

**INSPECTION OF  
FCC'S READINESS for the  
DIGITAL ACCOUNTABILITY  
AND TRANSPARENCY  
ACT OF 2014**

Report No. 16-INSP-11-01

March 28, 2017

***Federal  
Communications  
Commission  
Office of Inspector  
General***



# OIG HIGHLIGHTS

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### What we Inspected

This inspection is part of the Office of Inspector General’s efforts to determine the Federal Communication Commission’s (FCC’s) compliance with Digital Accountability and Transparency Act of 2014 (Data Act). We performed an inspection to assess the FCC’s progress towards implementing the DATA Act.

### What We Found

We found that FCC is substantially prepared to submit required data on its annual and auctions appropriations to U.S. Department of Treasury for posting on the USASpending.gov by the May 9, 2017 deadline. However, the FCC had not yet determined whether it is required to submit financial data for the Universal Relay Service Fund (USF) and Telecommunications Relay Service (TRS) Fund. As a result, if such data is required to be reported, the FCC may not meet the May 2017 reporting deadline.

### What We Recommended

We made four recommendations. Three recommendations are related to coordination and contingency planning activities FCC should take to resolve questions regarding the DATA Act’s applicability to the USF and TRS Fund. We also recommended that FCC develop and implement policies and procedures for reconciling information in Federal Procurement Data System to the FCC’s core financial management system.

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## Executive Summary

The objective of the inspection was to gain an understanding of the processes, systems and controls the Commission has implemented, or plans to implement, to report Federal agency expenditures and link that information to Federal contract information, in accordance with the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act). We assessed the FCC's overall readiness to implement the DATA Act, including their readiness for future OIG reviews required by the Act.

The scope of the inspection included an assessment of the FCC's progress toward compliance with the DATA Act, based on Office of Management and Budget (OMB) guidance and U.S. Department of Treasury's (Treasury) DATA Act Implementation Playbook (Version 2.0) Eight-Step Implementation Plan (Playbook). Specifically, our inspection consisted of an assessment of the FCC's implementation activities to address Steps 1 through 4 of the Playbook. This inspection was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Inspection and Evaluation* dated January 2012.

We performed this inspection consistent with our authority under the Inspector General Act of 1978, as amended, including, but not limited to sections 2(1) and 4(a) (1). The inspection is not intended as a substitute for any agency regulatory or compliance review.

We found that FCC is substantially prepared to submit information on its annual and auctions appropriations for posting on USASpending.gov by the May 9, 2017 deadline. However, the FCC had not yet determined whether it is required to submit financial data for the Universal Service Fund (USF) and Telecommunication Relay Service (TRS) Fund, even though these Funds accounted for approximately 95 percent of the FCC's FY 2016 budgetary resources. The Commission had established a governance process for implementing the DATA Act, but it was not effective in resolving legal and technical questions as to whether the FCC is required to submit financial information for USF and the TRS Fund.

If FCC's implementation plan is fully executed, we anticipate that for the annual and auctions appropriations, the FCC will meet financial and payment information reporting requirements for submitting required data to the Treasury for posting on USASpending.gov by the May 9, 2017 deadline established by the DATA Act. Additionally, FCC would be prepared for future mandated OIG reviews of the FCC annual and auctions appropriations. However, if the FCC is required to report the budgetary resources for the USF and TRS Fund, the FCC likely will not meet the May 9, 2017 deadline.

Finally, we found that the FCC's DATA Act Work Group, which includes staff from Financial Operations (FO) and Enterprise Acquisition Center (EAC), had not fully reconciled data in the Federal Procurement Data System (FPDS) to Genesis, the FCC's Core financial management system, to ensure data quality and consistency between FPDS and Genesis. FO and EAC were in the process of researching and resolving the differences between contract and financial data in FPDS and Genesis when we performed our review.

