

Introduction

The Federal Communications Commission (FCC) is pleased to present its fiscal year (FY) 2007 budget request. The FCC is requesting a budget of \$302,542,000 to successfully carry out the FCC's functions and meet the expectations of Congress. The FCC's FY 2007 budget request is approximately \$1.5million *less than* the FCC's FY 2006 budget request. We project we will work 1926 full-time equivalents (FTEs) from all available resources to carry out our mission for the American people.

With these resources, we will work hard to promote the deployment of broadband services, deregulate where competition exists, enhance public safety and homeland security, ensure the viability of the Universal Service Fund, promote the efficient use of spectrum, and review media regulation to foster competition and diversity. We are also developing plans to ensure the Commission has the tools and training necessary to accomplish our goals and mission. The FCC's FY 2007 budget request will be used to support the following Strategic Goals:

- a. Broadband** – Broadband, both wired and wireless, is the digital highway over which advanced Internet-based services are made available to homes, businesses, schools, and hospitals. As such, it has become an integral element of our Nation's economic stability and growth, and the FCC will continue to vigorously promote its deployment in FY 2007 by assuring that competition, innovation, and investment in broadband services continue apace. The Commission will also closely monitor and report to Congress and the American people on the Nation's progress toward the deployment of broadband services in the United States and abroad.
- b. Competition** – In FY 2007 the FCC will continue its important work of supporting and enhancing the Nation's economy through implementing the investment and competition-enhancing provisions of national telecommunications law, and will deregulate where competition exists. A continuing priority will be ensuring the viability of the Universal Service Fund to ensure access for consumers in rural and high cost areas and to promote access to advanced services for schools, libraries, and healthcare service providers in rural areas. The FCC's efforts will include the licensing and authorization of several thousand communications products and services each year, vigorous enforcement and consumer education programs. By carrying out programs in this area the FCC will help ensure that the communications and video programming revolution continues and that all consumers will have the opportunity to make meaningful choices among and have access to communications services.
- c. Spectrum** – Electromagnetic spectrum is the means by which most new advanced telecommunications services are transmitted. The explosion of new digital services has placed huge new demands on this traditionally scarce resource, and allocating its private-sector use has always been one of the FCC's fundamental responsibilities. The pioneering work of the FCC's Spectrum Management Task Force is producing new approaches to spectrum management, freeing up more of this valuable resource for innovative uses and shortening the time it takes to make spectrum available. These initiatives, as well as the FCC's ongoing efforts to encourage the highest and best use of spectrum domestically and internationally, will be even more essential in FY 2007 if the United States is to encourage the growth and rapid deployment of innovative and efficient communications technologies and services. To support this goal, the FCC is seeking additional resources to help fund its laboratory functions.
- d. Media** – In FY 2007 the FCC will review media regulation to foster competition and diversity, and continue its management of the Digital TV transition process, pursuant to which over-the-air broadcasters will convert to digital transmission and relinquish their current channels, which can then be reallocated to

commercial and public safety uses. To support this goal and facilitate the Digital TV transition, the FCC is seeking additional resources to develop a consumer outreach campaign to help educate the public about the impact and benefits of Digital TV.

- e. **Public Safety and Homeland Security** – The FCC is dedicated to providing the leadership and policy guidance necessary to promote the reliability, operability and interoperability, redundancy, and rapid recoverability of our Nation’s critical communications infrastructure. The FCC will also continue to steward the spectrum resources of public safety’s first responders and promote new life saving technologies like wireless E 911. To support this goal, the Commission is seeking additional resources to modernize its aging fleet of Mobile Digital Direction Finding (MDDF) vehicles that support public safety entities, such as local emergency responders, in the resolution of harmful interference to their communications systems.

- f. **Modernize the FCC** – To achieve the goals and programs in the FY 2007 performance budget, the FCC shall strive to be a highly productive, adaptive, and innovative organization that maximizes the benefit to stakeholders, staff, and management from effective systems, processes, resources, and organizational culture. The Commission will continue on a variety of fronts to emphasize effective, efficient, and legally compliant performance and results through excellent management. The FCC will also strive to ensure that it has the appropriate mix of expert, well-prepared staff, that it maximizes the benefits of technology in its programs, and that it uses other best management practices to meet the mission-critical challenges ahead. To support this goal, the FCC is requesting additional funds to improve and modernize key information technology systems that support the FCC’s workforce. In addition, the FCC is requesting additional travel monies to help reduce the reliance on outside funding sources for travel costs.

Finally, the format and content of the FCC’s FY 2007 budget request has changed from prior years. For the first time, the FCC is submitting its budget request information at the organizational level to show the proposed use of resources. In addition, the FCC’s budget request also shows the proposed use of funds by key account within each bureau or office. This format provides a more detailed view of the FCC’s proposed use of budgetary resources than previously submitted. We welcome the budgetary process and stand ready to provide Congress with the information to ensure effective oversight over the FCC.

SUMMARY OF REQUEST

The Federal Communications Commission (“FCC”) is requesting an FY 2007 appropriation of \$302,542,000. We project the FCC will work 1926 full-time equivalents (FTEs) in FY 2007 from requested resources.

The Commission will use the FY 2007 funds to carry out its fundamental mission to ensure that the American people have available - at reasonable costs and without discrimination - rapid, efficient, Nation- and world-wide communications services whether by radio, television, wire, satellite, or cable.

	FY 2006		FY 2007		Requested Changes	
	FTE	\$ B/A	FTE	\$ B/A	FTE	\$ B/A
Direct Funding prior to rescissions		1,000				
Rescission per P.L. 109-148		(10)				
Total Direct Appropriation		990 1/		1,042	- -	\$52
Budget Authority to use						
Offsetting Collections:		288,771		301,500		
1) Total Regulatory Fees		288,771		301,500		\$12,729
Subtotal Discretionary B/A	Projected to Fund:	1,900	Projected to Fund	1,900	-	\$12,781
Authority to spend						
Other Offsetting Collections:						
2) No-Year Carryover		567 2/		567		
3) Economy Act/Misc. Other Reimbursables		1,700		1,741		
4) Auction Cost Recovery Reimbursements		85,000 3/		85,000		
Total Gross Proposed Budget Authority		\$377,028		\$389,850		
Other Budget Authority						
Credit Program Account		\$13,824		\$14,160		
Universal Service Fund (USF)	0	- -	26 4/	\$20,480	26	
Grand Total Proposed Budget Authority	1,900	\$390,852	1,926	\$424,490	26	

1/ Direct appropriation is rounded for up presentation and does not reflect additional rescission of \$2,800 per P.L. 109-108.

The actual direct appropriation for FY 2006 is \$987k.

2/ Reflects \$195k in auctions carryover funds and \$372k in carryover regulatory fees from prior year recoveries following rescission of \$25.3M per P.L. 109-108.

3/ Senate language limits the Auctions Program to \$85M in FY 2006.

4/ 26 FTEs for USF oversight are assumed to be funded by USF per the proposed legislative language.

FY 2007 PROPOSED APPROPRIATION LANGUAGE

**FEDERAL COMMUNICATIONS COMMISSION
SALARIES AND EXPENSES**

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefore, as authorized by 5 U.S.C. 5901-5902; not to exceed \$4,000 for official reception and representation expenses; purchase and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, **\$302,542,000**: *Provided*, That, **\$301,500,000** of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year **2007** so as to result in a final fiscal year **2007** appropriation estimated at **\$1,042,000**: *Provided further*, That any offsetting collections received in excess of **\$301,500,000** in fiscal year **2007** shall remain available until expended, but shall not be available for obligation until October 1, **2007**; *Provided further*, **That notwithstanding 47 U.S.C. 309(j)(8)(B), proceeds from the use of a competitive bidding system that may be retained and made available for obligation shall not exceed \$85,000,000 for fiscal year 2007**: *Provided further*, **That, in addition, not to exceed \$20,480,000 may be transferred from the Universal Service Fund in fiscal year 2007, to remain available until expended, to monitor the Universal Service Fund program to prevent and remedy waste, fraud and abuse, and to conduct audits and investigations by the Office of Inspector General.**

Legislative Proposals

Legislative Proposals to be proposed separately by the Administration, explanation of proposed legislation follows:

Spectrum Auction Authority (legislative proposal, subject to PAYGO):

Explanation of proposed legislation:

The Administration will propose legislation to extend indefinitely the FCC's auction authority, which expires in 2007 under current law, but is extended through 2011 in the Deficit Reduction Act of 2005.

Spectrum License User Fee (Legislative proposal, subject to PAYGO):

Explanation of proposed legislation:

The Administration will propose legislation to provide the FCC with new authority to use economic mechanisms, such as fees, as a spectrum management tool. The FCC would be authorized to set user fees on un-auctioned spectrum licenses and construction permits, which would help bring parity to spectrum license acquisition costs, thus reducing market distortions and promoting greater efficiency in the use of spectrum resources. Fee collections would begin in 2007 and would be deposited into the general Fund of the Treasury.

**SUMMARY OF FY 2005 – FY 2007 FULL-TIME EQUIVALENTS (FTE'S) AND FUNDING
(\$ in thousands)**

	FY 05		FY 06		FY 07	
	FTE's	Appropriation Funding	FTE's	Appropriation Funding	FTE's	Appropriation Funding
Chairman and Commissioners.....	29	\$4,335	40	\$4,756	40	\$4,933
Consumer & Governmental Affairs Bureau	208	20,709	204	24,035	204	25,309
Enforcement Bureau	336	41,425	333	45,503	333	48,000
International Bureau.....	146	18,950	143	20,795	143	21,480
Media Bureau	237	25,475	238	27,350	238	28,291
Wireless Telecommunications Bureau	291	14,979	284	15,912	284	16,560
Wireline Competition Bureau	179	23,739	185	26,597	191	27,458
Office of Administrative Law Judges	5	534	5	623	5	643
Office of Commun. Business Opportunities ...	8	991	8	1,150	8	1,186
Office of Engineering & Technology.....	116	14,573	113	15,124	113	16,453
Office of the General Counsel	75	10,262	76	11,258	76	11,607
Office of Inspector General	13	2,351	14	2,769	26	2,841
Office of Legislative Affairs	9	1,205	9	1,255	9	1,293
Office of the Managing Director.....	204	95,946	204	86,228	212	89,871
Office of Media Relations	17	1,945	17	2,207	17	2,275
Office of Strategic Planning & Policy Analysis.	22	3,180	23	3,689	23	3,819
Office of Workplace Diversity	4	431	4	507	4	523
FCC TOTAL	1,899	\$281,030	1,900	\$289,758	1,926*	\$302,542

*26 term FTEs for USF oversight are to be funded by the USF pursuant to the proposed legislative language. As described in the chart above, 12 term FTEs would be assigned to Office of the Inspector General, 8 to the Office of the Managing Director and 6 to Wireline Competition Bureau.

