

The Honorable William J. Clinton  
President of the United States  
The White House  
Washington, D. C. 20500

Dear Mr. President:

Attached for your review is the Federal Communications Commission's Annual Performance Report for Fiscal Year 1999.

We are pleased with the results of our efforts. We met or partially met sixty of our sixty-nine goals—an 87 percent success rate. In addition to our program goals, we embarked on an ambitious course of action to completely revise our Strategic Plan to ensure that our plan reflects the goals of a converging and increasingly global telecommunications industry. In redoing our plan, we reached out to industry, to state, regional, and local governments, to academe and consumer interest groups, and to our own employees to provide us with input into the plan. In August 1999, we issued a draft Strategic Plan that, I believe, provides measurable, results-oriented performance goals for the next five years.

Another notable achievement in Fiscal Year 1999 was the completion of our plan to consolidate our enforcement and consumer information activities. Historically, the FCC has been organized along the traditional lines of wire, wireless, satellite, broadcast and cable communications. This traditional structure no longer makes sense in an era when the lines dividing many communications service providers are blurring. Consolidation of our consumer information services will allow us to provide improved information services to consumers facing a bewildering choice of competing telecommunications services. Centralization of our enforcement activities will allow us to respond quickly and efficiently to questionable activities in an increasingly deregulated marketplace. Moreover, our consumer information and enforcement staff will share information that will enable us to spot trends and areas of consumer and industry concern.

I would also like to note that we achieved this level of success despite some formidable programmatic obstacles, including:

- A multi-phased, logistically complex agency move that required that we maintain duplicate operations for seven months. This move, and the need to maintain two separate sites, challenged our resources, particularly our information technology infrastructure;

- An in-depth review of all our mission critical automated processing systems to ensure that each system was fully Year-2000 compliant. This effort required a months-long review and testing of our major systems and the identification of all smaller systems that required conversion before December 31, 1999.
- In addition, we completed a Business Continuity and Contingency Plan for every automated system, major or minor, in case our reviews failed to identify all Y2k problems. The need to complete these reviews and contingency plans resulted in our deferring scheduled enhancements or replacements to several major licensing and document management systems;
- Failure to obtain the necessary funding in Fiscal Year 1999 to upgrade our network infrastructure and to complete several of the performance goals specified in our Fiscal Year 1999 Annual Performance Plan. For example, we deferred completion of the implementation of two of the Mass Media Bureau's electronic filing systems and an agency-wide electronic document management system. We plan to complete work on these systems in Fiscal Year 2000, if additional funding can be obtained.

I look forward to hearing your comments on our Annual Performance Plan.

Sincerely,

William E. Kennard  
Chairman

Enclosure

# FEDERAL COMMUNICATIONS COMMISSION

## FISCAL YEAR 1999 ANNUAL PERFORMANCE REPORT

**Functional Area: Authorization of Service**

**Objective: #1 We will meet our established customer Speed of Disposal processing goals.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will review our authorization of service rules and will simplify and streamline those authorization requests where appropriate.	Yes	The FCC made significant progress in simplifying and streamlining authorization of service rules in Fiscal Year 1999. In common carrier matters, we eliminated entry certification requirements under Section 214 of the Communications Act and approved a streamlined authorization process for international applications that will qualify approximately 99 percent of applications for 14-day processing. In May, we adopted an order substantially revising and, in some cases, eliminating the International Settlements Policy. We also streamlined electronic filing of 15 key broadcast application and reporting forms, representing 88 percent of all broadcast authorization forms. A competitive bidding process was approved to replace the comparative hearing process for the selection of mutually exclusive broadcast applicants. We adopted new, simplified rules for the equipment authorization process, deregulating the equipment authorization requirements for certain types of equipment, and providing for electronic filing. Finally, we are nearing completion on the development and implementation of a Universal Licensing System that provides streamlined electronic Internet filing capabilities for most wireless services, provides application and tracking status information and reduces the number of wireless application forms from 63 to five.	Performance was measured through a review and analysis of authorization of service data and other workload reports provided by the Bureaus and Offices.
We will meet 90% of our customer Speed of Disposal processing goals.	Partially Met	The majority of license applications in all services were processed within established timeframes. Those services where the goal was not met were impacted by a variety of situations including efforts to develop and implement new electronic, Internet accessible, filing systems, Y2K compliancy issues, the convergence of technologies and industries that created significant complications in the traditional licensing processes, and agency-wide efforts to reduce backlogged applications. We anticipate that we will make significant progress in meeting our processing goals in Fiscal Year 2000.	Performance was measured through analysis of data contained in internal workload reports.

<p>We will provide electronic filing capabilities for CCB, MMB, IB, WTB, and OET licensing systems. We will improve our Speed of Disposal and public access to the status of license applications by integrating Wireless Telecommunications Bureau's ten licensing systems into a single, integrated database.-We will improve our Speed of Disposal and public access to the status of license applications by re-engineering and integrating 13 Mass Media Bureau licensing and authorization of service databases. -We will improve our Speed of Disposal and improve public access to information through implementation of redesigned, fully automated Equipment Authorization and Experimental Radio Service licensing systems.</p>	<p>Mostly Met</p>	<p>In Fiscal Year 1999 we continued to implement electronic filing capabilities including systems in the Common Carrier, International, Wireless Telecommunications Bureaus, and the Office of Engineering and Technology. Our Wireless Telecommunications Bureau has deployed 7 out of the ten commercial wireless services as part of its Universal Service Licensing System. Our Mass Media Bureau has developed electronic licensing capabilities for all of its services and licensing systems. However, access to the public was delayed due to Y2k preparation priorities and budgetary constraints. Full implementation of these systems is dependent on adequate funding in Fiscal Year 2000.</p>	<p>Performance is measured by the number of authorization systems reengineered, the number of electronic filing systems implemented, and the effect of both on our licensees.</p>
<p>We will provide immediate access to routine common carrier Local Access Transport Area modifications by placing these electronically on public notice upon receipt.</p>	<p>Yes</p>	<p>All routine common carrier Local Access Transport Area modifications are now immediately placed on public notice and are accessible electronically through the Commission's Digital Index. The comment and reply period for such requests is typically limited to 3 weeks. An order addressing the requested modification matters is issued approximately 60 days from the date of original filing.</p>	<p>Performance was measured by changes in the common carrier Local Access Transport Area modification processing to provide immediate access.</p>
<p>We will allow telecommunications carriers wishing to add new or to discontinue old lines to obtain authority under Section 214 with no regulatory delays.</p>	<p>Yes</p>	<p>On June 30, 1999, we released a Report and Order revising Part 63 rules eliminating the requirement to file applications for entry authority. This order also stipulated that applications for discontinuance would be granted automatically. Since these rules were implemented, no entry applications have been filed, and all but two applications for discontinuance have been allowed to become effective automatically.</p>	<p>Performance was measured by the adoption of rule changes to reduce or eliminate regulatory delays.</p>

