

Federal Communications Commission



**Fiscal Year 2016 Budget Estimates
Submitted to Congress
February 2015**

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INTRODUCTION

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INTRODUCTION

The Federal Communications Commission (FCC or Commission) is pleased to present its fiscal year (FY) 2016 budget request. The Commission requests \$388,000,000 in budget authority from regulatory fee collections to carry out its core statutory mission and Congressional mandates. Over 90 percent of the increase relative to FY 2015 enacted represents the funds needed in FY 2016 to initiate a required move through GSA to new headquarters or headquarters restacking. This process is necessitated by the expiration of the FCC's current lease. GSA is working with the Commission to identify the most-cost effective alternative to the current leasing agreement. Otherwise, the Commission requests funds to follow through on essential information technology (IT) upgrades, as well as other projects initiated during FYs 2014 and 2015. These initial budget increases have been developed to provide cost savings as follows:

- (1) Move or restack the FCC Headquarters, as required by the expiration of the existing lease, establishing a more efficient space utilization to reduce the Commission's footprint. This process will save the Commission up to \$119 million over fifteen years.
- (2) Continue the IT modernization which includes replacing the FCC's legacy infrastructure with a managed IT service provider to generate efficiencies and savings; rewriting legacy applications as part of a modular "shift" to a modern, resilient cloud-based platform; and improving the IT resiliency of the FCC enterprise. These measures are estimated to realize cost savings between two and three million dollars by FY 2017 and additional five to \$10 million over the next five years.

Also, the initial budget increase is critically needed to fund the following:

- (1) Increase the Office of Inspector General baseline budget for additional staff and contractor support.
- (2) Develop and implement the Do-Not-Call registry for telephone numbers used by Public Safety Answering Points (PSAPs).
- (3) Continue activities in support of the National Broadband Map.

In addition, the Commission requests the transfer of \$25,000,000 from the Universal Service Fund (USF) to the Commission's appropriation to cover the costs related to the oversight of the USF programs. In particular, the funding will help improve USF program integrity by reducing fraud, waste, and abuse through targeted investments aimed at reducing and recovering improper payments, among other critical oversight functions.

In furtherance of these objectives and the FCC's mission, the FY 2016 budget request will be used to support the following Strategic Goals:

Strategic Goal 1: Promoting Economic Growth and National Leadership

Promote the expansion of competitive telecommunications networks which are a vital component of technological innovation and economic growth, helping to ensure that the U.S. remains a leader in providing its citizens opportunities for economic and educational development.

Strategic Goal 2: Protecting Public Interest Goals

The rights of network users and the responsibilities of network providers form a bond that includes consumer protection, competition, public safety and security. The FCC must protect and promote this Network Compact.

Strategic Goal 3: Making Networks Work for Everyone

In addition to promoting the development of competitive networks, the FCC must also ensure that all Americans can take advantage of the services they provide without artificial impediments.

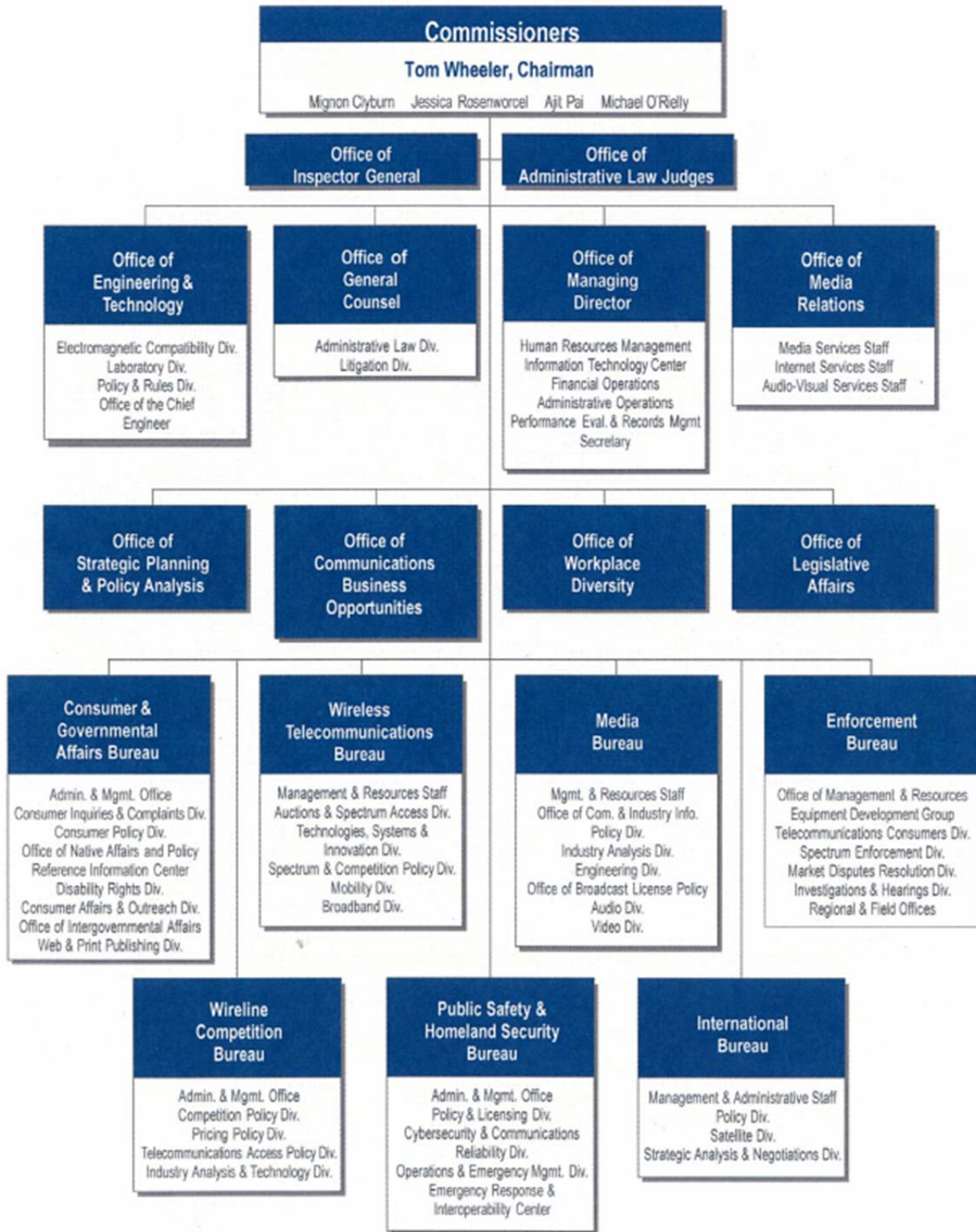
Strategic Goal 4: Promoting Operational Excellence

Make the FCC a model for excellence in government by effectively managing the FCC's resources and maintaining a commitment to transparent and responsive processes that encourage public involvement and best serve the public interest.

The Commission's FY 2016 budget submission also includes a request for an increase in the cap on spending of Auctions proceeds to \$117 million to fund ongoing licensing via auctions, as well as Broadcast Television Incentive Auction administration, and relocation of auction-related personnel and systems associated with the FCC Headquarters' move/restacking initiative.

As in prior years, the Commission is submitting details of its FY 2016 budget request at the organizational level to show the proposed use of budgetary resources. In addition, the Commission's budget request also shows the proposed use of budgetary resources by key activities within each bureau and office. We welcome the budgetary process and stand ready to provide Congress with the necessary information to ensure effective operation of the Commission.

ORGANIZATIONAL CHART



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FISCAL YEAR 2016 REQUEST

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Summary of Request

The FCC requests a fiscal year (FY) 2016 appropriation of \$388,000,000 from offsetting collections and a \$25,000,000 transfer of funds from the Universal Service Fund for a total Salaries and Expenses direct program level of \$413,000,000. The projected full-time equivalents (FTEs) is 1,671 from the requested resources. Further, the FCC requests \$117,000,000 in retained auction proceeds to administer critical spectrum auctions in furtherance of making more spectrum available for commercial use.

The Commission will use FY 2016 resources to carry out its fundamental mission to ensure that the American people have available, at reasonable costs and without discrimination, rapid, efficient, Nation-wide and world-wide communications services whether by radio, television, wire, wireless, satellite, or cable.

(Dollars in Thousands)

	FY 2015		FY 2016		Requested Change	
	FTE	Appropriation	FTE	Congressional Request	FTE	Amount
Budget Authority to use Offsetting Collections:						
Regulatory Fees - Commission	1,660	\$328,754	1,615	\$375,746	(45)	\$46,992
Regulatory Fees - Office of Inspector General (OIG)	48	\$11,090	56	\$12,254	8	\$1,164
Subtotal - Offsetting Collections	1,708	\$339,844	1,671	\$388,000	(37)	\$48,156
Authority to Spend Other Offsetting Collections:						
Economy Act/Misc. Other Reimbursables		\$6,000		\$4,000		(\$2,000)
Auction Cost Recovery Reimbursements - Commission		\$105,738		\$116,481		\$10,743
Auction Cost Recovery Reimbursements - OIG		\$262		\$519		\$257
Subtotal - Other Offsetting Collections		\$112,000		\$121,000		\$9,000
Subtotal: Offsetting Collections	1,708	\$451,844	1,671	\$509,000	(37)	\$57,156
Other Budget Authority:						
Credit Program Account		\$500		\$100		(\$400)
OIG - Universal Service Fund (USF)		\$4,130		\$1,685		(\$2,445)
FCC - Recovery of USF Oversight Cost		\$0		\$25,000		\$25,000
Subtotal: Other Budget Authority		\$4,630		\$26,785		\$22,155
Total Gross Proposed Budget Authority	1,708	\$456,474	1,671	\$535,785	(37)	\$79,311

FY 2016 Proposed Appropriation Language

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefore, as authorized by 5 U.S.C. §§ 5901-5902; not to exceed \$4,000 for official reception and representation expenses; purchase and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. § 3109, \$388,000,000, to remain available until expended: *Provided*, That \$388,000,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, shall be retained and used for necessary expenses and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year **2016** so as to result in a final fiscal year **2016** appropriation estimated at **\$0**: *Provided further*, That any offsetting collections received in excess of \$388,000,000 in fiscal year **2016** shall not be available for obligation: *Provided further*, That remaining offsetting collections from prior years collected in excess of the amount specified for collection in each year and otherwise becoming available on October 1, **2015**, shall not be available for obligation: *Provided further*, That, notwithstanding 47 U.S.C. § 309(j)(8)(B), proceeds from the use of a competitive bidding system that may be retained and made available for obligation shall not exceed \$117,000,000 for fiscal year **2016**, including not to exceed \$518,981 for obligation by the Office of the Inspector General: *Provided further*, That, of the amount appropriated under this heading, not less than \$12,253,600 shall be for the salaries and expenses of the Office of Inspector General. *Provided further*, That, in addition \$25,000,000 shall be transferred from the Universal Service Fund to the Commission in fiscal year **2016** to remain available until expended, to oversee the Universal Service Fund.

Legislative Proposals

The Administration is proposing legislative changes in the President's FY 2016 Budget that pertain to the FCC and that are designed to improve spectrum management and represent sound economic policy. The proposed legislative changes are included below.

Spectrum License User Fee

To promote efficient use of the electromagnetic spectrum, the Administration proposes to provide the FCC with express authority to use other economic mechanisms, such as fees, as a spectrum management tool. The FCC would be authorized to set user fees on unauctioned spectrum licenses, which could be useful in certain instances. Fees would be phased in over time to determine the appropriate application and level for fees. Fee collections are estimated to begin in 2016, and total \$4.8 billion through 2025.

Repurpose 1675 -1680 Megahertz using Auction or Fee Authority

The Administration proposes to direct that the FCC use either auction or fee authority to repurpose spectrum frequencies between 1675-1680 megahertz for wireless broadband use by 2017, subject to sharing arrangements with Federal weather satellites. Currently, the spectrum is being used for radiosondes (weather balloons). A new weather satellite that is scheduled for launch in 2016 will operate in adjacent frequencies. If this proposal is enacted, the National Oceanic and Atmospheric Administration would move the radiosondes to another frequency, allowing the spectrum to be repurposed for commercial use with limited protection zones for the remaining weather satellite downlinks. Without this proposal, these frequencies are unlikely to be repurposed to commercial use. The proposal is expected to raise \$230 million over the next 10 years.

Auction Domestic Satellite Service Spectrum Licenses

The FCC would be allowed to assign licenses for certain satellite services that are predominantly domestic through competitive bidding, as had been done before a 2005 court decision called the practice into question on technical grounds. The proposal is expected to raise \$50 million from 2016-2025.

Summary of FY 2014 – FY 2016 FTEs and Funding by Bureaus and Offices

(Dollars in Thousands)

Bureaus and Offices	FY 14		FY 15		FY 16	
	FTEs	Actuals	FTEs	Appropriation	FTEs	Congressional Request
Chairman and Commissioners	23	\$4,492	23	\$5,105	23	\$5,207
Consumer & Governmental Affairs Bureau	151	\$22,992	148	\$23,742	144	\$23,641
Enforcement Bureau	259	\$44,416	254	\$44,438	246	\$44,051
International Bureau	117	\$21,129	116	\$21,104	113	\$20,942
Media Bureau	179	\$26,215	178	\$26,585	173	\$26,341
Public Safety & Homeland Security Bureau	109	\$18,489	108	\$17,771	106	\$17,741
Wireless Telecommunications Bureau	216	\$16,167	215	\$16,528	210	\$15,882
Wireline Competition Bureau	172	\$30,831	171	\$30,393	165	\$30,222
Office of Administrative Law Judges	4	\$356	4	\$372	4	\$380
Office of Commun. Business Opportunities	12	\$1,929	12	\$1,935	12	\$1,974
Office of Engineering & Technology	89	\$15,375	89	\$15,489	86	\$15,407
Office of the General Counsel	75	\$14,186	75	\$14,383	73	\$14,282
Office of Legislative Affairs	12	\$1,978	12	\$2,205	12	\$2,250
Office of the Managing Director ¹	210	\$96,263	207	\$101,327	200	\$175,099
Office of Media Relations	15	\$2,610	15	\$2,849	15	\$2,905
Office of Strategic Planning & Policy Analysis	29	\$4,549	29	\$3,874	29	\$3,757
Office of Workplace Diversity	4	\$745	4	\$653	4	\$666
Recovery of USF Oversight Cost		\$0		\$0		(\$25,000)
FCC SUBTOTAL	1,676	322,722	1,660	\$328,754	1,615	\$375,746
Office of Inspector General	40	10,923	48	\$11,090	56	\$12,254
FCC TOTAL	1,716	\$333,645	1,708	\$339,844	1,671	\$388,000

Note 1 - The Office of the Managing Director will manage the GSA-required HQ Move/Restacking.

FY 2014 – FY 2015 FTE Distribution by Goal – Total Commission

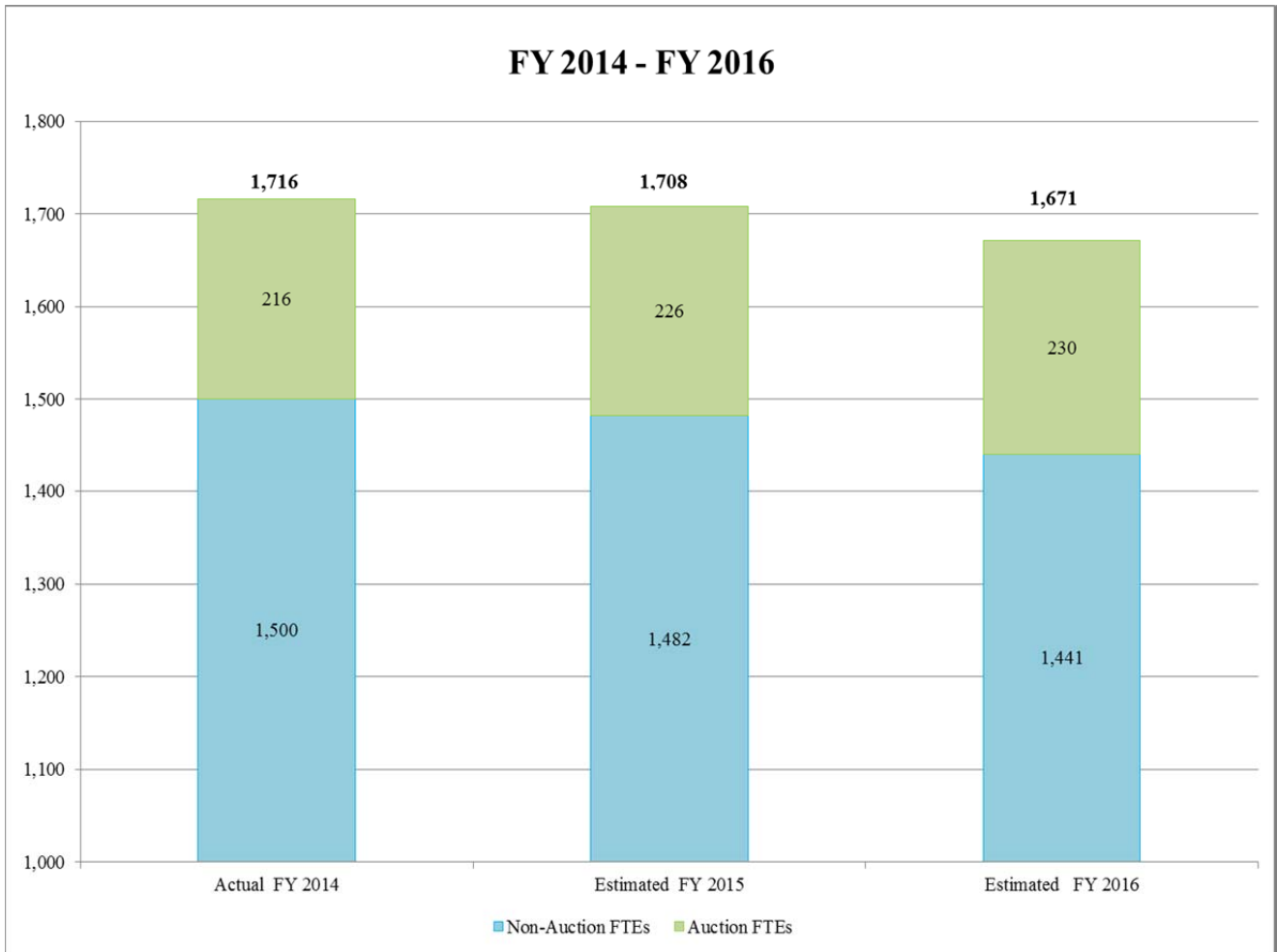
	Connect America		Maximize Benefits of Spectrum		Protect & Empower Consumers		America's Global Competitiveness		Promote Competition		Public Safety & Homeland Security		Advance Key National Purposes		Operational Excellence		Total	
	14	15	14	15	14	15	14	15	14	15	14	15	14	15	14	15	14	15
Fiscal Years	14	15	14	15	14	15	14	15	14	15	14	15	14	15	14	15	14	15
Commissioners Offices	1	1	13	13	1	1	0	1	5	4	1	1	1	1	1	1	23	23
Bureaus																		
Consumer & Government Affairs	5	5	3	3	90	89	0	0	22	21	20	20	0	0	11	10	151	148
Enforcement	4	4	64	63	85	84	1	1	42	41	50	49	1	1	12	11	259	254
International	7	7	33	33	1	1	37	37	30	30	3	3	3	3	3	2	117	116
Media	3	3	68	68	0	0	0	0	71	71	1	1	25	25	11	10	179	178
Public Safety & Homeland Security	3	3	16	15	0	0	0	0	1	2	88	87	0	0	1	1	109	108
Wireless Telecommunications	52	51	89	89	1	1	1	1	33	33	5	5	23	23	12	12	216	215
Wireline Competition	55	55	2	2	35	35	0	0	73	72	1	1	1	1	5	5	172	171
Subtotal Bureaus	129	128	275	273	212	210	39	39	272	270	168	166	53	53	55	51	1,203	1,190
Offices																		
Administrative Law Judges	0	0	0	0	0	0	0	0	4	4	0	0	0	0	0	0	4	4
Communications Business Opportunities	0	0	0	0	2	2	0	0	10	10	0	0	0	0	0	0	12	12
Engineering and Technology	7	7	65	65	0	0	0	0	8	8	0	0	7	7	2	2	89	89
General Counsel	9	9	6	6	5	5	0	0	34	34	6	6	6	6	9	9	75	75
Legislative Affairs	5	5	0	0	2	2	0	0	1	1	1	1	0	0	3	3	12	12
Managing Director	5	5	26	25	24	24	0	0	1	1	9	9	10	9	135	134	210	207
Media Relations	0	0	4	5	0	0	0	0	0	0	0	0	0	0	11	10	15	15
Strategic Planning and Policy Analysis	10	10	1	1	0	0	0	0	8	8	1	1	5	5	4	4	29	29
Workplace Diversity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4	4
Subtotal Offices	36	36	102	102	33	33	0	0	66	66	17	17	28	27	168	166	450	447
Subtotal FCC	166	165	390	388	246	244	39	40	343	340	186	184	82	81	224	218	1,676	1,660
Inspector General	4	7	1	1	9	9	0	0	1	2	0	1	0	1	25	27	40	48
Totals	170	172	391	389	255	253	39	40	344	342	186	185	82	82	249	245	1,716	1,708

