

**FY 2001 Budget Estimates to Congress
ANALYSIS OF CHANGE
Summary of Proposed Budget Authority
[Dollars in Thousands]**

	FY 2000		FY 2001		Requested Changes			
	FTE Ceiling	1/	\$ B/A	FTE Ceiling	1/	\$ B/A	FTE	\$ B/A
Direct Appropriation	1,975		\$24,246	1,975		\$37,042	--	\$12,796
Budget Authority to use Offsetting Collections:								
Regulatory Fees			185,754			200,146		\$14,392
Subtotal Appropriated B/A			\$210,000			\$237,188		\$27,188
Other Budget Authority:								
Y2K Supplemental			4,289			--		
Authority to spend Other Offsetting Collections:								
1) Reg. Fees (Sec. 9) Carryover			5,862			3/		
2) Economy Act/Misc. Other Reimbursables			1,000			1,000		
3) Auction Cost Recovery Reimbursements			53,870			41,407		
Total Gross Budget Authority			\$275,021			\$279,595		

1/ The current FCC FTE ceiling for FY 1999/2000 of 1,975 FTEs includes 45 FTEs to address Auctions workload, should there be a requirement. No increase to FTEs has been requested for FY 2001.

2/ Prior to rescission of \$91,000.

3/ The Obligations associated with carryover regulatory fees reflect presentational data consistent with the President's FY 2001 Budget document and do not reflect any actual obligations in conflict with the will of Congress.

FY 2001 Budget Estimates to Congress

FY 2001 Uncontrollable Cost Increases

- o **Personnel Compensation and Benefits**..... **\$ 6,844,000**

Provides funds to cover the cost of the FY 2001 payraise and locality pay (3.7%) for 75% of the fiscal year, as well as funds to annualize 25% of the FY 2000 payraise and locality pay increases.
- o **Travel and Transportation of Persons and Things** **\$ 34,000**

Provides funds to cover increase in travel and transportation costs, developed in accordance with Office of Management and Budget guidelines for projected inflationary costs (2.4%).
- o **GSA Rent and Fees (Headquarters and Field)** **\$ 5,102,000**

Provides funds to cover the increase in rental costs for GSA to provide office space to the FCC in FY 2000 at the Portals complex (\$4,281,000) including service fees (\$702,000) and increased cost of field office space (\$119,000)
- o **Other Rent, Communications and Utilities** **\$ 185,000**

Provides funds to cover inflationary cost increases (2.4%) for utilities, cleaning services, non-GSA space rentals, departmental and FTS telephone services, postage fees, and miscellaneous equipment rentals.

FY 2001 Budget Estimates to Congress

FY 2001 Uncontrollable Cost Increases (Con't):

o **Other Contractual Services..... \$ 560,000**

Provides funds for estimated cost increases based on 2.4% inflationary assumptions provided by the Office of Management and Budget. Increase covers federal and non-federal contract services, security, training, health units, maintenance of vehicles, repair of ADP and office equipment, repair of interior space, maintenance of software, and ADP data acquisitions.

o **Printing and Reproductions/Supplies and Material.....\$ 71,000**

Provides 2.4% inflationary cost increases for printing, binding, photocompositon services, energy related supplies, departmental, technical and ADP supplies, and subscriptions.

Total Uncontrollable Cost Increases

\$12,796,000

**FY 2001 Budget Estimates to Congress
ORGANIZATIONAL TABLE**

The distribution of Full Time Equivalents (FTEs) listed below by fiscal year reflects the planned allocation of Commission resources. These levels are based on a combination of assumptions regarding estimated workload and anticipated funding levels as presented throughout this document.

	Actual FY1999 FTE	Estimate FY2000 FTE	Proposed FY2001 FTE	Proposed Change +/-
Office of the Commissioners	40	42	42	0
Cable Services Bureau	105	95	92	-3
Common Carrier Bureau	334	278	276	-2
Compliance & Information Bureau.....	272	0	0	0
Consumer Information Bureau.....1/.....	0	198	222	24
Enforcement Bureau1/.....	0	321	361	40
International Bureau	130	130	119	-11
Mass Media Bureau	240	194	171	-23
Wireless Telecommunications Bureau.....	323	279	258	-21
Office of Administrative Law Judges	9	9	9	0
Office of Commun. Business Opportunities.....	9	9	9	0
Office of Engineering & Technology	87	84	80	-4
Office of the General Counsel	68	67	67	0
Office of Inspector General	7	8	8	0
Office of Legislative & Intergovernmental Affairs ..	15	16	16	0
Office of the Managing Director	193	207	207	0
Office of Media Relations	0	14	14	0
Office of Plans & Policy	18	19	19	0
Office of Public Affairs	70	0	0	0
Office of Workplace Diversity	5	5	5	0
Commission FTE Totals	1,925 2/	1,975 2/	1,975 2/	0

1/ This allocation reflects the reorganization of Commission activities as approved by both appropriations committees.

2/ The FY 1999 FTE total reflects actual FTEs worked from the authorized ceiling level of 1,975. FY 2000 and 2001 FTE totals reflect the ceiling as authorized in the President's Budget.

3/ These organizational allocations support initiatives identified in the Chairman's draft strategic plan.