**Functional Area: Authorization of Service**

**Objective: #2 We will utilize spectrum auctions whenever feasible for efficient licensing and innovative use of the electromagnetic spectrum allowing the most advantageous use of the scarce spectrum and expedited new customer services.**

<b>1999 Performance Goals</b>	<b>Goal Met? (Y/N)</b>	<b>1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)</b>	<b>Method of Measurement (Performance Indicators)</b>
We will meet all Congressionally-mandated auction schedules in FY 1999.	Yes	There were no Congressionally-mandated auctions during Fiscal Year 1999. The FCC did conduct six auctions that awarded approximately 1,700 licenses for \$640 million.	There were no Congressionally--mandated auctions.

**Functional Area: Authorization of Service**

**Objective: #3 We will encourage competition in the telecommunications industry through efficient licensing and authorization of service to competitive services.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will meet 90% of our customer Speed of Disposal goals.	Mostly Met	The majority of license applications in all services were processed within established time frames. In several services customer goals were not met due to a variety of reasons—including efforts to develop and implement new electronic filing systems, Y2K compliancy issues, and an agency-wide effort to eliminate backlogged applications. We expect to make significant progress in meeting our customer service goals in Fiscal Year 2000, given the funding required to continue our implementation of electronic filing systems.	Performance was measured through analysis of data contained in internal workload reports.

## Functional Area: Policy and Rulemaking

**Objective: #1 We will restructure and streamline the FCC, eliminating outdated or redundant organizations and overlapping regulations.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will continue to use our forbearance authority where appropriate.	Yes	The Commission issued 24 orders addressing petitions for forbearance in FY 1999.	Performance was measured by review of Orders issued in connection with parties' requests for forbearance from regulation.
We will review the FCC's functions and structures and eliminate obsolete or overlapping ones.	Yes	In Fiscal Year 1999, the FCC completed all planning for the consolidation of its enforcement and consumer information activities. The consolidation of these two key functions will improve efficiency and enhance the delivery on consumer information and enforcement services to the general public and to industry. In Fiscal Year 1998, the FCC conducted an agency-wide biennial review to eliminate, consolidate, and/or revise rules that were obsolete or outdated. During Fiscal Year 1999, the FCC completed rulemakings streamlining accounting, reporting, and depreciation rules and released an order finding that it should privatize its accounting authority in maritime radio services. We also commenced Phase I of a Comprehensive Accounting Review to further review areas of possible streamlining. For other actions, see next entry.	Performance was measured by a determination that the 1998 Biennial Regulatory Review was completed and by a review of other actions taken during FY 1999 that further reduced obsolete or overlapping functions.
We will continue to evaluate whether certain regulations are no longer necessary in the public interest and should be repealed or modified as required by Section 11 of the Communications Act and Section 202(h) of the Telecommunications Act of 1996.	Yes	<p>As mentioned in the goal above, we conducted a comprehensive review of all agency rules in Fiscal Year 1998 to eliminate, consolidate, and/or revise those rules that are no longer in the public interest. During FY 1999, the FCC released 9 orders and 1 policy statement regarding subjects potentially no longer necessary to the public interest. Specific steps taken included:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> In March 1999, we adopted an order streamlining the Section 214 authorization process;</li> <li><input type="checkbox"/> In May 1999, we adopted an order substantially revising and, in some cases, eliminating the International Settlements Policy.</li> <li><input type="checkbox"/> In June 1999, we adopted an order revising the settlement rate benchmark for facilities-based service on affiliated foreign routes.</li> <li><input type="checkbox"/> We also made fundamental changes to broadcast application and licensing procedures. These changes simplify, streamline, and make more customer-friendly our rules, applications, and application procedures.</li> <li><input type="checkbox"/> In August 1999, we concluded our review of various ownership rules, and modified the Local TV "duopoly" restrictions and its local radio/TV cross-ownership restriction, as well as its national television ownership rule. The FCC is currently considering additional changes to its ownership rules to conform to the current marketplace as an additional implementation of the 1998 Biennial Regulatory Review.</li> </ul>	Performance was measured by a determination that the 1998 Biennial Regulatory Review was completed and by a review of other actions taken during FY 1999 that further reduced rules that were determined to no longer serve the public interest.