## Background

### *Legislative Requirement*

The DATA Act, enacted May 9, 2014, expanded the Federal Funding Accountability and Transparency Act of 2006 and requires that Federal agencies report financial and payment data in accordance with data standards established by the Treasury and OMB. The purpose of the DATA Act is to establish government-wide data standards to provide consistent, reliable, accessible and searchable spending information that is displayed on [USASpending.gov](https://www.usaspending.gov). Also, the DATA Act will increase accountability and transparency in federal spending for taxpayers and policy makers. Under the DATA Act, federal Inspectors General (IG) are required to (1) review a statistically valid sample of spending data submitted by their agency; and (2) report on the completeness, timeliness, quality, and accuracy of the data, as well as the implementation and use of government-wide data standards.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first Inspector General (IG) reports were due to Congress in November 2016; however, Federal agencies were not required to report their spending data until May 2017. To address this matter, the CIGIE chair issued a letter to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform on December 22, 2015. The letter communicated the IGs plan to provide the Congress with their first required report in November 2017, representing a 1-year delay from the statutory due date, followed by two additional reports in November 2019 and November 2021. As an interim measure to resolve the timing anomaly, CIGIE encouraged IGs to conduct readiness reviews of their agencies' efforts to address the requirements of the DATA Act in advance of the first required report in November 2017.

The DATA Act requires the Treasury and OMB to jointly develop government-wide financial data standards and issue guidance to Federal agencies. On May 8, 2015, Treasury released the the Playbook which describes eight-steps to assist agencies in meeting their reporting requirements under the DATA Act. On June 24, 2016, Treasury published Version 2 of the Playbook.

### *Reporting Requirements*

Government agencies are responsible for collecting and reporting data on federal procurements through FPDS, as required by the Federal Acquisition Regulation (FAR) Subpart 4.6, Contract Reporting. FPDS contains data that the Federal Government uses to create recurring and special reports to the President, Congress, Government Accountability Office (GAO), Federal agencies, and the public. The procurement data is used to populate the [USAspending.gov](https://www.usaspending.gov) in accordance with the Federal Funding Accountability and Transparency Act of 2006. In addition to the FPDS reporting requirements, the DATA Act requires federal agencies to submit financial information packaged as Files A, B, and C to Treasury for posting to the [USAspending.gov](https://www.usaspending.gov). The requirements for Files A, B, and C are defined in the DATA Act Reporting Submission

Specifications. File A contains appropriation summary level data that are aligned to the SF-133, Report on Budget Execution and Budgetary Resources.<sup>1</sup> File B includes obligation and outlay information at the program activity and object class level.<sup>2</sup> File C reports the contract obligations at the award and object class level.

### *FCC Organization*

The FCC is comprised of three reporting components. The primary component consists of the FCC headquarters and field offices. The two additional components are the USF and the North American Numbering Plan (NANP). The USF component reports the results of four support mechanisms: High Cost, Lifeline, Rural Health Care, and Schools and Libraries (the USF programs); and the Telecommunication Relay Service (TRS) Fund.<sup>3</sup> NANP is not subject to budgetary accounting. Also, Congress has not appropriated any funds for NANP in an appropriation bill. Therefore, NANP is excluded from the requirements of the DATA Act.

The FCC Annual and Auctions appropriations account for approximately \$501 million of the funds reported in the FCC's fiscal year (FY) 2016 Combined Statement of Budgetary Resources (SBR), which was approximately 5 percent of FCC's total budgetary resources.<sup>4</sup> The FCC has a permanent indefinite appropriation to fund its USF programs and the TRS Fund. The USF programs are administered by the Universal Service Administrative Company (USAC), a non-federal entity designated by the FCC as the permanent administrator of the federal universal service support mechanisms. The USF programs account for approximately \$8,888 million of the FCC's FY2016 SBR, which is approximately 85 percent of the FCC's total budgetary resources. The TRS Fund is administered through a contract awarded to Rolka Lube, LLC (Rolka). The TRS Fund accounts for approximately \$1.086 million of the FCC's FY 2016 SBR, which is approximately 10 percent of the FCC's total budgetary resources.