FY 2001 Budget Estimates to Congress

Full-Time Equivalent (FTE) Detail Distribution by Activity

LICENSING ACTIVITY				
This activity includes the authorization or licensing of radio stations, telecommunications equipment and radio operators, as well as the authorization of common carrier and other services and facilities. It also includes direct organizational FTE and FTE workyear effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with licensing activities.				
	Actual FY 1999 FTE	Estimate FY 2000 FTE	Estimate FY 2001 FTE	Proposed Change (-/+)
Mass Media	176	173	155	-18
Common Carrier	0	0	0	0
Wireless Telecommunications	161	150	139	-11
Engineering & Technology	24	22	20	-2
Cable Services	8	8	8	0
International	61	57	48	-9
Total FTEs – Licensing	430	410	370	-40

FY 2001 Budget Estimates to Congress

Full-Time Equivalent (FTE) Detail Distribution by Activity

COMPETITION ACTIVITY				
This activity includes formal inquiries, rule making proceedings to establish or amend the Commission's rules and regulations, action on petitions for rule making and requests for rule interpretations or waivers; economic studies and analyses; and development of equipment standards. Includes direct organizational FTE and FTE workyear effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with activities to promote competition in the public interest.				
	Actual FY 1999 FTE	Estimate FY 2000 FTE	Estimate FY 2001 FTE	Proposed Change (+/-)
Mass Media	64	65	60	-5
Common Carrier	283	252	245	-7
Wireless Telecommunications	145	159	149	-10
Engineering & Technology	12	12	10	-2
Cable Services	34	34	31	-3
International	15	15	12	-3
Compliance & Information	3	0	0	0
Enforcement	0	3	3	0
Total FTEs - Competition	556	540	510	-30

FY 2001 Budget Estimates to Congress

Full-Time Equivalent (FTE) Detail Distribution by Activity

ENFORCEMENT ACTIVITY				
<p>This activity includes enforcement of the Commission's rules, regulations and authorizations, including investigations, inspections, compliance monitoring and sanctions of all types. Also includes the receipt and disposition of formal complaints regarding common carrier rates and services, the review and acceptance/rejection of carrier tariffs, and the review, prescription and audit of carrier accounting practices. It includes direct organizational FTE and FTE workyear effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with enforcement activities.</p>				
	Actual FY 1999 FTE	Estimate FY 2000 FTE	Estimate FY 2001 FTE	Proposed Change (+/-)
Mass Media	59	47	47	0
Common Carrier	175	68	73	+5
Wireless Telecommunications	37	23	23	0
Engineering & Technology	2	3	3	0
Cable Services	73	74	74	0
International	2	2	2	0
Compliance & Information	238	0	0	0
Enforcement	0	396	436	+40
Total FTEs - Enforcement	586	613	658	45

FY 2001 Budget Estimates to Congress

Full-Time Equivalent (FTE) Detail Distribution by Activity

CONSUMER INFORMATION SERVICES ACTIVITY				
<p>This activity includes the publication and dissemination of Commission decisions and actions, and related activities; public reference and library services; the duplication and dissemination of Commission records and databases; the receipt and disposition of public inquiries and informal consumer complaints; consumer, small business and public assistance; and public affairs and media relations. Includes direct organizational FTE and FTE workyear effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with consumer information activities.</p>				
	Actual FY 1999 FTE	Estimate FY 2000 FTE	Estimate FY 2001 FTE	Proposed Change (+/-)
Mass Media	12	12	12	0
Common Carrier	13	0	0	0
Wireless Telecommunications	33	6	6	0
Engineering & Technology	13	6	6	0
Cable Services	33	15	15	0
International	4	1	2	+1
Compliance & Information	80	0	0	0
Consumer Information	0	200	224	+24
Total FTEs - Consumer Info. Services	188	240	265	+25

FY 2001 Budget Estimates to Congress

Full-Time Equivalent (FTE) Detail Distribution by Activity

SPECTRUM MANAGEMENT ACTIVITY				
<p>This activity includes management of the electromagnetic spectrum as mandated by the Communications Act of 1934 as amended. Spectrum management includes the structure and processes for allocating, assigning, licensing and regulating the use of this scarce resource to the private sector and state and local governments in a way that promotes competition while ensuring that the public interest is best served. In order to manage spectrum in both an efficient and equitable manner, the Commission evaluates needs, prepares economic, technical and engineering studies, coordinates with Federal agencies, develops cross-border sharing arrangements, and represents U.S. interests in international for a. It includes direct organizational FTE and FTE workyear effort provided by staff offices to support policy direction, program development, legal services, and executive direction, as well as support services associated with spectrum management activities.</p>				
	Actual FY 1999 FTE	Estimate FY 2000 FTE	Estimate FY 2001 FTE	Proposed Change (+/-)
Mass Media	6	6	6	0
Common Carrier	0	0	0	0
Wireless Telecommunications	17	17	17	0
Engineering & Technology	58	60	60	0
Cable Services	0	0	0	0
International	84	89	89	0
Compliance & Information	0	0	0	0
Consumer Information	0	0	0	0
Total FTEs – Spectrum Management	165	172	172	0

FY 2001 Budget Estimates to Congress

Full-Time Equivalent (FTE) Detail Distribution by Activity

The following table summarizes by organization the total number of FTEs available to conduct the five major activities. These totals include both direct organizational FTEs, as well as FTE workyear effort provided by staff offices to support policy direction, program support, legal services, and executive direction, as well as support services for all five major activities.

	Actual FY 1999 FTE	Estimate FY 2000 FTE	Estimate FY 2001 FTE	Proposed Change (+/-)
Mass Media	317	303	280	-23
Common Carrier	471	320	318	-2
Wireless Telecommunications	393	355	334	-21
Engineering & Technology	109	103	99	-4
Cable Services	148	131	128	-3
International	166	164	153	-11
Compliance & Information	321	0	0	0
Enforcement	0	399	439	+40
Consumer Information	0	200	224	+24
Commission FTE Totals	1,925 1/	1,975 1/	1,975 1/	0 2/

1/ The FY 1999 FTE total reflects actual FTEs worked from the authorized ceiling level of 1,975. FY 2000 and 2001 FTE totals reflect the ceiling as authorized in the President's Budget.