FY 2005 - FY 2007 Full-Time Equivalent (FTE) Distribution by Goal and Organization

	Broadband			Competition			Spectrum			Media			Public Safety/ Homeland Sec			Modernize			Total	Total	Total
	05	06	07	05	06	07	05	06	07	05	06	07	05	06	07	05	06	07	05	06	07
Commissioners	2	3	3	10	13	13	8	11	11	3	4	4	3	4	4	3	5	5	29	40	40
Bureaus																					
Consumer & Governmental Affairs	7	7	7	143	140	140	12	12	12	13	13	13	6	6	6	27	26	26	208	204	204
Enforcement	3	3	3	93	92	92	88	87	87	36	36	36	98	97	97	18	18	18	336	333	333
International	20	20	20	44	43	43	64	62	62	3	3	3	5	5	5	10	10	10	146	143	143
Media	3	3	3	29	29	29	112	113	113	74	74	74	5	5	5	14	14	14	237	238	238
Wireless Telecomm.	43	43	43	27	27	27	144	139	139	0	0	0	17	17	17	60	58	58	291	284	284
Wireline Competition	<u>18</u>	<u>18</u>	<u>18</u>	<u>142</u>	<u>148</u>	<u>154</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>179</u>	<u>185</u>	<u>191</u>
Subtotal Bureaus	94	94	94	478	479	485	422	415	415	126	126	126	137	136	136	140	137	137	1397	1387	1393
Offices																					
Admin. Law Judges	0	0	0	0	1	1	5	3	3	0	1	1	0	0	0	0	0	0	5	5	5
Comm. Business Ops	0	0	0	3	3	3	0	0	0	2	2	2	0	0	0	3	3	3	8	8	8
Engineering and Tech.	10	10	10	2	2	2	78	75	75	4	4	4	16	16	16	6	6	6	116	113	113
General Counsel	6	6	6	30	31	31	21	21	21	9	9	9	4	4	4	5	5	5	75	76	76
Inspector General	0	0	0	6	7	19	1	1	1	0	0	0	1	1	1	5	5	5	13	14	26
Legislative Affairs	1	1	1	3	3	3	2	2	2	1	1	1	1	1	1	1	1	1	9	9	9
Managing Director	9	9	9	37	37	45	49	49	49	10	10	10	14	14	14	85	85	85	204	204	212
Media Relations	1	1	1	3	3	3	3	3	3	1	1	1	2	2	2	7	7	7	17	17	17
Strategic Planning/ Policy Analysis	4	4	4	7	8	8	3	3	3	4	4	4	2	2	2	2	2	2	22	23	23
Workplace Diversity	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>
Subtotal Offices	31	31	31	92	96	116	162	157	157	31	32	32	40	40	40	117	117	117	473	473	493
Totals	127	128	128	580	588	614	592	583	583	160	162	162	180	180	180	260	259	259	1899	1900	1926

Note: The 26 FTEs in the FY 2007 Congressional request for USF oversight are assumed to be funded by USF consistent with the proposed legislative language.

SUMMARY OF CHANGES

(\$ in thousands)

	<u>FY 2006 Estimate</u>		<u>FY 2007 Request</u>	<u>Net Change</u>
Spending Authority	\$289,761.0	1/	\$302,542.0	\$12,781.0
Full-time Equivalents	1,900		1,926	26 2/

Explanation of Changes:

	<u>FTE</u>	<u>Amount</u>
Inflationary Increases to Base:		
Annualization of FY 2006 pay raise	--	\$1,875.0
FY 2007 pay raise	--	\$5,116.0
Non Salary Increases	--	\$1,514.0
Subtotal	--	\$8,505.0
Programmatic Increases to Base:		
Enforcement Bureau – Mobile Digital Direction		
Finding Vehicles	--	\$1,080.0
FCC-wide Financial Operations Support	--	\$900.0
OET VOIP/Lifecycle replacement equipment	--	\$809.0
FCC-wide Information Technology Initiative	--	\$700.0
Consumer & Gov't Affairs Bureau – DTV Outreach	--	\$500.0
FCC-wide Travel Increase	--	\$235.0
Government-Wide Training Initiative	--	\$52.0
Subtotal	--	\$4,276.0
Total Change	--	\$12,781.0

1/ Reflects 1% across the board revisions per P.L.108-148.

2/ 26 FTEs for USF oversight are assumed to be funded by USF per proposed legislative language.

Narrative Explanation of Changes

Inflationary Increases to Base

1. Annualization of FY 2006 pay raise. The requested \$1.9M provides for the annualization of the projected FY 2006 3.4% pay raise that became effective in January 2006.
2. FY 2007 pay raise. The requested \$5.1M provides funding for an estimated 2.2% pay raise, effective January 2007.
3. Non salary increases. The requested \$1.5M provides inflationary increases for space rentals (GSA and non-GSA facilities), phones, utilities, printing and reproduction services, contractual services, and supplies.

Inflationary increases would provide current services level to recruit staff to continue the FCC's ability to provide baseline capabilities crucial to carrying out its mission.

Programmatic Increases to Base

1. Public Safety Support Vehicles. Funding of \$ 1.1 M would provide twelve Mobile Digital Direction Finding (MDDF) vehicles and associated radio receivers and direction-finding equipment. The FCC's Enforcement Bureau uses these vehicles to support public safety entities to investigate and resolve harmful interference to public safety communications systems. For example, the FCC has used its MDDF vehicles to resolve harmful interference to police, fire department, and emergency medical response communications systems. In response to Hurricane Katrina, for example, the FCC used its MDDF vehicles to resolve interference affecting the communications systems of disaster relief personnel. The FCC has also used these MDDF vehicles to provide assistance to Public Safety Answering Points (PSAPs) that experience interference to wireless 911/E911 calls. In addition to supporting state and local public safety entities, the FCC uses these MDDF vehicles to investigate and resolve cases of harmful interference affecting other U.S. Government agencies, including Department of Homeland Security's Border Patrol and Coast Guard and the Federal Aviation Administration (*e.g.*, air traffic control systems).

Properly-equipped MDDF vehicles are the tool the FCC uses to perform these public safety and homeland security support functions. To support the nation-wide demands on the FCC's capabilities for direction-finding and interference resolution, the FCC's Enforcement Bureau requires a fleet of 76 specialized MDDF vehicles. The value of the MDDF vehicle consists of the vehicle itself (a sport utility vehicle (SUV) with sufficient space and storage capabilities) and the specialized technical equipment. Because of the specialized nature of the mission and the equipment, the FCC installs the technical equipment (*e.g.*, a computerized spectrum analysis system that includes antennas, a receiver, display screens, controls) at an FCC facility.

The FCC's current fleet of vehicles has two main problems. First, because the FCC did not maintain a lifecycle replacement program, many vehicles have deteriorated due to wear and tear from the regular use. Twenty-eight vehicles, or 36% of the FCC's MDDF fleet, are more than seven years old and eleven vehicles, or approximately 15% of the FCC's MDDF fleet, are more than ten years old. As a result, the FCC is incurring increased maintenance costs associated with the MDDF vehicles. Second, many vehicles contain older, less-effective monitoring equipment. Modern monitoring equipment would be more

effective in supporting public safety entities using advanced communications systems because the more modern equipment has the ability to perform direction finding functions in the upper spectrum ranges.

2. FCC-wide Financial Operations Initiatives. Funding of \$0.9M would provide the following: The \$0.75M requested would provide funding for a new core accounting system replacing the current system that will no longer be supported by its developer. The system would be purchased in FY 2006 but funded in two stages over the course of two fiscal years. The FCC has used the Federal Financial System from American Management Systems (AMS) hosted by the Department of Interior (DOI), National Business Center, for core accounting since 1998. Additionally, the FCC uses other products from a variety of vendors for key components of the consolidated accounting system. The Inspector General has recommended replacing the myriad of systems with one consolidated core accounting package since 2000.

AMS discontinued support for FFS in 2004 and DOI has announced plans to discontinue support of FFS in FY 2007. The FCC initiated plans to replace FFS in FY 2005 and anticipates the complete implementation and replacement of all Commission financial systems with a consolidated system before the close of FY 2007. The FCC uses these systems to report financial results for the Federal Communications Commission, the Universal Service Fund, the Telecommunications Relay Service, and the North American Numbering Plan.

The additional \$.15M would provide funding for the new Treasury Lock Box program. The current U.S. Treasury Lock Box program provides the bank lock box service to the FCC and all services are expensed to Treasury. However, the FCC has been notified that Treasury's Financial Management Services (FMS) is initiating a new Lock Box program whereby the FCC will be financially responsible for the costs for lock box services provided to the FCC. This is a new requirement for FY 2007 and is the result of Treasury's mandated new program.

3. Office of Engineering & Technology. Funding of \$0.8M would provide replacement of aging and obsolete technical equipment, as follows: \$0.55M would go toward life-cycle replacement of aging and obsolete technical used at the FCC Laboratory, in support of the Commission's research and equipment authorization programs. The continued growth in using spectrum at millimeter range frequencies and use of complex modulation techniques for broadband transmissions with operation at very low power levels, require the use of very sensitive and accurate equipment. This is based on currently projected costs for Vector Signal Analyzers including mainframe and various analysis options up to 20 GHz, upgrades to signal generation on existing mainframes, Wireless Base station simulator software upgrades to support enhancement to various new protocols including 3G and future 4G capabilities, upgrades to the control system for RF Exposure measurements including new probes and software. We would also need to procure several low noise amplifiers, high quality filters, replacement oscilloscopes and power meters.

Additionally, \$0.25M would enable the OET laboratory to establish an Internet Protocol (IP) enabled services test facility to allow evaluation of equipment and protocols implementing new, IP enabled services such as Voice over IP (VOIP). The IP evolution involves new broadband local access technologies, new network switching equipment, and new service protocols. In short, a change out of most of the elements that constitutes the communications networks of today. The equipment would allow testing of new technology elements and associated protocols. Equipment would include a local broadband access test facility to allow testing of new access technologies such as Power Line, wireless, advanced ADSL, and cable modem technologies. The estimate for establishing a test facility is based on the project costs of protocol analyzers, wireline and wireless network simulators, vocoders and gateways, IP routers and servers, and management software. This would provide the ability to evaluate the compliance of equipment and service capabilities to the new protocols and interfaces that constitute the IP enabled

services networks. The test facility would also permit the comparative evaluation of new industry proposals for IP enabled service capabilities.

4. FCC-wide Information Technology Initiatives. Funding of \$.7M will provide funding for automating the coordination of frequency assignments between the FCC and the National Telecommunications and Information Administration (NTIA) of the Department of Commerce, and assessing the impact of migrating to the Federal Docket Management System (FDMS).

Frequency Assignment Coordination with NTIA. The Office of Engineering and Technology (OET) is the FCC liaison to NTIA. In fulfilling this function, OET represents the FCC's interests to the Interdepartment Radio Advisory Committee (IRAC) and several of its subcommittees. Through this arrangement, OET is responsible for the following coordination and review functions: (1) coordinating with NTIA/IRAC on behalf of the FCC, all frequency assignment requests that are referred from the Commission's Bureaus (*e.g.*, WTB, IB, and EB); and (2) reviewing frequency assignment requests that are submitted to NTIA from other agencies of the Federal Government (*e.g.*, DOD, FAA, and NASA).

Currently, this coordination function is entirely manual. The OET Frequency Assignment Coordination System (OFACS) will automate cross agency frequency coordination. The system will: 1) automate the manual, outdated Government-to-Government coordination process; 2) increase accountability and tracking of coordination processes; and 3) help reduce the process cycle time required for interagency coordination. The system when complete will include a "staging house" information system that is web based to submit, store, update and exchange information with the NTIA and other participating agencies. The new system will have the ability to query, report on, and track the status of frequency assignment coordination processing.

Migration to the FDMS. In FY 2007, the FCC will assess the impact of transitioning to the government wide system of records called the Federal Docket Management System (FDMS). FDMS allows the public to search, view, download, and comment on all Federal agency rulemaking documents in one central online system. OMB is encouraging federal agencies to join this project and utilize this new system. The FCC has participated extensively in the analysis, design, and initial implementation of this shared federal system. The FCC currently utilized an Electronic Comment Filing System (ECFS), developed in 1998, for capturing, analyzing and publishing the telecommunications industry comments. FY 2007 funds will be required to assess the impact of migration ECFS to FDMS. The FDMS is one of the 24 Federal E-Government initiatives.

