

FEDERAL COMMUNICATIONS COMMISSION

Fiscal Year 2010 Annual Performance Report

(October 1, 2009 – September 30, 2010)

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Message from the Chairman

I am pleased to present the Federal Communications Commission's (Commission) FY 2010 Annual Performance Report. This report details the Commission's performance toward fulfilling its strategic goals and meeting its performance commitments. The results shown in this report conform to the strategic and performance goals identified in the FCC Strategic Plan for FY 2009 through 2014 (<http://www.fcc.gov/omd/strategicplan>).

The FCC's mission centers on communications networks and technology, which have the potential to unleash new waves of innovation, thereby increasing opportunity and prosperity, driving American competitiveness and leadership, connecting our country, strengthening our democracy – and transforming lives for the better. I welcome the opportunity to highlight how the FCC performance has fulfilled its important role in pursuing these goals on behalf of all Americans throughout FY 2010.

In the American Recovery and Reinvestment Act of 2009, Congress directed the FCC to develop a National Broadband Plan to ensure every American has “access to broadband capability.” Congress also required that the Plan include a detailed strategy for achieving affordability and maximizing use of broadband to advance “consumer welfare, civic participation, public safety and homeland security, community development, health care delivery, energy independence and efficiency, education, employee training, private sector investment, entrepreneurial activity, job creation and economic growth, and other national purposes.” The Plan, released in March 2010, offers comprehensive recommendations to improve the health of the entire broadband ecosystem — networks, devices, content and applications. The Plan's goals and recommendations are discussed in the Broadband section of this report, and its impact on other Commission strategic goals is highlighted throughout the document.

The Plan is a result of an unprecedented effort by the FCC staff to work with the private and public sectors. It involved thirty-six public workshops held at the FCC and streamed online, which drew more than 10,000 in-person or online attendees and provided the framework for the ideas contained within the Plan. These ideas were then refined based on replies to 31 public notices, which generated some 23,000 comments totaling about 74,000 pages from more than 700 parties. The FCC also received about 1,100 ex parte filings totaling some 13,000 pages, and nine public hearings were held throughout the country to further clarify the issues addressed in the Plan. The Internet also provided new ways to involve the public. Through an innovative Web presence at <http://www.broadband.gov>, the FCC posted more than 130 blog entries and received nearly 1,500 comments in return. The FCC's Twitter feed now has more than 330,000 followers, making it the third most popular government Twitter feed after the White House and the Centers for Disease Control.

At the FCC we are working hard to implement the Plan, including unleashing and recovering spectrum, improving mapping of broadband availability, lowering the cost of deploying broadband infrastructure, reforming the Universal Service Fund, promoting adoption of broadband, and promoting broadband for specific uses such as telemedicine, education, and e-government.

In addition to the Plan, I have worked with the committed and talented staff of the FCC to make the agency a “model of excellence” in government. We cultivated an inclusive process through which the public is more involved in the work of the FCC using technology and new media.

Through the creation of the FCC “Reboot” site, the agency now provides a clearinghouse for gathering and sharing information and for public feedback. Key initiatives available on FCC “Reboot” include the new Parents’ Place webpage (<http://reboot.fcc.gov/parents/>). From televisions to laptops to cell phones, electronic media have become our children's almost constant companions. Parents’ Place provides resources and information about how to improve a child’s safety in today's complex media landscape, and explains what the FCC is doing to help. Another important initiative available on FCC “Reboot” is the Consumer Help Center (<http://reboot.fcc.gov/consumers/>). Developed by the Consumer Task Force I created in January 2010, the Help Center benefits consumers by providing information on obtaining the best value from their telephone, TV, and internet service, filing a complaint, or learning about the FCC’s consumer protection regulations.

As the nation’s expert agency on communications, the FCC must also have access to, and base its decisions on, data that is robust, reliable, and relevant. Following an agency-wide examination of our more than \$2 million in data acquisition costs this year, FCC staff reviewed how the Commission manages licensed data and information. This analysis enabled FCC staff to provide a series of recommendations designed to make our purchase and use of data more efficient and effective, including a proposal to centralize the purchase and management of data acquisition.

During my chairmanship, I established a Senior Counsel on FCC Reform – a position that focuses on openness and transparency at the agency and reports directly to me. I also worked to make management accountable for employee satisfaction, establishing goals in key leadership areas as well as coaching managers, and worked on leadership development through the establishment of executive leadership forums. This is all in addition to modernizing the FCC’s online infrastructure, greening the agency, and a focus on charitable giving and community outreach.

Through these and many other efforts, I am extremely honored and pleased that under the results of our 2010 Office of Personnel Management (OPM) Employee Survey the FCC was the most improved agency in the Federal Government. OPM tracks four categories in the survey: Leadership, Results, Orientation, Talent Management, and Job Satisfaction. Across all Federal agencies, the FCC was in the top 10 for the first two categories, was most improved in three of the four, and tied for second most improved in the fourth. I am extremely proud of these results which sends the clear message to keep moving forward on the path we have laid out to be a “model of excellence in Government.”

These positive steps have revitalized the FCC. By institutionalizing this change, we are making the FCC a 21st century agency for the information age – one that fights for consumers and families, and fosters investment and innovation through fair, participatory, and data-driven processes.



Julius Genachowski
Chairman
February 7, 2011

BROADBAND

Strategic Goal:

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

FY 2010 PERFORMANCE GOALS

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

FY 2010 PERFORMANCE HIGHLIGHTS

Broaden the deployment of broadband technologies:

- On March 16, 2010, the Federal Communications Commission delivered to Congress a National Broadband Plan setting an ambitious agenda for connecting all corners of the nation while transforming the economy and society with the communications network of the future -- robust, affordable Internet. Titled "[Connecting America: The National Broadband Plan](#)," the Plan found that while broadband access and use have increased over the past decade, the nation must do much more to connect all individuals and the economy to broadband's transformative benefits. Nearly 93 million Americans lack broadband at home, and between 14 to 24 million Americans do not have access to broadband even if they want it. Only 42 percent of people with disabilities use broadband at home, while as few as 5 percent of people living on Tribal lands have access. Meanwhile, the cost of digital exclusion for the student unable to access the Internet to complete a homework assignment, or for the unemployed worker who can't search for a job online, continues to grow.
- The Plan's call for action over the next decade includes the following goals and recommendations:
 - Connect 100 million households to affordable 100-megabits-per-second service, building the world's largest market of high-speed broadband users and ensuring that new jobs and businesses are created in America.
 - Affordable access in every American community to ultra-high-speed broadband of at least 1 gigabit per second at anchor institutions such as schools, hospitals, and military installations so that America is hosting the experiments that produce tomorrow's ideas and industries.

- Ensure that the United States is leading the world in mobile innovation by making 500 megahertz of spectrum newly available for licensed and unlicensed use.
 - Move our adoption rates from roughly 65 percent to more than 90 percent and make sure that every child in America is digitally literate by the time he or she leaves high school.
 - Bring affordable broadband to rural communities, schools, libraries, and vulnerable populations by transitioning existing Universal Service Fund support from yesterday's analog technologies to tomorrow's digital infrastructure.
 - Promote competition across the broadband ecosystem by ensuring greater transparency, removing barriers to entry, and conducting market-based analysis with quality data on price, speed, and availability.
 - Enhance the safety of the American people by providing every first responder with access to a nationwide, wireless, interoperable public safety network.
- Less than one month after issuing the National Broadband Plan, the FCC announced an ambitious 2010 agenda for implementing key recommendations of the National Broadband Plan that involve rulemakings and other notice-and-comment proceedings. The 2010 Broadband Action Agenda proposed more than 60 rulemakings and other notice-and-comment proceedings that require Commission action. The FCC will simultaneously work to implement numerous Plan recommendations that do not require formal agency proceedings, while other government bodies and stakeholders consider Plan recommendations that fall outside the agency's areas of responsibility. FCC actions taken to implement the Plan can be tracked at <http://www.broadband.gov/plan/broadband-action-agenda.html>.
 - Health-Care NPRM (released July, 2010). The FCC introduced a new health care connectivity program that would expand investment in broadband for medically underserved communities across the country. The program will give patients in rural areas access to state-of-the-art diagnostic tools typically available only in the largest and most sophisticated medical centers. This program will invest up to \$400 million annually to enable doctors, nurses, hospitals and clinics to deliver, through communications technology, world-class health care to patients, no matter where they live.
 - On June 1, 2010, the FCC released the results of a survey on the consumer broadband experience, "FCC Survey Finds 4 out of 5 Americans Don't Know Their Broadband Speeds." The FCC commenced an initiative seeking 10,000 volunteers to participate in a scientific study to measure home broadband speed in the United States through a FCC partnership effort with SamKnows Limited. On July 23, 2010, the Commission released a Public Notice seeking comment on ways to measure mobile broadband speed.
 - The Chairman presented a major policy speech on March 2010 outlining how the National Broadband Plan will benefit children and families at the Smithsonian's Museum of American History. The Chairman was joined by the President of Sesame Workshop and the President of Common Sense Media as well as other national figures in the area of children and communications.
 - The Commission provided technical assistance on H.R. 3101 and S. 3304, draft legislation which deals in part with accessibility on the internet. This legislation was

ultimately passed on September 28, 2010 as the Twenty-First Century Communications and Video Accessibility Act.

- As a result of the Commission's established working relationships with government entities and consumer and industry groups, the Commission took efforts to educate the public about the Commission's broadband initiatives. The Commission held an ongoing series of hearings and workshops to promote broadband availability to all Americans, including consumers in rural and high cost areas and individuals with disabilities.
 - July 26-27, 2010 – Broadband and Medical Devices: Partnership with the Food and Drug Administration (featuring concurrent conference and medical devices technology showcase held at FCC Headquarters, Washington, DC)
 - April 28, 2010 - FCC workshop, Approaches to Preserving the Open Internet (held in Seattle, WA)
 - April 18, 2010 – Broadband and Clean Technology Showcase (held at FCC Headquarters, Washington, DC)
 - April 7, 2010 – Broadband and Small Business: Partnership with SCORE (held in Washington, DC)
 - April 2010 – Broadband Summit for Small Business (held in Washington, DC)
 - December 21, 2009 – FCC Broadband Field Hearing on Small Business (held at the University of Chicago)
 - December 10, 2009 – Global Broadband Connects America and the World: Infrastructure, Services and Applications Workshop (held at FCC Headquarters, Washington, DC)
 - November 30, 2009 – FCC Field Hearing on Energy and the Environment (held at Massachusetts Institute of Technology, Cambridge, MA)
 - November 26, 2009 – FCC staff conducted a field hearing and workshop on broadband services benefitting individuals with disabilities at Gallaudet University, Washington, D.C.
 - November 23, 2009 – Research Recommendations for the Broadband Taskforce Workshop (held at FCC Headquarters, Washington, DC)
 - November 19, 2009 – Future Fiber Architectures and Local Deployment Choices Workshop (held at FCC Headquarters, Washington, DC)
 - November 12, 2009 – Capitalization Strategies for Small and Disadvantaged Businesses Workshop (held at FCC Headquarters, Washington, DC)
 - November 12, 2009 – FCC Broadband Field Hearing on Improving Public Safety Communications and Emergency Response (held at Georgetown University, Washington, DC)
 - October 9, 2009 – Economic Issues in Broadband Competition Workshop (held at FCC Headquarters, Washington, DC)
 - October 8, 2009 – FCC Field Hearing: Mobile Applications and Spectrum (held in San Diego, CA)
 - October 6, 2009 – FCC Hearing on Broadband Adoption with FCC Commissioners (held in Charleston, SC)
 - October 1, 2009 - FCC Hearing on Capital Formation in the Broadband Sector (held at FCC Headquarters, Washington, DC)
- Throughout FY 2010, Commission staff provided U.S. Government statistical data to the Organisation for Economic Development and Cooperation (OECD) and the International Telecommunications Union (ITU) on U.S. broadband deployment.

- In October 2009, FCC senior management and staff hosted and moderated an all day roundtable discussion with Ed Richards, the United Kingdom's CEO of Ofcom. Discussion included U.S. and UK perspectives on broadband deployment and strategies, universal service, investment and competition and wireless spectrum issues such as LTE services.

Define broadband to include any platform capable of transmitting high-bandwidth intensive services, applications, and content:

- On October 22, 2009 the Commission released a Notice of Proposed Rulemaking seeking public input on draft rules that would codify and supplement existing Internet openness principles. The NPRM was aimed at securing the many economic and social benefits that an open Internet has historically provided. It seeks to do so in a manner that will promote and protect the legitimate needs of consumers, broadband Internet access service providers, entrepreneurs, investors, and businesses of all sizes that make use of the Internet
- On July 19, 2010, the Commission launched the Accessibility and Innovation Initiative to promote collaborative problem-solving among stakeholders in order to ensure that people with disabilities reap the full benefits of communications technology.
- The Commission contributed draft comments in June on a smart-grid- related bill entitled "Electric Consumer Right to Know Act." The bill, which is relevant to one of the recommendations in the National Broadband Plan, would require federal "guidelines that establish minimum national standards for implementation of the electric consumer right to access retail electric energy information."
- The Commission issued a Public Notice on July 2, 2010 on whether the commission's rules concerning disruptions to communications should apply to broadband internet service providers and interconnected voice over internet protocol service providers.
- The Commission issued a Notice of Inquiry on April 21, 2010 concerning the ability of existing broadband networks to withstand significant damage or severe overloads as a result of natural disasters, terrorist attacks, pandemics or other major public emergencies, as recommended in the National Broadband Plan.

Ensure harmonized regulatory treatment of competing broadband services:

- Broadband Legal Framework. After the D.C. Circuit issued its opinion in Comcast Corp. v. FCC, which held that the Commission lacked ancillary authority to take enforcement action against a cable operator that deliberately discriminated against certain Internet traffic when providing cable modem service, FCC staff prepared a Notice of Inquiry seeking comment on how to improve the legal framework applicable to broadband Internet access services.
- In Ottawa, Canada and later Washington, D.C., the Chairman and senior Commission management met with Mexican regulators and U.S., Canadian and Mexican industry officials to discuss the harmonious use and regulatory treatment of L-band spectrum for various uses, including broadband.

- In August 2010, the Commission released the first annual International Broadband Data Report (IBDR). It presents data and information on international broadband service capability pursuant to Section 1303 of the Broadband Data Improvement Act, which requires the Commission to include such information in its annual broadband deployment report. In September 2010, the Commission released a Public Notice seeking public comment regarding the preparation of the 2011 International Broadband Data Report and how best to build on the foundation of the 2010 IBDR. The PN seeks to determine what improvements can be made to the data and analysis used in the 2010 IBDR to make next year's IBDR more useful, particularly for policymakers.

