

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS FOR FISCAL YEAR 2017

TUESDAY, APRIL 5, 2016

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:35 a.m., in room SD-138, Dirksen Senate Office Building, Hon. John Boozman (chairman) presiding.
Present: Senators Boozman, Moran, Lankford, and Coons.

FEDERAL COMMUNICATIONS COMMISSION

**STATEMENT OF HON. TOM WHEELER, CHAIRMAN
ACCOMPANIED BY HON. AJIT PAI, REPUBLICAN COMMISSIONER**

OPENING STATEMENT OF SENATOR JOHN BOOZMAN

Senator BOOZMAN. Good morning. The subcommittee will come to order. Today, the subcommittee will consider the fiscal year 2017 budget request for the Federal Communications Commission (FCC).

I would like to welcome our witnesses, FCC Chairman Tom Wheeler and Commissioner Ajit Pai. Thank you all very much for being here. We look forward to hearing from you both about the details of the FCC's budget and the work you are doing to carry out the agency's mission.

For fiscal year 2017, the Commission has requested a total of \$358 million. In a disappointing move, the FCC's budget once again proposes to transfer additional funds from the Universal Service Fund (USF) to augment the FCC's operating budget. The Universal Service Fund is intended to help ensure that all Americans have access to telecommunications service. It is not intended to be a reserve fund to pay for the FCC's operating expenses.

Many people in Arkansas think the FCC has forgotten about rural America. I think that view is shared by a number of my colleagues. Transferring money away from broadband deployment to offset agency spending in DC aggravates that all too real perception.

Congress rightfully rejected the same request last year. While the FCC funding is offset by fees, that does not minimize our duty to ensure that the agency is operating effectively and the funds are being spent responsibly. This is especially important since these fees are directly passed on to American consumers.

As members of this subcommittee, we have an obligation to ensure that decisions about Federal funding and policy are made with taxpayers in mind. Recent FCC actions remind us of the need for vigilant congressional oversight.

Regulatory independence and transparency are critical to the functioning and credibility of the FCC. The agency's policies and actions have an enormous impact on our country's economic growth and potential. The FCC should promote economic growth, reduce regulatory burdens, and increase transparency, predictability, and accountability in the regulatory process.

Unfortunately, as we saw with the FCC's embrace of the President's plan for Internet regulation, the Commission is moving further away from independence, transparency, and regulatory certainty.

However, independence does not mean the FCC is free to ignore clear congressional direction, nor does it shield the agency from the responsibility to be responsible and responsive to congressional questions.

It has been troubling to see what appears to be an obvious disregard of the intent of language on joint sales agreements included in last year's omnibus appropriations bill. At no time was I or my staff informed that the FCC planned to evade the specific language of that provision through the operation of a merger or acquisition. Your agency knew of the significant bipartisan support of this language, including that of the vice chair of the Appropriations Committee. Yet, the FCC consciously found a way to write your way out of it.

Does Congress need to again work in a bipartisan fashion to close every conceivable joint sales agreements (JSA) loophole, or are you convinced of the need to follow congressional intent?

Independence and transparency are not furthered by less than forthright responses to congressional questions. Last year, there was an effort to codify what you stated publicly and repeatedly, including in our hearing, that the Commission would not regulate rates for broadband service. However, since that time, your staff has reiterated that either you didn't mean what you said or what you said didn't mean what the members clearly heard.

Again, neither the FCC, consumers, nor those you regulate are well-served by continued efforts to sidestep straightforward inquiries.

Independence also does not mean independence from dissent or the input of other members of the Commission. The FCC has repeatedly taken action to effectively silence the minority members of your panel. You tweet and blog about matters before the Commission, but your fellow Commissioners are barred from speaking out under the pretense that the agency has not made the proposed rules public.

As we consider your request for the next fiscal year, we are mindful of the ongoing need to clear the way for economic opportunity and for international competitiveness. The FCC has a responsibility to play an important and positive role in ensuring that the United States continues to lead the world in innovation and communication.

Thank you. I will now turn to our ranking member, Senator Coons, for his opening statement.

STATEMENT OF SENATOR CHRISTOPHER A. COONS

Senator COONS. Thank you, Mr. Chairman, for convening this hearing today and for the ongoing opportunity for us to work well together on this important subcommittee.

I would like to welcome our witnesses, Chairman Wheeler and Commissioner Pai. Thank you. You have important and difficult jobs, and I am thankful for your service and appreciate your joining us here today.

I welcome this opportunity to examine the FCC's budget request and to discuss the agency's crucial role in ensuring that our national communications infrastructure is reliable, effective, efficient, and innovative.

As Americans grow to be evermore connected, we demand even more from our connections. Smart phones, vehicle-to-vehicle communication, interactive television all exist potentially on a foundation of limited, but shared public resources.

As the FCC continues to foster an environment that encourages these technological advances, it must also ensure our communications system works for all Americans, regardless of whether they are rural or urban, old or young, rich or poor.

Even though the FCC is a small agency, its mission touches the lives of millions of Americans every day. In 2014, over 90 percent of American adults owned cell phones, a number which continues to grow. Cell phone companies need access to additional spectrum to expand and upgrade their networks to fulfill growing demand.

The FCC is in the process of the first-ever incentive auction, which will provide both spectrum that is currently being used by broadcast television for more wireless communications, while bringing in substantial revenue for the U.S. Treasury.

The Spectrum Pipeline Act authorized the FCC to start work on the next set of spectrum auctions. I'll be interested to hear how the incentive auction is progressing, issues that may be developing, and any resource requirements for these critical spectrum auctions.

Just as cell phone use becomes more common, it is becoming more and more critical that everyone be able to connect to reliable broadband service in their homes, schools, and communities, whether urban or rural. The FCC oversees the \$10 billion Universal Service Fund, which has a key role in expanding access to communications for all Americans.

The FCC has worked over the past few years to modernize the fund to include broadband access while reducing waste.

It is not only important that every student in America has access to state-of-the-art tools for their education, but that every town, no matter how rural, be connected to the vital communications that drive our economy.

Last week, the FCC introduced a new proposal that would modernize the Lifeline program to provide a subsidy for Internet service for low-income individuals, and I'm interested to hear how this proposal would, in fact, increase access for individuals in need so they can use the Internet to connect to their families and friends, but also to apply for jobs and do homework.

And I look forward to hearing about the FCC's initiatives to reduce waste and ensure that these resources are spent efficiently.

Your fiscal 2017 request is \$368 million, \$16 million less than the current funding level. As in prior years, the total spending is fully offset by fees at no cost to taxpayers. The FCC also requests \$124 million to operate the spectrum auction, an increase of \$7 million over the current level. These funds are also fully offset, so they have no impact on the Federal deficit.

I'm curious to hear more about the investments the FCC proposes to make in this year. Aging IT infrastructure, for example, creates inefficiencies and vulnerabilities that can lead to mission-critical challenges and to cyberattack.

Funding for the FCC has been frozen for several years. I hope you can take this opportunity to explain the impact of reduced funding in the past and how you are identifying cost savings, increased efficiency, and eliminating waste.

From providing a platform for the Internet of things to promoting Vehicle-to-Vehicle (V2V) communication, from modernizing the Lifeline program to bringing broadband to every community in America, the FCC has a very busy and full year ahead. And this agency is dedicated to giving the American people resources we all need to do our jobs. Let's make sure Congress does the same for the FCC.

We have a lot to discuss today and important ground to cover. Thank you again for coming here today to share both of your perspectives on the FCC's funding requirements and goals for fiscal year 2017.

Chairman Boozman, thank you for your leadership, and I am eager to continue to work together to advance these bipartisan initiatives. Thank you.

Senator BOOZMAN. Thank you, also, Senator Coons for all your hard work, as always, on the subcommittee, particularly in this area.

Chairman Wheeler, we invite you to present your testimony.

SUMMARY STATEMENT OF HON. TOM WHEELER

Mr. WHEELER. Thank you very much, Mr. Chairman. As last year, I am presenting to you, the board of directors here, like I used to present in business to the board of directors, using the PowerPoint deck, which you all have.

On the first page, I won't read it to you, but there are a series of action words there—down, fewest, flat, investments paying off. That is the kind of story that I think we are going to be talking about here today.

PAYGO PROPOSAL FOR UNIVERSAL SERVICE FUND WASTE, FRAUD, AND ABUSE OVERSIGHT

The last item, which reflects something you talked about, Mr. Chairman, reflects two messages that we are getting from Congress. That item is, of course, the PAYGO proposal for Universal Service Fund waste, fraud, and abuse oversight.

We are hearing from Congress, in these and other hearings, go after waste, fraud, and abuse. We put in place last week a new program that fixes the design flaws that have been in the program

historically. And what we are proposing this year is that the police force should be paid by those that they are protecting, which fits with the Government Accountability Office (GAO) report on the Commission and the fairness of our regulatory fee structure.

ASSESSING FEES CHARGED TO SERVICES PERFORMED

There are amendments in the Commerce Committee to deal with that issue. It basically says that assessing fees should be charged to services performed. The question becomes, why should broadcasters, satellite operators, amateur radio, et cetera, have to pay for universal service, which they are not involved in?

If you turn to page 2, it is a quick overview. You can see that we have a flat base. The reduction in move expenses reduces the totals. The auctions are up, and we will discuss that in a moment. And the full-time equivalents (FTEs) are at a record low. As has been referenced, these are all non-tax dollars.

USE OF REGULATORY FEE FUNDS

Page 3 is a waterfall of the use of our regulatory fee funds, with 2016 on the left, 2017 on the right, and in between the additions and deletions. So if you go from left to right, there is about \$4 million in salary, inflation, and contracts that are beyond our control. There is about \$5 million in terms of the IT cloud, and moving our legacy systems onto the cloud that with the money you appropriated last year, we were able to transition to. There is about \$2 million in predictive analytics to use big data to catch inappropriate Universal Service Fund (USF) claims. Then there is the \$10 million funding from universal service to police universal service.

CONSEQUENCES OF NOT DOING PAYGO FOR UNIVERSAL SERVICE

The question arises, okay, what if there is no ability, if you decide that you do not want to do the PAYGO for universal service? Then there's a \$10 million shortfall. Over on the right, we have tried to identify the choices and the consequences that result from that. It is about 56 FTEs, and you have to make a choice between that or between whether we are going to improve the consolidated database system for broadcasters, whether we are going to improve universal licensing system for the management of wireless licenses, whether we are going to improve the public filing system, whether we are going to have the tools necessary for the mapping that is a predicate to reforming wireless in rural areas in our mobility fund program, whether we are going to be able to continue to speed up authorization of equipment, because we are the chokehold for equipment authorization for the electronics industry, and lastly for cyber fixes.

SPECTRUM AUCTION AND REACTION

If you turn to page 4, it is the same kind of waterfall for the spectrum auction. We are asking for an additional \$11 million. So the question becomes, why, if the spectrum auction is going to be over, are you asking for more money? There are a couple reasons.

First of all, there is no guarantee that the auction is going to be completely over and not run into fiscal year 2017. Remember, this

is not just a one-shot auction. If the money coming in from wireless carriers doesn't pay for the money necessary to relocate, to buy out the broadcasters, that you then reauction, the process is structured for reauction after reauction after reauction until you get to wherever that marketplace is. So we don't have an assurance that things will end with one round.

SPECTRUM AUCTION POST-BIDDING ACTIVITY

Secondly, the auction very definitely is not over when the gavel falls. The post-bidding activity is actually as challenging as what we saw with the DirecTV (DTV) transition several years ago because, think about it, every remaining broadcaster will have to move its frequency. Some will have to move their towers. It is a very complex process.

The National Association of Broadcasters (NAB) has been telling us that the time that we have allocated, 39 months to do this, is not sufficient. We think it is sufficient, but I will guarantee you it will not be sufficient if sufficient funds are not available.

ADDITIONAL AUCTIONS

So we need to make sure that just because the auction may seem to be over, the responsibilities of that auction are far from over. And we have four new actions that we have to complete in 2017, four additional auctions: a FM auction, FM translators, a half million 3.5 gigahertz licenses, and the reauction of the Advanced Wireless Services-3 (AWS-3) spectrum.

So, again, we have choices with consequences. We have built the world's best auction system. We are pioneering the world's first incentive auction. It is a complex process. It is also process, which as you can see in the lower right-hand corner, provides the best return on investment in government, and that for the money that it takes, we have provided great returns.

I see that I am going over my time, so I will stop here. I'm happy to discuss other parts of the presentation, including IT and the PAYGO issue, if you would like.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF HON. TOM WHEELER

Chairman Boozman, Ranking Member Coons, and members of the Financial Services and General Government Subcommittee, thank you for inviting me here to present the Federal Communications Commission's fiscal year 2017 budget request. Our proposal demonstrates the Commission's successful efforts to keep costs down, while maximizing and leveraging resources to benefit consumers and industry. This budget asks for less than the previous year's appropriated amount and once again provides more in management efficiencies.

Last year, the Commission asked for \$388,000,000 in general spending authority derived from Section 9 regulatory fees for our overall non-auction costs, an auctions cap of \$117,000,000, and a \$25,000,000 transfer from the Universal Service Fund (USF) to oversee that program's general operations. You responded by providing \$384,012,497 overall with \$44,168,497 of that number in directed spending to initiate our FCC headquarters footprint reduction. That left \$339,844,000 for regular spending. You also granted our requested \$117,000,000 for the auctions cap, but you did not provide the USF transfer.

We have initiated the facilities process as a result of the directed funding and we expect to forge ahead with the footprint reduction as soon as GSA awards the lease.

We appreciate this Committee's support for this important process and expect that the footprint reduction will save \$119 million over the life of the next lease.

During the past year, you also provided us with reprogramming and reorganizing authority to consolidate our Enforcement Bureau. We also received permission for a reprogramming request to use unobligated funds to support our IT server move to a secure facility off-site from the FCC headquarters location. The Enforcement Bureau consolidation is well underway and we completed the server move in September.

For the past 7 years, general funding for the Commission has been between \$336 and \$339.8 million, with an additional reduction of \$17 million due to the 2013 sequestration. The Commission's auction cap was stagnant at \$85,000,000 for 9 years until we received increases starting in 2013 to fund the Incentive Auctions process. Most of the Commission's increased costs have been associated with inflationary adjustments and mandated pay raises. Calculating the flat funding levels in light of inflation and sequestration impacts shows that we have experienced reductions in our purchasing power. Accordingly, we have seen significant staffing reductions. The FCC's FTE level has dropped from 1,775 in 2010 to a projected 1,650 in fiscal year 2017, the lowest level in more than 30 years. We also have reduced our contractors by more than one-half during the same period.

The fiscal year 2017 budget requests a total of \$358,286,000 derived from section 9 regulatory fees, a \$9,500,000 transfer from the USF to pay for the costs of reducing improper payments and enforcing that \$8.3 billion program, and a \$7,000,000 increase in the Spectrum Cap to \$124,000,000. Of the \$358,286,000 number, \$16,866,992 will be directed to complete the facilities leasing process and footprint reduction. Overall, the fiscal year 2017 request is \$25,726,497 less than our fiscal year 2016 appropriated level of \$384,012,497, if you allow the requested USF transfer amount. If you decide against transferring the USF funds again this year, we would be underfunded from the onset by \$9.5 million.

I am attaching a series of slides to illustrate in greater detail the Commission's resource needs, management objectives and spending process, all of which I plan to discuss with you during my oral testimony. These slides also provide a clear outline of projected funds raised, money spent, and programmatic goals. They illustrate in detail the administrative and funding issues that we have faced, while providing a positive picture of how many of our investments are paying off.

One area of progress that I wanted to highlight is our work to improve the FCC's efficiency and effectiveness. I am pleased to report that more than 77 of the 154 recommendations of the Commission's 2014 Process Reform Working Group have been fully implemented and most of the remainder are being implemented. Many of these reforms are related to operational improvements that this subcommittee supports—enhanced transparency, greater public access, streamlined processes, cost savings measures, better employee training, and overall, more efficient use of the resources that you give us to carry out our routine mission objectives.

In many places where we made reform investments, we have seen phenomenal success. The sixth slide in the attachment lists seven of these IT success stories. A July, 2015 article in *Forbes* detailed how one of these—the new FCC Consumer Complaint System—saved the writer \$1,800 after a short investment of online time. And of course, we saved *all* taxpayers additional funds by avoiding expensive contractor costs and purchasing an off-the-shelf system to stand-up this new consumer system.