We will complete relocation of the FCC into a consolidated facility.	Yes	Relocation into a consolidated facility was successfully completed in May 1999.	Performance was measured by the completion of the relocation.
We will coordinate network disclosure reporting requirements under Section 251 and 273 of the Communications Act to avoid any duplicate or redundant disclosure regulations	Yes	Section 251 network disclosures are placed on public notice typically within one week of receipt. The public notice indicates only that parties seeking information should visit the web site. There have been no recorded complaints of this procedure or its overlapping with Section 273.	Performance was measured by number of complaints concerning overlap or redundancy of network disclosure reporting requirements under Section 251 and 273.
We will review the CCB Computer III Court Remand to determine whether any of the network disclosure rules under Section 251(c)(5) duplicate or even exceed the rules established under the Computer II and Computer III decisions	Yes	We eliminated the Computer III network disclosure rules in the Computer III Remand Order issued in July 1999.	Performance was measured by completion of the Computer III Court Remand and any changes made to network disclosure rules.
We will privatize the International Telecommunications Settlements (ITS) process.	Yes	We adopted an order ending our role as the maritime accounting authority in July 1999.	Performance was measured by completion of actions needed to privatize the International Telecommunications Settlements process.
We will determine whether privatization of the electronic filing functions lowers costs to the public and improves their access to tariff filings.	No	The FCC implemented an electronic tariff filing system (EFTS) that permits incumbent local exchange carriers to submit federal tariffs and associated documents via the Internet. Other parties participating in tariff proceedings may also file tariff-related documents using ETFS. ETFS also enables interested parties to access and download these documents over the Internet. Due to limited resources devoted to Y2K related issues, the Bureau did not complete a comprehensive review to determine whether the privatization of the electronic filing function would be beneficial to our customers.	Performance was measured by completion of a determination of whether privatization of the electronic filing functions lowers costs to the public and improves their access to tariff filings.
We will continue to hold public for a and meet with our state regulatory partners and consumer groups to solicit input and feedback to ensure our rules are in the public interest and are the least burdensome to achieve stated goals	Yes	During FY 1999, we conducted a number of important meetings and fora. Chief among these was the three public meetings held in May and June to discuss the FCC's Draft Strategic Plan. Members of the telecommunications industry (May 20), state and local government (June 2), and academic and organizational experts (June 11) participated in- person and via the Internet. The transcripts of each of these meetings were published at our website. We continued to meet with state regulatory partners and consumer groups and held a number of public fora. Monthly meetings were held with the North American Numbering Council and FCC representatives attended every meeting of the National Association of Regulatory Utility Commission. FCC staff attended a number of meetings in preparation for the upcoming World Radiocommunications Conference. Staff attended bimonthly meetings with the Local and State Government Advisory Committee. Finally, public fora were held to discuss a variety of issues including implementation of Telecommunications Relay Services, proposals for streamlining Part 68 terminal equipment registration, industry views on cable landing license policy and procedures, and seminars on political programming rules.	Performance was measured by a review of the meetings and fora held during the fiscal year.



## Functional Area: Policy and Rulemaking

**Objective: #2 We will encourage competition in the telecommunications industry through pro-competitive, deregulatory rulemakings, reducing consumer costs and increasing the telecommunications choices available to consumers.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will continue to implement the local competition provisions of the Telecommunications Act of 1996.	Yes	<p>The FCC released the following Reports and Orders implementing the local competition provisions of the Telecommunications Act of 1996:</p> <ul style="list-style-type: none"> <li>• Unbundling Remand Report and Order, the Collocation Order;</li> <li>• the Line Sharing Order;</li> <li>• the Review of Accounting and Cost Allocation Requirements and the Review of ARMIS Reporting Requirements;</li> <li>• the Pricing Flexibility Order (that also included an NPRM on whether CLEC access rates should be regulated).</li> </ul> <p>Additionally, significant progress was made on two Access Reform Proceedings (X-factor Remand and CALLS Petition). Field work or audits and surveys concerning collocation, number hoarding, and local number portability costs were completed as was a generic audit program for Section 272 Biennial audits.</p>	Performance was measured by a review of actions taken to promote competition.
We will work to improve the connections of classrooms, libraries and rural health care facilities to the Internet by the end of FY 1999 and to maintain affordable telecommunications services to rural America.	Yes	In Fiscal Year 1999, the FCC released an order extending first year funding for Schools and Libraries (S&L) and for the Rural Health Care (RHC) programs to allow more applicants to participate. We issued an order establishing the second year funding level of the S&L program at \$2.25 billion, and of the RHC program at \$12 million. We also issued orders simplifying the process for rural health care providers to receive universal service support and allowing non-ETCs to obtain credit against their contributions for services provided to rural health care providers.	Performance was measured a review of actions taken to promote connections of classrooms, libraries, and rural health facilities to the Internet.
We will make telecommunications services and equipment accessible to persons with disabilities by completing a rulemaking to implement Section 255 of the Act.	Yes	The FCC adopted and released an order implementing Section 255 of the Telecommunications Act of 1996. Additionally, we convened a public forum on access to 711, designated as the nationwide number for Telecommunications Relay Services.	Performance was measured by a review of actions taken to promote the accessibility of telecommunications services and equipment to persons with disabilities.
We will make emergency information carried on cable systems available to persons with hearing disabilities.	No	A draft order adopting emergency information requirements has been prepared and final FCC action is expected by March 31, 2000.	Performance was measured by a review of action taken to make emergency information carried on cable systems available to persons with hearing disabilities.