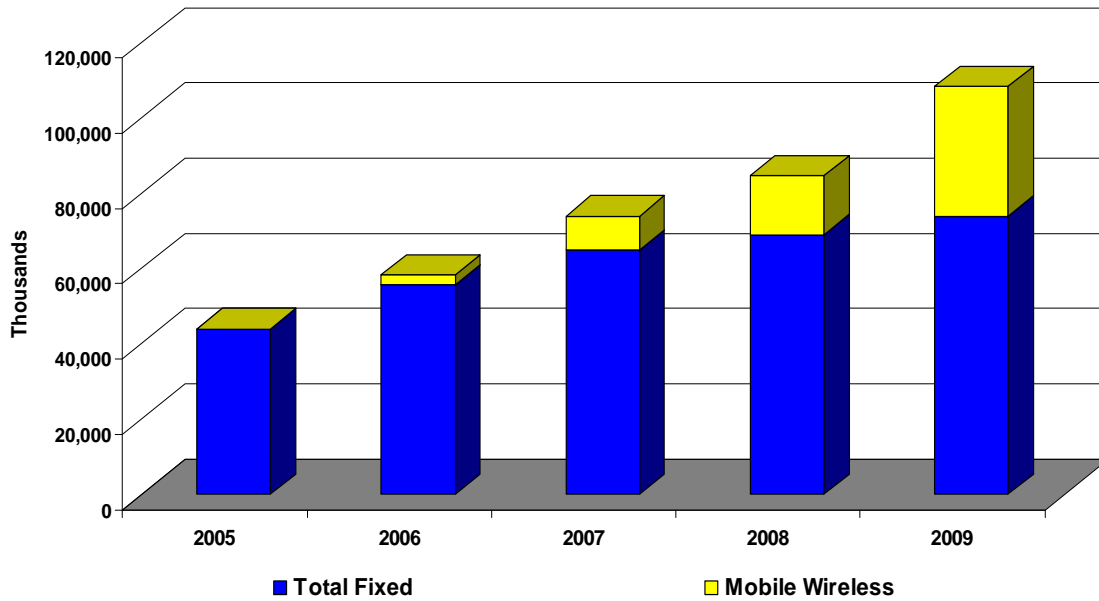
Encourage and facilitate an environment that stimulates investment and innovation in broadband technologies and services:

- The National Broadband Plan recommends that the Federal Communications Commission (FCC) make 500 megahertz of spectrum available for broadband use within the next 10 years, including 300 megahertz between 225 MHz and 3.7 GHz for mobile use in the next five years. The FCC has engaged in discussions with the Office of Spectrum Management, National Telecommunications and Information Administration (NTIA), to begin examining various frequency bands that may be suitable for mobile broadband use. The FCC has preliminarily identified the 1675-1710 MHz band for such use and is examining the impact on its incumbent federal users. FCC staff released a Public Notice on June 4, 2010 seeking comment to help the Commission better comprehend the current use of the 1675-1710 MHz band by non-federal entities and better understand its potential utility for broadband.
- A major initiative to promote affordable broadband access for all Americans is reform of the Universal Service Fund. The Commission adopted a Notice of Inquiry (NOI) and Notice of Proposed Rulemaking (NPRM) in April 2010 to cut inefficiencies in existing support of voice services and create a Connect America Fund (CAF) that directly supports broadband without increasing the size of the Universal Service Fund over the current baseline projection.
- The Commission enacted updates to the "E-rate" program, through which 97 percent of American schools now have Internet access. The National Broadband Plan found that many schools will need significant upgrades to meet future broadband speed and capacity demands, and that many E-rate policies are out-of-date. The E-Rate Order will help bring affordable, super-fast fiber connections to America's schools and libraries, open the door to "School Spots" where schools have the option to provide Internet access to the local community after students go home, launches a pilot program that supports off-campus wireless Internet connectivity for mobile learning devices, and indexes the current disbursement cap in a fiscally responsible manner to maintain current purchasing power.
- The Commission released a Notice of Proposed Rulemaking (NPRM) seeking comment on using reserves accumulated in the Universal Service Fund to create a new Mobility Fund. The purpose of the Mobility Fund is to significantly improve coverage of current-generation or better mobile voice and Internet service for consumers in areas where such coverage is currently missing, and to do so by supporting private investment. The Mobility Fund would use market mechanisms – specifically, a reverse auction – to make

one-time support available to service providers to cost-effectively extend mobile coverage in specified unserved areas. Outreach meetings were held with 16 wireless carriers who provide service in rural areas and 2 rural wireless associations to obtain feedback on key aspects of the proposal to establish a Mobility Fund.

- To provide consumers with real-time information about their broadband connections, the FCC launched two new digital tools during FY 2010. The Consumer Broadband Test measures broadband quality indicators such as speed and latency and reports that information to consumers and the FCC. The mobile version -- the FCC's first mobile app -- is available through the Apple and Android app stores. The Broadband Dead Zone Report enables Americans to submit the street address location of a broadband "Dead Zone" where broadband is unavailable for purchase. Both tools are available on www.broadband.gov.
- The Commission released a July 15, 2010, Notice of Proposed Rulemaking (NPRM) and Notice of Inquiry (NOI) to take steps in making additional spectrum available for new investments in the mobile broadband network. In the NPRM, the Commission proposed to take a number of actions to enable the provision of terrestrial broadband service in the MSS bands. In the NOI, the Commission launched a broader inquiry into steps that can be taken to increase utilization, innovation and investment in MSS spectrum generally.
- The Broadband Radio Service (BRS)/Educational Broadband Service (EBS) 3rd R&O released June 3, 2010 provided BRS licensees that are awarded new initial licenses on or after November 6, 2009 a reasonable period of time to meet the construction requirement -- four years from the date of initial license grant -- while ensuring that spectrum is placed in use for the benefit of consumers. In addition, the Commission revised the construction rule to conform the text to previous decisions made by the Commission in this proceeding. These revisions provide greater clarity to BRS and EBS licensees in complying with the construction requirement.
- The Commission processed 100% of the informal consumer complaints received regarding broadband availability and has addressed all of those which fall squarely within the FCC's jurisdiction.
- In an effort to build a consensus on appropriate Commission action in response to the remand in *American Bird Conservancy v. FCC*, 516 F.3d 1027 (D.C. Cir. 2008), FCC staff facilitated meetings between industry groups with communications tower interests, and organizations representing environmental groups concerned with avian wildlife. The meetings resulted in a Memorandum of Understanding between the two sides relating to public notice of antenna structure registration applications and categorization of towers for purposes of environmental assessment submissions. In addition, FCC staff drafted an order to respond to the court's remand, and assisted other agencies in their efforts to use the Commission's Tower Construction Notification System for towers subject to review under the Commission's Nationwide Programmatic Agreement.

Residential Connections over 200 kbps in at Least One Direction (in thousands)



Residential fixed-location Internet access connections over 200 kilobits per second in at least one direction increased by 7% during 2009 to nearly 74 million. Residential mobile wireless service subscribers with mobile devices and data plans for full Internet access increased by 119% during 2009 to more than 34 million.

COMPETITION

Strategic Goal:

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

FY 2010 PERFORMANCE GOALS

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

FY 2010 PERFORMANCE HIGHLIGHTS

Promote access to telecommunications services for all Americans:

- Access to communications services is vital for those citizens whose disabilities make it difficult to utilize 21st century technology. On August 5, 2010 the Commission released a Policy Statement and Second Report and Order and Further Notice of Proposed Rulemaking, taking important steps to ensure that the latest wireless phones are hearing aid-compatible, and expanding access to mobile networks and services for the eight million Americans who use hearing aids. The Second Report and Order clarifies that the Commission's hearing aid compatibility rules cover customer equipment that contains a built-in speaker and is designed to be typically held to the ear. The Policy Statement emphasizes to developers of new technologies the necessity of considering and planning for hearing aid compatibility at the earliest stages of the product design process. By focusing on the development stage, innovators and entrepreneurs can account for compatibility issues before their first device is ever produced.
- In order to develop and advance an agenda aimed at bringing the benefits of a modern communications infrastructure to consumers in all Native communities, the FCC established an Office of Native Affairs and Policy. The office will work to promote the deployment and adoption of communications services and technologies throughout Tribal Lands and Native communities by, among other things, ensuring robust government-to-government consultation with Tribal governments and increased coordination with Native organizations. Immediately following the establishment of the Office on August

12th, through the closing days of FY 2010, the Commission's Office of Native Affairs and Policy (ONAP) carried out its program mandate to "develop and drive a Tribal agenda" through consultation and coordination with Tribes in efforts agency-wide. ONAP initiated its consultation and coordination plan on Tribal lands in Native communities by conducting sessions and meetings that ultimately involved more than one hundred tribes.

- On May 24, 2010, the Commission adopted a Declaratory Ruling, Order and Notice of Proposed Rulemaking in which the FCC reiterated that Telecommunications Relay Service (TRS) Fund payments may be suspended to providers that do not submit to audits. In the accompanying Order, the Commission adopted an interim rule addressing the certification of provider information for the Video Relay Service (VRS). In the Notice of Proposed Rulemaking, the Commission sought comment on ways to amend its rules to detect and prevent fraud and misuse in the provision of VRS.
- Pursuant to a long-standing Memorandum of Understanding with the Department of Justice (DOJ), the FCC coordinated with the Criminal Division's Computer Crime and Intellectual Property Section before initiating an investigation into whether Google's "Spy-Fi" program may have violated section 705 of the Communications Act. FCC staff also coordinated with both the Civil and Criminal Divisions in resolving the investigation of VRS provider Purple Communications, Inc.
- The Commission successfully defended an FCC order imposing an interim cap on the amount of high cost universal service support available to competitive eligible telecommunications carriers.
- The Commission released an Order and NPRM declining Puerto Rico Telephone Company's request to create a non-rural, insular universal service support mechanism for Puerto Rico, but proposed adopting a more generous low-income support mechanism for the territory.
- FCC staff continued to work closely with its Universal Service Fund administrator, the Universal Service Administrative Company (USAC) and its counsel on several bankruptcy cases in which USAC had an interest or claim, to ensure that the policies and regulations of the Commission were protected.
- On November 5, 2009, the Commission released an Order addressing the treatment of geographic numbers and certain aspects of the Commission's emergency call handling requirements for two forms of Internet-based Telecommunications Relay Service (TRS) - Video Relay Service (VRS) and Internet-Protocol (IP) Relay.
- On October 21, 2009, the FCC released a Public Notice in which it reminded VRS and IP Relay Service Providers of their outreach obligations and clarified their call handling obligations for unregistered users after November 12, 2009.
- The Commission took action against six companies that failed to comply with universal service filing and payment rules. Enforcement of these rules is critical to protecting the integrity of the fund and ensuring that other companies do not bear the burden of compensating for those who do not pay their fair share. These actions include: (1) two Notices of Apparent Liability (NAL) proposing a total of \$1,084,950 in forfeitures, which also resulted in the two carriers paying or committing to pay close to \$1.3 million in past

due USF contributions; (2) two consent decrees that resulted in \$225,000 in voluntary contributions to the U. S. Treasury and the payment of over \$5 million in past due USF contributions; and (3) two citations against VoIP telephone companies that failed to satisfy their obligations to contribute to the fund. As a result of the citations, these VoIP companies will be subject to forfeiture proceedings if they violate the Commission's contribution requirements in the future.

- Houston Independent School District. The alleged fraud in this case involved non-competitive bidding practices that resulted in disbursement of \$110–\$115 million from the USF and tainted another \$103 million in funding requests pending before USAC. As in other cases, in which E-rate fraud occurs in a school district, this case presented the challenge of how best to punish and prevent misconduct without harming students served by the school and the E-Rate program. FCC staff assisted in negotiating a settlement package including \$850,000, intended to partially reimburse the USF, relinquishment of the \$103 million in additional tainted funding requests pending before USAC, and a robust E-Rate Compliance Agreement tailored to prevent non-compliance and protect against future waste, fraud and abuse.
- The FCC suspended and then debarred from participation in the universal service E-Rate program three individuals who were convicted of engaging in fraud or similar criminal acts related to the schools and libraries support mechanism.
- The FCC performed fraud risk assessments of the USF and the TRS programs during the past fiscal year. The administrators of both programs implemented an internal control framework in accordance with OMB Circular A-123 to prevent, detect and deter fraud, waste and abuse.
- The Commission released a Notice of Inquiry in CG Docket No. 10-58, Structure & Practices of the Video Relay Services Program on June 28, 2010. In this proceeding, the FCC seeks to improve the program to ensure that it is available to and used by the full spectrum of eligible users, encourages innovation, and is provided efficiently so as to be less susceptible to waste, fraud, and abuse. The FCC's goal is to solicit a wide range of thoughts and proposals for making the program work better for those who could benefit from it and those who pay into it.

Ensure that American consumers can choose among multiple reliable and affordable communications services:

- Competition in the provision of communications services, both domestically and overseas, supports the Nation's economy. The competitive framework for communications services should foster innovation and offer consumers reliable, meaningful choice in affordable services. In May 2010, the FCC adopted its 14th annual report on the state of competition in the mobile wireless industry. Unlike previous reports, which examined competition in the provision of Commercial Mobile Radio Services (CMRS), this year's report integrated CMRS into the broader mobile ecosystem, including mobile voice, messaging, and broadband services. Among its findings were that 90 percent of Americans had a mobile wireless device, providers continue to invest significant capital in networks despite the economic downturn, and there appears to be increasing concentration in the mobile wireless market.

- Along with access, affordability of communications services is a primary concern of consumers. During FY 2010, the FCC conducted a survey on the consumer mobile experience. The survey indicated that 30 million Americans, one in six mobile users, have experienced “bill shock,” a sudden increase in their monthly bill that is not caused by a change in service plan. It also shows that nearly half of cell phone users who have plans with early termination fees (ETFs), and almost two-thirds of home broadband users with ETFs, don’t know the amount of the fees for which they are accountable. In response to the results, the Commission released a Notice of Proposed Rulemaking regarding proposals promoting and facilitating empowerment of consumers to avoid bill shock for Commission consideration in October 2010. The proposed new rules would require mobile service providers to provide usage alerts and related information that will assist consumers in avoiding unexpected charges on their bills and would empower consumers with simple alerts and easy-to-find tools and information so they can make smart decisions about their mobile plans.
- The FCC released an Order and Further Notice of Proposed Rulemaking on in May 2010 addressing the affordability and availability of broadband services by streamlining the process and reducing the costs of access to an essential piece of infrastructure: utility poles. The impact of utility pole attachment rates on broadband can be particularly acute in rural areas, where there often are more poles per mile than households. The Commission’s Order reduces costs and speeds access to poles by clarifying the statutory right of communications providers to use the same space and cost-saving techniques that pole owners use, such as placing attachments on both sides of a pole.
- During the period of October 1, 2009 – September 30, 2010 FCC staff:
 - Acted upon 234 international Section 214 applications filed in connection with the provision of international telecommunications services to and from the United States. In addition, 31 Special Temporary Authorization (STA) applications were processed. FCC staff coordinated with Executive Branch agencies, including DOJ, 140 Section 214 applications, submarine cable applications, and foreign ownership petitions for declaratory ruling.
 - Acted upon 7 submarine cable landing license applications filed in connection with the provision of international telecommunications services to and from the United States. FCC staff also acted upon 15 transfers of control and assignments of submarine cable landing authorizations, of which 93 percent were processed within processing goals.
 - Granted a cable landing license for construction and landing of a new submarine cable facility, adding substantial international transmission capacity between the United States and Japan.
 - Granted ninety-four transfers of control and assignments of international Section 214 authorization. In addition, 140 pro-forma transfers of control and assignment applications were processed.
 - Acted upon 15 submarine cable landing license transfer of control and assignment applications. In addition, 10 pro-forma transfer of control and assignment applications were processed.
- On January 25, 2010, the Commission released a Declaratory Order establishing a procedure that allows Ka-band earth stations with routine technical parameters to communicate with all U.S.-licensed satellites and those non-U.S.-licensed satellites on the Ka-band Permitted List without additional regulatory approval.