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<sup>1</sup> The SF-133 fulfills the requirement in 31 U.S.C. §§1511 - 1514 that the President review Federal expenditures at least four times a year. SF 133s provide historical reference that can be used to help prepare the President's Budget, program operating plans, and spend-out rate estimates. Agencies submit the data that appear on these reports to the Department of the Treasury Financial Management Service. OMB publishes these reports as a service to agency budget and finance offices and other interested parties, the underlying data is submitted by the agencies.

<sup>2</sup> The object class level are categories in a classification system that presents obligations by the items or services purchased by the Federal Government.

<sup>3</sup> Telecommunications carriers and certain other providers of telecommunications are required to contribute to the USF and TRS Funds.

<sup>4</sup> FCC's FY 2016 Agency Financial Report, Combined Statement of Budgetary Resources include appropriations (discretionary and mandatory) and spending authority from offset collections (discretionary and mandatory).

## Objective, Scope, and Methodology

The objective of the inspection was to gain an understanding of the processes, systems and controls the Commission has implemented, or plans to implement, to report Federal agency expenditures and link that information to Federal contract, loan, and grant spending information, in accordance with the requirements of the DATA Act. Also, we assessed the FCC's overall readiness to implement the DATA Act and its readiness for future required OIG reviews.

To accomplish our objective, we obtained an understanding of the laws and guidance related to the FCC's reporting responsibilities under the DATA Act. We conducted interviews and participated in meetings with the FCC DATA Act Work Group, which is responsible for implementing DATA Act reporting requirements. We also reviewed the FCC's implementation plan and other relevant documents, such as its governance<sup>5</sup> process and project timeline. We used FCC's implementation plan, OMB guidance and Treasury's Playbook to assess FCC's progress towards meeting its reporting responsibilities under the DATA Act. Table 1 summarizes the Playbook 8-Step Plan, OMB and Treasury's timeline, and FCC's target completion date. Specifically, our inspection consisted of an assessment of the FCC's progress in implementing steps 1 through 4 of the Playbook. We did not evaluate the FCC's efforts to address Playbook steps 5 through 8 because, although the FCC was scheduled to complete much of the work by September 2016, we found that the DATA Act Work Group had not substantially completed steps 5 through 8 during our review period.

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<sup>5</sup>According to the Institute of Internal Auditor, governance is the combination of processes and structures implemented by the board [management] to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

**Table 1 - Summary of Playbook Steps**

<b>Steps</b>	<b>Description</b>	<b>OMB &amp; Treasury Timeline</b>	<b>FCC Target Date</b>
1. Organize Team	Create an agency DATA Act work group and identify a Senior Accountable Official (SAO).	By Spring 2015	February 2016
2. Review Elements	Review list of DATA Act elements and participate in data definitions standardization.	By Spring 2015	May 2016
3. Inventory Data	Perform inventory of agency data and associated business processes.	February 2015 – September 2015	May 2016
4. Design and Strategize	Plan necessary changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture and link multi-level data.	March 2015 – September 2015	August 2016
5. Prepare Data for Submission to Broker <sup>6</sup>	Review the DATA Act schema; extract data from source systems; map agency data to the DATA Act schema; and implement system changes as needed to collect and link data.	October 2015 – February 2016	August 2016
6. Test Broker Implementation	Test Broker implementation outputs and ensure the data are valid.	October 2015 – February 2016	September 2016
7. Update Systems	Update the information and systems as needed.	October 2015 – February 2017	January 2017
8. Submit Data	Submit required data to the Treasury for posting on <a href="http://USASpending.gov">USASpending.gov</a> .	March 2016 – May 9, 2017	February 2017

We conducted our fieldwork at FCC Headquarters from August through November 2016. We interviewed personnel from the FCC’s DATA Act Work Group (including the Acting Chief Financial Officer/Senior Accountable Official (SAO), Senior Procurement Executive, and the Chief of Financial Systems Operations). Also, we reviewed the FCC’s implementation plan and supporting documentation.

