

FEDERAL COMMUNICATIONS COMMISSION

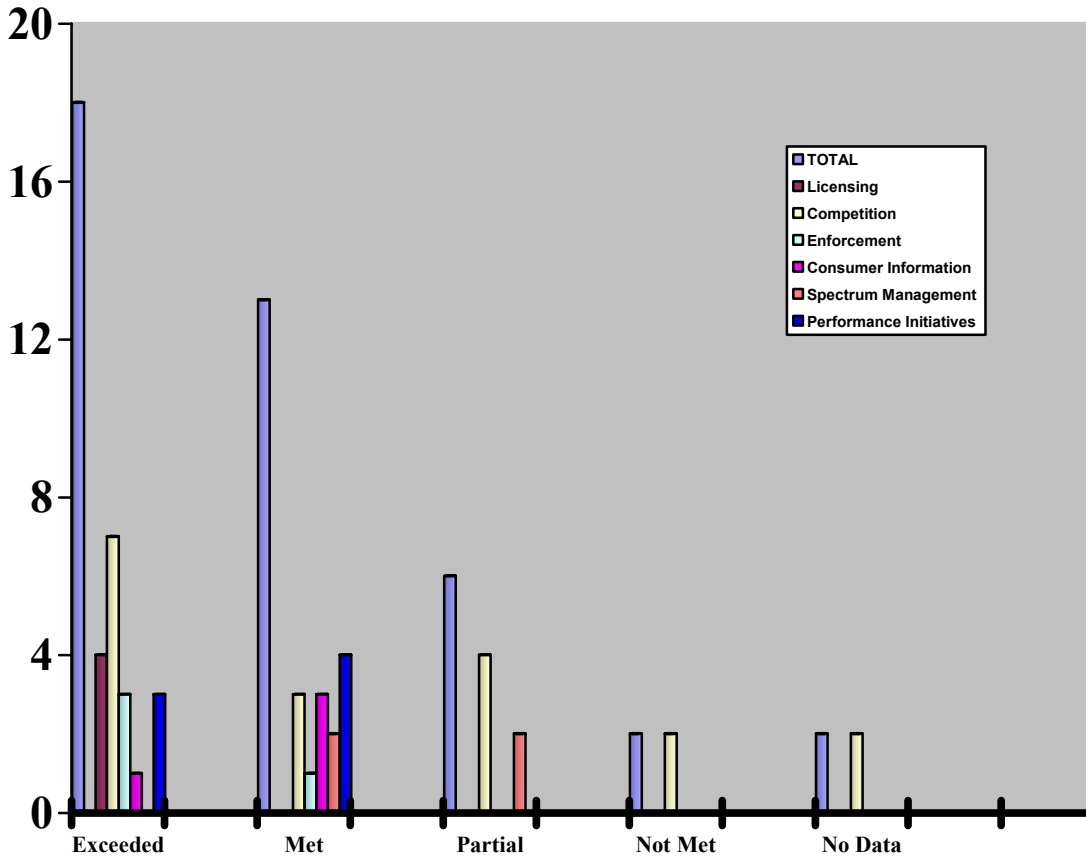
2001 Annual Program Performance Report

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Executive Summary

In FY 2001, the FCC continued to make notable progress in meeting its strategic goals. The FCC met or exceeded 80% (31) of its performance measures, partially met 15% (6) of its performance measures, and did not meet 5% (2) of its measures. Fiscal Year 2001 data was not available for two measures and these were not included in our calculations. However, we will continue to track our progress in meeting these performance measures.



In three of our five activities – licensing, enforcement and consumer information services – we met, and more often exceeded, all our performance measures. Our continuing efforts to improve our processing procedures and expand our e-Government capabilities have resulted in significant reductions in backlogged applications and a marked increase in the number of applications filed electronically.

In 2001, we continued to implement improvements to our web site, including a complete makeover of our home page which resulted in its selection as one of the best sites among Federal agencies. Our “hit” record of more than 400 million in 2001 is ample testimony to its usefulness. In enforcement, we continued to improve and expand our activities, including a joint venture with state public utility commissions to improve our response to informal complaints and, more specifically, to complaints concerning “slamming.”

In competition, we met or partially met 14 of our 16 measures.¹ The two measures that were not met required Commission actions on complex rule makings. We met or partially met our goals for four spectrum management measures. The re-allocation and shared use of spectrum is, and will continue to be, one of the primary objectives of FCC policy making.

¹ Excludes two performance measures for competition where 2001 data will not be available until the Summer of 2002.

Background

Strategic Planning at the FCC

As required by the Government Performance and Results Act of 1993, the FCC strives to ensure integration between its strategic plan, performance plan, and annual budget request. The Annual Program Performance Report serves as the FCC's report card to Congress, the Administration and the American public on how effectively we have used our resources to attain our goals.

Interdependence of Elements Required by the Government Performance and Results Act



The performance report for FY 2001 is based upon the following strategic goals and objectives:

1. Create a model agency for the digital age.
 - a. Lead the way in the Information Age.
 - b. Reorganize to create an agency infrastructure conducive to convergence.
 - c. Create a faster, flatter, more functional agency.
 - d. Preserve and increase the wealth of knowledge and expertise of FCC staff.
2. Promote competition in all communications markets.
 - a. Eliminate barriers to entry in domestic markets.
 - b. Deregulate as competition develops.
 - c. Enforce the rules so that businesses compete fairly.
 - d. Promote competition in international communications markets.
3. Promote opportunities for all Americans to benefit from the communications revolution.
 - a. Ensure access for all Americans to existing and future communications services.
 - b. Promote opportunities to expand direct participation in existing and future communications businesses.
 - c. Foster a consumer friendly marketplace.
4. Manage the electromagnetic spectrum (the Nation's airwaves) in the public interest.
 - a. Create more efficient spectrum markets.
 - b. Increase the amount of spectrum available for use, particularly for new services.

Further, this FY 2001 performance report identifies the following performance goals and measures:

1. Create a more efficient, effective, and responsive agency.
 - a. Automate agency processes.
 - b. Streamline agency's processes and procedures.
 - c. Provide improved access to all agency information.
 - d. Reorganize to create an agency infrastructure conducive to convergence.
 - e. Preserve and increase the wealth of knowledge and expertise of FCC staff.
2. Promote competition in all communication markets.
 - a. Eliminate barriers to entry in domestic markets.
 - b. Deregulate where appropriate to promote competition.
 - c. Promote competition in international communications markets.
 - d. Enforce the rules so businesses compete fairly.
3. Promote opportunities for all Americans to benefit from the communications revolution.
 - a. Promote access for all Americans to communications services.
 - b. Promote consumer education and information.
4. Manage the electromagnetic spectrum in the public interest.
 - a. Promote more efficient use of spectrum.
 - b. Foster the increased availability of spectrum.

In the next several months, we intend to redo our Strategic Plan based on refocusing the agency's mission, strategic objectives and reallocation of resources, including a major restructuring of the FCC that will be implemented on March 25, 2002. It is also our intent to streamline our strategic plan to emphasize core performance measures that incorporate a number of major functions. This consolidation will allow us to report on fewer performance measures but in greater detail.

We will, of course, continue to consult with our stakeholders and with Congress during this strategic planning revision.

We also continue our efforts to integrate our Annual Performance Plan with our budget development and execution. The following graph shows the cross-walk between our budget activities and our performance goals.

Number of Individual Performance Measures by Resource Category/Performance Goals

| Performance Goals ↓ | Resource Categories → | Licensing | Competition | Enforcement | Consumer Information | Spectrum Management | Performance Initiatives |
|--|--------------------------|-----------|-------------|-------------|----------------------|---------------------|-------------------------|
| Efficient, effective, responsive agency | | 4 | | | 2 | | 7 |
| Promote competition | | | 13 | 4 | | | |
| Promote opportunities for all Americans | | | 5 | | 2 | | |
| Manage electromagnetic spectrum | | | | | | 4 | |

LICENSING

This activity includes the authorization or licensing of radio stations, telecommunications equipment and radio operators, as well as the authorization of common carrier and other services and facilities.

Activity Goal: The FCC's goal is to promote efficient and innovative licensing and authorization of services by automating functions and fully implementing automated licensing and electronic filing systems across the agency, and by creating a more efficient, effective, and responsive agency with substantially reduced backlogs in licensing applications, petitions for reconsideration, and other proceedings.

Summary: The FCC exceeded its goals for all four performance measures.

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Automate Agency Processes

Policy Initiative:

(A) Electronic Filing: Create a paperless FCC by automating functions and fully implementing automated licensing and electronic filing systems to promote one-stop shopping. Consolidate individual systems and adopt one standard user interface where possible to simplify public use of our systems.

Objective: Streamline Agency's Processes and Procedures

Policy Initiatives:

(B) Speed of Disposal: Improve our speed of disposal for processing license applications.

(C) Backlog Reduction: Substantially reduce our backlog including licensing applications, petitions for reconsideration and other proceedings.

(D) Petition for Reconsideration: Act on petitions for reconsideration that do not raise significant new issues within 60 days of the record closing.

| Policy Initiatives | FY99 | | FY00 | | FY01 | | FY02 | FY03 |
|---|---|--|------|--------|------|--------|------|------|
| | Goal | Actual | Goal | Actual | Goal | Actual | Goal | Goal |
| (A) Electronic Filing | Provide electronic filing capabilities for licensing bureaus/offices. | Provided electronic filing capabilities for licensing bureaus/offices. | 60% | 60% | 70% | 77% | 80% | 85% |
| (B) Speed of Disposal | 90% | 88% | 90% | 89% | 90% | 94% | 95% | 95% |
| (C) Backlog Reduction | No FY99 goal. | -- | 60% | 96% | 90% | 98.5% | 95% | 95% |
| (D) Petition for Reconsideration | No FY99 goal. | -- | 75% | 38% | 90% | 94% | 95% | 95% |

Performance Measurement: Performance was measured from data collected in the Quarterly Performance and Results Review.