- The Commission successfully defended before the D.C. Circuit an FCC order that set forth a legal basis for interim rules designed to limit the amount of per-minute compensation that incumbent local exchange carriers (LECs) must pay to competitive LECs serving Internet service providers. In conjunction with the Office of the Solicitor General, the FCC recently filed a brief opposing the plaintiff's petition for Supreme Court review of the favorable D.C. Circuit decision.
- The Commission provides a critical service to companies that believe they have been subjected to unlawful and anti-competitive practices by mediating and resolving complaints. Actions taken in these areas include:

Formal Complaint Proceedings.

- APCC Services, Inc. v. CCI. Order granting complaint in part, and awarding damages in excess of \$1.8 million in connection with allegations that the defendant failed to pay per-call payphone compensation.
- Qwest Communications Corp. v. Farmers and Merchants Mutual Telephone Co. Commission-level Order denying a Petition for Reconsideration of a prior order holding that the defendant violated sections 201(b) and 203(c) of the Act by charging tariffed switched access rates for termination of traffic from conference calling companies that were not "end users" under the tariff.
- NextG Networks of Illinois, Inc. v. RCN Telecom Services of Illinois, LLC. Order dismissing complaint alleging that the defendant failed to provide access to conduit.

Mediation of Carrier-to-Carrier Pre-Complaint Issues.

- The FCC successfully mediated several carrier disputes, including disputes on pole attachments, retention marketing, payphone compensation, tariffs, interconnection, disparaging statements about competitors, routing of interstate access traffic, call blocking, VoIP terminating access charges, and compliance with merger conditions.

Investigation

- The FCC investigated Globalstar for a number of possible violations of the Communications Act and our rules relating to the operation of its Mobile Satellite Service (MSS) and its Mobile Earth Terminals (METs), ultimately negotiating a detailed settlement to resolve the issues. Under the Consent Decree, Globalstar made a voluntary payment to the Treasury of \$275,000, and agreed to implement a plan designed to promote future compliance.
- In June 2010, the Commission released the eleventh annual Orbit Act Report to Congress. The Orbit Act requires the FCC to report annually to Congress on the progress made to achieve the purposed and objectives of the Orbit Act.

Promote pro-competitive and universal access policies worldwide:

- The FCC sponsored a consumer-focused educational campaign in June 2010 addressing issues regarding international calling rates. One of the primary underlying purposes of this campaign – Wireless World Travel Week – was to provide information to help international travelers save money on international wireless use. The campaign was strategically initiated at the beginning of summer and a busy travel season in an effort to

raise the awareness of those consumers most likely to directly benefit from the information.

- The Commission supported participation of FCC officials in bilateral, regional, and international consultations with officials from a number of countries including Australia, Cameroon, China, Denmark, Finland, France, Germany, Ireland, Italy, Jordan, Kenya, Lebanon, Nigeria, the Netherlands, Saudi Arabia, Senegal, Sweden, Tanzania, Uganda to discuss U.S. policies on broadband deployment, the national broadband plan and other issues.
- FCC staff participated in four meetings (October/ December 2009 and March/June 2010) of the Organisation for Economic Cooperation and Development (OECD) and participated in international discussions of security and privacy, including malware, best practice guidelines for Internet Service Providers, guidance for civil servants on the use of new social media, critical information infrastructure, spam, and privacy guidelines.
- International Telecommunication Union (ITU) - The Commission participated in meetings across the radiocommunication (ITU-R), telecommunication (ITU-T) and development (ITU-D) sectors of the ITU to foster pro-competitive policies in foreign markets and promote universal service.
- FCC staff supported participation of the Chairman and senior management at the Global Symposium of Regulators in November 2009. At this event, the Chairman held discussions with regulators regarding the FCC's development a national broadband plan. Meetings with regulators also focused on net neutrality positions.
- FCC Chairman and senior management participated in the ITU/UNESCO Broadband Commission meeting. At this meeting, they highlighted the policies and goals of the FCC's National Broadband Plan; introduced and framed issues requiring international involvement; and met with other members of the Broadband Commission to discuss best practices for implementing a national broadband plan.
- Throughout FY 2010, FCC senior officials and staff participated with the National Telecommunications and Information Administration (NTIA), the Department of State, the communications industry and non-government organizations in preparing for and drafting U.S. positions to the World Telecommunications Development Conference and the study groups and working parties of the ITU.
- Throughout FY 2010, FCC staff in coordination with NTIA and the Department of State drafted and submitted U.S. proposals to the 2010 ITU Plenipotentiary Conference regarding a number of issues, including communication technology accessibility for persons with disabilities.
- FCC staff participated in semi-annual Radio Technical Liaison Committee (RTLIC) meetings with Industry Canada and the Department of State to negotiate cross border sharing agreements for various frequency bands.

Work to inform American consumers about their rights and responsibilities in the competitive communications marketplace:

- The Federal Communications Commission is committed to helping consumers through information, complaint mediation, and regulatory policy. Consumers deserve clear, complete information to help them make the best choices in communications services. To assist consumers, the FCC launched a new, easy-to-use, Consumer Help Center that puts them within one click of all the information they want from the FCC. The portal at www.fcc.gov/consumers allows consumers to learn about different issues in telecommunications, makes it easy for consumers to find out what's going on at the FCC, provides tips for making the best choices in purchasing communications devices and services, allow consumers to have their voices heard by filing comments on issues that interest them, and provides them with a means to file a complaint when there are problems.
- On January 20, 2010, the Chairman announced the formation of the Consumer Task Force, composed of the Chiefs of all FCC Bureaus and the Office of Engineering and Technology, as well as the General Counsel and the Managing Director. A major emphasis for the Task Force is cross-agency collaboration. The first meeting of the Task Force was convened in February.
- During FY 2010, the Commission issued two Public Notices concerning Video Programming Distributors (VPD) compliance with the Commission's Rules. On May 12, 2010, the Commission released a Public Notice providing information about how to contact VPDs about closed captioning problems. On June 22, 2010 the Commission released a Public Notice reminding VPDs of their obligations to make emergency information accessible to persons with hearing or vision disabilities.
- The Commission developed and coordinated implementation of an outreach campaign regarding the operation of wireless microphones in the 700 MHz band, including creation of a new webpage dedicated to provide information on wireless microphones and issuing three consumer publications and two enforcement advisories.
- The Commission developed and coordinated implementation of an outreach and consumer education plan, in collaboration with the Department of Transportation, regarding distracted driving, including a November 2009 Distracted Driving Technology Workshop and a Distracted Driving webpage.
- The FCC worked cooperatively with the Federal Trade Commission (FTC) on prepaid calling card issues, since the sale of these cards involves both common carriers over which the FCC has jurisdiction, and non-carriers over which the FTC has jurisdiction. As a result of the joint effort, the FCC launched investigations of 13 prepaid calling card companies to determine whether their business practices may have violated section 201 of the Communications Act – for instance, by providing inadequate or misleading information to consumers about the number of minutes on their calling cards.
- The Commission reviewed, revised and/or updated over 50 consumer publications, including fact sheets, consumer alerts, frequently asked questions and tip sheets. The subject of the new or updated publications include closed captioning, bill shock, cramming, robocalls, wireless microphones, satellite radio providers, how to start a broadcast station, broadband quality test, retransmission disputes, number portability, universal service and VRS rates.

- The Commission produced a number of reports in FY 2010, including:
 - Universal Service Monitoring Report: Data Received through August 2009 (released December 2009)
 - High-Speed Services for Internet Access: Status as of December 31, 2008 (released February 2010)
 - Numbering Resource Utilization in the U.S.: Data as of June 30, 2009 (released February 2010)
 - Local Telephone Competition: Status as of December 31, 2008 (released June 2010)
 - Internet Access Services: Status as of June 2009 (released September 2010)
 - Local Telephone Competition: Status as of June 30, 2009 (released September 2010)

Enforce the Commission’s rules for the benefit of all consumers:

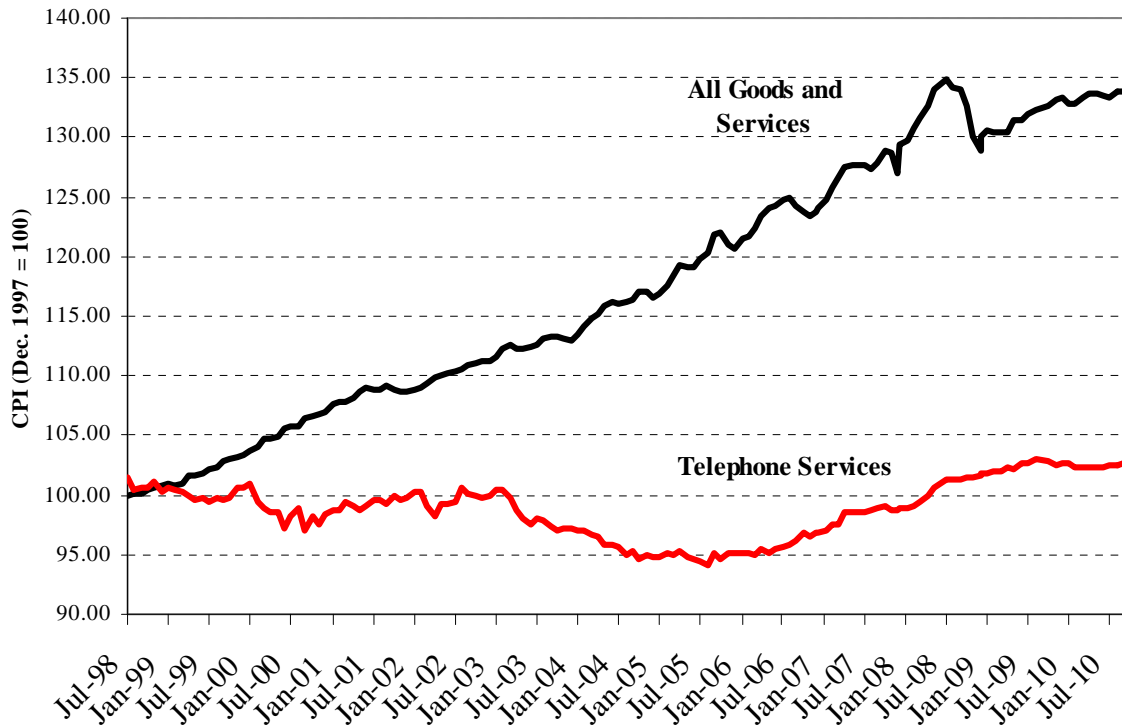
- Cramming and Truth-In-Billing. “Cramming” refers to placing unauthorized charges on consumers’ phone bills. The Commission initiated an investigation of Verizon Wireless’s billing practices for “pay-as-you-go” data usage. The investigation presented novel legal questions about the Commission’s jurisdiction. Ultimately, the investigation was concluded in October 2010 with the largest consent decree in FCC history. Verizon Wireless agreed to issue refunds of \$52.8 million to approximately 15 million customers, make a \$25 million payment to the U.S. Treasury, and institute key consumer protection measures. In addition, the Commission commenced ongoing investigations of a number of other carriers to explore their role in third-party cramming incidents.
- The FCC released a Notice of Proposed Rulemaking on January 22, 2010 proposing revisions to its rules under the Telephone Consumer Protection Act (TCPA) to further empower residential telephone subscribers to avoid unwanted telephone solicitations. The proposals would require sellers and telemarketers to obtain written consent from recipients before making prerecorded telemarketing calls, commonly referred to as “robocalls,” even when the caller has an established business relationship with the consumer. Additionally, the FCC proposal makes it easier to opt out of receiving robocalls. The proposed revisions to the FCC’s rules under the TCPA would harmonize those rules with the FTC’s recently amended Telemarketing Sales Act rules.
- Enforcement of the FCC’s rules provides consumers with confidence that they are being protected from fraudulent and misleading practices. In May 2010, in response to an FCC investigation, the Commission proposed a forfeiture of \$1.48 million against Silv Communication for “slamming” violations, changing consumers’ telecom carriers without proper authorization. The Commission found that Silv committed 25 slamming violations, and concluded that the volume of complaints against Silv reflected a systemic problem meriting a substantial penalty.
- The Commission took aggressive steps to protect consumer privacy through its robust enforcement of the rules that require telecom carriers and interconnected VoIP providers to safeguard customer proprietary network information (CPNI) – confidential information about a specific customer’s service and usage. In addition to issuing an Enforcement Advisory to increase compliance with the CPNI rules, the Commission issued 13 NALs

totaling \$325,000 and 278 warning letters reminding providers of the annual CPNI certification and directing them to comply within 30 days of the letter, entered into 85 consent decrees, and continued negotiations in approximately 270 other pending cases. The Commission also conducted multiple investigations of substantive CPNI opt-out failures by carriers. To date, these investigations have resulted in a \$90,000 consent decree with Verizon Communications, and negotiations continue with another major carrier to resolve three separate investigations concerning CPNI opt-out failures. .