2/ Proposed changes to this table reflect both direct and support FTEs associated with the changes made.

FY 2001 Budget Estimates to Congress
Summary of Requested Resources
[Dollars in Thousands]

The Federal Communications Commission's budget estimates for Fiscal Year 2001 are summarized below:

DISTRIBUTION OF BUDGET AUTHORITY:	FY-1999 Actual	FY-2000 Estimate	FY-2001 Request	Change to Appropriated Budget Authority
Direct Appropriation:	\$19,477	\$24,246	\$37,042	\$12,796
Current: (P.L. 105-277, P.L. 106-113)				
Authority to Spend Offsetting Collections:				
Regulatory Fees	172,523	185,754	200,146	14,392
Appropriation Total (Prior to Rescission/Lapse):	\$192,000	\$210,000	\$237,188	\$27,188
Rescission: (P.L. 106-51, P.L. 106-113)	(25)	(91)	--	--
Lapsed year end	(8)	--	--	--
Y2K Supplemental: 1/	4,217	4,289	--	--
Authority to spend				
Other Offsetting Collections:				
1) No-year Carryover Funds (Prior year)	5,394 2/	\$18,325 3/	--	--
2) Economy Act/Misc.Other (Including GSA reimbursables) . .	2,122	--	1,000	--
3) Auctions Cost Recovery/ Reimbursements (P.L. 104-104) . . .	50,071	41,407	41,407	--
Subtotal Other Offsetting Collections:	\$57,587	\$60,732	\$42,407	--
Total Budget Authority				
Available to incur obligations:	\$253,771	\$274,930	\$279,595	--
Unobligated Offsetting Collections (EOY)				
Available to be carried forward.	(18,325) 3/	TBD	TBD	--
RegFees (Sec 9) carryover (Cumulative)	5,862			
Auctions carryover	12,463			

1/ \$8,516,000 in supplemental funding was provided to the FCC. These funds are authorized for 3 fiscal years. \$4,217,000 was obligated in FY 1999, and \$4,289,000 is estimated in FY 2000.

2/ Includes \$4,118,000 in carryover Auctions operating funds and \$1,276,000 carryover regulatory fees.

3/ Includes \$12,463,000 Auctions carryover funding from FY 1999 into FY 2000; \$1,276,000 prior year carryover regulatory fees; and \$4,586,000 in FY1999 collections to carryover into FY2000 .

4/ Fixed Costs including \$8,794 for pay and non-pay costs; \$4,002 for GSA Rent adjustments/Fees and \$14,392 for program requirements.

FY 2001 Budget Estimates to Congress
Summary of Requested Resources
[Dollars in Thousands]

DISTRIBUTION OF OBLIGATIONS:

Note: The distribution of obligations between Direct B/A and Regulatory Fees(Offsetting Collections) is based on a percentage ratio of direct and regulatory fee authority to the total Appropriations B/A for each fiscal year.

	<u>FY-1999</u> <u>Actual</u>	<u>FY-2000</u> <u>Estimate</u>	<u>FY-2001</u> <u>Request</u>	<u>Change to</u> <u>Appropriated</u> <u>Obligations</u>
Direct Appropriation:				
Personnel Compensation	\$12,229	\$14,760	\$20,408	\$5,648
Personnel Benefits	2,571	3,180	4,467	1,287
Benefits to Former Employees	7	8	8	0
Other Obligations	4,670 2/	6,298 2/	12,159	5,861
Sum - Direct Obligations	19,477	24,246	37,042	12,796
Offsetting Collections - Obligations:				
Regulatory Fees	172,523	185,754	200,146	14,392
Subtotal - Obligations from Appropriated Funds:				
Direct Appropriation (Less Rescission/Lapsed):	\$192,000	\$210,000	\$237,188	\$27,188
Rescission: (P.L. 106-51, P.L. 106-113)	(25)	(91)	--	--
Lapsed year end	(8)	--	--	--
Y2K Supplemental:				
	4,217	4,289	--	--
Obligations - Other Offsetting Collections				
1) No-year Carryover Funds (Prior year)	5,394 1/	18,325 3/	--	--
2) Economy Act/Misc.Other (Including GSA reimbursables)	2,122	--	1,000	--
3) Auctions Cost Recovery/ Reimbursements (P.L. 104-104)	37,598	41,407	41,407	--
Subtotal - Obligations from Other Offsetting Collections	\$45,114	\$60,732	\$42,407	--
TOTAL OBLIGATIONS				
	\$241,298	\$274,930	\$279,595	--
TOTAL OUTLAYS				
	\$231,218	\$279,259	\$280,149	--
(Includes Direct & All Offsetting Collections)				

1/ Prior year: Auctions reimb. XA funds \$4,118,000. Prior year carryover regulatory fees(\$1,276,000) were not obligated in FY 1999.

2/ Estimated obligations prior to rescission.

3/ Includes Auctions (\$12,463,000) and cumulative regulatory fee carryover (\$5,862,000). Presidential Budget assumes that all carryover funding will be obligated prior to year end. These funds must be authorized for use by the Appropriations Subcommittee prior to actual obligation.

4/ Fixed Costs including \$8,794 for pay and non-pay costs; \$4,002 for GSA Rent adjustments/Fees and \$14,392 for program requirements.