We will ensure that public safety groups have adequate spectrum and advanced telecommunications equipment by completing “The Development of Operational, Technical and Spectrum Requirements for Meeting Federal, State and Local Public Safety Agency Communications Requirements Through the Year 2010.”	Yes	In April 1999, the FCC adopted a Memorandum Opinion and Order addressing concerns raised by American National Standard Institute and allowing the work of the Public Safety National Coordination Committee (NCC) to proceed in a timely fashion, with the flexibility to operate with increased efficiency.	Performance was measured by a review of actions taken to ensure adequate spectrum and advanced telecommunications equipment for public safety use.
We will continue implementation of the World Trade Organization Basic Services Agreement, which will allow WTO-member nations to apply for authorization to provide competitive telecommunications services to U.S. customers.	Yes	<ul style="list-style-type: none"> <li>• In March 1999, the FCC adopted an order further streamlining the Section 214-authorization process and rules regarding foreign notifications. The FCC continues to grant most applications to provide international telecommunications services, including those from foreign-owned carriers, pursuant to a 14-day streamlined process.</li> <li>• We also participated in regulator-to-regulator meetings covering topics such as interconnection principles and independent and transparent regulatory regimes.</li> <li>• In August 1999, we authorized certain U.S. earth stations to provide fixed-satellite services (FSS) to, from, and within the U.S. via New Skies Satellites, NV.</li> </ul>	Performance was measured by a review of the actions taken to promote implementation of the WTO Basic Services Agreement.
We will implement an efficient, pro-competitive procedure for the administration of, and access to, N11 codes and other abbreviated dialing arrangements.	Yes	The FCC is considering proposals from the United Way and the Department of Transportation for establishment of a N11 code.	Performance was measured by a review of actions taken to implement an efficient, pro-competitive procedure for administration of and access to N11 codes.
We will apply, and continue to refine pricing rules that allow incumbent Local Exchange Carriers additional flexibility in pricing interstate access consistent with the development of competition.	Yes	<p>During 1999, we released the following orders refining the pricing rules for incumbent Local Exchange Carriers:</p> <ul style="list-style-type: none"> <li>• Order and FNPRM for Pricing Flexibility, Access Charge Reform;</li> <li>• Price Cap Performance Review for Local Exchange Carriers Order;</li> <li>• Inter-exchange Carrier Purchases of Switched Access Services offered by competitive Local Exchange Carriers;</li> <li>• Petition of U S West Communications, Inc. for Forbearance from Regulation as a Dominant Carrier in the Phoenix, Arizona MSA in August 1999.</li> </ul>	Performance was measured by a review of actions taken to refine pricing rules to allow additional flexibility to ILECs in pricing interstate access.
We will continue to examine and develop economic cost models to ensure that these estimate the accurate costs of providing unbundled network elements and access services.	Yes	The FCC released an Order adopting final input values for the Commission’s cost model, which is used to estimate the prospective costs of providing support services.	Performance was measured by a review of actions taken to develop economic cost models that accurately estimate costs for providing unbundled network element and access services.
We will initiate rulemakings to update Part 68 of our rules and regulations to incorporate technological innovations.	No	The Notice of Proposed Rulemaking on the deregulation of Part 68-equipment registration is tentatively scheduled for consideration in March 2000.	Performance was measured by a review of actions taken to update Part 68 of the rules and regulations.
We will implement procedures to administer carrier identification codes (CIC) in an efficient and nondiscriminatory manner.	Yes	The three-to-four digit CIC conversion deadline was September 1, 1998. During that time, several waiver petitions were granted to accommodate the network plans of small carriers. The last waiver expired on December 30, 1999 (Virgin Islands Telephone Company).	Performance was measured by a review of actions taken to implement procedures to administer carrier identification codes.

We will refine existing rules concerning caller ID to respond to consumer concerns about services that use calling party numbers.	Yes	The FCC received very few calls concerning caller ID and currently has only two Petitions for Reconsideration and one Petition for Review. Consumer concerns are now handled as informal complaints and additional refining of the existing rules appears to be unnecessary at this time.	Performance was measured by a review of consumer concerns received on this issue and a determination of the need for rule changes.
We will establish procedures for certification of rural carriers for purposes of universal service high cost support.	No	The FCC concluded in the Universal Service First Report and Order that reform of high-cost support for rural carriers should not occur until January 1, 2001, at the earliest, and only after recommendations have been received from the Joint Board, and a Rural Task Force appointed by the Joint Board.	Performance was measured by a review of actions taken to establish procedures for certification of rural carriers for universal service high cost support.
We will initiate a rulemaking to eliminate the requirement for equipment manufacturers to obtain waivers for equipment that automatically takes the subscriber lines "off-hook."	Yes	Currently, waiver requests to take lines 'off hook' are judged by the standard set forth in an order addressing the Part 68 Waiver Request of Alameda Engineering, Inc. (commonly referred to as the Alameda Order). The equipment waiver request process will be addressed as part of the Part 68 streamlining Notice of Proposed Rulemaking scheduled for consideration in the first quarter of Fiscal Year 2000.	Performance was measured by review of actions taken to eliminate the requirement for equipment manufacturers to obtain waivers for this type of equipment.
We will streamline the Telecommunications Relay Service Fund administration procedures to align it with other Commission interstate cost-recovery programs.	Yes	The FCC changed the cost-recovery mechanism for the TRS Fund from a gross-revenues formula to an end-user formula in our Streamlined Contributor Reporting Requirements Report and Order, in accordance with the practices specified for several other funds mandated by the Telecommunications Act of 1996.	Performance was measured by a review of actions taken to streamline the TRS Fund administration procedures.
We will continue to promote the efficient use and allocation of toll free numbers and deploy additional toll free service.	No	The FCC anticipates releasing a Report and Order regarding the neutral administration of toll-free numbers in April 2000.	Performance was measured by a review of actions taken to promote the efficient use and allocation of toll-free numbers and deploy additional toll-free service.
We will continue to participate in global standard setting for communications services	Yes	In February 1999, the FCC proposed rules to implement the international arrangements governing Global Mobile Personal Communications by Satellite (GMPCS) adopted by ITU. The NPRM outlines a comprehensive procedure for licensing, marking, certification, and customs treatment of GMPCS terminals. It also proposes safeguards against potential interference to existing aeronautical radiation services. In 1999, the FCC participated in the Telecommunication Standardization, Radio Communications, and the Telecommunication Development Sectors of the ITU and in a number of meetings in preparation for WRC 2000.	Performance was measured by the compilation of the number of actions taken to promote global standard setting for communications services.
We will continue to review the regulatory status of dominant common carriers to determine whether reclassification or forbearance is appropriate.	Yes	The FCC released five orders addressing several forbearance issues raised by mid-sized ILECs. Additionally, the FCC began a review of a request by Bell Canada to be reclassified as a nondominant carrier for the U.S.-Canada route.	Performance was measured by a review of actions taken to review the regulatory status of dominant common carriers.
We will continue to review whether merger and transfer of control requests are in the public interest.	Yes	The FCC reviewed and approved a number of mergers and transfer of control requests to determine if they would benefit the public interest, including MCI Telecommunication Corporation / Echostar; Lockheed Martin/Comsat; Frontier/Global Crossing; Airtouch Communications/Vodafone; AT&T / British Telecommunications; USSB/DIRECTV, and Tempo Satellite, Inc./DIRECTV Enterprises, Inc.	Performance was measured in terms of timely completion of the review of the requests.