- The Commission conducted numerous TCPA investigations during the past year. In junk fax matters, those investigations resulted in 27 citations, 2 NALs, and 11 forfeiture orders, with penalties totaling more than \$4 million. In enforcing the Do Not Call and prerecorded message rules, the Commission issued 20 citations, one NAL, and one forfeiture order, with penalties totaling \$87,500. The Commission also continues to explore alternative enforcement measures, including engaging fax machine manufacturers to come up with technological solutions to stop or minimize junk faxes, coordinating with foreign governments on their enforcement efforts, and working to educate companies in order to prevent violations caused by ignorance of the rules.
- The Commission successfully defended the integrity of two major wireless auctions in a proceeding brought by Council Tree Communications to challenge the FCC’s new rules granting various advantages to “designated entities” that bid for wireless licenses at auction. The Third Circuit affirmed certain of the rules, but vacated two others because the FCC failed to follow proper notice and comment procedures. The court declined to negate the two auctions which generated over \$30 billion for the U.S. Treasury.
- The FCC was particularly active in overseeing and investigating compliance with rules relating to the Telecommunications Relay Services (TRS) Fund – a billion-dollar Fund paid for by telecommunications carriers that allows individuals who are deaf, hard-of-hearing, or have speech disabilities to communicate via telephone with hearing persons, at no additional cost to users of the service. These ongoing efforts not only contributed to a tangible and significant reduction in the number of ineligible minutes submitted to the TRS Fund Administrator, but also to across-the-board improvements in the integrity of the reimbursement process. In addition, one of the TRS investigations of Purple Communications, Inc. led to the repayment of \$18.4 million in improper reimbursements and a \$550,000 voluntary contribution to the U.S. Treasury.
- The FCC took a record 23 enforcement actions against companies for wireless hearing-aid compatibility violations last fiscal year. The FCC issued 12 NALs totaling \$152,000, entered into one consent decree for \$9,000, and issued 10 citations addressing violations of these rules. In January 2010, the FCC issued an Enforcement Advisory educating the public about the importance of compliance with these rules and reminding potential violators of our aggressive enforcement policy in this area.
- The FCC opened two Lifeline/Link Up investigations last year. The Lifeline and Link Up programs ensure that basic telephone services are available to low-income consumers. Commission staff analyzed whether certain carriers were advertising Lifeline and Link Up services in a manner reasonably designed to reach low-income consumers. This effort resulted in several investigations of key market participants.

- The Commission approved the sale by Verizon Communications, Inc. to Frontier Communications Corp. of Verizon's mostly rural telephone companies. This transaction included significant deployment commitments from Frontier to bring broadband to millions of consumers, small businesses, and anchor institutions in 14 states across the West, Midwest, and South.
- As part of the Commission's consent to the AT&T/Centennial transaction, the Commission ordered that AT&T divest itself of holdings in eight markets. This resulted in two transactions: in the first, AT&T sold holdings in six markets to Verizon Wireless; in the second, AT&T sold the remaining holdings in two markets to Texas 10, a subsidiary of Chinook Wireless.
- As part of the Commission's consent to the Verizon Wireless/Alltel transaction, the Commission ordered that Verizon divest itself of holdings in 105 markets. An auction was conducted, resulting in two transactions. In the first, Verizon sold holdings in 79 markets to AT&T; in the second, Verizon sold holdings in the remaining 26 markets to Atlantic Tele-Network.
- In its order approving the transaction between Liberty Media and DIRECTV, the Commission imposed a condition requiring Liberty Media to sever all attributable ties between DIRECTV Puerto Rico and Liberty Cable Puerto Rico.

Telephone Services and the Consumer Price Index



The consumer price for telephone services has remained virtually the same since July 1998 compared to the price of other goods and services. The chart above uses data from the Bureau of Labor Statistics to compare the Consumer Price Index (CPI) for Telephone Services with the CPI for all goods and services, using July 1998 price levels as the base (equal to 100). The Telephone Services included in this index include Local Telephone Service, Long Distance Charges, Interstate Toll Service, Intrastate Toll Service, and Wireless Telephone Services. In contrast to a 33.85% increase in the CPI for all goods and services, measured from July 1998 to September 2010, the Telephone Services price index has increased a mere 1.12%

SPECTRUM

Strategic Goal:

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

FY 2010 PERFORMANCE GOALS

- Ensure that the Nation’s spectrum is used efficiently and effectively.
- Advocate U.S. spectrum interests in the international arena.
- Enforce the Commission’s spectrum regulations and policies.

FY 2010 PERFORMANCE HIGHLIGHTS

Ensure that the Nation’s spectrum is used efficiently and effectively:

- On March 17, 2010, the Commission announced the release of its Spectrum Dashboard. The Spectrum Dashboard allows users to more easily review how spectrum bands are allocated and used and also allows users to identify license holders in specific areas. The Spectrum Dashboard will increase transparency into how radio spectrum is being used in the United States. In conjunction with the release of the National Broadband Plan, the Spectrum Dashboard provides a resource for stakeholders who want to participate in the deployment of wireless broadband throughout the nation.
- The FCC produced several orders in the 700 MHz proceeding, including (a) a Report and Order (R&O) and FNPRM released January 15, 2010 that established the process for clearing the 700 MHz Band of low-power auxiliary stations (most prominently, wireless microphones) to avoid the risk of interference with the incoming public safety and commercial wireless licensees; (b) a Second Memorandum Opinion and Order released September 23, 2010 that finalized rules to make the unused spectrum in the TV bands (i.e., “white spaces”) available on a secondary basis for use by unlicensed broadband wireless devices; and (c) a new draft Third R&O and Fourth FNPRM that would, among other things, adopt rules to revamp the relationship between the D Block licensing regime and the 700 MHz public safety broadband service.
- Commission staff collaborated to resolve various legal issues related to the implementation of the Commission’s 800 MHz band reconfiguration plan—a multi-billion dollar relocation process that addresses interference problems that have plagued the public safety, commercial and private land mobile operations licensed in this band. The most complex legal matter involved the relocation of incumbent licensees from the 2 GHz band (which was designed to free up spectrum to compensate Sprint for relinquishing 800 MHz band license rights). The Commission had originally set up a cost-sharing arrangement, whereby Sprint would initially finance the relocation, subject to pro rata reimbursement from the later-arriving new entrants to the 2 GHz band.

However, the bankruptcy of one of the 2 GHz band licensees significantly complicated this plan. FCC staff played an integral role in crafting a legally defensible resolution.

- The FCC issued several orders acting upon petitions for declaratory ruling to permit satellite licensees to have foreign ownership over the 25 percent statutory benchmark provided in Section 310(b)(4) of the Communications Act. The Orders required analysis of detailed ownership information obtained from the licensees and the application of Commission precedent implementing the statute.
- On April 26, 2010 the Chairman announced the launch of a Spectrum Task Force to advance the FCC's spectrum agenda and promote collaboration across the agency. The Spectrum Task Force plays a critical role in the execution of the spectrum recommendations in the National Broadband Plan, including long-term spectrum planning. The Task Force membership includes the Chiefs of several Bureaus and Offices.
- The Spectrum Measurement Subgroup of the FCC's Spectrum Task Force worked on developing procedures for measuring spectrum usage across the country to complement spectrum inventory activities and to provide input into the spectrum planning process. The information from this subgroup will be invaluable to the Commission as it evaluates available spectrum for potential broadband or other new technology uses.
- The Commission released a May 20, 2010 Report and Order that established rules that modified the technical parameters governing the operation of Wireless Communications Service (WCS) mobile and portable devices in the 2.3 GHz band, and adopted technical rules governing the operation of 2.3 GHz band Satellite Digital Audio Radio Service (SDARS) terrestrial repeaters and a blanket-licensing regime for SDARS repeaters.
- On June 11, 2010 the Commission released a Report and Order enhancing the flexibility and speed with which companies can obtain access to spectrum for use as wireless backhaul. Wireless backhaul is critical to the deployment of wireless broadband and other wireless services. . Specifically, in this *Report and Order*, the Commission made two revisions to Part 101 rules governing terrestrial fixed wireless services in the 6525-6875 MHz band (Upper 6 GHz Band) and 21.8-22.1 GHz and 23.0-23.3 GHz band (23 GHz Band). First, fixed terrestrial wireless licensees are provided with authority to operate channels with wider bandwidths of as much as 30 megahertz in the Upper 6 GHz Band. Second, applicants are allowed to operate pursuant to conditional authority on two additional channel pairs in the 23 GHz Band. Allowing wider bandwidth channels in the Upper 6 GHz Band make an additional source of spectrum for high-capacity microwave links more readily available. Expanding conditional authority in the 23 GHz Band will enable licensees to activate microwave links more quickly, including links involved in critical commercial, backhaul, and public safety applications.
- The Wireless Backhaul Notice of Proposed Rulemaking and Notice of Inquiry (NPRM/NOI), released August 5, 2010, explores ways to increase the flexibility, capacity and cost-effectiveness of the microwave bands below 13 gigahertz, while protecting incumbent licensees in these bands. The NOI requests comment on further steps the FCC can take to reduce wireless backhaul costs and increase investment in broadband deployment. It asks about changes in technical rules that would enable longer links in rural areas. The NOI also inquires as to whether permitting use of smaller antennas could

similarly reduce costs and stimulate investment. Finally, the NOI seeks comment on whether the Commission should examine any additional modifications to its rules or policies to promote the flexible, efficient and cost-effective provision of wireless backhaul service.

- The FCC performed activities related to the planning, preparation, and conduct of the following auctions of spectrum during the performance period:
 - Auction 86 (BRS overlay licenses) [began 10/27/09, closed 10/30/09] - Concluded with ten bidders winning 61 licenses.
 - Auction 87 (Lower and Upper Paging Bands) [began 6/15/2010, closed 8/6/2010] - Concluded with 59 bidders winning 4,714 licenses.
 - Auction 88 Closed Broadcast [began 7/20/2010, closed 7/23/2010] - Concluded with 13 bidders winning 13 construction permits.
- The Commission completed development and rollout of an alternative format for bidders' seminars using software for interactive online training, which was implemented for all auctions beginning with Auction 86. The interactive software is updated and tailored to the specific format, procedures, and requirements of each auction.
- The Commission successfully defended the FCC's Auction 57 for Automated Marine Telecommunications Service licenses against a variety of attacks from a winning bidder in that auction, Paging Systems, Inc. (PSI). PSI filed two petitions for review in the D.C. Circuit: the first challenged the lawfulness of the procedures used in Auction 57; and the second challenged a post-auction license transfer by another winning bidder in that auction. The court granted separate FCC motions to dismiss the petitions, agreeing with the FCC that PSI lacked standing to challenge the FCC's actions.
- Alleging that the agency's staff failed to follow the FCC's auction rules, an auction bidder, Skybridge Spectrum Foundation, sought a stay of Auction 87, which allocated licenses for certain wireless services. FCC staff successfully defeated the stay motion, allowing the auction to proceed as scheduled. Subsequently, the FCC successfully moved the Ninth Circuit to dismiss Skybridge's lawsuit for lack of jurisdiction.
- The Commission has a claim against Communications Ventures Inc. for approximately \$8.8 million derived from auction installment debt. Approximately \$3.9 million of the debt is related to active licenses or applications; the remaining debt is related to cancelled licenses. Collaborating with DOJ and the Office of the United States Trustee, the FCC supported a successful motion to convert the case to a Chapter 7 liquidation case. This result facilitates the return of the spectrum to the Commission or sale of the licenses to a third party on terms acceptable to the Commission, thus paving the way for greater and more efficient use of this spectrum.
- A Chapter 11 bankruptcy case, pending in the United States Bankruptcy Court for the District of Columbia, was initiated in August 2008 by Alpine PCS in an attempt to stop the Commission's auction of the spectrum underlying two licenses Alpine once owned, but which were canceled in 2002 for nonpayment. The FCC and DOJ successfully defeated at the bankruptcy court and district court levels the debtor's efforts to include the canceled licenses in the bankruptcy estate. The FCC also prepared and filed a proof of claim for over \$39 million in the Alpine bankruptcy case.

- The FCC released a Notice of Proposed Rulemaking June 7, 2010 to review the Part 95 Personal Radio Services rules. Part 95 Services include a variety of short-range, low-power, mostly non-commercial applications that are generally not provided for in other wireless services. Part 95 uses include walkie-talkie radios for use by families and friends, remote-control hobby applications, devices to aid persons with hearing difficulties, medical telemetry devices, and devices to track persons and property for law enforcement purposes.
- The Third Report and Order released June 15, 2010 amended Part 87 of the Commission's Rules in the interest of accommodating the communications needs of the aviation community to the greatest possible extent, and ensuring that aeronautical spectrum is used efficiently to enhance the safety of flight.
- The FCC released the ARRL Spread Spectrum NPRM March 16, 2010 proposing to eliminate the requirement that amateur stations use automatic power control to reduce transmitter power when the station transmits a spread spectrum emission, and proposing to reduce the maximum transmitter power output.
- A November 8, 2010 Report and Order was released mending and clarifying rules with respect to amateur service vanity call signs in order to promote processes that are more equitable and administratively efficient.
- The FCC released a September 8, 2010 NPRM proceeding to propose changes to Part 13 of the Commission's Rules regarding commercial radio operator licensing, and to related rules in Parts 0, 1, 80, and 87 regarding certain functions performed by licensed commercial radio operators, to determine which rules can be clarified, streamlined, or eliminated.
- The FCC coordinated with NTIA and the FAA to investigate interference to Terminal Doppler Weather Radar (TDWR) systems. Issued a memorandum to alert device manufacturers to the problems encountered and suggesting ways to mitigate interference.
- The FCC adopted an order, in July 2010 addressing issues raised in a petition for reconsideration of the MedRadio service rules adopted by the FCC in April 2009. In the MedRadio R&O, the Commission made available a total of five megahertz of spectrum in the 401-406 MHz band for use by advanced medical devices that rely upon wireless radio frequency (RF) technologies. The reconsideration order makes minor modifications and clarifications of several technical requirements in the new MedRadio Rules.

Advocate U.S. spectrum interests in the international arena:

- The World Radiocommunication Conference (WRC) is a treaty-level forum held by the International Telecommunication Union (ITU) every three to four years. At a WRC, countries decide on the allocation of frequency spectrum to allow the deployment, growth or continued usage of all types of radiocommunication services. During the WRC preparatory phase, long term goals and positions that would benefit the U.S. government and commercial industry are developed. In this process, the FCC's role is to advocate for the public interest consistent with U.S. policies, rules and regulations. To identify the public interest for various items to be addressed by the WRC, the FCC organized the

WRC Advisory Committee (WAC) to provide to the FCC with advice, technical support, and recommended proposals for the upcoming WRC-12 in 2012. In preparation for WRC-12, the WAC met twice during FY 2010 and produced 21 preliminary views and 25 draft proposals for the Commission. The FCC works closely with the NTIA, other Executive Branch agencies and interested members of the private sector to reconcile any differences between positions developed by the Executive Branch through the Interdepartment Radio Advisory Committee and positions developed by the WAC to develop unified recommendations on U.S. positions for WRC-12. In addition, Commission staff participated in U.S. delegations to bilateral and regional meetings to build consensus for U.S. positions for WRC-12.