FY 2001 Budget Estimates to Congress
Summary of Requested Resources
[Dollars in Thousands]

	FY-1999 Actual	FY-2000 Funded	FY-2001 Funded
Total Compensable Workyears:			
Full-Time Equivalent (FTEs) Authorized Ceiling, in President's Budget.	1,975	1,975	1,975
Proposed Distribution: 1/			
Direct	179	203	272
Reimbursables	1,738	1,764	1,695
Auctions Credit Program Account	8	8	8
Total FTE Ceiling	1,925	1,975	1,975

1/ The distribution of FTEs between Direct and Reimbursable is estimated based on the prorata distribution of compensation funds available from Direct Appropriation and Offsetting Collections. Offsetting Collections include Regulatory Fees, Auction Receipts for Direct Auctions Program operating costs including the costs of maintaining Credit program accounts (8 FTEs), and certain Economy Act Reimbursables.

SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)

SUMMARY

	FY 1999 <u>Actual</u>	FY 2000 <u>Estimate</u>	FY 2001 <u>Estimate</u>	Chg. to Requested <u>Budget Authority</u>
Direct Appropriations including Regulatory Fee Authority:	\$192,000	\$210,000	\$237,188	\$27,188
Rescission (P.L. 106-51, P.L. 106-113)	(25)	(91)	--	--
Lapsed Year-End	(8)	--	--	--
Y2K Supplemental 1/	4,217	4,289	--	--
No Year Carryover Authority:				
-- Regulatory Fees (Sec. 9) 2/	1,276	5,862	--	--
-- Auctions Carryover 3/	<u>4,118</u>	<u>12,463</u>	<u>--</u>	<u>--</u>
Subtotal -- No Year Carryover Authority	\$5,394	\$18,325	\$--	\$--
Other Authority:				
-- Auctions Costs Recovery Reimbursable Authority	\$50,071	\$41,407	\$41,407	\$--
-- Government/Other Reimbursable Authority 4/	<u>2,122</u>	<u>1,000</u>	<u>1,000</u>	<u>--</u>
Subtotal -- Other Authority	\$52,193	\$42,407	\$42,407	\$--
TOTAL GROSS BUDGET AUTHORITY (Net):	\$253,771	\$274,930	\$279,595	\$27,188

1/ Y2K funds reflect the actual amount for FY 1999 and estimated amount for FY 2000. Funds may be obligated through FY 2001. These funds are managed separately from FY 1999 and FY 2000 appropriated funds.

2/ Assumes no carryover into FY 2001 from FY 2000. The obligations associated with carryover regulatory fees reflect presentational data consistent with the President's FY 2001 Budget document and do not reflect any actual obligations in conflict with the will of Congress.

3/ Reflects funds carried forward from FY 1999 into FY 2000 for the Auctions program.

4/ FY 1999 includes \$1,000,000 transferred to the FCC by GSA to provide for Portal Guard Service costs.

FY 2001 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)

-- The following tables depict the prorata distribution of personnel compensation and benefits and other obligations for Fiscal Years 1999-2001 based on a percentage ratio of direct and offsetting collections budget authority to the total Budget Authority for each fiscal year.

DIRECT AUTHORITY - CURRENT:	FY 1999 Actual	Y2K Funding Actual	FY 2000 Estimate	Y2K Funding Estimate	FY 2001 Request	Increase to Direct B.A.
11 Personnel Compensation	\$12,229	\$--	\$14,760	\$--	\$20,317	\$5,557
12 Personnel Benefits	2,571	--	3,180	--	4,467	1,287
13 Benefits for Former Personnel	7	--	8	--	8	--
Other Obligations by Object Class						
21 Travel & Transportation of Persons	111	44	150	70	182	32
22 Transportation of Things	8	--	9	8	11	2
23 Rents, Communications, Utilities	2,249	--	3,689	51	8,976	5,287
24 Printing	131	8	134	241	164	30
25 Other Services	1,593	2,736	2,053	3,614	2,613	560
26 Supplies & Materials	158	14	193	6	234	41
31 Equipment	385	1,415	61	299	61	--
32 Land, Buildings, Structures	--	--	--	--	--	--
42 Insurance Claims & Indemnities	2	--	9	--	9	--
Total Direct Authority Obligations	\$19,444 ^{5/}	\$4,217	\$24,246 ^{6/}	\$4,289	\$37,042	\$12,796

5/ Total reflects rescission of funds and lapsed year-end.

6/ Reflects total prior to rescission of \$91,000 for comparative presentation.

FY 2001 Budget Estimates to Congress
SUMMARY TABLES
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)

AUTHORITY TO USE OFFSETTING COLLECTIONS:	FY 1999 Actual	FY 2000 Estimates	FY 2001 Estimate	Increase to Offset. Collect.
REGULATORY FEES - CURRENT:				
11 Personnel Compensation	\$108,493	\$113,517	\$113,517	\$--
12 Personnel Benefits	22,814	24,452	24,452	--
13 Benefits for Former Personnel	60	59	59	--
Other Obligations by Object Class				
21 Travel & Transportation of Persons	986	1,150	1,150	--
22 Transportation of Things	71	72	72	--
23 Rents, Communications, Utilities	19,962	28,368	28,368	--
24 Printing	1,161	1,030	1,030	--
25 Other Services	14,136	15,090	24,398	9,308
26 Supplies & Materials	1,402	1,480	1,480	--
31 Equipment	3,420	470	5,554	5,084
32 Land, Buildings, Structures	--	--	--	--
42 Insurance Claims & Indemnities	18	66	66	--
Total Obligations from Regulatory Fees	\$172,523	\$185,754	\$200,146	\$14,392
Total Obligations from Direct Appropriations	\$191,967 ^{7/}	\$210,000	\$237,188	\$27,188

7/ Does not include \$8,000 in lapsed funds and \$25,000 rescinded under P.L. 106-51.