## Functional Area: Policy and Rulemaking

**Objective: #3 We will reduce reporting requirements and eliminate unnecessary rules and burdensome regulations.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
<p>We will conduct a review of our rules and regulations in FY 1998 to determine which can be eliminated or revised. In FY 1999, we will initiate rulemakings to eliminate obsolete or overlapping regulatory and/or reporting requirements.</p>	<p>Yes</p>	<p>The FCC conducted an agency-wide biennial review in 1998. Based on this review, we took the following actions in 1999:</p> <ul style="list-style-type: none"> <li>• In common carrier issues, we released 9 orders and 1 policy statement addressing matters that were identified as no longer necessary:</li> <li>• We made fundamental changes to the broadcast application and licensing procedures. These changes simplify, streamline, and make our rules, application procedures, and reporting forms more user friendly. We also updated and streamlined our broadcast rules and modified the local TV “duopoly” restrictions and our local radio/TV cross-ownership rules.</li> <li>• The FCC made significant progress in streamlining our procedures for satellite and other international application processing issues. We issued a Notice of Proposed Rulemaking recommending streamlining and consolidating service rules governing the Direct Satellite Broadcast (DBS) service to eliminate unnecessary and duplicative regulation, increase competition to the cable television industry, and facilitate the delivery of new and innovative services to consumers. We adopted an order streamlining the Section 214 authorization process that will allow 99 percent of all applications to be processed in fourteen days. We adopted an order substantially revising and, in some cases, eliminating the International Settlements Policy. We announced that we will automatically grant routine satellite earth station applications proposing use of the Ku-band and communicating with all satellites authorized to provide service to the U.S. within 35 days from the date of the public notice (provided no objections have been filed). Finally, we released an order substantially revising the settlement rate benchmark condition for facilities-based service on affiliated foreign routes.</li> <li>• The FCC completed its comprehensive streamlining of wireless licensing rules in the Universal Licensing System rulemaking, Issuing a Memorandum Opinion and Order in June 1999. We also initiated a rulemaking focusing on streamlining of its Part 90 rules for private land mobile radio services, and completed a rulemaking that simplified and streamlined the Part 97 Amateur Radio Service rules.</li> </ul>	<p>Performance was measured by confirmation of the completion of an agency-wide biennial review during FY 1998 and by a review of actions taken during FY 1999 to eliminate obsolete or overlapping regulatory and/or reporting requirements.</p>

## Functional Area: Enforcement

**Objective: #1 We will streamline our complaints process and procedures to ensure timely and satisfactory resolution of consumer complaints.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will increase the number of pending routine informal common carrier complaints disposed of by 10%.	No	We encountered formidable technical problems with our automated informal complaints system. The most important issue was the system was not Y2K compliant. To upgrade it to make it compliant required substantial resources, raising issues on whether the current system should be revised or completely replaced. A thorough review of alternative approaches was not completed until late in the fiscal year. Currently, we are making every effort to upgrade the system as quickly as possible. In the meantime, we have hired additional temporary clerks to assist us in processing current complaints as expeditiously as possible.	Performance was measured through an analysis of the Quarterly Workload Reports that document the Speed of Disposal of informal consumer complaints.
We will increase the number of informal complaints served on telephone companies by 10%.	No	See above.	See above.
We will improve the Speed of Disposal for routine informal common carrier complaints by 20%.	No	See above	See above.
We will reduce the number of active formal common carrier complaints pending longer than 15 months by 15%.	Yes	The FCC exceeded this goal by reducing the number of active pending formal common carrier complaints by 21% over Fiscal Year 1998 levels.	Performance was measured by a review and analysis of the Quarterly Workload Reports.
We will reduce the response time on Telephone Relay Service or Hearing Aid Compatibility complaints by 50%.	Yes	Only one such complaint was received and its resolution, and the resolution of any future complaints received, was folded into the TRS rulemaking scheduled for the February 2000 Commission meeting. Additional attention is now given to this issue as a result of the organizational restructuring recently completed by the FCC.	Performance was measured by a review of the actions taken to resolve these kinds of complaints more quickly.
We will review broadcast and cable enforcement processes and eliminate inefficient procedures and practices.	Yes	During FY 1999, the Commission released an NPRM proposing and requesting comments on new broadcast and cable EEO rules and policies in light of the <u>Lutheran Church</u> appellate case, which declared certain sections of the Commission's EEO rules unconstitutional. In promulgating the NPRM, the Commission sought to streamline EEO requirements as much as possible while maintaining an effective EEO program for the broadcast and cable industries.	Performance was measured by actions taken to eliminate inefficient procedures and practices.

