

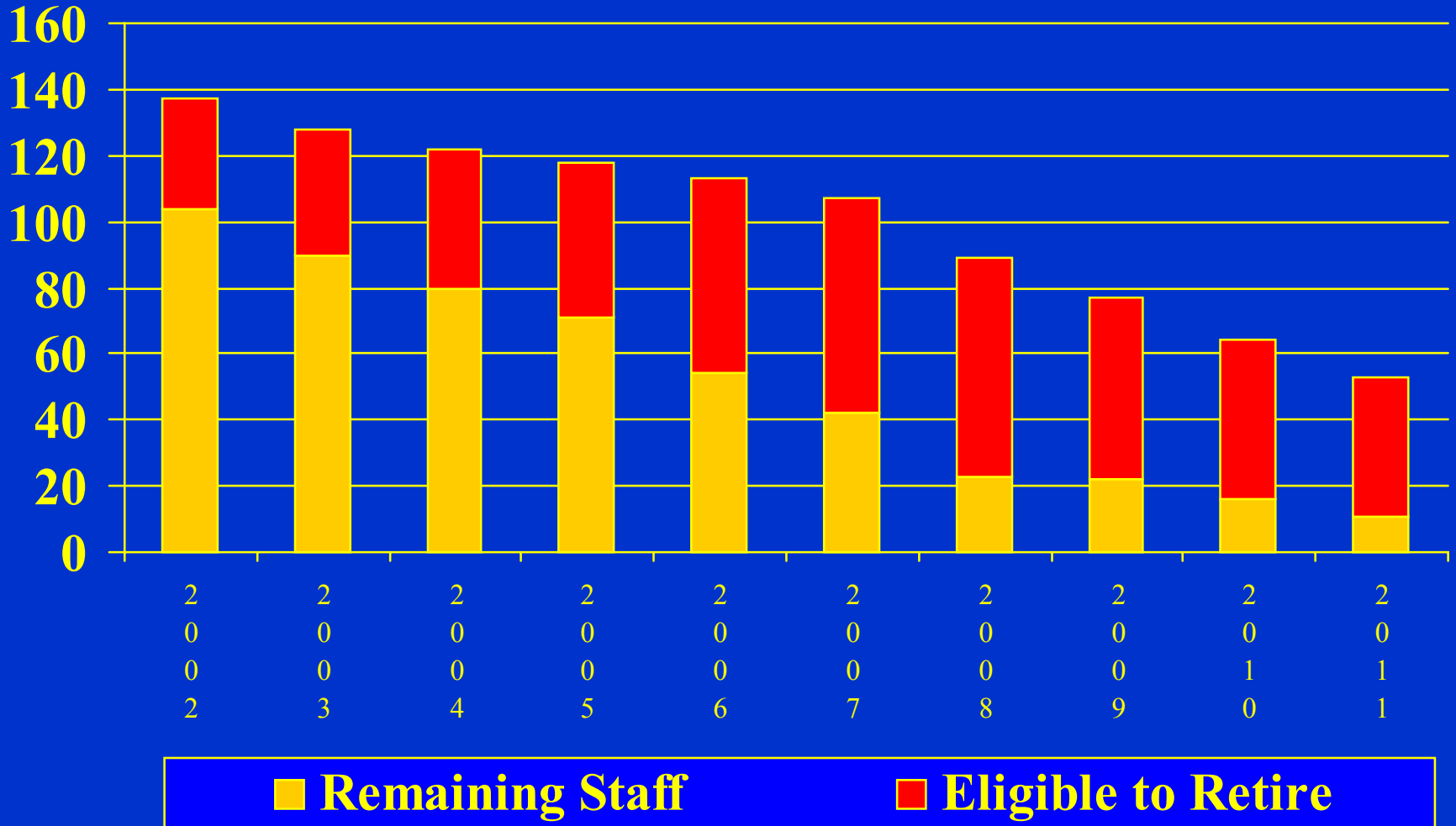
ENFORCEMENT BUREAU

January 17, 2002

Management

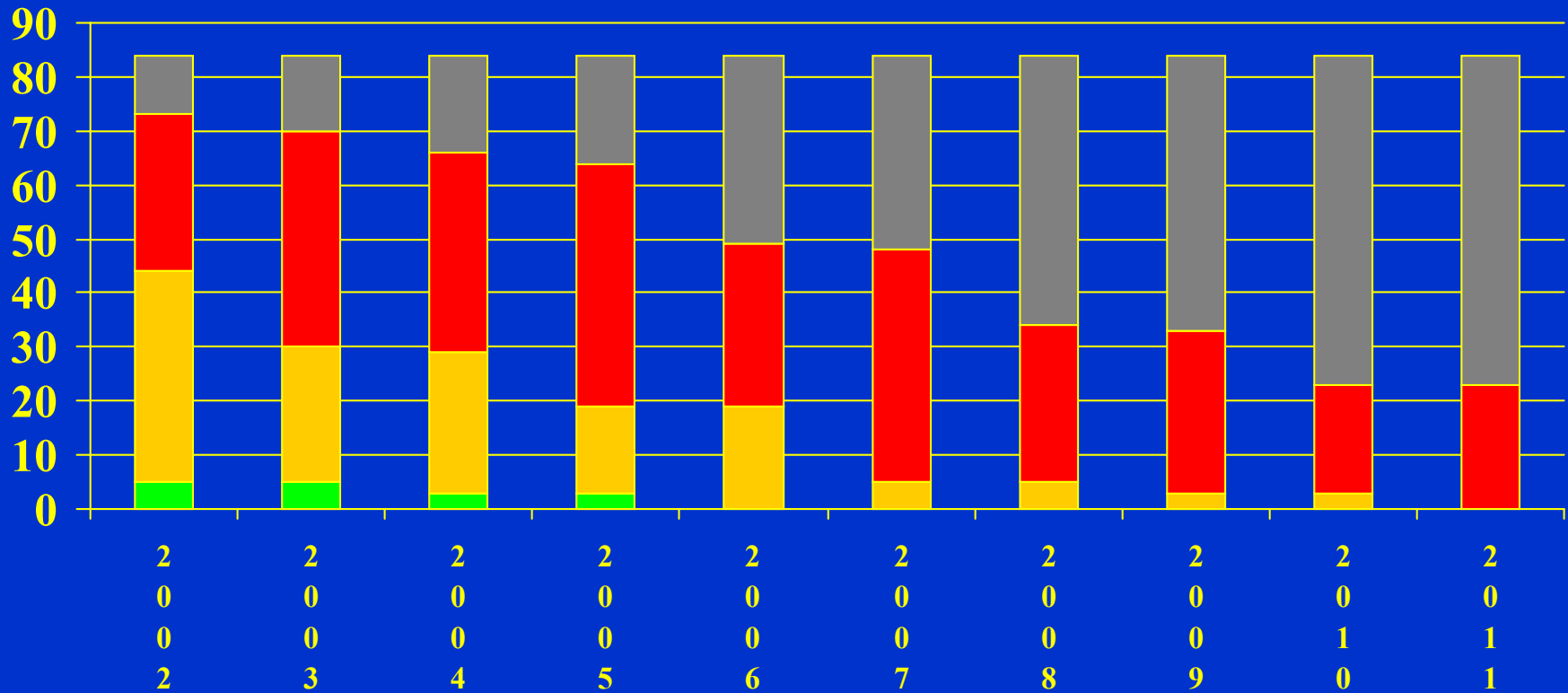
- Substantial progress on our overriding goal: establishing the FCC as a strong and professional enforcement agency
 - Broad range of responsibilities: e.g., broadcast, common carrier, wireless, satellite
- The key reason for our success is the quality of our staff.
 - Solidified staff from various Bureaus into a cohesive team
 - Added experienced litigators to strengthen competition enforcement and new Field engineers to strengthen public safety/homeland security enforcement
- Main staffing challenge is the fact that there is an increasing percentage of Field staff eligible to retire

Projected Number of EB Field Agents Without New Hiring



- Equipment: As technology advances, need to keep our equipment up to date:
 - Spent approximately \$900,000 as first investment in a life-cycle replacement plan to deal with aging and obsolete equipment
 - Spent approximately \$1.3 million for equipment relating to increasingly used higher spectrum bands
 - Need to modernize Field vehicles used for direction-finding (interference detection) activities
 - We build customized direction finding equipment to install in vehicles.