Those who use our systems on a routine basis also have praised our work. On February 24, 2016, the president of the Federal Communications Bar Association wrote the Commission on behalf of the lawyers who use our systems to thank us for improving and updating our Web site. While work continues to improve FCC.gov, users can navigate with less effort, saving time and resources.

Our funding levels have an impact on our process reform success rate and we must constantly review our resources and prioritize between mission objectives based on costs. The Commission requested additional funds for some reform projects, especially with regard to our Information Technology operations. Although we did not receive these funds, we did not throw in the towel—we made tough cost cutting decisions and moved ahead.

One such decision was the consolidation of our Enforcement Bureau facilities nationwide—done only after careful study, significant stakeholder input, and a full Commission vote. With your permission, we reorganized these offices to better focus on their primary responsibility—enforcement of the Commission's rules governing radiofrequency interference—while maximizing the efficient use of our resources. This process has already saved more than \$400,000, and we are on track to save an additional \$220,000 per month. Once the other elements of the consolidation plan go into effect, we should save between \$8–9 million per year. These cost savings will

allow us to make essential upgrades to our field investigative equipment, and enhance the complaint intake and database systems. In the meantime, we have continued to improve our support for public safety entities, and we have attacked pirates in high-volume areas like New York where we have the most significant number of violations.

The server “lift and shift” is another good example of our flexibility in re-assigning funds to mission-critical objectives. We had been saddled with over 200 legacy systems, many of which were in disrepair. After receiving reprogramming permission, we retired approximately 70 servers and moved more than 120 to a new location in September. At the same time, we were unable to convince you to provide us with \$3 million per year to cover the ongoing maintenance and updates of our broadband map. Our solution was to go back to the drawing board and find a much cheaper option. That is why we dropped the fiscal year 2016 request in fiscal year 2017 and instead opted for a less expensive commercial product—a more adaptable Geospatial Mapping System that will support the 350,000 individual users per year who access the FCC Maps page.

When we ask for IT funds, as we are in the current fiscal year, we do so only after exhausting all available resources, closely examining the least expensive options, and finding the best return for the taxpayers and those we regulate. In fiscal year 2017, we hope to take another step toward completing our projected IT modernization efforts, rewriting additional legacy applications to a resilient cloud-based platform. With regard to individual IT projects, we are focused in the current fiscal year on systems that support essential services and public safety, such as the Universal Licensing System, the Network Outage Reporting Systems and the Disaster Reporting system. With your help in the next fiscal year, we will modernize and upgrade other important systems, including our Consolidated Database System and Equipment Authorization System, among others. We will hit the most critical systems first and ask that you support our efforts to ensure that America’s communications industry has the fastest, most efficient, reliable and secure access to emergency notification systems and licensing programs available.

These improvements and upgrades represent expenditures. But the Commission also generates revenue, most notably through our management of commercial spectrum. Setting aside the money raised at auction, making spectrum available for wireless use helps spur significant economic growth and job creation.

The auctions cap increase has unquestionably been one of your wisest investments—and one that your children, grandchildren and great grandchildren will appreciate. Before 2013, the Commission endured 9 years of auctions caps at \$85 million—no inflationary adjustments, no funds for improving the operational efficiencies or resiliency of our IT systems, and no money to study new projects to support auctions programming. You changed that to ensure funding that supports auctions—and now we are asking you again for a modest increase.

The infusion of additional funds since 2013 has supported our efforts to bring in over \$42 billion to the Treasury in two major auctions. But most importantly, your permission to use additional auctions funds has supported our efforts to develop and prepare for the first-ever Incentive Auction, which is slated to launch this month. This process has involved highly skilled, technologically savvy FTEs and contractors, across multiple disciplines, including cutting-edge economics and engineering. It also has involved the development of essential and resilient IT systems to support this program.

To ensure preservation of service for broadcast viewers and timely network deployment, we have been focused on post-auction planning for over a year, including the release of the draft relocation reimbursement form and a reimbursement cost catalog, and we have already begun to pivot and to accelerate our planning for the post-auction transition. Like the auction, the transition will be a complex effort spanning several years. So we will continue to experience costs associated with the Incentive Auctions into the next fiscal year and beyond. But I have no doubt that the money spent in this effort will yield important dividends—financially for the Treasury, and for industry growth supported by freed-up commercial spectrum.

Also, since I testified last year, the Commission has been asked to do even more to promote spectrum resources. The Bipartisan Budget Act of 2015 not only extended our auction authority but it mandated that we work with other agencies to identify and develop resources for a “spectrum pipeline.” In addition to the Incentive Auction and other innovative auctions on our planning list, we will be expending resources to support the core goals of the new legislation. To do so, we need to upgrade our traditional and aging auction IT systems—the ones that were not upgraded during the pre-2013 years—for use into the next decade, and engage in a broad range of economic and engineering studies to ensure that the next generation of auctions are at least as successful as past auctions.

CONCLUSION

The Federal Communications Commission's mission to maximize the benefits of communications technology for the American people helps to grow our economy, expand opportunity, and boost U.S. competitiveness. With appropriate funding, we can achieve Congress' varied mandates and do so in a fiscally sound manner.

I appreciate this subcommittee's attention to the Commission's funding for the next fiscal year, and I look forward to answering your questions. Thank you.

SLIDES

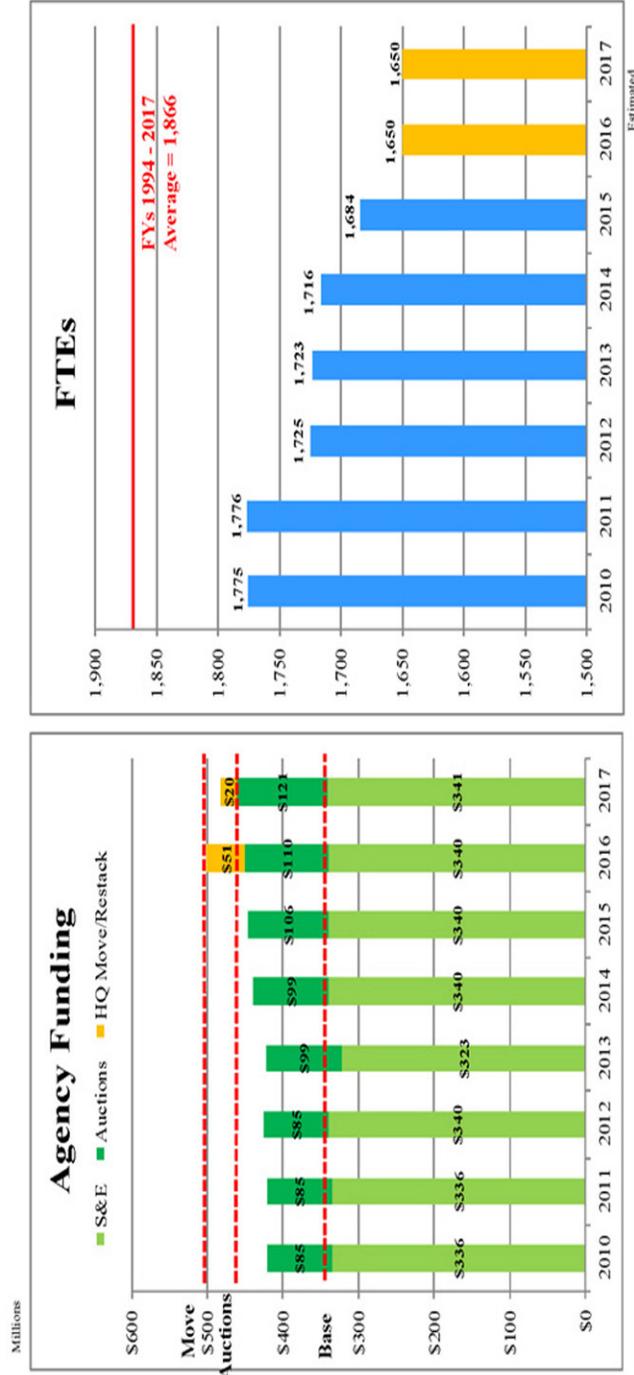
COMMISSION'S RESOURCE NEEDS, MANAGEMENT OBJECTIVES, AND SPENDING PROCESS


Executive Summary

- Down \$26m from FY 2016
- Fewest FTEs in over 30 Years
- Flat Base Budget Since 2010
- IT Investments Paying Off
- Pay-Go for Universal Service Fund Waste, Fraud, Abuse Oversight

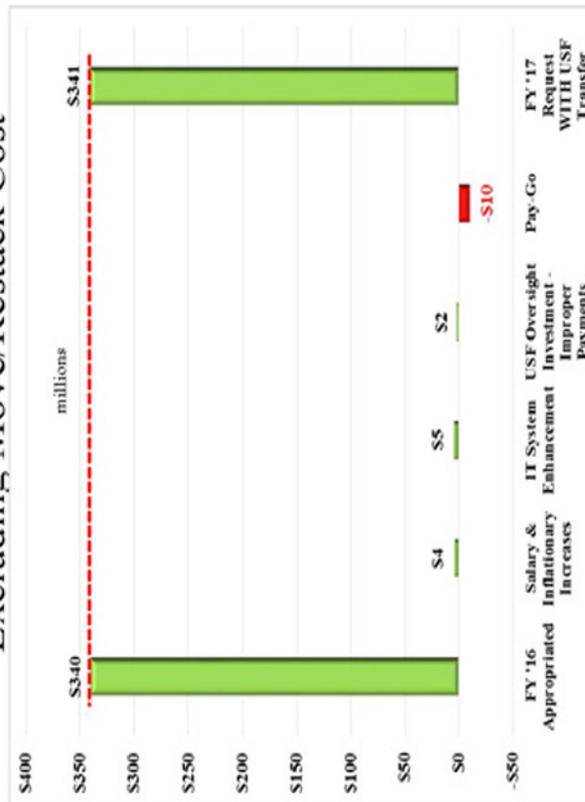


Funding Without Move/Restack, Flat Since 2010 - FTEs At Historic Lows



Regulatory Fees (Offsetting Collections) Comparison to FY '16 Appropriation

Excluding Move/Restack Cost



What is Vulnerable? Necessary Choices

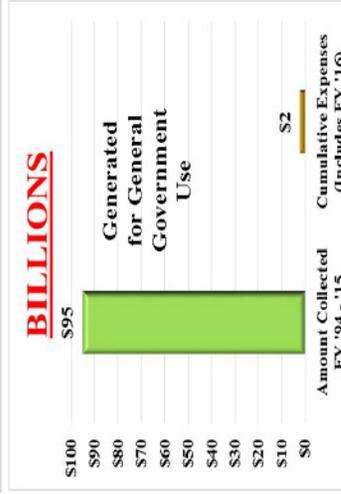
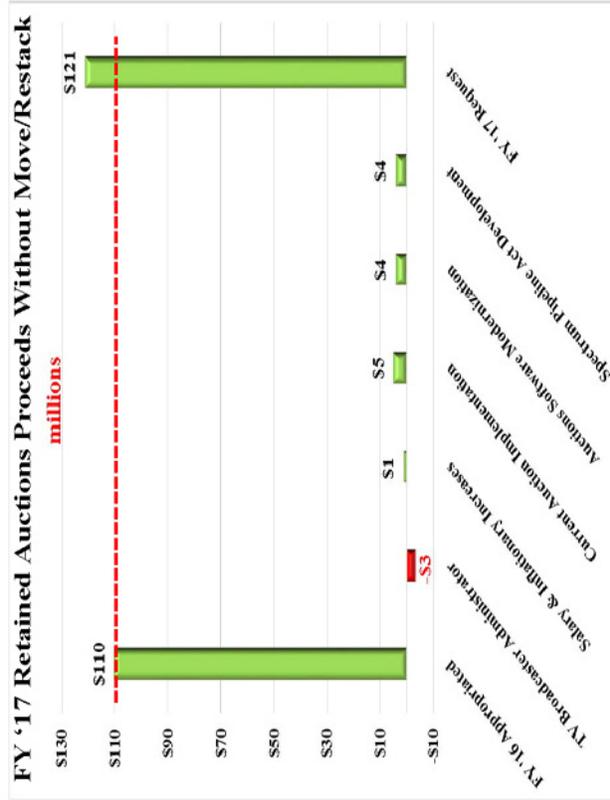
- **Fifty-Six FTEs**
- **IT Improvements**
 - Broadcast/mobile licensing
 - Public Filing System
 - Rural Mapping Tools
 - Equipment Authorization
 - FISMA Cyber fixes

Spectrum Auctions Program

Support Broadcaster Rebanding/Relocation *Plus*

Generate New Spectrum

- Vulnerabilities/Choices**
- Mobile Threat Post-Bidding**
 - Slowed access to spectrum
 - Broadcaster Threat Post-Bidding**
 - Repacking & Relocation
 - Optimizing to protect reach
 - Optimizing LPTV
 - Threat to Future Auctions**
 - FM Radio auction
 - 3.5 GHz auction & sensing
 - AWS-3 auction
 - New spectrum analysis



IT Investments Are Paying Off

FY '15 – FY '16 Investments

Consumer Help Center	Built at 1/6 th the price (\$450K vs. \$3.2M) in less than half the time (6 months vs. 18 months). Received praise in Forbes. Reduced number of employees required to staff this.
New FCC.gov Website	Built based on extensive input from external stakeholders. Received 90% positive feedback from constituents, including praise from the FCBA. Easier to update and maintain content.
Cloud Based Email & VDI	Increased use by 400% while reducing operational support costs by 30%. Unlimited telework opportunity from any location with higher levels of security.
Server Lift	Cost avoidance of over \$10M. Reduced backup and maintenance costs by >\$250K per year. Reduced operational costs from 85% to <50% by moving to a commercial service provider.
ECFS	Modernizing 16+ year old system used to support 5M public comments last year. If not cloud-based, would have required many more employees to staff.
NORS/DIRS	COTS platform delivered for \$300K using a native cloud platform in less than 3 months. On-premise approach would have been >3x more (\$1m) and taken >3x the time.
FISMA & Cyber Security	Reduced FISMA findings by more than 50% over two years. Increased the resiliency of FCC to respond to cyber issues of concern.



Universal Service Pay-Go

- \$8.3 Billion Annually Disbursed
- Heard from Congress About Waste, Fraud, & Abuse
 - Step #1 – Program Improvement
 - Duplicate Database
 - No self-Certification
 - National Verifier Through Government Databases
 - Step #2 – Predictive Analysis Tools – Harness Big Data
 - Step #3 – Focused Staff
- Regulatory Fee Payer Fairness
 - e.g. – Why should broadcasters (and others) be assessed to pay for something that doesn't involve them?

Senator BOOZMAN. Thank you, Chairman Wheeler. And happy birthday.

Mr. WHEELER. Thank you, sir.

Senator BOOZMAN. Quite a way to spend your birthday.

Mr. WHEELER. For 70 years, I've been preparing for this day.

Senator BOOZMAN. Commissioner Pai.

SUMMARY STATEMENT OF HON. AJIT PAI

Mr. PAI. Thank you, Mr. Chairman. Chairman Boozman, Ranking Member Coons, members of the subcommittee, thank you for holding this hearing and for affording me the privilege of testifying on the FCC's budget request for fiscal year 2017.

This morning, I would like to focus on two of the issues that I discussed in my written testimony: first, joint sales agreements, or JSAs, among television broadcast stations; and second, broadband rate regulation.

JOINT SALES AGREEMENTS

First, JSAs. I urge this subcommittee to once again act to safeguard joint sale agreements among television stations. In last year's appropriations bill, as the chairman pointed out, an overwhelming bipartisan majority in Congress ordered the FCC to grandfather existing JSAs for 10 years, but the Commission has flatly refused to follow the law. It is now using the FCC's merger

review process to force companies to unwind JSAs, including those previously blessed by the agency.

One recent example involves my home State and Senator Moran's home State of Kansas. The Commission recently required parties to terminate a JSA that allowed Entravision, a Univision affiliate, to provide the only Spanish-language news in the Sunflower State.

This action was particularly egregious because the FCC's chairman had previously testified to your counterparts in the House that this very agreement would not be affected by the Commission's new JSA policy. In response to the Commission's actions, a bipartisan group of 12 Senators, including Chairman Boozman and Senator Durbin, have made clear their displeasure with the FCC's actions.

They stated that the FCC, in their words, ignored bipartisan concerns raised by Congress on JSAs and that they were "extremely disturbed" by the Commission's actions. In particular, they explained that the Commission was, as they put it, "undermining Congress' clear intent to preserve JSAs that were lawfully executed prior to the FCC's 2014 rule changes." At a time when folks in Washington can agree on very little, it is telling when a powerful bipartisan group of lawmakers has found common cause in taking on the agency's lawlessness in this matter.