Results:

Electronic Filing: Goal exceeded. The FCC has improved its licensing activities through a multi-year plan to reengineer and integrate its licensing databases, and through implementation of interactive, electronic filing systems. In FY 2001, the number of applications received electronically

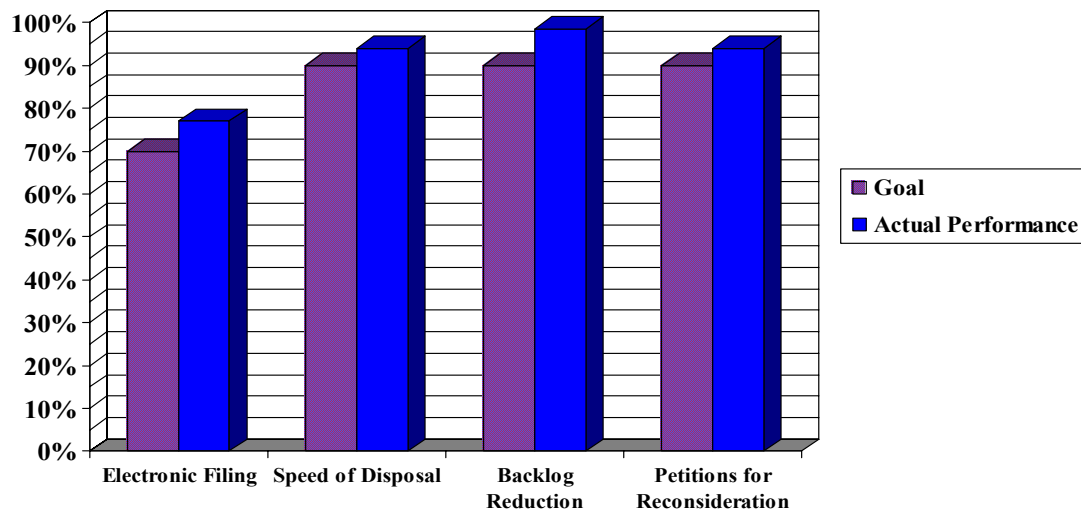
by the FCC was 77% of the total processed on systems with electronic filing capability, exceeding the Commission’s 70% goal, and representing a 17% increase over FY 2000.

Speed of Disposal: Goal exceeded. Each of the bureaus and offices sets customer service speed of disposal goals for the processing of license applications, tariff filings, formal complaints, and cable service activities. Of 603,417 actions disposed of in FY 2001, 565,830 were disposed of within the speed of disposal goals. Agency-wide, the percentage of actions disposed of within the speed of disposal goals was 94%. The FCC has implemented more efficient state-of-the-art licensing systems that expedite the issuance of licenses to its applicants.

Backlog Reduction: Goal exceeded. In FY 2001, the FCC reduced backlogs from 3.1% in the 1st quarter to 0.82% in the 4th quarter. By the end of FY 2001, the FCC reduced its backlog by 99%. On average, backlogs were 1.5% of receipts, well exceeding the goal of 10%.

Petitions for Reconsideration: Goal exceeded. In FY 2001, 94% of all petitions for reconsideration with no significant new issues were acted on within 60 days of record closing, exceeding the Commission’s 90% goal, and representing a 56% improvement over FY 2000.

LICENSING (Agency Processes/Procedures Goals)



Fiscal Year 2001

COMPETITION

This activity includes formal inquiries and rule making proceedings to establish or amend the Commission's rules and regulations, action on petitions for rule making and requests for rule interpretations or waivers; economic studies and analyses; and development of equipment standards.

Activity Goal: The FCC's goal is to encourage, through our policy and rule making activities, the development of competitive, innovative, high-quality communications systems, with a minimum of regulation or with an absence of regulation where appropriate in a competitive market. This will be accomplished by eliminating barriers to entry in domestic markets, by deregulating where appropriate, by promoting competition in international communications markets, by promoting opportunities for all Americans to utilize communications services, and by the vigorous enforcement of our rules and regulations.

Summary: The FCC met or exceeded its goals in 14 of 16 performance measures. The FCC did not meet its goals in two major rule making proceedings. However, the goals in each of these have been revised and we anticipate meeting our goals in FY 2002.

Goal B: *Promote Competition in All Communications Markets*

Objective: *Deregulate Where Appropriate to Promote Competition*

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will continue to evaluate whether certain regulations are no longer necessary in the public interest and should be repealed or modified. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Complete an aggressive 2000 Biennial Review aimed at eliminating unnecessary rules and regulations. ➤ 10% reduction in the number of forms required by the FCC, using FY99 as a baseline. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 20% reduction in the number of forms required by the FCC, using FY99 as a baseline. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 30% reduction in the number of forms required by the FCC, using FY99 as a baseline. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Review 50% of agency forms and streamline and modernize forms, where appropriate. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Initiated a number of rule makings to eliminate obsolete or overlapping regulations and/or reporting requirements identified in the FY98 Biennial Review of agency's rules and regulations. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Biennial Review completed on schedule. The FCC issued a Memorandum Opinion and Order relaxing a number of mass media procedures. ➤ 14 forms eliminated, and 12 added for an annual reduction of 1.4%. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal partially met. ➤ During FY01, the FCC eliminated 20 forms and established 9 new forms with a year-end total of 130, representing a 9.1% reduction from FY99 (143 FCC forms). Due to recent increases in the number of FCC forms, the result of data collection requirements imposed by Congress, the FCC failed to meet this goal. However, we have determined that a preferred way to measure the agency's progress in reducing reporting requirements would be to review 50% of the agency's forms annually, and streamline and modernize forms, where appropriate. This performance measurement will be implemented in FY03. |

Goal B: Promote Competition in All Communications Markets

Objective: Eliminate Barriers to Entry in Domestic Markets

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Authorize DTV service. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ In FY00, Digital Broadcast Buildout shows that 67 of 1,314 (5.1%) DTV commercial stations were licensed; and 8 of 384 (2.1%) non-commercial stations were licensed. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Authorize In-Band On-Channel Service (conversion of analog radio to digital). | <p>FY01:</p> <ul style="list-style-type: none"> ➤ This goal was not met. ➤ The digital radio goals were not achieved because the AM and FM systems had not been fully developed or tested. The first FM test evaluation was submitted on December 3, 2001 by the National Radio Systems Committee (NRSC). The Commission issued a Public Notice seeking comment on the NRSC FM evaluation on December 19, 2001. It is expected that NRSC will complete the AM evaluation in mid-FY02. The Commission will, in turn, issue a Public Notice soliciting public comment on the NRSC AM system recommendations. |
| <ul style="list-style-type: none"> ➤ Adopt Report and Order in Digital Audio Broadcasting Proceeding. | <ul style="list-style-type: none"> ➤ The FCC expects to adopt a First Report and Order and a Further Notice of Proposed Rule Making in the Digital Audio Broadcasting Proceeding in FY02; and a Second Report and Order adopting transmission standards, technical standards and service and licensing rules in FY03. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ License all commercial DTV stations (on air). ➤ License national digital radio service. ➤ Assess competition in the multi-channel market. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Act on all grantable DTV applications within 9 months of receipt. | |

Goal B: Promote Competition in All Communications Markets

Objective: Eliminate Barriers to Entry in Domestic Markets

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

| <i>Goal</i> | <i>Actual Performance</i> | | | | | | | | | |
|--|---|----------------------------|---------------------------|----------------------------|-------|-----|-----|-------|-----|-----|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will continue to implement the local competition provisions of the Telecommunications Act of 1996. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 15% of households with 1 new local residential competitor; ➤ 10% have 2 new local residential competitors. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 30% of households live in zip codes with 1 CLEC; ➤ 10% with 2 CLECs. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 90% of households live in zip codes with 1 CLEC; ➤ 80% with 2 CLECs; ➤ 10% with 3 CLECs. <p>FY 03:</p> <ul style="list-style-type: none"> ➤ 92% of households live in zip codes with 1 CLEC; ➤ 82% with 2 CLECs; ➤ 10% with 3 CLECs. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Implemented a variety of rule makings designed to provide guidance in the areas of unbundling, collocation, line sharing, and pricing in order to facilitate local competition. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 88% of households with 1 new CLEC; ➤ 77% of households with 2 new CLECs. <p>FY01:</p> <ul style="list-style-type: none"> ➤ FY01 data not available, but it appears likely we will exceed our goal. By the end of December of 2000, 88% of households within each zip code had access to at least one new competitive local exchange carrier (CLEC) and 77% had access to two. Competitive local exchange carriers reported 16.4 million of approximately 194 million local telephone lines nationwide were in service to end-user customers, compared to 12.7 million six months earlier. This represents a 29% increase in the CLEC market size during the second half of calendar year 2000. ➤ The FCC continues to note measured growth in the development of local telecommunications competition. As a result, competition has increased, costs to consumers are lower, and the choices for options and services for consumers have increased. <p style="text-align: center;">LOCAL EXCHANGE CARRIER COMPETITION (Goal 01: 30% of Households with Access to 1 Competitive Local Exchange Carrier (CLEC); and 10 % with 2 CLECs)</p> <table border="1"> <caption>Local Exchange Carrier Competition Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>% with access to one CLEC</th> <th>% with access to two CLECs</th> </tr> </thead> <tbody> <tr> <td>FY 99</td> <td>88%</td> <td>77%</td> </tr> <tr> <td>FY 00</td> <td>92%</td> <td>82%</td> </tr> </tbody> </table> | Fiscal Year | % with access to one CLEC | % with access to two CLECs | FY 99 | 88% | 77% | FY 00 | 92% | 82% |
| Fiscal Year | % with access to one CLEC | % with access to two CLECs | | | | | | | | |
| FY 99 | 88% | 77% | | | | | | | | |
| FY 00 | 92% | 82% | | | | | | | | |