## Functional Area: Enforcement

**Objective: #2 We will work as a partner with the private sector and with federal, state and local governments in the investigation and resolution of shared telecommunications problems focusing particularly on issues affecting the safety of life and property. This will ensure that problem resolution is achieved quickly, at the least possible cost and with state and local interests duly considered.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will continue to work closely with other Federal agencies, state commissions and the public to ensure the expeditious processing of Bell Operating Company Section 271 applications.	Yes	We have an <i>ex parte</i> exemption that permits free communication between the FCC and the Department of Justice and state regulators, allowing the close coordination and review of 271 applications.	Performance was measured by a review of the actions taken to ensure appropriate input from Federal and state representatives and consumers while Section 271 applications receive expeditious processing.
We will continue to work with state regulatory commissions in conducting federal/state audits of the Regional Bell Operating Companies and other common carriers.	Yes	We are working closely with the states on the Bell Atlantic 272 biennial audits. This audit program will be completed in early Fiscal Year 2000.	Performance is measured by review of action taken to work with the states in conducting the audits.
We will enforce the provisions of the Communications Assistance to Law Enforcement Act over which the FCC has responsibility by overseeing the implementation of the Commission's system security and integrity regulations and by adjudicating petitions promptly.	Yes	The FCC is required by CALEA Section 201 (47 USC § 229) to promulgate and enforce regulations governing the conduct of electronic surveillance of telecommunications carriers. We issued two reports and Orders in 1999 detailing specific requirements for electronic surveillance. Forms needed to implement the program are currently under review at OMB.	Performance is measured by review of actions taken to implement and enforce the FCC's system security and integrity regulations under CALEA.
We will ensure that access charges to the Telephone Relay Service (hearing and speech impaired) users from pay phones do not exceed the rates of traditional calls made from standard coin-operated pay phones.	Yes	The Telephone Relay Service Order will be considered by the Commission in February 2000.	Performance is measured by review of actions taken to review access charges for TRS from pay phones.

<p>We will meet with field representatives from the telecommunications industry at least semi-annually to identify the most significant recurring communications problems and develop a plan to correct and prevent them.</p>	<p>Yes</p>	<p>FCC staff meet with the International Telecommunications Association (ITA) monthly, Personal Communications Industry Association (PCIA) quarterly, and the Association of Public-Safety Communications Officials, Inc. (APCO) semi-annually. In addition to these routine meetings, we also held a public forum to solicit industry views on cable landing license policies and procedures. In May, we initiated talks with members of the satellite industry to identify and discuss ways to further streamline the Part 25 earth station licensing process. Other pertinent meetings included several gatherings of FCC staff and industry representatives on issues concerning third generation wireless/IMT-2000 and sharing between the fixed service and the fixed-satellite service in various frequency bands.</p>	<p>Performance was measured by a review of the meetings and fora held during the fiscal year.</p>
<p>We will continue to work with other Federal agencies, state commissions, and state attorneys general to protect the public interest, especially in the area of consumer related complaints, including when it involves unlawful activity by foreign entities that affect American telecommunications users.</p>	<p>Yes</p>	<p>FCC staff met every month with members of the National Telecommunications and Information Administration's WRC-2000 preparatory group to develop government proposals for World Radio Conference-2000. FCC staff also participated in a number of <u>ad hoc</u> meetings to discuss specific issues concerning our WRC-2000 proposals. FCC staff also works closely with the United States Trade Representative to ensure that other countries comply with WTO commitments.</p>	<p>Performance was measured by a review of the meetings held with other Federal agencies and representatives from the states on these issues.</p>

## Functional Area: Enforcement

**Objective: #3 We will identify industry and consumer issues through customer feedback on the impact of our rules, the levels of enforcement, the effects of non-enforcement and the need for revisions to our enforcement policies and procedures.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will streamline our inspection procedures by privatizing the inspection and certification of ocean-going vessels.	Yes	The FCC streamlined its inspection procedures by privatizing the certification of ocean-going vessels ahead of schedule in Fiscal Year 1998.	Performance was measured by a review of the results of these inspections.
We will continue to monitor potential anti-competitive behavior by carriers in providing information services.	Yes	The FCC continued to monitor incumbent Local Exchange Carriers (LECs) in providing access to services and facilities to their competitors for providing information services. In Fiscal Year 1999, several Information Service Providers (ISPs) complained informally about the discriminatory conduct of some ILECs but the FCC did not find sufficient evidence to warrant enforcement actions.	Performance was measured by reviewing and monitoring actions taken to identify anti-competitive behavior by carriers in providing information services.
We will meet with industry and the public to discuss current telecommunications concerns and complaints. We will identify the main consumer complaints concerning telecommunications services and coordinate agency-wide actions to resolve them.	Yes	The FCC has held numerous meetings with industry and the public to discuss current concerns and complaints. The three public fora held to obtain feedback on our Draft Strategic Plan have been mentioned previously in this report. FCC staff routinely attended and participated in panel discussions at national and regional trade association conferences and conventions. In addition to sending representatives to speak at meetings, the FCC provided extensive telephone and in-person conferences on consumer issues.	Performance was measured by a review of the meetings and fora held during the fiscal year.
We will continue to meet and work with the land mobile industry to resolve complicated land mobile interference problems.	Yes	The FCC held meetings with the Industrial Telecommunications Association, the Personal Communications Industry Association, and the Association of Public Safety Communications Officers to resolve complicated land mobile interference problems. Through Memoranda of Understanding with the major frequency coordinators, the FCC continued to work closely with the land mobile industry to resolve complicated interference problems that the industry was not able to resolve on its own. Approximately 80% of interference cases are resolved by the industry, and the remaining cases are referred to the FCC for intervention.	Performance was measured by both a review of the meetings held and the Memoranda generated to resolve these interference problems and by action taken to establish procedures for FCC intervention.
We will continue to enforce rules against unauthorized activity by pirate radio operators.	Yes	The FCC continued to enforce rules against unauthorized activity by known FM pirate radio operators. Cases in which our field offices were unable to obtain a voluntary termination of the unlicensed operation were referred to the Department of Justice	Performance was measured by a review of actions taken to enforce rules against unauthorized activity by pirate radio operators.