FY 2016 FTE Distribution by Goal – Total Commission

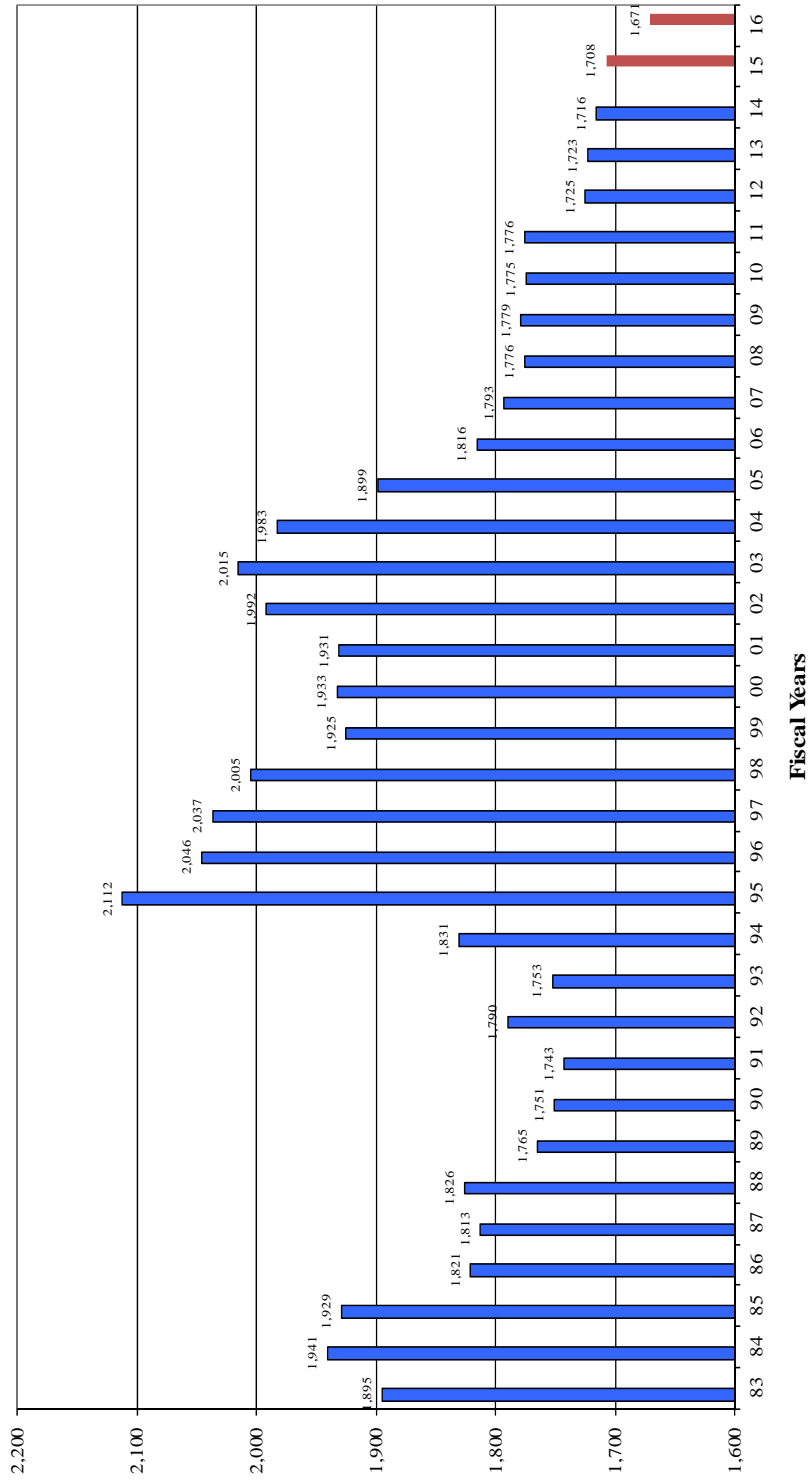
	Promoting Economic Growth and National Leadership	Protecting Public Interest Goals	Making Networks Work for Everyone	Promoting Operational Excellence	Total
Fiscal Years	16	16	16	16	16
Commissioners					
Offices	12	4	6	1	23
Bureaus:					
Consumer & Governmental Affairs	16	83	36	9	144
Enforcement	70	109	58	9	246
International	44	44	23	2	113
Media	109	14	43	7	173
Public Safety & Homeland Security	11	87	7	1	106
Wireless Telecommunications	108	30	62	10	210
Wireline Competition	54	49	58	4	165
Subtotal Bureaus	412	416	287	42	1,157
Offices:					
Administrative. Law Judges	2	0	2	0	4
Communications Business Opportunities	6	2	4	0	12
Engineering and Technology	55	4	25	2	86
General Counsel	30	17	18	8	73
Legislative Affairs	2	4	3	3	12
Managing Director	27	29	18	126	200
Media Relations	4	0	2	9	15
Strategic Planning and Policy Analysis	11	6	8	4	29
Workplace Diversity	0	0	0	4	4
Subtotal Offices	137	62	80	156	435
Subtotal FCC	561	482	373	199	1,615
Inspector General	6	13	9	28	56
Totals	567	495	382	227	1,671

In FY 2016, the strategic goals have been changed from eight to four. This FTE distribution has been cross-walked with the prior year distribution.

FTEs By Fund Category



Historical & Estimated FTEs FY 1983 - 2016



Summary of Changes – Regulatory Fees

(Dollars in Thousands)

	FY 2015 Appropriation	FY 2016 Congressional Request	Net Change
Offsetting Collections	\$328,754	\$375,746	\$46,992
Offsetting Collections - OIG	11,090	12,254	1,164
Total Spending Authority - Offsetting Collections	\$339,844	\$388,000	\$48,156
FCC Full-Time Equivalents	1,660	1,615	(45)
FCC-OIG Full-Time Equivalents	48	56	8
Total Full-time Equivalents	1,708	1,671	(37)

Explanation of Changes

FCC - Without Office of Inspector General:

Salaries and Inflationary Increases to Base:

Salary Increases - Pay Raise (1%)	\$2,387
Salary Increases - Within Grade & Career Ladder Increases (1%)	\$2,468
Non Salary Increases (1.6%)	\$1,514

Subtotal **\$6,369**

Other Adjustments to Base

IT - Broadband Map	\$3,000
IT - Public Safety Answering Points (PSAP) Do Not Call Registry	\$600
IT - Replacing FCC's Legacy Infrastructure with a Managed IT Service Provider	\$5,790

Subtotal **\$9,390**

One-Time Requests:

FCC HQ Move/Restacking	\$44,169
IT - Rewriting of FCC Legacy Applications as a Modular "Shift" to a Modern, Resilient Cloud-based Platform	\$9,569
IT - Improving the Resiliency of the FCC Enterprise	\$2,245
IT - Public Safety Answering Points (PSAP) Do Not Call Registry	\$250

Subtotal **\$56,233**

Recovery of USF Oversight Cost (\$25,000)

FCC Subtotal - without Office of Inspector General **\$46,992**

FCC - Office of Inspector General (OIG):

OIG Base Increase (Eight FTEs & Contract Services) \$1,164

TOTAL **\$48,156**

Narrative Explanation of Increases – Salaries and Expenses

Salaries and Inflationary Increases to Base

\$6,369,123

1. **Personnel Compensation and Benefits** - The requested \$4,855,473 provides funds to cover the cost of 1% FY 2016 pay raise (\$2,386,955) and 1% within grade and career ladder increases (\$2,468,518).
2. **Non-Salary Increases** - The requested \$1,513,650 provides expected inflationary increases for space rentals (GSA and non-GSA facilities), phones, utilities, printing and reproduction services, contractual services, and supplies. These increases are developed in accordance with OMB guidelines for projected inflationary costs of 1.6%.

Other Increases to Base

\$10,553,707

1. **IT Modernization (\$9,390,107)**

a. **National Broadband MAP: (\$3,000,000)**

In FY 2014 and prior fiscal years, maintenance and improvement costs for the National Broadband Map were included in the Department of Commerce's National Telecommunications and Information Administration's (NTIA) appropriations. Subsequently, NTIA entered into reimbursable agreements with the FCC for the work performed by the Commission staff. In FY 2015, the Commission will be fully responsible for the maintenance and improvement costs of the National Broadband Map. The modernization of FCC Form 477 will drive an evolution of the National Broadband Map to further improve its utility as a key resource of broadband deployment for consumers, policymakers, researchers, economists, and others. The online platform will leverage previous investments with new approaches to open government data and in creating a robust and sustainable online platform. The ongoing maintenance and improvement costs of these efforts for FY 2016 will be \$3 million.

b. **Public Safety Answering Points (PSAP) Do Not Call Registry: (\$600,000)**

Section 6507 of the *Middle Class Tax Relief and Job Creation Act of 2012* requires the Commission to create a Do-Not-Call registry for telephone numbers used by Public Safety Answering Points (PSAPs) and to prohibit the use of automatic dialing equipment to contact those numbers. PSAPs are facilities that have been designated to receive emergency calls and route them to emergency service personnel. On October 17, 2012, the Commission released a Report and Order creating such a registry. Under the statute, verified PSAP administrators or managers must be able to place into the PSAP registry telephone numbers that are used for the provision of emergency services or for communications between public safety agencies.

c. Replacing FCC's Legacy Infrastructure with a Managed IT Service Provider: (\$5,790,107)

The FCC, like most agencies in the 1990s, has traditionally utilized monolithic enterprise servers, an approach that previously served us well. However, as these servers pass end-of-life (EOL) status, the Commission needs to transition by moving its IT infrastructure off-premise and shifting to an externally hosted, managed IT service environment vs. attempting to maintain and upgrade IT hardware on-site at FCC Headquarters. Transitioning to a managed IT service provider will provide a foundation for the Commission's cloud-based IT modernization, offering a much higher level of service and security for both internal and external clients. Cost savings in future years, in addition to cost avoidance, are expected as the FCC will be able to reduce its onsite contracts supporting physical hardware. The net result will be faster, more resilient, and more efficient IT service to FCC stakeholders, in addition to a cost reduction of \$2 to \$3 million in labor and non-automated tasks by FY 2017.

The FCC has started this transition in FY 2015 and is projected to finish in FY 2016 with the additional funding requested. Funds need to be invested to complete the shift to a managed IT environment. Not doing so before the end of FY 2016 would result in dramatically increased costs maintaining the existing legacy infrastructure and server rooms on-site at FCC. Absent such an investment, the Commission's Operations and Maintenance costs will continue to increase. Moreover, IT service performance has been declining in recent years because the Commission has been relying on 207 different systems, of which more than 50 percent are over 10 years old.

2. Office of the Inspector General: (\$1,163,600)

The Office of Inspector General's (OIG) efforts have been increasing in the areas of audits and investigations. As a result, OIG has initiated top level investigative cases and top risk program audits. The OIG's FTEs have been increasing over the past few budget years and this influx of additional staff has provided the OIG the capability to maintain mission accomplishment and basic compliance. Nevertheless, more can be done to improve the OIG's mission. The OIG is requesting a compensation and benefit base line increase of \$948,262 in the FY 2016 budget request. The OIG will use these funds to hire six auditors and two investigators at the GS-12 level. The OIG has over 70 open cases with more forthcoming. With additional criminal investigators the OIG can take on more cases and decrease the number of open cases. The OIG currently has 11 active audits and four ready to start. The OIG is also planning over 50 audits of the Universal Service Fund Programs over the next five years. The additional OIG audit staff can manage more audits and resolve more cases.

The OIG is requesting a contract funding base line increase of \$215,338 in the FY 2016 budget request. The OIG has reduced its contract funding to offset some of the cost of adding additional FTEs. The OIG needs additional contract funds to assist investigation division legal support. The cost of outsourced legal support has increased substantially over the past few years. There are more cases that need additional attention and adding contract funding provides the OIG with the funding necessary to process cases for trial.

One-Time Requests

\$56,233,170

1. **FCC Headquarters Move (\$44,168,497)**

The Commission's current leases for Portals I and Portals II at 445 12th Street, Washington, DC will expire in October 2017. Prior to expiration, the Commission is required to either move to a new facility or restack the existing facility and, as part of this process, substantially reduce our square footage and lower our rental expense. If the Commission does not move or restack the building before the termination of the lease, GSA has informed the Commission that the new lease payments are likely to increase by approximately \$9 million per year. It is estimated that the move or restacking will provide up to \$119 million in total savings over fifteen years.

The FCC Headquarters Lease Budget Scenario estimates for the move provided by GSA under GSA requirements are as follows:

- The new lease will include a total of 473,000 rentable square feet or a 28% reduction from 659,030 rentable square feet.
- The real and personal property cost for the modifications is estimated at \$70,971,499. Out of that \$51,358,717 will be spent in FY 2016 and \$19,612,782 will be spent in FY 2017.
- It is expected that the utilization rate per person will be 180 or a 34% reduction from the current space utilization rate of 272.

2. **IT Modernization (\$12,064,673)**

a. **Rewriting of FCC Legacy Applications as a Modular "Shift" to a Modern, Resilient Cloud-based Platform: (\$9,569,493)**

Since many of the Commission's 207 IT systems contain applications which are more than a decade old, the software and code associated with the Commission's existing IT architectures are unable to support a move to a cloud-based infrastructure as they currently stand – they are simply too old to be hosted in a cloud-based platform. To accomplish this task, the Commission's IT modernization plan includes an update to applications in a modular fashion in order to place them in the cloud structure while supporting continuing operations. The Commission will follow a three-part plan: (1) adapt open source solutions for Commission application needs where appropriate; (2) buy commercial software if adaption is not available or if a cost effective option is not available; and (3) create code if neither open source nor commercial options are available.

The applications will be redesigned and provided through a service catalog approach in a true cloud environment. This rewrite also provides an opportunity to simultaneously improve resiliency, security, and functionality. The replacing of the Commission's legacy infrastructure with a managed IT service provider will complete the "lift" away from the Commission's physical infrastructure – this rewriting of the Commission's legacy IT applications will complete the "shift" to a cloud-based platform. Some data can be moved readily to the cloud;

however, existing applications with programmed logic must be recoded using agile methods that leverage open source and commercially available solutions wherever possible.

Moving to the cloud and rewriting of applications within a cloud infrastructure enables the Commission to achieve an estimated long-term cost avoidance of \$5 to \$10 million over five years in hardware and personnel/contractor costs. Transitioning to the cloud also accelerates the modernization of the Commission's infrastructure, allowing the bulk of the work to be completed by the end of FY 2016, and improves the resiliency and security of the Commission's IT.

b. Improving the Resiliency of the FCC Enterprise: (\$2,245,180)

The Commission's IT group has worked tirelessly over the last several years to implement improved security architecture both in the internal user network and the traditional web infrastructure. The Commission has multiple embedded applications which operate commercial software that are no longer supported, and this increases the Commission's vulnerability to cyber-attacks and failures which cannot be cured without replacing the software. While the Commission moved to Windows 7 before the support for Windows XP expired, 54 instances of Sybase and numerous Cold Fusion applications are still in operation. The pace and persistence of cyber-attacks continues to rise and there is no foreseeable end. The Commission must therefore shift away from these outdated platforms.

Accomplishing this task requires immediate fixes to pass Federal Information Security Management Act (FISMA) audits and ensure the security of the Commission's enterprise. As the Commission moves to a hosted cloud-based solution, the security implementation needs to be retooled for this new threat model. The Commission will extend and enhance its existing security tool-set to provide the appropriate assurance level and resiliency for the external shared environments and internal environments.

c. Public Safety Answering Points (PSAP) Do Not Call Registry: (\$250,000)

Section 6507 of the *Middle Class Tax Relief and Job Creation Act of 2012* requires the Commission to create a Do-Not-Call registry for telephone numbers used by Public Safety Answering Points (PSAPs) and to prohibit the use of automatic dialing equipment to contact those numbers. PSAPs are facilities that have been designated to receive emergency calls and route them to emergency service personnel. On October 17, 2012, the Commission released a Report and Order to create such a registry. Under the statute, verified PSAP administrators or managers must be able to place into the PSAP registry telephone numbers that are used for the provision of emergency services or for communications between public safety agencies.

Crosswalk - Summary of Changes

(Dollars in thousands)

	FY15 Approp	Adjustment to the Baseline	Inflation		Increases to Operations Baseline	One-Time Costs	FY16 Request		USF Recovery	Adjusted Total
			Personnel	Non-Salary			Total	Bureau Tables		
Consumer & Governmental Affairs	\$23,742	(\$557)	\$422	\$34	\$0	\$0	\$23,641	\$23,641	(\$266)	\$23,375
Enforcement	\$44,438	(\$1,236)	\$780	\$68	\$0	\$0	\$44,051	\$44,051	(\$6,748)	\$37,302
International	\$21,104	(\$567)	\$378	\$26	\$0	\$0	\$20,942	\$20,942	(\$126)	\$20,816
Media	\$26,585	(\$755)	\$486	\$25	\$0	\$0	\$26,341	\$26,341	\$0	\$26,341
Public Safety & Homeland Security	\$17,771	(\$374)	\$325	\$19	\$0	\$0	\$17,741	\$17,741	\$0	\$17,741
Wireless Telecommunications	\$16,528	(\$956)	\$303	\$7	\$0	\$0	\$15,882	\$15,882	(\$878)	\$15,004
Wireline Competition	\$30,393	(\$757)	\$557	\$29	\$0	\$0	\$30,222	\$30,222	(\$12,681)	\$17,541
Office of Admin Law Judges	\$372	\$0	\$7	\$1	\$0	\$0	\$380	\$380	\$0	\$380
Office of Commun. Business	\$1,935	\$1	\$37	\$2	\$0	\$0	\$1,974	\$1,974	\$0	\$1,974
Opportunities										
Office of Engineering and Technology	\$15,489	(\$379)	\$276	\$21	\$0	\$0	\$15,407	\$15,407	\$0	\$15,407
Office of General Counsel	\$14,383	(\$379)	\$268	\$10	\$0	\$0	\$14,282	\$14,282	(\$1,272)	\$13,010
Office of Legislative Affairs	\$2,205	\$1	\$42	\$1	\$0	\$0	\$2,250	\$2,250	(\$117)	\$2,132
Office of Managing Director ¹	\$101,327	\$6,143	\$760	\$1,247	\$9,390	\$56,233	\$175,099	\$175,099	(\$1,960)	\$173,140
Office of Media Relations	\$2,849	\$1	\$48	\$7	\$0	\$0	\$2,905	\$2,905	\$0	\$2,905
Office of Strategic Planning & Policy Analysis	\$3,874	(\$191)	\$70	\$3	\$0	\$0	\$3,757	\$3,757	(\$952)	\$2,805
Office of Workplace Diversity	\$653	\$0	\$12	\$1	\$0	\$0	\$666	\$666	\$0	\$666
Office of Inspector General	\$11,090	\$0	\$0	\$0	\$1,164	\$0	\$12,254	\$12,254	\$0	\$12,254
TOTAL	\$339,844	\$0	\$4,855	\$1,514	\$10,554	\$56,233	\$413,000	\$413,000	(\$25,000)	\$388,000

Note 1 - 92% of the increase is attributed to the HQ Move/Restacking.

SPECTRUM AUCTIONS

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Spectrum Auctions - Explanation of Requested Change

The Federal Communications Commission is requesting \$117,000,000 for the Spectrum Auctions Program for FY 2016, as shown below.