**FY 2001 Budget Estimates to Congress
SUMMARY TABLES**

**NO-YEAR/CARRYOVER BUDGET AUTHORITY
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)**

CARRYOVER REGULATORY FEES (NO-YEAR):

-- The following table depicts the estimated distribution of obligations from cumulative Regulatory Fees collected in excess of legislative levels which are available for obligation until expended. The obligations associated with carryover regulatory fees reflect presentational data consistent with the President's FY 2001 Budget document and do not reflect any actual obligations in conflict with the will of Congress.

	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
11 Personnel Compensation	\$--	\$--	\$--
12 Personnel Benefits	--	--	--
13 Benefits for Former Personnel	--	--	--
Other Obligations by Object Class	--	--	--
21 Travel & Transportation of Persons	--	--	--
22 Transportation of Things	--	--	--
23 Rents, Communications, Utilities	--	--	--
24 Printing	--	--	--
25 Other Services	--	5,581	--
26 Supplies & Materials	--	--	--
31 Equipment	--	281	--
32 Land, Buildings, Structures	--	--	--
42 Insurance Claims & Indemnities	--	--	--
	<hr/>	<hr/>	<hr/>
Total Regulatory Fees (No-Year)	\$--	\$5,862	\$--

**FY 2001 Budget Estimates to Congress
SUMMARY TABLES**

**NO-YEAR/CARRYOVER BUDGET AUTHORITY
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)**

CARRYOVER AUCTIONS (NO-YEAR):

-- The following table depicts the distribution of obligations from Auctions funds brought forward from available unobligated balances for the purpose of conducting auctions in FY 1999 and FY 2000. Carryover balances into FY 2001 could not be determined at the time of this submission.

	FY 1999 <u>Actual</u>	FY 2000 <u>Estimate</u>	FY 2001 <u>Estimate</u>
11 Personnel Compensation	\$878	\$1,600	\$--
12 Personnel Benefits	159	400	--
13 Benefits for Former Personnel	--	--	--
 Other Obligations by Object Class			
21 Travel & Transportation of Persons	13	15	--
22 Transportation of Things	--	1	--
23 Rents, Communications, Utilities	417	737	--
24 Printing	--	90	--
25 Other Services	2,252	7,661	--
26 Supplies & Materials	17	59	--
31 Equipment	229	1,900	--
32 Land, Buildings, Structures	--	--	--
42 Insurance Claims & Indemnities	--	--	--
	<hr/>	<hr/>	<hr/>
Total Auctions Carryover (No-Year)	\$3,965	\$12,463	\$--

**FY 2001 Budget Estimates to Congress
SUMMARY TABLES**

**OTHER BUDGET AUTHORITY
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)**

AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY:

-- The following table depicts the distribution of actual FY 1999 and estimated FY 2000 and FY 2001 obligations utilizing auctions costs recovery reimbursable authority (P.L. 104-104).

	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
11 Personnel Compensation	\$9,906	\$10,676	\$10,676
12 Personnel Benefits	1,589	2,669	2,669
13 Benefits for Former Personnel	--	--	--
Other Obligations by Object Class			
21 Travel & Transportation of Persons	97	203	203
22 Transportation of Things	1	9	9
23 Rents, Communications, Utilities	2,055	1,924	1,924
24 Printing	276	273	273
25 Other Services	21,146	22,937	22,937
26 Supplies & Materials	202	211	211
31 Equipment	2,336	2,505	2,505
32 Land, Buildings, Structures	--	--	--
42 Insurance Claims & Indemnities	--	--	--
Total Auctions Costs Recovery Reimbursable Authority	\$37,608	\$41,407	\$41,407

**FY 2001 Budget Estimates to Congress
SUMMARY TABLES**

**OTHER BUDGET AUTHORITY
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)**

GOVERNMENT/OTHER REIMBURSABLE AUTHORITY:

-- The following table depicts the Economy Act/Other Reimbursable actual obligations for FY 1999 and estimated FY 2000 and FY 2001 obligations.

	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
11 Personnel Compensation	\$316	\$250	\$250
12 Personnel Benefits	33	25	25
13 Benefits for Former Personnel	--	--	--
Other Obligations by Object Class			
21 Travel & Transportation of Persons	174	150	150
22 Transportation of Things	1	--	--
23 Rents, Communications, Utilities	13	10	10
24 Printing	--	--	--
25 Other Services 8/	1,180	170	170
26 Supplies & Materials	203	200	200
31 Equipment	202	195	195
32 Land, Buildings, Structures	--	--	--
42 Insurance Claims & Indemnities	--	--	--
	<hr/>	<hr/>	<hr/>
Total Govt./Other Reimbursable Authority	\$2,122	\$1,000	\$1,000

8/ Includes \$1,000,000 transferred to the FCC by GSA to provide for Portals Guard Service costs.

**FY 2001 Budget Estimates to Congress
SUMMARY TABLES**

**FY 1999/2000/2001 BUDGET AUTHORITY
DISTRIBUTION OF RESOURCES
(Dollars in Thousands)**

Y2K APPROPRIATION

-- The following table depicts the distribution of obligations made against Y2K Supplemental Appropriations; balance is available for obligation through FY 2001. At the time of this submission, we assumed no carryover balances into FY 2001.