Goal B: Promote Competition in All Communications Markets

Objective: Eliminate Barriers to Entry in Domestic Markets

Policy Initiative: Section 271 Applications. Performance was measured using data collected in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will continue to work closely with other Federal agencies, state commissions and the public to ensure the expeditious processing of Section 271 applications. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Expeditiously process Section 271 applications within 90 days of receipt. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Expeditiously process Section 271 applications within 90 days of receipt. <ul style="list-style-type: none"> ➤ Periodic review of UNE requirements. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Expeditiously process Section 271 applications within 90 days of receipt. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Obtained ex parte exemption to allow free communication/close coordination with Department of Justice in reviewing Section 271 applications. <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC received 4 applications and approved 2 within 90 days of receipt. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC received 6 applications covering 7 states. Five applications were approved during FY01. (The Missouri application was withdrawn and later re-filed jointly with Arkansas. This application was approved during the 1st quarter of FY02.) ➤ 100% of processing goals were met pursuant to the competitive requirements of Section 271 of the Act. In doing so, the FCC increased competition in the long-distance market through Bell Operating Company entry into in-region long-distance. ➤ On December 20, 2001, the FCC released an NPRM seeking to examine the framework under which incumbent local exchange carriers (LECs) must make unbundled network elements available to requesting carriers, and posing questions on the lessons learned since the passage of the Telecommunications Act of 1996. ➤ The NPRM seeks to identify more precisely how incumbent LECs should provide access to their facilities. The comment cycle will close in April 2002. |

Goal B: Promote Competition in All Communications Markets

Objective: Eliminate Barriers to Entry in Domestic Markets

Policy Initiative: Mobile Wireless. Performance was measured by reviewing the Wireless Telecommunications Bureau’s Annual Competition Report.

| <i>Goal</i> | <i>Actual Performance</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------|-----|-----|-----|-----|----|-------|-----|-----|-----|-----|----|-------|-----|-----|-----|-----|-----|-------|---|---|---|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 73% of households with access to 5 or more mobile wireless providers. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 78% of households with access to 5 or more mobile wireless providers. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 80% of households with access to 5 or more mobile wireless providers. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ 75% of households with access to 5 or more providers. <p>FY01:</p> <ul style="list-style-type: none"> ➤ FY01 statistics will be released in the summer of 2002 in the FCC’s Seventh Annual CMRS Competition Report. At the end of December 2000, 259 million people had access to 3 or more operators (cellular, broadband PCS, and/or digital specialized mobile radio providers) offering mobile telephone services in the counties in which they live. Over 214 million people, or 75% of the U.S. population, live in areas with 5 or more mobile telephone operators. The mobile telephony sector of CMRS experienced a year of strong growth and competitive development. ➤ As a result: <ul style="list-style-type: none"> ➤ increased number of users and services available; ➤ increased selection of additional services and lowered costs; ➤ increased use of hand held devices or PDAs to access information on the Internet; ➤ 20 million users now have free long distance; and ➤ 2.5 GHz and 3G rollout now underway. <p style="text-align: center;">WIRELESS COMPETITION (FY 01 Goal: 78% Population with Access to 5 or More Providers)</p> <p style="text-align: center;"><small>Source of Data: Sixth Report on the State of Competition in the Wireless Industry, July 2001</small></p> <table border="1"> <caption>Wireless Competition Data (Estimated from Chart)</caption> <thead> <tr> <th>Fiscal Year</th> <th>3 or more competitors</th> <th>4 or more competitors</th> <th>5 or more competitors</th> <th>6 or more competitors</th> <th>7 or more competitors</th> </tr> </thead> <tbody> <tr> <td>FY 98</td> <td>95%</td> <td>85%</td> <td>75%</td> <td>35%</td> <td>5%</td> </tr> <tr> <td>FY 99</td> <td>90%</td> <td>80%</td> <td>70%</td> <td>35%</td> <td>5%</td> </tr> <tr> <td>FY 00</td> <td>90%</td> <td>85%</td> <td>75%</td> <td>45%</td> <td>15%</td> </tr> <tr> <td>FY 01</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p style="text-align: center;"><small>* FY 01 statistical data will not be available until August 2002.</small></p> | Fiscal Year | 3 or more competitors | 4 or more competitors | 5 or more competitors | 6 or more competitors | 7 or more competitors | FY 98 | 95% | 85% | 75% | 35% | 5% | FY 99 | 90% | 80% | 70% | 35% | 5% | FY 00 | 90% | 85% | 75% | 45% | 15% | FY 01 | - | - | - | - | - |
| Fiscal Year | 3 or more competitors | 4 or more competitors | 5 or more competitors | 6 or more competitors | 7 or more competitors | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 98 | 95% | 85% | 75% | 35% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 99 | 90% | 80% | 70% | 35% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 00 | 90% | 85% | 75% | 45% | 15% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 01 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | |

Goal B: Promote Competition in All Communications Markets

Objective: Eliminate Barriers to Entry in Domestic Markets

Policy Initiative: Advanced Technologies -- Multichannel video programming distributors (MVPDs) and advanced cable. Performance was measured by reviewing the Cable Services Bureau's Annual Report on Cable Industry Prices.

| Goal | Actual Performance |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 15% of households have access to advanced cable; ➤ 10% of households with access to 3 or more MVPDs. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 15% of households have access to advanced cable; ➤ 10% of households with access to 3 or more MVPDs. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 10% of households with access to 3 or more MVPDs. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Approximately 58% of television households have access to advanced cable (cable modem) service; ➤ 91% of households have access to 3 or more MVPDs; 5% access to 4 or more; 5% access to 5 or more. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ Approximately 67% of television households have access to advanced cable (cable modem) service; ➤ 91% of households have access to 3 or more MVPDs; 6% access to 4 or more. ➤ The portion of the population that has access to cable modem service has increased significantly. The principal competition to cable is from DBS which continues to erode cable's share of the market. Competition from other MVPDs, including MMDS, SMATV and local exchange carriers has decreased as business models have changed. <p style="text-align: center;">MULTICHANNEL VIDEO/BROADCASTING PENETRATION (FY 01 Goal: 10% of Households with Access to 3 or More Multichannel Video Programming Distributors)</p> <p style="font-size: small; color: red;">In order to reflect ongoing consolidation in the MVPD industry, we have changed the annual goal in FY 01 to track households with access to 2, 3, or 4 distributors and no longer track those with access to 5 or more distributors.</p> <p>Note: In the future, the FCC will track the availability of advanced communications systems of which cable is one option.</p> |

Goal B: Promote Competition in All Communications Markets

Objective: Eliminate Barriers to Entry in Domestic Markets

Policy Initiative: Streamline merger review procedure. Performance was measured from data collected in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Develop new merger review timetable. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ New merger timetable implemented on an expedited basis. All mergers submitted after new procedures implemented were reviewed within 180 days. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Act on all major merger and acquisition applications within 180 days of receipt. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal partially met. ➤ Thirteen major mergers were acted on within 180 days of being placed on public notice. Two mergers exceeded the goal of 180 days: Deutsche Telecom/VoiceStream (196 days) (opinion contained a major clarification of the FCC’s interpretation of the statutory provision on foreign ownership and the initial comment period had been extended for an additional 30 days); and Fox/Craft (261 days) (delay following turnover in Commission after Commissioners change in administrations). The time clock on AOL/Time Warner was stopped at 179 days pending decision by the FTC, and the FCC decision was issued less than 30 days after the FTC approved the transaction on the basis of a consent decree that altered the issues to be addressed by the FCC. Many of the other cases took substantially less than 180 days. ➤ By making the entire record of the proceedings available over the Internet promptly after filing and in an easily accessible format, the web pages have both increased effective public access and saved Commission staff time responding to requests for information on an <u>ad hoc</u> basis. Another significant accomplishment during FY01 was the reduction in the backlog of applications for the transfer or assignment of licenses for radio stations involved in proposed mergers. The Commission cleared most of these cases during FY01, and in November issued a NPRM that established an interim policy and a firm schedule for completing proposed decisions on the remaining applications. This procedure will allow the Commission to meet the 180 day target in these cases as well. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Same as FY01. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | |

Goal B: Promote Competition in All Communications Markets

Objective: Deregulate Where Appropriate to Promote Competition

Policy Initiative: Streamline the technical rules for and privatize certain aspects of the certification of telephone and other equipment.

| <i>Goal</i> | <i>Actual Performance</i> |
|---|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will initiate rule makings to update Part 68 of our rules and regulations to incorporate technological innovations. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Begin reduction in technical rules for certifying equipment. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 20% reduction in technical rules for certifying equipment. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 40% reduction. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Goal is eliminated. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ An NPRM proposing to deregulate Part 68-Equipment Registration was prepared for consideration during FY00. <p>FY00:</p> <ul style="list-style-type: none"> ➤ FCC began designating domestic Telecommunications Certification Bodies (TCB) for certifying equipment in June 2000. Preparation for implementing the terms of the Mutual Recognition Agreement with Europe was initiated. In addition, FCC met its goal of completing the Part 68 Order, which eliminated the regulations governing development of technical standards and certification procedures for telecommunications equipment. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ Streamlining of rules was completed in FY00. During FY01, the FCC significantly streamlined equipment authorization procedures reducing the time-to-market for new products. The backlog of equipment authorization applications was reduced from 700 to less than 200 (71.4%). Speed of service for processing equipment authorization applications declined from an average of 51 days to 37 days. While certain equipment must be approved by the FCC, most equipment today can either be self-approved by the manufacturer or approved by a TCB. <p><u>Note:</u> The FCC achieved its goal of streamlining its technical certification rules ahead of schedule and this performance measure will be discontinued.</p> |

Goal B: Promote Competition in All Communications Markets

Objective: Promote Competition in International Communications Markets

Policy Initiative: Encourage new market entrants and opportunities for the wireless and satellite industries, including fixed and mobile voice services, fixed and mobile data services, direct broadcast services, and earth exploration services. Average price of an international phone call is tracked in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Average price for an international call: \$.65 per minute. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Average price of an international phone call: \$0.51 per minute. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Average price of an international call: \$0.55 per minute. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ The average price of an international call as of December 2000 was \$0.43 per minute. The estimated savings in the telephone rates over the previous year were approximately \$2 billion to American consumers. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Average price of an international call: \$0.45 per minute. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Average price of an international call: \$0.40 per minute. | |

Goal B: Promote Competition in All Communications Markets

Objective: Promote Competition in International Communications Markets

Policy Initiative: Encourage new market entrants and opportunities for the wireless and satellite industries, including fixed and mobile voice services, fixed and mobile data services, direct broadcast services, and earth exploration services. Performance will be measured by the number of new system entrants licensed and subscribership statistics to these new services.