(Dollars in Thousands)

	FY 2015		FY 2016		Requested Change	
	FTE	Appropriation	FTE	Congressional Request	FTE	Amount
Auction Cost Recovery	226	\$106,000	230	\$117,000	4	\$11,000

Explanation of Changes	
Salaries and Inflationary Increases to Base:	
Salary Increases - Pay Raise (1%)	\$382
Salary Increases - Within Grade & Career Ladder Increases (1%)	\$380
Non Salary Increases (1.6%)	\$591
Subtotal	\$1,353
One-Time Requests:	
Broadcasting Relocation Fund Administrator and Related Government Compliance Work	\$2,457
FCC HQ Move/Restacking	\$7,190
Subtotal	\$9,647
TOTAL	\$11,000

The one-time request for the TV Broadcaster Relocation Fund (Relocation Fund) will mainly be used to engage an Administrator to manage the \$1.75 billion that will be reimbursed to the TV Broadcasters. The funds will also be used to reasonably ensure that the Administrator has implemented proper internal controls to detect and to deter waste, fraud, and abuse in the Relocation Fund. This includes work required to comply with the *Standards for Internal Control in the Federal Government* issued by the Government Accountability Office, *OMB Circular A-123, Management's Responsibility for Internal Control*, and other required standards and guidelines. Also, the funds will also be used to comply with the requirements of *Improper Payments Elimination and Recovery Improvement Act*.

Spectrum Auction Expenditures Report

Section 309(j) of the *Communications Act* permits the Commission to utilize funds raised from auctions to fund auctions purchases, including contracts for services, and personnel performing work in support of Commission auctions authorized under that section. The FCC's Office of General Counsel (OGC) and Office of Managing Director (OMD) provide direction to FCC employees attributing hours for this purpose. The House of Representatives and Senate Appropriations Committees review and set a cap yearly for the auctions cap. The requested cap level for FY 2016 is \$117,000,000, or an \$11,000,000 increase over the FY 2015 level.

The Commission's auctions expenditures support efficient licensing while also contributing funds to the U.S. Treasury and providing direct support to government programs. In particular, in the *Middle Class Tax Relief and Job Creation Act of 2012* Congress directed that proceeds from certain spectrum auctions, including auctions of licenses covering spectrum offered (or to be offered) in the H Block auction, AWS-3 auction, and Incentive Auction, fund certain public safety related programs and contribute to deficit reduction. Specifically, Congress directed that the proceeds from these auctions be distributed as follows: \$135 million for a state and local FirstNet implementation fund, \$7 billion for FirstNet build out, \$300 million for public safety research, and \$20.4 billion and any additional proceeds for deficit reduction.

As of September 30, 2014, the Commission has raised more than \$53 billion in auctions revenues since initiating the program in 1994. Since then, the auctions expenses have been approximately two percent of the Commission's total auctions revenues. The Commission operated the auctions program for 10 years under a cap without inflationary adjustments, only receiving an increase in FY 2013 to fund the start-up for the Incentive Auctions program. The Incentive Auction team is composed of staff from across the Commission, including the Wireless Telecommunications Bureau, Media Bureau, International Bureau, Office of Engineering and Technology, Office of the Managing Director, and Office of General Counsel.

Auctions activities are performed agency-wide and are Information Technology (IT) intensive, as reflected in our expenditures. Auctions funds also cover the program's share of Commission operating expenses. The FCC uses these funds to enable successful auctions and expends them in a manner consistent with that objective.

In cost accounting, costs are identified as one of the following: (1) direct cost, (2) indirect cost, or (3) generally allocated cost. The methodology for deriving the proportional share of generally allocated administrative costs to be charged to the auction program is based on the Commission's time reporting system and Generally Accepted Accounting Principles. The share is based on the percentage of actual hours that employees worked to support the auction program plus the same proportional share of the employee's indirect hours (leave hours). This FTE Employee rate is applied to costs that benefit the Commission as a whole. These items that are allocated by the FTE rate include Commission-wide Information Systems, guard service, administrative facility services, supplies, furniture, equipment, and human resources training activities. The FCC has maintained an average number of 14 percent for this purpose, with minor deviations.

The Commission conducted two spectrum auctions in FY 2014. The H Block auction of licenses for 10 megahertz of spectrum in the 1.9 gigahertz band and an auction of 22 AM Broadcast construction permits netted a total of \$1,564,594,550. So far, in FY 2015 the FCC is conducting the AWS-3

auction for 65 megahertz of spectrum in the 1.7 and 2.1 gigahertz bands, which has bids totaling more than \$44 billion, and is working on rules and procedures for several other auctions.

In addition to conducting the AWS-3 auction utilizing regular staff and equipment, the Commission's primary auctions focus during FY 2015 will be the development and operation of the Incentive Auctions process. This process requires the creation and adoption of rules and procedures for the first-ever two sided auction of spectrum by the Government. Additionally, the FCC must design and develop software to implement the auction, which involves two separate but interdependent auctions – a reverse auction, which will determine the price at which broadcasters will voluntarily relinquish their spectrum usage rights, and a forward auction, which will determine the price companies are willing to pay for flexible use wireless licenses. The lynchpin joining the reverse and the forward auctions is the “repacking” process. Repacking involves reorganizing and assigning channels to the remaining broadcast television stations in order to create contiguous blocks of cleared spectrum suitable for flexible use. The repacking component of this auction makes it uniquely computationally complex, requiring additional software, cloud computing resources and the assistance of skilled computer scientists, software engineers, and technology security experts.

The Commission has said publicly that it expects to begin the auction in early 2016, so it is likely that the auction event and related FCC activities and actions will continue at a high intensity through FY 2015, FY 2016 and FY 2017. Given the level of interest in this auction, the involvement of both the broadcast and wireless communities, and the novelty and uniqueness of the auction, additional staff is required to administer the auction process, including accepting and reviewing auction applications (from both wireless parties and broadcast parties); developing and conducting bidder training and outreach; accepting and reviewing final applications for winning bidders in both the forward and reverse auctions; monitoring and supporting the bidding process; and issuing licenses to winning wireless bidders and modifying licenses for broadcasters who are changing channels or voluntarily changing bands as well as terminating licenses for those who voluntarily choose to cease broadcasting. Finally, staff must design and manage the repacking and transition process for clearing the appropriate portions of the band of broadcast licenses so it can be repurposed for broadband use.

In addition, in the interest of ensuring a robust and effective auctions administration system for the future in furtherance of its core auction responsibility, the Commission is developing a more secure, flexible, and technically up-to-date auction bidding system to replace the system it has been using since 2005.

The Commission does not use the “Base” and “Programmatic Increase” formula for Auctions. In addition to the previous year funding levels and projects supporting the program, the following are specific items requested in FY 2014 that have continuing costs into FY 2015 and FY 2016:

- Hardware and software costs to support the unique aspects of the Incentive Auction. These hardware and software resources (including integer optimization software, propagation modeling software, and cloud computing) will be used for repacking analysis and to support both the reverse and forward auctions.
- Auction design and implementation experts. The incentive auction is novel and complex and the FCC has contracted with leading experts in auction design and implementation to help execute the auction.
- Broadcaster Relocation Fund Administrator to lead and manage and track distributions from the Broadcaster Relocation Fund.

Additionally, the following staffs are considered mission-essential for FY 2015 and FY 2016:

- Additional staff to support the efficient processing of applications from broadcasters and wireless bidders (six staff total).
- Additional staff to operate the FCC Call Center and initiate consumer outreach to support increased volume related to television channel changes caused by the incentive auctions.

The actual FTE level for FY 2014 and estimated FTE levels for FY 2015 and 2016 are shown on page 15.

FY 2016 Budget Estimates to Congress
Summary Table – Disbribution of Resources – Spectrum Auctions
(Dollar in Thousands)

AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY:

-- The following table depicts the distribution of the actual resources for FY 2014, Congressional Approved for FY 2015, and estimated obligations for FY 2016 utilizing auctions cost recovery reimbursable authority.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$27,991	\$29,639	\$30,233
Personnel Benefits (12.0)	7,632	8,384	8,552
Subtotal Personnel Comp. & Benefits	<u>\$35,623</u>	<u>\$38,023</u>	<u>\$38,785</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$10	\$8	\$8
Travel (21.0)	403	451	456
Transportation of Things (22.0)	8	7	7
GSA Rent (23.1)	7,753	6,754	6,821
Other Rents, Comm., Utilities (23.3)	1,938	1,649	1,666
Printing and Reproduction (24.0)	150	210	212
Contract Services - Non-Fed (25.2)	10,971	19,212	29,576
Fed. Purchase, Goods & Services (25.3)	557	333	337
Operation & Maint. of Equipment (25.7)	38,468	37,546	37,306
Supplies and Materials (26.0)	203	257	260
Equipment (31.0)	1,039	1,549	1,565
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	1	1
Subtotal Other Expenses	<u>\$61,502</u>	<u>\$67,977</u>	<u>\$78,215</u>
Total Auctions Cost Recovery Reimbursable Obligations:	<u><u>\$97,125</u></u>	<u><u>\$106,000</u></u>	<u><u>\$117,000</u></u>

Spectrum Auctions Program

The *Omnibus Budget Reconciliation Act of 1993*, P.L. 103-66, required the Commission to auction portions of the spectrum for certain services, replacing the former lottery process. The Commission is required to ensure that small businesses, women, minorities, and rural telephone companies have an opportunity to participate in the competitive bidding process. The Commission initiated regulations implementing the spectrum auction authority granted by the legislation and conducted its first round of auctions in July 1994. To date the Commission has completed 85 auctions. As of September 30, 2014, total net winning bids collected and deposited into Treasury from this program have exceeded \$53.6 billion. The original spectrum auction authority was scheduled to expire in FY 1998; however, it was extended through FY 2007 in the *Balanced Budget Act of 1997*, P.L. 105-33; extended through FY 2011 by the *Deficit Reduction Act of 2005*, P.L. 109-171; extended through FY 2012 by the *DTV Delay Act* (2012), P.L. 111-4; and most recently, the authority was extended through September 30, 2022, by the *Middle Class Tax Relief and Job Creation Act of 2012*, P.L. 112-96.

The Commission is authorized to retain funds from auction revenues necessary to develop, implement, and maintain the auction program. These funds cover the personnel and administrative costs required to plan and execute spectrum auctions; operational costs to manage installment payments and collections activities; development, implementation, and maintenance of all information technology systems necessary for Auctions operations, including development of a combinatorial bidding system; and a proportional share of the general administrative costs of the Commission based on the split of direct FTE hours. This budget submission assumes the auctions program will continue to recover the costs of conducting all auctions activities from spectrum license auction receipts as the Commission continues to use auctions as a licensing mechanism for spectrum based communications services. The FY 2015 Appropriations language capped the auctions program at \$106 million. We have requested \$117 million in FY 2016 for the auctions program.

The *Balanced Budget Act of 1997*, P.L. 105-33, required that the Commission provide to authorizing committees a detailed report of obligations in support of the auctions program for each fiscal year of operation, as a prerequisite to the continued use of auctions receipts for the costs of all auctions activities. The FY 2014 Auction Expenditures Report will be provided to the appropriate Congressional committees by September 30, 2015. The FY 2015 and FY 2016 Auction Expenditures Reports will be submitted by the end of September 2016 and 2017, respectively.

FY 2009 - FY 2014 Auctions Activities

	2009	2010	2011	2012	2013	2014
Beginning Cash as of October 1st	\$208,389,094	\$86,739,323	\$217,280,263	\$199,151,298	\$166,489,365	\$69,071,964
Current Year Net Cash	(76,190,354)	164,048,851	23,580,516	(18,800,654)	(90,056,921)	252,795,558
Less: Deferred Revenue as of Sept 30th	(27,234,636)	(33,210,155)	(41,411,725)	(13,135,795)	(6,759,936)	(3,318,096)
Less: Deposit Liability - Refunds as of Sept 30th¹	(18,224,781)	(297,756)	(297,756)	(725,484)	(600,544)	(617,544)
Available Auction Cash as of Sept 30th	<u>\$86,739,323</u>	<u>\$217,280,263</u>	<u>\$199,151,298</u>	<u>\$166,489,365</u>	<u>\$69,071,964</u>	<u>\$317,931,882</u>

¹ Cash associated with licenses that have not been granted.

Spectrum Auctions and Collections
FY 1994 through FY 2014
As of September 30, 2014

<u>FY</u>	<u>Number of Auctions</u>	<u>Number of Licences Granted</u>	<u>Amount Collected</u>
1994	2	604	\$652,954,213
1995	2	129	\$8,234,321,195
1996	6	2,026	\$2,019,328,594
1997	4	1,614	\$2,205,922,232
1998	2	1,388	\$860,926,006
1999	6	1,693	\$499,598,445
2000	8	4,403	\$1,335,043,186
2001	4	3,447	\$583,599,901
2002	7	7,036	\$135,575,062
2003	7	3,144	\$77,121,620
2004	5	267	\$126,790,232
2005	6	2,803	\$2,208,332,556
2006	5	1,284	\$13,834,972,696
2007	5	293	\$163,429,971
2008	3	1,144	\$18,987,913,049
2009	2	115	\$5,592,769
2010	3	4,788	\$25,967,083
2011	3	126	\$31,036,203
2012	1	93	\$3,868,825
2013	2	3197	\$5,766,729
2014	2	186	\$1,564,594,550
Total	85	39,780	\$53,562,655,117

Recovery of USF Oversight Cost

The Commission requests a transfer of \$25 million from the Universal Service Fund (USF) for the Commission's oversight costs of USF programs and administration. Significant resources are required to adequately oversee almost ten billion dollars collected and distributed annually through the universal service programs. Since 2010 the Commission has initiated several reform efforts in the universal service programs, including the High Cost programs, which focus on supporting and expanding broadband availability to all Americans; the Lifeline program, which provides telecommunications and broadband services to low-income families; the Rural Health Care programs, which provides broadband connectivity to non-profit health care providers; and the Schools and Libraries program, which ensures access to telecommunications and broadband services to eligible schools, school districts, libraries, and consortia. These reforms require substantial ongoing work to implement and clarify the changes, to direct outreach and stakeholder communications, and to develop new procedures to both validate commitments and disbursements at the beginning of the process and confirm that the support was accurate post-disbursement. In addition, the Commission takes seriously its responsibility to ensure program integrity and combat fraud, waste, and abuse through targeted program enforcement and oversight investments.

While the USF administrator is responsible for the daily tasks associated with applications, collections of receipts, and disbursements; Commission staff must still provide significant guidance in developing and approving many of the critical procedures to ensure they are being conducted consistent with the Commission's rules and directives. Further, beneficiaries call upon the Commission to interpret its rules and review decisions made by the USF administrator regarding denial or changes to their funding requests.

In addition to overseeing the day-to-day operations of the programs and addressing issues as they arise, the Commission is actively involved in identifying, reducing, and combating improper payments, including waste, fraud, and abuse. Approximately \$10 million of the request will be used for anti-fraud efforts – many of which are currently being developed by the Commission. Specifically, the Commission is in the process of creating a Joint USF Anti-Fraud Task Force (Task Force) to combine resources agency-wide. The Task Force will develop and implement a strategic, targeted approach to identifying, preventing, eliminating, and prosecuting activities that undermine the integrity of the USF programs, in addition to recovering of funds that should not have been disbursed due to those fraudulent activities. In time, it is expected that these additional investments will return substantially more than they cost in the form of reduced and recovered improper payments, as well as improved improper payment identification and mitigation.

The Enforcement Bureau, the Office of Managing Director and the Wireline Competition Bureau will manage these resources. These divisions within the Commission will work together to pro-actively analyze data to identify risk areas and develop a plan for targeted audits and investigations. Those audits and investigations could, for example, result in enforcement actions, as warranted, or the creation of corrective action plans to reduce improper payments. Additionally, USF information technology resources require significant modernization. Enhanced financial and programmatic information systems will improve the efficiency of data collection, which can be used to identify and reduce improper payments, fight waste, fraud, and abuse, as well as provide opportunities for outcomes-based policy-making.

Economy Act Reimbursable Agreements

In FY 2014, the Commission earned approximately \$2.9 million in Economy Act Reimbursable Agreements with other Federal agencies, of which the National Telecommunications Information Administration holds the largest agreement in the amount of \$1.6 million. The Commission has agreements ranging from \$7 thousand to \$750 thousand with other agencies such as Broadcasting Board of Governors, Department of State, Department of Justice, General Services Administration, and many others. The Commission estimates that in FY 2015 and FY 2016, reimbursable agreements will total close to \$6 million and \$4 million, respectively.

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FEE COLLECTIONS

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Regulatory Fee

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

The fees collected are intended to recover the costs attributable to the Commission’s enforcement, policy and rulemaking, user information services, and international regulatory activities.

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

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

The provisions of this law, codified at 47 U.S.C. § 159, give the Commission authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriation from year to year. It may also add, delete or reclassify services under certain circumstances. Additionally, the legislation requires the Commission to charge a 25% late payment penalty and to dismiss applications or revoke licenses for non-payment of the fees, although it may waive, reduce, or defer payment of a fee for good cause.

The Commission implemented the Regulatory Fee Collection Program by rulemaking on July 18, 1994. The most recent fee schedule became effective on September 12, 2014, pursuant to an order adopted and released by the Commission on August 29, 2014.

Availability of Regulatory Fee

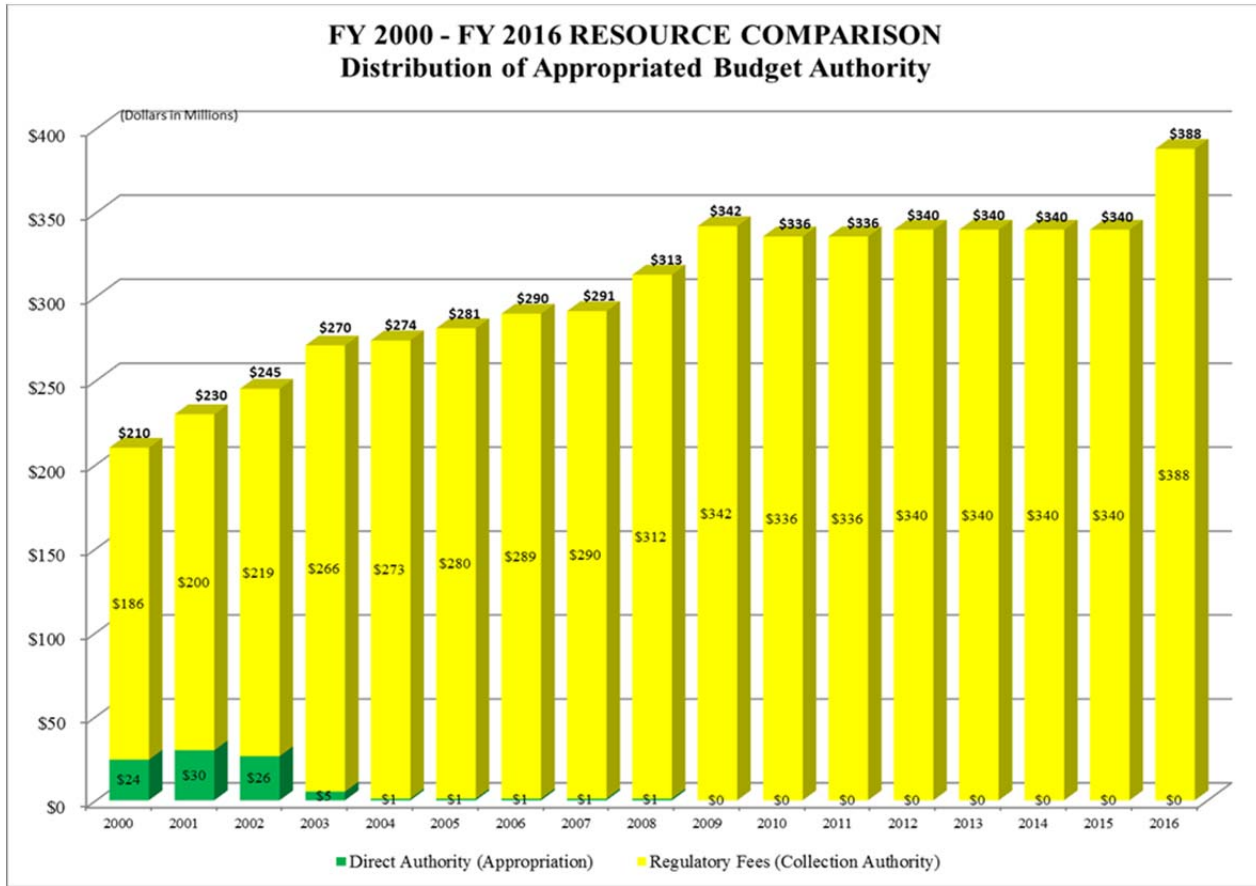
Appropriations language for FY 2015 prohibits the Commission from using any excess offsetting collections received in FY 2015 or any prior years. The Commission proposed the same treatment of excess collections in its FY 2016 budget request. As of September 2014, the Commission has collected just over \$90 million in excess regulatory fees.