- Throughout FY 2010, FCC senior management and staff:
 - Worked with the Department of State and engaged in negotiations with Canada and Mexico to create comprehensive agreements that will facilitate rebanding in the 800 MHz band.
 - Worked to coordinate licenses with Canada in the band above 30 MHz. Coordination was done in accordance with the U.S.-Canada Above 30 MHz Agreement.
 - Worked with the Department of State and engaged in negotiations to develop a draft protocol with Mexico to facilitate use of the 700 MHz band
 - Together with the Department of State, engaged in negotiations to develop a framework agreement with Canada to cover new broadband services proposed for portions of the 700 MHz band.
- FCC staff engaged in negotiations with worldwide High Frequency Coordination Committee (HFCC) members to coordinate shortwave frequency usage and resolve interference incompatibilities. In FY 2010, meetings were held in Germany, Switzerland, Malaysia, and the United Kingdom.
- FCC staff participated in preparing for the U.S.-Mexico High Level Consultative Commission at which the FCC Chairman and other senior management and staff attended.
- In FY 2010 Commission staff completed the following coordination agreements/arrangements:
 - October 2009 - completed operator-to-operator coordination agreements with Russia regarding three U.S. satellite networks and two Russian satellite networks in the C-band; 19 U.S. satellite networks and seven Russian satellite networks in the Ku-band; three U.S. satellite networks and one Russian satellite network in the UHF-band; and three U.S. satellite networks and one Russian satellite network in the 2 GHz band (imaging).
 - December 2009 - completed operator-to-operator coordination agreements with Malaysia regarding five U.S. satellite networks and two Malaysian satellite networks in the C-band; nine U.S. satellite networks and six Malaysian satellite networks in the Ku-band; 13 U.S. satellite networks and five Malaysian satellite networks in the Ka-band (includes 10 U.S. satellite networks and two Malaysian satellite networks in 17 GHz band); and one U.S. satellite network and two Malaysian satellite networks in the S-band (SDARS).
 - December 2009/January 2010 - completed operator-to-operator and Administration-to-Administration coordination arrangements with Japan

- regarding two U.S. satellite networks and 57 Japanese satellite networks in the C-band, and two U.S. satellite networks and 58 Japanese satellite networks in the Ku-band.
- January 2010/February 2010 - completed operator-to-operator and Administration-to-Administration coordination arrangements with Japan regarding two U.S. satellite networks and six Japanese satellite networks in the L-band.
 - January 2010 - completed operator-to-operator coordination agreement with Canada regarding one U.S. satellite network and one Canadian satellite network in the Ku-band.
 - February 2010 - completed operator-to-operator and Administration-to-Administration coordination agreements with Canada regarding three U.S. satellite networks and one Canadian satellite network in the C-/Ku-band.
 - March 2010 - completed operator-to-operator and Administration-to-Administration coordination agreement with U.K. regarding one U.S. satellite network and one U.K. satellite network in the Ku-band.
 - April 2010 - completed operator-to-operator and Administration-to-Administration coordination agreements with Canada regarding four U.S. satellite networks and two Canadian satellite networks in the Ku-band.
- In January 2010, after a 7.0 magnitude earthquake struck Haiti, the FCC announced a series of actions to assist Haiti in its recovery. The FCC's actions included:
 - Coordinating with the U.S. Agency for International Development on Haitian Relief and Restoration Efforts on telecommunications matters in Haiti;
 - Reaching out to contacts in industry and the international community to determine the status of communications services in Haiti, and between Haiti and other countries;
 - Working with federal partners, including the National Communications System, to coordinate efforts, including identification of the status of communications; determination of priority needs for temporary communications and restoration of existing systems, as well as related needs such as fuel and technical expertise;
 - Working with the State Department on issues related to importation and operation of emergency communications equipment in Haiti; and
 - Taking steps to increase available satellite capacity over Haiti.
 - The Commission coordinated and administered the International Visitors Program, hosting 67 meetings for over 524 visitors from 76 different countries.
 - Throughout FY 2010, the Commission provided staff who offered presentations at FCC-sponsored courses provided under the auspices of the United States Telecommunications Training Institute (USTTI): "Spectrum Management in the Civil Sector," "Radio Spectrum Monitoring and Measuring," "Radio Spectrum Monitoring Techniques and Procedures" (two sessions), "A Seminar in Competition Policy for Telecommunications," "Regulatory and Privatization Issues in Telecommunications," and "Laboratory Techniques in Support of Equipment Authorization Programs." Additionally, the Commission contributed to other training endeavors: an Executive Leadership Seminar and a course, "Analog to Digital Television Broadcasting: A Primer," which were generated under the USTTI umbrella. One hundred eleven participants representing thirty-three developing countries (Afghanistan, Argentina, Bahrain, Bangladesh, Bosnia and Herzegovina, Brazil, Cambodia, Chile, Colombia, Ecuador, Egypt, El Salvador, Ghana, India, Iraq, Jordan, Kenya, Lebanon, Lesotho, Liberia, Nepal, Netherlands

Antilles, Nigeria, Paraguay, Peru, Rwanda, Sierra Leone, Suriname, Tanzania, Trinidad and Tobago, Uganda, Vietnam and Zambia) were trained via FCC-sponsored courses. Additionally, twenty-one participants, representing another six countries (Costa Rica, Jamaica, Malawi, Moldova, South Africa and Thailand) were trained at USTTI activities to which the Commission contributed.

- FCC staff supported the Chairman in the World Economic Forum (January 2010); Chairman and senior Bureau management at the September 2010 meeting of Body of European Regulators for Electronic Communications (BEREC); Commissioners and senior FCC staff in ITU Telecom World (October 2009), the U.S. CENTCOM Second Annual Gulf Region Conference (February 2010), the Florence School of Regulations Seminar on Spectrum Management (April 2010), the European Competitive Telecommunication Association (December 2009), the European Resource Bank Conference (September 2010), and conferences attended by Commissioners in Italy and France (June 2010).
- FCC staff participated in four meetings (October/December 2009 and March/June 2010) of the Organisation for Economic Cooperation and Development (OECD) and participated in international discussions of security and privacy, including malware, best practice guidelines for Internet Service Providers, guidance for civil servants on the use of new social media, critical information infrastructure, spam, and privacy guidelines.
- Commission staff met with State Department staff as well as staff from the Office of Foreign Asset Control (Department of Treasury), Bureau of Industry and Security (Department of Commerce), and the White House to coordinate regulations to implement the President's policy for telecommunications services with Cuba.
- Commission staff met with State Department staff to reach an understanding of the applicability of Section 214 of the Communications Act under the terms of the Compacts of Free Association between the United States and the Federated States of Micronesia and the Republic of the Marshall Islands.
- FCC staff participated in Intelsat/International Telecommunications Satellite Organization (ITSO) Advisory Committee meetings in November 2009 and March 2010 and the 34th Assembly of Parties in June 2010.
- The FCC participated with Mexico in the meeting of the Mixed Commission, also known as Commission Mixta Encargada de Resolver Asuntos de Radiointerferencia (CMERAR), to resolve cases of interference to FCC licensees, Homeland Security and other Federal law enforcement agencies along the U.S./Mexican border.
- Commission staff participated in the May 2010 Radio Technical Liaison Committee (RTLIC) Bilateral with Canada to conduct discussions towards developing and finalizing agreements that permit the rollout of new services along the border.
- FCC staff participated in ITU-T Study Group 17, the lead ITU group for telecommunications security, including cybersecurity; identity management; and languages and description techniques to address the global concern of security in information and communication technologies.

- FCC senior management presented FCC cybersecurity activities in formal bilateral meetings with China, Egypt, India, Pakistan, and the United Kingdom.
- The FCC Chairman and senior Bureau management met with Japanese and EU counterparts on signing an agreement on open Internet principles.
- FCC staff supported participation of the Chairman and senior management at the Global Symposium of Regulators in November 2009. At this event, the Chairman held discussions with regulators regarding the FCC's priority of developing a national broadband plan. Meetings with regulators also focused on net neutrality positions.
- FCC staff supported participation by Commissioners and senior FCC staff at a June 2010 broadband seminar in Sweden to discuss and promote broadband deployment and connectivity.
- FCC Chairman and senior management and staff participated in two meetings (July and September 2010) of the ITU's Broadband Commission for Digital Development, which in September 2010 released its outcome report that includes a High-Level Declaration calling for "Broadband Inclusion for All", and provides a detailed framework for broadband deployment aimed at mobilizing all stakeholders and convincing government leaders to prioritize the roll-out of broadband networks to their citizens.
- FCC Chairman and senior management and staff participated in the May 2010 World Telecommunication Development Conference (WTDC). While at WTDC, they participated in meetings with regulators, service providers and non-governmental organizations to exchange information regarding broadband adoption and deployment and the goals of the National Broadband Plan.
- In March 2010, FCC staff planned, developed, and hosted the first-ever online global policy meeting with over 140 international participants from telecommunications agencies, ministries, and organizations around the world, representing over 25 countries to discuss the National Broadband Plan.
- FCC staff contributed data for the 2010 annual ITU ICT Indicators survey and submitted a description of the FCC's regulatory policies and procedures in response to the 2010 annual ITU Regulatory Survey.
- The Commission adopted a Report and Order in January 2010 modifying frequency coordination rules to promote sharing between non-geostationary satellite orbit (NGSO) and geostationary satellite orbit (GSO) fixed satellite service (FSS) operations and various terrestrial services operating in several frequency bands. The Commission undertook the proceeding to facilitate the introduction of new satellite and terrestrial services while promoting interference protection among the various users in these bands.
- The Commission released an Order and Authorization, on March 26, 2010, providing SkyTerra LLC more flexibility in operating Ancillary Terrestrial Component (ATC) stations by enabling it to operate the stations with greater capacity and improved spectrum efficiency. On that date the Commission also released a major decision approving the transfer of control of SkyTerra Subsidiary, LLC. to Harbinger. This decision allows Harbinger to: (1) go forward with its plan to aggregate and rationalize the

use of approximately 20 MHz of L-band spectrum; (2) use this spectrum as a part of its ATC authority; and (3) build a terrestrial broadband network that will cover 100 million people in the U.S. by December 31, 2012, 145 million by December 31, 2013, and 260 million people by December 31, 2015.

- On September 14, 2010, the Commission released an Order denying Globalstar an extension of time to come into compliance with the ATC “gating criteria” but granting Globalstar’s customer, Open Range, special temporary authority to continue to provide broadband service using frequencies licensed to Globalstar in order to minimize disruption to Open Range’s customers and to allow Open Range time to obtain access to other spectrum.

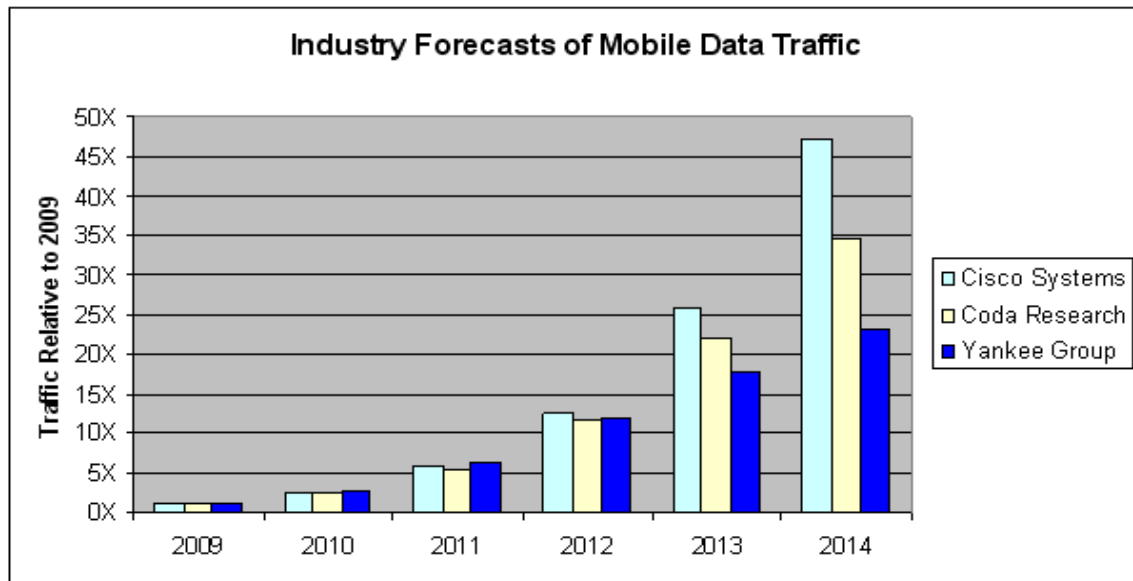
Enforce the Commission’s spectrum regulations and policies:

- The FCC successfully defended on appeal a favorable lower court decision enforcing a monetary forfeiture imposed by the FCC against a manufacturer of unlawful radar jamming equipment. The Fifth Circuit affirmed summary judgment in favor of the FCC. Subsequently, the Supreme Court declined to review the Fifth Circuit’s judgment.
- The FCC’s enforcement of the equipment marketing rules is essential to preventing devices with the potential to cause unacceptable interference from entering the marketplace. In FY 2010, the FCC issued six Notices of Apparent Liability (NALs) totaling \$81,000, ten consent decrees totaling \$194,200, six citations, and two admonishments.
- Notably, the FCC released a \$60,000 consent decree terminating an investigation into whether certain wireless phones manufactured and marketed by Samsung violated the 911 call processing rules, which require that wireless phones have the capability to reach 911 even when they are out of the subscriber’s service area. Under the terms of the consent decree, Samsung agreed to provide a free, corrective software upgrade to distributors with noncompliant phones in their inventory and to conduct outreach to provide potentially affected consumers with the free software upgrade.
- The Commission took action against several companies that had engaged in unauthorized transfers of control or assignments of licenses. The Commission settled an investigation into a company’s assignment of a number of land mobile and microwave licenses without FCC authority, as well as its failure to disclose certain information to the FCC, by a consent decree that included a compliance plan and a \$110,000 contribution to the U.S. Treasury.
- FCC litigators successfully resisted a request by James Kay for judicial review of the FCC’s denial of a motion to reconsider an earlier FCC decision. That decision had revoked various licenses owned by Kay after he unlawfully transferred them to a business associate, and made misleading statements to the Commission about the transfers. On October 19, 2010, the D.C. Circuit granted the motion to dismiss Kay’s latest request for judicial review.
- The FCC addressed a question involving the interpretation of Commission orders relating to reimbursement of band clearing costs in the 2 GHz band in a pending bankruptcy case.

The FCC prepared a brief in support of a primary jurisdiction referral from the Bankruptcy Court for the Southern District of New York.

- The FCC drafted an order to grant a waiver in November 2009 of the Part 15 radiated emissions limits for unlicensed wireless medical implants operating in the 6.78 MHz Industrial Scientific and Medical band that will provide physicians and their patients an additional option for safely promoting weight loss. This will help increase the number of patients who can manage their obesity, save lives and reduce health-care spending, and enhance the quality of life for many people.
- The Commission drafted a Notice of Proposed Rulemaking, adopted in May 2010 to modify the rules to designate new channels and allow additional transmission types to be provided in the Amateur Radio Service in the 5 MHz band.
- The Commission adopted a Notice of Proposed Rulemaking in May 2010 to modify the technical rules governing the operation of unlicensed Personal Communications Service devices, such as cordless phones, that will facilitate the introduction of unlicensed devices capable of providing access to broadband services in the 1920-1930 MHz band and promote increased utilization and more efficient use of that band.
- The FCC prepared a Notice of Proposed Rulemaking, adopted January 2010, to modify the Part 15 rules to allow Tank Level Probing Radars (TLPRs) to operate in the 77-81 GHz band. TLPRs are measurement devices used in closed containers, usually at chemical and storage facilities. Operation at higher frequencies allows for smaller antennas with more precise measurement capability.
- FCC staff worked closely with Customs and Border Protection Agency to resolve issues related to importation of devices subject to the FCC rules. They helped respond to questions on importation rules and classification of requirements according to the Harmonized Tariff Schedules.