We conducted this inspection in accordance with the “*Quality Standards for Inspection and Evaluation*” issued by the CIGIE. Those standards require that we plan and perform the

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<sup>6</sup> The Broker is a tool that allows agencies to test and submit their data files. The Broker contains all of the functionality agencies need to test the data validation and submission process.

inspection to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. The Quality Standards define an inspection as a process that evaluates, reviews, studies, and/or analyzes the programs and activities of a Department/Agency for the purposes of providing information to managers for decision making; making recommendations for improvements to programs, policies, or procedures; and identifying where administrative action may be necessary. Inspections may be used to provide factual and analytical information; monitor compliance; measure performance; assess the efficiency and effectiveness of programs and operations; share best practices; and inquire into allegations of fraud, waste, abuse, and mismanagement.

This inspection included inquiries and tests of controls necessary to satisfy the inspection objective.

# Results of Inspection

## **Finding 1: Organize the Team**

### **The FCC Has Not Effectively Used Its Governance Process to Determine Whether its Components Are Required to Implement the DATA Act**

We found that FCC is substantially prepared to submit information on its annual and auctions appropriations for posting on USASpending.gov by the May 9, 2017 deadline. However, the FCC had not yet determined whether it is required to submit financial data for the Universal Service Fund (USF) and Telecommunication Relay Service (TRS) Fund, even though these funds accounted for approximately 95 percent of the FCC's FY 2016 budgetary resources. The Commission had established a governance process for implementing the DATA Act, but it was not effective in resolving legal and technical questions as to whether the FCC is required to submit financial information for USF and the TRS Fund.

Step 1 of the Treasury's Playbook, Organize Team, requires the Commission to identify a SAO. The SAO is responsible for implementing the DATA Act, which includes closely overseeing the governance and implementation progress. During our review of the FCC's governance and implementation progress, we reviewed FCC's approach to resolving legal and technical questions regarding whether the FCC is required to report payment and financial information for the USF programs and the TRS Fund. FCC Management provided a timeline detailing their efforts, which we summarized in Appendix B. The timeline shows that in April 2016, FCC Management sought guidance from OMB regarding the applicability of the DATA Act to USF programs and TRS fund budgetary resources. Since that time, Management and the Office of General Counsel (OGC) have been working on a legal analysis to determine the applicability of the DATA Act to USF programs and the TRS fund and will present the results to OMB for review.

The FCC's governance process was not effective in ensuring timely actions to implement guidance provided by OMB and Treasury in June 2015 pertaining to permanent and indefinite appropriations. Further, FCC Management did not timely and actively pursue a legal or technical resolution for determining the reporting requirements applicable to the USF programs and the TRS Fund. FCC management stated that the unique nature of the FCC components and the way in which they are administered, i.e., by non-Federal administrators, contributed to the length of time needed to resolve these issues. Because of the complex nature of the FCC's organizational structure, we believe Management should have started earlier in pursuing a resolution to DATA Act reporting for its components.

As a result of Management's late start, if the FCC is required to report financial and payment data for the USF programs and the TRS Fund, the FCC may not be able to comply with the May 2017 reporting milestone for submitting required data to the Treasury for posting on USASpending.gov.

**Criteria:**

The Digital Accountability and Transparency Act of 2014, Public Law 113-101 § 3. FULL DISCLOSURE OF FEDERAL FUNDS, signed May 9, 2014, states, “(B) INFORMATION TO BE POSTED. For any funds made available to or expended by a Federal agency or component of a Federal agency...”

Federal Funding Accountability and Transparency Act of 2006, Public Law 109-282 § 2., FULL DISCLOSURE OF ENTITIES RECEIVING FEDERAL FUNDING, signed September 26, 2006, states, “FEDERAL AWARD.—The term ‘Federal award’— (A) means Federal financial assistance and expenditures that— (i) include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance; (ii) include contracts, subcontracts, purchase orders, task orders, and delivery orders;”

In June 2015, OMB and Treasury published frequently asked questions from Federal agencies on max.gov. OMB and Treasury stated that questions will have policy implications and may require additional analysis and/or input from agencies. The following question and answer relates to the treatment of permanent indefinite appropriations.