The Commission receives an annual Salaries & Expense appropriation. On March 1, 2013, OMB issued a report to Congress on sequestration for FY 2013. For the FCC, this translated into a \$17 million temporary reduction in new budgetary authority. The sequestered amount is currently in offsetting collections and the availability of this fund is subject to appropriation authority.

The FY 2015 enacted appropriation maintained regulatory fees at the \$339.8 million level. The FY 2016 budget proposes an increase of regulatory fees to \$388 million level. These regulatory fee levels will support Commission-wide goals that will allow the Commission to serve the American public in an efficient, effective, and responsive manner. The distribution of budget authority between direct and offsetting collections from regulatory fees is illustrated in the graph below.

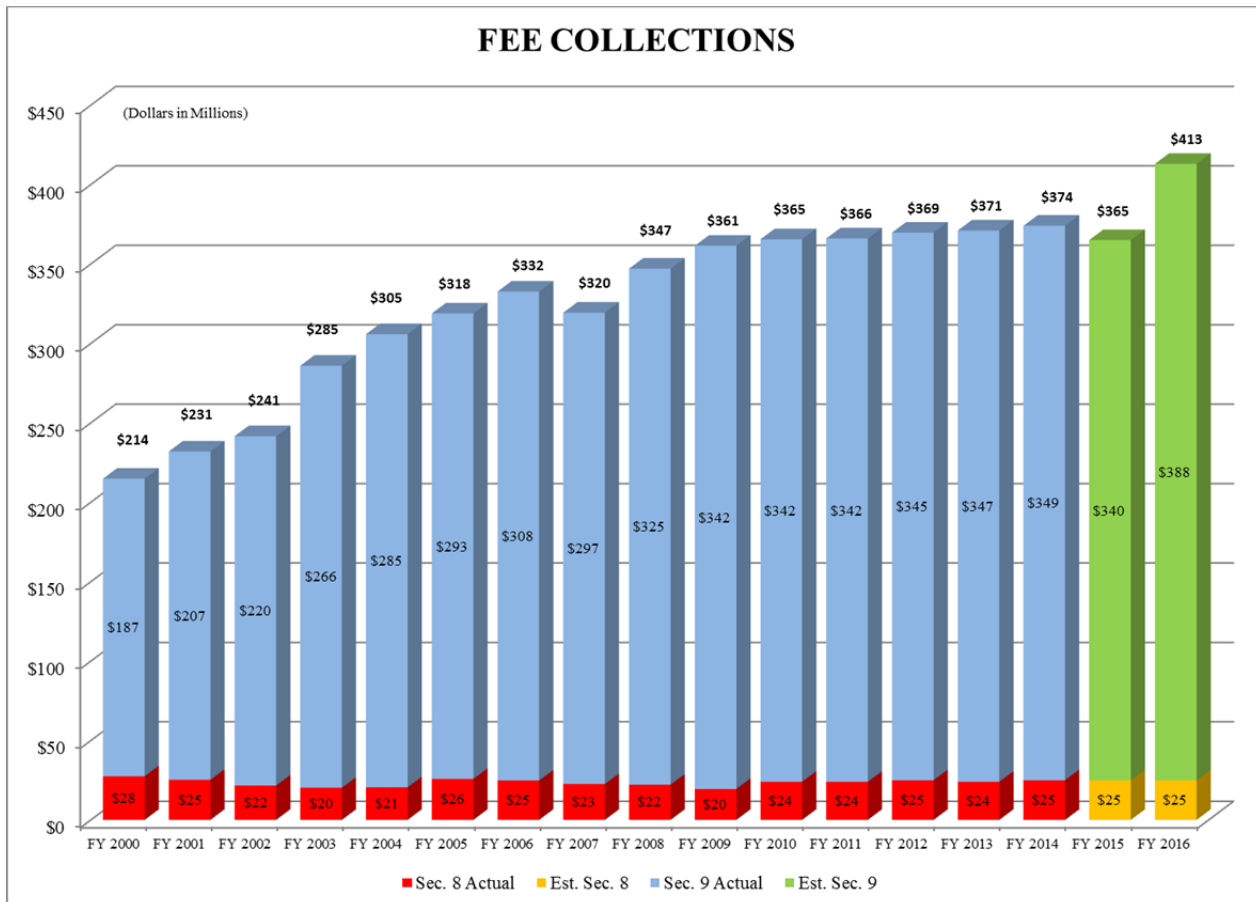
Historical Distribution of Appropriated Budget Authority

The following graph depicts the historical distribution of appropriated budget authority since FY 2000.



Application Processing Fee

Since FY 1987, the Commission has collected and deposited into the General Fund of the U.S. Treasury, the application processing fees, often referred to as Section 8 fees. These fees are intended to recover a substantial portion of the costs of the Commission’s applications processing functions. The program encompasses over 300 different fees, with the vast majority collected at the time an original license application, renewal, or request for modification is filed with the Commission. Most fees are assessed as a one-time charge on a per-application basis, although there are certain exceptions. Government, nonprofit, non-commercial broadcast, and amateur license applicants are exempt from the fees. A lockbox bank is used to collect the fees, with all fees deposited into the General Fund of the U.S. Treasury. Once deposited, these fees are generally not refundable regardless of the outcome of the application process. The Commission must review and revise the fees every two years based upon changes to the Consumer Price Index (CPI). The most recent Order increasing application fees to reflect changes in the CPI index was adopted by the Commission on March 24, 2014, and released on March 25, 2014. This adjustment complies with the statutory formula set forth in Section 8(b). Application Processing Fee Collections (Section 8) and Regulatory Fee collections are summarized in the following graph.



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PERFORMANCE PLAN

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PERFORMANCE PLAN

Mission

As specified in section one of the Communications Act of 1934, as amended, the Federal Communications Commission's (FCC or Commission) mission is to "make available, so far as possible, to all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex, rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges."¹ In addition, section one provides that the Commission was created "for the purpose of the national defense" and "for the purpose of promoting safety of life and property through the use of wire and radio communications."²

Vision Statement

The FCC's vision is to promote the expansion of competitive telecommunications networks, which are a vital component of technological innovation and economic growth, and to protect and promote the network compact, including consumer protection, competition, universal access, public safety and national security - while ensuring that all Americans can take advantage of the services that networks provide.

About the Federal Communications Commission

The FCC is an independent regulatory agency of the United States Government. The FCC is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The Commission also regulates telecommunications and advanced communication services and video programming for people with disabilities, as set forth in various sections of the Communications Act.

The FCC is directed by five Commissioners appointed by the President and confirmed by the Senate for five-year terms, except when filling the unexpired term of a previous Commissioner. Only three Commissioners can be from the same political party at any given time. The President designates one of the Commissioners to serve as Chairman.

The FCC is organized by function. There are seven Bureaus and ten Offices. The Bureaus and the Office of Engineering and Technology process applications for licenses to operate facilities and provide communications services; analyze complaints from consumers and other licensees; conduct investigations; develop and implement regulatory programs; and organize and participate in hearings and workshops. Generally, the Offices provide specialized support services. The Bureaus and Offices are:

- **The Consumer & Governmental Affairs Bureau** develops and implements consumer policies, including disability access and policies affecting tribal nations. The Bureau serves as the public face of the Commission through outreach and education, as well as responding to consumer inquiries and complaints. The Bureau also maintains collaborative partnerships

¹ 47 U.S.C. § 151.

² *Id.*

with state, local, and tribal governments in such critical areas as emergency preparedness and implementation of new technologies.

- **The Enforcement Bureau** enforces the Communications Act and the FCC's rules. It protects consumers, ensures efficient use of spectrum, furthers public safety, promotes competition, and protects the integrity of FCC programs and activities from fraud, waste, and abuse.
- **The International Bureau** administers the FCC's international telecommunications and satellite programs and policies, including licensing and regulatory functions. The Bureau promotes pro-competitive policies abroad, coordinating the FCC's global spectrum activities and advocating U.S. interests in international communications and competition. The Bureau works to promote a high-quality, reliable, globally interconnected, and interoperable communications infrastructure.
- **The Media Bureau** recommends, develops, and administers the policy and licensing programs relating to electronic media, including broadcast, cable, and satellite television in the United States and its territories.
- **The Public Safety & Homeland Security Bureau** develops and implements policies and programs to strengthen public safety communications capabilities that assist the public, first responders, the communications industry, and all levels of government in preparing for and responding to emergencies and major disasters.
- **The Wireless Telecommunications Bureau** is responsible for wireless telecommunications programs and policies in the United States and its territories, including licensing and regulatory functions. Wireless communications services include cellular, paging, personal communications, and other radio services used by businesses and private citizens. The Bureau also conducts auctions of spectrum licenses.
- **The Wireline Competition Bureau** develops and recommends policies and licensing programs for wireline telecommunications, including telephone landlines, and fixed (as opposed to mobile) broadband, striving to ensure choice, opportunity, and fairness in promoting the development and availability of these services. The Bureau has particular responsibility for the Universal Service Fund, a public-private partnership that helps connect all Americans to communications networks.
- **The Office of Administrative Law Judges** is composed of one judge (and associated staff) who presides over hearings and issues decisions on matters referred by the FCC.
- **The Office of Communications Business Opportunities** promotes competition and innovation in the provision and ownership of telecommunications services by supporting opportunities for small businesses as well as women and minority-owned communications businesses.
- **The Office of Engineering and Technology** advises the FCC on technical and engineering matters. This Office develops and administers FCC decisions regarding spectrum allocations and grants equipment authorizations and experimental licenses.

- **The Office of the General Counsel** serves as the FCC's chief legal advisor.
- **The Office of the Inspector General** conducts and supervises audits and investigations relating to FCC programs and operations.
- **The Office of Legislative Affairs** serves as the liaison between the FCC and Congress, as well as other Federal agencies.
- **The Office of the Managing Director** administers and manages the FCC.
- **The Office of Media Relations** informs the media of FCC decisions and serves as the FCC's main point of contact with the media.
- **The Office of Strategic Planning and Policy Analysis** works with the Chairman, Commissioners, Bureaus, and Offices in strategic planning and policy development for the agency. It also provides research, advice, and analysis of complex, novel, and non-traditional economic and technological communications issues.
- **The Office of Workplace Diversity** ensures that the FCC provides employment opportunities for all persons regardless of race, color, sex, national origin, religion, age, disability, or sexual preference.

Strategic Goals

The FCC is responsible to Congress and the American people for ensuring an orderly policy framework within which communications products and services can be efficiently and effectively provided to consumers and businesses. Equally important, the FCC must also address the communications needs of public safety, health, and emergency operations; ensure the universal availability of broadband and telecommunications services; make communications services accessible to all people; and protect and empower consumers in the communications marketplace.

The FCC is revising its strategic goals to reflect the focus of effort and resources on the broadband network revolution that is affecting our commerce and culture. A new FCC Strategic Plan will be published along with submission of the FCC's FY 2016 Budget to Congress. Since the revised strategic goals and objectives will be in effect at that time, we utilize them in this document. The goals are:

1. Promoting Economic Growth and National Leadership
2. Protecting Public Interest Goals
3. Making Networks Work for Everyone
4. Promoting Operational Excellence

What the FCC Commits to Accomplish in FY 2016

In implementing its strategic goals, the FCC identified 17 strategic objectives. Each objective has associated performance goals and targets.

Promoting Economic Growth and National Leadership

Strategic Objective 1.1: Develop and implement flexible, market-oriented spectrum allocation and assignment policies, such as incentive auctions and unlicensed uses, which promote innovation, investment, jobs and consumer benefits.

Performance Goals and Targets:

- 1.1.1 Pursue spectrum allocation and license assignment policies to achieve the effective and efficient use of spectrum, including the implementation of incentive auctions.
 - Conduct auctions of licenses for electromagnetic spectrum as directed through statutory mandate or Commission decision.
 - Complete transfer of all eligible auctions revenues to the U.S. Treasury within 30 days of license grant.
 - Provide opportunities for innovative and experimental use of spectrum.
 - Advocate adoption of flexible spectrum allocation and other market-oriented spectrum policies internationally.

- 1.1.2 Ensure that all activities related to an incentive auction of broadcast television spectrum that repurposes a large swath of spectrum to more flexible uses, including mobile broadband, are managed effectively.
- Follow through on auction and post-auction activities that successfully license the auction winners and minimize disruption to incumbents.
- 1.1.3 Conduct effective and timely spectrum licensing and equipment authorization activities.
- Process 95% of routine non-media spectrum license applications, public safety spectrum license applications, and equipment approvals within 90 days of receipt.
 - Take enforcement action in appropriate cases against violations of spectrum-related rules, such as interference and unauthorized use of frequencies.

Strategic Objective 1.2: Ensure effective policies are in place to promote and protect competition and remove barriers to investment.

Performance Goals and Targets:

- 1.2.1 Evaluate and report on the competitive environment for communications services, and act in instances where the data show that competition is threatened.
- Develop and publish reports, by deadlines established in legislation or Commission policy, that provide information concerning competition in the telecommunications, broadcast, cable, commercial wireless, and satellite industries, and develop measures to address concerns where appropriate.
- 1.2.2 Ensure expeditious and thorough review of proposed transactions to ensure they promote competition and serve the public interest.
- Review, process and resolve applications for transfer of control and assignment of licenses in a timely manner.
 - Ensure decisions concerning mergers and transactions cite relevant facts and sources of information, clearly convey the basis for decisions, and are made within 180 days in most cases.

Strategic Objective 1.3: Promote interconnection of networks and terminal equipment on technically sound and economically efficient bases.

Performance Goals and Targets:

- 1.3.1 Employ strategies to encourage investment in networks and services by existing providers, while encouraging participation in broadband markets by new and non-traditional participants.
- Initiate or complete rulemaking actions that provide opportunities for innovations in broadband services.

- Coordinate with industry and academia to identify research opportunities and impediments towards broadband deployment.

Protecting Public Interest Goals

Strategic Objective 2.1: Protect and promote Internet openness for consumers, edge providers and all stakeholders.

Performance Goals and Targets:

2.1.1 Maintain a broadly available, fast and robust Internet that serves as a platform for economic growth, investment, innovation, free expression, and competition.

- Adopt and implement FCC rules that preserve the open Internet as a level playing field for all Americans.
- Participate in international meetings, conferences, and activities to promote a global free and open Internet.

Strategic Objective 2.2: Facilitate the transition from circuit-switched networks to Internet Protocol (IP)-based networks in a way that preserves public interest goals.

Performance Goals and Targets:

2.2.1 Consider rule changes that promote investment in next generation networks in a manner that sustains competition, consumer protection, universal access, public safety and national security.

- Decisions will be fact-based, relying on ongoing fact-gathering initiatives and on data analysis.

Strategic Objective 2.3: Protect the public interest through the promotion of competitive markets, and take action where competition is not sufficient to protect the public interest, including ensuring that consumers remain informed, protected and empowered while harnessing the benefits of networks.

Performance Goals and Targets:

2.3.1 Promote competitive choices for wireless, satellite, and wireline voice and data service providers, for domestic and international services and for multichannel video programming.

- Develop and promulgate Commission policies designed to increase consumer's competitive choices for broadband voice and data, and multichannel video programming equipment and services.
- Promote compliance with rules designed to maximize competitive choices by taking enforcement action in appropriate cases.

Strategic Objective 2.4: Promote competition, localism, and diversity within the media marketplace.

Performance Goals and Targets:

2.4.1 Buttress diversity initiatives and improve existing data collection to better inform regulatory actions.

- Bolster the Commission’s diversity initiatives, including initiatives related to minority/female access to capital, in coordination with OCBO.
- Implement updates to Broadcast Ownership Form (Form 323) to better track diversity of ownership.
- Continue review of impact of Shared Services Agreements on competition, localism and diversity.

Strategic Objective 2.5: Administer broadcast licensing policies that facilitate a vibrant local media marketplace.

Performance Goals and Targets:

2.5.1 Review transactions proposing to transfer the control of Commission broadcast licenses to protect public interest goals.

- Promote clear and consistent application of public interest standards, including appropriately constructed and effectively applied conditions to remedy public interest harms that would otherwise occur if a transaction were approved as proposed.

2.5.2 Follow through on post-incentive auction repacking and reimbursement efforts for remaining broadcasters.

Strategic Objective 2.6: Work with industry and government partners to enhance the cybersecurity of our nation’s critical communications infrastructure.

Performance Goals and Targets:

2.6.1 Work with private sector stakeholders to create a new regulatory paradigm of business-driven cybersecurity risk management.

- Promote effective sharing of information about cyber threats and vulnerabilities in the communications sector.
- Develop risk management processes to tailor the NIST Cyber Security Framework for the communications sector.

Strategic Objective 2.7: Promote access to effective public safety communications services across a range of platforms by public safety, health, defense, and other emergency personnel, as well as all consumers in need.

Performance Goals and Targets:

- 2.7.1 Enhance communications and media network reliability, including emergency preparedness and disaster management practices.
- Ensure that communications networks are available during emergencies and crises by developing reliability standards and enforcing network outage reporting requirements.
 - Ensure that consumers have access to advanced public safety services in an emergency by reviewing service provider compliance and outage reports and taking enforcement action where appropriate.
 - Participate in international meetings, conferences, and activities to promote the continued reliability of the global communications infrastructure.
 - Implement rules to ensure accessibility of emergency information to the public, including persons with disabilities.
- 2.7.2 Promote the deployment of nationwide, reliable, interoperable broadband public safety capabilities.
- Adopt and implement Commission rules that promote the deployment and operation of a common, interoperable broadband infrastructure for America's first responders.
 - Preserve the integrity of public safety communications infrastructure by taking action on 99% of complaints of interference to public safety communications within one day.
- 2.7.3 Implement and enforce rules to ensure the nationwide availability of reliable and effective 911, E911, and NG911 service.
- Promote compliance with the Commission's rules by taking action, where appropriate, on all new complaints and referrals concerning the Commission's 911, E911, and NG911 rules.
- 2.7.4 During crises, work closely with our federal partners such as FEMA and the National Communications System to provide situational awareness data from the Disaster Information Reporting System (DIRS) or data derived from the operation of Project Roll Call equipment.
- Provide all staff resources necessary during crises to gather and provide data from DIRS and Project Roll Call.

Making Networks Work for Everyone

Strategic Objective 3.1: Maximize availability of broadband to all - including low income Americans, those in rural areas and tribal lands, and individuals with disabilities.

Performance Goals and Targets:

3.1.1 Work in partnership with state, local, and tribal governments, and consumer and industry groups, to promote broadband availability to all Americans, including consumers in rural and high cost areas and people with disabilities.

- In coordination with state, local, and tribal governments, and consumer and industry groups, conduct outreach activities to educate the public concerning the Commission's broadband initiatives, including those promoting universal service.
- Work collaboratively across FCC offices and bureaus to identify and address tribal and native community communications issues, including barriers to entry that operate against tribal broadband deployment and adoption.
- Coordinate with other federal agencies on rules and policies designed to achieve access by people with disabilities to communications and information technologies.
- Promote effective policy and regulatory solutions that encourage broadband adoption in connection with health IT.

Strategic Objective 3.2: Ensure that universal service programs keep up with changing technologies and are well managed, efficient and fiscally responsible.

Performance Goals and Targets:

3.2.1 Continue reform and modernization of the universal service programs to reflect technological developments and changes in the market.

- Promote affordable access to voice and high-speed broadband networks to communities in rural America through implementation of the Connect America Fund and experiments in building next-generation networks in rural areas.
- Improve access to healthcare for rural Americans through implementation of the Healthcare Connect Fund and efforts of the Connect2Health Task Force.
- Ensure low-income Americans have access to affordable communications services through the Lifeline program.