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will continue to participate in global standard selling for communications services. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Encourage satellite and wireless industries to develop sharing mechanisms whenever possible and license as many of new entrant systems as possible. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Same as FY00. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Same as FY01. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Encourage competition in the international telecommunications market by authorizing systems as quickly as possible and by coordinating the global allocation of spectrum. (New goal) | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Proposed rules to implement the international arrangements governing Global Mobile Personal Communications by Satellite adopted by ITU. <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC developed an innovative licensing approach for a new generation of mobile satellite services in the 2GHz frequency band, and released an NPRM and Report and Order addressing difficult spectrum sharing issues between the terrestrial fixed and fixed satellite services. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ <u>INTELSAT Licenses</u>: In May 2001, the FCC issued an Order finalizing the INTELSAT privatization under the Orbit Act. As a result, the 17 INTELSAT authorizations granted by the Commission in the prior year became effective upon completion of privatization in July 2001. ➤ <u>Inmarsat Orbit Compliance</u>: In October 2001, the Commission adopted an Order approving Inmarsat privatization consistent with the Orbit Act and authorized four companies to operate Inmarsat terminals in the United States. The order also authorized several other companies to offer Inmarsat service. ➤ <u>Ka-Band</u>: The FCC issued 11 satellite licenses for 34 orbit locations in the Ka-Band. The authorized systems are expected to provide advanced broadband satellite service and service to remote and rural areas. ➤ <u>2 GHz Licensing</u>: The FCC issued 8 licenses for launch and operation of 8 mobile satellite systems in the 2 GHz band. Once operational, these systems will provide mobile satellite service as well as high speed internet services via satellite to businesses and consumers. ➤ <u>V-Band</u>: The FCC proposed an allocation for satellite services in the V-Band that allowed terrestrial operation to take place in the same band. ➤ <u>ATC NPRM</u>: The FCC adopted an NPRM exploring the possibility of allowing mobile satellite service operators to use terrestrial components in their mobile satellite service spectrum. ➤ <u>Ku-Band</u>: The FCC proposed a band arrangement and licensing rules for NGSO/FSS satellite operators in the Ku-Band. The proposal is designed to facilitate maximum use of spectrum allocated for this satellite service. |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Access for All Americans to Communications Services

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ 15% increase in penetration rate for mobile wireless telephone services. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ 28% increase in penetration rates. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ 30% increase in penetration rate for mobile wireless telephone services. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ Year-end 2000 data indicated a 39% overall nationwide penetration rate for mobile telephone services. The mobile telephony sector of CMRS experienced increased competition in 2000 resulting in lower prices for consumers and an increase in subscribership from 86 million to 109.5 million. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ 25%-30% increase in penetration rate for mobile wireless telephone services. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | |

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will work to improve the connections of classrooms, libraries and rural health facilities to the Internet. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Released Order extending funding for schools and libraries to get connected to the Internet. |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ 75% of schools and libraries connected to the Internet. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ 77% of public school instructional classrooms connected to the Internet. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ 90% of public school instructional classrooms connected to the Internet. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ FY01 statistics will not be available until late spring 2002. The schools and libraries program provides discounts to public and private schools and public libraries for advanced communication services and equipment. As of 2000, over 82% of the nation’s public schools participate in the program providing all students free access to Internet services in their classrooms and local libraries. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ 93% of public school instructional classrooms connected to the Internet. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ 100% of public school instructional classrooms connected to the Internet. ➤ 85% of private school instructional classrooms connected to the Internet. | |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Access for All Americans to Communications Services

Policy Initiative: Rural/Underserved Communities. Performance will be tracked in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---------------------------|
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ 50% of eligible low-income consumers utilize Lifeline Services. (New goal) | |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Consumer Education and Information

Policy Initiative: Telephone billing practices. Performance will be tracked in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---------------------------|
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Increase consumer awareness and understanding of long distance, international, and wireless plans and services to reduce consumer expenditure. (New goal) ➤ Reach one million consumers in FY03 by producing and distributing 6 video news releases and 4 satellite media tours. (New goal) | |

Policy Initiative: Underserved consumers. Performance will be tracked in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---------------------------|
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Develop materials to inform and educate consumers on their rights and responsibilities; include focusing on underserved groups including the Hispanic and African American communities, Indian Country, and consumers with disabilities. (New goal) | |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Consumer Education and Information

Policy Initiative: Telephone Area Codes. Performance was measured by increased utilization rates for numbers and the quantity of numbers returned. FY 1999 will serve as baseline.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Approve number optimization plan. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ FCC issued two Report and Orders on Number Resource Utilization. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Decrease number of new area codes added by at least 8%. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal partially met. ➤ The FCC issued a Third Report and Order on Number Resource Optimization. Fourteen new area codes were activated in 2000, and 20 codes were scheduled to be activated in 2001. This represents a 43% increase in area code activation, compared to the period before the Commission's number conservation measures were implemented. However, this still represents a significant decline in area code activation, which we expect to continue to decrease after the areas that currently need resources implement area code relief. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Decrease number of new area codes added by at least 20%. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | |

Policy Initiative: More efficient number pooling. Performance was measured by increased utilization rates for numbers and the quantity of numbers returned.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Implement more efficient number block pooling for at least 18 of the 100 largest MSAs. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ On-going. National pooling framework established; several state pooling trials in place. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Implement more efficient number block pooling for at least 18 of the 100 largest MSAs. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal partially met. ➤ The FCC issued a Third Report and Order on Number Resource Optimization that set forth final procedures and established a Federal cost recovery mechanism for pooling. The FCC also established the 1st quarter schedule for implementation of pooling. Despite a rise in area code activation, pooling has contributed directly to a significant decrease in net central office code assignments, from an average of 2,172 codes per month for the period of January-October 2000, to 413 for January-October 2001. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Implement more efficient number block pooling for at least 40 of the 100 largest MSAs. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | |

ENFORCEMENT

This activity includes enforcement of the Communications Act of 1934 and the Commission's rules, regulations and authorizations, including investigations, inspections, compliance monitoring, and sanctions of all types. It also includes the receipt and disposition of formal complaints regarding common carrier rates and services, the review and acceptance/rejection of carrier tariffs, and the review, prescription, and audit of carrier accounting practices.

Activity Goal: The FCC's goal is to promote the public interest and pro-competitive policies by enforcing statutory provisions and rules and regulations that ensure that Americans are afforded efficient use of communications services and technologies. This will be accomplished by enforcing the existing rules so that businesses compete fairly.

Summary: The FCC met or exceeded its goals in all four performance measures.

Goal B: *Promote Competition in All Communications Markets*

Objective: *Enforce the Rules so that Businesses Compete Fairly*

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 10% increase in Common Carrier formal complaints resolved per attorney. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 25% increase in Common Carrier formal complaints resolved per attorney. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 50% increase in Common Carrier formal complaints resolved per attorney. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Pending formal Common Carrier complaints were reduced by 21% over FY98 levels. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 71% increase in Common Carrier formal complaints resolved per attorney. <p>FY01:</p> <ul style="list-style-type: none"> ➤ The FCC far exceeded this goal, achieving a 187% increase in the number of Common Carrier formal complaints resolved per attorney (using FY99 as a baseline). Improved efficiency in resolving complaints makes the formal complaint process a more credible option for dispute resolution and a deterrent to unlawful conduct. |

Goal B: Promote Competition in All Communications Markets

Objective: Enforce the Rules so that Businesses Compete Fairly

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 10% reduction in the number of long-distance slamming informal complaints. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 20% reduction in the number of long-distance slamming informal complaints. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 40% reduction in the number of long-distance slamming informal complaints. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Improve/increase working relationship with states to enforce new slamming rules. (New goal) | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Data collection procedures were under review such that it was not possible to determine if goal was met. However, significant monetary fines were levied on carriers guilty of slamming practices. <p>FY01:</p> <ul style="list-style-type: none"> ➤ The FCC exceeded its goal with a 51% reduction in the number of long-distance slamming informal complaints. This reflects the industry's attempt to be more consumer-oriented, to avoid any illegal action and to provide the consumer with a more reliable, consumer friendly service. |

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Implement all disability accessibility rules; achieve 65% compliance with new disability rules. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Achieve 80% compliance with new disability rules. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Achieve 85% compliance with new disability rules. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Resolve informal consumer accessibility complaints within 6 months of filing; extraordinarily complex or difficult cases within 12 months. (New goal) | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Released an Order implementing Section 255 of the Telecommunications Act, which is the basis for enforcement. <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC continues to monitor disability actions and has resolved a number of informal complaints. No formal complaints were filed in FY00. <p>FY01:</p> <ul style="list-style-type: none"> ➤ The FCC continues to monitor disability-related enforcement issues and has initiated one investigation in this area. No disability-related formal complaints were filed in FY01. |

Goal B: Promote Competition in All Communications Markets

Objective: Enforce the Rules so that Businesses Compete Fairly

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ We will enhance our capabilities to resolve radio interference problems by updating our radio direction finding systems. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 85% compliance with antenna registration, marking and lighting rules. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 90% compliance with antenna registration, marking and lighting rules. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 92% compliance with antenna registration, marking and lighting rules. <p>FY03:</p> <ul style="list-style-type: none"> ➤ 92% compliance with antenna registration, marking and lighting rules. ➤ 100% compliance with filing of basic cable signal leakage reports. (New goal) ➤ Respond to immediate safety of life emergencies within 24 hours, 100% of the time. (New goal) ➤ Respond to 90% of interference complaints made by public safety entities within 20 days of receipt (cases that cannot be resolved by telephone inquiry/follow-up). (New goal) ➤ Respond to 90% of industry complaints concerning deliberate FCC rule violations that adversely impact the complainant's legitimate business interests (cases that cannot be resolved by telephone inquiry/follow-up). (New goal) | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Updated a variety of radio direction finding systems to aid in enforcement activities. <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC inspected 2,151 towers: 92% were registered and 94% were properly marked and lit. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ The FCC inspected 2,156 towers: 97% were registered and 96% were properly marked and lit. Achieving this goal significantly reduced the potential of an aviation accident directly caused by an improperly marked or unlit tower. As compliance with registration improves, general awareness of the requirements for the industry increases, translating into a higher percentage of compliance with the registration, marking and lighting requirements. |

CONSUMER INFORMATION SERVICES

This activity includes the publication and dissemination of Commission decisions and actions, and related activities; public reference services; the duplication and dissemination of Commission records and databases; the receipt and disposition of public inquiries; informal consumer complaints; consumer, small business and public assistance; and public affairs and media relations.