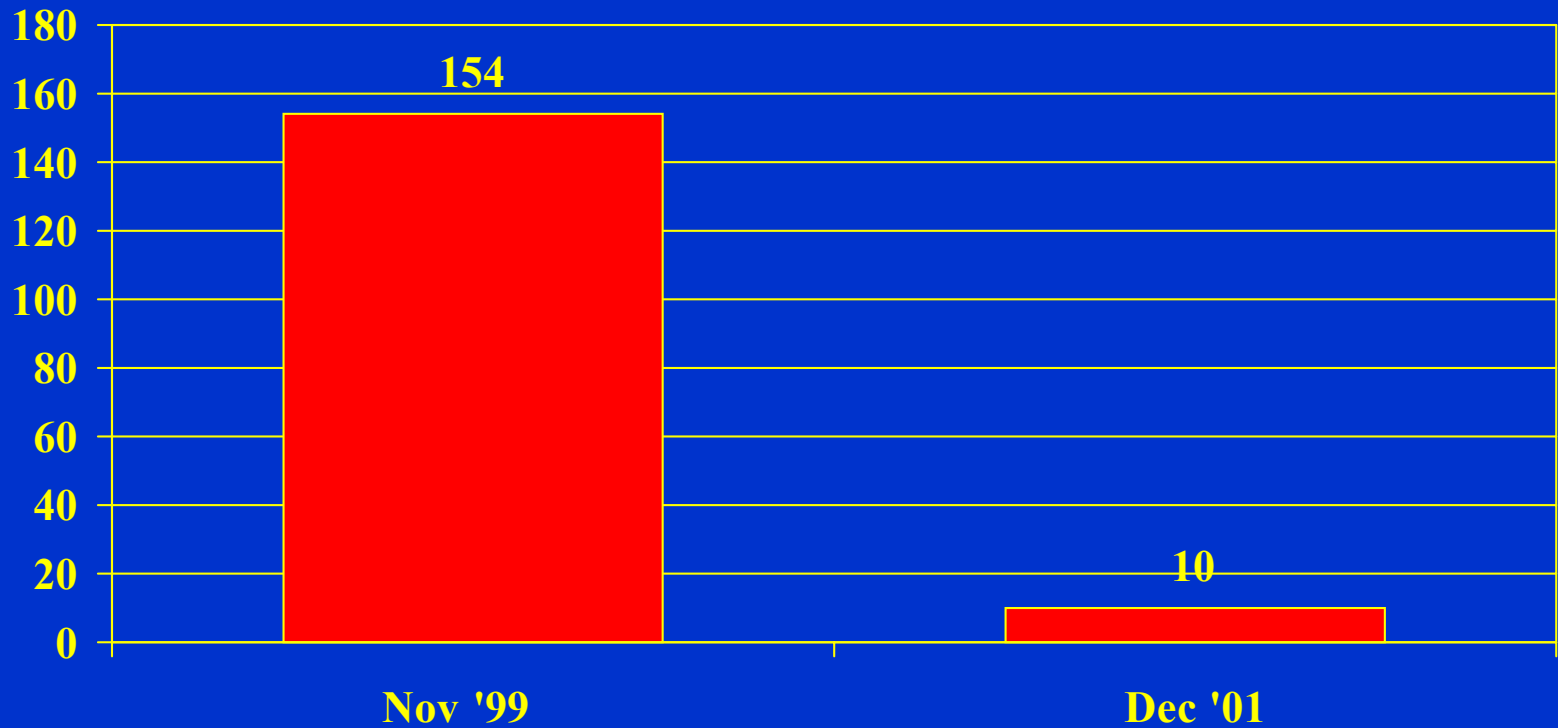
Age of Field Enforcement Vehicles



■ 5 or Less Years Old
 ■ 6 to 10 years Old
 ■ 11 to 15 Years Old
 ■ Over 15 Years Old

- Backlog Reduction/Speed of Service:
 - Challenge: Continue to improve speed of service while integrating significant caseload (over 200 cases) proposed to be transferred to EB as part of reorganization:
 - Pole attachment complaint cases
 - Cable rate complaint cases
 - Main area of concern was inherited backlog of formal common carrier complaint cases
 - That backlog virtually eliminated
 - EB web site now tracks new pending formal complaints (350 hits/month)
 - New formal common carrier EB complaint cases now generally decided within a year; in many instances in less than a year
 - Compares well with 20 months for federal district court, which is alternative forum under section 208

Formal Common Carrier Complaint Matters Pending More Than 12 Months (Market Disputes Resolution Division)



Training and Development

- On-going challenge of staying informed of recent technical, market, legal and other developments
- EB plans to continue to strongly encourage our staff to take advantage of vast array of training opportunities:
 - Excellence in Engineering
 - Excellence in Economics
 - FCC University
 - Distinguished Speakers Program
 - Various other training opportunities