Making additional spectrum available for broadband is critical to driving billions of dollars in private investment, fueling world-leading innovations, creating millions of new jobs, and enabling endless new products and services that can help improve the lives of all Americans. According to Cisco, North American wireless networks carried approximately 17 petabytes per month in 2009¹, an amount of data equivalent to 1,700 Libraries of Congress. By 2014, Cisco projects wireless networks in North America will carry some 740 petabytes per month, a greater than 40-fold increase. In addition, other industry analysts² forecast large proportional increases as shown in the chart below.



This growth is due to increased adoption of Internet-connected mobile devices and increased data consumption per device. These new devices drive higher data usage per subscriber, as users engage with data-intensive social networking applications and user-generated video content. The rollout of advanced 4G networks using new versions of Long Term Evolution (LTE) and Worldwide Interoperability for Microwave Access (WiMAX) technologies will also intensify the impact on mobile broadband networks.

¹ Cisco Systems, Cisco Visual Networking Index: Global Mobile Data Forecast 2009–2014 (2010) available at http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white_paper_c11-520862.pdf.

² Philip Marshall, Yankee Group, Spectrum-Rich Players Are in the Driver’s Seat for Mobile Broadband Economics (2009) (unpublished manuscript, on file with the FCC); Coda Res. Consultancy, US Mobile Traffic Forecasts: 2009–2015 (2009) (unpublished manuscript, on file with the FCC).

MEDIA

Strategic Goal:

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

FY 2010 PERFORMANCE GOALS

- Develop media rules and policies that achieve statutory policy objectives in light of significant changes to traditional media services.
- Enforce compliance with media rules.

FY 2010 PERFORMANCE HIGHLIGHTS

Develop media rules and policies that achieve statutory policy objectives in light of significant changes to traditional media services:

- On January 21, 2010, the FCC launched an initiative on the future of media and the information needs of communities in the digital age. This initiative is examining the changes underway in the media marketplace, analyzing the full range of future technologies and services that will provide communities with news and information in the digital age and, as appropriate, will make policy recommendations to the FCC, other government entities, and other parties. The FCC held workshops and solicited comments from the public.
- A May 25, 2010 Notice of Inquiry was released to the public asking fundamental questions regarding media ownership rules for today's environment. Public input was also garnered through the conduct of media ownership workshops throughout the country. Also, a Request for Quotations was issued for proposals of economic studies to evaluate the current marketplace and the state of the media industry. These studies will provide a solid analytical foundation to inform policy decisions in the ownership proceeding.
- The Commission released a Second Memorandum Opinion and Order (MO&O) in September 2010 eliminating the requirement that TV band devices that incorporate geo-location and database access must also include sensing technology to detect the signals of TV stations and low-power auxiliary service stations (wireless microphones). It also requires wireless microphone users who seek to register in the TV band databases to certify that they will use all available channels from 7 through 51 prior to requesting registration. In particular, the MO&O reserves two vacant UHF channels for wireless microphones and other low power auxiliary service devices in all areas of the country. It also maintains a reasonable separation distance between TV White Space device and wireless microphone usage permitted to be registered in the database.

- The Commission organized and hosted the Broadcast Engineering Forum on June 25, 2010, to evaluate the reallocation of spectrum from the broadcast television bands, including rule makings regarding service areas, distance separations, channel sharing, and other mechanisms to achieve its spectrum reallocation goals. The broadcast industry engineers and technical experts were invited to participate in four working sessions intended to address technical challenges and opportunities facing the broadcast industry.
- For the media ownership review and the proposed Comcast/NBC Universal/GE Joint Venture, the FCC conducted public forums in different areas in the country. In addition to providing the public an opportunity to participate via “open microphone” during a segment of each event, the forums also were carried live over the Internet on the FCC Live web page at <http://reboot.fcc.gov/live>. Questions from the Internet audience could be submitted throughout the events via e-mail or Twitter.
- The Commission acted to promote innovation and consumer choice in the video device marketplace by issuing a Notice of Inquiry and a Further Notice of Proposed Rulemaking to seek to create a competitive retail market for navigation devices for use with multichannel video programming distributors (MVPD). Consumers are increasingly accessing video from multiple sources, including MVPD services, the Internet, DVDs, and over-the-air broadcasting. The FCC is looking to foster a more competitive marketplace for navigation devices and to address calls for a standardized interface that enables smart video devices to bring video from all of these sources together for ease of selection, recording, and viewing. The service provider would be free to innovate within its network to improve its services without requiring replacement of the consumer’s home devices, and a consumer could switch from one provider to another and continue to use the same smart video devices.
- During the fiscal year, the FCC engaged in actions to improve the competitive environment of multichannel video programming services:
 - The Commission released a Report and Order on January 20, 2010 which establishes rules addressing unfair acts in the distribution of video services.
 - In the Second Report and Order released March 2, 2010, the Commission clarified its policy on MVPD Bulk Billing and Exclusive Marketing Arrangements to ensure that these policies corresponded to the current marketplace conditions.
- In order to obtain a reliable assessment of minority and female broadcast ownership in the United States, the Commission required entities with attributable interests in broadcast licenses to file a newly revised version of FCC Form 323. Included in the form’s revision was collecting the data in more functional and easily accessible formats.
- FCC staff coordinated with Mexican and Canadian governments’ requests for U.S. broadcast stations to operate in border areas.
- In a Report and Order released May 7, 2010 the Commission acted on a request for a waiver of Section 76.1903 of the Commission’s rules to allow multichannel video programming distributors (“MVPDs”) to disable certain audiovisual outputs on set-top boxes to assure that copy protection is active for certain high-value content, specifically early-release films. The Commission denied the waiver request as filed, but, in order to encourage Motion Picture Association of America (“MPAA”) member companies,

independent filmmakers, and their MVPD partners to offer their films for home viewing during early release windows, it granted a limited waiver of the prohibition on disabling audio-visual outputs. The FCC limited and conditioned the waiver in a manner that balances the interests of content owners to protect their highest value content and to offer consumers access to early release, high-value content with the interests of those consumers who may be unable to view these films during the early-release window. The limitations and conditions placed on the waiver will ensure that consumers are not deprived of any programming options that they currently have.

- On March 19, 2010 the FCC sought comment on a Petition for Rulemaking requesting that the Commission amend and supplement its retransmission consent rules to account for changes in the video programming distribution market, and proposing reforms including dispute resolution mechanisms and mandatory interim carriage.
- The Commission pursued policies and actions that promoted efficient use of the spectrum and facilitated the deployment of new and existing services. Over 16,000 applications related to radio and television licensees were disposed of during the period. The FCC modified the FM Digital Audio Broadcasting technical rules to expand digital coverage. This change will substantially boost digital signal coverage while safeguarding analog reception against interference from higher power digital transmissions.
- On September 17, 2010 the FCC released a Further Notice of Proposed Rulemaking and Memorandum Opinion and Order considering issues that need to be resolved to complete the low power television station digital transition

Enforce compliance with media rules:

- In July 2010, the FCC released a Consent Decree with Univision Radio, Inc. As part of the FCC settlement and related DOJ action, Univision agreed to make a \$1 million voluntary contribution to the U.S. Treasury, and implemented significant business reforms and compliance measures designed to ensure future compliance with the Commission's rules. In addition, in September the FCC released a Consent Decree with ACC Licenses, Inc., licensee of Station WJLA-TV, Washington, DC, resolving an investigation into whether Station WJLA had agreed to air news stories about financial planning in exchange for compensation, without disclosing that the stories were sponsored by a coalition of non-profit, financial organizations.
- The FCC ensured broadcast licensee compliance with Commission rules. In several cases regarding license renewals for television and radio stations, sanctions were imposed for violations, including failure to maintain the public inspection file and violations of the children's television commercial limits. Monetary fines issued by the FCC totaled \$282,450. Similarly, the FCC issued Notices of Apparent Liability to seven TV stations for violations of children's advertising limits totaling \$270,000.
- Commission rules permit non-commercial broadcasters to make announcements on behalf of their underwriters, but those announcements may not be excessively promotional. During FY2010, the FCC entered into four consent decrees with non-commercial broadcasters valued at \$39,000, and proposed a \$12,500 forfeiture against another non-commercial station.

- The FCC initiated two investigations into whether video programming distributors failed to caption programming. The investigations relate to allegations that certain set top boxes improperly relayed closed captioning and an admission by a video programmer that it failed to caption certain programming. Commission staff also undertook a review of emergency captioning complaints filed with the FCC and expect to initiate investigations as a result
- Children live in a dramatically different media environment from the one their parents and grandparents grew up in decades ago. From television to mobile devices to the Internet, electronic media today offer an array of opportunities to access educational content, communicate with family and peers, and acquire the skills and technological literacy necessary to compete in a global economy. However, digital media can also pose risks of harm to children, including exposing them to exploitative advertising, inappropriate content, and cyber bullying. On October 23, 2009, the Commission adopted a Notice of Inquiry seeking to develop a record that would help the Commission answer the question of how to empower parents to help their children take advantage of electronic media technologies, while at the same time protect children from the risks inherent in use of these platforms. The FCC also launched *Parents' Place*, a new website that provides parents with the tools and information they need to positively shape their children's experiences in the complex media landscape. It can be found at www.fcc.gov/parents.
- In FY 2010, the FCC issued to pirate operators over 280 Notices of Unlicensed Operation, more than 50 warnings, and seven NALs proposing forfeitures totaling \$80,000.
- The FCC designed and tested a prototype, interactive map showing by location the enforcement actions taken against unlicensed "pirate" radio stations. Once this map is deployed, pirate sanctions will be viewable by the public in any web browser without the need for special software. The map includes the geographical locations of pirate stations as well as direct links to the FCC website, allowing the viewer to explore the specific action taken against each station depicted.
- The FCC successfully defended against statutory and constitutional attacks of the Commission's decision to extend by five years its rules barring exclusive programming contracts between cable operators and cable-affiliated programming networks.
- Working with the Office of the Solicitor General, the FCC successfully persuaded the Supreme Court to deny a petition for certiorari filed by a cable operator, Cablevision Systems Corp., seeking review of a Second Circuit decision that declined to invalidate the Commission's must-carry regime for cable operators. The FCC also successfully litigated in the Second Circuit a motion filed by Cablevision seeking a stay of that court's mandate pending the Supreme Court's disposition of its petition for certiorari.
- The FCC successfully assisted DOJ in district court litigation in which Dish Network sought a preliminary injunction enjoining enforcement of §207 of the Satellite Television Extension and Localism Act (STELA), which required Dish to carry certain educational and other channels in High Definition by a specified date. The federal district court denied the preliminary injunction, a decision that is presently on appeal.

FCC Licensed TV and Radio Stations

as of September 30, 2010

• AM Radio	4,784
• Commercial FM Radio	6,512
• Non-Commercial FM Radio	3,251
• Low Power FM Radio	864
• FM Translators & Boosters	6,161

Total Radio Stations **21,572**

• Commercial TV	1,392
• Non-Commercial TV	391
• Class A TV	525
• Low Power TV	2,387
• TV Translators	4,518

Total TV Stations **9,213**

The FCC licenses radio and television stations as either commercial or noncommercial educational (NCE). Commercial stations generally support themselves through the sale of advertising. In contrast, NCE stations generally meet their operating expenses with contributions received from listeners and viewers and also may receive government funding. By the end of FY 2010, there were more than 30,000 broadcast stations licensed by the FCC.

PUBLIC SAFETY AND HOMELAND SECURITY

Strategic Goal:

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

FY 2010 PERFORMANCE GOALS

- Promote the reliability, security, and survivability of the communications infrastructure
- Facilitate deployment of public safety technology.
- Maintain a clearinghouse of information for the public safety community.

FY 2010 PERFORMANCE HIGHLIGHTS

Promote the reliability, security and rapid restoration and survivability of the communications infrastructure:

- One of the FCC's main missions is to ensure continuous operations and reconstitution of critical communications systems and services during and following emergencies. To facilitate this mission, the FCC established its new Emergency Response Interoperability Center (ERIC) under the Public Safety and Homeland Security Bureau. ERIC's primary mission is to lead the development of a technical and operational framework that will support and foster nationwide operability and interoperability in wireless broadband communications for America's first responders. The ERIC will serve as the driving force for the development of standards that will bring true interoperability to public safety broadband networks nationwide. As broadband standards and technology evolve, the ERIC will adopt and implement: technical requirements and procedures for ensuring a nationwide level of interoperability; mechanisms to address operability, roaming, priority access, gateway functions and interfaces, and interconnectivity of public safety broadband wireless networks; and authentication and encryption requirements for common public safety broadband applications and network usage.
- Enhancing the cyber security of the nation's infrastructure is critical to the proper functioning of communications networks serving America's financial institutions, national energy grid, medical institutions, educational system, and public safety. Yet, broadband communications networks are susceptible to malicious attack. Despite the increasing threat of cyber attacks, many communications end-users do not consider cyber security a priority. The Commission adopted a Notice of Inquiry seeking public comment on the proposed creation of a new voluntary cyber security certification program that would encourage communications service providers to implement a full range of cyber security best practices. This serves as a first step to implementing a comprehensive roadmap to help counter cyber attacks and better protect America's communications infrastructure.

- On April 21, 2010 the Commission launched an inquiry on the ability of existing broadband networks to withstand significant damage or severe overloads as a result of natural disasters, terrorist attacks, pandemics or other major public emergencies. Although core broadband networks are generally presumed to be quite resilient, there may be weaknesses closer to the network edge. Accordingly, the inquiry seeks comment, analysis and information on the present state of the resiliency and redundancy of broadband networks to withstand physical damage and severe network overload.
- The FCC released two comprehensive white papers that build on the National Broadband Plan recommendations to create an economically viable, technically sound, and robust interoperable public safety wireless broadband network across America. *A Broadband Network Cost Model: The Basis for Public Funding Essential to bringing Nationwide Interoperable Communications to America's First Responders* offers a detailed analysis of how the FCC's plan for creation and funding of the network would meet public safety's needs for accessibility, reliability, and affordability, while creating substantial savings for the nation in capital and operating expenditures over a 10-year period. The plan would also ensure true interoperability for public safety across the nation, stretching beyond large cities and metropolitan areas and into rural America. *The Public Safety Nationwide Interoperable Broadband Network, A New Model For Capacity, Performance and Cost* shows that 10 MHz of dedicated spectrum currently allocated to public safety will provide the capacity and performance necessary for day-to-day communications and serious emergency situations. One study cited in the white paper shows that 10 MHz of spectrum can yield the same capacity as over 160 MHz if the correct technology, architecture, and devices are used.
- In May 2010, the Commission participated in the Eagle Horizon 2010 exercise in Gettysburg, Pennsylvania, which tested the FCC's Continuity of Operations Plan (COOP). Prior to the exercise, Commission staff participated in the COOP Working Group, which planned and executed the event.
- Interference to public safety and critical infrastructure communications is the highest public safety priority of the Commission. Some of the actions taken by the FCC in FY 2010 include:
 - In close coordination with the Federal Aviation Administration (FAA) and as part of an ongoing enforcement project, FCC Field agents nationwide have investigated interference from wireless internet providers to the FAA's Terminal Doppler Weather Radar facilities in various cities. The FCC has taken enforcement action in six cases thus far.
 - Field agents facilitated frequency coordination requests from area military bases, and worked to resolve both licensee and citizen complaints of interference caused by military operations. The field offices have also helped develop protocols for coordinating and working with the military on purposeful interference.
 - FCC field agents addressed cases involving interference to a variety of public safety or critical infrastructure entities, such as power plants, National Oceanic and Atmospheric Administration operations, search and rescue operations, air traffic control tower communications and other FAA operations, various local and state public safety communications, and a hospital's infant protection security system (used to prevent the kidnapping of newborns from the hospital).