	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
11 Personnel Compensation	\$--	\$--	\$--
12 Personnel Benefits	--	--	--
13 Benefits for Former Personnel	--	--	--
Other Obligations by Object Class			
21 Travel & Transportation of Persons	44	70	--
22 Transportation of Things	--	8	--
23 Rents, Communications, Utilities	--	51	--
24 Printing	8	241	--
25 Other Services	2,736	3,614	--
26 Supplies & Materials	14	6	--
31 Equipment	1,415	299	--
32 Land, Buildings, Structures	--	--	--
42 Insurance Claims & Indemnities	--	--	--
Total Y2K Appropriation	\$4,217	\$4,289	\$--

FY 2001 Budget Estimates to Congress

**FY 2001 SUMMARY OF INCREASES
BY BUDGET OBJECT CLASS CODE
(Dollars in thousands)**

BOCC 11.00/12.00/13.00 - Salary Costs (net).....	\$6,844
(• Fixed Costs	\$6,844)
BOCC 21-42 - Other Obligations	\$20,344
(• Fixed Costs	\$5,952)
(• Programmatic Increases	\$14,392)
Total Increase.....	\$+27,188

This section provides a description of the increased funding requested for FY 2001 by budget object class code. These requested increments are to be funded from the Direct Budget Authority and Offsetting Collections (regulatory fees), available to the FCC.

Personnel Changes

<u>BOCC 11.00 Compensation</u>	\$+5,557
• Pay Raise for 75% of FY 2001	
Provides funds for uncontrollable cost increases resulting from the FY 2001 pay raise (3.7%) effective January 2001 (75% of FY 2001)	3,624
• Pay Raise annualized for FY 2000	
Provides funds for uncontrollable cost increases which are the result of the FY 2000 pay raise annualized for 25% of FY 2001	1,933
<u>BOCC 12.00 Benefits</u>	\$+1,287
• Benefits associated with compensation increases necessary to fund the pay raise for 75% of FY 2001	
Provides funds for uncontrollable increased benefits costs to the agency for 75% of FY 2001 for the pay raise	839
• Benefits annualized for FY 2000	
Provides funds for uncontrollable increased costs of agency benefits associated with FY 2000 pay raise annualized for 25% of FY 2001 including increases for CSRS/FERS/Thrift Savings/etc.	448
<u>BOCC 13.00 Benefits for Former Personnel</u>	\$0

Other Obligations

BOCC 21.00 Travel and Transportation of Persons	\$+32
• Domestic/Joint Board/International Travel Provides additional funds for travel and transportation costs, developed in accordance with the Office of Management and Budget guidelines to cover inflationary cost (2.4%)	31
• Leased, Passenger Vehicles Provides inflationary cost increases (2.4%)	1
BOCC 22.00 Transportation of Things	\$+2
• Rent, Non-Passenger GSA and Commercial Vehicles Provides inflationary cost increases (2.4%)	2
BOCC 23.00 Rents, Communications, Utilities	\$+1,485
• GSA Rent and Fees Provides funds to cover the increase in rental costs for GSA to provide office to the FCC in FY 2001 at the Portals complex (\$4,281,000), indemnification fees (\$702,000) and increased cost of field office space (\$119,000).....	5,102
• Non-GSA Space Rent Provides funds for inflationary cost increases (2.4%).....	18
• GSA and Non-GSA Telephones Provides funds for inflationary cost increases (2.4%).....	98
• Mail Service--Postage Provides funds for inflationary cost increases (2.4%).....	20
• GSA, Electric, Other Utilities Provides funds for inflationary cost increases (2.4%).....	19
• Telecommunications Service--Non-GSA Provides funds for inflationary cost increases (2.4%).....	13
• ADP/Copier/Equipment Rental Provides funds for inflationary cost increases (2.4%).....	17

<u>BOCC 24.00 Printing and Reproduction</u>	\$+30
• Printing/Reproduction/Binding/Microfiche	
Provides funds for inflationary cost increases (2.4%)	30
<u>BOCC 25.00 Other Contractual Services</u>	\$+9,868
• Commission-wide Information Technology Requirements	
Provides funds that would permit system enhancement or development of new systems that are critical to supporting the Commission's mission including: a database of RF spectrum to improve spectrum management; electronic tariff filing system; on-line filing for certification of CPE; consolidation of Enforcement workload reporting/tracking system; desktop access to database of consumer complaints/inquiries; and an Intelligent Gateway Internet Tracking System; enhancements to the financial accounting systems that are required to handle payments from regulated entities; includes funding to provide for the integration of all new initiatives into existing computer infrastructure and funding to ensure our security practices meet Federal government standards	4,932
• Contract Services—Non-Federal	
Provides funds for inflationary cost increases (2.4%)	80
• ADP Data Retrieval Services	
Provides funds for inflationary cost increases (2.4%)	10
• Training/Tuition/Fees	
Provides funds for inflationary cost increases (2.4%)	3
• Contract Purchases - Federal	
Provides funds for inflationary cost increases (2.4%) for the guard services	33
• Interagency Contracts	
Provides funds for inflationary cost increases (2.4%)	30
• Space Repair	
Provides funds for inflationary cost increases (2.4%)	12
• Health Services	
Provides funds for inflationary cost increases (2.4%)	2
• Repair/Maintenance of Vehicles	
Provides funds for inflationary cost increases (2.4%)	1