4. Are permanent and indefinite appropriations reported for DATA Act purpose?  
Yes. Agencies are required to report all funds made available to be expended by a federal agency or agency component. This includes permanent and indefinite appropriations. In other words, agencies are required to report all funds that are reported on the SF-133, Report on Budget Execution and Budgetary Resources.

**Recommendation:** We recommend that the Senior Accountable Official assigned by the Office of the Managing Director:

1. Coordinate with OGC and establish a timeline to complete and document a legal analysis, and prepare a legal opinion on the applicability of the DATA Act reporting requirements to USF programs and the TRS Fund. Provide the legal opinion to OMB for review and guidance to ensure FCC is in compliance with the DATA Act.
2. Coordinate with the USF and TRS Fund administrators; Universal Service Administrative Company and Rolka Lube, LLC, respectively, and establish a timeline to complete a technical analysis to determine the cost for any system modifications needed to implement the DATA Act. Upon the completion of the analysis, determine whether to provide the analysis to OMB and Treasury or require the components to incur the cost to modify their reporting systems to ensure DATA Act compliance.
3. Develop a contingency plan that addresses reporting of contracts and assistance (beneficiary) payments made through the USF and TRS Fund administrators, including a timeline addressing *DATA Act Implementation Playbook (Version 2.0)* Steps 1-8. The plan should include an expected completion date for each step to ensure the FCC timely submits required data to the Treasury for posting on USASpending.gov.

## **Finding 2: Review Data Elements**

### **Fully Develop and Implement a Reconciliation Process Between the Federal Procurement Data System and Genesis**

In preparation for implementing the DATA Act, the FCC must reconcile the financial and procurement data maintained in Genesis<sup>7</sup>, the FCC's core financial management system, to contract information input by the EAC contracting officers into FPDS. The Genesis general ledger data submitted through Files A, B and C should be reconciled to FPDS data extracted at the Procurement Instrument Identifier (PIID)<sup>8</sup> level. The appropriation data in File A requires a manual reconciliation to SF-133, Report on Budget Execution and Budgetary Resources, on a quarterly basis. The obligation and outlay data from File B is reconciled to the summary level trial balance, and contract data in File C is reconciled to FPDS. Therefore, FO and the EAC must work together to develop and implement a reconciliation process to validate their data.

We found that FCC's DATA Act Work Group, which includes staff from FO and EAC, had not fully reconciled FPDS (contract data) and Genesis (financial data) to ensure data quality, and consistency between FPDS and Genesis File C contract obligations. Also, FO performed a Genesis File C data extraction for the first quarter of FY 2017 and examined 292 records. FO compared FPDS and Genesis File C data, and found that 68 of 292 records did not reconcile and required additional research. FO has submitted its results to EAC to perform further research.

According to FO and EAC, the unreconciled difference between the data in FPDS and Genesis may have been caused by FPDS data entry errors, and timing differences. Additionally, there may be challenges beyond the control of the FCC, such as technical issues that require a resolution from Treasury's broker.

As a result, the FCC may not be able to provide timely, accurate and reliable information on USASpending.gov.

#### **Criteria:**

OMB, Deputy Director of Management issued M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, dated May 8, 2015 states, "The DATA Act directs the Administration to increase the availability, accuracy, and usefulness of Federal spending information."

OMB, Office of Federal Financial Management, Memorandum for Agency Chief Financial Officers, *Improving Data Quality for USASpending.gov*, dated June 12, 2013 explains the importance of data validity. It states:

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<sup>6</sup>Genesis is a Momentum-based product, hosted by CGI Federal Incorporated.

<sup>7</sup>PIID is the contract number or order number identifying the agreement between the government and the awardees. The PIID field is required for all actions.