Training and Development

- Virtually every EB Field engineer and compliance specialist participated in EIE and/or other training. Examples:
 - Field agent safety training at Federal Law Enforcement Training Center
 - GWU training on upper spectrum characteristics and new forms of modulation
 - Field training on programming computer controlled measuring equipment
 - “Data Communications: From Basics to Broadband”
 - “Interference Analysis and Suppression Techniques”
 - “Understanding Wireless Technologies”
- Examples of attorney training:
 - LEC Central Office on-site demonstration
 - IXC Point of Presence on-site demonstration
 - Maryland Relay Center on-site demonstration
 - Telecom technology and economics courses

Training and Development

- EB has also offered its own monthly training course (available to all Commission employees). Examples:
 - local competition, inter-carrier compensation, FCC hearing process, dealing with the media
- EB has begun publishing a quarterly internal newsletter to better inform people throughout the agency of the Bureau's activities (over 1,000 Intranet hits).
- Examples of specific initiatives for 2002:
 - Safety training at Federal Law Enforcement Training Center for remainder of Field agents
 - Training in advanced investigative techniques
 - Distance learning equipment to permit Field staff to participate in HQ training and intra-Bureau training
 - Upper spectrum propagation training

Competition/Broadband

- Overriding Point: Competition and competition enforcement benefit consumers. Will remain one of highest priorities
- Formal Section 208 Complaints:
 - Formal complaints a much more viable competition enforcement policy option in light of backlog reduction/increased speed of service
 - 5-0 record in the Court of Appeals for EB formal complaint orders
 - Proposed integration of pole attachment complaints into common carrier complaint process should enhance efficiency

- Mediation/Informal Dispute Resolution:
 - Mediation often an intense and time-consuming process, but worth it:
 - helps companies achieve business solutions to business problems
 - avoids unnecessary litigation
 - Many of our mediations involve local competition issues, e.g.:
 - access to line sharing elements
 - conversion of special access circuits to EELs and unbundled local loops
 - interoffice transport
 - conduits/rights of way
 - CLEC access charges
 - non-discriminatory access to OSS and UNE provisioning
 - Mediation has been the great success of the Accelerated Docket (AD). Over half (34 of 66) of completed AD request matters have been settled or withdrawn after staff-sponsored mediation.

- FCC-Initiated Investigations:
 - More pro-active approach taken than in the past. Serious investigations, with potentially serious enforcement action through fines or consent decrees.
 - Recent competition-related examples (past year):
 - Incorrect section 271 affidavits: \$2.52 million NAL
 - Collocation posting: \$94,500 forfeiture
\$77,000 consent decree
 - Failure to submit sworn statement in DSL investigation: \$100,000 NAL
 - Incomplete merger reports: \$88,000 forfeiture
 - Proposed integration of common carrier audits function with EB's investigatory function should enhance efficiency

- Consumer Protection Enforcement
 - Competition benefits consumers, but still need to guard against abuses.
 - We closely track informal complaint databases to look for emerging trends and “bad actors.”
 - Key consumer protection enforcement actions in last year:
 - \$1.1 million junk fax forfeiture
 - Also, 19 junk fax citations and one additional junk fax forfeiture
 - Slamming enforcement initiative
 - Approximately \$16 million in slamming enforcement actions against 14 different carriers (forfeiture orders or consent decrees) in last two years
 - First citations for recorded telephone solicitations

Homeland Security/Public Safety

- Events of September 11 reinforce our focus on public safety issues as the most important technical enforcement issues
 - EB also playing a major role on the Commission's Homeland Security Policy Council
- Key public safety enforcement areas
 - Public safety-related interference location and resolution
 - E.g., police and fire departments, FAA and aviation frequencies, federal law enforcement
 - Tower lighting and related enforcement
 - E-911 enforcement
 - EAS enforcement

- Key public safety enforcement challenges/initiatives
 - Focusing more on patterns of violations
 - E.g., tower lighting and registration investigations that resulted in a major consent decree and several forfeitures
 - On-going investigation involving illegal high powered cordless phones and interference to aviation frequencies
 - As resources permit, focusing on broader geographic areas; reaching areas that are further away from our Field offices
 - Increasing emphasis on E-911 compliance/enforcement
 - Working closely with other federal agencies and the Salt Lake Organizing Committee to prepare for interference resolution responsibilities at February 2002 Winter Olympics

- Broader, on-going challenges
 - Continuing to strengthen enforcement as a complement to deregulation policy: As unnecessary requirements are eliminated, important to focus on enforcing the ones that remain.
 - Maximizing the deterrent effect of enforcement within the existing statutory forfeiture caps
 - Ensuring that companies' control of information doesn't hamper enforcement within the one year statute of limitations

THE END