5. DTV Consumer Education and Outreach: The \$.5M requested for the proposed FY 2007 Digital TV (DTV) outreach initiative covers a wide-range of projects intended to deliver information to U.S. consumers about the DTV transition. The goals of this initiative are to prepare the public for the transition, insure that all consumers can continue to view their TVs after the transition is complete, and provide unbiased and technologically and competitively neutral information so consumers can knowledgeably evaluate and purchase DTV products and services that are best suited for their needs.

These projects would primarily use the media, Internet, publications, and participation in forums and events to disseminate DTV information. The core media projects include multimedia public service announcements and media tours. Internet activities include expansion of the national DTV Web portal, www.dtv.gov, to include interactive tutorials and up-to-date information and Web capabilities. DTV publications would be printed and distributed to consumers who learn about them through our media activities. Event participation includes exhibiting and making presentations at major consumer-oriented

seminars and conferences such as the annual AARP “Life@50+” event and National Council of La Raza conference.

DTV Transition information packages would be developed and distributed to local, state and federal government agencies and community organizations for use in conducting local DTV outreach programs. An innovative “DTV Deputy” program for children would be created to help teach kids about DTV and encourage them to take transition information to their parents and caregivers. DTV outreach projects will include components for providing transition information to low-income, minority and Non-English speaking consumers.

6. FCC-wide Travel Increase: In the conference report accompanying the FCC’s FY 2006 appropriation the Committee encouraged the FCC to extend its prohibition on industry-sponsored travel. The Commission is requesting \$0.235M in travel funding to provide domestic and international travel previously funded pursuant to 13 U.S.C. Section 1353 reimbursement authority. The FCC’s request for increased travel funds will allow the agency to maintain appropriate participation at outside meetings and events previously funded by industry. Such outside funding, while fully authorized by federal law, can in some circumstances create an appearance of impropriety. We believe that the Commission can avoid any hint of impropriety by foregoing most outside reimbursement for travel costs.
7. Government-wide Training Initiative: The additional \$.052M in conjunction with the proposed “Working for America Act” would ensure performance appraisal systems are in place that make meaningful results-based performance distinctions between employees, and would provide manager training.

Columbia Improvements

In its FY 2006 budget request, the FCC requested more than \$10 million for construction of an entirely new building at its Columbia, Maryland location. These funds were not approved in FY 2006. As detailed in its January 30, 2006 report to the Senate Appropriations Committee, the FCC is exploring possible incremental approaches to improve its facilities. As part of this effort, the Commission is examining options to fund the laboratory improvements recommended in the report. As a result, the FCC is not requesting funding for construction or other improvements at its Columbia, Maryland location at this time. The FCC will keep the Congress fully apprised of its progress in this area before seeking any additional funds.

FCC STRATEGIC GOALS - 2006 THROUGH 2011

The FCC, in accordance with its statutory authority and in support of its mission, has established six strategic goals. They are:

BROADBAND

All Americans should have affordable access to robust and reliable broadband products and services. Regulatory policies must promote technological neutrality, competition, investment, and innovation to ensure that broadband service providers have sufficient incentive to develop and offer such products and services.

COMPETITION

Competition in the provision of communications services, both domestically and overseas, supports the Nation’s economy. The competitive framework for communications services should foster innovation and offer consumers reliable, meaningful choice in affordable services.

SPECTRUM

Efficient and effective use of non-federal spectrum domestically and internationally promotes the growth and rapid deployment of innovative and efficient communications technologies and services.

MEDIA

The Nation’s media regulations must promote competition and diversity and facilitate the transition to digital modes of delivery.

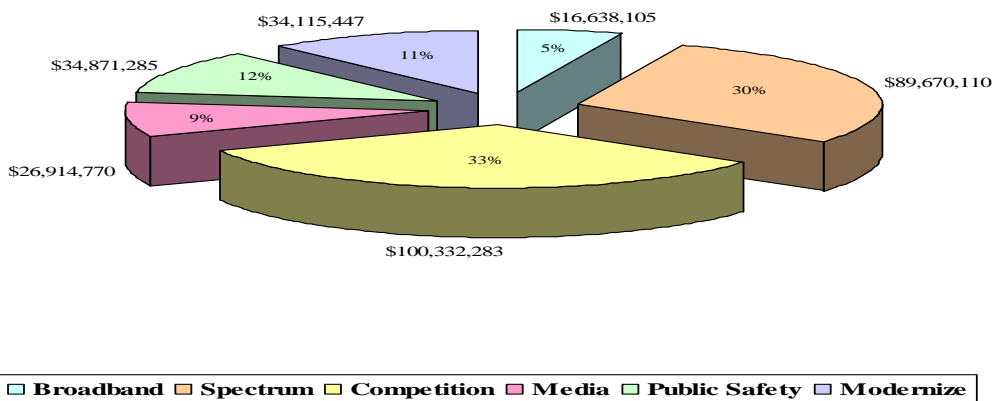
PUBLIC SAFETY AND HOMELAND SECURITY

Communications during emergencies and crises must be available for public safety, health, defense, and emergency personnel, as well as all consumers in need. The Nation’s critical communications infrastructure must be reliable, interoperable, redundant, and rapidly restorable.

MODERNIZE THE FCC

The FCC shall strive to be a highly productive, adaptive, and innovative organization that maximizes the benefit to stakeholders, staff, and management from effective systems, processes, resources, and organizational culture.

Budget Request by Strategic Goal
\$302,542,000



FY 2005 PERFORMANCE REPORT HIGHLIGHTS

BROADBAND

PERFORMANCE OBJECTIVE	INDICATORS OF SUCCESS
High-Speed and Advanced Service Lines	<ul style="list-style-type: none"> • In December 2004 there were 37,890,646 high-speed Internet lines. This represents an increase of 25% over the previous year and a 66% from 2001. • In December 2004 there were 28,857,608 advanced Internet services lines. This represents an increase of 30% over the previous year and a 74% increase from 2001.
Access to Broadband Across Multiple Platforms	<ul style="list-style-type: none"> • Between December 2001 and December 2004 there was more than a 42% increase in consumer access to broadband services via satellite or fixed wireless services. During the same time period, there was a 375% increase in cable service access to broadband.

COMPETITION

PERFORMANCE OBJECTIVE	INDICATORS OF SUCCESS
MVPD Subscribers as a Percentage of TV Households	<ul style="list-style-type: none"> • Over 108 million U.S. households subscribed to some type of MVPD service in 2004. This is about 85% of all television households. • Cable subscribers made up 61% of these MVPD households - a 0.9% percentage point decrease from the previous year and a 4.3% decrease from 2001.
Percentage of U.S. Population in Areas with Three or More Providers	<ul style="list-style-type: none"> • The percentage of the U.S. population living in counties served by 3 or more wireless carriers has increased from 94% in 2001 to 97% in 2004. • The percentage of U.S. households living in zip codes served by 3 or more wireline local exchange carriers has increased from 73% in 2001 to 87% in 2004.
Consumer Price Indices/Telephone Services Compared to All Goods and Services	<ul style="list-style-type: none"> ▪ Over the past seven years (January 1998 to June 2005), the Consumer Price Index (CPI) for telephone service has declined by 5% in comparison to an increase of 20% in the costs of all services.
Average Price Per Wireless Minutes of Use Per Month	<ul style="list-style-type: none"> ▪ The average price per minute for wireless telephone service has decreased from 10 cents in 2003 to 9 cents in 2004. In 2001 the average price per minute for wireless telephone service was 12 cents.
Average Price Per Minute for an International Call	<ul style="list-style-type: none"> ▪ The average price per minute for an international call has decreased from 27 cents in 2002 to 20 cents in 2003. In 2001 the average price per minute for an international call was 33 cents.

SPECTRUM

PERFORMANCE OBJECTIVE	INDICATORS OF SUCCESS
Number of Subscribers to New Services that Make Efficient Use of Spectrum	<ul style="list-style-type: none"> Wi-Fi hardware unit sales increased by 420% from 9.6 million in 2001 to 49.9 million in 2004. Wi-Fi hardware revenue increased by 121% from \$1,800 million in 2001 to \$3,977 million in 2004. Substantial growth has occurred over the past three years in the Satellite Digital Audio Radio Service (SDARS). Subscribership increased significantly from 377,106 in 2002 to 6,214,626 in 2005.
Percentage or Number of U.S. Business/Consumers Using 3G Technologies	<ul style="list-style-type: none"> As of July 31, 2005, carriers have publicly announced the deployment of 3G technologies in 54 U.S. markets
International Negotiations/Enforcement of Treaties	<ul style="list-style-type: none"> The FCC held regular discussions and reached new agreements with its counterparts in Canada and Mexico regarding the use of spectrum in U.S. border areas during FY 2005. In advancing the U.S. position, the FCC worked with other federal agencies to develop and advance positions via the International Telecommunications Union (ITU), which sponsors the 2007 World Radio-communications Conference (WRC-07). The FCC's Advisory Committee on WRC-07 has created five informal working groups to look at issues on the agenda for the WRC-07—terrestrial and space science services, satellite services including those related to high altitude platform stations (HAPS), international mobile telephone, 2.5 GHz, broadcasting and amateur services, and regulatory issues.

MEDIA

PERFORMANCE OBJECTIVE	INDICATORS OF SUCCESS
DTV Stations Authorized to be on the Air	<ul style="list-style-type: none"> As of July 31, 2005, 1,525 stations were authorized to be on the air. Of these, 789 were licensed digital facilities and facilities with program test authority (those pending grant of a license) for digital television (DTV) stations and 736 were facilities operating pursuant to Special Temporary Authority.
Transition to Digital Terrestrial Radio	<ul style="list-style-type: none"> A total of 447 of 13,555 stations (3%) were operating with digital radio authorizations as of July 31, 2005.
Increasing Investment by Consumers in Digital Television	<ul style="list-style-type: none"> The number of new DTV sets sold to consumers has increased by 374% from 1,403,000 DTV sets sold in 2001 to 6,271,000 DTV sets sold in 2004. The total number of households with DTV sets has increased by 839% from 1,812,000 in 2001 to 11,097,000 in 2004.
Per Day Average Number of High Definition Programs	<ul style="list-style-type: none"> In 2004, broadcast networks carried an average of 8.8 programs in high definition (HD) format each day; and satellite-delivered networks distributed an average of 283.4 HD programs per day.

PUBLIC SAFETY AND HOMELAND SECURITY

PERFORMANCE OBJECTIVE	INDICATORS OF SUCCESS
Phase II E-911 Operational Growth	<ul style="list-style-type: none"> Over 2,882 Phase II PSAP's were in operation in July 2005. This represents over 100% growth since November 2002.
Increase Telecommunications Service Priority (TSP) Participation	<ul style="list-style-type: none"> Between October 2004 and July 2005, participation in the TSP program, excluding military users increased by 18% (from 43,645 to 53,230 circuits).

MODERNIZE THE FCC

PERFORMANCE OBJECTIVE	INDICATORS OF SUCCESS
Average Time Required to Complete Rulemaking	<ul style="list-style-type: none"> The processing time from circulation-to-adoption was reduced by 33% (from 15 to 10 days); and the processing time from adoption-to-release was reduced by 35% (from 31 to 20 days).
Percentage of Speed of Disposal	<ul style="list-style-type: none"> In 2005, 98% of the 1,325,130 actions were disposed of within the agency's processing goal, a 1% increase in comparison to 97% of 1,705,973 actions disposed of in FY 2004.
Percentage of Actions Filed Electronically	<ul style="list-style-type: none"> In 2005, 95% of 556,113 applications were filed electronically or online, a 3% increase in comparison to FY 2004's 92% (566,975 applications filed electronically or on-line).
Human Capital and Career Development Strategies aligned with Strategic Goals	<ul style="list-style-type: none"> In 2005, the FCC's Human Capital Plan was finalized and 25% of the plan was implemented. The agency also implemented and developed Human Capital strategies addressing skills and competencies required to accomplish the agency's strategic goals. FCC employees completed training in— <ul style="list-style-type: none"> 565 external training courses, 340 in-house courses, and 7,000 instances of training.
Agency's Performance Indicators Achievements	<ul style="list-style-type: none"> Available data indicate that the FCC achieved 12 out of 21 of its performance indicators. Data was unavailable to assess achievement of the remaining nine performance indicators.