To ensure USAspending.gov is providing current and accurate information, OMB and Federal agencies must take steps to ensure data reliability and quality. Reliable data allows the public to trust in the information the government provides and for Federal and elected officials to use that information to make informed decisions about government programs and projects.

The information on USAspending.gov is populated with data sourced from agency financial assistance management systems and from the central Federal Procurement Data System. These systems include both financial data and narrative information about specific assistance and procurement awards made by Federal agencies throughout the fiscal year. Because existing reporting models are not directly tied to agency financial systems at the award level, it is imperative that each agency have an internal control and accountability structure in place to ensure that the data reported is accurate and complete.

General Accounting Office (GAO), *Standards for Internal Control in the Federal Government*, GAO-14-704G, Internal Control System Monitoring, Section 16.05 states:

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Ongoing monitoring may include automated tools, which can increase objectivity and efficiency by electronically compiling evaluations of controls and transactions.

**Recommendation:** We recommend that the SAO assigned by the Office of the Managing Director:

4. Develop and implement policies and procedures for reconciling FPDS to Genesis prior to the May 9, 2017 deadline for submitting required data to the Treasury for posting on [USAspending.gov](http://USAspending.gov). The policies and procedures should:
  - a. Establish a deadline for FO to submit a validation report to the EAC to facilitate a review of differences between FPDS and Genesis.
  - b. Establish a deadline for EAC to research the differences between FPDS and Genesis and submit a response(s) to FO.
    - i. If researched differences indicate that EAC should perform any actions to resolve differences, then EAC should provide supporting documentation within and a specified timeframe.
    - ii. If differences are the responsibility of FO, then EAC should provide FO the results of their research, including supporting documentation, and FO should resolve the difference within a specified timeframe.

- iii. If FO and EAC determine that a difference(s) is the responsibility of Treasury's broker, they should document their research and coordinate with Treasury to resolve the difference. .

For reference, we have provided appendices: Appendix A: Management Response, Appendix B: FCC Timeline for USF and TRS, and Appendix C: Abbreviations and Acronyms.

## Appendix A – Management Response



### UNITED STATES GOVERNMENT FEDERAL COMMUNICATIONS COMMISSION

*Office of Managing Director*

### MEMORANDUM

**DATE:** March 20, 2017

**TO:** David L. Hunt, Inspector General

**FROM:** Mark Stephens, Managing Director

**SUBJECT:** Management's Response to Office of Inspector General's Inspection of FCC's Digital Accountability and Transparency Act Readiness

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Thank you for the opportunity to review and respond to the findings and recommendations contained in the draft report entitled, *Inspection of FCC's Digital Accountability and Transparency Act of 2014 Readiness* (16-INSP-11-01). This inspection conducted by the Office of Inspector General (OIG) analyzed the processes and controls of the Federal Communications Commission (FCC or Commission) to report FCC expenditure information in accordance with the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act). As part of its review, the OIG inspected the FCC's progress towards compliance with the Department of the Treasury (Treasury) and Office of Management and Budget (OMB) guidance on DATA Act implementation. The report identifies opportunities for the FCC to improve processes and governance related to its DATA Act implementation. The Office of Managing Director (OMD) has reviewed the findings and recommendations made by the OIG and concurs with them.

With regard to the first finding concerning the Commission's governance process for determining the applicability of the DATA Act to its reporting components, the Universal Service Fund (USF) and Telecommunications Relay Service (TRS) Fund, the FCC is working diligently to sort out the DATA Act issues related to the data maintained by its reporting components on behalf of the Commission. In the time since the OIG inspection was completed, the FCC has made significant progress in this area. Working with its reporting components, the FCC has successfully tested the submission of File A (Appropriations Account Detail) and File B (Object Class and Program Activity Detail) in Treasury's DATA Act Broker. The FCC was able to include the necessary information from its reporting components in this testing process and has validated the reporting components data as well as the FCC's data by passing the DATA Act Broker's submission tests. The Commission also continues to move towards resolution of the legal and technical concerns

surrounding the submission of File C (Award Financial Detail) data from its reporting components.