In this letter, the Senators asked the FCC to eliminate any conditions imposed on previously approved license transfers that required terminations of any JSAs in existence prior to March 31, 2014. They also asked the FCC going forward to respect preexisting JSAs when evaluating any assignments or license transfers.

Unfortunately, Chairman Wheeler's response to this letter, as well as his testimony 2 weeks ago before the House, makes clear that the FCC has no intention of complying with the law or these requests. As Chairman Boozman aptly put it, there is an obvious disregard for Congress' instructions here.

I, therefore, would urge this subcommittee to include very specific language in the upcoming appropriations bill requiring the FCC to take the steps requested by the Senators and follow the law.

BROADBAND RATE REGULATION

Second, the subcommittee should forbid the FCC from using any appropriated funds to regulate broadband rates. While the subcommittee did so last year, this provision did not make its way into the appropriations bill that was ultimately passed by Congress. In my view, the subcommittee should take another bite at this apple. There is no legitimate reason to oppose preventing the FCC from regulating broadband rates.

Supporters of the FCC Internet regulations have repeatedly disclaimed any interest in doing so. President Obama himself told the FCC to forbear from rate regulation. Chairman Wheeler told this very subcommittee last year, and I quote, "If Congress was to come along and say that's off the table for the next Commission, too, I have no difficulty with it."

It is, therefore, perplexing that the FCC and the administration lobbied so hard last year to kill the subcommittee's attempt to take

broadband regulation off the table. Indeed, from my understanding based on multiple sources, the FCC and the administration turned down a deal that would've provided millions of dollars in additional funding to the FCC in exchange for a provision prohibiting broadband rate regulation.

All of this raises serious concerns about the Commission's real intentions. When it comes to Internet regulation, we know all too well from past experience that what was once unthinkable can become quite real the moment political pressure is applied.

A less intrusive regulatory approach can give way to heavy-handed, utility-style regulation. A wireless service plan that benefits consumers, like T-Mobile's Binge On, can be highly innovative and highly competitive one month and be the subject of an FCC investigation the next month.

Simply put, Congress should not trust the FCC's claim that it won't regulate broadband rates. Indeed, just 2 weeks ago, in a startling reversal, the chairman told the Subcommittee on Communications and Technology of the House Energy and Commerce Committee that he now believes the FCC should and does have the authority to regulate broadband rates.

The only way to ensure that rate regulation does not happen is for Congress to take a Reagan-inspired approach: Trust, but codify.

Chairman Boozman, Ranking Member Coons, members of the subcommittee, thank you once again for holding this hearing. I look forward to answering your questions and look forward to working with you and your staffs in the days to come on these critical issues.

Thank you, Mr. Chairman.
[The statement follows:]

PREPARED STATEMENT OF HON. AJIT PAI

Chairman Boozman, Ranking Member Coons, and members of the subcommittee, it is a privilege to appear before you today. Thank you for inviting me to testify on the Federal Communications Commission's budget request for fiscal year 2017.

Last year, I offered three specific suggestions to this subcommittee regarding the Commission's budget request for fiscal year 2016. I am pleased that Congress and the subcommittee took these recommendations into account.

First, Congress and the subcommittee provided specific budget authority for moving the FCC's headquarters or reorganizing how we use our existing facilities (known internally as "restacking"). Moving or reorganizing is likely to produce meaningful cost savings over the long term, but this will require a substantial, one-time expense. I therefore thought that it made sense for Congress to provide us with specific budget authority for that purpose. If these funds had been included within our general appropriation amount, as the Commission had requested, it would have given many a misleading picture of the Commission's base budget and made it harder to reduce that budget when there was no longer the need to spend money on moving expenses.

I therefore applaud the Commission for requesting specific budget authority for fiscal year 2017 instead of general budget authority for the second (and hopefully final) tranche of moving or restacking funds. In my view, this is a fiscally responsible proposal, and I urge this subcommittee to approve it.

Second, Congress and the subcommittee rejected the Commission's request to transfer \$25 million from the Universal Service Fund (USF) to the Commission. I opposed the transfer request, among other reasons, because it would have imposed a stealth tax increase on the American people.

I am disappointed that the Commission is yet again seeking to siphon money from the USF to fund the FCC's work, and I urge this subcommittee to again reject this proposal. To be sure, the Commission this year is requesting a smaller transfer of \$9.5 million. But the reasons for opposing any diversion of USF funds to the Commission are just as compelling now as they were 1 year ago. I agree with Chairman

Greg Walden of the Subcommittee on Communications and Technology of the House Energy and Commerce Committee that transferring USF funds to the FCC is a “disturbing proposal.” And Chairman John Thune of the Senate Commerce Committee has said that it would set “a dangerous precedent.” The Commission’s authorizers are right: USF funds should be spent across our country closing the digital divide, not at the FCC’s headquarters here in Washington, DC.

Third, the subcommittee forbade the Commission from using any appropriated funds to regulate broadband rates. I was disappointed that this provision did not make its way into the appropriations bill that was ultimately passed by Congress.

The subcommittee should take another bite at this apple. There is no legitimate reason to oppose blocking the FCC from engaging in broadband rate regulation. Supporters of the FCC’s Internet regulations have repeatedly disclaimed any interest in regulating broadband rates. President Obama himself told the FCC to “forbear[] from rate regulation.” And Chairman Wheeler told this subcommittee last year: “If Congress was to come along and say that’s off the table for the next Commission, too, I have no difficulty with it.”

It is therefore perplexing that the FCC and the administration lobbied so hard last year to kill this subcommittee’s attempt to take broadband rate regulation off the table. Indeed, my understanding from multiple sources is that the FCC and the administration turned down a deal that would have provided millions of dollars in additional funding to the Commission in exchange for a provision prohibiting broadband rate regulation.

All of this raises serious concerns about the Commission’s real intentions. Because when it comes to the topic of Internet regulation, we know from past experience that what was once unthinkable can become quite real the moment political pressure is applied. A less-intrusive regulatory approach can give way to heavy-handed, utility-style regulation. A wireless service plan like T-Mobile’s Binge On can be “highly innovative and highly competitive” 1 month and be the subject of an FCC investigation the next. Simply put, Congress should not trust the Commission’s claim that it won’t regulate broadband rates. Indeed, just 2 weeks ago, in a startling reversal, Chairman Wheeler told the Subcommittee on Commerce and Technology of the House Energy and Commerce Committee that he now believes that the FCC *should and does* have the authority to regulate broadband rates. The only way to ensure that rate regulation does not happen is for Congress to take a Reagan-inspired approach: “trust, but codify.”

As you begin drafting our appropriations bill for fiscal year 2017, I want to draw the subcommittee’s attention to three additional concerns: the grandfathering of joint sales agreements (JSAs) among television stations, the proposed increase in auction spending, and the FCC’s oversized media shop.

One, I urge this subcommittee to once again act to safeguard joint sales agreements among television stations. In last year’s appropriations bill, an overwhelming bipartisan majority in Congress passed a law ordering the FCC to grandfather existing JSAs for 10 years. How did the FCC respond? It has ignored the law and is using the FCC’s merger review authority to force companies to unwind JSAs. One recent example involves my home State of Kansas where the Commission recently required parties to terminate a JSA that allowed Entravision, a Univision affiliate, to provide the only Spanish language news in the Sunflower State. This action was particularly egregious because the FCC’s leadership had previously testified to your counterparts in the House that this specific JSA would not be affected by the Commission’s new policy.

A bipartisan group of 12 Senators, including Chairman Boozman and Senator Durbin, have made their displeasure clear. They stated that the FCC “ignored bipartisan concerns raised by Congress” on JSAs and were “extremely disturbed” by the Commission’s actions. In particular, they explained that the Commission was “undermin[ing] Congress’ clear intent to preserve JSAs that were lawfully executed prior to the FCC’s 2014 rule changes.” It is telling that despite agreement on little else, a powerful, bipartisan group of lawmakers has found common cause in taking on the agency’s lawlessness in this matter.

In its letter, Senators asked the FCC to eliminate any conditions imposed on previously approved license transfers that require the termination of any JSAs in existence prior to March 31, 2014 and respect the statutory grandfather of JSAs when evaluating any assignments or license transfers in the future. Unfortunately, Chairman Wheeler’s response to this letter as well as his testimony two weeks ago before the House makes clear that the Commission has no intention of complying with the law or these requests. I therefore would urge this subcommittee to include very specific language in the upcoming appropriations bill requiring the Commission to take such action.

Two, I am skeptical of the Commission's proposal to raise spending on the spectrum auctions program to \$124 million. The \$117 million being spent this year is a record, and it's easy to understand why the auctions program is funded at that level. After all, this fiscal year we are holding the world's first incentive auction for spectrum, an enormously complicated endeavor requiring plenty of resources. And included in that budget was \$7.2 million targeted for the Commission's move.

Fiscal Year 2017 should be quite different. The incentive auction will likely be over, and there is no comparable spectrum auction on the horizon for that fiscal year. Even the fiscal year 2017 request for the Commission's move is less—\$4.4 million lower, to be precise. And yet, rather than a substantial decrease, the request for auction spending in fiscal year 2017 is \$7 million *higher*. It's difficult to understand why.

Let's look, for example, at one of the specific spending increases proposed for the auctions program. The Commission is requesting \$3.58 million and three additional FTEs to implement the Spectrum Pipeline Act of 2015. Why can't this work be handled by current FCC employees and the existing budget? Many FCC staffers have been working on issues related to the forward side of the incentive auction. During the next fiscal year, when the forward auction work will be completed, I'm confident that we could easily reassign three of them to help implement the Spectrum Pipeline Act of 2015.

I would also urge this subcommittee to examine closely whether reductions can be made from last year's spending. Are there expenses that have been or will be incurred during this fiscal year because of the incentive auction that will not be repeated during fiscal year 2017? Can we devote fewer staff resources to the auction program if no major auction will be held? And if the answer to one or both of these questions is yes, shouldn't the amount of funds provided by Congress for the spectrum auctions program be adjusted accordingly?

Three, I also recommend that this subcommittee examine carefully the budget request for the FCC's Office of Media Relations. For fiscal year 2017, the FCC requests 15 FTEs for the Office of Media Relations. By comparison, in its budget request for the next fiscal year, the Federal Trade Commission only requests 10 FTEs for its Office of Public Affairs, which handles that agency's relations with the media. Why should the FCC's media relations office be 50 percent larger than the FTC's? The FTC's mission is just as critical and arguably broader, considering it applies consumer protection and competition rules to virtually all non-common carriers. Given that this subcommittee has jurisdiction over both the FCC and FTC, it is well-positioned to look into this matter.

From my perspective, I have witnessed a disturbing mission creep within the FCC over the last couple of years when it comes to media relations. Specifically, Commission staffers are being directed to conduct what are most appropriately described as propaganda efforts. Non-public information is often shared with the press while my office is left in the dark. Resources are poured into controlling press cycles, creating pithy Twitter hashtags, and garnering positive headlines for the Chairman's Office rather than working inside the building to reach consensus. In some cases, the agency's media blitz has been designed to exert pressure on other Commissioners, both Democrats and Republicans, to vote for the Chairman's proposals. This is inappropriate. Career staffers should not be conducting media campaigns designed to influence the votes of FCC Commissioners. Indeed, until Commissioners vote on a proposal by the Chairman, the Commission as a whole has no position on that proposal. Yet the Chairman's Office's hope—usually requited—is for the press to run headlines “The FCC is about to [insert policy prescription *du jour*].”

What makes the matter worse is that these media campaigns are often conducted on background so Commissioners and the public have no idea who is waging them. Indeed, the trade publication *Communications Daily* reported last December that “the FCC stands out for its extensive use of events where officials speak on behalf of the agency to groups of reporters but the officials can't be identified by name or quoted verbatim.” The publication further reported that “[m]any PR experts said they couldn't recall any agency other than the FCC that holds news events that aren't on the record so routinely on matters unrelated to national security.”

One example of what has gone wrong occurred last month when the Chairman circulated his proposal to expand the Lifeline program. My office did not learn about this proposal from the Chairman's Office. We didn't learn about it from the relevant FCC Bureau or anyone else at the Commission. Instead, we first found out about it from an article in *The New York Times*. That's right. The Chairman's proposal was shared with *The New York Times* before it was shared with FCC Commissioners—or at least with the minority Commissioners. Moreover, following publication of *The New York Times* article, FCC officials held a call with a large group of reporters to promote the Lifeline proposal before giving Commissioners a copy of the

plan. Conduct like this does not reflect respect for the role played by other Commissioners at the FCC and should stop immediately.

If the FCC's Office of Media Relations has the time and resources to engage in activities that are more appropriate for a partisan political campaign than the rule-making process conducted by a multi-member administrative agency, then I suspect that it is too large and its budget should be cut substantially.

Chairman Boozman, Ranking Member Coons, and members of the subcommittee, thank you once again for holding this hearing and allowing me the opportunity to speak. I look forward to answering your questions, listening to your views, and working with you and your staffs in the days ahead.

Senator BOOZMAN. Thank you very much, Commissioner Pai, for your testimony.

At this time, we will proceed to questions, where each Senator will have 7 minutes per round. I expect we will have time to accommodate at least two rounds.

IMPLEMENTATION FOR THE RATE OF RETURN

Chairman Wheeler, what is the timeline for implementation for the rate of return?

Mr. WHEELER. So as you know, Senator, we were successful in putting together a bipartisan effort in the Commission, working with the rate of return carriers to develop a new structure. That is now out, and the next trigger here is the decision by the carriers themselves as to whether they want to participate in that.

CHOICE BETWEEN THE NEW MODEL OR THE RATE OF RETURN STRUCTURE

So they will have a choice between the new model that has been suggested or the rate of return structure, and that becomes their option. That is an option that is now on the table for them for the coming year.

Senator BOOZMAN. So what is the timeline?

Mr. WHEELER. This is for the coming year, sir.

Senator BOOZMAN. So just sometime this year.

Mr. WHEELER. Yes, sir.

Senator BOOZMAN. How soon will companies have support for their standalone broadband consumers?

Mr. WHEELER. So the program, as soon as companies make a decision as to whether they want to go with the model or with the rate of return, then the program will kick in. If you're asking for a specific date as to when the funds are going to flow, I'm not sure I can give you that specifically, but I can get back to you on that.

Senator BOOZMAN. Thank you.

Commissioner Pai, I understand that you dissented in part to the rate of return order. Can you please elaborate further on your concerns?

Mr. PAI. Thank you for the question, Mr. Chairman.

DISSENTION TO THE NEW RATE OF RETURN ORDER

One of the reasons why I dissented was in part because the system adopted by the majority is exceedingly complex.

Take, for example, the basic proposition that everyone in this country should be able to buy stand-alone broadband service. That service is currently unavailable for way too many rural Americans, including folks like my parents in rural Kansas.

So I proposed, last June, a one-page set of rule changes, very simple, easy to understand, easy to adopt by the carriers. Unfortunately, the majority took a very complex view of this entire thing.

First of all, they refused to disclose in advance of the vote what exactly the reforms were, so it was difficult for us to get meaningful input from the public, including some of these carriers who are going to be responsible for opting in or not to some of these changes.

Second, the broadband service proposal adopted by the chair of the FCC is itself complex. If you look at my dissent, there is an 11-factor test that these people have to adopt. It may be the case, but I tend to doubt, that mom-and-pop telephone companies are going to be able to figure out how to apply the natural logarithm that was just invented by the FCC to a certain kind of service to figure out what their costs are going to be.

I would've preferred a much simpler approach in part because the last time we tried this kind of rate of return reform, before I got to the FCC, we ended up having to reconsider our decision seven separate times.

So when you ask about the timeframe, one of the reasons why I adopted a simple approach that was disclosed in advance, each of which was rejected, was because that gets us to a point where carriers are able to make that decision much more quickly than they otherwise would have been.

CURRENT CAP ON THE HIGH-COST FUND

Senator BOOZMAN. Mr. Chairman, it is extremely important for companies to find efficiencies and be restrained in the expenditure of USF monies. However, I have heard repeatedly that the current cap on the high-cost fund is set too low. I understand that there are still two outstanding components of the high-cost fund reform still to be addressed, the Alaska Plan, Tribal Broadband Factor.

Is the current cap adequate to sufficiently fund building broadband in rural America?