FY 2007 PERFORMANCE COMMITMENTS

In carrying out its strategic goals the Federal Communications Commission makes the following performance commitments for FY 2007:

BROADBAND

1. Broaden the deployment of broadband technologies.
2. Define broadband to include any platform capable of transmitting high-bandwidth intensive services, applications, and content.
3. Ensure harmonized regulatory treatment of competing broadband services.
4. Encourage and facilitate an environment that stimulates investment and innovation in broadband technologies and services.

COMPETITION

5. Promote access to telecommunications services for all Americans.
6. Ensure that American consumers can choose among multiple reliable and affordable communications services.
7. Promote pro-competitive and universal access policies worldwide.
8. Work to inform American consumers about their rights and responsibilities in the competitive communications marketplace.
9. Enforce the Commission's rules for the benefit of consumers.

SPECTRUM

10. Ensure that the Nation's spectrum is used efficiently and effectively.
11. Advocate U.S. spectrum interests in the international arena.

MEDIA

12. Facilitate the transition to digital television and further the transition to digital radio.
13. Reevaluate media ownership rules in light of a changing marketplace and judicial review.
14. Enforce compliance with media rules.

PUBLIC SAFETY AND HOMELAND SECURITY

15. Promote the reliability, security, and survivability of the communications infrastructure.
16. Facilitate deployment of public safety technology.

MODERNIZE THE FCC

17. Become an easier organization to do business with by integrating systems, processes, and interfaces.
18. Create and sustain an organizational culture that encourages innovation, accountability, and continual improvement.
19. Ensure effective communications with consumers, Congress, the communications industry, and fellow federal, state, tribal, and local agencies.

FEE COLLECTIONS AND AUCTIONS

Regulatory Fees

P.L. 103-66, "The Omnibus Budget Reconciliation Act of 1993," requires that the FCC annually collect fees and retain them for FCC use in order to offset certain costs incurred by the Commission.

The fees collected are intended to recover the costs attributable to the Commission's Competition, Enforcement, Consumer Information, and Spectrum Management goals.

The fees, often referred to as Section (9) fees, apply to the current holder of the license as of a specific date and to other entities (e.g., cable television systems) which benefit from Commission regulatory activities not directly associated with its licensing or applications processing functions.

The regulatory fees do not apply to governmental entities, amateur radio operator licensees, nonprofit entities holding tax exempt status under section 501(c) of the Internal Revenue code, 26 U.S.C. 501, and certain other non-commercial entities.

The legislation gives the Commission authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriation from year to year. It may also add, delete or reclassify services under certain circumstances. Additionally, the legislation requires the Commission to charge a 25% late payment penalty and to dismiss applications or revoke licenses for non-payment of the fees, although it may waive, reduce or defer payment of a fee for good cause.

The Commission implemented the Regulatory Fee collection program by rulemaking on July 18, 1994. The most recent fee schedule became effective on August 22, 2005, pursuant to an order adopted by the Commission on July 1, 2005, released July 7, 2005 and published in the Federal Register July 21, 2005 (70 FR 41967).

Authorization to Retain Fees

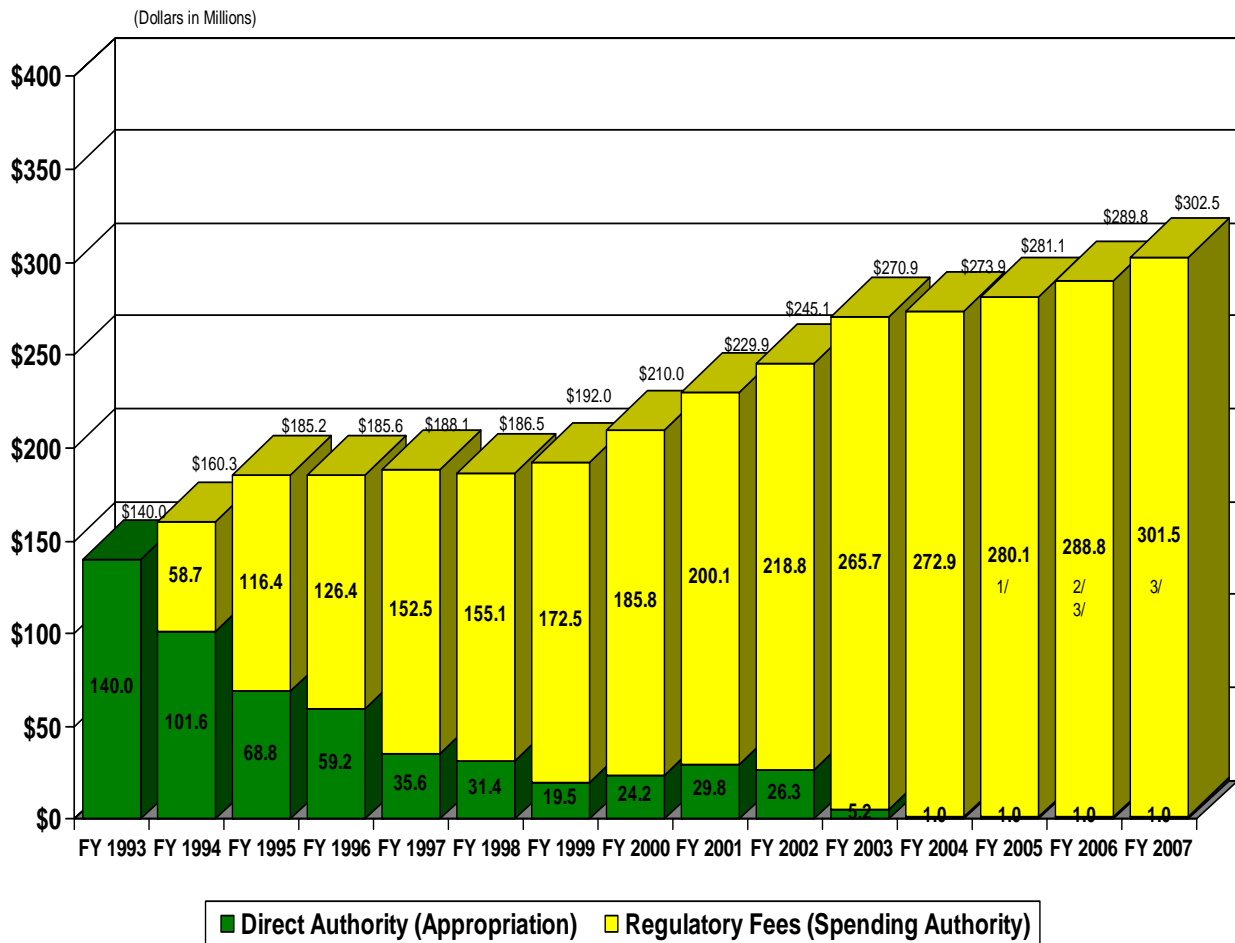
Regulatory fee collections in excess of levels specified in the appropriation language are available for obligation by the Commission and remain available until expended. These excess collections become available for obligation on October 1, following the year in which they are collected. These funds are not limited to the one-year spending rule established for the salaries and expenses appropriation and are carried forward as no-year funds indefinitely. The combined total of all prior year-carryover regulatory fees from FY 1997 – FY 2002 was \$18.9 million. A total of \$11.2 million in carryover funds were approved for use and obligated as of FY 2001. The remaining \$6.6 million in regulatory fees, from the FY 2001 appropriation became available for obligation in FY 2002. In FY 2002 Congress authorized the Commission's use of \$2.0 million of the \$6.6 million in excess funds to meet critical physical security needs following the events of September 11th. A total of \$5.7 million in carryover funds remained at the beginning of FY 2003, \$4.6 million in carryover funds from prior years plus \$1.1 million in regulatory fees collected in excess of the FY 2002 Appropriation required levels. In FY 2003 pursuant to P.L. 108-7, the \$5.7 million in carryover funds was rescinded. There was no request to Congress to use any excess regulatory fees available through prior year recoveries in FY 2004. There was \$12.6 million in regulatory fee collections at the end of FY 2004 available for obligation carried forward into FY 2005. Under authority contained in P.L. 108 – 447, \$12 million in carryover unobligated regulatory fee funds were rescinded and are unavailable for obligation. Per OMB guidance, the rescinded fees are considered to be temporarily unavailable. The balance of approximately \$.6 million was identified as available for obligation to obtain land

surrounding the current Puerto Rico facility to provide enhanced security to the facility operations. Due to an increase in land value no funds were obligated in FY 2005. There was \$12.9 million in excess regulatory fee collections at the end of FY 2005 that became available for obligation in FY 2006. Pursuant to P.L. 109-108, \$25.3 million was rescinded. The whole amount of the rescission is now considered temporarily unavailable until reappropriated by Congress or permanently rescinded.

FY 2007 Regulatory Fee Assumptions

The FY 2006 Appropriation for the FCC authorized \$288.8 million in the collection of regulatory fees. The FY 2007 budget request to OMB proposes to increase regulatory fees to a level of \$301.5 million. These funds will support Commission-wide goals that will allow the FCC to serve the American public in an efficient, effective and responsive manner. The distribution of Budget Authority between direct and offsetting collections from Regulatory Fees is illustrated in the following graph.

FY 1993 – FY 2007 RESOURCE COMPARISON Distribution of Appropriated Budget Authority



Note: FYs 1994, 1998 and 2003 reflect increased direct BA due to lower Reg Fee collections than directed in Appropriation language. This chart reflects Budget Authority and does not include additional B/A from excess fee collections in any fiscal year.