• ADP Software/Equipment Maintenance Provides funds for inflationary cost increases (2.4%)	19
• Repair Office Equipment/Furniture Provides funds for inflationary cost increases (2.4%)	15
• ADP Service Contracts Provides funds to increase contract maintenance on new or revised electronic filing and licensing systems and initiate service portions of the life-cycle replacement program of the network and telecommunications infrastructure, and for inflationary cost increases (2.4%)	4,730
• Telephone Maintenance Provides funds for inflationary cost increases (2.4%)	1
<u>BOCC 26.00 Supplies and Materials</u>	\$+41
• Field Fuel Supplies Provides funds for inflationary cost increases (2.4%)	3
• ADP Supplies Provides funds for inflationary cost increases (2.4%)	1
• Comm. Subscriptions/Periodicals Provides funds for inflationary cost increases (2.4%)	6
• General Supplies/Materials Provides funds for inflationary cost increases (2.4%)	31
<u>BOCC 31.00 Equipment</u>	\$+5,084
• Commission-wide Automation Requirements Provides funds to implement a life-cycle replacement program of the network and telecommunications infrastructure including \$1,900,000 for equipment that was originally scheduled for replacement in FY 2000 that was not funded	5,084
<u>BOCC 32.00 Lands and Structures</u>	\$0
<u>BOCC 42.00 Insurance Claims and Indemnities</u>	\$0

FY 2001 Budget Estimates to Congress
ALLOCATION OF OBLIGATIONS BY OBJECT CLASS CODE
(\$000)

OBJECT CLASS CODE	Y2K Obligations FY 1999	Y2K Estimate FY 2000	Actual FY 1999	Estimate FY 2000	Uncontrollable Cost Increase FY 2001 Base GSA Rent/Fee	FY 2001 Current Services	Programmatic Increases	FY 2001 Total Request
11 Personnel Compensation	\$0	\$0	\$120,722	\$128,277	\$5,557	\$133,834	\$0	\$133,834
12 Personnel Benefits	0	0	25,385	27,632	1,287	28,919	0	28,919
13 Benefits for Former Personnel	0	0	67	67	0	67	0	67
21 Travel & Trans. of Persons	44	70	1,097	1,300	32	1,332	0	1,332
22 Transportation of Things	0	8	79	81	2	83	0	83
23.1 Rental Payments to GSA	0	0	15,464	25,100	5,102	30,202	0	30,202
23.3 Other Rents, Communications, Utilities	0	51	6,747	6,957	185	7,142	0	7,142
24 Printing	8	241	1,292	1,164	30	1,194	0	1,194
25.2 Other Services	2,736	1,194	4,599	4,891	93	4,984	0	4,984
25.3 Purchase of Goods and Services from Government Accounts	0	1	2,105	3,024	63	3,087	0	3,087
25.7 Operation and Maint. of Equip/ Software/Information Systems	0	2,419	9,025	9,228	404	9,632	9,308	18,940
26 Supplies & Materials	14	6	1,560	1,673	41	1,714	0	1,714
31 Equipment	1,415	299	3,805	531	0	531	5,084	5,615
32 Land, Buildings, Structures	0	0	0	0	0	0	0	0
42 Insur. Claims & Indemnities	0	0	20	75	0	75	0	75
SUB TOTAL OBLIGATIONS-APPROPRIATION AUTHORITY (Direct and Offsetting Collections)	\$4,217 ^{1/}	\$4,289	\$191,967	\$210,000 ^{2/}	\$12,796	\$222,796	\$14,392	\$237,188
Reg. Fees (Sec. 9) Carryover			0	5,862				
Auction Reimb. Carryover			3,965	12,463				
Reimbursables - Gov't/Other			1,122	1,000		1,000		1,000
Reimbursables - GSA			1,000	0		0		0
Auctions Cost Recovery-Reimbursement			37,608	41,407		41,407		41,407
TOTAL REQUEST	\$4,217	\$4,289	\$235,662	\$270,732	\$12,796	\$265,203	\$14,392	\$279,595

1/ Reflects the actual FY 1999 obligations for the Y2K appropriation. Balance carried forward into FY 2000.

2/ Appropriation prior to rescission of \$91,000 in FY 2000.

3/ The obligations associated with carryover regulatory fees reflect presentational data consistent with the President's FY 2001 Budget document and do not reflect any actual obligations in conflict with the will of Congress.

FY 2001 Budget Estimates to Congress
PRORATA ALLOCATION OF OBLIGATIONS DISTRIBUTED BY BUDGET AUTHORITY AND OBJECT CLASS CODE

-- The following tables depict the prorata distribution of personnel compensation and benefits and other obligations for Fiscal Years 2000- 2001 based on a percentage ratio of direct and offsetting collections budget authority to the total Budget Authority for each fiscal year.

OBJECT CLASS CODE	FY 2000 Funding Source (\$000)				FY 2001 Funding Source (\$000)							
	Y2K Funding	+	Direct Authority	+	Offsetting Collections	=	FY 2000 Total OC Allocation	Direct Authority	+	Offsetting Collections	=	FY 2001 Total OC Allocation
11 Personnel Compensation	\$0		\$14,760		\$113,517		128,277	\$20,317		\$113,517		\$133,834
12 Personnel Benefits	0		3,180		24,452		27,632	4,467		24,452		28,919
13 Benefits for Former Personnel	0		8		59		67	8		59		67
21 Travel & Trans. of Persons	70		150		1,150		1,370	182		1,150		1,332
22 Transportation of Things	8		9		72		89	11		72		83
23 Rents, Communications, Utilities	51		3,689		28,368		32,108	8,976		28,368		37,344
24 Printing	241		134		1,030		1,405	164		1,030		1,194
25 Other Services	3,614		2,053		15,090		20,757	2,613		24,398		27,011
26 Supplies & Materials	6		193		1,480		1,679	234		1,480		1,714
31 Equipment	299		61		470		830	61		5,554		5,615
32 Land, Buildings, Structures	0		0		0		0	0		0		0
42 Insur. Claims & Indemnities	0		9		66		75	9		66		75
Appropriation-Direct B/A	\$4,289	1/	\$24,246	2/			\$28,535	\$37,042				\$37,042
Appropriation-Offsetting Collections B/A:												
Regulatory Fees					\$185,754		185,754		\$200,146			200,146
Subtotal-B/A in language (\$210M plus Y2K Balance)							\$214,289					\$237,188
Reg. Fees (Sec. 9) Carryover					5,862		5,862					5,862
Auction Reimb. Carryover					12,463		12,463					12,463
Reimbursables - Gov'/Other (Est.)					1,000		1,000		1,000			1,000
Auctions Cost Recovery-Reimbursement (Est.)					41,407		41,407		41,407			41,407
Total Gross Budget Authority							\$275,021					\$279,595