Mr. WHEELER. So I think one of the key things that is important here, Senator, and to follow up on the previous question as well, is that issue—but let me talk first about rate of return and then about price cap.

RATE OF RETURN ORDER

The rate of return order was a bipartisan order developed over months with Commissioner O'Rielly in the lead, along with Commissioner Clyburn and myself.

There has been a lot of talk about how this Commission has a hard time working together, but here was a bipartisan group rolling up their sleeves together on a very complex issue that also involved sitting down with the parties who were affected and having back and forth negotiations with them.

I think that what I have learned in the process is that it is the give-and-take of dealing with complex issues and finding consensus that creates the kinds of what some people refer to as complexity, because you say, okay, here's this little thing here, we'll have to fix that.

But the point of the matter is that there is a rate of return program in place that, again, was bipartisan and was supported by the organizations of the carriers.

PRICE CAP FOR ALASKA AND RATE OF RETURN IN TRIBAL AREAS

On the price cap side, yes, we have to work on not just price cap for Alaska but also rate of return in tribal areas. Considering the other issues, these are complex issues in and of themselves that really don't lend themselves to quick little sound byte answers. So we will have a specific proceeding on Alaska this year, and we will have a specific proceeding on tribal issues this year, because all of the issues will come together to affect unique circumstances.

Senator BOOZMAN. So is the cap adequate?

Mr. WHEELER. I think the cap is going to be adequate. We will find out as we go through this process, but I'm working with the assumption that it is.

Senator BOOZMAN. Okay.

RAISING LOCAL RATES ON TELEPHONE SERVICE

Commissioner Pai, the FCC is forcing rural companies to raise local rates on telephone service, making it unaffordable for many rural Arkansans. In the past, you have said that this issue is another example of why so many of our Nation's heartland feels so alienated from Washington, DC. I hear this all the time for my constituents when I am out and about in Arkansas.

RATE FLOOR AND ITS IMPACT ON RURAL AMERICA

Can you comment on the rate floor and its impact on rural America, especially the elderly and those on fixed income?

Mr. PAI. Thanks for the question, Mr. Chairman. This is something that we have had a dialogue about before, unfortunately, far too often.

I think it strikes the average person, whether in Portsmouth or Fayetteville, it is ridiculous that the Federal Government is actually ordering telephone companies to increase the amount that they have to pay even though it doesn't save the Universal Service Fund a single dollar.

That is part of the reason why I have urged for years now the FCC to scrap the rate floor. It should not be a condition of getting subsidies from the Universal Service Fund that telephone companies say to elderly people, to poor people, to others who don't have the means, we are going to require you to increase the amount you pay for telephone service so that we can argue that there is some rough parity between what rural Americans pay and what urban Americans pay.

It is all too obvious, I think, that rural incomes have lagged behind urban incomes. So it seems to me, the Federal Government shouldn't be in the business of saying, well, rural consumers' costs should also increase.

Also, if I could just make a quick observation about the prior question about the rate of return reform, two quick points, if I might, Mr. Chairman, with your indulgence.

RATE OF RETURN REFORM

First, the very complexity the chairman has talked about is exactly the reason why Commissioner O'Rielly strongly supported disclosing this proposal before the FCC voted on it. I think that is the way Congress operates. Your constituents would be angry if you adopted legislation without ever putting it online for people to scrutinize.

He recognized that this is very complex, and that is one of the reasons why he wanted to have public input before people were able to vote on it.

Second, your question about the sufficiency of the high-cost fund is a critical one because it is involving other programs under the Universal Service Fund.

Currently, the FCC has recently increased the amount of the budget for the E-rate program by \$1.5 billion per year. Last week, it adopted Lifeline reforms without adopting any meaningful budget, so the amount of spending for that program is going to increase dramatically in the years to come.

Each of those program increases is going to put a great deal of pressure on the high-cost fund. Remember what the high-cost fund supports. It supports Senator Coons' vision of bringing broadband to every community. So every dollar we essentially direct away from the high-cost fund is one less dollar that delivers digital opportunity to rural and low-income Americans.

Senator BOOZMAN. Senator Coons.

Senator COONS. Thank you, Senator Boozman.

If I might, Chairman Wheeler, I just want to start with some questions about cybersecurity and IT across many of the Federal agencies that this subcommittee is concerned with. We have seen cyber challenges last year, and I'm concerned about investment in that.

IT SPENDING IN CYBERSECURITY UPGRADES

The past few budget requests from FCC have included large increases for IT spending in cybersecurity upgrades that have not been funded. This year's budget request is for about \$5 million, if I understand, for various IT projects, and it continues to make progress on a multiyear initiative to shift FCC applications and data to the cloud.

The IG reported significant progress this year toward compliance with cybersecurity standards, but there are still a number of IG findings that would require more policy and technological changes.

How would this budget request help improve the FCC's cybersecurity protections? How would the telecommunications industry and the average American be impacted by the FCC's current IT systems? And last, how has FCC been able to make progress on these IT initiatives in recent years without additional funding? And how would you be able to proceed if Congress this year again fails to provide adequate funds for these particular purposes?

Mr. WHEELER. Thank you, Senator. Let's see if we can tick through them.

CYBERSECURITY

On the cyber front, we've made great progress, but we are only about halfway there. The Federal Information Security Management Act (FISMA) report on our cybersecurity capabilities says to us that we are about 50 percent to the goals that need to be in place. That is a major component of the money that is in this budget.

I've now forgotten your last two questions. This is what happens when you get to be this old.

Senator COONS. How would you continue to make progress, if we don't provide specific funding? And how is the average American and how is the telecom industry impacted by your current IT systems?

CHOICES TO BE MADE IF SPECIFIC IT FUNDING IS NOT PROVIDED

Mr. WHEELER. So the difficulty is, as I said, if you don't fund it, there are choices that have to be made. Are we going to invest in cyber? Are we going to invest in improving the systems that those people who rely on us expect? Or are we going to cut personnel and end up slowing down licensing processes and other activities?

We have been able to live under the cuts that have happened in the past few years by doing multiple steps. We moved out of some space, saving about \$3 million a year, which, frankly, we spent on IT. We have consolidated our field offices, which will save about \$8 million a year over coming years. It hasn't yet, because it is a phasedown, but we will save money over the future years.

We have other things that we have also done to try to live within the numbers you have given us. The difficulty is, we are down to the bone now. And, to mix metaphors, the low-hanging fruit of those kinds of activities don't exist anymore, and it is going to affect our ability to deliver services.

If we don't have the licensing system upgrade and improvement for broadcasters, we are increasing the burden on broadcasters at a time when it is managerially irresponsible to do so. If we don't have a system for tracking better now using new IT techniques, to license mobile services, I mean, shame on us.

Yes, we can limp along. We can say, "Okay, thanks. What you see is what you get, and there are going to be no improvements." I don't think that is anything that you want us to do, and it's certainly not something that the people in the agency who hold themselves to high standards want to do.

Senator COONS. Let me, if I could, move to the incentive auction, the Broadcaster Relocation Fund, for my remaining 2 minutes.

INCENTIVE AUCTION

As you described, you have just begun the first-ever incentive auction. It is a complex spectrum auction. It is probably the most complex you've under ever undertaken. There are a lot of unknowns. We won't know which stations are selling their licenses, which are staying on the air but moving to new locations, which are moving, until the auction is complete.

SPECTRUM ACT BUDGET

And the Spectrum Act, which authorized it, provided, I think, a \$1.75 billion budget to cover this. I have some questions about how the FCC plans to administer that \$1.75 billion fund to broadcasters.

If it is not enough, how will you prevent stations from going off the air? And if stations aren't able to comply with that 39-month deadline, will you extend it? And how are you communicating with broadcasters during this process?

Commissioner Pai, you have also proposed the FCC should look at that as a budget. How would you propose that be allocated to broadcasters?

If both of you would respond, that should take up the remainder of my first round.

Mr. WHEELER. Thank you, Senator.

TIMELINE AFTER THE INCENTIVE AUCTION ENDS

The clear fact is that when the gavel goes down, the auction doesn't stop. This is a major overhaul of how we use the broadcast spectrum. There has been a huge dispute with the broadcasters as to whether the timeline that we have put in place is long enough for them. They say it may take up to 10 years. We think it can be done in 39 months.

It is going to take serious resources to get to that point. And if we don't have those resources, then we won't be able to do it in 39 months.

It is also important that we recognize that we have to educate consumers. Included in our budget is outreach to consumers to say, hey, here's what is going on in your market so that you understand.

I mean, it may be that our greatest challenge in the incentive auction is not the reverse auction rebanding and reselling but it is the residuals that come behind that, in terms of how we make sure that this incredibly important broadcasting system is maintained.

Senator COONS. Thank you.

Commissioner Pai.

Mr. PAI. Senator, I would include, along with the chairman's answer, just the critical questions here are, obviously, money and time.

As to time, I think the chairman and I are in agreement that it is unclear how much time it is going to take. If it ends up taking more than 39 months, then obviously the FCC working with Congress will have to take remedial measures.

INCENTIVE AUCTION COST

In terms of money, the fact that the \$1.75 billion is all that has been allocated by Congress is critical. That is part of the reason why, 4 years ago, I proposed that we treat that amount as a budget and we structure the incentive auction accordingly, so that we didn't risk going above that amount, because the excess would have to be paid out of the broadcasters' pocket.

It is unclear how much money it is going to take. We have heard estimates that are above that amount. We have heard estimates

right around that amount. Whatever the ultimate number ends up being, it may be the case that we as well as the broadcast community will be coming back to you, depending on how things work out.

Senator BOOZMAN. Senator Moran.

Senator MORAN. Mr. Chairman, thank you very much.

Mr. Chairman, Commissioner, thank you for being here.

First of all, Commissioner Pai, let me express my gratitude to you for your comments in regard to the joint sales agreement, particularly as it affects our State. And I certainly would like to work with my colleagues on this subcommittee to fulfill the request that you made, along with those Senators who signed the letter to the chairman.

SET-TOP BOXES

Let me ask you, Commissioner Pai, about set-top boxes. The Commission's recent proposal to alter the marketplace for set-top boxes, I want to better understand your position. I think you said that it takes a 20th century approach to a 21st century problem. I certainly support consumer choice in the marketplace, but could you tell us a little bit more about your thoughts? Can you talk about the alternative, the Downloadable Security Technical Advisory Committee (DSTAC) proposal that is not being considered? And I guess if the Commission continues down the path it is on, what do you foresee occurring?

Mr. PAI. Thank you for the question, Senator, as well as for your comments about the JSA and our home State.

To be fair up front, I should clarify that my quote about the 20th century solution to 21st century problem was actually former Representative Henry Waxman, Chairman of the House Energy and Commerce Committee, who penned an op-ed, with your indulgence, I would like to enter into the record.

But my basic concern with the cable set-top box proposal is that it didn't adhere to Senator Nelson's, ranking member of the Senate Commerce Committee, admonition that the FCC should engage in an impartial, evenhanded inquiry. What he meant by that was that our Downloadable Security Technology Advisory Committee, with the delightful acronym DSTAC, came up with two different proposals.

DEVELOPMENT OF AN APP-BASED ECONOMY

One was for the agency to essentially double down on the 1990s technology of the set-top box. The other was to encourage development of more of an app-based economy because, as most consumers know, especially younger ones, apps now are much preferable to things like hardware when it comes to video consumption.

Unfortunately, the FCC took a very slanted approach to this issue. It spent dozens and dozens of pages lauding the first proposal with respect to the new set-top boxes that it wants introduced into this ecosystem and included three spare paragraphs about the other app-based approach in which it said please describe why this proposal will destroy America and harm consumers left and right.

I'm mystified by this approach, as was Congressman Waxman. For one thing, as I said, it doubles down on technology that very

few consumers seem to want. The inextricable result of these regulations, if it is successful, which I will get to in a second, is going to be that consumers will have to introduce another set-top box into their homes. Either cable operators will have to spend a lot of money redoing their network architecture, which will cost them quite a bit, or they will have to enable the introduction of a second box. Obviously, the second box is going to be cheaper.

Second, the entire proposal of the FCC delegates this question to a hodgepodge of very disparate interests—cable operators, programmers, and others. It says to them, essentially, we are going to put you in a room, and we will give you an unspecified amount of time to sort this out.

Given how disparate these interests are, I tend to doubt they are going to come to an agreement anytime soon. I've analogized it to the State Department saying we proclaim Middle East peace, and we delegate to Saudi Arabia, Israel, Jordan, and the rest of the players in the Middle East, the decision of how to get there.

Now, even if they reach a consensus, which I tend to doubt when it comes to this issue, even then, the FCC's regulations wouldn't kick in for an additional 2 years. So we are talking about 3 years or more before these regulations take effect.

Think about how long it takes, in this ecosystem, how short of a time that is. Three years ago we didn't have Google Chromecast. We didn't have the Amazon Fire TV Stick. Three years from now, there is no telling what kinds of innovations are going to bypass this 1992-era approach to regulating this marketplace.

So I would much prefer an evenhanded, market-based solution which encourages all companies to develop apps and other consumer-friendly approaches as opposed to doubling down on this very intrusive regulatory system that has produced the uncompetitive marketplace we have today.

Senator MORAN. Thank you, Commissioner.

MEXICO AND SPECTRUM ISSUES

Mr. Chairman, you and I had a conversation at this hearing, I think this hearing, not the Commerce Committee hearing, about a year ago, in regard to the southern border, Mexico, and spectrum issues.

Mr. WHEELER. Yes, sir.

Senator MORAN. My understanding, and I think it was Commissioner Rosenworcel at her confirmation hearing brought us up-to-date with the status of those efforts. I think after our conversation last year, I felt pretty comfortable that things were moving in the right direction.

You are now gathering data, including rolling approvals mentioned last year.

Mr. WHEELER. Right.

Senator MORAN. Tell me what's going on, and will we have information sooner than later, as to your success?

Mr. WHEELER. Yes. Thank you, Senator.

I think we are making great progress on it. I've met with the Mexican delegation myself, and I have spoken to counterparts in Mexico. I believe that there is goodwill on all sides to resolve this issue.

I'm pleased with the progress that has been made on this and believe it will continue.

Senator MORAN. What progress has been made?

Mr. WHEELER. So the issue is, on both sides of the border, the 800 megahertz spectrum and how you make sure that with the rebanding activities that are going on in Mexico, that they don't interfere with what is going on in the United States. And at the same point in time, we are having rebanding inside the 800 megahertz and how you coordinate all of these.

That process is a complex process. It is an ongoing process. But this is a process that I have assurances from my counterparts in Mexico that this is happening, and I have assurances from our international bureau, which is living with this issue on a day-by-day basis, that, in fact, progress is being made, and we are resolving these problems.

PRIVACY RULES FOR INTERNET SERVICE PROVIDERS

Senator MORAN. Commissioner Pai, I chair a subcommittee in the Committee on Commerce related to privacy, related to the FTC. Recently, the FCC has proposed new privacy rules for Internet service providers. I certainly have an interest in the role the FCC considers is proper for it, and what that means to the role that the FTC traditionally, historically, has played. And I worry about an uneven regulatory playing field within the Internet ecosystem.

Prior to the FCC's open Internet order, ISPs were subject to the FTC's oversight with respect to their privacy practices. Do you believe that consumer privacy rights were adequately protected during that time? What are the examples, if you don't, that they were not? And what do you think is going to occur in regard to the future of this issue of who regulates this sphere?

Mr. PAI. Thanks for the question, Senator. It is a very important issue to consumers and to regulators and lawmakers alike.

My concern with what the FCC did last week with respect to privacy is that it created a very unlevel playing field. It said we are going to single out one part of the Internet ecosystem, Internet service providers, and subject them to stringent regulation while completely ignoring everybody else in the Internet ecosystem.

Now it is critical, stepping back, to remember that this hole was dug in the first instance by the FCC's decision to reclassify all telecommunication carriers as common carriers. That took away from the FTC, which had applied uniform regulation in this area of privacy to everybody in the space. So we had to provide some guidance.

Unfortunately, the guidance we provided, as suggested by certain privacy groups like the Electronic Privacy Information Center (EPIC), is completely inadequate.

Second, I think it is also important to remember that the FCC itself has recognized that there should be a uniform expectation of privacy. As the chairman put it last November before the House Energy and Commerce Committee, consumers have "a uniform expectation of privacy" and, therefore, he predicted that the FCC "would not be regulating edge providers any differently" from Internet service providers.