Activity Goal: The FCC’s goal is to provide information services to our customers in the most useful formats available and in the most timely, accurate, and courteous manner possible. This will be accomplished by evolving the FCC’s web site into a model for accessibility and availability of information and by ensuring that all agency electronic and information technologies are accessible and usable by persons with disabilities.

Summary: The FCC met or exceeded its goals in all four performance measures.

Goal A: *Create a More Efficient, Effective, and Responsive Agency*

Objective: *Provide Improved Access to All Agency Information*

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 50% of all agency materials accessible in alternative format within 5 days of request. <p>FY01:</p> <ul style="list-style-type: none"> ➤ 75% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week. <p>FY02:</p> <ul style="list-style-type: none"> ➤ 90% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week. <p>FY03:</p> <ul style="list-style-type: none"> ➤ 95% of agency materials will be accessible within 3 days of request. Audiotapes will be available within 1 week. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC has developed an “on demand” approach to making our material accessible. FCC material is available in audio, Braille (transcribed), Braille (embossed), diskette, and large print. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC filled requests for persons with disabilities in alternatively formatted information within 1 to 2 days after their request was submitted. Audiotapes were provided within 2 days of initial request. The FCC continues to work on making all its electronic material accessible to disabled customers. |

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Provide Improved Access to All Agency Information

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

| Goal | Actual Performance |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Define requirements for agency-wide plan to improve online access to FCC information. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC established a web evaluation task force to survey our customers and identify ways to improve access to all FCC information. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Develop phased-in plan to improve online access to FCC information. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ During FY01, the FCC made substantial achievements in improving online access to its information-- <ul style="list-style-type: none"> • Established the Web Content Management Committee, comprised of bureau and office representatives, to implement new procedures to ensure that information made available on the web site is accurate and timely. • Redesigned the agency’s web site to make information compliant with Section 508 disability requirements. The redesign also meets requirements for assistive devices used by the disabled community. • Implemented a new enterprise search engine, allowing users to do more effective and robust searching of information across our web site. • Unveiled “Bienvenidos,” our consumer pages for Spanish-speaking consumers. • Implemented web-based telephone company locator system that provides information such as company’s business name and primary address, jurisdictions in which the company operates, as well as other information. • Implemented Electronic Document Management System (EDOCS) to provide a central repository of official documents released by the FCC. • Improved access to consumer information. • Categorized all of our consumer fact sheets onto an online directory by topic and subtopics for easier access. • Provided an online version of the toll-free telephone menu system. • Consolidated complaint information into one site to make it easier for consumers to file. • Consumers now can get quick information on their most commonly asked telecommunication questions through our new FAQ heading. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Implement plan to improve access to FCC information via the Internet. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Continue to implement plan to improve access to FCC information via the Internet. | <ul style="list-style-type: none"> ➤ Redesigning the agency’s web site and web pages provides consumers and the industry with improved and more timely access to FCC information. |

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Provide Improved Access to All Agency Information

Policy Initiative: Provide improved access to consumer information. Performance is tracked through analysis of data collected in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---------------------------|
| FY03: ➤ 100% of consumer-related educational materials available in Spanish. (New goal) | |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Access for All Americans to Communications Services

Policy Initiative: Telephone Inquiries.

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---------------------------|
| FY03: ➤ Reduce average response time to telephone inquiries by 50%. (New goal) | |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Access for All Americans to Communications Services

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

| <i>Goal</i> | <i>Actual Performance</i> | | | | | | | | | | | | |
|--|--|----------|------|------|----------|--------|---------|-----------|---------|---------|---------|--------|--------|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ 10% reduction in response to informal consumer complaints. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Reduce average response time to informal consumer complaints to less than 10 days. <p>FY 02:</p> <ul style="list-style-type: none"> ➤ Reduce average response time to informal consumer complaints to 5-7 days. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Y2K and other problems with the automated informal complaint system required significant upgrades and revisions, which delayed response time improvements. <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC achieved a 100% reduction in backlog of informal consumer complaints. Average time taken to respond to a complaint was reduced to 10-13 days. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ During FY01, the FCC received 111,528 informal complaints and disposed of 122,247 (including those pending from previous year). The average time required for staff to respond to informal consumer complaints was reduced to less than 10 business days. Correspondingly, informal complaints are being processed or resolved in a more timely fashion by common carriers. | | | | | | | | | | | | |
| | <p>INFORMAL COMPLAINTS</p> <table border="1"> <caption>INFORMAL COMPLAINTS Data</caption> <thead> <tr> <th>Category</th> <th>FY00</th> <th>FY01</th> </tr> </thead> <tbody> <tr> <td>Receipts</td> <td>93,755</td> <td>111,528</td> </tr> <tr> <td>Disposals</td> <td>126,356</td> <td>122,247</td> </tr> <tr> <td>Pending</td> <td>42,558</td> <td>10,306</td> </tr> </tbody> </table> | Category | FY00 | FY01 | Receipts | 93,755 | 111,528 | Disposals | 126,356 | 122,247 | Pending | 42,558 | 10,306 |
| Category | FY00 | FY01 | | | | | | | | | | | |
| Receipts | 93,755 | 111,528 | | | | | | | | | | | |
| Disposals | 126,356 | 122,247 | | | | | | | | | | | |
| Pending | 42,558 | 10,306 | | | | | | | | | | | |

Goal C: Promote Opportunities for All Americans to Benefit from the Communications Revolution

Objective: Promote Access for All Americans to Communications Services

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

| Goal | Actual Performance |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Implement consumer outreach program, including new consumer advocacy partnerships with Federal, state, and local governments, industry, and consumer groups. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Established consumer advocacy partnerships with Federal, state, and local governments. Also launched a pilot database project, the State and National Action Plan (SNAP), which shares data on slamming and cramming complaints and inquiries. See FY00 Annual Program Performance Report for a listing of additional significant activities. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Implement consumer outreach program, including new consumer advocacy partnerships. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC established partnerships with Federal, state and local government agencies, consumer groups, and the military for distribution of information. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Extend partnerships with industry and consumer groups. | <ul style="list-style-type: none"> ➤ The FCC began a campaign to educate consumers regarding inexpensive international calling options. As part of this campaign, the Commission developed a brochure to provide critical information to consumers on international calling and associated rates. The brochures, produced in 13 languages, were made available on the FCC's web site (http://www.fcc.gov/cib/information_directory.html#International) in October 2001. |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Improve and increase working partnerships with consumer groups, government, agencies and industry. | <ul style="list-style-type: none"> ➤ Established the Consumer/Disability Telecommunications Advisory Committee (C/DTAC), comprised of representatives from industry and consumer groups, including consumers with disabilities. C/DTAC advises the Commission on issues that are important to all consumers. ➤ Entered into an agreement with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers to streamline the historic review process for collocated antennas. |

SPECTRUM MANAGEMENT

This activity includes management of our Nation’s airwaves as mandated by the Communications Act of 1934, as amended. Spectrum management includes the structure and processes for allocating, assigning, and licensing this scarce resource in a way that promotes competition while ensuring that the public interest is served. In order to manage spectrum in both an efficient and equitable manner, the Commission employs market-based technical solutions to maximize use of the spectrum. The FCC coordinates the management of the private sector radio spectrum with other Federal agencies also involved in spectrum management issues. The FCC also represents U.S. communications interests in coordination with the State Department in international fora and advocates U.S. positions abroad.

Activity Goal: The FCC’s goal is to effectively manage the use of the Nation’s airwaves in the public interest for all non-Federal government users, including commercial, international businesses, and public safety users. This will be accomplished by creating more efficient spectrum markets and, where possible, increasing the amount of spectrum available.

Summary: The FCC met or partially met its goals in four performance measures.

Goal D: *Manage the Electromagnetic Spectrum in the Public Interest*

Objective: *Promote More Efficient Use of Spectrum*

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Initiate review of assignment and licensing techniques. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Convene a task force to work with industry and academia to develop recommendations on ways to improve assignment and licensing. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Clarify our transfer of control policies to facilitate secondary market transactions. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Examine implementation of new spectrum efficient technologies. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC released two rule makings reconfiguring the 30 MHz C-block re-auction spectrum into three 10 MHz blocks. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal partially met. ➤ The FCC established the Technical Advisory Committee in 1999 with three working groups, including one on spectrum management. In February 2002, the new Chief of the Office of Engineering and Technology established a new task force on spectrum policy and created a new position, Senior Spectrum Policy Advisor. ➤ The FCC released a rule making adopting various technical and operational rules and policies concerning the use of frequencies in the 764-776 MHz and 794-806 MHz bands (700 MHz band) designated for interoperability uses. FCC is also conducting an audit of the construction and operational status of the Private Land Mobile Radio (PLMR) licensees holding authorizations in the Public Safety and Business Industrial radio services on coordinated frequencies below 800 MHz. This study will identify opportunities for getting spectrum into the marketplace. |

Goal D: Manage the Electromagnetic Spectrum in the Public Interest

Objective: Promote More Efficient Use of Spectrum

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | <p>FY99:</p> <ul style="list-style-type: none"> ➤ Worked with the industry and NTIA to promote the use of technologies and approaches to spectrum allocation and assessments that minimize interference and increase coordination between Federal and non-Federal users. |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Work with industry and NTIA to promote the use of technologies and approaches to spectrum allocation. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC adopted rules to provide for government access to non-government public safety spectrum in the 700 MHz band. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Examine management of shared spectrum and vehicles to enhance condition of shared spectrum with NTIA. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC continues to work with the Interdepartmental Radio Advisory Committee (IRAC), which is comprised of all Federal agencies involved with spectrum management. The FCC coordinates with NTIA (Department of Commerce) on all FCC proceedings dealing with spectrum issues, initiates review of the coordination process, and examines ways to improve coordination. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Examine implementation of new spectrum technology uses. | <ul style="list-style-type: none"> ➤ Questions arose concerning shared spectrum and the robustness and redundancy of our public safety communications network, following 9/11. The FCC has established a Homeland Security Policy Council comprised of senior level officials. |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Continue to examine implementation of new spectrum technology uses. ➤ Improve our capability to measure radio frequency equipment to minimize interference and improve consumer safety. (New goal) | |