1/ Y2K funds carried forward from FY 1999.

2/ Direct appropriation prior to rescission of \$91,000.

3/ The obligations associated with carryover regulatory fees reflect presentational data consistent with the President's FY 2001 Budget document and do not reflect any actual obligations in conflict with the will of Congress.



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

December 1, 1999

The Honorable Fred Thompson
Chairman
Committee on Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

On August 31, 1999, the U.S. General Accounting Office (GAO) submitted a report entitled TELECOMMUNICATIONS: FCC Does Not Know If All Required Fees Are Collected (GAO/RCED-99-216) to the Chairman of the Permanent Subcommittee on Investigations, Committee on Governmental Affairs, U.S. Senate. That report was subsequently released to the public on September 30, 1999. The report made three recommendations to the Federal Communications Commission (FCC). This letter is to inform you of the actions the Commission has taken on the recommendations made by the GAO.

The first recommendation was to develop a plan to use existing data to identify entities that have not paid the required regulatory fees and to collect the amounts they owe. The FCC's Credit and Debt Management Center is documenting the expanded collection processes that have been implemented over the past year and will publish that plan internally by December 30, 1999. The plan will be revised by March 30, 2000, when the new revenue tracking system will allow us to substantially expand our analysis.

The second recommendation was to implement written procedures to ensure that required application fees have been paid before an application is approved. In the first quarter of this fiscal year, the Office of Inspector General will initiate an audit to review Bureau and Office written policies and procedures to ensure that required application and regulatory fees are paid prior to granting a license application.

The third recommendation directed the Commission to conduct an audit of the FCC data on civil monetary penalties and to correct any errors and internal control weaknesses before implementing the new financial system. This recommendation, too, is being implemented. The FCC's new Research, Reports and Reconciliation Group, with the assistance of an outside public accounting firm, will audit the civil monetary penalties records for errors and internal control weaknesses prior to the conversion of that data to the new system. Any discrepancies will be corrected prior to conversion.

The Honorable Fred Thompson

2.

The Commission is making every effort to correct deficiencies found by the GAO and to improve overall fee collection and reporting. Substantial staffing and monetary resources are being devoted to the implementation of the new Commission Registration System (CORES) and the Revenue Accounting and Management Information System (RAMIS) to replace the system reviewed by the GAO.

If you have any questions concerning the actions that the Commission is taking, please contact the Managing Director, Andrew Fishel at 418-1919.

Sincerely,



William E. Kennard
Chairman

Copies to: Office of Management and Budget
U.S. General Accounting Office



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

December 1, 1999

The Honorable Dan Burton
Chairman
Committee on Government Reform and Oversight
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

On August 31, 1999, the U.S. General Accounting Office (GAO) submitted a report entitled TELECOMMUNICATIONS: FCC Does Not Know If All Required Fees Are Collected (GAO/RCED-99-216) to the Chairman of the Permanent Subcommittee on Investigations, Committee on Governmental Affairs, U.S. Senate. That report was subsequently released to the public on September 30, 1999. The report made three recommendations to the Federal Communications Commission (FCC). This letter is to inform you of the actions the Commission has taken on the recommendations made by the GAO.

The first recommendation was to develop a plan to use existing data to identify entities that have not paid the required regulatory fees and to collect the amounts they owe. The FCC's Credit and Debt Management Center is documenting the expanded collection processes that have been implemented over the past year and will publish that plan internally by December 30, 1999. The plan will be revised by March 30, 2000, when the new revenue tracking system will allow us to substantially expand our analysis.

The second recommendation was to implement written procedures to ensure that required application fees have been paid before an application is approved. In the first quarter of this fiscal year, the Office of Inspector General will initiate an audit to review Bureau and Office written policies and procedures to ensure that required application and regulatory fees are paid prior to granting a license application.

The third recommendation directed the Commission to conduct an audit of the FCC data on civil monetary penalties and to correct any errors and internal control weaknesses before implementing the new financial system. This recommendation, too, is being implemented. The FCC's new Research, Reports and Reconciliation Group, with the assistance of an outside public accounting firm, will audit the civil monetary penalties records for errors and internal control weaknesses prior to the conversion of that data to the new system. Any discrepancies will be corrected prior to conversion.


The Honorable Dan Burton

2.

The Commission is making every effort to correct deficiencies found by the GAO and to improve overall fee collection and reporting. Substantial staffing and monetary resources are being devoted to the implementation of the new Commission Registration System (CORES) and the Revenue Accounting and Management Information System (RAMIS) to replace the system reviewed by the GAO.

If you have any questions concerning the actions that the Commission is taking, please contact the Managing Director, Andrew Fishel at 418-1919.

Sincerely,


William E. Kennard
Chairman

Copies to: Office of Management and Budget
U.S. General Accounting Office