The document adopted last week makes clear that that is simply not the case. When you have that kind of two-track regulation, you distort the market. You, ultimately, don't end up serving consumers, because people have a different level of privacy depending on which entity it is that they are dealing with. That's not ultimately what is good for the American consumer.

Senator MORAN. I have exceeded my time. Thank you, Mr. Chairman.

Senator BOOZMAN. Senator Lankford.

Senator LANKFORD. Thank you, Mr. Chairman.

Gentlemen, thank you for being here.

And happy birthday to you as well. I join in in not imagining something more fun than spending your 70th birthday being before this subcommittee.

So glad you are both here.

UNIVERSAL SERVICE FUND AND LIFELINE

I need to ask a general question, because I'm losing track somewhat of where we are headed long-term on the Universal Service Fund and Lifeline, in particular. I know what it was born to be. Where is it going?

LIFELINE

So help me understand the purpose of Lifeline. Is Lifeline about getting access for rural customers or for those in poverty? Is it something broader than that? Where is it going?

Mr. Chairman, do you want to take that?

Mr. WHEELER. Thank you, Senator.

If you trace the history, Lifeline started in the Reagan administration to provide to low-income Americans access to what was the typical communications mode of that era, the telephone. In the second Bush administration, that was changed to the new typical way of connecting, which was the cell phone. So what we have said is that it is broadband Internet—

Senator LANKFORD. It was my understanding that the original purpose, though, it was about emergency use, so that if somebody in a rural area or someone in an urban area wanted to have access to 911 and have access in an emergency situation, that family would have access to a phone. It wasn't just so that they could be connected to the world. It was to be connected for emergency uses.

SUBSIDY FOR CELL PHONES AND SPENDING TO ALLOW ACCESS TO BROADBAND

Mr. WHEELER. That was one of the purposes. I think it was a broad connectivity issue. I think the issue that we are dealing with today is, since the Internet is where you have to go to get a job, since the Internet is where you have to go to apply for veterans' benefits, since the Internet is the core to everything, it's what you need to do your homework, the same kind of basic need to be able to have access—so what we said is let's take the same amount of dollars, the same subsidy that is being provided for cell phones, and say, can we spend that to allow for access to broadband?

Senator LANKFORD. So let me clarify. One access point per family, is that still in the goal?

Mr. WHEELER. Yes, sir.

Senator LANKFORD. Okay, so would it be one phone, and not one phone and one broadband access?

Mr. WHEELER. Yes, sir.

Senator LANKFORD. Is that correct, per family?

Mr. WHEELER. Yes, sir.

Senator LANKFORD. Is it the assumption this will be a smart phone that is carrying a mobile phone connection for voice and then also some sort of interconnectivity? Is that the model or is it an assumption that this will be two separate pieces, that it could be a cell phone and it could also be a land-based more of hardware coming into the home?

Mr. WHEELER. The consumer can make that choice, but it will be only one.

Senator LANKFORD. It will be one per family.

Mr. WHEELER. Yes, sir.

Senator LANKFORD. Is it targeted only to those that cannot afford it?

Mr. WHEELER. Yes, sir. It is low income.

Senator LANKFORD. So is it targeted to those who are not currently using it, then? So if someone currently has a mobile phone or currently has broadband service, would they not be eligible for it, or can they switch over and get a subsidy for something they are already purchasing?

Mr. WHEELER. It is targeted to those who are on the Supplemental Nutrition Assistance Program (SNAP) and other programs, and what they have is not taken into consideration.

Senator LANKFORD. So an individual that currently has a cell phone and currently has broadband service they are paying for could, if they are also eligible, go back and get a subsidy to be able to offset the cost for that. Is that correct?

Mr. WHEELER. For \$9.25.

Senator LANKFORD. So it is \$9.50 for broadband, \$9.25—

Mr. WHEELER. \$9.25 across-the-board.

Senator LANKFORD. \$9.25 for both.

Mr. WHEELER. Right.

Senator LANKFORD. So \$9.25 for broadband, an additional \$9.25 then for the voice.

Mr. WHEELER. No.

Senator LANKFORD. Or is it \$9.25 for both?

Mr. WHEELER. Cold turkey.

Senator LANKFORD. So you either get the broadband \$9.25 or you get the voice \$9.25?

Mr. WHEELER. Yes, sir.

Senator LANKFORD. Okay. So it is a \$9.25 subsidy that comes in one time per family.

TRIBAL SURCHARGE

Is that the same for a tribal member? Let's talk about the functioning of that.

Mr. WHEELER. No. When the changes to wireless were made in the Bush administration, there was put in place a tribal surcharge

of \$25 per month, the rationale being that there needed to be infrastructure buildout, and that this would be used to encourage infrastructure buildout.

SERVICE PROVIDERS BUYING WHOLESALE MINUTES AND RESELLING THEM

The reality that happened was there was no additional infrastructure buildout, that the people who began to take advantage of this program in terms of service providers were those who were buying wholesale minutes, reselling them, and getting \$34 a month instead of \$9 a month. That is one of the things that we have to change in this comprehensive rule.

ENCOURAGING THE BUILDOUT ON TRIBAL LANDS

Now, there has been a proposal. Commissioner Pai put forward a proposal that we had to do it in the Lifeline order itself. But as I indicated earlier, what we want to be able to do is not to have a system that penalizes individuals on tribal lands, but to have a coordinated policy that adjusts all of the economic factors to encourage the buildout on tribal lands. That means that we have to have this overall program.

Senator LANKFORD. Is it access for tribal members or is it access for anyone who is on tribal lands?

Mr. WHEELER. It is on tribal lands.

Senator LANKFORD. So let's talk about my great State of Oklahoma.

Mr. WHEELER. Yes, sir.

STATE OF OKLAHOMA AND NON-RESERVATION STATE

Senator LANKFORD. As you know, the FCC has had a little bit of a struggle with my State, because we are a non-reservation State. About two-thirds of the State is historic tribal area.

There was a map that was released last year that was about an 1890 map that was released saying this is the historic area, and it was later changed to add more to it.

STATE OF OKLAHOMA AND HISTORIC TRIBAL LANDS

The challenge that happens in my State as well is that two-thirds of the State property itself is historic tribal lands. So we currently have a situation where nontribal members in Tulsa are paid \$34 and nontribal members in Topeka are paid \$9.

And I'm still trying to figure out the purpose here. Is the purpose here to try to target toward tribal members or just tribal lands or where there has been tribal lands?

Mr. WHEELER. So the situation you point out we are painfully aware of. We tried to make some changes in redrawing the map last June. We were taken to court again, reinforcing how a piecemeal solution is not the solution, which is why I have been saying we need this overall approach.

PROVIDING SUPPORT TO TRIBAL MEMBERS AND ENCOURAGING THE
CONSTRUCTION OF INFRASTRUCTURE ON TRIBAL LANDS

The goal is twofold: one, to provide support to tribal members by, two, encouraging the construction of infrastructure on tribal lands. By this, I mean real tribal lands, not 1890s maps.

Senator LANKFORD. So what are you looking at as an alternative at this point?

Mr. WHEELER. So we have started rulemaking that is going to try to get into the details. I mean, as this colloquy indicates, this is an issue that you have to get very granular into, and you have to get very detailed into, and you have to get very macro in how you put all the pieces together.

So we are going to start a rulemaking on that, and I hope that we will finish it this year.

STATE OF OKLAHOMA LIFELINE CUSTOMERS

Senator LANKFORD. This will be something I will stick around for another round and we'll get a chance to talk through. This is the reason that Oklahoma has 10 times as many Lifeline customers as Oregon does—

Mr. WHEELER. Yes, sir.

Senator LANKFORD [continuing]. For similar-sized State, because a formula has been created that is a rush to get into my State for the increased usage there, which obviously there are folks in my State that are enjoying the free cell phone. It is not a subsidized piece, because, for them, it pays the entire bill.

But it is a wasteful issue for the Federal Government and for the taxpayers, and there's no reason folks in Topeka should pay for the folks in Tulsa and their full cell phone coverage just because they live in that historic area.

Mr. WHEELER. We are in violent agreement on that.

Senator LANKFORD. We will finish talking this through in a moment then.

I yield back.

Senator BOOZMAN. Senator Coons.

Senator COONS. Thank you, Chairman Boozman. Thank you for your understanding of that multiple committees that a number of us end up being responsible for in our hearings.

SET-TOP BOXES

Let me just continue a line of questioning that was started. I would be interested, Chairman Wheeler, in your answer about set-top boxes. Commissioner Pai had an opportunity to address the FCC's recent proposal to unlock set-top boxes. While it may achieve some savings for consumers, which is of interest, I'm also concerned about copyright protections.

If you would just speak to whether, in your view, the proposal would alter or affect in any way copyright protections?

Mr. WHEELER. Thank you very much, Senator.

Congress was very clear to us in the Telecom Act, saying that there shall be—not “may,” “there shall”—that the Commission shall ensure that there are competitive choices for consumers in

navigation devices. And “devices” in our world is both hardware and software.

And the reality is that 99 percent of cable and satellite subscribers today do not have those choices. Congress was clear. You have to have choices.

So then Congress came back and said we want you to put the DSTAC committee together that Commissioner Pai was talking about and advise on that.

SET-TOP BOXES AND ALTERNATIVE DEVICES OR APPS

So what our proposal is, is to open up the process so that there are alternative devices or apps that can be used by consumers, so they don’t have to keep paying the same monthly fee month after month after month after month, even after the cost of the box has been retired. You can buy it for \$50 at Best Buy, something that you get charged \$10 a month for the rest of your life by your cable operator.

PROTECTING COPYRIGHT

So how you do that and make sure that, for instance, to your point about protecting copyright, is really important. And technology has moved us along so that there are hundreds of millions of devices out there today, from smart TVs to iPhones to smart phones to tablets that are streaming video that are protecting the content. There are services out there like Hulu that are streaming the video to those devices, protecting the content, protecting the advertising, and all of those components.

What we did in our rulemaking is to say that, and this is in two specific paragraphs, paragraph 17 and paragraph 71, where we say that you cannot do anything, that this independent device cannot do anything to affect the content stream. That means infringing on copyright, overlaying ads, all of these other kinds of things.

In fact, the language that we chose to accomplish that is taken directly from the language that the cable industry’s cable card uses today, their license agreement, to accomplish the same thing.

But this is a notice of proposed rulemaking. The reason you put out that kind of specificity is to say, okay, tell me where this isn’t sufficient. So if there are ways that this isn’t sufficient, we’re interested and we want to fix it.

Senator COONS. Thank you for the response, and I look forward to working with you and other members of the subcommittee and Commission to ensure intellectual property continues to be respected.

LEVERAGING DATA ACROSS MULTIPLE FEDERAL AGENCIES TO REDUCE IMPROPER PAYMENT

My last quick question, if I might, in the USF enforcement and fraud prevention areas, is the FCC planning to utilize the Treasury’s Do Not Pay Center, which leverages data across multiple Federal agencies to reduce improper payment?

Mr. WHEELER. Senator, I’m not sure about that specific program. What I to know is that the Office of Management and Budget

(OMB) has a program that utilizes big data to try and identify where it is. That has been included in this proposal.

Senator COONS. Thank you. Thank you both for your testimony. Thank you for accommodating.

Senator BOOZMAN. Thank you, Senator Coons.

JOINT SALES AGREEMENTS

Commissioner Wheeler, the 2015 and 2016 omnibus included provisions that ordered the FCC to grandfather existing joint sales agreements for 10 years. Since the enactment of the omnibus, the FCC has claimed that past precedents allow the agency to utilize its merger review authority to force companies to get rid of JSAs.

You and your staff knew clearly the intention of Congress. Your staff helped craft, working with us, the language and provided technical assistance.

Given the strong bipartisan support and Congress' clear intent, why are you ignoring these provisions and instead relying on past precedents at the agency to supersede this law?

Mr. WHEELER. Thank you for asking that question, Senator, because I take this incredibly seriously.

Senator BOOZMAN. You should.

Mr. WHEELER. I do not concur with suggestions that that we were somehow trying to ignore the interest of Congress, if I may explain.

When a license transfer is sold, it takes on a new owner and becomes a new license. All of our precedents in broadcast television and radio have always held that.

I was concerned about this, so I went to the language that you all enacted last year.

Senator BOOZMAN. That we worked on with your staff to write.

Mr. WHEELER. And it says a party to a joint sales agreement that was in effect on March 31, et cetera, et cetera, shall not be considered to be in violation of the ownership limitations.

When a sale takes place, that party goes away and a new party comes in. As I say, that has been the precedent of the agency across-the-board. That was our interpretation of what this intent was here.

Senator BOOZMAN. Well, we are the ones that crafted the bill, so I can tell you what our intent was, and it is not as you perceive it.

Mr. WHEELER. And we have heard that now.

Senator BOOZMAN. So I guess the question not for you but a question for ourselves is, as a subcommittee, why should we provide you more resources, if you're not going to follow the laws that we write and expect to be followed?

Commissioner Pai, in your opinion, how should the Commission treat JSAs?

Mr. PAI. Senator, I think, as you put it, we should simply follow the law.

This was no secret. After the FCC decided to retroactively ban these agreements in the spring of 2014, Senator Mikulski, Senator Blunt, and others wrote to us and said, look, we want you to grandfather existing JSAs, JSAs the FCC staff had previously blessed. The agency refused to take heed of that.

So as you observed, Congress passed overwhelmingly this appropriations language. The language is exceedingly clear. Even if that language were not clear, if there was some wiggle room, it's pretty obvious what Congress' intent was.

Nonetheless, the agency is now coming up with these precedents, which don't, I don't believe, apply, given the face of this clear language. I would also point out that the agency has previously said that some of these JSAs would remain in existence.

Again, I quote from the House Appropriations hearing from a couple years ago. "There is nothing in what we were doing that would make that go away."

Now that's clearly not the case, so that is part of the reason why I agree with Senator Durbin, Senator Schumer, you, and many others who signed this letter, who said Congress' clear intent to preserve JSAs that were lawfully executed prior to the FCC's 2014 rule changes has to be respected. The only way at this point for the FCC to respect it is for you to make it exceedingly clear, notwithstanding any other provision of law or any FCC precedent, existing JSAs as of May 2014 shall be respected.

I'd be more than happy to work with your staff, if you feel it appropriate, to come up with language that won't give the FCC any arbitrary wiggle room in the future.

Senator BOOZMAN. We appreciate that. But it is sad that we have to do that.

REGULATION OF BROADBAND RATES

Chairman Wheeler, you have said repeatedly that there should be no regulation of broadband rates. At last year's hearing, you clearly stated that you had no problem if Congress enacted an appropriations rider that prevented you from doing so. Yet during the omnibus negotiations, you and the administration lobbied hard to kill the rider.

Why are you stating one position publicly then working behind closed doors to push for the opposite?

Mr. WHEELER. Thank you, Mr. Chairman. I don't believe that was the reality.

Again, this is something that is very serious, so I went to the record from last year's hearing and the colloquy that you and I had. And you said, would you have objection to Congress prohibiting the FCC from spending money on rate charges? To which I replied, as you know, we forbore from a lot of sections in title II. There has been a concern raised, well, okay, you know this Commission will stay out of that, but what about the next Commission, if Congress wants to come along and say that is off the table, the de-forbearing, then I'm all for it.

RATE REGULATION VERSUS CAN THE FCC DE-FORBEAR

So the difficulty is that the discussion moved from the question of prohibiting de-forbearing to the broad issue of should there be rate regulation. And if the issue is, does the FCC have rate regulation versus can the FCC de-forbear, then all of a sudden you're gutting the open Internet order, you're gutting the FCC's ability to deal with other issues on an ex-post basis, as opposed to ex-ante,

which is what we were talking about earlier, because at the heart of everything are rates.

So paid prioritization is a rate issue. Throttling is a rate issue. Blocking is a rate issue. Interconnection is a rate issue. The kind of terms that AT&T agreed to in its merger with DirecTV (DTV) not to use its ability to harm those using its network is a rate issue—not to discriminate, that is the word I was looking for, is a rate issue.

So I look forward to continuing to work with you. We can find legislation that says, no, you may not de-forbear, but that is different from the broader rate issue this seems to have morphed into.

Senator BOOZMAN. Sadly, this is like the last bill that we were talking about, the last regulation. You knew my intent during that testimony. I asked you clearly if you would support, not block, whatever, our intent of going forward with putting that rider in the appropriations.

It didn't get in there. You worked very hard to keep it out. Commissioner Pai, can you comment?