Goal D: Manage the Electromagnetic Spectrum in the Public Interest

Objective: Foster the Increased Availability of Spectrum

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Conduct all congressionally mandated auctions scheduled in FY00. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Congress postponed the deadline for Auction 31 (Combinatorial Bidding). |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Conduct all auctions necessary to make spectrum available consistent with the FCC's and Congress' spectrum management goals. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal partially met. ➤ The FCC completed six auctions during FY01, which provided the industry with much needed spectrum to meet increased consumer demands. ➤ No auctions for broadcast facilities were conducted this fiscal year, in view of the Court of Appeals ruling in <i>National Public Radio v. FCC</i>. In that proceeding, the Court ruled that Section 309(j)(2) of the Communications Act of 1934, as amended, exempts from auction non-commercial educational (NCE) applicants for commercial as well as non-commercial or "reserved" band licenses. Following the Court's ruling, the FCC has been considering methods for handling auctions that involved "mixed" application groups; that is, groups with both commercial and non-commercial applicants. While that matter is under consideration all proposed auctions for broadcast facilities have been placed on hold. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Same as FY01. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Same as FY02. | |

Goal D: Manage the Electromagnetic Spectrum in the Public Interest

Objective: Foster the Increased Availability of Spectrum

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

| Goal | Actual Performance |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Initiate actions to promote the development of new services. ➤ Allocate 4 GHz of spectrum for unlicensed services. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Increase the availability of flexibly allocated spectrum by 20% (baseline: FY00). ➤ Initiate 3G spectrum allocations. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Increase the availability of flexibly allocated spectrum by an additional 20% (baseline: FY00). ➤ Implement 3G spectrum allocation and service rules. <p>FY03:</p> <ul style="list-style-type: none"> ➤ Continue to implement service rules to enable the deployment of advanced wireless services to consumers. ➤ Facilitate new communications services and technologies through preparation for and participation in the 2003 World Radio-communications Conference. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ The FCC received a total of 100 applications to support the development of new technology applications in 7 services. ➤ FCC completed a Report and Order allocating spectrum for unlicensed services. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC completed flexible spectrum allocations for 27 MHz of spectrum transferred from Federal government use and 48 MHz of spectrum reallocated from television broadcast use as a result of the transition from analog to digital broadcasting. This spectrum will facilitate the deployment of new wireless communications services. The FCC also initiated a proceeding to allocate spectrum for advanced wireless communications and completed a proceeding to add flexibility to 190 MHz of spectrum at 2.5 GHz. |

AGENCY-WIDE PERFORMANCE IMPROVEMENT INITIATIVES

Activity Goal: The FCC’s goal is to promote the overall efficiency, effectiveness, and responsiveness of the agency by attracting and retaining qualified employees, improve the level of the agency’s expertise by developing continuing education programs in engineering and economics, and reviewing structural and procedural changes that will maximize our assets.

Summary: The FCC met or exceeded its goals in all seven performance measures.

PERFORMANCE IMPROVEMENTS INITIATIVES

Goal A: *Create a More Efficient, Effective, and Responsive Agency*

Objective: *Reorganize to Create an Agency Infrastructure Conducive to Convergence*

Policy Initiative: Reorganize for convergence. Performance was measured by whether planned phases were completed on schedule.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Develop plan for Phase 2 of reorganization: consider options for streamlining licensing processes. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ A licensing task force reviewed options for streamlining the licensing process and provided recommendations to the Chairman in March 2000. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Develop plan for Phase 3 of reorganization. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ Work on the Reorganization Plan was completed in August 2001. The FCC adopted the Reorganization Order in December 2001 with implementation targeted for March 25, 2002. The FCC continues to reorganize along functional lines, promoting consistency and facilitating access to specific activities at the FCC. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Evaluate restructuring initiatives. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Continue implementation of restructuring initiatives. | |

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Preserve and Increase the Wealth of Knowledge and Expertise of FCC Staff

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Establish a training task force to address issues of continuing education. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Established a Digital Age Steering Committee and Training Group to address issues of continuing education. New training schedule developed in October 2000. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Establish two legal, technical, and managerial training modules. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC increased training opportunities for employees through the development of an FCC Training Plan. ➤ The FCC established the FCC University, which provides an extensive training and development program to ensure that FCC engineers, economists, and other professionals possess the expertise to formulate telecommunications policy in the 21st Century. ➤ An Excellence in Engineering” Program was established for technical and non-technical employees. ➤ An Excellence in Economic Analysis Program was implemented, and we have conducted 12 seminars and two advanced mini-courses taught by world renowned economists. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Establish one additional legal, technical, and managerial training module. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Establish two additional legal, technical, and managerial training modules. | |

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Preserve and Increase the Wealth of Knowledge and Expertise of FCC Staff

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Increase engineering staff by 5% over FY99 baseline, including entry-level engineers. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ FCC exceeded 5% goal by hiring 15 engineers, including 5 entry-level recruits. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Increase engineering staff by 5% over FY99 baseline. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ The FCC exceeded 5% goal by hiring 29 engineers, including 12 entry-level recruits. The agency launched an aggressive “Engineer-in-Training Program.” This program is designed to improve the agency’s recruiting and retention position through accelerated promotions and an intensive, closely supervised, job-oriented program of instruction and evaluation. It allows the FCC to compete successfully in the industry for talented engineers and college students. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Increase engineering staff by 10% over FY99 baseline. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Increase engineering staff by 15% over FY99 baseline. | |

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

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ Implement telecommuting alternative. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ 15% of FCC staff were telecommuting by the end of FY00. Flexible work schedules are available to all FCC employees. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Implement at least 2 alternative work schedules; e.g., telecommuting, job-sharing, flexible work schedules. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal exceeded. ➤ The FCC’s telecommuting program met its goals by increasing productivity, improving morale and job satisfaction and reducing absenteeism. In addition, the program had no negative impact on staff who worked at the office. The FCC also far exceeded legislative requirements by offering the program to an overwhelming majority of employees. During FY01, 16% of FCC employees telecommuted at least one day a week. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Identify additional options to attract, reward, and retain skilled employees. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Implement additional options to attract, reward, and retain skilled employees. | <ul style="list-style-type: none"> ➤ The Term to Permanent Conversion process, which allows term employees to compete for permanent positions, was successfully completed in June 2001. |

GOVERNMENT-WIDE PERFORMANCE-BASED INITIATIVES

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Automate Agency Processes

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

| <i>Goal</i> | <i>Actual Performance</i> |
|--|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ Complete systems requirements and initiate a rule making to implement an FCC registration system. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Complete rule making and implement registration system in time for annual regulatory fee collection cycle. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Begin replacement of “publish and pay” system with the direct billing of licensees. ➤ 25% of all licensees billed directly for regulatory fees. ➤ Modify collections system to allow for payment of fees for multiple licenses in a single transaction. ➤ 15% of regulatory fees paid online. <p>FY03:</p> <ul style="list-style-type: none"> ➤ 30% of all licensees billed directly for regulatory fees. ➤ 25% of regulatory fees paid online. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Systems requirements and draft rule making completed. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The Report and Order, “Adoption of Mandatory FCC Registration Number (MD Docket #00-205)” was approved August 24, 2001. An FRN became mandatory on December 3, 2001. Establishment of a registration number will greatly improve tracking and collection of all fees due to the FCC. |

Policy Initiative: Implement improved e-commerce procedures. Performance was measured by data collected in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. <p>FY00:</p> <ul style="list-style-type: none"> ➤ New goal. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Complete review of e-commerce options in procurement. Prepare comprehensive plan for implementation. <p>FY02:</p> <ul style="list-style-type: none"> ➤ Make all FCC competitive solicitations available online at www.FedBizOpps.gov by October 2001 implementation date. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ Several solicitations posted on FCC web site. <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC is registered with FedBizOpps. An E-Commerce Team designed a web page for FCC’s Contracts and Purchasing Center (CPC) to post solicitations and other pertinent procurement information. The web page has links to allow access to Pre-Award Synopses and Solicitations. |

Goal A: Create a More Efficient, Effective, and Responsive Agency

Objective: Automate Agency Processes

Policy Initiative: Implement performance-based contracting. Performance was measured by data collected in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|--|--|
| <p>FY99:</p> <ul style="list-style-type: none"> ➤ No FY99 goal. | |
| <p>FY00:</p> <ul style="list-style-type: none"> ➤ New goal. | <p>FY00:</p> <ul style="list-style-type: none"> ➤ 9 performance-based contracts in place. |
| <p>FY01:</p> <ul style="list-style-type: none"> ➤ Conduct review to identify additional contracts with performance-based applications. | <p>FY01:</p> <ul style="list-style-type: none"> ➤ Goal met. ➤ The FCC has established a Performance-based Contracts Training Program and has 11 performance-based contracts in place. |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Increase current number of performance-based contracts in excess of \$25,000 by 20%. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Increase current number of performance-based contracts in excess of \$25,000 by 25%. | |

Policy Initiative: A-76 Competitions/FAIR Act inventories. Performance will be measured by data collected in the Quarterly Performance and Results Review.

| <i>Goal</i> | <i>Actual Performance</i> |
|---|---------------------------|
| <p>FY99-01:</p> <ul style="list-style-type: none"> ➤ No goals. | |
| <p>FY02:</p> <ul style="list-style-type: none"> ➤ Conduct a cost comparison of FTEs based on the FY00 FAIR Act Inventory. | |
| <p>FY03:</p> <ul style="list-style-type: none"> ➤ Outsource 10% of FY 2000 inventory. | |

Program Evaluations

The FCC did not complete any formal evaluations during the fiscal year. However, we did initiate a two-year project to analyze common information management and desktop computing applications to determine where the implementation of new technologies could streamline our work processes. Beginning in FY 1999, the FCC's Office of Inspector General (OIG) has completed a comprehensive audit of FCC financial documents. In FY 2000, the second year the FCC completed an Annual Financial Accountability Report, the agency received a clean opinion. This is a notable milestone to reach in two years. Beginning in FY 2002, the OIG will expand the scope of its annual audit to include an evaluation of the agency's strategic planning efforts.