1/ Reflects actual Regulatory Fees collected in FY 2005

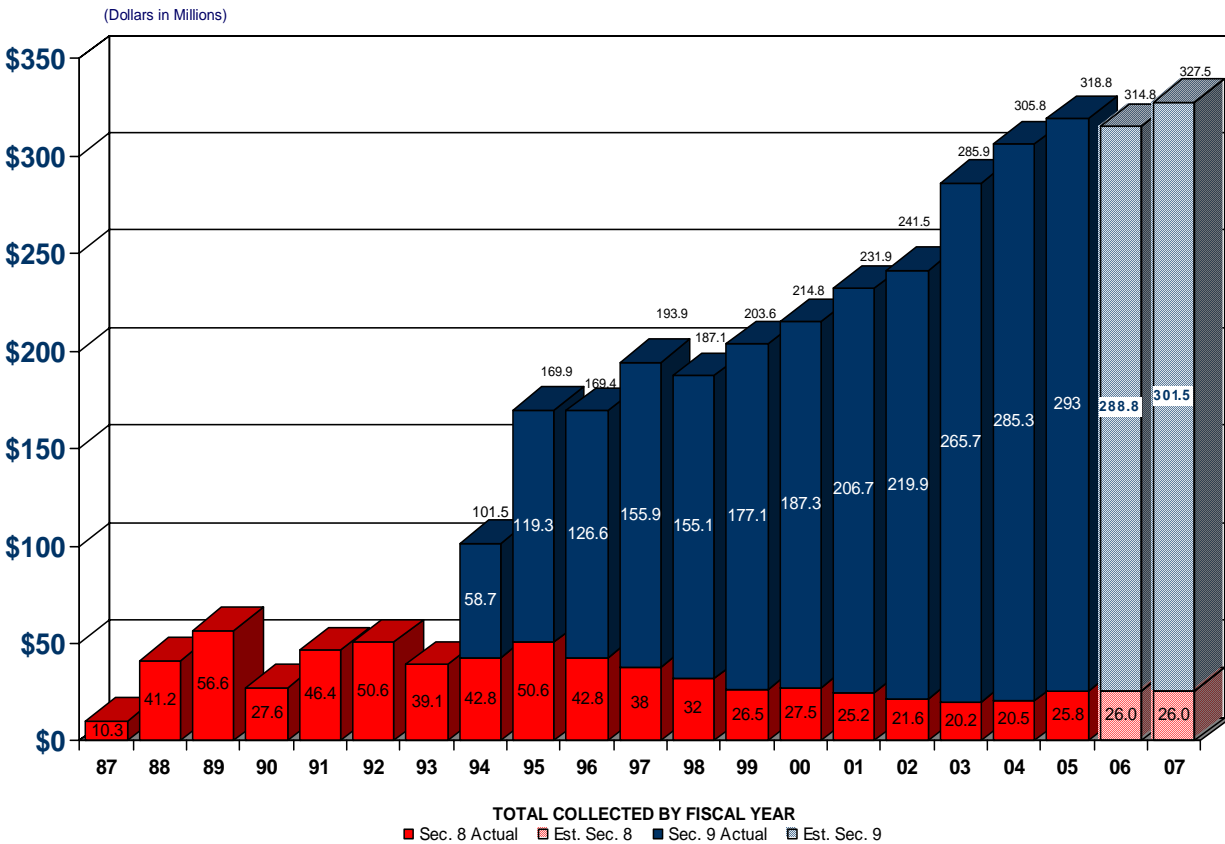
2/ Reflects Regulatory Fees for FY 2006 as enacted in the FY 2006 Appropriation and reflected in the President's Budget for FY 2007.

3/ Reflects the Regulatory Fee Schedule proposed for FY 2006 and FY 2007.

Application Processing Fees

Since FY 1987 the Federal Communications Commission (FCC) has collected and deposited into the General Fund of the U.S. Treasury application processing fees, often referred to as Section (8) fees. The fees are intended to recover a substantial portion of the costs of the Commission's applications processing functions. The program encompasses over 300 different fees with the vast majority collected at the time an original license application, renewal or request for modification is filed with the Commission. Most fees are assessed as a one-time charge on a per-application basis, although there are certain exceptions. Government, nonprofit, non-commercial broadcast and amateur license applicants are exempt from the fees. A lockbox bank is used to collect the fees, with all fees deposited into the General Fund of the U.S. Treasury. Once deposited, these fees are generally not refundable regardless of the outcome of the application process. The Commission must review and revise the fees every two years based upon changes to the Consumer Price Index (CPI). On July 23, 2004, an order was adopted which increased application fees to reflect these CPI changes; this change became effective on August 10, 2004. Application Processing Fee Collections (Section 8) and Regulatory Fee collections are summarized in the following graph.

FEE COLLECTIONS* FY 1987 – FY 2007



*In addition to Sec. 8 processing fees which go to the General Fund of Treasury, totals for FY 1994-2007 include Sec. 9 Regulatory Fees. Sec. 9 actual reflects fees collected thru 9/30. Est. Sec. 9 reflects fees established in appropriations language.

Spectrum Auctions

In addition to regulatory fees, the Omnibus Budget Reconciliation Act of 1993 required the FCC to auction portions of the spectrum for certain services, replacing the former lottery process. The Commission is required to ensure that small businesses, women, minorities, and rural telephone companies have an opportunity to participate in the competitive bidding process. The original Spectrum Auction authority was scheduled to expire in FY 1998; however, it was extended through FY 2007 in the Balanced Budget Act of 1997, and again through 2011 in the Deficit Reduction Act of 2005. The Commission initiated regulations implementing the legislation and conducted its first round of auctions in July 1994. To date the Commission has completed 60 auctions. As of December 31, 2005, total receipts from this program deposited in the General Fund of the U.S. Treasury have exceeded \$14.6 billion.

The Commission is authorized to retain from auction revenues those funds necessary to develop, implement and maintain the auction program. These funds cover the personnel and administrative costs required to plan and execute spectrum auctions; operational costs to manage installment payments and collections activities; development, implementation, and maintenance of all information technology systems necessary for Auctions operations including development of a combinatorial bidding system, and a proportional share of the general administrative costs of the commission based on the split of direct FTE hours charged to auctions in the previous year. This budget submission assumes the auctions program will continue to recover the costs of conducting all auctions activities from spectrum license receipts as the FCC continues to use auctions as a licensing mechanism for communications services spectrum. The FCC's FY 2006 Appropriation caps the auctions program at \$85 million for the third year.

The Balanced Budget Act of 1997, P.L. 105-33, required that the Commission provide to authorizing committees a detailed report of obligations in support of the auctions program for each fiscal year of operation, as a prerequisite to the continued use of auctions receipts for the costs of all auctions activities. The FY 2004 Auctions Report was provided to the appropriate oversight committees in September, 2005. The FY 2005 Auctions Report will be submitted in September, 2006.

BUREAU/OFFICE FY 2007 REQUIREMENTS

In the past, the FCC did not provide information to the Congress to show the proposed use of appropriated fund at the organizational level. In the conference report for the FY 2006 appropriations law, the conferees required the FCC to submit a spending plan for FY 2006 at the organizational level and to provide this level of disaggregation in future budget reports. This section provides that information consistent with the practice specified for FY 2006. Specifically, this section contains the FCC's proposed budget for FY 2007 at the bureau and office level and also includes the FCC's proposed budget by object class code. The FCC expects to submit a proposed spending plan after adoption of the appropriations, as well as quarterly reports concerning unobligated balances.

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OFFICE OF THE COMMISSIONERS

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	29	40	40
Appropriated Funding:			
11-Compensation	\$3,294,625	\$3,365,364	\$3,480,469
12-Benefits	\$753,142	\$776,879	\$801,728
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$4,047,767	\$4,142,243	\$4,282,196
21-Travel	\$284,318	\$275,000	\$305,193
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$334,757	\$341,460
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$2,986	\$4,000	\$4,064
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$287,304	\$613,757	\$650,716
TOTAL	\$4,335,071	\$4,756,000	\$4,932,913

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

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 Chairperson. Only three Commissioners may be members of the same political party. None of them can have a financial interest in any Commission-related business.

The Chairman serves as the chief executive officer of the Commission, supervising all FCC activities, delegating responsibilities to staff units and Bureaus, and formally representing the Commission before the Congress and the Administration. For part of FY 2005 and FY 2006, the FCC did not have the full complement of Commissioners and associated staff. The FCC's budget request anticipates a full complement of five Commissioners and associated staff should occur in FYs 2006 and 2007.

CONSUMER AND GOVERNMENTAL AFFAIRS BUREAU

	2005 <u>Actual</u> 208	2006 <u>Estimate</u> 204	2007 <u>Request</u> 204
Appropriated Funding:			
11-Compensation	\$15,966,502	\$16,602,205	\$17,174,930
12-Benefits	\$3,730,530	\$4,094,428	\$4,224,528
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$19,697,032	\$20,696,633	\$21,399,457
21-Travel	\$67,187	\$67,187	\$96,587
22-Transportation of Things	\$121	\$121	\$125
*23-Rent and Communications	\$119,252	\$2,319,015	\$2,365,449
24-Printing and Reproduction	\$0	\$0	\$25,000
25-Other Contractual Services	\$814,354	\$940,939	\$1,410,920
26-Supplies and Materials	\$1,666	\$1,666	\$1,665
31-Equipment	\$9,895	\$9,896	\$9,893
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,012,475	\$3,338,824	\$3,909,649
TOTAL	\$20,709,507	\$24,035,457	\$25,309,097

*FY 2006 and 2007 figures include allocations for space rent.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Consumer and Governmental Affairs Bureau develops and administers the Commission's consumer and inter-governmental affairs policies and initiatives to enhance the public's understanding of the Commission's work and to facilitate the Agency's relationships with other governmental agencies and organizations. The Bureau is responsible for rulemaking proceedings regarding general consumer and disability policy. The Bureau serves as the primary Commission entity responsible for communicating with the general public regarding Commission policies, programs, and activities in order to facilitate public education and participation in the Commission's decision-making processes.

The Bureau's overall objectives include: advising the Commissioners and the other Bureaus and Offices on consumer, disability and inter-governmental-related areas of concern or interest; initiating, reviewing, and coordinating orders, programs and actions, in conjunction with other Bureaus and Offices, in matters regarding consumer and disability policy and procedures, and any other related issues affecting consumer policy; representing the Commission on consumer and inter-governmental-related committees, working groups, task forces and conferences within and outside the Agency; and providing expert advice and assistance to Bureaus and Offices and consumers regarding compliance with applicable disability and accessibility requirements, rules and regulations.

The Bureau's activities include: consumer and disability policy development and coordination; interaction with the public, federal, state, local, tribal and other government agencies and industry

groups; oversight of the Consumer Advisory Committee, the Federal-State Joint Conference on Advanced Telecommunication Services, and the Intergovernmental Affairs Committee; informal complaint mediation and resolution; consumer outreach and education; maintaining official FCC records; and coordination with the Managing Director's Office to provide objectives and evaluation methods for the public information portion of the Agency's Government Performance and Results Act (GPRA) submissions and other Agency-wide strategic planning efforts; and any other functions as may be assigned, delegated, or referred to the Bureau by the Commission.

ENFORCEMENT BUREAU

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	336	333	333
Appropriated Funding:			
11-Compensation	\$31,966,746	\$33,845,741	\$34,952,544
12-Benefits	\$7,250,836	\$7,858,685	\$8,101,005
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$39,217,582	\$41,704,426	\$43,053,549
21-Travel	\$451,113	\$511,113	\$526,769
22-Transportation OF Things	\$5,349	\$6,585	\$6,819
*23-Rent and Communications	\$596,736	\$2,257,936	\$2,303,147
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$468,339	\$467,686	\$475,132
26-Supplies and Materials	\$177,095	\$180,372	\$180,310
31-Equipment	\$508,327	\$374,491	\$1,454,387
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$2,206,959	\$3,798,193	\$4,946,565
TOTAL	\$41,424,541	\$45,502,609	\$48,000,113

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Enforcement Bureau serves as the primary Commission entity responsible for enforcement of the Communications Act and other communications statutes, the Commission's rules, orders and authorizations, other than matters that are addressed in the context of a pending application for a license or other authorization or in the context of administration, including post-grant administration, of a licensing or other authorization or registration program. The Enforcement Bureau's responsibilities include:

- Resolve complaints regarding compliance with statutory and regulatory provisions regarding indecent communications subject to the Commission's jurisdiction.
- Serve as trial staff in formal hearings conducted pursuant to 5 U.S.C. § 556 regarding applications, revocation, forfeitures and other matters designated for hearing.
- Under the general direction of the Defense Commissioner, coordinate the homeland security activities of the Commission, including national security and emergency preparedness and defense mobilization, and provide support to the Defense Commissioner with respect to his or her participation in the Joint Telecommunications Resources Board, the National Security Telecommunications Advisory Committee and other organizations. Recommend national emergency plans and preparedness programs covering Commission functions during national emergency conditions. Support the Chief of the Wireline Competition, International and Wireless Telecommunications Bureaus on matters involving assignment of Telecommunications Service Priority System priorities and in administration of that system.