- Recent high-profile interference cases have focused increased attention on the sale and marketing of devices designed to jam authorized communications. FCC field offices responded to interference complaints involving jammers and took swift enforcement action to address the interference. During FY 2010, the FCC released a \$25,000 NAL to Phonejammer.com, a U.K. company, for marketing cellular/PCS jammers in the United States that were causing interference. The FCC has also actively participated in a number of senior-level interagency discussions on how to reduce the proliferation and use of jammers and continues to work with other government agencies to inform the public about the illegality of these devices and improve coordination on illegal device interdiction issues.
- Disaster Response Activities. During FY 2010, the Commission assisted the Federal Emergency Management Agency (FEMA) by deploying personnel and equipment to various disaster areas.
 - In March 2010, two Commission Field agents and a mobile direction finding vehicle deployed to North Dakota in support of FEMA's response to flooding in the area. FCC staff assisted FEMA in assessing communications outages and facilitating service restoration.
 - In late June and early July 2010, FCC field agents and staff deployed to Brownsville, McAllen, and Corpus Christi, Texas, to conduct pre- and post-landfall spectrum scans and measurements at the request of FEMA.
 - Commission management participated in the inter-bureau Incident Management Team at FCC Headquarters during Hurricane Earl. Several Commission field offices were on standby alert as the hurricane made its way up the east coast. Commission field agents and staff deployed to the Massachusetts area to conduct pre- and post-landfall spectrum scans and measurements at the request of FEMA. The Hurricane Response Team contacted satellite earth station providers as well as submarine cable landing station owners up and down the east coast which fell in the path of the hurricane to ensure that they were operating and didn't need supplies.
- FCC field agents were a critical part of the integrated federal support plan for the 2010 Olympic Winter Games in Vancouver, Canada. Throughout the event, the FCC operated within the Olympics Command Center, deployed direction finding teams, resolved interference issues within the U.S. and coordinated with Industry Canada to assist with resolution of interference cases in Canada. The Commission provided similar support at another major sporting event, the World Equestrian Games in Lexington, Kentucky.
- Commission staff members participated regularly in meetings in support of the 10 FEMA regions throughout the country. For example, two staff from the Chicago field office attended the FEMA Region 5 meeting in Milwaukee to brief a group of communications administrators from the Great Lakes states on the FCC's support to FEMA. Field staff also participated in similar meetings in other FEMA regions.
- The Commission's Equipment Development Group (EDG) continued to design, install, maintain, and upgrade the specialized equipment in the mobile direction finding vehicles used by field agents to perform their day-to-day investigative work in undercover radio signal detection and location of interference sources in the frequency range between 500 kHz and 3 GHz. EDG also instituted upgrades to infrastructure and technical equipment at several remote monitoring sites.

- In addition to ongoing coordination on interference issues involving Federal Aviation Administration (FAA) weather radar, the FCC also coordinated closely with the FAA on other matters of mutual interest. For instance, the FAA/FCC Task Force coordinated joint investigations of critical, purposeful interference to air traffic control frequencies (“phantom controllers”). Additionally, the FCC began a dialogue with the FAA and its contractors to discuss improvements to the interagency coordination process for reporting Notices to Airmen.
- The FCC coordinated closely with the Department of Homeland Security (DHS), the Department of Transportation (DOT), and the Department of Defense (DOD) on interference detection and mitigation issues.
 - FCC staff actively participated in work done by DHS to create a government-wide Interference Detection and Mitigation plan mandated by Presidential directive. Specifically, FCC staff assumed a leadership role in coordinating the Commission’s input and comments on the plan, which outlines the coordinated federal response to impairments to position, navigation, and timing, including interference to GPS. Recent achievements include the collaborative development of a central information portal for reporting and tracking.
 - FCC staff represented the Commission in quarterly meetings and a coordinated interagency exercise in connection with the Purposeful Interference Response Team. The Team is an interagency group chaired by the U.S. Strategic Command under the DOD with a primary mission to coordinate Federal resources to identify and mitigate intentional interference to satellite communications of the U.S. Government (including government communications services on commercial satellites).
 - The FCC actively participated in quarterly Information Dissemination and Coordination Team (IDCT) activities. The IDCT is an interagency group that works to improve the federal coordination and response to GPS interference events at the operational level. The IDCT is co-chaired by a representative from the DOT and a representative from the DOD’s Joint Navigation Warfare Center. FCC staff participates in work to draft and update joint interagency coordination procedures. The FCC also receives referrals from IDCT members of GPS interference complaints, as well as requests for radio direction finding and interference mitigation support involving GPS interference.
 - In July 2010, Commission staff briefed the Director of the National Coordination Office for Space-Based Position Navigation and Timing (PNT) and his staff on the FCC’s role in interference to PNT. The briefing provided an overview of its mission, organizational structure, and capabilities for resolving GPS interference, the FCC’s legal authority over GPS jammers, available enforcement tools, and ongoing and proposed enforcement efforts in the area.
- When the Department of Homeland Security designated the 2010 Presidential State of the Union address and the Nuclear Security Summit as National Security Special Events, the FCC coordinated directly with the U.S. Secret Service which managed security for the events. FCC’s field agents provided support and rapid response to communications interference issues. The FCC presence at such events ensured that critical security and other authorized communications proceeded without significant disruption.
- Throughout FY 2010, Commission staff collaborated with the U.S. Coast Guard and the DHS on matters before the International Maritime Organization (IMO). The IMO has

undertaken a comprehensive effort to build a global maritime security and domain awareness infrastructure so that governments and industry would have proper guidance to meet the challenges to protect shipping and enhance port security.

- The FCC received requests from state and local prisons to permit the use of jamming equipment in an effort to curb prisoners' use of cell phones that are being smuggled into prisons to further criminal enterprises. The challenge is to facilitate prisons' ability to prevent unauthorized cell phone use while ensuring that legitimate commercial and public safety communications do not experience interference. FCC staff granted experimental authorizations to commercial vendors, with appropriate conditions, to allow them to demonstrate the capabilities of their equipment. Commission staff also consolidated FCC comments to the draft Notice of Inquiry prepared by NTIA to collect information on the capabilities and operational characteristics of equipment that can be used to defeat cell phone use in prisons.
- The FCC awarded a contract and received a new "wideband radio receiver" prototype from a private equipment manufacturer. This equipment will be installed in all new mobile direction finder vehicles, which field agents use to locate interference to authorized radio communications.

Facilitate deployment of public safety technology:

- The Commission adopted an Order prohibiting the further distribution and sale of devices that operate in the 700 MHz frequency. This action helps clear the 700 MHz band to enable the rollout of communications services for public safety and the deployment of next generation 4G wireless devices. The FCC also granted conditional approval of 21 petitions filed by cities, counties and states that sought waivers to move forward with the construction of regional or statewide interoperable wireless broadband networks in the 700 MHz public safety broadband spectrum. The Commission required these broadband networks to be deployed under a common interoperability framework in coordination with the ERIC. This common framework will ensure that all networks being deployed are technically compatible and fully interoperable.
- The Commission took action to help strengthen and improve the ability of Public Safety Answering Points (PSAPs, or 9-1-1 call centers) to quickly locate wireless 9-1-1 callers and dispatch emergency responders to assist them during emergencies. The FCC requires wireless carriers to provide reliability data on each 9-1-1 call upon the request of a PSAP, which will improve the ability of public safety personnel to assess the accuracy of location information. Most importantly, the Commission's action will help save lives by enabling emergency response personnel in many places to reach people who call 9-1-1 from mobile devices sooner.
- FCC field agents enforced critical public safety-related regulations both by responding to complaints and by initiating random inspections. For instance, field agents conducted radio frequency radiation inspections and surveys, ensured that communications towers were properly painted and lighted to protect aircraft, inspected broadcast and cable systems to ensure that they had operational emergency alert systems, and took cable signal leakage measurements. Field agents also conducted testing of equipment found to be the cause of interference to licensed operations.

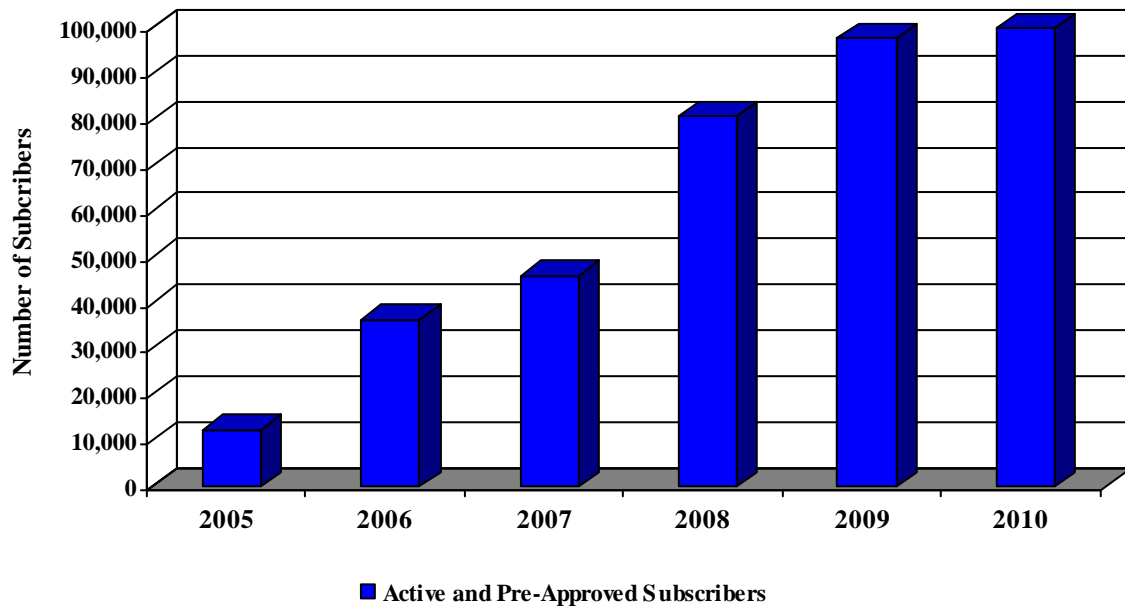
- Since June 2010, Commission staff has actively participated in an inter-bureau team for the planned National Emergency Alert System (EAS) test. The FCC will join with other member agencies of the Interagency Coordinating Council on Emergency Preparedness and Individuals with Disabilities to obtain feedback from stakeholders with access and functional needs regarding the accessibility and usability of this test.
- During FY 2010, the Commission initiated a proceeding to modify the testing requirements for the Emergency Alert System to provide specifically for national EAS testing and data collection.
- In January 2010, FCC staff, in conjunction with the White House, federal and state officials, and industry representatives, conducted and observed the first live presidential activation of the Emergency Alert System.

Maintain a Clearinghouse of information for the public safety community:

- The FCC revamped its enforcement of the network outage reporting rules, which allow the government to identify widespread problems that could be indicative of terrorist activity, and to generally monitor the reliability of communications networks. During FY 2010, the FCC created an aggressive forfeiture approach for network outage reporting violations, taking into account important public safety-related concerns and the need for strict compliance in this area. The Commission also released the agency's first NAL for network outage reporting violations and its first NAL for network outage reporting accuracy violations, totaling \$65,000. In addition, the FCC issued two Consent Decrees totaling \$90,000 while laying the groundwork for significant, additional enforcement actions in FY 2011.
- The Commission supported experimental licenses for deployment of public safety broadband licenses allowing deployment and testing of broadband platform 4G LTE systems and new technologies proposed for enhancing relocation accuracy in urban settings. FCC staff worked with licensees to help them through the experimental licensing processing and provided expedited treatment when required.
- FCC staff worked with public safety agencies and vendors on spectrum planning associated with robotic devices including UAVs and terrestrial robots used for bomb disposal. These point to point applications require significant spectrum, a high signal to noise ratio and mobility, all contributing to the interference potential to both public safety and commercial systems. Requirements developed will be coordinated with public safety spectrum policy group.
- FCC staff represented the Commission in the National Position Navigation and Timing (PNT) Executive Committee (PNT ExComm). A significant number of civil, economic, and security activities, as well as Critical Infrastructure and Key Resources depend on civil GPS as the primary means of PNT information such as precise timing and synchronization for communications and data links. The PNT ExComm has tasked various Executive Branch departments and agencies to, among other things, develop and implement methods to mitigate the risks of interference to GPS. FCC staff represented the Commission at several interagency working groups and coordinated efforts among

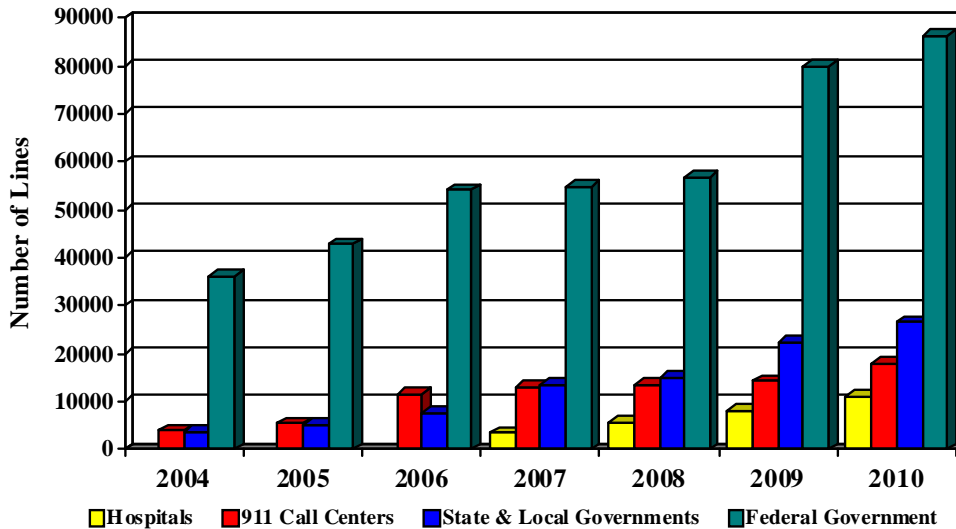
the PNT National Coordination Office and Customs Border Protection to identify, detect and mitigate interference from GPS jamming devices that enter the U.S.