The findings and recommendations concerning the reconciliation of data between the Commission's core financial system (Genesis) and the Federal Procurement Data System (FPDS) have been substantially implemented by the FCC since the end of the inspection. The FCC has developed a periodic reconciliation report as well as procedures for its financial systems and contracting teams to facilitate the reconciliation process going forward. The reconciliation process provides a comparison, at the procurement instrument identifier (PIID) level, between all contract actions recorded in Genesis and FPDS. The reconciliation is performed at the end of each fiscal month and identifies any contracting actions where the FPDS and Genesis data do not match. Any such contracting actions are then distributed to the appropriate contracting officers who will then resolve the differences. These contracting actions are then re-verified in future reconciliations between FPDS and Genesis to ensure that all outstanding items have cleared. This process will occur monthly. By identifying differences on a monthly basis, the FCC expects to minimize any differences prior to the end of each quarter.

The FCC looks forward to finalizing corrective action on these recommendations in the near future and to successfully implementing the DATA Act for the Commission's expenditure data.

A handwritten signature in blue ink, appearing to read "Mark Stephens". The signature is stylized and cursive.

Mark Stephens Managing  
Director

## Appendix B – FCC Timeline for USF and TRS

**Table 1. FCC’s Timeline**

Date	Action performed
December 2015	The FCC’s Office of General Council (OGC) determined that the DATA Act applies to the FCC and decided that additional guidance was needed from OMB to determine the applicability of the DATA Act to USF and TRS.
April 2016	<p>The FCC contacted OMB to resolve issues surrounding the applicability of the Data Act to its component entities, USF and TRS. OMB informed the FCC that other agencies with similar issues were told to take one of two paths, legal or technical, to resolve DATA Act applicability issue.</p> <ol style="list-style-type: none"> <li>a. The legal path required the FCC’s OGC to provide a legal determination on whether the DATA Act applies to its component entities and provide the FCC’s legal analysis to OMB’s OGC for a determination as to whether they concur with the FCC’s analysis.</li> <li>b. The technical path involved the FCC identifying technical challenges, and then OMB would establish contact with the DATA Act Program Management Office (PMO) at Treasury to determine potential solutions to the technical challenges.</li> </ol>
July through October 2016	The FCC discussed the implications of the DATA Act for USAC and Rolka and identified technical challenges. USAC and Rolka do not have access to the government-wide reporting systems for contracts (FPDS) and Federal Assistance Award Database System (FAADS). Additionally, they do not collect or report the information required in FPDS and FAADS, such as a Procurement Instrument Identifier (PIID) and Federal Award Identification Number (FAIN). Also, USAC and Rolka do not account for or report budgetary data at the transaction level and their systems do not integrate with Genesis.
October 2016	The FCC contacted OMB to discuss the possibility of establishing contact with the Treasury PMO, and OMB advised the FCC that other agencies with similar concerns regarding no prior history of reporting in FPDS/FAADS have pursued the legal path of describing why their programs should be exempt.

## Appendix C – ABBREVIATIONS AND ACRONYMS

CIGIE	Council of the Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
EAC	Enterprise Acquisition Center
FAADS	Federal Assistance Award Database System
FAR	Federal Acquisition Regulation
FAIN	Federal Award Identification Number
FPDS	Federal Procurement Data System – Next Generation
FY	Fiscal Year
FO	Financial Operations
IG	Inspector General
NANP	North American Numbering Plan
OGC	Office of General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget
Playbook	DATA Act Implementation Playbook
PIID	Procurement Instrument Identifier
Rolka	Rolka Lube, LLC
SAO	Senior Accountable Official
SBR	Combined Statement of Budgetary Resources
TRS	Telecommunication Relay Service
Treasury	Department of Treasury
USAC	Universal Service Administrative Company
USF	Universal Service Fund



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