## Functional Area: Enforcement

**Objective: #4 We will utilize the latest technology to minimize interference resolution time and increase overall customer satisfaction by resolving complaints in a timely fashion.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will enhance our capabilities to resolve radio interference problems in a more effective and efficient manner by updating 15% (2 of 14) of the long-range medium and high frequency radio direction finding systems, as budget permits.	Yes	The FCC exceeded the goal by updating 86% (12 of 14) of the long-range medium and high frequency radio direction finding systems.	Performance was measured by a review of actions taken to update long-range medium and high frequency radio direction finding systems.
We will enhance our capabilities to resolve radio interference problems in a more effective and efficient manner by updating 15% (9 of 60) of our mobile direction finding fleet to the latest technology to ensure compatibility with new communications services such as PCS and DTV, as budget permits.	Yes	The FCC exceeded this goal by updating 17% (10 of 60) of the mobile direction finding fleet to the latest technology.	Performance was measured by a review of actions taken to update the mobile direction finding fleet to the latest technology.
We will enhance our capabilities to resolve radio interference problems in a more effective and efficient manner by enhancing the capability of remotely controlled direction finder systems and installing one new system to cover areas where customers are not adequately served, as budget permits.	Yes	The FCC met this goal by enhancing (upgrading) the capability of the remotely controlled direction finder system at Headquarters (Washington, DC) and by installing a new system at the Los Angeles Field Office.	Performance was measured by a review of action taken to enhance the FCC's capabilities to resolve radio interference problems by enhancing the capability of remotely controlled direction finder systems and by installing new systems where needed.

## Functional Area: Public Information

**Objective: #1 We will provide “one stop” information shopping through consolidation of our public reference rooms and other information services.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will complete the implementation of the National Call Center in Gettysburg, PA to provide “one stop shopping” for telephone inquiries.	Yes	The FCC has completed the implementation of a National Call Center at Gettysburg, Pennsylvania. In Fiscal Year 1999, the FCC also completed all planning for consolidation of its public information service activities early in Fiscal Year 2000. As part of this consolidation initiative, the FCC will open a second Call Center (renaming these centers the Consumer Information Centers) at our new Portals location to expand and improve “one stop shopping” for public information inquiries.	Performance was measured by a review of actions taken to complete implementation of the National Call Center in Gettysburg.
We will consolidate nine reference rooms into one, once we move to our new consolidated facility.	Yes	The FCC completed the consolidation of the nine reference rooms into one with the completion of the move to our new Portals facility in May 1999.	Performance was measured by a review of actions taken to complete the consolidation as a part of the move to the Portals facility.
We will provide our customers with on-line access to Common Carrier Bureau network disclosure filings.	Yes	The public is notified of network disclosure filings via a Public Notice, which is also published in the FCC’s Daily Digest. Interested parties are notified that copies of the notice are available either on-line at the FCC Website or in hard copy from the Office of the Secretary or the Public Reference Room.	Performance was measured by a review of action taken to provide customers with on-line access to network disclosure filings.

## Functional Area: Public Information

**Objective: #2 We will design our information systems for Internet applications as well as other media to ensure rapid and efficient dissemination of information to our customers.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will publish the National Call Center's Information Knowledge base on the Internet allowing quicker, 24-hour access to current FCC information.	Yes	The FCC has created web sites that provide 24-hour access to a wide variety of current FCC information.	Performance was measured by a review of action taken to develop Internet sites that provide 24-hour access to FCC information.
We will design and implement Internet-compatible licensing applications for Mass Media and International Bureau licensing systems.	Partially Met	<p>The International Bureau designed and implemented the International Bureau Electronic Filing System (IBFS), which is accessible through any computer with Internet access. The system allows users to complete applications at their own pace and has a validation process that ensures required data fields are filled out and that certain types of applications can be filed. The IBFS system also possesses a powerful search engine and a variety of on-line report and query capabilities.</p> <p>Design work on the Mass Media Bureau's CDBS and MDS/ITFS license processing systems have been completed. However, implementation of these systems was delayed due to a combination of Y2K compliancy issues and lack of adequate funding to complete installation. Both systems are scheduled for release to the public by the end of the 2<sup>nd</sup> Quarter of FY 2000.</p>	Performance was measured by the completion of design and implementation of systems designed for Internet compatibility.
We will publish commercial television stations Children's Television Programming Reports on the Internet for public review and comment.	Yes	Commercial television stations' Children's Television Programming Reports, through calendar year 1998, are available at our website as of February 1999.	Performance was measured by the publication of the Children's Television Programming Reports on the Internet.
We will implement procedures to allow incumbent Local Exchange Carriers to file ARMIS data electronically via the Internet.	Yes	We have designed an electronic filing system for ARMIS reports that is Internet accessible.	Performance was measured by completion of actions begun under the 1998 Biennial Regulations Review – Review of ARMIS Reporting Requirements.
We will expand the FCC's "fax-on-demand" system to organizations such as PTAs, libraries and consumer groups.	Yes	The FCC Consumer Centers (previously known as Call Centers) at both Gettysburg, Pennsylvania and Washington, D.C. are equipped with "fax on demand." Information is routinely sent to interested groups.	Performance was measured by a review of actions taken to establish "fax on demand" systems at the Consumer Centers.