REGULATING BROADBAND INTERNET ACCESS RATES

Mr. PAI. Mr. Chairman, this is pretty simple. The President said he doesn't want the FCC regulating broadband Internet access rates. The chairman has said he doesn't want the FCC regulating ex-ante broadband Internet access rates. This legislation does nothing more than codify this promise.

And it is unfortunate, as you pointed out, that while making the promise before the cameras, nonetheless behind the scenes, apparently, according to you and others, the FCC has not been willing to work with you to come up with a simple codification of what the FCC has promised to Congress.

Second, all of the argument about ex-ante versus ex-post, it is critical to remember a couple weeks ago, as I pointed out in my opening statement, the chairman said he does want the FCC to have the authority and, in fact, that it does have the authority to engage in ex-post rate regulation.

However, ex-post only applies the first time you make a decision. Once you say, okay, we decide after the fact that this rate is unreasonable, going forward then you effectively do have ex-ante rate regulation. That is part of the reason why it is important for Congress to speak with a unified voice here to make sure that, look, whatever the demerits of Title II, and there are plenty, nonetheless, we should all be able to agree with what the President said, which is that the FCC should not be in this business.

That is why I think it is important for Congress to speak. And hopefully, this year, it will get into the final package.

Senator BOOZMAN. Thank you.

Senator Moran.

Senator MORAN. Thank you, Mr. Chairman.

RURAL CALL COMPLETION

Let me visit a moment about rural call completion. I know that the FCC is attempting to address this problem. The FCC instituted a declaratory ruling, and began requiring quarterly reporting of call completion data. When Commissioner Rosenworcel testified be-

fore the Commerce Committee last fall for her renomination, she said that the FCC had begun to receive those reports.

What can you tell us about the initial data? And when will the FCC report or share those results?

Mr. WHEELER. Thank you, Senator.

I think the good news is that what we are seeing is a decline in the problem. There has been about a 30 percent decrease in the rural call completion complaints. That does not mean the issue has gone away.

We are collecting the data, and what the data is suggesting are two things. One, there have been some instances where it has been necessary for us to take enforcement action. Secondly is that the intercarrier compensation plan, which the Commission set up and is now on a declining basis gradually disappearing, has been creating the regulatory arbitrage which encouraged this in the first place. Fortunately, that is going away.

We have not crossed over to the zero rural call completion problem solution, but I think that we are making some serious progress toward it, both in enforcement and the realities of the economics.

Senator MORAN. When will the FCC report or share the data?

Mr. WHEELER. I will get you an answer. I don't know the answer on that specifically, so I will get that for you.

Senator MORAN. Anything, Commissioner Pai?

Mr. PAI. On that question, no.

EDGE PROVIDERS

Senator MORAN. All right. And then let me ask the chairman, then, following up on this privacy issue, and the jurisdiction between the FCC and the Federal Trade Commission (FTC), although edge providers are not currently regulated by the FCC, can they soon expect to be?

Mr. WHEELER. No, sir.

Senator MORAN. Mr. Chairman, thank you.

Senator BOOZMAN. Senator Lankford.

Senator LANKFORD. Thank you.

LIFELINE

I want to continue this conversation about Lifeline, and we are headed on it.

Commissioner Pai did not get a chance to address some of those issues on Lifeline. The purpose, the direction, where is this going in the days ahead, based on the history of it, where we are now, where it looks like we are headed?

Mr. PAI. Excellent questions all, Senator.

I think the very name of the program bespeaks the original purpose, which, as you pointed out, was to provide a lifeline to low-income and other individuals who otherwise would not be able to access things like emergency personnel in a moment of need.

Unfortunately, as to where the program is going, I am not optimistic. Last week, on a very divisive party-line vote, the FCC forced through a number of reforms that are going to expand the fiscal irresponsibility of this program and will not otherwise deliver digital opportunity to people who actually need it.

A couple different points, if I might, with respect to the issues you discussed previously with the chairman.

LIMITING LIFELINE SUBSIDIES

First of all, Commissioner O'Rielly and I had reached an agreement with Commissioner Clyburn on a bipartisan deal, which would have solved the problem for Oklahoma and other areas. Specifically, I proposed that we limit Lifeline subsidies—the tribal subsidy, the \$25 extra subsidy—to areas with 50 people per square mile or less. That would be the people in Tulsa and Reno, Nevada, and suburban areas like Chandler, Arizona, who were not members of a tribe, would not be getting the tribal subsidy. That didn't seem to be too much to ask.

Unfortunately, the chairman's office at the last minute scuttled that deal, which otherwise would have put the program on a much more fiscally sound footing.

It is important to remember that that formula that I proposed would have saved the Lifeline program approximately \$100 million. Each of those dollars could've then been delivered to people who really needed the help in order to get online.

Senator LANKFORD. So in that formula, you had to be either a tribal member or to be in a tribal area that had a population of 50 per persons or less per square mile?

Mr. PAI. It would be the latter. Yes, if you are in an area with 50 people or less per square mile.

Senator LANKFORD. So if you're in highly populated tribal area and a tribal member, you still wouldn't have access to it?

Mr. PAI. Correct, because then, almost by definition, you would have enough of a critical mass of people to support more broadband options than you otherwise would have in more remote areas.

TAKING AUTHORITY AWAY FROM THE STATE COMMISSIONS

The second critical thing to remember is that the FCC took away from State Commissions, like the Oklahoma State Commission, the ability to police the fund. It took away, under section 214(e), the State Commissions' ability to certify what is called an eligible telecommunications carrier, ETC.

Every member of the Oklahoma delegation, as you might know, wrote to the FCC on March 25 and said, look, don't do this, because we are the vanguard when it comes to policing waste, fraud, and abuse in the system. By yanking authority from the State like Oklahoma or others that have been forward-thinking, we are just inviting more waste, fraud, and abuse.

LIFELINE ELIGIBLE INDIVIDUALS

Senator LANKFORD. So that begs the question. Is there a list somewhere, then, that gets pulled from, because that has been the challenge all along? Is there a list or is there a proposal for a list from the FCC that these are the eligible individuals for the Lifeline program?

Mr. PAI. As far as I know, there's not. That is going to be an ad hoc process going forward.

Senator LANKFORD. So the same thing as it has been, if you can show up with a piece of paper, to be able to show that.

Mr. Chairman.

Mr. WHEELER. Thank you, sir.

VERIFICATION OF ELIGIBILITY FOR THE LIFELINE PROGRAM

What we are putting in place for the first time—and the difficulty with the way the program was designed in the first place was exactly what you said. You show up and you submit to the party who is about to make money off of it and says, trust me. And then we were supposed to say we will trust you, to the person who is about to make money. It required a suspension of disbelief. That was something that we inherited from the previous administration.

What we have done is first to put in place a duplication database, to go to your point from previously, one per household. And secondly, in this new order that we adopted last week, no more fox guarding the hen house. You don't self-certify anymore.

Senator LANKFORD. So is there a—

ELIGIBILITY VERIFIER PROGRAM

Mr. WHEELER. And two, to put in place a national eligibility verifier program.

So what we build is a database program that dips into the SNAP database, the Medicaid database, the HUD database, et cetera, to find out if the Lankford household is eligible. Only then may somebody move ahead.

So we have centralized and ensured responsibility.

Senator LANKFORD. So then every provider has access to that, not only someone from this database—and they would know, if someone begins to sign up, are they eligible from this master database. I assume they are pinging FCC or some other location to get that.

Mr. WHEELER. Correct.

Senator LANKFORD. And then they are also able to determine another provider is not already giving them service, because that was the double dipping.

Mr. WHEELER. Correct.

Senator LANKFORD. So they know if you are AT&T or Sprint or T-Mobile, whatever it may be, "I'm sorry. You already have a T-Mobile phone in this one, and we are AT&T." Is that correct?

Mr. WHEELER. Yes, sir.

Senator LANKFORD. And from that list, then you are saying that you cannot get more than one per household, because I know there's been a lot of conversation about multiple households. If there is a misspelling, if you do "Dr." one time and "Drive" in another one for your address, you end up with two per household.

What is the maximum per household right now, because it has been one per family and that seems to be loosely defined where there could be multiple in household?

Mr. WHEELER. You're absolutely right. The difficulty was because if you are in self-certification, somebody comes in and say they are "R. Smith" and somebody comes in and says they are "Ralph Smith," and it becomes two different people.

We have eliminated that opportunity in this and made sure that, first of all, Ralph Smith is qualified, and second, there is nobody else at Ralph Smith's address who is getting this.

Senator LANKFORD. Do the providers have access to this database?

Mr. WHEELER. Yes.

Senator LANKFORD. Or do they have access if someone comes in and makes the request? How does that happen? Does it go to you and they give an address, and they just send it to you and you're checking the database? Or do providers have access?

Mr. WHEELER. Someone comes forward and says I would like to participate. The first question is, let me find out if you're eligible, and you ping the database. Then that answers the question as to whether or not—

Senator LANKFORD. Can individuals also ping that database or just providers?

Mr. WHEELER. No, sir.

Senator LANKFORD. Because my question is, how do providers not send out a notification to individual subscribers and say, hey, if you want an additional service, we could ask at XYZ service, and by the way, you also are eligible for this \$9.25 additional, so it will really be free to you. So if you sign up for this, then we will also add this. And the provider gets an extra \$9.25, because there are people that are not currently taking it that are paying their bill.

Mr. WHEELER. That is not the goal, and I would—

Senator LANKFORD. I am aware it is not the goal. I'm trying to—

Mr. WHEELER. No. And I would look forward to coming back and working with you to make sure that that doesn't happen.

Senator LANKFORD. That is something we're going to have to work on long term.

Mr. Pai, thoughts or questions?

Mr. PAI. A couple points, Senator.

NATIONAL ELIGIBILITY DATABASE

First, this is old news. In 2012, the FCC said that there would be a national eligibility database. In 2013, that didn't happen. The FCC fell down on the job. I'm afraid that this time around, I wouldn't be all that much more optimistic.

Senator LANKFORD. Does the database exist right now? Or is it something in future planning?

Mr. PAI. I'm not sure exactly what the majority has in mind, but that database as described does not exist currently.

There is a database that currently carriers can override, and that is part of the reason why we are seeing some carriers now simply bypassing it, rejecting the "no" answer they get from it in order to sign up customers.

One quick point, if I might, Senator. This entire enterprise we are talking about, you might be surprised to know, doesn't support broadband. The FCC explicitly rejected my bipartisan agreement which would have said, look, in 2015, the FCC told us that broadband was 25 megabits per second connectivity. So I said, well, that is what people should get, wired connection of 25 megabits per second, 4G LTE for wireless. The FCC explicitly rejected that.

It seems to me that if, as the chairman said a year ago, 25 megabits per second connection has become “table stakes in 21st century communications,” poor Americans deserve just as much digital opportunity as anybody else.

FREE SERVICE OR A SUBSIDY SERVICE

Senator LANKFORD. So one of the big questions here also goes back to, is this a free service or is this a subsidy? And where are we headed for this? Is this a free service that is being provided to people or a subsidy so that they can get access?

Mr. PAI. I certainly have no optimism that the FCC is not going to go all the way to a full subsidy. It is traditionally supposed to be a partial subsidy to exempt some of the cost.

Senator LANKFORD. Right.

Chairman Wheeler, you and I talked about this last year as well. Is this a free service or a subsidy service?

Mr. WHEELER. Thank you, sir.

I think what you’re going to see is you’re going to see a series of options for consumers. It could include free. Whether it will include free—

Senator LANKFORD. Broadband or phone or either one?

Mr. WHEELER. I don’t know because of the pricing that the carriers will have to decide. Whether they can provide broadband service at \$9.25 a month for free is an issue that will have to be resolved. But I think that there will be layers.

Senator LANKFORD. Right.

Mr. WHEELER. I’m sure that the free, voice only, which exists today, will be out there.

Senator LANKFORD. Right. Because my concern on this is that the pilot program that FCC did, 14 different areas, if I remember this correctly, plus Puerto Rico, and they determined, where it was free, they had wide usage. Where it was \$20 and people were getting \$9.25, no one signed up. Where it was something less than that, they would sign up for a while, and then they would drop out.

So basically, people are signing up, if it was free. And if it wasn’t free, they weren’t signing up.

So is it an expectation of something different? This goes back to the question the chairman was pressing on as well. You seem to be leaning in toward we need to have more ability to be able to control the price of broadband. At the same time, we are leaning in toward providing a subsidy for broadband, knowing that the only people who are really going to take the Lifeline subsidy are those who are completely subsidized. The concern is that there is going to be an equal push here to say to providers, we are going to set the price for you. Otherwise, the Federal taxpayer is going to have to pay for more for USF to be able to cover more people, because we really have to get it for free.

Tell me where I’m wrong.

Mr. WHEELER. So I think what we are trying to say, sir, is that here is \$9.25, and we believe that the market will offer services in different types of equipment, different types of throughput, different types of data caps, et cetera, that will have multiple choices.

So we have to walk away from the old Lifeline concept, which was a black dial telephone or a cell phone where we will dictate,

and go to the concept of the market determining both what carriers will offer and what consumers will choose. And I don't know the answer to that.

BROADBAND DELIVERED TO HOMES

Senator LANKFORD. The concern really is that once we get into broadband delivered to a home at \$9.25, there is a computer that has to be attached to that, there's a router that has to be attached to that, there is virus software that has to be attached to that, there are updates that have to be attached to that. There is a whole series of things there. Or you are talking about \$9.25 for a smart phone, which is obviously not going to cover the cost of the voice and of the data that is coming into it as well.

This increasing complexity seems to come up of what else has to be attached to it to be able to make work. And it seems like the budget caps are being hedged here at the \$2 billion, that it could go more than that. We have already, in the last 10 years, doubled the USF.

I'm trying to figure out, for every other paying consumer that pays full price for all these things, how far their taxes are going to go up on this USF tax to offset the tremendous needs over here, once you start stepping into this.

This is no longer about reaching out for emergency services. This is so you can do your homework and so you can do job applications and so you can watch cat videos on YouTube. This opens up a wide variety of things here, and I'm trying to figure out exactly where this is going and how far it goes.

Mr. WHEELER. What we are trying to do is not be overly intrusive into dictating how the market works, other than to put caps on so that it is going to be hard to watch a cat video, because we want there to be uses that are for homework, are for finding jobs.

So there will be 500 megabits, a gig, and 2 gigs as the top of the whole thing. For a couple gigs, you're going to have a hard time watching cat videos.

Senator LANKFORD. Mr. Chairman, I am way over time. I apologize for that.

Senator BOOZMAN. Thank you for a good line of questioning, Senator Lankford.

We do appreciate you being here, Chairman Wheeler, Commissioner Pai.

We also wish you a very, very happy birthday for the rest of the day.

We appreciate our staffs working so hard, my staff and Senator Coons' staff, in setting all this up.

ADDITIONAL COMMITTEE QUESTIONS

If there are no further questions, the hearing record will remain open until next Tuesday, April 12, at noon, for subcommittee members to submit any statements or questions to the witnesses for the record.

[The following questions were not asked at the hearing, but were submitted to the Commission for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. TOM WHEELER

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

Question. The upcoming broadcast auction will be a complex undertaking, and many believe the 39-month window for implementation will prove difficult to meet. How is the FCC planning to meet this challenge, and what are your thoughts regarding recent calls for the FCC to utilize a third party to serve as transition administrator? How can we be confident the Commission will devote adequate resources to implementation?

Answer. Like the auction itself, the transition will be an inter-disciplinary effort that involves multiple bureaus and offices within the Commission. Accordingly, we have marshalled all available resources and highly skilled personnel to support our intra-agency Incentive Auction Task Force as it follows through with this essential process. We recently appointed a highly qualified Deputy Chair for Transition to the task force to specifically focus on planning for and implementing the post-auction transition. In this role, she will ensure that the transition has the attention and cross-bureau coordination it requires.

We believe that a 39-month transition period is sufficient for stations to apply for a construction permit (3 months) and move to their new channels (36-month Construction Period), while also enabling forward auction winners to get access to their newly acquired spectrum as quickly as possible, thus ensuring a successful incentive auction.

The Commission has created a framework that gives stations every opportunity to remain on the air, even if time runs short due to unforeseen circumstances. To assist stations, the Commission will permit 6-month extensions for stations that, for reasons beyond their control, cannot complete the modifications to their facilities during their construction period.

Additionally, special temporary authority may be granted to operate on a new channel using a temporary facility while they complete their tower modifications. Eligible broadcasters can also request special temporary authority to operate on a channel in the TV band that is available because it was relinquished by a winning bidder in the auction.