The Chief, Enforcement Bureau, or that person's designee, acts as Alternate FCC Homeland Security and Defense Coordinator and principal to the National Communications System. Perform such alternate functions as may be delegated during a national emergency or following activation of the President's war emergency powers as specified in section 706 of the Communications Act.

- Administer the Commission's Emergency Alert System. Be responsible for rulemakings involving the Emergency Alert System.
- Have authority to rule on emergency requests for Special Temporary Authority during non-business hours.
- Provide field support for, and field representation of, the Bureau, other Bureaus and Offices and the Commission. Coordinate with other Bureaus and Offices as appropriate.
- Handle congressional and other correspondence relating to or requesting specific enforcement actions, specific complaints or other specific matters within the responsibility of the Bureau, to the extent not otherwise handled by the Consumer and Governmental Affairs Bureau, the Office of General Counsel (impermissible ex parte presentations) or another Bureau or Office.
- Have authority to issue non-hearing related subpoenas for the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, schedules of charges, contracts, agreements, and any other records deemed relevant to the investigation of matters within the responsibility of the Bureau. Before issuing a subpoena, the Enforcement Bureau shall obtain the approval of the Office of General Counsel.

INTERNATIONAL BUREAU

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	146	143	143
Appropriated Funding:			
11-Compensation	\$15,031,163	\$15,475,760	\$15,975,048
12-Benefits	\$3,434,847	\$3,585,996	\$3,695,439
13-Benefits for Former Personnel	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal, Personnel Costs	\$18,466,010	\$19,061,756	\$19,670,487
21-Travel	\$377,907	\$387,147	\$436,899
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$1,256,977	\$1,282,146
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$69,467	\$53,014	\$53,858
26-Supplies and Materials	\$27,420	\$27,420	\$27,411
31-Equipment	\$9,090	\$9,090	\$9,087
42-Insurance Claims and Indemnities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal, Non-Personnel Costs	\$483,884	\$1,733,648	\$1,809,400
TOTAL	<u>\$18,949,894</u>	<u>\$20,795,404</u>	<u>\$21,479,887</u>

*FY 2006 and 2007 figures include allocations for space rent.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The International Bureau develops, recommends and administers policies, standards, procedures and programs for the regulation of international telecommunications facilities and services and the licensing of satellite facilities under its jurisdiction. The Bureau advises and recommends to the Commission, or acts for the Commission under delegated authority, in the development of and administration of international telecommunications policies and programs. The International Bureau assumes the principal representational role for Commission activities in international organizations. The International Bureau has the following duties and responsibilities:

- Initiate and direct the development and articulation of international telecommunications policies, consistent with the priorities of the Commission.
- Advise the Chairman and Commissioners on matters of international telecommunications policy, and on the status of the Commission's actions to promote the vital interests of the American public in international commerce, national defense, and foreign policy areas.
- Develop, recommend, and administer policies, rules, and procedures for the authorization and regulation of international telecommunications facilities and services and domestic and international satellite systems.
- Monitor compliance with the terms and conditions of authorizations and licenses granted by the Bureau, and to pursue enforcement actions in conjunction with appropriate bureaus and offices.

- Represent the Commission on international telecommunications matters at both domestic and international conferences and meetings, and direct and coordinate the Commission's preparation for such conferences and meetings.
- Serve as the single focal point within the Commission for cooperation and consultation on international telecommunications matters with other federal agencies, international or foreign organizations, and appropriate regulatory bodies and officials of foreign government.
- Develop, coordinate with other federal agencies, and administer regulatory assistance and training programs for foreign administrations to promote telecommunications development.
- Provide advice and technical assistance to U.S. trade officials in the negotiation and implementation of telecommunications trade agreements.
- Conduct economic, legal, technical, statistical and other appropriate studies, surveys and analyses in support of development of international telecommunications policies and programs.
- Collect and disseminate within the Commission information and data on international telecommunications, regulatory and market developments in other countries and international organizations.
- Promote the international coordination of spectrum allocation and frequency and orbital assignments so as to minimize cases of international radio interference involving U.S. licensees.
- Direct and coordinate, in consultation with appropriate bureaus and offices, negotiation of international agreements to provide for arrangements and procedures for bilateral coordination of radio frequency assignments to prevent or resolve international radio interference involving U.S. licensees.
- Ensure fulfillment of the Commission's responsibilities under international agreements and treaty obligations, and, consistent with Commission policy, ensure that the Commission's regulations, procedures, and frequency allocations comply with mandatory requirements of all applicable international and bilateral agreements.
- Oversee and, as appropriate, administer activities pertaining to the international consultation, coordination and notification of U.S. frequency and orbital assignments, including activities required by bilateral agreements, the international Radio Regulations, and other international agreements.

MEDIA BUREAU

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	237	238	238
Appropriated Funding:			
11-Compensation	\$20,945,537	\$20,783,955	\$21,488,191
12-Benefits	\$4,409,703	\$4,462,080	\$4,605,841
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	<u>\$25,355,240</u>	<u>\$25,246,035</u>	<u>\$26,094,032</u>
21-Travel	\$16,614	\$41,876	\$94,099
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$1,962,640	\$2,001,938
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$91,137	\$88,315	\$89,721
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$11,535	\$11,535	\$11,532
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	<u>\$119,286</u>	<u>\$2,104,366</u>	<u>\$2,197,290</u>
TOTAL	<u>\$25,474,526</u>	<u>\$27,350,401</u>	<u>\$28,291,322</u>

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Media Bureau develops, recommends and administers the policy and licensing programs for the regulation of media, including cable television, broadcast television and radio, and satellite services in the United States and its territories. The Bureau advises and recommends to the Commission, or acts for the Commission under delegated authority, in matters pertaining to multichannel video programming distribution, broadcast radio and television, direct broadcast satellite service policy, and associated matters. The Bureau will, among other things:

- Conduct rulemaking proceedings concerning the legal, engineering, and economic aspects of electronic media services.
- Conduct comprehensive studies and analyses concerning the legal, engineering and economic aspects of electronic media services.
- Resolve waiver petitions, declaratory rulings and adjudications related to electronic media services.
- Process applications for authorization, assignment, transfer and renewal of media services, including AM, FM, TV, the cable TV relay service, and related matters.

WIRELESS TELECOMMUNICATIONS BUREAU

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	291	284	284
Appropriated Funding:			
11-Compensation	\$12,060,911	\$12,195,320	\$12,714,383
12-Benefits	\$2,813,429	\$2,807,348	\$2,914,739
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$14,874,340	\$15,002,668	\$15,629,122
21-Travel	\$49,509	\$49,509	\$54,555
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$803,279	\$819,363
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$43,550	\$45,156	\$45,875
26-Supplies and Materials	\$752	\$0	\$0
31-Equipment	\$10,935	\$10,936	\$10,933
42-Insurance	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$104,746	\$908,880	\$930,726
TOTAL	\$14,979,086	\$15,911,548	\$16,559,848

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X		X	X

The Wireless Telecommunications Bureau (WTB) advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, in all matters pertaining to the regulation and licensing of wireless communications services, facilities, and electromagnetic spectrum resources. The Bureau develops and recommends policy goals, objectives, programs, and plans for the Commission on matters concerning wireless communications and electromagnetic spectrum resources, drawing upon relevant economic, technological, legislative, regulatory, and judicial information and developments. Such matters include addressing the present and future wireless communications and spectrum needs of U.S. consumers, businesses, state, local, and tribal governments, and other entities; promoting access, efficiency, and innovation in the allocation, licensing and use of the electromagnetic spectrum; ensuring choice, opportunity, and fairness in the development of wireless communication services and markets; promoting investment in wireless communications infrastructure and the integration and interconnection of wireless communications networks with other communications networks and facilities; and promoting the development and widespread availability of broadband, mobile, public safety, and other wireless communications services, devices, and facilities.

The WTB actively supports all of the Commission's overall strategic goals, which are currently Spectrum, Competition, Broadband, Public Safety and Homeland Security, and Modernizing the FCC.

The Bureau's activities include developing and coordinating policy; conducting rulemaking and licensing work; and acting on applications for service and facility authorizations. The Bureau also determines the resource impact of existing, planned, or recommended Commission activities concerning wireless communications, and develops and recommends resources deployment priorities.

The Bureau reviews and coordinates orders, programs, and actions initiated by other Bureaus and Offices in matters affecting wireless communications to ensure consistency of overall Commission policy.

WIRELINE COMPETITION BUREAU

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	179	185	191**
Appropriated Funding:			
11-Compensation	\$19,099,883	\$20,097,242	\$20,745,115
12-Benefits	\$4,458,849	\$4,674,588	\$4,817,077
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	<u>\$23,558,732</u>	<u>\$24,771,830</u>	<u>\$25,562,191</u>
21-Travel	\$63,390	\$109,207	\$145,444
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$1,590,878	\$1,622,732
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$98,540	\$107,761	\$109,477
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$18,516	\$17,749	\$17,744
42-Insurance	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	<u>\$180,446</u>	<u>\$1,825,595</u>	<u>\$1,895,397</u>
TOTAL	<u>\$23,739,178</u>	<u>\$26,597,425</u>	<u>\$27,457,589</u>

*FY 2006 and 2007 figures include allocations for space rent.

** Six FTEs will be funded by the Universal Service Fund in FY 2007 pursuant to the proposed legislative language.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X		X	X

The Wireline Competition Bureau advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, in all matters pertaining to the regulation and licensing of communications common carriers and ancillary operations (other than matters pertaining exclusively to the regulation and licensing of wireless telecommunications services and facilities). The Bureau develops and recommends policy goals, objectives, programs and plans for the Commission on matters concerning wireline telecommunications, drawing on relevant economic, technological, legislative, regulatory and judicial information and developments. Overall objectives include meeting the present and future wireline telecommunications needs of the Nation; fostering economic growth; ensuring choice, opportunity, and fairness in the development of wireline telecommunications; promoting economically efficient investment in wireline telecommunications infrastructure; promoting the development and widespread availability of wireline telecommunications services; and developing deregulatory initiatives where appropriate. The Bureau reviews and coordinates orders, programs and actions initiated by other Bureaus and Offices in matters affecting wireline telecommunications to ensure consistency with overall Commission policy.

The Bureau's activities include: policy development and coordination; adjudicatory and rulemaking proceedings; action on requests for interpretation or waivers of rules; determinations regarding lawfulness of carrier tariffs; action on applications for service and facility authorizations; review of carrier performance; administration of accounting requirements for incumbent local exchange carriers; administration of FCC reporting requirements affecting telecommunications carriers; economic research and analysis; interaction with the public, local, state, and other government agencies, and

industry groups on wireline telecommunications regulation and related matters; and any other functions as may be assigned, delegated, or referred to the Bureau by the Commission.

AGENCY OFFICES

Office of Administrative Law Judges

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	5	5	5
Appropriated Funding:			
11-Compensation	\$451,274	\$480,375	\$496,285
12-Benefits	\$70,789	\$87,838	\$90,708
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$522,063	\$568,213	\$586,992
21-Travel	\$348	\$200	\$205
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$44,132	\$45,016
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$11,500	\$10,500	\$10,667
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$11,848	\$54,832	\$55,888
TOTAL	\$533,911	\$623,045	\$642,880

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
	X	X	X		

The Office of the Administrative Law Judges hears and conducts all adjudicatory cases designated for evidentiary adjudicatory hearing other than those designated to be heard by the Commission en banc or by one or more members of the Commission, and other hearings as the Commission may assign. The Office has the following responsibilities:

- Preside over and conduct formal hearings involving investigations, rule making and adjudication.
- Act on motions, petitions and other pleadings filed in proceedings and conduct prehearing conferences.
- Administer the oath, examine witnesses, rule upon evidentiary questions, issue subpoenas, dispose of procedural motions, prepare and issue Initial Decisions. Perform functions of presiding judge in non-jury cases, with the exception that decisions rendered are automatically subject to possible review by the Commission.
- Serve, upon instruction of Commission/Chairman, as liaison for the Commission, and this Office, in making appropriate arrangements for securing advice or information from representatives of other agencies, bar associations and interested persons in connection with proceedings.