Strategic Objective 3.3: Ensure that all schools and libraries have affordable access to modern broadband technologies through a well-managed, efficient and fiscally responsible E-rate program.

Performance Goals and Targets:

3.3.1 Modernize the E-rate program to effectively meet the needs of 21st century schools and libraries.

- Focus funding on delivering faster broadband speeds to schools and libraries and WiFi throughout to support digital learning in schools and robust connectivity for all libraries.
- Maximize the cost-effectiveness of spending for E-rate supported purchases.

- Make the E-rate application process and other E-rate processes as fast, simple and efficient as possible, consistent with appropriate oversight.

Strategic Objective 3.4: Ensure that the benefits of networks are harnessed to address the challenges of Americans with disabilities.

Performance Goals and Targets:

3.4.1 Engage persons with disabilities through outreach and education initiatives to facilitate informed choice in the telecommunications and media marketplace.

- Develop Commission rules and policies to ensure that new technologies and services are accessible to persons with disabilities.
- Monitor and maintain a clearinghouse database of accessible products and services.

Promoting Operational Excellence

Strategic Objective 4.1: Effectively manage the FCC’s information technology, financial, and human resources to best achieve the FCC’s mission.

Performance Goals and Targets:

4.1.1 Improve Commission systems to make information readily available to agency management for decision making.

- Ensure that internal information systems provide timely and easily-accessible data to FCC managers.

4.1.2 Upgrade and enhance technology and tools used by Commission staff to carry out the agency’s mission.

- Provide FCC staff with information technology hardware, systems and training to create an efficient and effective workforce.
- Continue developing custom-adapted investigative tools that enable the FCC to timely resolve interference and take appropriate enforcement action across a wide range of services.
- Provide FCC staff with a secure digital infrastructure and maintain a high level of cybersecurity readiness and presence.

4.1.3 Conduct a program of continuous review and evaluation to assure that all financial operations are helping control or contain costs, providing high quality customer service, and improving the effectiveness and efficiency of Commission operations.

- Maintain an effective internal controls program that complies with all applicable laws and regulations to ensure proper stewardship of Federal resources.

- Promptly respond to and remediate identified risks, operational weaknesses, and internal control deficiencies that warrant correction.

4.1.4 Develop targeted skills and competencies for FCC employees through appropriate career development aligned with the Commission’s strategic goals.

- Provide a robust selection of training opportunities for Commission employees and encourage employee participation.
- Continue development and implementation of initiatives at the Commission.
- Continue reevaluation and implementation of the FCC’s Strategic Human Capital plan.

Strategic Objective 4.2: Improve the efficiency and effectiveness of the FCC’s operations in serving the American public.

Performance Goals and Targets:

- 4.2.1 Implement process reform recommendations from internal and external stakeholders.
- Enhance the accountability of the decision-making process at the FCC by establishing smart internal deadlines and updating our tracking systems to better monitor and report on the status of open items.
 - Expedite the licensing process and reduce the amount of information applicants need to file, with the aim of speeding the process.
 - Streamline procedures so as to speed the disposal of all pending matters and reduce backlogs.

Strategic Objective 4.3: Continuously review the FCC’s regulatory and operational processes and significant regulations to achieve statutory objectives, while reducing burdens on industry and promoting innovation and job growth.

Performance Goals and Targets:

- 4.3.1 Eliminate or streamline outdated regulations within the FCC’s program areas.
- Periodically conduct a review of rules and data collections within each FCC bureau and office with the goal of eliminating or revising requirements that are no longer needed, are inconsistent with current technologies, or place needless burdens on citizens or businesses.
- 4.3.2 For each program objective, provide timely and accurate legal advice and representation regarding proposed and existing policies and rules within the FCC’s purview, and ensure that the Commission adheres to all legal requirements in its operations.
- Provide timely and accurate legal advice to Bureaus, Offices, and the Commission with respect to pending proceedings

- Promptly respond to all requests for legal advice relating to the Commission's operations.
- Provide FCC staff with advice relating to government ethics, and ensure that all ethics inquiries are addressed in a timely manner.
- Vigorously defend FCC rules, policies and operations against legal challenge.

**FY 2016 REQUIREMENTS BY BUREAUS AND
OFFICES**

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Office of the Chairman and Commissioners

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	23	23	23
11-Compensation	\$2,929,415	\$3,294,691	\$3,360,647
12-Benefits	\$814,385	\$929,272	\$947,875
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$3,743,800	\$4,223,963	\$4,308,522
21-Travel	\$191,885	\$320,291	\$325,416
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$555,131	\$556,361	\$569,515
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$764	\$4,000	\$4,000
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$747,780	\$880,652	\$898,929
TOTAL	\$4,491,580	\$5,104,615	\$5,207,451

The FCC is directed by five Commissioners who are appointed by the President and confirmed by the Senate for five-year terms, except when filling an unexpired term. The President designates one of the Commissioners to serve as the Chairman. Only three Commissioners may be members of the same political party. None of them can have a financial interest in any Commission-related business.

The Chairman serves as the Chief Executive Officer of the Commission, supervising all FCC activities, delegating responsibilities to Offices and Bureaus, and formally representing the Commission before the Congress and the Administration.

Consumer and Governmental Affairs Bureau

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	151	148	144
11-Compensation	\$16,384,323	\$16,876,851	\$16,745,847
12-Benefits	\$4,457,173	\$4,760,137	\$4,738,215
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$20,841,496	\$21,636,988	\$21,484,062
21-Travel	\$65,691	\$175,789	\$178,602
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,298,679	\$1,110,096	\$1,145,476
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$785,723	\$818,908	\$832,011
26-Supplies and Materials	\$0	\$695	\$706
31-Equipment	\$300	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$2,150,393	\$2,105,488	\$2,156,795
TOTAL	\$22,991,889	\$23,742,476	\$23,640,857

The Consumer and Governmental Affairs Bureau (Bureau) develops and administers the Commission’s consumer and inter-governmental affairs policies and initiatives to enhance the public’s understanding of the Commission’s work and to facilitate the Agency’s relationships with other governmental agencies and organizations. The Bureau advises and recommends to the Commission, or acts for the Commission under delegated authority, regarding general consumer and disability policy and governmental affairs. The Bureau serves as the public face of the Commission and maintains collaborative partnerships with state, local and Tribal governments. The Bureau performs the following duties and responsibilities:

- Initiating and directing the policy development and coordination of matters pertaining to consumers and governmental affairs, consistent with the priorities of the Commission.
- Advising the Chairman and Commissioners on matters of general consumer and disability policy.
- Communicating with the general public regarding Commission policies, programs, and activities in order to facilitate public education and participation in the Commission’s decision-making processes.
- Providing responses to informal consumer inquiries and complaints consistent with Commission regulations, including facilitation, mediation, and resolution of certain classes of informal complaints.
- Collaborating with advising and assisting state, local and Tribal governments, and other governmental agencies and industry groups, on consumer matters including disability access, emergency preparedness, and implementation of new technologies.

- Developing, recommending, and administering policies, rules, procedures and programs regarding consumer and disability policy and any other related issues affecting consumer policy.
- Representing the Commission on consumer and inter-governmental-related committees, working groups, task forces, and conferences within and outside the Agency.
- Providing expert advice and assistance within the Commission and to consumers regarding compliance with applicable disability and accessibility requirements, rules, and regulations.
- Serving as the focal point within the Commission for planning, development, collaboration, and coordination of consumer outreach and education materials, events and programs.
- Researching, developing, and distributing material to inform consumers about the Commission's rules, procedures, policies and programs.
- Coordinating all sign language interpreting requests for the Agency and ensuring that alternative formats of Commission materials are available to Commission employees and members of the public.

Enforcement Bureau

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	259	254	246
11-Compensation	\$31,511,130	\$31,295,123	\$30,983,896
12-Benefits	\$8,608,471	\$8,826,830	\$8,769,103
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$40,119,601	\$40,121,953	\$39,752,999
21-Travel	\$213,950	\$280,722	\$285,214
22-Transportation of Things	\$2,639	\$5,200	\$5,283
23-Rent and Communications	\$3,276,173	\$3,240,649	\$3,204,750
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$389,647	\$375,230	\$381,234
26-Supplies and Materials	\$287,869	\$249,922	\$253,921
31-Equipment	\$125,939	\$164,500	\$167,132
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$4,296,217	\$4,316,223	\$4,297,534
TOTAL	\$44,415,818	\$44,438,176	\$44,050,533

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

- Resolving complaints regarding:
 - compliance with statutory and regulatory provisions, including complaints filed under section 208 of the *Communications Act*;
 - acts or omissions of non-common carriers subject to the Commission's jurisdiction under Title II of the *Communications Act* and related provisions;
 - accessibility to communications services and equipment for persons with disabilities;
 - radiofrequency interference and radiofrequency equipment and devices;
 - compliance with the Commission's Emergency Alert System rules;
 - the lighting and marking of radio transmitting towers;
 - indecent communications subject to the Commission's jurisdiction;
 - the broadcast and cable television children's television programming commercial limits contained in section 102 of the Children's Television Act;
 - unauthorized construction and operation of communications facilities;
 - false distress signals;

- Title III licensees and permittees;
 - pole attachments filed under section 224 of the *Communications Act*;
 - multichannel video and cable television service under part 76 of the Commission's rules; and
 - other matters assigned to it by the Commission.
- Investigating violations of the *Communications Act*, the Commission's rules, and other laws bearing on Universal Service Fund (USF) programs and contributions. Such investigations may involve coordination with the FCC's Inspector General, the U.S. Department of Justice, and other law enforcement agencies. The Bureau also oversees proceedings suspending or debaring parties from Universal Service Fund programs.
 - Conducting investigations and collecting information in connection with complaints, on its own initiative, or upon request of another Bureau or Office.
 - Mediating and settling disputes between service providers.
 - Serving as trial staff in formal hearings conducted pursuant to 5 U.S.C. § 556 regarding applications, revocation, forfeitures, and other matters designated for hearing.
 - Providing field support for, and field representation of, the Bureau, other Bureaus and Offices, and the Commission.
 - Handling congressional and other correspondence relating to or requesting specific enforcement actions, specific complaints, or other specific matters within the responsibility of the Bureau, to the extent not otherwise handled by the Consumer and Governmental Affairs Bureau, the Office of General Counsel (impermissible ex parte presentations), or another Bureau or Office.
 - Issuing non-hearing related subpoenas for the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, schedules of charges, contracts, agreements, and any other records deemed relevant to the investigation of matters within the responsibility of the Bureau.

International Bureau

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	117	116	113
11-Compensation	\$15,562,104	\$15,190,533	\$15,025,771
12-Benefits	\$4,011,454	\$4,284,509	\$4,253,065
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$19,573,558	\$19,475,042	\$19,278,836
21-Travel	\$534,555	\$599,716	\$609,311
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,006,958	\$1,009,369	\$1,033,233
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$13,791	\$18,500	\$18,796
26-Supplies and Materials	\$0	\$1,400	\$1,422
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,555,304	\$1,628,985	\$1,662,762
TOTAL	\$21,128,862	\$21,104,027	\$20,941,598

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

- Initiating and directing the development and articulation of international telecommunications policies, consistent with the priorities of the Commission.
- Advising the Chairman and Commissioners on matters of international telecommunications policy, and on the status of the Commission's actions to promote the vital interests of the American public in international commerce, national defense, and foreign policy areas.
- Developing, recommending, and administering policies, rules, and procedures for the authorization, licensing, and regulation of international telecommunications services and facilities (including submarine cables), and domestic and international satellite systems.
- Coordinating with executive branch agencies certain applications and petitions involving foreign ownership.
- Representing the Commission on international telecommunications matters at both domestic and international conferences and meetings, and directing and coordinating the Commission's preparation for such conferences and meetings.
- Serving as the single focal point within the Commission for cooperation and consultation on international telecommunications matters with other federal agencies, international or foreign organizations, and appropriate regulatory bodies and officials of foreign government.

- Directing and coordinating, in consultation with appropriate bureaus and offices, negotiation of international agreements to provide for arrangements and procedures for bilateral coordination of radio frequency assignments to prevent or resolve international radio interference involving U.S. licensees.
- Developing, coordinating with other federal agencies, and administering regulatory assistance and training programs for foreign administrations to promote telecommunications development.
- Providing advice and technical assistance to U.S. trade officials in the negotiation and implementation of telecommunications trade agreements.
- Conducting economic, legal, technical, statistical, and other appropriate studies, surveys, and analyses in support of development of international telecommunications policies and programs.
- Collecting and disseminating within the Commission information and data on international telecommunications, and regulatory and market developments in other countries and international organizations.
- Promoting the international coordination of spectrum allocation, and frequency and orbital assignments, so as to minimize cases of international radio interference involving U.S. licensees.
- Ensuring fulfillment of the Commission's responsibilities under international agreements and treaty obligations, and, consistent with Commission policy, ensuring that the Commission's regulations, procedures, and frequency allocations comply with mandatory requirements of all applicable international and bilateral agreements.
- Overseeing and, as appropriate, administering activities pertaining to the international consultation, coordination, and notification of U.S. frequency and orbital assignments, including activities required by bilateral agreements, the International Radio Regulations, and other international agreements.
- Monitoring compliance with the terms and conditions of authorizations and licenses granted by the Bureau, and pursuing enforcement actions in conjunction with appropriate bureaus and offices.

Media Bureau

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	179	178	173
11-Compensation	\$19,723,446	\$19,549,549	\$19,315,763
12-Benefits	\$4,995,220	\$5,513,975	\$5,468,073
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$24,718,666	\$25,063,524	\$24,783,835
21-Travel	\$19,815	\$40,000	\$40,640
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,462,077	\$1,465,156	\$1,499,798
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$14,524	\$16,700	\$16,967
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,496,416	\$1,521,856	\$1,557,405
TOTAL	\$26,215,082	\$26,585,380	\$26,341,240

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

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

Public Safety and Homeland Security Bureau

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	109	108	106
11-Compensation	\$13,646,611	\$12,947,895	\$12,894,523
12-Benefits	\$3,753,052	\$3,651,970	\$3,646,935
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$17,399,663	\$16,599,865	\$16,541,458
21-Travel	\$54,288	\$100,000	\$101,600
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$894,691	\$834,916	\$857,410
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$136,346	\$195,091	\$198,212
26-Supplies and Materials	\$1,970	\$12,168	\$12,363
31-Equipment	\$1,638	\$29,000	\$29,464
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,088,933	\$1,171,175	\$1,199,049
TOTAL	\$18,488,596	\$17,771,040	\$17,740,507

The Public Safety and Homeland Security Bureau (PSHSB) advises and makes recommendations to the Commission, acts for the Commission under delegated authority, and coordinates within the Commission on all matters pertaining to public safety, homeland security, national security, cybersecurity, emergency management and preparedness, disaster management, and related matters. The Bureau also performs the following functions:

- Develops, recommends, and administers policy goals, objectives, regulations, programs and plans for the Commission in the areas of 911, enhanced 911, and Next Generation 911; licensing of public safety radio services; priority emergency communications; alert and warning systems; Continuity of Government (COG) and Continuity of Operations (COOP); implementation of Homeland Security Presidential Directives and Orders; disaster management coordination and outreach; communications infrastructure protection; reliability, operability and interoperability of networks and communications systems; the Communications Assistance for Law Enforcement Act (CALEA); and network security.
- Develops, recommends and administers policy goals, objectives, regulations, programs and plans for the Commission in the area of cybersecurity; serves as the Commission’s principal liaison on cybersecurity issues with other federal, state and local government agencies and with communications service providers.
- Recommends and develops emergency plans, policies, and preparedness programs covering (1) Commission functions during emergency conditions, and (2) the provision of service by communications service providers during emergency conditions.
- Under the general direction of the Defense Commissioner, coordinates the Commission’s role in national security and emergency preparedness and defense mobilization, COG planning, and other functions as may be delegated during a national emergency or activation of the President’s war emergency powers as specified in section 706 of the *Communications Act*.

- Administers Commission recordkeeping and information collection requirements pertaining to public safety issues.
- Serves as the point of contact for the U.S. Government in matters of international spectrum monitoring and interference resolution; oversees coordination of non-routine communications and materials between the Commission and international or regional public organizations or foreign administrations.
- Maintains and operates the Commission's 24-hour Operations Center.
- Acts on emergency requests for Special Temporary Authority (STA) during non-business hours when the other Offices and Bureaus of the Commission are closed.
- Is authorized to declare that a temporary state of communications emergency exists pursuant to § 97.401(b) of this chapter and to act on behalf of the Commission with respect to the operation of amateur stations during such temporary state of communications emergency.
- Performs such other functions and duties as may be assigned or referred to it by the Commission or the Defense Commissioner.

Wireless Telecommunications Bureau

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	216	215	210
11-Compensation	\$12,183,193	\$12,558,467	\$12,028,442
12-Benefits	\$3,286,560	\$3,542,132	\$3,417,684
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$15,469,753	\$16,100,599	\$15,446,126
21-Travel	\$7,634	\$39,518	\$40,150
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$253,997	\$254,532	\$260,550
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$435,942	\$133,035	\$135,164
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$697,573	\$427,085	\$435,864
TOTAL	\$16,167,326	\$16,527,684	\$15,881,990

The Wireless Telecommunications Bureau (WTB) advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, in matters pertaining to the regulation and licensing of wireless communications services, devices, facilities, and electromagnetic spectrum resources. The Bureau develops and recommends policy goals, objectives, programs, and plans for the Commission on matters concerning wireless communications and electromagnetic spectrum resources, drawing upon relevant economic, technological, legislative, regulatory, and judicial information and developments. Such matters include:

- Addressing the present and future wireless communications and spectrum needs of U.S. consumers, businesses, state, local, and tribal governments, and other entities.
- Promoting access, efficiency, and innovation in the allocation, licensing and use of the electromagnetic spectrum.
- Ensuring choice, opportunity, and fairness in the development of wireless communication services and markets.
- Developing policies regarding the conduct of auctions of Commission licenses.
- Promoting investment in wireless communications infrastructure, including wireless broadband, and the integration and interconnection of wireless communications networks with other communications networks and facilities.
- Promoting the development and widespread availability of wireless broadband, mobile, public safety, and other wireless communications services, devices, and facilities, including through open networks, where appropriate.

In addition to the above, the Bureau's activities also include:

- Developing and coordinating policy.
- Conducting rulemaking and licensing work.
- Conducting spectrum auctions of wireless licenses.
- Conducting auctions for other services and programs as needed.
- Acting on applications for service and facility authorizations.
- Determining the resource impact of existing, planned, or recommended Commission activities concerning wireless communications.
- Developing and recommending resources deployment priorities.
- Reviewing and coordinating orders, programs, and actions initiated by other Bureaus and Offices in matters affecting wireless communications to ensure consistency of overall Commission policy.

Wireline Competition Bureau

	2014	2015	2016
FTE	Actual	Appropriation	Cong. Request
	172	171	165
11-Compensation	\$22,811,463	\$22,288,347	\$22,109,388
12-Benefits	\$6,214,487	\$6,286,457	\$6,256,018
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$29,025,950	\$28,574,804	\$28,365,406
21-Travel	\$28,375	\$30,000	\$30,480
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$1,250,868	\$1,253,502	\$1,283,140
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$525,645	\$534,510	\$543,062
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,804,888	\$1,818,012	\$1,856,682
TOTAL	\$30,830,838	\$30,392,816	\$30,222,088

The Wireline Competition Bureau advises and makes recommendations to the Commission, or acts for the Commission under delegated authority, on matters concerning wireline communications and ancillary operations, drawing on relevant economic, technological, legislative, regulatory, and judicial information and developments. The Bureau has the following duties and responsibilities:

- Ensuring that all Americans are included in 21st century communications by reaching all of America with affordable broadband and voice services.
- Ensuring access to affordable broadband connectivity for schools, school districts, libraries, and health-care institutions.
- Ensuring a sustainable framework for competitive providers.
- Protecting and preserving the open Internet, and ensuring that the public has access to accurate and comprehensive data about communications services, including data about broadband.
- Developing and coordinating wireline telecommunications policy.
- Handling adjudicatory and rulemaking proceedings affecting wireline telecommunications service providers and broadband providers.
- Administering the provisions of the *Communications Act* relating to charges, practices, and classifications for wireline telecommunications service providers to ensure that they are just and reasonable.
- Taking action on requests for interpretation or waiver of rules affecting wireline telecommunications.
- Making determinations regarding lawfulness of carrier tariffs.
- Taking action on applications for authorization to transfer service and facility authorizations or to discontinue services or the operation of facilities.