<p>We will implement an internal Electronic Document Management System to streamline the preparation, printing and publication of all official FCC documents.</p>	<p>No</p>	<p>Development work was completed on the Electronic Document Management System (EDOCS) in Fiscal Year 1999. The system did not go into production as scheduled due to diversion of needed resources to Y2k readiness projects and the need to upgrade our network infrastructure. The system will be implemented in the second quarter of Fiscal Year 2000, if additional funding resources can be identified.</p>	<p>Performance was measured by a review of actions taken to implement an internal Electronic Document Management System.</p>
<p>We will electronically deliver FCC news items to interested parties and provide "camera ready" articles on various consumer telecommunications-related issues to weekly community newspapers across the country.</p>	<p>Yes</p>	<p>More than 6,000 subscribers received electronic copies of the FCC Daily Digest. Late-breaking stories were routinely e-mailed to telecommunications reporters throughout the year. Five camera-ready articles were prepared and distributed to approximately 6,500 community newspapers. The issues covered by these articles were area codes, religious programming, cable rates, and the v-chip (2 articles).</p>	<p>Performance was measured by a review of actions taken to electronically deliver FCC news items to interested parties and to provide "camera-ready" articles on various consumer telecommunications related issues to weekly community newspaper.</p>

## Functional Area: Public Information

**Objective: #3 We will encourage public participation in all FCC proceedings to ensure all parties' views are heard and that there is speedy resolution of issues.**

1999 Performance Goals	Goal Met? (Y/N)	1999 Actual Performance (If goal not met, provide explanation, planned remedy, and target date for meeting goal)	Method of Measurement (Performance Indicators)
We will develop an automated listing of organizations/groups interested in participating in FCC proceedings.	Yes	The FCC has developed an initial listing of organizations and groups interested in participating in FCC proceedings. This list is maintained in the Consumer Education Office of the Consumer Information Bureau.	Performance is measured by the development of an automated listing of organizations and groups interested in participating in FCC proceedings.
We will establish a lending library and viewing/listening room where the public can view and listen to FCC open proceedings and information programs.	Yes	The FCC has a tape library and provides facilities where the public can view and listen to FCC open meetings and public fora. Additionally, open meetings are also covered by C-SPAN for viewing on cable television.	Performance is measured by the availability of a FCC library and by the ability of the public to view and/or listen to FCC open proceedings and information programs.
We will routinely host public fora to discuss a broad range of legal, policy and technical issues raised in various FCC rulemaking proceedings.	Yes	FCC staff has participated on panels and public speaking engagements concerning cable matters, met with pending applicants in the second Ka-band processing round to discuss potential technical solutions for resolving mutual exclusivity, held a forum with industry representatives on streamlining issues, including demonstrations to inform industry on electronic filing and ULS, hosted a public forum on technical issues associated with E911 technology, including TTY compatibility, and provided training to the public on use of the new experimental licensing and IBFS electronic filing systems prior to their implementation. A public forum was conducted for every auction event. The FCC also continuously updates its website to include the latest information of interest to the public.	Performance was measured by a review of the number of public appearances by FCC staff and comments to the FCC website.

**Program Evaluations.** In Fiscal Year 1999 the FCC completed a number of agency-wide reviews. These included

- **Consolidation of our Enforcement and Consumer Information Activities.** The FCC is currently structured along the traditional technology lines of wire, wireless, satellite, broadcast, and cable communications. This organizational model no longer reflects the industries we oversee. We have determined that the FCC must reorganize along functional rather than technology lines to allow us to perform our core responsibilities more effectively. One of our major performance goals for our Fiscal Year Annual Performance Plan was to complete work on consolidating our consumer information and enforcement functions. Our enforcement activities were distributed among all our major bureaus while our consumer information services activities were more centrally located between two organizations.

Before we could consolidate these activities, we had to review the current resources, including staffing and information technology support systems to identify what the new business model should include and to determine the best means to proceed with the consolidation. Extensive reviews were conducted throughout the fiscal year and a reorganization plan was completed that was implemented on November 11, 1999.

- **Year 2000 Readiness Review.** The FCC conducted independent testing of all twenty-three mission-critical systems to verify that the systems were ready for the millennium. The system tests were conducted by an independent contractor and tested on separate test hardware. In addition, our Computer Security Office successfully completed assessments of all our new major applications designed for use within the FCC network. Eight application reviews were conducted to ensure compliance with relevant OMB guidance on computer-based system development and management, including OMB Circular A-123, Management Accountability and Control, OMB Circular A-27, Financial Management Systems, and OMB Circular A-130, Management of Federal Information Resources.
- **Revisions to our Strategic Plan and Strategic Planning Process.** In March and May 1999, Chairman William Kennard, along with the other FCC Commissioners, testified before our Congressional oversight committees. As part of his testimony Chairman Kennard submitted a draft report, "A New FCC for the 21<sup>st</sup> Century." This report served as a conceptual framework for FCC senior managers to meet and develop a new framework for our Strategic Plan. Part of this process was a review of all our organizations and functions to ascertain if they were still essential to the agency's newly defined core functions.

We also gathered extensive input from our stakeholders through three public fora seeking the views of general industry, consumer, state, and local government representatives, academic and organizational experts, and from Commission staff. The feedback provided at these fora focused on similar themes: (1) universal service, consumer protection and information; (2) enforcement and promotion of competitive markets domestically and worldwide; and (3) spectrum management. We incorporated many of these themes into the draft Strategic Plan that we submitted to Congress in August 1999 and in our draft Annual Performance Plan.

- **Business Process Re-Engineering/Electronic Filing Initiatives.** In Fiscal Year 1999, the FCC completed planning for consolidating, streamlining and providing electronic filing capabilities for all major Mass Media Bureau licensing systems. Before design work could begin, a complete analysis of workload processes was completed to identify outdated, duplicative, or unnecessary processes and procedures. While all planning work was completed, system implementation was deferred due to lack of adequate funding and the need to address higher priority, Year-2000 issues.