The Commission is also committed to establishing fair and efficient process for reimbursing broadcasters' relocation costs. As part of that process, the FCC commissioned the Widely Report to more fully understand the types of costs that would be required, and the magnitude of those costs, to help make efficient use of the Broadcaster Relocation Fund.

The Commission's Media Bureau adopted a catalog of expenses as guidance, which will serve as a means of facilitating the process of being reimbursed by setting forth categories of expenses. The Commission also plans to engage a reimbursement administrator to facilitate the disbursement of funds. It recently solicited proposals for this position and will shortly announce the selection of the administrator.

The Incentive Auction Task Force is developing a transition schedule that will maximize the efficiency of this transition and minimize service disruptions. The Commission recognizes that many different variables are at play that will affect when an individual station can successfully transition, including weather and seasonal issues, daisy chains and interference issues, and availability of equipment and crews. We will take into account how many stations actually need to be repacked, and the specific characteristics of each, in determining the repacking schedule.

The Commission continues to work closely with broadcasters to obtain important input from the industry on planning a successful transition, taking into account all of those different variables. We have also continue to have discussions with representatives of the wireless industry, who obviously have a stake in an efficient transition process. We anticipate further interaction with all affected stakeholders as we develop, refine and ultimately implement this transition plan.

Question. The ability of financial institutions to communicate with consumers about pertinent account information can help prevent identity theft and stolen data, and give consumers the chance to receive other important information about their account. Yet, because of some of the conditions that must be met under the FCC's recent Omnibus TCPA Ruling to make these important calls, it is difficult for financial institutions to have assurances that they are not in violation of some technicality when making them.

What is the FCC doing to address these concerns voiced by financial institutions since the ruling?

Answer. The Commission gave full consideration to the impact its ruling would have on all petitioners, including businesses of all sizes. Consistent with our rules, the Commission sought public comment on all of the petitions addressed in the 2015

Declaratory Ruling. Based on this record, the Commission granted relief to some businesses, including a petitioner who provided time-sensitive healthcare robocall alerts. Where the Commission denied relief, based on the statute and Commission precedent, the ruling nevertheless provided clarity and a roadmap for compliance.

The Commission specifically considered the concerns of the American Bankers Association (ABA) in its Declaratory Ruling. ABA filed a Petition seeking an exemption for four types of financial-related calls: (1) potential fraud or identity theft, (2) data security breaches, (3) steps to take to prevent identity theft following a data breach; and (4) money transfers. The Commission granted ABA relief on all four types of messages, subject to certain conditions, including that they be free to the recipient.

I am committed to enforcing the TCPA, which is designed to protect consumers from unwanted calls and texts. Consumers value their privacy, regardless of whether unwanted efforts to reach them target their home landlines or wireless phones. At the same time, the Commission in the Omnibus decision provided relief where it found consumers would welcome the messages and the law gives us flexibility.

Question. Do you think it was Congress' intent when enacting the TCPA to limit communications between financial institutions and their customers and members?

Answer. Congress tasked the Commission with enforcing the law and expressly empowered consumers with a private right of action. The Commission understands the legitimate needs of businesses to communicate with their customers, but it is important that we strike the appropriate balance that protects the needs of consumers. Accordingly, we believe we have struck the right balance between consumer privacy and businesses' need to communicate with consumers.

Question. The FCC recently released details of a draft rule to exempt autodialer calls to collect Federal debt from Telephone Consumer Protection Act (TCPA) restrictions.

Has the FCC considered whether such changes are also appropriate for collecting debts owed to federally insured financial institutions, like credit unions and banks?

Answer. Section 301 of the Bipartisan Budget Act of 2015, which amends the codified Telephone Consumer Protection Act, creates an exception to the TCPA's prior express consent requirement for automated calls to cellular or residential telephones for the purpose of collecting debts owed to or guaranteed by the United States.

As with any legislation enacted by Congress, we followed the statutory requirements and initiated a rulemaking procedure to comply with our legal mandate. We will consider all issues raised in the record in response to our NPRM as we move forward to implement the Congressionally mandated exemption.

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER A. COONS

UNIVERSAL SERVICE FUND PROGRAM EFFICIENCY

Question. How would the additional funds requested in the budget for Universal Service Fund (USF) Enforcement be used to help reduce improper payments?

Answer. As noted in the Commission's fiscal year 2017 budget request, we have determined that the USF program would benefit from the implementation of technology to identify, detect, and prevent improper payments before they have an opportunity to occur. By applying "predictive analytics" to USF claims to identify abnormal or suspicious patterns prior to payments going out, we can better limit improper payments and increase the effectiveness of our efforts to detect and prevent fraud.

To achieve this goal, we would acquire and implement data mining technology to apply predictive models to the highest risks in the USF program. If the FCC successfully integrates this tool into the USF claims process, we would increase the effectiveness of our limited enforcement resources by detecting patterns of non-compliance with FCC rules in the program.

Using this analysis, our staff would also increase the flow of actionable information to Commission enforcement partners such as the Office of Inspector General and Department of Justice. Finally, over time, the cost of this system would yield a significant return on investment in terms of decreased improper payments, making more funds available for the purposes that the USF programs are intended to serve.

Question. Please explain the roles of FCC and Universal Service Administrative Company (USAC) in enforcement and fraud reduction for USF Programs. What is the responsibility of each entity, and how do the two organizations work together on this topic?

Answer. The Commission's Enforcement Bureau (EB) serves as the FCC's lead for investigating potential violations of the FCC's rules and recommending penalties for wrongdoers as necessary. The Enforcement Bureau has focused significant attention on USF-related matters. When conducting its investigations of USF matters, EB utilizes the legal expertise of the Wireline Competition Bureau and Office of General Counsel as well as operational support from the Office of Managing Director. The FCC's Office of Inspector General conducts its own audits of USF beneficiaries and coordinates with the Department of Justice when it finds any potential criminal behavior.

The FCC has a longstanding relationship with USAC going back almost 20 years. The FCC has worked to continually learn from its experiences with USF implementation and its relationship with USAC to strengthen the controls over USF beneficiary payments. More specifically, the FCC previously directed USAC to develop two separate programs, the Beneficiary and Contributor Audit Program (BCAP) and Payment Quality Assurance (PQA) program to help reduce fraud, waste, and abuse in the program. BCAP is designed to measure rates of program compliance among universal service beneficiaries and contributors. In administering the BCAP, USAC utilizes audit approaches tailored to both the distinctive features of the participant's organization and the specific amounts of money being audited.

The PQA Program compliments the BCAP program. Under the PQA program, USAC assesses specific payments made to select beneficiaries in all four USF programs to determine if these payments were made in accordance with FCC rules. Both the BCAP and PQA are useful in deterring those who would attempt to violate the FCC's rules related to USF. BCAP and PQA raise awareness among USF program participants that oversight is ongoing and that they may be selected for an audit or subject to a payment review.

Finally, the information derived from the BCAP and PQA programs provides useful information for both our EB and OIG. Pursuant to the FCC's "Memorandum of Understanding" with USAC, the staff at USAC are directed to provide any information about potential wrongdoing to EB and the OIG and to cooperate with the FCC as it conducts follow up investigations.

Question. What else is the FCC doing to reduce waste in each USF program?

Answer. Despite a lack of additional funds to increase our enforcement focus and modernize our related IT resources, the FCC has taken a number of affirmative actions to reduce waste, fraud and abuse of all USF programs; to hold accountable those found to be in violation of Commission rules; and to stem improper payments, not all of which rise to the level of fraud.

First, we initiated the USF Strike Force within EB to focus on these issues, perform cross-agency investigations, and work with law enforcement and our OIG to better coordinate and harmonize efforts. In fiscal year 2016, the Strike Force has already taken action in two significant cases:

—*E-rate Settlement.* In December 2015, the Bureau, led by the USF Strike Force, reached a settlement with the New York City Department of Education (NYC DOE), the Nation's largest school district, regarding allegations of competitive bidding violations stemming from NYC DOE's involvement in the USF E-rate Program. The NYC DOE settlement was the largest resolution of a USF E-rate Program investigation in the FCC's history. As part of the consent decree, NYC DOE paid a \$3 million fine, relinquished claims to its then-pending requests for USF E-rate funds, and was required to appoint an independent compliance monitor.

—*Lifeline Rule Violations.* In April 2016, the Commission issued an NAL against Total Call Mobile, Inc., proposing a forfeiture of over \$51 million for violations of the FCC's Lifeline rules related to systemic and egregious misconduct by sales agents that resulted in the enrollment of tens of thousands of duplicate and ineligible consumers. The investigation was led by the USF Strike Force and represented the largest proposed fine in the history of the Lifeline program.

The NAL also ordered Total Call Mobile, Inc., to explain the following: (1) why the Commission should not order USAC to suspend all of the company's Lifeline reimbursements; (2) why the Commission should not revoke approval of the company's eligible telecommunications carrier (ETC) compliance plan; and (3) why the Commission should not initiate proceedings to revoke the company's Commission-approved authorizations.

Last year, the Bureau also settled a Lifeline investigation with AT&T and SNET. In that case, AT&T and SNET agreed to pay \$10.9 million in penalties for over-billing the FCC's Lifeline program. The \$10.9 million in penalties resulting from these settlements were in addition to the refund payments that the companies made to fully reimburse the Lifeline program for ineligible customers. In addition, AT&T

and SNET were required to adopt rigorous compliance plans, including designating a senior corporate manager to serve as a compliance officer, developing a comprehensive compliance plan, and reporting regularly to the Enforcement Bureau on compliance, as well as other steps designed to ensure it is not overbilling the Lifeline program.

Rule revisions since I became Chairman have had a solid, positive impact on reducing waste, fraud and abuse. For instance, the recent Lifeline Order makes certain that we avoid waste fraud and abuse issues previously endemic to the program. Building on the 2012 Lifeline Reform Order that enacted comprehensive reforms to reduce waste, fraud, and abuse, in June 2015 the Commission adopted a Lifeline Further Notice that proposed to modernize Lifeline by restructuring the program to better support 21st Century communications.

On March 31, 2016, the Commission then adopted an Order that followed through on the June 2015 modernization proposals that will make broadband more available and affordable for low-income consumers participating in the Lifeline program, while taking additional steps to protect the integrity of the fund. The recent Lifeline Modernization Order:

- Allows low-income consumers to apply the \$9.25 per month support not only to bundled voice and data service packages, but also to stand-alone broadband service;
- Encourages wider participation in the program by broadband providers;
- Gives consumers competitive service options;
- Sets minimum service standards that would ensure that supported services meet modern needs;
- Establishes a National Eligibility Verifier to remove eligibility decisions from providers and to further deter waste and abuse; and
- Establishes a budget mechanism to minimize Lifeline's impact on ratepayers.

In addition, over the last few years following the 2012 Reform Order, the Lifeline program has exhibited a consistent downward trajectory in disbursements. Disbursements peaked at \$2.2 billion in 2012 and dropped consistently through last year when the program disbursed \$1.51 billion.

With respect to the E-rate program, the Commission also took important steps in the E-rate Modernization Orders in 2014 to combat waste, fraud, and abuse in the E-rate program. For example:

- To assist fraud investigations and allow the Commission to pursue fraud claims under the False Claims Act:
 - We extended the E-rate document retention from 5 years to 10 years after the latter of the last day of the applicable funding year, or the service delivery deadline for a funding request.
 - We also clarified that E-rate applicants and service providers must allow fraud investigators onto their premises.
- We also instituted pricing transparency measures that make E-rate prices publicly available, which shine a light on whether service providers offer lowest corresponding price rule-compliant prices and enable applicants to make cost-effective purchases.
- To eliminate incentives for applicants and service providers to agree to wasteful spending for WiFi services, we adopted funding budgets for purchases of category two services.

With respect to the High-Cost program, the Commission has taken steps to ensure that recipients use high-cost support only for its intended purpose of maintaining and extending communications services to rural, high-cost areas. In October 2015, the Commission released a public notice listing a number of expenses that eligible telecommunications carriers are not permitted to recover through high-cost support. More recently, in the *Rate of Return Reform Order*, the Commission adopted a rule to limit excessively high operating expenses and capital investments by rate-of-return carriers and sought further comment on other measures to ensure that high-cost funds are used only for universal service purposes.

Question. Please explain how the FCC leverages the data of other Federal organizations to reduce improper payments. To what extent does the FCC utilize Treasury's "Do Not Pay Center", which leverages data from multiple Federal agencies to reduce improper payments, or if the FCC does not use the Do Not Pay Center, please explain why.

Answer. The FCC and USAC are committed to collecting universal service contributions and disbursing payments to program beneficiaries that are accurate, timely, properly documented, and in compliance with rules established by the FCC. Utilizing USAC's historical data, the FCC and USAC monitor ongoing beneficiary

payments to try to identify potential issues, and when there is enough evidence of a problem, the FCC may direct USAC to put a funding hold on a beneficiary until the issues can be resolved. When there is enough evidence of intentional rule violations, beneficiaries may also be barred from further participation in any of the USF programs.

The FCC has been utilizing Do Not Pay for its own payments for some time now. Seeing its potential benefit for USF, the FCC approached the Department of the Treasury to determine if USAC could access the Do Not Pay system. As a result, the FCC has completed an application for USAC requesting that Treasury grant them access to the Do Not Pay system. Treasury is currently reviewing the FCC's request, and the FCC hopes to have USAC granted access in the near future.

Question. Through the E-rate program, the FCC pays a portion of the cost of broadband service for schools and libraries.

What portion of the costs does the FCC pay?

Answer. The E-rate program pays between 90 percent and 20 percent of the cost of monthly recurring broadband services for eligible schools and libraries, and consortia of eligible schools and libraries. The percentage of broadband services paid for by E-rate is determined by poverty level, and rurality, with the highest poverty school districts receiving funding to pay 90 percent of the cost of their broadband services.

In 2014, the Commission raised the annual E-rate cap to \$3.9 billion (indexed to inflation) to ensure it can meet the broadband and WiFi needs of all eligible schools and libraries as those needs continue to grow. For this school year, the program has committed almost \$2 billion for broadband and voice services for schools and libraries, and more than \$1.3 billion for WiFi. In Delaware alone, schools and libraries have received funding commitments of \$5,976,448.42 for this funding year, and \$21,299,637.30 over the last 5 years.

Our rules require E-rate applicants to engage in a competitive bid process for E-rate supported services, to use price as the primary factor in selecting the winning bid, and to select the most cost-effective option, which is critical in protecting against waste, fraud and abuse.

Question. What should be done or is being done for schools or libraries that are unable to pay the remaining costs that are not covered by the FCC?

Answer. When the Commission modernized the E-rate program in 2014, it adopted a number of changes to the program designed to drive down prices paid by schools and libraries for broadband services. Among other things, the Commission:

1. Made E-rate pricing information publicly available so that applicants can compare the prices they are getting with the prices others schools and libraries are getting and to encourage service providers to offer competitive pricing;
2. Equalized the treatment of Lit and Dark Fiber, so that schools and libraries can seek bids for lit or dark fiber and purchase the most cost effective option;
3. Made self-provisioned networks eligible for E-rate support, so that, in locations where applicants cannot purchase lit leased services at an affordable price, they have the option of building their own networks; and
4. Offered additional E-rate funding for special construction charges when needed to get fiber to a school or library.

E-rate will match State funding of special construction charges dollar-for-dollar up to an additional 10 percent of the cost of special construction. This will benefit schools and libraries where the cost of getting connections from a provider to the school or library has been cost-prohibitive.

NEXT GENERATION 911

Question. The FCC recently convened a task force to review the state of the 911 emergency system and its transition to NextGen technology. What were their recommendations?

Answer. The Task Force on Optimal PSAP Architecture (TFOPA or Task Force), a Federal Advisory Committee to the Commission, released its Consolidated Report on January 29, 2016.

The full text of the report can be accessed at https://transition.fcc.gov/pshs/911/TFOPA/TFOPA_FINALReport_012916.pdf.

The key recommendations are summarized in Section 3 of the Report. In brief, the Task Force concluded:

- The successful transition to Next Generation 9-1-1 (NG9-1-1) is dependent upon a cohesive, strong statewide 9-1-1 planning and coordinating mechanism in all States to facilitate the timely and efficient deployment of new technology and the retirement of legacy 9-1-1 systems.