- Prepare and maintain hearing calendars, showing time and place of hearings.
- Prepare reports, statistical data and other information requested or required by the Office of Personnel Management, other offices or agencies of the U.S. Government concerned with proper operation of the Office of Administrative Law Judges.
- Exercise such authority as may be assigned by the Commission pursuant to section 5(c) of the Communications Act of 1934, as amended.

Office of Communications Business Opportunities

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	8	8	8
Appropriated Funding:			
11-Compensation	\$785,568	\$860,330	\$888,123
12-Benefits	\$187,702	\$199,860	\$205,963
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$973,270	\$1,060,190	\$1,094,087
21-Travel	\$2,400	\$2,400	\$2,457
22-Transportation	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$84,787	\$86,485
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$12,656	\$0	\$0
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$2,640	\$2,640	\$2,639
42-Insurance	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$17,696	\$89,827	\$91,581
TOTAL	\$990,966	\$1,150,017	\$1,185,667

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
	X		X		X

The Office of Communications Business Opportunities (OCBO), as a staff office to the Commission, develops, coordinates, evaluates, and recommends to the Commission, policies, programs, and practices that promote participation by small entities, women, and minorities in the communications industry. A principal function of the Office is to lead, advise, and assist the Commission, including all of its component Bureau/Office managers, supervisors, and staff, at all levels, on ways to ensure that the competitive concerns of small entities, women, and minorities, are fully considered by the agency in notice and comment rulemakings. In accordance with this function, the Office:

- Conducts independent analyses of the Commission's policies and practices to ensure that those policies and practices fully consider the interests of small entities, women, and minorities.
- Advises the Commission, Bureaus, and Offices of their responsibilities under the Congressional Review Act provisions regarding small businesses; the Report to Congress regarding Market Entry Barriers for Small Telecommunications Businesses (47 U.S.C. 257); and the Telecommunications Development Fund (47 U.S.C. 614).

The Office has the following duties and responsibilities:

- Through its director, serves as the principal small business policy advisor to the Commission;
- Develops, implements, and evaluates programs and policies that promote participation by small entities, women and minorities in the communications industry;

- Manages the Regulatory Flexibility Analysis process pursuant to the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act to ensure that small business interests are fully considered in agency actions;
- Develops and recommends Commission-wide goals and objectives for addressing the concerns of small entities, women, and minorities and reports of achievement;
- Acts as the principal channel for disseminating information regarding the Commission's activities and programs affecting small entities, women, and minorities;
- Develops, recommends, coordinates, and administers objectives, plans and programs to encourage participation by small entities, women, and minorities in the decision-making process;
- Promotes increased awareness within the Commission of the impact of policies on small entities, women, and minorities
- Acts as the Commission's liaison to other federal agencies on matters relating to small business.

Office of Engineering Technology

	2005 <u>Actual</u> FTE 116	2006 <u>Estimate</u> 113	2007 <u>Request</u> 113
Appropriated Funding:			
11-Compensation	\$11,616,716	\$11,560,348	\$11,937,845
12-Benefits	\$2,502,092	\$2,563,712	\$2,643,314
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$14,118,808	\$14,124,060	\$14,581,160
21-Travel	\$33,582	\$29,609	\$76,080
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$694,944	\$708,859
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$225,214	\$177,114	\$179,934
26-Supplies and Materials	\$43,158	\$40,284	\$40,270
31-Equipment	\$152,600	\$58,200	\$867,184
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$454,554	\$1,000,151	\$1,872,327
TOTAL	\$14,573,362	\$15,124,211	\$16,453,486

*FY 2006 and 2007 figures include allocations for space rent.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Engineering and Technology allocates spectrum for non-governmental use and provides expert advice on technical issues before the Commission and makes recommendations on how spectrum should be allocated, and established technical standards for spectrum users. The Office also performs the following duties and responsibilities:

- Develop overall policies, objectives, and priorities for the Office of Engineering and Technology programs and activities; perform management functions; and supervise the execution of these policies.
- Advise and represent the Commission on frequency allocation and spectrum usage matters, including those covered by international agreements.
- Plan and direct broad programs for development of information relative to communication techniques and equipment, radio wave propagation, and new uses for communications, and advise the Commission and staff offices in such matters.
- Represent the Commission at various national and international conferences and meetings devoted to the progress of communications and the development of information and standards.
- Conduct engineering and technical studies in advanced phases of terrestrial and space communications, and special projects to obtain theoretical and experimental data on new or improved techniques, including cooperative studies with other staff units and consultant and contract efforts as appropriate.
- Advise the Commission and other bureaus and offices concerning spectrum management, emerging technologies, technical standards, international considerations and national security

matters involved in making or implementing policy or in resolving specific situations involving these matters.

- Develop and implement procedures to acquire, store, and retrieve scientific and technical information required in the engineering work of the Commission.
- Provide, in cooperation with the General Counsel and the Office of Plans and Policy, advice to the Commission, participate in and coordinate staff work with respect to general frequency allocation proceedings and other proceedings not within the jurisdiction of any single bureau, and provide assistance and advice with respect to rulemaking matters and proceedings affecting more than one bureau.
- Administer Parts 2, 5, 15, and 18, of the Commission's Rules and Regulations.
- Perform technical, engineering, and management functions of the Commission with respect to formulating rules and regulations, technical standards, and general policies for Parts 2, 5, 15 and 18, and for type approval, type acceptance, certification, notification, and verification of radio equipment for compliance with the rules.
- Maintain liaison with other agencies of government, technical experts representing foreign governments, and members of the public and industry concerned with communications and frequency allocation and usage.
- Calibrate and standardize technical equipment and installations used by the Commission.
- Prepare recommendations for legislation, and review recommendations for rule changes and rulemaking proposals initiated by other offices affecting Bureau programs and operations.

Office of General Counsel

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	75	76	76
Appropriated Funding:			
11-Compensation	\$8,309,499	\$8,565,934	\$8,839,982
12-Benefits	\$1,913,847	\$1,954,879	\$2,014,294
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$10,223,346	\$10,520,813	\$10,854,277
21-Travel	\$14,354	\$14,354	\$15,483
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$712,961	\$727,237
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$14,375	\$765	\$777
26-Supplies and Materials	\$160	\$160	\$160
31-Equipment	\$9,370	\$9,370	\$9,367
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$38,259	\$737,610	\$753,024
TOTAL	\$10,261,605	\$11,258,423	\$11,607,301

*FY 2006 and 2007 figures include allocations for space rent.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of General Counsel serves as chief legal advisor and represents the Commission in litigation matters in performing the following duties and responsibilities:

- Advise and make recommendations to the Commission with respect to proposed legislation and submit agency views on legislation when appropriate.
- Interpret statutes, international agreements, and international regulations affecting the Commission.
- Prepare and make recommendations and interpretations concerning procedural rules of general applicability and review all rules for consistency with other rules, uniformity, and legal sufficiency.
- In cooperation with the Chief Engineer, participate in, render advice to the Commission, and coordinate the staff work with respect to general frequency allocation proceedings and other proceedings not within the jurisdiction of any single bureau, and render advice with respect to rule making matters and proceedings affecting more than one bureau.
- Ensure consistent public interest analysis of major, non-routine transactions in a timely fashion throughout the Commission and provide technical expertise on common issues.
- Exercise such authority as may be assigned or referred to it by the Commission pursuant to section 5(c) of the Communications Act of 1934, as amended.

- Cooperate with the International Bureau on all matters pertaining to space satellite communications.
- Interpret statutes and executive orders affecting the Commission's national defense responsibilities, and perform such functions involving implementation of such statutes and executive orders as may be assigned to it by the Commission or the Defense Commissioner.
- Perform all legal functions with respect to leases, contracts, tort claims and other internal legal problems as may arise.
- Issue written determinations on behalf of the Chairman, and otherwise act as the Chairman's designee on matters regarding the interception of telephone conversations, as required by the General Services Administration's regulations. 41 CFR 201-6.202, et seq.
- Serve as principle advisor to the Commission in the preparation and revision of rules and the implementation and administration of ethical regulations and the Freedom of Information, Privacy, Government in the Sunshine and Alternative Dispute Resolution Acts.
- Assist and make recommendations to the Commission, and to individual Commissioners assigned to review initial decisions, as to the disposition of cases of adjudication and such other cases as, by Commission policy, are handled in the same manner and which have been designated for hearing.

Office of Inspector General

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	13	14	26**
Appropriated Funding:			
11-Compensation	\$1,124,500	\$1,309,967	\$1,353,620
12-Benefits	\$273,078	\$305,408	\$314,959
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,397,579	\$1,615,375	\$1,666,579
21-Travel	\$42,013	\$42,013	\$43,005
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$135,875	\$138,596
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$903,252	\$967,156	\$982,555
26-Supplies and Materials	\$167	\$167	\$167
31-Equipment	\$8,217	\$8,217	\$8,215
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$953,649	\$1,153,428	\$1,172,536
TOTAL	\$2,351,228	\$2,768,803	\$2,841,115

*FY 2006 and 2007 figures include allocations for space rent.

**Twelve FTEs will be funded by the Universal Service Fund in FY 2007 pursuant to the proposed legislative language.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety And Security	Modernize the FCC
X	X	X	X	X	X

The Office of Inspector General (OIG) was established in compliance with the Inspector General Act Amendments of 1988 to provide the FCC with independent audit and investigative services. The Inspector General (IG) reports directly to the Chairman.

The OIG is responsible by statute for the conduct of all internal audits and investigations within the Commission. Audits are designed to evaluate the economy and efficiency of FCC programs and operations as well as to detect instances of waste, fraud, abuse and mismanagement which may exist within the Commission. Investigations are conducted to determine whether Commission employees, contractors, or others whose activities affect FCC programs and operations, have violated specific statutes or regulations. Such violations can include administrative, civil, and criminal violations.

Provide policy direction for, and to conduct, supervise and coordinate audits and investigations relating to the programs and operations of the FCC.

Recommend policies and conduct or coordinate with other Government agencies and non-government entities activities that will promote economy and efficiency in the administration of Commission programs, and prevent or detect waste, fraud, abuse or mismanagement in Commission operations.

Provide the Chairman with independent and objective information on a timely basis related to issues that have significant impact upon the Commission. Draft audit and investigative reports which clearly define OIG findings and contain recommendations for corrective or administrative action as appropriate.

Review existing and proposed legislation and regulations relating to programs and operations of the FCC and make recommendations as appropriate.

Expediently report possible violations of criminal law to the Attorney General.