At the request of Congress, the FCC prepares the "Annual State of Competition Reports" for cable television, wireless, the local telephony markets, and for advanced telecommunications services. These reports track the growth of technology use and competition in these four large service areas. In addition, and again, at the request of Congress, the General Accounting Office (GAO) has embarked on an ambitious series of audits and reports on telecommunications topics. In FY 2001, GAO initiated or completed studies of FCC activities in the following areas (among others): Universal Service, the Universal Fund for Schools and Libraries (2 studies), the Federal Government's Management of Spectrum, the Cost and Impact of DOD Reallocation of Radio Frequencies to Support 3rd Generation Mobile Wireless Uses, the Transition to Digital Broadcast Television, Competition in the Internet Backbone Service Market, and the Health Effects of Radiofrequency Radiation Emitted by Cellular Telephones. Where applicable, the FCC adopts GAO recommendations and revises our rules and regulations accordingly. Finally, every two years, the FCC undertakes a comprehensive review of our rules and regulations. The next biennial review will be conducted in 2002.

Conclusion

During FY 2001, the FCC demonstrated a continued commitment to its strategic goals of promoting competition, innovation, deregulation, and the availability of high-quality communications services to the public. While the FCC has made tremendous strides in attaining our goals, we now need to refocus our strategic planning efforts. Our new strategic plan, which will be submitted to OMB and Congress this fall, will focus on strategic priorities:

Broadband Deployment: Promote the efficient, widespread deployment of the broadband technologies, and facilitate broadband's ubiquitous availability to all Americans;

Competition Policy: Enforce our rules that serve to promote competition, simplify performance levels and standards to both clarify obligations and to allow for a mechanism for swift enforcement when those levels and standards are compromised;

Spectrum Policy: Ensures that our spectrum management policies result in the broadest public benefits and meet our most urgent public needs;

Media Ownership Foundation: Develop a solid factual and analytical foundation for media ownership regulation to meet the goals of diversity, localism, and competition in the media marketplace;

Digital Television Transition (DTV): Review and facilitate the transition to DTV and promote the rapid recovery of broadcast spectrum for other uses;

Homeland Security: Evaluate and strengthen measures for protecting U.S. telecommunications infrastructure and facilities from further terrorist attacks.

Our ability to meet our strategic objectives will be based on a sound business plan that focuses on:

- ✓ Emphasizing performance results and management reform;
- ✓ Developing and retaining independent technical and economic expertise; and
- ✓ Aligning the FCC with the dynamic and converging marketplace.

The Commission's policy emphasis has a new sense of purpose since September 11th and a critical importance to be more responsive, efficient and effective, capable of managing the technological and economic opportunities and challenges presented to us. In FY 2002, the FCC will continue its important work in ensuring a dynamic regulatory environment that facilitates competition in all communications markets and the development and deployment of new technologies and services for all Americans. As always, the Commission's efforts will be guided by its commitment to protect consumer welfare and the public interest.

Appendix A

FCC's Organizational Structure

The FCC Chairman leads the Commission and coordinates the activities of the Commissioners. The Chairman delegates management and administrative responsibility to the Managing Director. The Commissioners supervise all FCC activities, delegating responsibilities to staff units and bureaus. The Commission staff is organized by function into bureaus and staff offices. In FY 2001, there were seven operating bureaus: Cable Services, Common Carrier, Consumer Information, Enforcement, International, Mass Media, and Wireless Telecommunications. These bureaus were responsible for developing and implementing regulatory programs, processing applications for licenses or other filings, analyzing complaints, conducting investigations, and taking part in FCC hearings. There were also staff offices: Administrative Law Judges, Communications Business Opportunities, Engineering and Technology, General Counsel, Inspector General, Legislative and Intergovernmental Affairs, Managing Director, Media Relations, Plans and Policy, and Workplace Diversity. Even though the bureaus and offices have individual functions, they regularly join forces and share expertise in addressing Commission issues.

Note: The FCC's major reorganization plan, submitted to Congress for review in January, will become effective March 25, 2002.

FCC Bureaus (FY 2001)

Cable Services Bureau (CSB) – serves as the single point-of-contact for consumers, community officials, and the industry for cable-related issues.

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

Consumer Information Bureau (CIB) – communicates information to the public regarding Commission policies, programs, and activities. The Consumer Information Bureau handles public inquiries and informal consumer complaints. It is also charged with overseeing disability mandates.

Enforcement Bureau (EB) – enforces the Communications Act, as well as the Commission's rules, orders, and authorizations. It consolidates enforcement functions from other areas of the FCC.

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

Mass Media Bureau (MMB) – regulates AM/FM radio and television broadcast stations, as well as Multipoint Distribution (i.e., cable and satellite) and Instructional Television Fixed Services. This bureau also assigns frequencies and call letters to stations and designates operating power times.

Wireless Telecommunications Bureau (WTB) – oversees all domestic wireless telecommunications programs (except satellite), including cellular and PCS phones, pagers and two-way radios. This bureau also regulates the use of radio spectrum to fulfill the communications needs of businesses, local and state governments, public safety service providers, aircraft and ship operators, and individuals.

FCC Offices (FY 2001)

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

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

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

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

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

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

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

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

Office of Plans and Policy (OPP) – serves as the Commission’s chief economic policy advisor, analyzing issues and developing long-term policy planning.

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

Appendix B

Glossary of Acronyms and Special Terms Used in This Report

3G – an acronym for Third Generation Wireless telecommunication devices. Key features of 3G systems are a high degree of commonality of design worldwide, compatibility of services, use of small pocket terminals with worldwide roaming capability, Internet and other multimedia applications, and a wide range of services and terminals. 3G system services are scheduled to be initiated in 2002, subject to market considerations.

Accelerated docket – the Accelerated Docket is available for selected formal complaints between common carriers (Section 208 complaints, see Title 47 CFR 1.730). Because this procedure may lead to a “mini-trial” with testimony by witnesses subject to cross-examination, it is particularly well suited for cases involving difficult factual disputes. It is designed to lead to a written staff-level decision within 60 days from the filing of the complaint. Because the Accelerated Docket rules require staff-supervised pre-filing settlement discussions between the parties, many disputes are settled without the need to file a formal complaint. Such settlements are a real success story of the Accelerated Docket procedure.

Advanced cable – as used in this report, this term means a cable modem.

Advanced technologies – as used by the FCC, this term means new technologies that provides the opportunity for interactive communication over the Internet.

Analog – the traditional method by which either radio or television signals are send through the atmosphere. Analog signals use continuous changes (waves) in the amplitude or frequency of a transmission to convey information. Analog transmissions are slowly being replaced by digital transmissions.

Auction – since 1994, the FCC has used auctions as a fair way to select among competing license applications for spectrum. These auctions, whose billions of dollars of proceeds go to the federal treasury, are open to any qualified bidder - company or individual - that submits an application and upfront payment. More information can be found on the internet at: <http://wireless.fcc.gov/auctions>.

Broadband – a still-evolving term used to generally describe the receipt of Internet services at high rates of speed (beyond the typical 56 or 33.6 modem/dial-up access). Today, broadband capability is typically provided to households and small business through several technologies, including cable modems, satellites, and ISDN lines. Larger businesses sometimes have direct wired broadband connections to the Internet called T1 lines.

C-Block – the term used to describe a part of the spectrum dedicated to a specific purpose – such as Personal Communications Services (PCS). Each frequency band (measured in GHz) is divided into blocks. Within blocks, a further subdivision is made by specific frequencies (measured in MHz).

Cellular – as used in this report this term broadly equates to a wireless phone, regardless of the actual underlying technology.

CFR – *Code of Federal Regulations*. This listing of all the rules and regulations of the federal government is available on the Internet at <http://www.access.gpo.gov/nara/cfr>.

CLEC – competitive local exchange carrier. See Unbundling.

CMRS – Commercial Mobile Radio Service. CMRS is a formal regulatory classification established by Congress in 1993 as part of their effort to encourage competition in the provision of wireless services to consumers. CMRS includes wireless services such as paging, cellular phones, and telemetry and telematics.

Common carriers – telephone companies that provide long distance and local service to consumers. These companies provide services such as voice, data, and other telecommunication transmission services to consumers.

Consent decree – a judicially-approved agreement that typically requires a defendant to stop activities alleged by the FCC to be in violation of laws or regulations (such as slamming) in return for an end to the charges.

Cramming – an improper practice whereby customers are billed for features such as voice mail, caller-ID, and call-waiting that they have not ordered.

DBS – direct broadcast satellite. A method of receiving and transmitting signals (radio, television, Internet access) from a high-powered satellite to a small earth station or dish mounted on homes or other buildings.

Digital specialized mobile radio (SMR) – another technology underlying today's wireless communications. A traditional SMR system consists of a base station, antennas, and end user radio equipment. SMR end users may operate in either an "interconnected" mode or a "dispatch" mode. "Interconnected" routes the call from the end user to the base station and then to another unit via the local phone network. This allows the mobile radio unit to function as a mobile telephone. "Dispatch" mode allows two-way, over the air, voice communications between two or more mobile units (e.g., between a car and a truck) or between mobile units and fixed units (e.g., between the end user's office and a truck). The development of a digital, rather than analog, SMR marketplace is allowing new features and services, such as two-way acknowledgment paging and inventory tracking, credit card authorization, automatic vehicle location, fleet management, inventory tracking, remote database access, and voicemail. Typical SMR customers include construction or delivery companies with several trucks at different jobs or on the road and a centralized dispatch operation.

DTV – digital television. This is a relatively new technology for transmitting and receiving radio or television signals through the atmosphere (signal is on/off as opposed to the continuous waves of analog). Most experts believe that DTV provides clearer picture resolution and improved sound quality.

