p><b>FY00:</b></p> <ul style="list-style-type: none"> <li>➤ 9 performance-based contracts in place.</li> </ul> <p><b>FY01:</b></p> <ul style="list-style-type: none"> <li>➤ 11 performance-based contracts in place.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ 14 performance-based contracts in place, with an 22% increase in the number of performance-based contracts in excess of \$25,000.</li> </ul> |

| <p><b>Policy Initiative:</b> A-76 Competitions/FAIR Act inventories. Performance will be measured by data collected in the Quarterly Performance and Results Review.</p>                                                             |                                                                                                                                                                                                                                                                                                                                                                          |
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| <i>Goal</i>                                                                                                                                                                                                                          | <i>Actual Performance</i>                                                                                                                                                                                                                                                                                                                                                |
| <p><b>FY99-01:</b></p> <ul style="list-style-type: none"> <li>➤ No goals.</li> </ul> <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ Conduct a cost comparison of FTEs based on the FY00 FAIR Act Inventory.</li> </ul> | <p><b>FY02:</b></p> <ul style="list-style-type: none"> <li>➤ On August 16, 2002, the FY 2002 FAIR Act Inventory was submitted to the Office of Management and Budget providing an inventory of commercial and inherently governmental activities. In FY 2002, functions of the library, which had been identified on our 2001 inventory, were contracted out.</li> </ul> |