Office of Legislative Affairs

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	9	9	9
Appropriated Funding:			
11-Compensation	\$906,266	\$877,023	\$905,975
12-Benefits	\$219,408	\$212,654	\$219,201
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,125,674	\$1,089,668	\$1,125,176
21-Travel	\$4,990	\$5,000	\$5,118
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$114,665	\$116,961
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$67,469	\$40,200	\$40,840
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$6,539	\$5,000	\$4,999
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$78,998	\$164,865	\$167,918
TOTAL	\$1,204,672	\$1,254,533	\$1,293,093

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Legislative Affairs informs the Congress of the Commission's regulatory decisions, facilitates responses to Congressional inquiries, and prepares Commission responses to legislative proposals. Specifically, the Office has the following functions:

- Advise and make recommendations to the Commission with respect to legislation proposed by Members of Congress or other government agencies and coordinate the preparation of Commission views thereon for submission to Congress or other government agencies.
- Coordinate with the Office of General Counsel responses to congressional inquiries as to the legal ramifications of Commission policies, regulations, rules and statutory interpretations.
- Coordinate Commission and staff responses to inquiries by individual members of Congress and congressional committees and staffs, including tracking inquiries and setting response times.
- Assist the Office of Managing Director and the Office of Media Relations in the preparation of the Managing Director's annual report to Congress.
- Coordinate the Commission's annual legislative program, obtaining Bureau and Office comments and drafting final legislative proposals.
- Assist in the preparation for, and the coordination of, the Chairman's and Commissioners' appearances before Committees of Congress.
- Assist the Office of Managing Director with the annual submission of the Commission budget and appropriations legislation to Congress.

- Assist Congressional constituents in dealing with various Commission bureaus and offices.
- Assist other federal, state and local governmental agencies in dealing with various Commission bureaus and offices.
- Assist the various Commission bureaus and offices in coordinating Commission and staff decisions with other governmental agencies.

Office of the Managing Director

	2005 <u>Actual</u> FTE 204	2006 <u>Estimate</u> 204	2007 <u>Request</u> 212**
Appropriated Funding:			
11-Compensation	\$14,012,770	\$14,406,799	\$14,933,795
12-Benefits	\$2,965,185	\$3,224,269	\$3,524,506
13-Benefits for Former Personnel	\$20,000	\$34,400	\$34,400
Subtotal, Personnel Costs	\$16,997,954	\$17,665,468	\$18,492,700
21-Travel	\$96,219	\$117,355	\$120,125
22-Transportation of Things	\$108,772	\$114,000	\$118,055
*23-Rent and Communications	\$39,530,929	1/ \$28,383,387	\$28,951,710
24-Printing and Reproduction	\$1,518,739	\$1,494,515	\$1,530,000
25-Other Contractual Services	\$31,890,804	\$34,831,673	\$37,038,244
26-Supplies and Materials	\$1,533,661	\$1,260,214	\$1,259,778
31-Equipment	\$4,193,547	\$2,285,971	\$2,285,338
42-Insurance Claims and Indemnities	\$75,000	\$75,000	\$75,000
Subtotal, Non-Personnel Costs	\$78,947,671	\$68,562,115	\$71,378,250
TOTAL	\$95,945,625	\$86,227,583	\$89,870,950

*FY 2006 and 2007 figures include allocations for space rent.

** Eight FTEs will be funded by the Universal Service Fund in FY 2007 pursuant to the proposed legislative language.

1/ FY 2005 includes commissionwide space rent.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Managing Director is appointed by the Chairman with the approval of the Commission. Under the supervision and direction of the Chairman, the Managing Director serves as the Commission's chief operating official with the following duties and responsibilities:

- Provide managerial leadership to and exercise supervision and direction over the Commission's Bureaus and Offices with respect to management and administrative matters but no substantive regulatory matters such as regulatory policy and rule making, authorization of service, administration of sanctions, and adjudication.
- Formulate and administer all management and administrative policies, programs and directives for the Commission consistent with authority delegated by the Commission and the Chairman and recommend to the Chairman and the Commission major changes in such policies and programs.
- As the administrative head of the agency, assist the Chairman in carrying out the administrative and executive responsibilities delegated to the Chairman.
- Advise the Chairman and the Commission on management, administrative and related matters; review and evaluate the programs and procedures of the Commission; initiate action or make recommendations as may be necessary to administer the Communications Act most effectively in the public interest. Assess the management, administrative and resource implications of any proposed action or decision to be taken by the Commission or by a Bureau or Office under

delegated authority; recommend to the Chairman and the Commission program priorities, resource and position allocations, management and administrative policies.

- Direct agency efforts to improve management effectiveness, operational efficiency, employee productivity and service to the public. Administer Commission-wide management improvement programs.
- Plan and manage the administrative affairs of the Commission with respect to the functions of personnel and position management; labor-management relations; budget and financial management; information management and processing; organization planning; management analysis; procurement; office space management and utilization; administrative and office services; supply and property management; records management; personnel and physical security; and international telecommunications settlements.
- Serve as the principal operating official on ex parte matters involving restricted proceedings. Review and dispose of all ex parte communications received from the public and others. In consultation with the General Counsel, approve waivers of the applicability of the conflict of interest statutes pursuant to 18 U.S.C. §§ 205 and 208, or initiate necessary actions where other resolutions of conflicts of interest are called for.

Office of Media Relations

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	17	17	17
Appropriated Funding:			
11-Compensation	\$1,416,954	\$1,524,442	\$1,575,761
12-Benefits	\$367,403	\$397,322	\$409,594
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,784,357	\$1,921,764	\$1,985,355
21-Travel	\$1,060	\$1,060	\$1,085
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$135,476	\$138,189
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$75,656	\$107,369	\$109,078
26-Supplies and Materials	\$17,646	\$17,646	\$17,640
31-Equipment	\$66,728	\$23,688	\$23,681
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$161,090	\$285,239	\$289,673
TOTAL	\$1,945,447	\$2,207,003	\$2,275,028

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Media Relations informs the news media of Commission decisions and serves as the Commission's main point of contact with the media. The Office of Media Relations has the following duties and responsibilities:

- Enhance public understanding of and compliance with the Commission's regulatory requirements.
- Act as the principal channel for communicating information to the news media on Commission policies, programs, and activities.
- Advise the Commission on information dissemination as it affects liaison with the media.
- Manage the FCC's Internet site and oversee the agency's Web standards and guidelines, including accessibility.
- Manage the audio and visual support services for the Commission.

Office of Strategic Planning and Policy Analysis

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	22	23	23
Appropriated Funding:			
11-Compensation	\$2,566,497	\$2,300,318	\$2,375,811
12-Benefits	\$579,654	\$529,174	\$545,564
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$3,146,151	\$2,829,492	\$2,921,375
21-Travel	\$29,057	\$59,252	\$84,595
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$198,368	\$202,340
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$5,200	\$601,400	\$610,975
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$34,257	\$859,020	\$897,910
TOTAL	\$3,180,408	\$3,688,512	\$3,819,285

*FY 2006 and 2007 figures include allocations for space rent.

FY 2007 Request: Applicability of FCC Strategic Goals					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
X	X	X	X	X	X

The Office of Strategic Planning and Policy Analysis assists, advises, and makes recommendations to the Commission with respect to the development and implementation of communications policies in all areas of Commission authority and responsibility. Specifically, the Office performs the following functions:

- Conduct independent policy analyses to assess the long-term effects of alternative Commission policies on domestic and international communication industries and services, with due consideration of the responsibilities and programs of other staff units, and to recommend appropriate Commission action.
- Coordinate the policy research and development activities of other staff units, with special concern for matters which transcend their individual areas of responsibility.
- Identify and define significant communications policy issues in all areas of Commission interest and responsibility.
- Conduct economic, technical, and sociological studies of existing and proposed communications policies and operations, including cooperative studies with other staff units and consultant and contract efforts as appropriate.
- Develop and evaluate alternative policy options and approaches for consideration by the Commission.
- Review and comment on all significant actions proposed for Commission action in terms of their overall policy implications.

- Recommend and evaluate governmental (State and Federal), academic and industry-sponsored research affecting Commission policy issues.
- Prepare briefings, position papers, proposed Commission actions, or other agenda items as appropriate.
- Manage the Commission's policy research program, recommend budget levels and priorities for this program, and serve as central account manager for all contractual policy research studies funded by the Commission.
- Coordinate the formation and presentation of Commission positions in domestic communications policy; represent the Commission at appropriate interagency discussions and conferences.
- Participate in the development of international communications policy with the Office of International Communications and the Office of Engineering and Technology, and provide representation at meetings when appropriate.
- Develop and recommend procedures and plans for the effective handling of policy issues within the Commission.

Office of Workplace Diversity

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Request</u>
FTE	4	4	4
Appropriated Funding:			
11-Compensation	\$324,750	\$323,935	\$335,124
12-Benefits	\$73,862	\$82,923	\$85,541
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$398,613	\$406,858	\$420,665
21-Travel	\$2,250	\$2,250	\$2,303
22-Transportation of Things	\$0	\$0	\$0
*23-Rent and Communications	\$0	\$38,602	\$39,375
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$30,097	\$58,944	\$59,882
26-Supplies and Materials	\$478	\$600	\$600
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$32,825	\$100,396	\$102,160
TOTAL	\$431,438	\$507,254	\$552,826

*FY 2006 and 2007 figures include allocations for space rent.

<u>FY 2007 Request: Applicability of FCC Strategic Goals</u>					
Broadband	Competition	Spectrum	Media	Public Safety and Security	Modernize the FCC
	X				X

The Office of Workplace Diversity, as a staff office to the Commission, shall develop, coordinate, evaluate, and recommend to the Commission policies, programs, and practices that foster a diverse workforce and promote and ensure equal opportunity for all employees and candidates for employment. A principal function of the Office is to lead, advise, and assist the Commission, including all of its component Bureau/Office managers, supervisors, and staff at all levels, on ways to promote inclusion and full participation of all employees in pursuit of the Commission's mission. In accordance with this principal function, the Office shall: (1) conduct independent analyses of the Commission's policies and practices to ensure that those policies and practices foster diversity in the workforce and ensure equal opportunity for employees and applicants; and (2) advise the Commission, Bureaus, and Offices of their responsibilities under: Title VII of the Civil Rights Act of 1964 as Amended; Section 501 of the Rehabilitation Act of 1973 as amended; Age Discrimination in Employment Act of 1967, as amended; Executive order 11478; and all other statutes, Executive Orders, and regulatory provisions relating to workforce diversity, equal employment opportunity, nondiscrimination, and civil rights. The Office has the following duties and responsibilities:

- Through its Director, serves as the principal advisor to the Chairman and Commission officials on all aspects of workforce diversity, organization, equal employment opportunity, nondiscrimination, and civil rights.
- Provides leadership and guidance to create a work environment that values and encourages diversity in the workforce.

- Is responsible for developing, implementing, and evaluating programs and policies to foster a workforce whose diversity reflects the diverse makeup of the Nation, enhances the mission of the Commission, and demonstrates the value and effectiveness of a diverse workforce.
- Is responsible for developing, implementing, and evaluating programs and policies that promote understanding among members of the Commission's workforce of their differences and the value of those differences and provide a channel for communication among diverse members of the workforce at all levels.
- Develops, implements, and evaluates programs and policies to ensure that all members of the Commission's workforce and candidates for employment have equal access to opportunities for employment, career growth, training, and development and are protected from discrimination and harassment.
- Develops and recommends Commission-wide workforce diversity goals and reports on achievements.
- Is responsible for developing, implementing, and evaluating programs and policies to enable all Bureaus and Offices to manage a diverse workforce effectively and in compliance with all equal employment opportunity and civil rights requirements.
- Works closely with the Associate Managing Director - Human Resources Management to ensure compliance with federal and Commission recruitment and staffing requirements.
- Manages the Commission's equal employment opportunity compliance program. Responsibilities in this area include processing complaints alleging discrimination, recommending to the Chairman final decisions on EEO complaints within the Commission, and providing consulting services to employees and applicants on EEO matters.
- Develops and administers the Commission's program of accessibility and accommodation for disabled persons in accordance with applicable regulations.
- Represents the Commission at meeting with other public and private groups and organizations on matters concerning workforce diversity and equal employment opportunity.
- Maintains liaison with and solicits views of organizations within and outside the Commission on matters relating to equal opportunity and workforce diversity.