- Reviewing wireline carrier performance.
- Administering accounting requirements for incumbent local exchange carriers.
- Administering FCC reporting requirements affecting wireline telecommunications and broadband providers.
- Collecting data, and preparing statistical reports and other informational resources for publication, pertaining to the telecommunications and broadband industries.
- Performing economic research and analysis.
- Interacting with the public; local, state, and other government agencies; industry groups; and other stakeholders on wireline communications regulation and related matters.
- Reviewing and coordinating orders, programs, and actions initiated by other Bureaus and Offices in matters affecting wireline communications to ensure consistency with overall Commission policy.

Office of Administrative Law Judges

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	4	4	4
11-Compensation	\$279,833	\$263,184	\$268,453
12-Benefits	\$49,736	\$74,231	\$75,717
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$329,569	\$337,415	\$344,170
21-Travel	\$0	\$500	\$508
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$22,807	\$22,855	\$23,395
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$4,000	\$11,500	\$11,684
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$26,807	\$34,855	\$35,587
TOTAL	\$356,376	\$372,270	\$379,757

The Office of Administrative Law Judges (OALJ) hears and conducts all adjudicatory cases designated for formal evidentiary hearing, other than those designated to be heard by the Commission *en banc* or by one or more members of the Commission. The Office may also conduct other hearings which the Commission may assign in accordance with the *Administrative Procedure Act* (APA).

OALJ functions substantially as U.S. District Court Judges in non-jury cases, with the exception that Initial Decisions rendered are subject to review by the Commission if requested by a party, or on the Commission's own motion.

OALJ has the following responsibilities:

Adjudicative

- Prepares and maintains hearing calendars, showing time and place of hearings.
- Presides over and conducts formal proceedings concerning investigations, rule-makings and adjudications.
- Acts on motions, petitions and other pleadings filed in proceedings.
- Conducts on-the-record prehearing conferences.
- Issues subpoenas, administers the oath, examines witnesses, makes findings of fact, and rules upon evidentiary questions.
- Prepares and issues Initial Decisions.

Administrative

- Prepares reports, statistical data and other information requested or received by the Office of Personnel Management, and other offices or agencies of the U.S. Government concerned with proper operation of the Office of Administrative Law Judges.
- Upon instruction of Chairman, serves as liaison for the Commission in securing advice or information from representatives of other agencies, bar associations and interested persons in connection with Office practices and hearing procedures.
- Exercises such authority as may be assigned by the Commission pursuant to Section 5(c) of the *Communications Act of 1934, as amended*.

Office of Communications Business Opportunities

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	12	12	12
11-Compensation	\$1,453,344	\$1,428,613	\$1,457,212
12-Benefits	\$373,568	\$402,942	\$411,008
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,826,912	\$1,831,555	\$1,868,220
21-Travel	\$19,742	\$20,000	\$20,320
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$82,718	\$82,892	\$84,851
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$60	\$500	\$508
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$102,520	\$103,392	\$105,679
TOTAL	\$1,929,432	\$1,934,947	\$1,973,899

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

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

The Office has the following duties and responsibilities:

- Serving, through its director, as the principal small business policy advisor to the Commission;
- Developing, implementing, and evaluating programs and policies that promote participation by small entities, women, and minorities in the communications industry;
- Managing the Regulatory Flexibility Analysis process pursuant to the Regulatory Flexibility Act and the *Small Business Regulatory Enforcement Fairness Act* to ensure that small business interests are fully considered in agency actions;

- Developing and recommending Commission-wide goals and objectives for addressing the concerns of small entities, women, and minorities and reports of achievement;
- Acting as the principal channel for disseminating information regarding the Commission's activities and programs affecting small entities, women, and minorities;
- Developing, recommending, coordinating, and administering objectives, plans and programs to encourage participation by small entities, women, and minorities in the decision-making process;
- Promoting increased awareness within the Commission of the impact of policies on small entities, women, and minorities;
- Acting as the Commission's liaison to other federal agencies on matters relating to small business.

Office of Engineering and Technology

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	89	89	86
11-Compensation	\$11,010,961	\$11,038,423	\$10,946,826
12-Benefits	\$3,021,395	\$3,113,401	\$3,097,585
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$14,032,356	\$14,151,824	\$14,044,411
21-Travel	\$19,672	\$25,000	\$25,400
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$485,562	\$486,585	\$498,090
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$676,474	\$675,047	\$685,848
26-Supplies and Materials	\$36,584	\$30,891	\$31,385
31-Equipment	\$123,977	\$120,000	\$121,920
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,342,269	\$1,337,523	\$1,362,643
TOTAL	\$15,374,625	\$15,489,347	\$15,407,054

The Office of Engineering and Technology allocates spectrum for commercial, private and non-Federal governmental use and provides expert advice on technical and engineering issues before the Commission, including recommendations on technical standards for spectrum users. The Office also performs the following duties and responsibilities:

- Developing overall policies, objectives and priorities for the Office of Engineering and Technology programs and activities; performing management functions; and supervising the execution of these policies.
- Advising and representing the Commission on frequency allocation and spectrum usage matters, including those covered by international agreements.
- Planning and directing broad programs for development of information relative to communication techniques and equipment, radio wave propagation, and new uses for communications, and advising the Commission and staff offices in such matters.
- Representing the Commission at various national and international conferences and meetings devoted to the progress of communications and the development of information and standards.
- Conducting engineering and technical studies in advanced phases of terrestrial and space communications, and special projects to obtain theoretical and experimental data on new or improved techniques, including cooperative studies with other staff units and consultant and contract efforts as appropriate.
- Advising the Commission and other Bureaus/Offices concerning spectrum management, emerging technologies, technical standards, international considerations, and national security matters involved in making or implementing policy or in resolving specific situations involving these matters.

- Developing and implementing procedures to acquire, store and retrieve scientific and technical information required in the engineering work of the Commission.
- Providing advice to the Commission, participating in and coordination staff work with respect to general frequency allocation proceedings and other proceedings not within the jurisdiction of any single Bureau, and providing assistance and advice with respect to rulemaking matters and proceedings affecting more than one Bureau.
- Administering Parts 2 (Frequency allocations and radio treaty matters), 5 (Experimental radio service), 15 (Unlicensed Radio frequency devices) and 18 (Industrial, scientific and medical equipment) of the Commission's Rules and Regulations.
- Maintaining test facility with appropriate and latest equipment to perform technical analyses to facilitate introduction of new services and technology and compliance testing of devices subject to the Commission rules.
- Performing technical, engineering and management functions of the Commission with respect to formulating rules and regulations, technical standards, and general policies for Parts 2, 5, 15 and 18, and for equipment authorization of radio equipment for compliance with appropriate rules.
- Maintaining liaison with other agencies of government, technical experts representing foreign governments and members of the public and industry concerned with communications and frequency allocation and usage.
- Coordinating frequency assignments for Commission licensees with Federal Government agencies, and representing the Commission on issues regarding use of spectrum when jurisdiction is shared with the Federal Government. Serves as the Agency liaison to NTIA for coordinating policy decisions and frequency assignments between Federal agency and non-Federal spectrum users.
- Preparing recommendations for legislation and reviewing recommendations for rule changes and rulemaking proposals initiated by other offices affecting Bureau programs and operations.

Office of General Counsel

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	75	75	73
11-Compensation	\$10,163,674	\$10,757,402	\$10,660,179
12-Benefits	\$2,728,249	\$3,034,139	\$3,016,736
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$12,891,923	\$13,791,541	\$13,676,915
21-Travel	\$11,383	\$10,500	\$10,668
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$574,477	\$575,687	\$589,298
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$708,230	\$5,329	\$5,414
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$1,294,090	\$591,516	\$605,380
TOTAL	\$14,186,013	\$14,383,057	\$14,282,295

As chief legal advisor to the Commission and its various components, the Office of General Counsel performs the following duties and responsibilities:

- Prepares and makes recommendations and interpretations concerning procedural rules of general applicability.
- Reviews all proposed Commission orders and rules for consistency with the Constitution, laws of the United States, and other rules and precedents.
- Represents the Commission in litigation matters.
- Ensures consistent and timely public interest analysis of transactions considered by the Commission and providing technical expertise on various corporate, bankruptcy, fraud, and other transactional issues.
- Assists and makes recommendations to the Commission with respect to cases of adjudication (including the review of initial decisions by Administrative Law Judges) and such other cases as, by Commission policy, are handled in a similar manner and that have been designated for hearing.
- Advises and makes recommendations to the Commission with respect to proposed legislation.
- Interprets statutes, regulations, and international agreements affecting the Commission.
- Provides advice to the Commission and its components on general law issues (e.g., leases, contracts, debt collection, tort claims, fiscal law, and labor law) common to most federal agencies.
- Serves as principal advisor to the Commission in the administration of laws and regulations regarding government ethics, as well as the *Freedom of Information, Privacy, Government in the Sunshine, and Alternative Dispute Resolution Acts*.

- Exercises such authority as may be assigned or referred to it by the Commission pursuant to section 5(c) of the *Communications Act of 1934*, as amended, as well as the Commission's rules.

Office of Legislative Affairs

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	12	12	12
11-Compensation	\$1,464,335	\$1,653,010	\$1,686,101
12-Benefits	\$430,901	\$466,234	\$475,567
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$1,895,236	\$2,119,244	\$2,161,668
21-Travel	\$1,060	\$4,200	\$4,267
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$81,685	\$81,857	\$83,793
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$0	\$0	\$0
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$82,745	\$86,057	\$88,060
TOTAL	\$1,977,981	\$2,205,301	\$2,249,728

The Office of Legislative Affairs informs the Congress of the Commission's decisions, facilitates responses to Congressional letters and inquiries, and provides technical assistance to Congressional staff regarding proposed legislation. Specifically, the Office has the following functions:

- Advising and making recommendations to the Commission with respect to legislation proposed by Members of Congress or other government agencies, and coordinating the preparation of Commission views for submission to Congress or other government agencies.
- Coordinating the Commission's legislative program, obtaining Bureau and Office comments, and drafting final legislative proposals.
- Tracking, monitoring and analyzing legislation impacting the Commission, and providing technical assistance to Congressional staff, as necessary.
- Coordinating Commission and Bureau responses to formal inquiries by Congressional committees and individual Members of Congress, including tracking inquiries and setting response times.
- Prepare the Chairman and all Commission-designated witnesses for appearances before the United States Congress.
- Coordinating briefings for Congressional Members and staff on issues before the Commission.
- Assisting the staffs of Members of Congress in responding to constituent concerns.
- Assisting the Office of Managing Director in the preparation of the Managing Director's annual report to Congress, as well as with the annual submission of the Commission budget.

Office of the Managing Director

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	210	207	200
11-Compensation	\$20,615,962	\$21,013,026	\$20,990,629
12-Benefits	\$4,940,807	\$5,468,074	\$5,381,445
13-Benefits for Former Personnel	\$59,982	\$51,600	\$52,426
Subtotal, Personnel Costs	\$25,616,751	\$26,532,700	\$26,424,500
21-Travel	\$315,410	\$493,019	\$500,907
22-Transportation of Things	\$55,779	\$49,880	\$50,678
23-Rent and Communications	\$32,530,750	\$32,780,837	\$33,612,858
24-Printing and Reproduction	\$991,552	\$965,372	\$980,818
25-Other Contractual Services	\$34,180,808	\$37,952,499	\$110,937,288
26-Supplies and Materials	\$1,168,786	\$1,074,295	\$1,091,484
31-Equipment	\$1,284,418	\$1,424,898	\$1,447,696
42-Insurance Claims and Indemnities	\$118,376	\$53,000	\$53,000
Subtotal, Non-Personnel Costs	\$70,645,879	\$74,793,800	\$148,674,729
TOTAL	\$96,262,630	\$101,326,500	\$175,099,229

The majority of the increase in FY 2016 request for the Office of Managing Director is directly attributable to the GSA-directed move to new headquarters or headquarters restacking.

The Managing Director is appointed by the Chairman with approval of the Commissioners. Under the supervision and direction of the Chairman, the Managing Director serves as the Commission's Chief Operating Official with the following duties and responsibilities:

- Providing managerial leadership to, and exercising supervision and direction over, the Commission's Bureaus and Offices with respect to management and administrative matters but no substantive regulatory matters such as regulatory policy and rulemaking, authorization of service, administration of sanctions, and adjudication.
- Formulating and administering all management and administrative policies, programs, and directives for the Commission consistent with authority delegated by the Commission and the Chairman, and recommending to the Chairman and the Commission major changes in such policies and programs.
- As the administrative head of the agency, assisting the Chairman in carrying out the administrative and executive responsibilities delegated to the Chairman.
- Advising the Chairman and the Commission on management, administrative, and related matters; reviewing and evaluating the programs and procedures of the Commission; initiating action or making recommendations as may be necessary to administer the *Communications Act* most effectively in the public interest. Assessing the management, administrative, and resource implications of any proposed action or decision to be taken by the Commission or by a Bureau or Office under delegated authority; recommending to the Chairman and the Commission program priorities, resource and position allocations, management, and administrative policies.

- Directing agency efforts to improve management effectiveness, operational efficiency, employee productivity, and service to the public. Administering Commission-wide management improvement programs.

Office of Media Relations

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	15	15	15
11-Compensation	\$1,702,864	\$1,888,813	\$1,926,625
12-Benefits	\$496,474	\$532,742	\$543,407
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$2,199,338	\$2,421,555	\$2,470,032
21-Travel	\$1,295	\$10,216	\$10,379
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$136,150	\$135,831	\$139,043
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$262,233	\$266,114	\$270,372
26-Supplies and Materials	\$8,237	\$9,080	\$9,225
31-Equipment	\$2,969	\$6,057	\$6,154
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$410,884	\$427,298	\$435,173
TOTAL	\$2,610,223	\$2,848,853	\$2,905,205

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

- Enhancing public understanding of and compliance with the Commission's regulatory requirements.
- Acting as the principal channel for communicating information to the news media on Commission policies, programs, and activities.
- Advising the Commission on information dissemination as it affects liaison with the media.
- Managing the FCC's Internet site content and overseeing the agency's Web standards and guidelines, including accessibility.
- Managing the audio and visual support services for the Commission.
- Also, manages the FCC's social media sites including Twitter, Facebook, YouTube, Flickr, and others.

Office of Strategic Planning and Policy Analysis

FTE	2014	2015	2016
	Actual	Appropriation	Cong. Request
	29	29	29
11-Compensation	\$3,447,814	\$2,883,960	\$2,785,408
12-Benefits	\$941,592	\$813,425	\$790,637
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$4,389,406	\$3,697,385	\$3,576,044
21-Travel	\$13,296	\$30,000	\$30,480
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$113,592	\$113,831	\$116,522
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$33,045	\$33,200	\$33,731
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$159,933	\$177,031	\$180,733
TOTAL	\$4,549,339	\$3,874,416	\$3,756,777

The Office of Strategic Planning and Policy Analysis (OSP) works with Bureaus and other Offices, including those of the Chairman and other Commissioners, to develop and implement communications policies in all areas of Commission authority and responsibility. Specifically, the Office performs functions including:

- Home for the FCC’s Chief Economist and Chief Technologist.
- Hosting Visiting Scholars from academia and elsewhere who join the FCC on a temporary basis to contribute to the Commission’s mission.
- Coordinating the publication of the FCC White Paper series - a forum for staff to publish research aside from formal Commission actions.
- Working on high-priority issues at the request of the Chairman, Commissioners, or Bureau/Office Chiefs.
- Leading outreach efforts to relevant stakeholders, e.g., within academia, think tanks, the business community, and the capital markets.
- Providing research and expertise on request to Commissioners and Commission staff.

Office of Workplace Diversity

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	4	4	4
11-Compensation	\$505,976	\$451,374	\$460,410
12-Benefits	\$152,596	\$127,311	\$129,860
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$658,572	\$578,685	\$590,270
21-Travel	\$2,089	\$1,730	\$1,758
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$41,822	\$41,910	\$42,902
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$42,633	\$30,770	\$31,262
26-Supplies and Materials	\$0	\$0	\$0
31-Equipment	\$0	\$0	\$0
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$86,544	\$74,410	\$75,922
TOTAL	\$745,116	\$653,095	\$666,192

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

- Serving through its Director, as the principal advisor to the Chairman and Commission officials on all aspects of workforce diversity, organization, equal employment opportunity, nondiscrimination, and civil rights.
- Providing leadership and guidance to create a work environment that values and encourages diversity in the workforce.
- Developing, implementing, and evaluating programs and policies to foster a workforce whose diversity reflects the diverse makeup of the Nation, enhances the mission of the Commission, and demonstrates the value and effectiveness of a diverse workforce.
- Developing, implementing, and evaluating programs and policies that promote understanding among members of the Commission's workforce of their differences and the value of those

differences, and provides a channel for communication among diverse members of the workforce at all levels.

- Developing, implementing, and evaluating programs and policies to ensure that all members of the Commission's workforce and candidates for employment have equal access to opportunities for employment, career growth, training, and development, and are protected from discrimination and harassment.
- Developing and recommending Commission-wide workforce diversity goals and reporting on achievements.
- Developing, implementing, and evaluating programs and policies to enable all Bureaus and Offices to manage a diverse workforce effectively and in compliance with all equal employment opportunity and civil rights requirements.
- Working closely with the Associate Managing Director - Human Resources Management to ensure compliance with Federal and Commission recruitment and staffing requirements.
- Managing the Commission's equal employment opportunity compliance program. Responsibilities in this area include processing complaints alleging discrimination, issuing final agency decisions on EEO complaints within the Commission, and providing consulting services to employees and applicants for employment on EEO matters.
- Developing and administering the Commission's program of reasonable accommodation for employees with disabilities in accordance with applicable laws and regulations.
- Representing the Commission at meetings with other public and private groups and organizations on matters concerning workforce diversity and equal employment opportunity.
- Maintaining liaison with and soliciting views of organizations within and outside the Commission on matters relating to equal opportunity and workforce diversity.

Office of Inspector General

	2014	2015	2016
	Actual	Appropriation	Cong. Request
FTE	40	48	56
11-Compensation	\$5,071,821	\$6,689,984	\$7,382,465
12-Benefits	\$1,351,629	\$1,644,655	\$1,900,436
13-Benefits for Former Personnel	\$0	\$0	\$0
Subtotal, Personnel Costs	\$6,423,450	\$8,334,639	\$9,282,901
21-Travel	\$22,780	\$49,675	\$49,675
22-Transportation of Things	\$0	\$0	\$0
23-Rent and Communications	\$392,282	\$390,524	\$301,964
24-Printing and Reproduction	\$0	\$0	\$0
25-Other Contractual Services	\$3,952,007	\$2,218,772	\$2,588,560
26-Supplies and Materials	\$2,017	\$2,040	\$500
31-Equipment	\$130,107	\$94,350	\$30,000
42-Insurance Claims and Indemnities	\$0	\$0	\$0
Subtotal, Non-Personnel Costs	\$4,499,193	\$2,755,361	\$2,970,699
TOTAL	\$10,922,643	\$11,090,000	\$12,253,600

The Federal Communications Commission (FCC) Office of Inspector General (OIG) was established in compliance with the *Inspector General Act of 1978* (Public Law 94-454), as amended. The OIG conducts and supervises audits, inspections, and investigations relating to FCC programs and operations. The OIG provides management feedback and leadership, and recommends policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations. The OIG communicates with the Commission and Congress to keep them informed about issues and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action. The Inspector General reports directly to the Commission. The primary duties and responsibilities of the OIG include:

- Conducting, supervising, and coordinating audits and investigations relating to the programs and operations of the FCC.
- Reviewing existing and proposed legislation and regulations relating to programs and operations of the FCC, and making recommendations in semiannual reports required by section 5(a) of the *Inspector General Act* concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the FCC, and the prevention and detection of fraud and abuse in such programs and operations.
- Recommending policies for, and conducting or coordinating other activities carried out by or financed by the FCC for, the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.