Wireless Priority Service Subscribers



WPS is a program that authorizes cellular communications service providers to prioritize calls over wireless networks. Participation in the WPS program is voluntary. The FCC sets the rules and policies for the WPS program; the National Communications System, a part of the U.S. Department of Homeland Security, manages the WPS program. In FY 2008, the Commission began an outreach program to increase participation in WPS. From August 1, 2009 to July 31, 2010, WPS subscribership increased from 97,771 to 105,333, an increase of 8%. The WPS program facilitates the deployment of public safety technology and increases the chances that critical users, such as first responders, will be able to use cell phone services in an emergency. (All years end on July 31st.)

Telecommunications Service Priority Participation



The Commission established the TSP program to support priority restoration of communications services that support national security and emergency preparedness (NS/EP) missions during disasters, including terrorist attacks. The National Communications System (NCS) oversees day-to-day operation of the TSP program. The TSP program directs telecommunications service providers (e.g., wireline and wireless phone companies) to give preferential treatment to users enrolled in the program when they need to add new lines or have their lines restored following a disruption of service. Any Federal, state, or local government entity that relies on telecommunications services to accomplish its NS/EP mission can qualify for TSP. Although all 911 call centers would qualify for the TSP program, only a small percentage of 911 call centers participate. In FY 2004, the Commission began an outreach program to inform 911 administrators of the TSP program and to expedite their enrollment. At the beginning of August 2009, a total of 14,297 911 call center circuits were enrolled in the TSP program. At the end of July 2010, a total of 17,788 911 call center circuits were covered by the TSP program. This amounted to a 24% increase in 911 call center circuits enrolled in TSP. (All years end on July 31st.)

At the beginning of August 2009, state and local governments had 22,441 circuits enrolled in the TSP program; by the end of July 2010, a total of 26,681 state and local government circuits were covered. This change amounted to a 19% increase in covered state and local circuits. The TSP program increases the reliability of essential NS/EP communications services by minimizing out-of-service times. As a result, these circuits were made more reliable, thus helping to achieve the Commission's TSP objectives.

MODERNIZE THE FCC

Strategic Goal:

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

FY 2010 PERFORMANCE GOALS

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

FY 2010 PERFORMANCE HIGHLIGHTS

Become an easier organization to do business with by integrating systems, processes, and interfaces:

- The FCC was recognized as the “most improved” agency across the entire federal government according to the 2010 OPM Viewpoint Employee Satisfaction Survey released by the Office of Management and Budget. The survey results reflect the work being done throughout the agency to make the FCC a model of excellence in government, including creating new opportunities for employees to provide feedback, improving employee communication through technology and new media, and focusing on leadership development and opportunities for employees.
- The FCC launched the Data Innovation Initiative on June 29, 2010 to modernize and streamline how it collects, uses, and disseminates data. With this launch, the FCC continues the changes that were made as part of a comprehensive reform effort that is improving the agency’s fact-based, data-driven decision-making. To lead the Data Innovation Initiative, the Chairman established a new, cross-bureau data team, led by the agency’s first-ever Chief Data Officer
- In May 2010, the FCC released an API designed for machine-to-machine transfer of data that allows consumers on an FCC blog to submit a comment to an FCC proceeding without ever having to go to the Electronic Comment Filing System (ECFS). This API was specifically designed to allow people participating in one of the Commission’s social media environments to submit a comment to a proceeding while never leaving the environment.
- The Commission is integrating its Expanded Management Tracking System (EMTS) with the FOIA Request Control System (FRCS) in support of the Open Government Initiative.

The integration of systems will allow automated capture of statistical data, improve the ability to track requests made under the Freedom of Information Act, provide web-based functionality, and promote transparency.

- During the fiscal year, the Commission reviewed systems of data collection for consumer inquiries and informal consumer complaints to assess efficiency and effectiveness of current processes. Staff and management made recommendations, where deemed necessary, to improve and enhance current systems or collection procedures.
- Commission staff worked to create a consolidated Enforcement Bureau-wide database known as the Enforcement Bureau Activity Tracking System (EBATS). EBATS will provide core case management functions and additional enhancements to work operations.
- In October 2009, the Commission released a major upgrade to the FCC's Electronic Comment Filing System (ECFS). As a result of this upgrade, consumers and other users were provided with the following features: (1) RSS Feeds; (2) a daily calendar for finding new releases to dockets; (3) ability to download a docket in an Excel spreadsheet or in Acrobat PDF file; (4) ability to submit comments into multiple dockets with a single submission; and, (5) full-text search to the entire ECFS repository.

Create and sustain an organizational culture that encourages innovation, accountability, and continual improvement:

- The Commission proposed revisions to its rules as part of its larger effort to reform and transform the agency into a model of excellence in government. Changes were proposed to the FCC's procedural and organization rules (Part 0 Rules of Organization and Part 1 Rules of Procedure) concerning reconsideration of agency proceedings and case management. The proposals are designed to enhance efficiency and reduce backlogs, make it easier for interested persons to follow and participate in the process, and reduce confusion by the public about certain deadlines. The Commission also proposed changes to its rules governing disclosure of communications with Commission staff and decision makers when all parties to a proceeding are not present (so-called *ex parte* communications). The Commission hosted a workshop in which senior staff and outside experts explored whether the *ex parte* rules address the current needs of the Commission and the public. The proposed rule changes are designed to make the Commission's decision-making processes more open, transparent, fair, and effective.
- On July 19, 2010, the Commission initiated a review of the Commission's policies and practices under Section 504 of the Rehabilitation Act of 1973. Specifically, the Commission is seeking comment on the overall accessibility of the Commission's activities and programs. This includes, but is not limited to, the availability of sign language interpreters, physically accessible buildings and meeting spaces, Braille documents, assistive listening devices, Communication Access Realtime Translation (CART), captioning, and other forms of reasonable accommodation needed for access to Commission programs and activities
- The FCC assisted the Office of the Solicitor General in successfully seeking Supreme Court review of an unfavorable Third Circuit judgment construing the scope of

Exemption 7(C) of the Freedom of Information Act (FOIA). In addition, the FCC assisted DOJ in defending the FCC's FOIA decisions in two court cases.

- For the fifth consecutive fiscal year, the FCC received an unqualified or “clean” financial audit opinion with no material weaknesses reported by the auditors. In order to continue providing reliable financial reporting, the Commission continued its efforts to improve its internal controls and financial management. The FCC conducted risk assessments of its operations during the fiscal year and worked to mitigate any risks that were identified during the previous year's risk assessments.
- Part of the Commission reform agenda is to improve the Commission's licensing systems in order to make them easier to use by the public and Commission staff. A long-term initiative is underway at the Commission to combine the functions of the current licensing systems into a Consolidated Licensing System. The FCC provided significant resources this year toward the design and software development of the new system.

Ensure effective communications with consumers, Congress, the communications industry, and fellow federal, state, tribal, and local agencies:

- The FCC made tremendous strides during FY 2010 to become more efficient, effective, and accountable to the American people. It launched Reboot.FCC.gov (<http://reboot.fcc.gov/>), the first-ever Web site dedicated to soliciting public input on ways to improve citizen interaction with the FCC. Reboot.FCC.gov highlighted key elements of FCC reform for public discussion and feedback. As part of a long-overdue redesign of the FCC Web site, the agency solicited ideas on how best to streamline and improve the experience for all site visitors. Because data underlies all agency proceedings, the FCC launched FCC.gov/data (<http://reboot.fcc.gov/data/>), an online clearinghouse for the Commission's public data, looking for additional ways increase openness, transparency, efficiency and public oversight. The agency reevaluated how citizens engage in government and explored new ways to increase public participation through the use of new media tools.
- Commission staff developed a plan for initiation of social networks, forums and surveys for consumer input and discussion regarding FCC processes and proceedings. The following is a sample of its FY 2010 activities:
 - On May 25, 2010, the Commission conducted a “Webinar” aimed at briefing state and local government organizations on pending FCC policy issues. Approximately 140 representatives participated in this interactive event which afforded participants the ability to ask questions of FCC staff concerning the National Broadband Plan, proposed changes to the E-rate program, the pole attachment Order and FNPRM, public safety, “Narrowbanding,” recent FCC efforts to increase the timeliness of local tower siting decisions, the Lifeline and Link Up Programs, wireless consumer “bill shock,” and cramming.
 - The Commission utilized YouTube videos as a vehicle to engage the public in the FCC's proceedings and processes. One of the Commission's early uses of YouTube was to produce a series of videos using American Sign Language with a voice over to inform the deaf and hard-of-hearing communities about changes to the Video Relay Service. FCC staff also produced a 20-minute long video in celebration of the 20th anniversary of the Americans with Disabilities Act that presented stories from people who explained how changes in telecommunications

helped their lives. Other topics that have been addressed with videos on YouTube include information on making wireless phone calls when traveling overseas, the importance of broadband for children, and on-line safety.

- On January 7, 2010 the FCC launched Reboot.FCC.gov, the first Web site dedicated to soliciting public input on ways to improve citizen interaction with the FCC. The launch included the first official FCC blog, which features posts from FCC employees and each of the five Commissioners. The Commission has actively used blogging as a means to engage the public about on-going and future proceedings. Additionally, when combined, Webcasting and Tweeting of FCC events allow staff to obtain information and opinions directly from consumers on telecommunication issues that affect their daily lives.
- The Commission created four new web portals as well as numerous new web pages on consumer topics. The four new web portals were: (1) “Consumer Help Center,” a centralized portal for information related to consumers such as wireless phone bills, privacy and on-line safety, and how to file complaints with the FCC; (2) “Parents’ Place” providing practical information on issues such as TV and prenatal controls, on-life safety for children, and media and childhood obesity; (3) “Access and Innovation” focusing to promote collaborative problem-solving among stakeholders to ensure that people with disabilities reap the full benefits of communications technology; and (4) Distracted Driving, providing information to discourage distracted driving as well as a clearinghouse for companies that offer technological solutions to encourage safe driving. Additional web pages created over this past year cover such varied topics as wireless microphones, early termination fees on wireless phones, bill shock for wireless phones and broadband speeds.
- Commission staff planned, executed and staffed several workshops during the fiscal year. Among these were workshops held on January 19, 2010 regarding consumers, transparency and the Open Internet, and another one held on May 13, 2010 on expanding disability access with wireless technologies. In addition, the Commission provided exhibits at 17 conventions and conferences sponsored by various consumer groups and organizations covering each of our major constituencies – seniors, youth, disability, African-American, Hispanic-American, Asian-American, industry and consumer organizations. At each exhibiting opportunity, Commission staff encouraged attendees to comment on our proceedings. The events where the FCC provided exhibits included: Hearing Loss Association of America Annual Conference (Denver, CO, October 10, 2009); AARP Annual Conference (Las Vegas, NV, October 22-24, 2009); Public Service Recognition Week (Washington, DC, May 6-8, 2010); Organization of Chinese Americans Annual Conference (Houston, TX, June 17-20, 2010); National Council of La Raza Conference (San Antonio, TX, July 10-13, 2010); and NAACP Annual Convention (Kansas City, MO, July 10-15, 2010).
- Throughout the fiscal year, FCC staff held an on-going series of meetings with the Deaf and Hard of Hearing Consumer Advocacy Network, a coalition of consumer groups representing deaf and hard of hearing constituents. The topics of discussion have included: Internet-based TRS, ten-digit numbering, E911 access, equipment portability, mandating Captioned Telephone Service, consumer outreach, quality issues with closed captioning, and accessible emergency television broadcasting.

- During the course of FY 2010 the Commission undertook numerous initiatives to fulfill requirements for agencies receiving Recovery Act funding:
 - The Recovery Act required agencies and recipients to provide a new level of spending data transparency concerning the use of the funds and the status of projects. Utilizing the www.federalreporting.gov system and its processes, vendors report spending data, and the data is then published quarterly at www.recovery.gov. The FCC's contracts represent over \$97 million dollars in awards across over 140 contracts reported through September 30, 2010. This reporting cycle will continue each quarter until the FCC does not have any vendors funded by Recovery Act dollars for an entire quarter.
 - Facilitated the development and publication of updated Recovery Act plans for the FCC and for its Recovery Act programs, Digital Television Transition and National Broadband Plan.
 - Conducted risk assessments of both the National Broadband Plan and National Broadband Map programs.
 - Developed and published all financial activity reports for the FCC's Recovery Act activities for each week in FY 2010. These reports are compiled using data on obligations and outlays provided from the FCC's core financial system. These weekly reports also include information about the FCC's activities for its Recovery Act programs and their progress. The reports are required by the Office of Management and Budget (OMB) and are published each week on www.fcc.gov/recovery and www.recovery.gov.
 - Completed weekly reports identifying new contract award amounts funded with Recovery Act funds through a funding notification report. These reports were required by OMB throughout FY 2010.
 - Consistently have met the timelines and requirements for the reports and data calls that OMB has requested of agencies who are receiving Recovery Act funds.

- On December 4, 2009, the FCC announced the reauthorization of the Intergovernmental Advisory Committee (IAC). Since release of the Public Notice, FCC staff has provided substantive input regarding the selection of members of the IAC, including recommendations for initiation and logistics of the selection process.

As part of the Data Innovation Initiative, the FCC also launched a suite of new tools designed to unlock FCC data and drive innovation across the public and private sectors. The suite of tools includes a number of APIs (Application Programming Interface), interfaces that enable communication between independent databases, for use by developers across a broad range of industries, including federal, state, and local government. The FCC also announced the creation of a developer community (<http://www.fcc.gov/developer>) designed to help drive future releases through feedback and collaboration. An example of the APIs released is License View which provides snapshots such as the number of licenses across different services, how many licenses different entities have, and how many licenses are up for renewal in the near future. The APIs represent a step toward reform of the licensing systems and improvement in how the FCC makes licensing information available to the public. Currently available APIs include:

- **FCC Consumer Broadband Test**
 - Over 1 million user speed tests were generated from FCC Consumer Broadband Test. This API delivers data on the number of tests, average user download/upload speeds, and more.

- **FCC Census Block Conversions**
 - Unlock the US Census Block number of any geographic coordinate using the FCC Census Block Search. This API also returns the associated US State and County name.

- **FCC FRN Conversions**
 - Quickly tap FCC Registration Numbers to learn more company information about broadband providers, which often change from state to state.

- **FCC License View**
 - License View provides information on over 3 million FCC issued licenses for use of the nation's airwaves and other purposes.

- **Spectrum Dashboard**
 - The Spectrum Dashboard allows new ways for citizens to search spectrum in the United States. These APIs deliver information on spectrum band allocation and who own licenses within the 225 MHz to 3700 MHz frequency range.