Emergency Alert System – the system used on radios and television to alert Americans to the presence of an emergency condition. Most radio and television listeners know the EAS (known as the Emergency Broadcast System until 1997) by the words, "This is a test of the Emergency Alert System -- this is only a test...."

Ex parte – in order to assure fairness in its decision making the FCC has strict rules that regulate impermissible off-the-record-communications between decision-makers and others. These rules – dependant on the type of procedure in front of the FCC - range from no restrictions to prohibition of ex parte presentations to requirements that summaries of such presentations be placed in the record. The ex parte rules can be found in Title 47 CFR 1.1200-1216.

Frequency – radio and television stations, CB and shortwave radio operators, Weather Service satellites, Coast Guard ships, cell phone operators, airplane pilots, police and fire dispatchers, and NASA astronauts are just a few of the users routinely communicating via the United States' allocated radio spectrum or, as it is more generally known, the "public airwaves." Since the "airwaves" belong

to the public, the FCC is one of several international bodies charged with fairly allocating parts of the spectrum to varied types of users. Frequencies are one parts of the spectrum that are measured by the number of electromagnetic waves that pass a given point in a given time period. It is equal to the speed of light divided by wavelengths, and is expressed in Hertz (cycles per second) such as GHz and MHz. Each user of the spectrum is assigned to a specific frequency (and often a power level) so that the maximum number of users can communicate without interference. Listings of frequencies can be found at the following internet pages: <http://ftp.fcc.gov/oet/info/database> or <http://www.ntia.doc.gov/osmhome/allochrt.pdf>

FTE – full time equivalent. This is the term the federal government uses to indicate 2080 hours (1 year) of work. Two or more people working part time might equal 1 FTE or 1 person working full time would equal 1 FTE. Congress annual allocates both the budget and FTE ceiling for federal agencies.

GHz – gigahertz. As used in this report, GHz identifies a collection or band of frequencies dedicated to a specific purpose. For instance, the 39 GHz band has been allocated for PCS devices. A GHz band is typically divided into several blocks (A Block, B Block, etc.). Within each block there is a further subdivision into channels. Channels are then broken down into specific frequencies, which are measured in MHz.

ILEC/LEC – incumbent local exchange carrier or local exchange carrier. See Unbundling.

In-band On-channel service – as used in this report the term means a digital radio service.

Information Collection Budget – under the Paperwork Reduction Act (1995) each federal agency is given a “budget” for how much paperwork they can impose upon the American public and businesses. This “budget” is to be reduced each year.

ITU – International Telecommunications Union. The ITU is part of the United Nations and has the mission of helping governments and the private sector coordinate global telecom networks and services.

Ka-Band – a type of satellite system. A Ka-band satellite (also known as “28 GHz band”) generally refers to space-to-Earth (downlink) frequencies at 17.7-20.2 GHz and Earth-to-space (uplink) frequencies at 27.5-30.0 GHz.

Ku-Band – a type of fixed position satellite system (Very Small Aperture Terminal or VSAT networks) operating at 12/14 GHz.

Lifeline services – one of the programs the FCC operates in order to ensure that eligible low-income consumers have access to telecommunications services through monthly reductions in service charges.

Memorandum Opinion and Order – in response to a Petition for Reconsideration, the FCC may issue a Memorandum Opinion and Order (MO&O) or an Order on Reconsideration amending the new rules or stating that the rules will not be changed.

MHz – megahertz. As used in this report, MHz is a specific frequency measurement range dedicated to specific purposes. For instance, within the 39 GHz band there are two blocks (A-Block, B-Block) with 14 channels in each block. Each of these channels is assigned a specific frequency band, which is measured in MHz.

MMDS – Multichannel Multipoint Distribution Services are a wireless way (omni-directional microwave signals to rooftop dishes) to deliver video programs to subscribers. This is one of the

technologies the FCC follows to determine whether a particular market has multichannel video programming services.

Multi-channel market – a marketplace in which consumers can access video programming (such as television shows) through a variety of media (such as digital broadcasts, cable access, or satellite reception).

Multichannel video programming – describes the delivery of video programming through differing, competitive technologies. The FCC provides Congress with an annual report on the “Status of Competition in the Market for the Delivery of Video Programming.” The most recent report (1/2002) finds that “cable television still is the dominant technology for the delivery of video programming to consumers in the MVPD marketplace, although its market share continues to decline (from 80% to 78% in the past year). A total of 88.3 million households subscribe to multichannel video programming services as of June 2001, up 4.6 percent over the 84.4 million households subscribing to MVPDs in June 2000.”

MVPD – Multichannel video programming distributor

Notice of Proposed Rulemaking – the FCC issues a Notice of Proposed Rulemaking to propose changes to the Commission’s rules and to seek public comment on these proposals.

NPRM – see Notice of Proposed Rulemaking.

NTIA – National Telecommunications and Information Administration. Part of the Department of Commerce, NTIA shares the federal responsibility with the FCC for allocating the Nation’s spectrum. The NTIA is responsible for that part of the spectrum allocated to Federal government agencies. The FCC is responsible for the portion of the spectrum allocated to private citizens, organizations, and public safety uses.

Number block pooling – one of several initiatives the FCC and states have undertaken to prevent the United States from running out of telephone numbers.

Numbering resource optimization – in order to keep up with the ever growing demand for telephone numbers the FCC is working with states to eliminate the current inefficiencies in the allocation and utilization of telephone numbers.

Part 68 Order – on December 21, 2000, the Commission adopted the *Part 68 Streamlining Order* which amended the Commission’s rules governing the connection of terminal equipment to the public switched telephone network in an effort to privatize and streamline the standards development and approval processes.

PCS devices – Personal Communication Service devices include small, lightweight, multifunction portable phones; portable fax machines; and advanced devices with two-way data capabilities. PCS devices (Sprint is one of the companies that use PCS technology for its cellular phones) compete interchangeably with other technologies that also provide land mobile services and often are generically included in the broad category of cellular phones.

Petition for reconsideration – if you are not satisfied with the way an issue is resolved in a Report and Order, you can file a Petition for Reconsideration within 30 days from the date the Report and Order appears in the *Federal Register*.

Public Notice – a Public Notice is issued by the Commission or on Delegated Authority to notify the public of an action taken or an upcoming event. The Notice differs from a News Release in that the

Public Notice is an official document and, usually, no document or full text will be released following the Notice.

Public safety services – The FCC regulates the licensing and use of radio transmitters by state and local government and non-governmental entities engaged in public safety activities. For more on the FCC's public safety activities go to: <http://wireless.fcc.gov/publicsafety>.

Report and order – After considering comments to a Notice of Proposed Rulemaking (or Further Notice of Proposed Rulemaking), the FCC issues a Report and Order. The R&O may develop new rules, amend existing rules or make a decision not to do so. Summaries of the R&O are published in the *Federal Register*. The *Federal Register* summary will tell you when a rule change will become effective.

Rule making proceedings – as an independent regulatory agency, the FCC conducts most of its business formally through rule making proceedings. To learn more about this process go to: <http://wireless.fcc.gov/csinfo/ruleprocess.html>.

Section 255 – this refers to Section 255 of the Telecommunications Act (1996), which requires telecommunications manufacturers and service providers to make their products and services accessible to people with disabilities.

Section 271 – this refers to Section 271 of the Communications Act of 1934, as amended, which mandates that former Bell Operating Companies file applications with the FCC on a state-by-state basis to provide in-region interLATA (local access and transport area) services.

Slamming – an improper practice that occurs when a customer's long distance service is switched from one long distance company to another without the customer's permission.

SMATV – satellite master antenna television. This is another competitive way for consumers to receive video programming such as television programs.

SMR – see digital specialized mobile radio.

Spectrum – the range of electromagnetic radio frequencies used in the transmission of sound, data, and television. Under current practice the FCC and NTIA allocate the spectrum by types of use (television stations, radio stations, satellites, wireless telephones, government uses, etc). Because there is a finite amount of spectrum; while, simultaneously, there are a growing number of uses for spectrum, effectively managing the available spectrum is a strategic issue for the FCC and the NTIA.

Speed of disposal – the time it takes to make a decision on a license application.

Telecommunications Act of 1996 – the Telecommunications Act of 1996 was the first major overhaul of telecommunications law in almost 62 years. The goal of this law was to let any communications business compete in any market against any other. Under this Act the FCC has the responsibility to create fair rules to encourage competition in the public interest.

Telecommunications Certification Body (TCB) – one of the FCC's responsibilities is to certify that certain types of telecommunication's equipment will operate within the frequencies assigned for that purpose. There are several organizations and individuals who are accredited by the FCC to provide these certifications.

Telemetry and telematics – technologies that involve the use of wireless technology to transfer data between systems and devices. Wireless telemetry is the monitoring of mobile or fixed equipment in a remote location. The most common example of wireless telemetry is the remote monitoring of utility meters by utility and energy companies, called automatic meter reading (“AMR”). With telematics systems, a person in a remote location can access information using various wireless technologies. Telematics is most often used to describe vehicle navigation systems, such as OnStar, where drivers and passengers employ GPS technology to obtain directions, track their location, and obtain assistance when a vehicle is in an accident.

Telephony – the science of transmitting voice over a telecommunications network.

Unbundling – a requirement of the Telecommunications Act designed to provide competition in local telephone markets. This practice requires the owners of the actual under or above ground telephone lines (ILEC’s) to allow competitors (CLEC’s) to purchase access on those lines. In this way, CLEC’s can offer consumers competitive telephone services without actually have to invest in the physical act of stringing wire or cable themselves.

UNE – Unbundled Network Elements. See Unbundling.

Universal Service – just as establishing the nationwide mail delivery system was one of the first acts of the federal government in the 1800’s; so, today, having universal access to telephone service is considered an essential element of the social good. But, unlike the US Postal Service, instead of establishing a federal telephone office, the Congress has required telephone companies and other communication entities to contribute to a fund that ensures reasonable, affordable access to telephone service for all Americans. As allowed by law, companies typically pass on the cost of their contribution to their customers.

Unlicensed services – within Part 15 of the FCC’s rules, certain types of equipment can operate at prespecified frequencies without getting individual licenses. These are often consumer devices or low power, short-range devices.

V-Band – the portion of the spectrum from 36.0-51.4 GHz.