- Recommending policies for matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the FCC.
- Reporting expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

The OIG's workload continues increasing in the areas of audit and investigation. This trend requires OIG to only take on top level investigation cases and top risk program audits. The OIG keeps focus on increasing mission responsibility and appropriate staff levels to keep pace with the workload. The OIG FTE has been increasing over the past few budget years and this influx of additional staff has provided the OIG the capability to maintain mission accomplishment; but more can be done.

The OIG FY 2016 request of \$12,253,600 is an increase of \$1,163,600 over the FY 2015 budget request. The OIG FY 2016 budget request includes a baseline budget increase of \$948,262 to add an additional eight FTEs. This brings the OIG FTE level up to 60. Also the OIG budget includes an additional \$215,338 for contract funding in FY 2016. The OIG decreased its contract funding budget request in FY 2015 to offset some of the cost of adding additional FTEs. It is necessary to replenish some of this funding to provide contract support to investigations and audits. The OIG reduced other budget funding areas by \$65,890 to offset some of the requested increase in contract funds.

Over the next five years the OIG plans to include over 50 audits of Universal Service Fund Programs. This equates to 10 audits per year not including other financial and program audits. The OIG currently has 11 active audits and four ready to start. The audit reports are providing FCC management with critical audit findings necessary for sustaining successful mission accomplishment. There is more yet to be done.

The OIG Office of Investigation (OI) has over 70 open cases with more forthcoming. This is about the balance of cases open at any given time. With additional criminal investigators this case load can decrease to a manageable level. In the last semi-annual reporting period the ID received over 5,000 hotline contacts.

The OIG, working with the Department of Justice (DOJ), has recovered millions of dollars of government funds resulting from criminal cases referred to the DOJ. There are more cases that need additional attention and adding criminal investigators is the way of increasing OIG investigative diligence over FCC programs.

In compliance with the *IG Reform Act of 2008*, FCC OIG FY 2016 budget request includes:

- A fair share ratio in the amount of \$24,464 for contribution to the Council of the Inspectors General on Integrity and Efficiency (CIGIE);
- Funds to support IGSNet Management Services; and
- Training funds in the amount of \$80,000.

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APPENDICES

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**FY 2016 Budgetary Estimates to Congress
Summary of Requested Resources**

(Dollars in Thousands)

DISTRIBUTION OF BUDGET AUTHORITY:

	<u>FY 2014 Actual</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>	<u>Change to Appropriated Budget Authority</u>
FCC - without Office of the Inspector General:				
Direct Appropriation	\$0	\$0	\$0	\$0
Authority to Spend Offsetting Collections:				
Regulatory Fees	\$322,722	\$328,754	\$375,746	\$46,992
Appropriation Total	\$322,722	\$328,754	\$375,746	\$46,992
Authority to Spend				
Other Off-setting Collections:				
1) Economy Act/Misc. Other	\$2,969	\$6,000	\$4,000	(\$2,000)
2) Auctions Cost Recovery Reimbursements	96,871	105,738	116,481	10,743
Other Offsetting Collections	\$99,841	\$111,738	\$120,481	\$8,743
Total Budget Authority - Available to incur obligations	<u>\$422,562</u>	<u>\$440,492</u>	<u>\$496,227</u>	<u>\$55,735</u>
Other Budget Authority				
Credit Program Account 1/	\$686	\$500	\$100	(\$400)
FCC - Recovery of USF Oversight Cost	\$0	\$0	\$25,000	\$25,000
FCC - Office of the Inspector General:				
Direct Appropriation	\$0	\$0	\$0	\$0
Authority to Spend Offsetting Collections:				
Regulatory Fees	\$10,923	\$11,090	\$12,254	\$1,164
OIG Appropriation Total	\$10,923	\$11,090	\$12,254	\$1,164
Authority to Spend				
Other Off-setting Collections:				
1) Economy Act/Misc. Other	\$0	\$0	\$0	\$0
2) Auctions Cost Recovery Reimbursements	254	262	519	257
OIG Other Offsetting Collections	\$254	\$262	\$519	\$257
OIG Total Budget Authority - Available to incur obligations	<u>\$11,177</u>	<u>\$11,352</u>	<u>\$12,773</u>	<u>\$1,421</u>
Other Budget Authority				
Credit Program Account 1/	\$0	\$0	\$0	\$0
OIG-Universal Service Fund (USF)	\$1,319	\$4,130	\$1,685	(\$2,445)
Total FCC with Office of the Inspector General:				
Appropriation Total	\$333,645	\$339,844	\$388,000	\$48,156
Other Offsetting Collections & Other Budget Authority	\$102,100	\$116,630	\$147,785	\$31,155
Total Budget Authority - Available to incur obligations	<u>\$435,745</u>	<u>\$456,474</u>	<u>\$535,785</u>	<u>\$79,311</u>

1/ Credit Program Account carryover amount.

FY 2016 Budget Estimates to Congress
Summary of Requested Resources
(Dollars in Millions)

OUTLAYS:	<u>FY 2014</u> <u>Actual</u>	<u>FY 2015</u> <u>Cong. Approp.</u>	<u>FY 2016</u> <u>Cong. Request</u>
FCC - without Office of Inspector General:			
New Offsetting Collections:			
Regulatory Fees	\$321	\$327	\$374
Auctions Receipts	97	105	116
FCC - Recovery of USF Oversight Cost	0	0	25
Interagency/Other	3	6	4
Homeland Security	2	2	2
Subtotal, Outlays from new discretionary authority	<u>\$423</u>	<u>\$440</u>	<u>\$521</u>
Outlays from prior year discretionary balances	<u>0</u>	<u>0</u>	<u>0</u>
SUBTOTAL OUTLAYS	<u>\$423</u>	<u>\$440</u>	<u>\$521</u>
FCC - Office of Inspector General:			
New Offsetting Collections:			
Regulatory Fees	\$11	\$11	\$12
Auctions Receipts	0	1	1
Interagency/Other	0	0	0
Homeland Security	0	0	0
Subtotal, Outlays from new discretionary authority	<u>\$11</u>	<u>\$12</u>	<u>\$13</u>
Outlays from prior year discretionary balances	<u>0</u>	<u>0</u>	<u>0</u>
OIG SUBTOTAL OUTLAYS	<u>\$11</u>	<u>\$12</u>	<u>\$13</u>
TOTAL FCC with OIG OUTLAYS	<u>\$434</u>	<u>\$452</u>	<u>\$534</u>

**FY 2016 Budget Estimates to Congress
Summary of Requested Resources**

	<u>FY 2014 Actual</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
FCC - without Office of Inspector General:			
Total Compensable Workyears:			
Full-Time Equivalent Employment (FTEs)	1,676	1,660	1,615
Proposed Distribution:			
Offsetting Collections	1,674	1,660	1,615
Auctions Credit Program Account	2	0	0
TOTAL FTE - Commission	<u>1,676</u>	<u>1,660</u>	<u>1,615</u>
FCC - Office of Inspector General:			
Total Compensable Workyears:			
Full-Time Equivalent Employment (FTEs)	40	48	56
Proposed Distribution:			
Offsetting Collections	40	48	56
Universal Service Fund (USF) (Term)	0	0	0
TOTAL FTE - OIG	<u>40</u>	<u>48</u>	<u>56</u>
TOTAL FCC with OIG FTE	<u><u>1,716</u></u>	<u><u>1,708</u></u>	<u><u>1,671</u></u>

FY 2016 Budgetary Estimates to Congress
Summary of Distribution of Resources
(Dollar in Thousands)

REGULATORY FEES - CURRENT:

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$190,469	\$192,069	\$191,028
Personnel Benefits (12.0)	50,628	53,472	53,319
Subtotal Personnel Comp. & Benefits	<u>\$241,097</u>	<u>\$245,541</u>	<u>\$244,347</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$60	\$52	\$52
Travel (21.0)	\$1,523	\$2,231	\$2,266
Transportation of Things (22.0)	\$58	\$55	\$56
GSA Rent (23.1)	\$37,871	\$38,445	\$39,342
Other Rents, Comm., Utilities (23.3)	\$6,590	\$5,934	\$6,005
Printing and Reproduction (24.0)	\$992	\$965	\$981
Contract Services - Non-Fed (25.2)	\$17,813	\$19,025	\$70,506
Fed. Purchase, Goods & Services (25.3)	\$2,868	\$2,400	\$2,451
Operation & Maint. of Equipment (25.7)	\$21,481	\$21,821	\$43,738
Supplies and Materials (26.0)	\$1,505	\$1,380	\$1,401
Equipment (31.0)	\$1,669	\$1,940	\$1,802
Land and Structures (32.0)	\$0	\$0	\$0
Insurance Claims & Indemnities (42.0)	118	53	53
Subtotal Other Expenses	<u>\$92,548</u>	<u>\$94,303</u>	<u>\$168,653</u>
Total Obligations from Regulatory Fees	\$333,645	\$339,844	\$413,000
FCC - Recovery of USF Oversight Cost	\$0	\$0	(\$25,000)
Total Resources from Regulatory Fees	<u>\$333,645</u>	<u>\$339,844</u>	<u>\$388,000</u>

FY 2016 Budget Estimates to Congress
Summary Table - Distribution of Resources
(Dollar in Thousands)

AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY:

-- The following table depicts the distribution of the actual resources for FY 2014, Congressional Approved for FY 2015, and estimated obligations for FY 2016 utilizing auctions cost recovery reimbursable authority.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$27,991	\$29,639	\$30,233
Personnel Benefits (12.0)	7,632	8,384	8,552
Subtotal Personnel Comp. & Benefits	<u>\$35,623</u>	<u>\$38,023</u>	<u>\$38,785</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$10	\$8	\$8
Travel (21.0)	403	451	456
Transportation of Things (22.0)	8	7	7
GSA Rent (23.1)	7,753	6,754	6,821
Other Rents, Comm., Utilities (23.3)	1,938	1,649	1,666
Printing and Reproduction (24.0)	150	210	212
Contract Services - Non-Fed (25.2)	10,971	19,212	29,576
Fed. Purchase, Goods & Services (25.3)	557	333	337
Operation & Maint. of Equipment (25.7)	38,468	37,546	37,306
Supplies and Materials (26.0)	203	257	260
Equipment (31.0)	1,039	1,549	1,565
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	1	1
Subtotal Other Expenses	<u>\$61,502</u>	<u>\$67,977</u>	<u>\$78,215</u>
Total Auctions Cost Recovery			
Reimbursable Obligations:	<u><u>\$97,125</u></u>	<u><u>\$106,000</u></u>	<u><u>\$117,000</u></u>

FY 2016 Budget Estimates to Congress
Summary of Distribution of Resources
(Dollar in Thousands)

GOVERNMENT/OTHER REIMBURSABLE AUTHORITY

-- The following table depicts the Economy Act/Other Reimbursable actual resources for FY 2014, Congressional Approved for FY 2015, and estimated for FY 2016 .

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$171	\$300	\$150
Personnel Benefits (12.0)	48	100	25
Subtotal Personnel Comp. & Benefits	<u>\$219</u>	<u>\$400</u>	<u>\$175</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	3	50	50
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	962	3,000	3,000
Fed. Purchase, Goods & Services (25.3)	0	0	0
Operation & Maint. of Equipment (25.7)	1,488	2,200	425
Supplies and Materials (26.0)	24	50	50
Equipment (31.0)	273	300	300
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$2,750</u>	<u>\$5,600</u>	<u>\$3,825</u>
Total Government/Other Reimbursable Authority	<u><u>\$2,969</u></u>	<u><u>\$6,000</u></u>	<u><u>\$4,000</u></u>

Note: The OIG has no reimbursable agreements funds.

FY 2016 Budget Estimates to Congress
Summary of Distribution of Resources

(Dollar in Thousands)

CREDIT PROGRAM ACCOUNT:

-- The following table depicts the distribution of actual resources for FY 2014, Congressional Approved for FY 2015, and estimated for FY 2016. These obligations are presented in separate schedules apart from the Salaries & Expenses account and funded from Permanent Indefinite Authority.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$200	\$180	\$40
Personnel Benefits (12.0)	59	20	10
Subtotal Personnel Comp. & Benefits	<u>\$259</u>	<u>\$200</u>	<u>\$50</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	0	0	0
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	73	200	50
Fed. Purchase, Goods & Services (25.3)	3	100	0
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	0	0	0
Equipment (31.0)	0	0	0
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	351	0	0
Subtotal Other Expenses	<u>\$427</u>	<u>\$300</u>	<u>\$50</u>
Total Credit Program	<u>\$686</u>	<u>\$500</u>	<u>\$100</u>

Note: The OIG has no Credit Reform Program funds.

FY 2016 Budget Estimates to Congress
Summary of Distribution of Resources
(Dollar in Thousands)

OIG - UNIVERSAL SERVICE FUND:

-- The following table depicts the distribution of obligations for FY 2014 for OIG - USF, and amounts for FY 2015 and FY 2016 represents carryover funds. These obligations are presented in separate schedules apart from the Salaries & Expenses account and funded from amounts transferred from USF in FY 2008, as permitted in appropriations language that year. No new budget authority was enacted in FY 2015; carryover balances will be used for continued USF oversight by the Inspector General.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$66	\$0	\$0
Personnel Benefits (12.0)	17	0	0
Subtotal Personnel Comp. & Benefits	<u>\$83</u>	<u>\$0</u>	<u>\$0</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	26	5	0
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	1,209	4,120	1,685
Fed. Purchase, Goods & Services (25.3)	0	0	0
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	0	0	0
Equipment (31.0)	1	5	0
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$1,236</u>	<u>\$4,130</u>	<u>\$1,685</u>
Total Universal Service Program	<u>\$1,319</u>	<u>\$4,130</u>	<u>\$1,685</u>

FY 2016 Budget Estimates to Congress
Summary of Distribution of Resources (EXCLUDING OIG)
(Dollars in Thousands)

REGULATORY FEES - CURRENT (EXCLUDING OIG):

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$185,397	\$185,379	\$183,645
Personnel Benefits (12.0)	49,276	51,828	51,420
Subtotal Personnel Comp. & Benefits	<u>\$234,673</u>	<u>\$237,207</u>	<u>\$235,065</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$60	\$52	\$52
Travel (21.0)	1,500	2,181	2,216
Transportation of Things (22.0)	58	55	56
GSA Rent (23.1)	37,513	38,137	39,040
Other Rents, Comm., Utilities (23.3)	6,555	5,910	6,005
Printing and Reproduction (24.0)	992	965	981
Contract Services - Non-Fed (25.2)	14,001	16,959	68,041
Fed. Purchase, Goods & Services (25.3)	2,729	2,289	2,326
Operation & Maint. of Equipment (25.7)	21,481	21,822	43,738
Supplies and Materials (26.0)	1,503	1,378	1,401
Equipment (31.0)	1,539	1,744	1,772
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	118	53	53
Subtotal Other Expenses	<u>\$88,049</u>	<u>\$91,547</u>	<u>\$165,681</u>
Total Obligations from Regulatory Fees	\$322,722	\$328,754	\$400,746
FCC - Recovery of USF Oversight Cost	\$0	\$0	(\$25,000)
Total Resources from Regulatory Fees	<u>\$322,722</u>	<u>\$328,754</u>	<u>\$375,746</u>

FY 2016 Budget Estimates to Congress
Summary of Distribution of Resources (EXCLUDING OIG)
(Dollar in Thousands)

AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY (EXCLUDING OIG):

-- The following table depicts the distribution of the actual resources for FY 2014, Congressional Approved for FY 2015, and estimated for FY 2016 obligations utilizing auctions cost recovery reimbursable authority.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$27,991	\$29,640	\$30,233
Personnel Benefits (12.1)	7,632	8,384	8,552
Subtotal Personnel Comp. & Benefits	<u>\$35,623</u>	<u>\$38,024</u>	<u>\$38,785</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$10	\$8	\$8
Travel (21.0)	403	451	456
Transportation of Things (22.0)	8	7	7
GSA Rent (23.1)	7,753	6,753	6,821
Other Rents, Comm., Utilities (23.3)	1,938	1,649	1,666
Printing and Reproduction (24.0)	150	210	212
Contract Services - Non-Fed (25.2)	10,719	18,952	29,059
Fed. Purchase, Goods & Services (25.3)	555	331	335
Operation & Maint. of Equipment (25.7)	38,468	37,546	37,306
Supplies and Materials (26.0)	203	257	260
Equipment (31.0)	1,039	1,549	1,565
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	1	1
Subtotal Other Expenses	<u>\$61,248</u>	<u>\$67,714</u>	<u>\$77,696</u>
Total Auctions Cost Recovery			
Reimbursable Obligations:	<u>\$96,871</u>	<u>\$105,738</u>	<u>\$116,481</u>

FY 2016 Budget Estimates to Congress
Summary Table – Distribution of Resources - OIG
(Dollar in Thousands)

REGULATORY FEES - CURRENT (OIG):

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$5,072	\$6,690	\$7,382
Personnel Benefits (12.0)	1,352	1,644	1,899
Subtotal Personnel Comp. & Benefits	<u>\$6,424</u>	<u>\$8,334</u>	<u>\$9,281</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	23	50	50
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	358	309	302
Other Rents, Comm., Utilities (23.3)	35	24	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	3,812	2,066	2,465
Fed. Purchase, Goods & Services (25.3)	139	111	125
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	2	2	1
Equipment (31.0)	130	194	30
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$4,499</u>	<u>\$2,756</u>	<u>\$2,973</u>
Total Obligations from Regulatory Fees	\$10,923	\$11,090	\$12,254
Total Resources from Regulatory Fees	<u>\$10,923</u>	<u>\$11,090</u>	<u>\$12,254</u>

FY 2016 Budget Estimates to Congress
FCC OIG Summary Table - Distribution of Resources
(Dollar in Thousands)

AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY (OIG):

-- The following table depicts the distribution of the actual resources for FY 2014, Congressional Approved for FY 2015, and estimated obligations for FY 2016 utilizing auctions cost recovery reimbursable authority.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time/Part-time Permanent (11.0)	\$0	\$0	\$0
Personnel Benefits (12.0)	0	0	0
Subtotal Personnel Comp. & Benefits	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	0	0	0
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	252	260	517
Fed. Purchase, Goods & Services (25.3)	2	2	2
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	0	0	0
Equipment (31.0)	0	0	0
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$254</u>	<u>\$262</u>	<u>\$519</u>
Total Auctions Cost Recovery Reimbursable Obligations:	<u><u>\$254</u></u>	<u><u>\$262</u></u>	<u><u>\$519</u></u>

FY 2016 Budget Estimates to Congress
FCC OIG Summary Table - Distribution of Resources
(Dollar in Thousands)

UNIVERSAL SERVICE FUND (OIG):

-- The following table depicts the distribution of obligations for FY 2014 for OIG - USF, and amounts for FY 2015 and FY 2016 represents carryover funds. These obligations are presented in separate schedules apart from the Salaries & Expenses account and funded from amounts transferred from USF in FY 2008, as permitted in appropriations language that year. No new budget authority was enacted in FY 2015; carryover balances will be used for continued USF oversight by the Inspector General.

<u>Object Class Description</u>	<u>FY 2014 Actuals</u>	<u>FY 2015 Cong. Approp.</u>	<u>FY 2016 Cong. Request</u>
Personnel Compensation & Benefits:			
Full-time Temporary (11.0)	\$66	\$0	\$0
Personnel Benefits (12.0)	17	0	0
Subtotal Personnel Comp. & Benefits	<u>\$83</u>	<u>\$0</u>	<u>\$0</u>
Other Expenses:			
Benefits for Former Personnel (13.0)	\$0	\$0	\$0
Travel (21.0)	26	5	0
Transportation of Things (22.0)	0	0	0
GSA Rent (23.1)	0	0	0
Other Rents, Comm., Utilities (23.3)	0	0	0
Printing and Reproduction (24.0)	0	0	0
Contract Services - Non-Fed (25.2)	1,209	4,120	1,685
Fed. Purchase, Goods & Services (25.3)	0	0	0
Operation & Maint. of Equipment (25.7)	0	0	0
Supplies and Materials (26.0)	0	0	0
Equipment (31.0)	1	5	0
Land and Structures (32.0)	0	0	0
Insurance Claims & Indemnities (42.0)	0	0	0
Subtotal Other Expenses	<u>\$1,236</u>	<u>\$4,130</u>	<u>\$1,685</u>
Total Universal Service Program	<u>\$1,319</u>	<u>\$4,130</u>	<u>\$1,685</u>

**FY 2016 Budget Estimates to Congress
Distribution of Resources by Goal**

(Dollar in Thousands)

Goals:	Promoting Economic Growth and National Leadership	Protecting Public Interest Goals	Making Networks Work for Everyone	Promoting Operational Excellence	Total
FY 2015 Congressional Appropriation	\$114,793	\$100,060	\$77,617	\$47,374	\$339,844
Incremental Distributions:					
Other Increase to Base Budget	\$0	\$420	\$180	\$8,790	\$9,390
Salaries and Inflationary Increases ¹	2,151	1,875	1,455	888	6,369
OIG's Base Increase	268	384	163	349	1,164
FY 2016 Base Level	\$117,212	\$102,740	\$79,415	\$57,401	\$356,767
One-Time Request ²					
IT - Rewriting of FCC Legacy Applications	\$0	\$0	\$0	\$9,569	\$9,569
IT - Improving the Resiliency of the FCC Enterprise	0	0	0	2,245	2,245
IT - PSAP Do Not Call Registry	0	175	75	0	250
FCC HQ Move/Restacking	0	0	0	44,169	44,169
FY 2016 Total	\$117,212	\$102,915	\$79,490	\$113,384	\$413,000
Recovery of USF Oversight Cost	(5,000)	(7,500)	(12,500)	0	(25,000)
Estimated FY 2016 Request	\$112,212	\$95,415	\$66,990	\$113,384	\$388,000

1/ Uncontrollable inflationary increases requested have been prorated across all goals based on FY 2016 adjusted percentages.

2/ One-time programmatic increases requested have been identified and distributed to the goal and/or goals for which the resources will provide enhanced capabilities in FY 2016.

FY 2016 Budget Estimates to the Congress
Summary of Increases by Budget Object Class Code
(Dollars in Thousands)

OC Description	Adjustment to Base Budget	Inflationary Increase	FY 2016 New Initiatives	FY 2016 USF Adjustment
11.00 Compensation				
-- Compensation	\$0	\$0	\$0	(\$20,000)
-- Pay Raise for FY 2014	0	1,883	0	0
-- Within Grade & Career Ladder Increases	0	1,965	0	0
-- Staffing Adjustment	(4,907)	0	0	0
12.00 Benefits				
-- Benefits	0	0	0	(5,000)
-- Benefits associated with Pay Raise	0	504	0	0
-- Staffing Adjustment	(1,144)	0	0	0
-- Worker Compensation	0	3	0	0
-- Within Grade & Career Ladder Increases	0	502	0	0
13.00 Benefits for Former Personnel	0	0	0	0
21.00 Travel and Transportation of Persons				
-- Domestic/International/Joint Board Travel	0	34	0	0
-- Leased, Passenger Vehicles	0	1	0	0
22.00 Transportation of Things	0	1	0	0
23.00 Rents, Communications, Utilities				
-- GSA Rent and Fees Increase: Portals I & II, and field offices	281	615	0	0
-- Non-GSA Space Rent	0	2	0	0
-- GSA and Non-GSA Telephones	(24)	58	0	0
-- Mail Service--Postage	0	6	0	0
-- GSA, Electric, Other Utilities	0	10	0	0
-- Telecommunications Service-Non-GSA	0	0	0	0
-- Other Equipment Rental/Copier Rental	0	19	0	0
24.00 Printing and Reproduction	0	15	0	0
25.00 Other Contractual Services				
-- Contract Services - Federal & Non-Federal	85	155	44,169	0
-- ADP Data Retrieval Services	0	37	0	0
-- Training/Tuition/Fees; Gov't-wide training initiative	25	10	0	0
-- Contract Purchases-Federal	0	4	0	0
-- Interagency Contracts	14	30	0	0
-- Field Office Buildings and Grounds; Space Repair	0	2	0	0
-- Health Services	0	2	0	0
-- Repair/Maintenance of Vehicles	0	1	0	0
-- ADP Software/ADP Equip. Maintenance; ADP Service Contracts	16,390	456	12,064	0
-- Repair Office Equipment/Technical Equipment	0	3	0	0
26.00 Supplies and Materials				
-- Field Fuel Supplies	0	3	0	0
-- Periodicals & Subscriptions	0	10	0	0
-- General Supplies and Materials	(2)	10	0	0
31.00 Equipment				
-- Technical Equipment	0	5	0	0
-- ADP Equipment	(64)	16	0	0
-- ADP Software	(100)	7	0	0
-- Telecom Equipment	0	0	0	0
-- Vehicle Purchase	0	0	0	0
-- Other Equipment	0	0	0	0
32.00 Lands and Structures	0	0	0	0
42.00 Insurance Claims and Indemnities	0	0	0	0
TOTAL	\$10,554	\$6,369	\$56,233	(\$25,000)
TOTAL INCREASE	\$48,156			

FY 2016 Budget Estimates to the Congress
Allocation of Obligations by Object Class Code
(Dollars in Thousands)

OBJECT CLASS CODE	FY 2014	FY 2015	Adjustments To Establish		Programmatic Changes	FY 2016 Total
	Actual	Cong. Approp.	FY 2016 Base	FY 2016 Base	(+/-)	Request
11 Personnel Compensation	\$190,468	\$192,069	(\$1,040)	\$191,028	\$0	\$191,028
12 Personnel Benefits	50,628	53,472	(\$153)	53,319	0	53,319
13 Benefits for Former Personnel	60	52	1	52	0	52
21 Travel & Trans. of Persons	1,523	2,231	35	2,266	0	2,266
22 Transportation of Things	58	55	1	56	0	56
23.1 GSA Rent	37,871	38,445	896	39,342	0	39,342
23.3 Other Rents, Communications, Utilities	6,590	5,934	71	6,005	0	6,005
24 Printing	992	965	15	981	0	981
25.2 Contract Services	17,813	19,025	7,311	26,336	44,168	70,505
25.3 Fed. Purchase, Goods & Services	2,869	2,400	51	2,451	0	2,451
25.7 Op/Maint. of Equip./Software/ Info Sys Contracts	21,480	21,822	9,851	31,674	12,065	43,738
26 Supplies & Materials	1,505	1,380	21	1,401	0	1,401
31 Equipment/Software	1,669	1,939	(136)	1,802	0	1,802
32 Land, Buildings, Structures	0	0	0	0	0	0
42 Insur. Claims & Indemnities	118	53	0	53	0	53
SUB TOTAL	\$333,645	\$339,844	\$16,923	\$356,767	\$56,233	\$413,000
Recovery of Oversight USF Cost	\$0	\$0	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
SUB TOTAL APPROPRIATION AUTHORITY	\$333,645	\$339,844	(\$8,077)	\$331,767	\$31,233	\$388,000
Reimbursables - Gov't/Other	\$2,969	\$6,000	(\$2,000)	\$4,000	\$0	\$4,000
Auctions Cost Recovery-Reimbursement	\$97,125	\$106,000	\$11,000	\$117,000	\$0	\$117,000
TOTAL REQUEST	\$433,740	\$451,844	\$923	\$452,767	\$31,233	\$509,000
<u>OTHER BUDGET AUTHORITY</u>						
Credit Program Account	\$686	\$500				\$100
OIG - Universal Service Fund (USF) I/	\$1,319	\$4,130				\$1,685
FCC - Recovery of USF Oversight Cost	\$0	\$0				(\$25,000)

EXHIBITS AND REPORTS

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Universal Service Fund Exhibit

Under the Telecommunications Act of 1996, telecommunications carriers that provide interstate and international telecommunications services are required to contribute funds for the preservation and advancement of universal service. The contributions generally provided, in turn, by each carrier's subscribers, are used to provide services eligible for universal service support as prescribed by the FCC. Interest income on these funds is utilized to offset carrier contributions. Administrative costs of the program are provided from carrier contributions.

For budgetary purposes, the USF comprises five elements that consist of four universal service support mechanisms and the Telecommunications Relay Service (TRS) Fund. The TRS Fund represents a program established under section 225 of the Act. This statute provides for a mechanism to support relay services necessary for telecommunications access by speech or hearing impaired populations.

Public Law 113-235 temporarily suspended the application of the Antideficiency Act to the Federal universal service fund programs authorized under section 254 of the Communications Act of 1934, through December 31, 2016. The Antideficiency Act requires that funds be available before incurring an obligation on behalf of the Federal Government.

Program and Financing (in millions of dollars)		2014 Actual	2015 Est.	2016 Est.
Obligation by program activity:				
0001	Universal service fund	\$10,226	\$9,603	\$11,959
0002	Program support	117	144	144
0900	Total new obligations (object class 41.0)	<u>\$10,343</u>	<u>\$9,747</u>	<u>\$12,103</u>
Budgetary resources				
1000	Unobligated balance carried forward, start of year	\$3,338	\$3,265	\$4,780
1021	Recoveries of prior year unpaid obligations	454	1,590	526
1050	Unobligated balance (total)	<u>\$3,792</u>	<u>\$4,855</u>	<u>\$5,306</u>
Budget authority:				
Mandatory:				
1201.1	Appropriation (special fund)--Receipts	\$9,782	\$9,621	\$9,726
1201.2	Appropriation (special fund)--Interest	26	51	150
1260	Appropriation, mandatory (total)	<u>\$9,808</u>	<u>\$9,672</u>	<u>\$9,876</u>
Spending authority from offsetting collections, mandatory:				
1850	Collected (total)	\$8	\$0	\$0
1900	Budget authority (total)	<u>9,816</u>	<u>9,672</u>	<u>9,851</u>
1930	Total budgetary resources available	<u>\$13,608</u>	<u>\$14,527</u>	<u>\$15,157</u>
1941	Unexpired unobligated balance, end of year	<u>\$3,265</u>	<u>\$4,780</u>	<u>\$3,054</u>
Change in obligated balances:				
3000	Unpaid obligated balance, start of year	\$3,975	\$4,555	\$3,184
3010	Obligation incurred, unexpired accounts	\$10,343	\$9,747	\$12,103
3020	Total outlays (gross)	(9,309)	(9,528)	(11,017)
3040	Recoveries of prior year obligations	(454)	(1,590)	(526)
3050	Unpaid obligated balance, end of year (net)	<u>\$4,555</u>	<u>\$3,184</u>	<u>\$3,744</u>
3100	Obligation balance, start of year	\$3,975	\$4,555	\$3,184
3200	Obligation balance, end of year	<u>\$4,555</u>	<u>\$3,184</u>	<u>\$3,744</u>
Budget authority and outlays net:				
4090	Budget authority gross:	\$9,816	\$9,672	\$9,876
4100	Outlays from new mandatory authority	4,065	4,232	4,691
4101	Outlays from new mandatory balances	5,244	5,296	6,336
87.00	Total outlays (net)	<u>\$9,309</u>	<u>\$9,528</u>	<u>\$11,027</u>
Offsets against gross budget authority and outlays				
4123	Offsetting collection from Non-Federal sources	(\$8)	\$0	\$0
4160	Budget authority net (mandatory)	<u>\$9,808</u>	<u>\$9,672</u>	<u>\$9,876</u>
4170	Outlays net (mandatory)	<u>\$9,301</u>	<u>\$9,528</u>	<u>\$11,027</u>
Memorandum (non-add) entries:				
5000	Total investments, start of year: Federal securities: Par value	\$7,150	\$7,656	\$7,656
5001	Total investments, end of year: Federal securities: Par value	7,656	7,656	7,656

Spectrum Auction Program Account Exhibit

This program provided direct loans for the purpose of purchasing spectrum licenses at the Federal Communications Commission's auctions. The licenses were purchased on an installment basis, which constitutes an extension of credit. The first year of activity for this program was 1996.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis and administrative expenses are estimated on a cash basis. The FCC no longer offers credit terms on purchases through spectrum auctions. Program activity relates to maintenance and close-out of existing loans.

Program and Financing (in millions of dollars)			
	2014 Actual	2015 Est.	2016 Est.
Obligations by program activity:			
0709 Administrative Expenses	\$1	\$2	\$0
0900 Total new obligations	\$1	\$2	\$0
Budgetary resources available for obligation:			
1000 Unobligated balance carried forward, start of year	\$3	\$2	\$0
Budget authority			
1200 Appropriation, mandatory	\$0	\$0	\$0
1260 Appropriation, mandatory (total)	\$0	\$0	\$0
1930 Total budgetary resources available	\$3	\$2	\$0
Memorandum (non-add) entries			
1941 Unexpired unobligated balance, end of year	\$2	\$0	\$0
Change in obligated balances:			
3000 Unpaid obligated balance, start of year	\$0	\$0	\$0
3010 Obligations incurred, unexpired accounts	1	2	0
3020 Total outlays (gross)	(1)	(2)	0
3050 Unpaid obligation, end of year (gross)	\$0	\$0	\$0
Budget authority and Outlays (net)			
4090 Budget authority, gross	\$0	\$0	\$0
Outlays, gross:			
4100 Outlays from new mandatory authority	\$0	\$0	\$0
4101 Outlays from mandatory balance	1	2	0
4110 Outlays gross (total)	\$1	\$2	\$0
4160 Budget authority, net (mandatory)	\$0	\$0	\$0
4170 Outlays, net (mandatory)	\$1	\$2	\$0
4180 Budget authority, net (total)	\$0	\$0	\$0
4190 Outlays, net (total)	\$1	\$2	\$0

Summary of Loan levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

	2014 Actual	2015 Est.	2016 Est.
Direct loan upward reestimate:			
1350 Spectrum auction	(\$3)	\$0	\$0
1359 Total upward reestimate budget authority	0	0	0
Direct loan downward reestimate:			
1370 Spectrum auction	0	0	0
1379 Total downward reestimate budget authority	0	0	0
Administrative expense data:			
3510 Budget authority	0	0	0
3590 Outlays from new authority	0	0	0

Object Classification (in millions of dollars)

	2014 Actual	2015 Est.	2016 Est.
1111 Personnel compensation: Full-time permanent	\$0	\$0	\$0
1252 Other services	0	0	0
1253 Other purch of goods & services from Government acct	0	0	0
1410 Grants, subsidies, and contributions	0	0	0
9999 Total new obligations	\$0	\$0	\$0

Spectrum Auction Direct Loan Financing Account Exhibit

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Program and Financing (in millions of dollars)			
	2014 Actual	2015 Est.	2016 Est.
Obligation by program activity:			
Credit program obligations:			
0713 Payment of interest to Treasury	\$0	\$0	\$0
0900 Total new obligations	\$3	\$0	\$0
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance carried forward, start of year	\$7	\$5	\$5
Financing authority :			
Borrowing authority, mandatory:			
1400 Borrowing authority	\$4	\$0	\$0
1440 Borrowing authority, mandatory (total)	\$4	\$0	\$0
Spending authority from offsetting collections, mandatory:			
1800 Offsetting collections	\$1	\$0	\$0
1825 Spending authority from offsetting collections applied to repay debt		0	0
1850 Spending authority from offsetting collections, mandatory:	\$1	\$0	\$0
1900 Financing authority (total)	\$5	\$0	\$0
1930 Total budgetary resources available	\$8	\$5	\$5
Memorandum (non-add) entries:			
1941 Unexpirsd unobligated balance, end of year	\$5	\$5	\$5
Change in obligated balances:			
3010 Obligation incurred, unexpired accounts	\$3	\$0	\$0
3020 Financing disbursements (gross)	(3)	0	0
Financing authority and disbursements, net			
4090 Financing authority, gross (mandatory)	\$5	\$0	\$0
4010 Financing disbursements, gross	\$3	\$0	\$0
4160 Financing authority, net (mandory)	\$4	\$0	\$0
4170 Financing disbursements, net (mandatory)	\$2	\$0	\$0
4180 Financing authority, net (total)	\$4	\$0	\$0
4190 Financing disbursements, net (total)	\$2	\$0	\$0

Status of Direct Loans (in millions of dollars)

	2014 Actual	2015 Est.	2016 Est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	\$112	\$0	\$0
1263 Write-offs for default: Direct loans	(112)	0	0
1264 Other adjustments, net(adjust to princ recoveries)	0	0	0
1290 Outstanding, end of year	\$0	\$0	\$0

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**Responses to Congressional Inquiries Concerning GAO
Recommendations**

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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

September 19, 2014

The Honorable Thomas Carper
Chairman
Committee on Homeland Security & Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Carper:

On July 22, 2014, the Government Accountability Office (GAO) issued a Report entitled *Telecommunications: FCC Should Improve the Accountability and Transparency of High-Cost Program Funding* (GAO-14-587). The Report recommends that the Federal Communications Commission improve the accountability and transparency of the high-cost program in the wake of the *USF/ICC Transformation Order* by demonstrating how high-cost funds are being used to improve broadband availability, service quality and capacity, and by conducting analyses of carrier data and publicly reporting this information annually in a granular and accessible manner.

We have carefully reviewed the GAO's Report. We agree with the GAO's findings and its recommendation and are actively working on initiatives that will continue to improve our analyses and reporting of data that will inform the public on the progress of our universal service initiatives.

The Connect America Fund already is supporting the deployment of broadband to millions of unserved Americans living in rural areas, but we know that we have more work to do to ensure that rural America is not left behind. As we continue to move further down the path the Commission set out in the *USF/ICC Transformation Order*, we are mindful of our duty to uphold the integrity of the Universal Service Fund and the importance of evaluating the success of our reforms. It is our responsibility to ensure that the high-cost support that we disburse is used for its intended purpose – the deployment of robust voice and broadband-capable networks to consumers and businesses in rural America so that they can be active participants in the United States of the 21st century. That is why we are working on refining a data analysis plan for all of the data we collect from recipients of high-cost support, including the deployment plans and coverage data that were reported for the first time this year. Our objective is to take a hard look at the data to determine how those funds are being put to use to benefit the public. Specifically, based on the GAO's recommendation, we are working to quantify where recipients have used high-cost funds to increase broadband deployment, penetration, and available speeds.

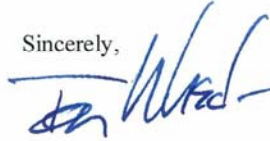
We also understand the important role that the public plays in monitoring the success of our reforms and in holding recipients accountable for their use of high-cost support. Thus, as recommended by the GAO, we are building on our efforts to make the data we collect

Page 2—The Honorable Thomas Carper

transparent and accessible. Not only are we examining ways to integrate the data into our existing annual monitoring report, but we are also exploring how we can continue to improve our website and other resources to provide data in user-friendly, visual formats so the public can see where recipients are using high-cost support to deploy broadband.

The Commission and its staff appreciate the GAO's analysis and its recommendation. We look forward to continuing to work with the GAO and Congress in our efforts to reform and modernize the universal service high-cost fund. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a horizontal line drawn through the middle of the signature.

Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

September 26, 2014

The Honorable Tom Coburn
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Coburn:

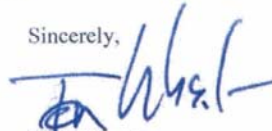
On July 28, 2014, the Government Accountability Office (GAO) publicly released a report entitled *FCC Should Review the Effects of Broadcaster Agreements on Its Media Policy Goals*, GAO-14-558. The Report recommends that the Federal Communications Commission (FCC) determine whether it needs to collect additional data to understand the prevalence and context of broadcaster agreements between television stations. The Report also recommends that the FCC evaluate whether broadcaster agreements affect the media policy goals of competition, localism, and diversity. My staff has carefully reviewed the Report and proposals provided therein. Pursuant to 31 U.S.C. Section 720, I am submitting this statement on actions the FCC has taken on those recommendations.

The FCC already has taken steps to carry out the recommendations of the GAO Report. On April 15, 2014, the FCC released a *Further Notice of Proposed Rulemaking* that started the 2014 Quadrennial Review of media ownership rules. The item proposed defining a category of sharing agreements and requiring their disclosure. The FCC made this proposal as a means to enable a better understanding of the terms, operation, and prevalence of sharing agreements between television stations. Disclosure would allow the FCC, and the public, to review these agreements and assess better the impact of such arrangements on the FCC's rules and policy goals.

While the record for the 2014 Quadrennial Review is being developed, the FCC will continue to consider broadcaster-agreements, in appropriate cases, in deciding whether approval of particular proposed transactions will serve the public interest.

In summary, the FCC and its staff appreciate GAO's analysis and recommendations and have begun to implement them. Should you have any questions or comments regarding this matter, I would be pleased to discuss them with you.

Sincerely,



Tom Wheeler

cc: The Honorable John D. Rockefeller IV