- The concept of “cooperative Federalism” should govern the transition of existing 9–1–1 networks to NG9–1–1. Legal authority over different elements of 9–1–1 exists at the State, regional and Federal levels. State statutes convey authority for State and local officials to direct oversight and operation of 9–1–1 funding and deployment and to assure the responsiveness of such systems. Federal agencies, such as the FCC, DOT/NHTSA, OHS, DOJ, and others have interests in assisting in the efficient and cost-effective deployment of NG9–1–1 systems nationwide but have, in varying degrees, limited statutory authority to address certain issues.
- The Task Force endorsed the need to (i) develop a State-level cost-effective, efficient architecture for NG9–1–1, and (ii) to develop mechanisms to protect Public Safety Answering Point (PSAP) infrastructure against cyber intrusions.
- In the area of cybersecurity, the Task Force recommended introduction of a new security layer known as Emergency Communications Cybersecurity Center (EC3) into PSAP network architectures. The Task Force also recommended leveraging existing cyber defense capabilities, such as the OHS NCC, NCCIC, MS-ISAC and existing State level Fusion centers, for cybersecurity information and assistance.
- The Task Force recommended that 9–1–1 authorities explore the use of shared infrastructure models and embrace strategies to collaborate and share resources when transitioning to NG9–1–1.
- The Task Force recommended development of a national system for collection and analysis of standardized administrative data, operational data, cost data and CAD data to provide PSAPs and 9–1–1 authorities with essential information to substantiate decisions and improvements.
- The Task Force examined potential NG9–1–1 funding options for State and local governments, recommending that States adopt funding approaches that are technologically neutral and sustainable.

Question. Why have many communities been unable to make the digital transition?

Answer. Communities face many challenges in making the transition to NG9–1–1, including technical, operational, training, and funding challenges. As a result, progress toward the transition has varied widely across communities, States, and regions.

Question. What more needs to be done to ensure that Public Safety Answering Points have the resources they need to upgrade to advanced technologies?

Answer. The recommendations of the Task Force Report provide a detailed “blueprint” of potential steps that would assist PSAPs in making the transition to NG9–1–1. It is essential that State and local 9–1–1 authorities have access to appropriate resources to ensure that 911 services will meet the needs of their communities and can take full advantage of the benefits of NG9–1–1. The Task Force Report also underscores the need for greater focus on the NG9–1–1 transition at the national level, including from Congress, to ensure that the transition is truly nationwide and does not leave under-resourced communities behind.

SET-TOP BOXES

Question. How would your proposal to unlock set-top boxes protect the intellectual property rights of content producers and prevent widespread piracy?

Answer. The new proposed rules would create a framework for providing device manufacturers, software developers and others the information they need to introduce innovative new technologies, while at the same time maintaining strong security, copyright and consumer protections. In the current television market, digital rights management (DRM) platforms offer rigorous protection against unauthorized copying and other violations of content owner rights. DRM platforms are not developed by content owners or MVPDs, but rather, by businesses with expertise in DRM.

The FCC’s set-top box proposal would in no way alter the role of DRM in the television ecosystem. Content owners would remain free to select the DRM platforms that they prefer. Developers of competitive set-top boxes and mobile apps would license the DRM technology and satisfy compliance requirements. That’s the very same way that current set-top boxes support DRM, and the same way that competitive devices and apps already support DRM for online video.

Question. Currently, content producers negotiate with cable providers and other distributors over how the content will be displayed and details over advertisements, in order to recoup their production costs. How would the proposal affect these agreements and the ability for content producers to recoup their production costs?

Answer. The proposal will not have any effect on content producers agreements or ability to recoup production costs. It is the goal of the Commission to fully protect these agreements and we are having constructive conversations with the content community to best understand how the Commission can ensure that the final rules will fully honor and protect content producers.

Question. What is the estimated timeline for a final standard to be operational? Would this process result in the creation of a standard that was obsolete by the time it was ready to be used?

Answer. Our overarching goal is to fulfill the mandate of Section 629 and ensure that consumers have choice as to how they access their video programming. The proposal specifically sought comment on having a standards body create the technical standards so that any such standard could be updated as technology changes, similar to the way that standards bodies create and update the technical standards for mobile phones. The Commission also sought comment on an appropriate time-frame for a standards body to complete this work.

QUESTIONS SUBMITTED BY SENATOR JERRY MORAN

Question. Most small and medium-sized MVPDs license a significant portion of their programming through a single buying group, the National Cable Television Cooperative (NCTC). Existing law clearly indicates that Congress intended a “buying group” to have protections under the program access rules. However, in practice, the FCC’s current rules prevent buying groups structured like NCTC from availing themselves of the program access rules.

In October 2012, the FCC issued an FNPRM on its definition of a “buying group” and sought comment on this and other related matters. The issue has now been before the FCC for over 3 years. I understand that the Media Bureau has been evaluating the record in this proceeding for some time, and that some progress was made toward resolving this issue last fall. When can we expect the FCC to take action? What has been the cause of the delay?

Answer. The Commission’s staff evaluated the record and potential options and determined that the record requires more details and a thorough review of available data and information prior to moving ahead with a draft Order. Accordingly, I have directed the Commission’s staff to work with industry stakeholders to bolster the record in the coming months. I will keep the Committee apprised of progress in this regard.

Question. Please provide this subcommittee and make public a list and approximate schedule for any and all upcoming auctions the FCC will undertake in fiscal year 2017?

Answer. The Commission expects to be engaged in the 39 month Incentive Auctions repacking process through fiscal year 2017. Due to the allocation of limited Commission resources, we have not yet scheduled additional auctions into the following calendar year. We do expect to expend resources on additional spectrum auction development and hold spectrum and universal service auctions within the next 2 years. These auctions will require modernization of the Commission’s legacy auction application system to incorporate essential security requirements, as outlined in our fiscal year 2017 budget. The failure to receive these funds will delay new auctions planning and development. Planned but unscheduled spectrum auctions include:

—*3.5 GHz Auction:* The Commission will hold auctions for the 3.5 GHz band at least every 3 years on an ongoing basis. This will require significant auction resources—among other things, it is an auction of over 520,000 licenses (as compared to, e.g., AWS-3 with 1614 licenses) that needs to be replicable.

—*AWS-3 Re-auction:* Following the AWS-3 auction, three licenses remained unsold and 197 licenses were voluntarily returned to the Commission by two entities. The Commission will make these 200 licenses available through a future auction.

—*FM Auctions:* The Commission must hold two FM auctions in the near term.

Also, as directed by Congress in the Spectrum Pipeline Act (part of the Budget Act adopted in 2015), we will be working with NTIA to identify and auction 30 megahertz of spectrum by 2024, and complete reports to Congress that identify an additional 50 megahertz by 2022 and another 50 megahertz by 2024.

Question. Please provide this subcommittee and make public detailed auction expenditure reports for fiscal year 2013, fiscal year 2014, and fiscal year 2015? These reports should include the Document Number, the Budget Object Classification

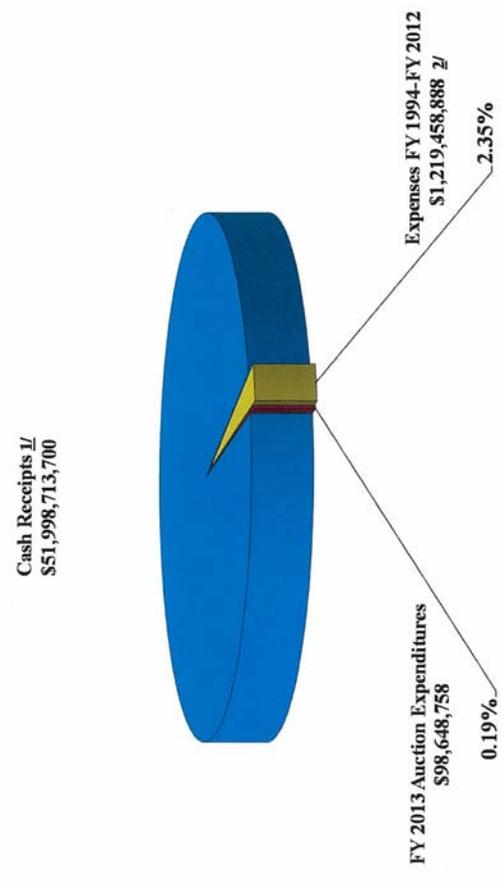
Code (BOCC), a description of each expense, the Destination or Vendor, and the dollar amount.

Answer. The Commission has always met the statutorily required deadline for the submission of the Auctions Expenditure Reports to the appropriate committees as mandated in the law. The fiscal year 2015 Report is not due until September, but I have directed my staff to compile and develop the report as soon as practical for submission to the subcommittee. You will find attached the fiscal year 2013 (Attachment 1) and fiscal year 2014 (Attachment 2) Reports.

Auction Expenditures for Fiscal Year 2013



FY 1994 – FY 2013 Expenses to Cash Receipts Breakdown



^{1/} Total net winning bids collected and deposited into Treasury Deposit Fund. Over 20 year period average cash receipts at \$2,599,935,685 per year.

^{2/} Expenses (FY 1994-FY 2012) does not include Administrative Cost of Credit Program.

**FCC Spectrum Auction Program
FY 2013 Auction Expenditures**

Compensation: (1100 – 1300 BOCC Series)

- 1) Personnel Compensation
- 2) Personnel Benefits
- 3) Unemployment Compensation

Printing: (2400 BOCC Series)

- 1) Printing/Reproduction
- 2) Printing/Binding/Federal Register

Travel & Transportation of Persons: (2100 BOCC Series)

- 1) Domestic Travel
- 2) Foreign Travel
- 3) Leased Passenger Vehicles

Contracts – Other Services: (2500 BOCC Series)

- 1) Contracts Services – Non Federal
- 2) ADP* Retrieval Service
- 3) Training/Tuition Fees
- 4) Security Investigations – Federal
- 5) Interagency Contracts
- 6) Space Repair/Interior/Exterior
- 7) ADP* Software Maintenance
- 8) ADP* Equipment Maintenance
- 9) Repair Office Equipment/Furniture
- 10) ADP* Service Contracts

Transportation of Things: (2200 BOCC Series)

- 1) Parcel Post

Rent, Communications, Utilities, and Mail: (2300 BOCC Series)

- 1) GSA Space Rent
- 2) Non-GSA Space Rent
- 3) Non-GSA Telephone/Fax
- 4) GSA Telephones
- 5) Mail Services – Postage
- 6) Gas/Electric/Other Utilities
- 7) Messenger Services
- 8) Other Equipment Rental
- 9) Copier Rental

Supplies & Materials: (2600 BOCC Series)

- 1) Supplies & Materials
- 2) Periodicals & Subscriptions

Equipment: (3100 BOCC Series)

- 1) ADP* Equipment
- 2) ADP* Software
- 3) Office Furniture/Equipment
- 4) Telecommunications Equipment
- 5) Books

*Automated Data Processing

AUCTION EXPENDITURES - FY 2013

Budget Object Class Code (BOCC)	Description	Auctions Expense
11	Personnel Compensation	26,357,090
12	Personnel Benefits	7,034,894
13	Unemployment Compensation	3,826
21	Travel and Transportation of Persons	169,719
22	Transportation of Things	6,800
23	Rents, Communications, Utilities	9,665,042
24	Printing	156,659
25	Contracts - Other Services	52,906,533
26	Supplies and Materials	157,599
31	Equipment	2,190,596
	TOTAL	98,648,758

1/ This total does not include obligations for Credit Reform Program Administrative Costs to support loan activities. These activities are funded from the General Fund of Treasury as provided in the Credit Reform Act. These costs are identified on pages 17-18 of this report.

AUCTION EXPENDITURES FY 2013				
Document Number	BOCC	Description	Destination/Vendor	Total
		Compensation		
	1100	Personnel Compensation		\$26,357,090
	11	Total Personnel Compensation		\$26,357,090
		Benefits		
	1200	Personnel Benefits		\$7,034,894
	12	Total Personnel Benefits		\$7,034,894
		Unemployment Compensation		
	1302	Unemployment Compensation Benefits		
		The funds are requested for anticipated unemployment compensation benefits payments for FY 2013	U.S. Department of Labor	\$3,826
	13	Total Unemployment Compensation		\$3,826
		Travel and Transportation of Persons		
	2100	Attended Bankruptcy Hearing (1 trip/1 person)	Aberdeen, MS	\$578
	2100	Attended WSKD Workshop IV MIT (1 trip/1 person)	Cambridge, MA	\$896
	2100	Attended ALA Conference (1 trip/1 person)	Chicago, IL	\$352
	2100	Attended Informational Meeting for 3GPP RAN#4 (1 trip/1 person)	Chicago, IL	\$1,628
	2100	Attended Court Case Argument re Council Tree Investors, Inc. (1 trip/1 person)	Denver, CO	\$983
	2100	Attended Managers Meeting and Coordinate Upcoming Assignments (1 trip/1 person)	Gettysburg, PA	\$514
	2100	Attended Meet with Staff and Coordinate Upcoming Assignments (7 trips/2 people)	Gettysburg, PA	\$628
	2100	Attended Mock Auction 94 & Answer Bidder Questions (1 trip/2 people)	Gettysburg, PA	\$182
	2100	Attended AARP Annual Conference (1 trip/1 person)	Las Vegas, NV	\$305
	2100	Attended RCA Annual Convention (1 trip/1 person)	Las Vegas, NV	\$1,429
	2100	Attended ITU WP 3D (1 trip/2 people)	Los Angeles, CA	\$4,702
	2100	Attended Enterprise Wireless Alliance (EWA) Conference (1 trip/2 people)	Nashville, TN	\$2,523
	2100	Attended National Council of LaRaza Annual Conference (1 trip/1 person)	New Orleans, LA	\$307
	2100	Attended PCIA Conference (1 trip/2 people)	New Orleans, LA	\$2,342
	2100	Attended PTC World Congress (1 trip/1 person)	Orlando, FL	\$1,498
	2100	Attended Mobile Broadband Meeting (1 trip/1 person)	Orlando, FL	\$523
	2100	Attended National Urban League Conference (1 trip/1 person)	Philadelphia, PA	\$195
	2100	Attended National Maritime Emergency Association Conference-RTCM (1 trip/1 person)	Philadelphia, PA	\$218
	2100	Attended Informational Meeting for RAN#64-BIS (1 trip/1 person)	San Diego, CA	\$1,251
	2100	Attended JTG 4-5-6-7 Meeting (1 trip/2 people)	Santa Rosa, CA	\$2,229
	2100	Attended Budget Closeout and New CIO PPM Strategy Team Project Meeting (1 trip/1 person)	Union City, GA	\$887
	2100	Attended FCC Transactions Work (2 trips/1 person)	Washington, DC	\$2,240
	2100	Attended Stakeholders Meeting (1 trip/1 person)	Washington, DC	\$837
				\$161

Document Number	ROCC	Description	Destination/Vendor	Total
FCC12G0036	2332	Managed Trusted Internet Protocol Services (MTIPS)	Centurylink	\$143,859
FCC12G0034	2332	Managed Trusted Internet Protocol Services (MTIPS)	Sprint	\$38,015
FCC12G0061	2332	Centurylink Wide Area Network (WAN) services	Centurylink	\$79,274
FCC12G0167	2332	Sprint Dual Internet Circuits	Sprint	\$28,635
MIA-2013-0015	2332	GSA-FTS2001 contract phone bills	GSA Office of Finance	\$35,747
MIA-2013-0016	2332	GSA-AT&T Crossover contract phone bills	GSA Office of Finance	\$18,555
MIA-2013-0017	2332	GSA-WTSS/LSA contract phone bills	GSA Office of Finance	\$205,634
	2333	Mail Service/Postage		
MO-2013-0001	2333	Metered mail service for Gettysburg Facility	USPS (Francotyp-Postalia)	\$46,900
MO-2013-0073	2333	Metered mail service for Headquarters Facility	USPS (Haster)	\$12,600
	2335	Gas/Electric/Other Utilities		
MO-2013-0018	2335	HVAC Shutdown Sequencing - Portals II	GSA Office of Finance	\$77
MO-2013-0019	2335	Security Bollards Maintenance	GSA Office of Finance	\$1,229
MO-2013-0020	2335	HVAC extra electric and preventive maintenance - TWC-206	GSA Office of Finance	\$1,806
MO-2013-0021	2335	1st Floor Computer Room HVAC extra electric and preventive maintenance	GSA Office of Finance	\$17,108
MO-2013-0022	2335	HVAC - Portals II	GSA Office of Finance	\$13,736
MO-2013-0023	2335	Courtyard lights maintenance	GSA Office of Finance	\$6,107
MO-2013-0024	2335	HVAC - 6th Floor	GSA Office of Finance	\$57,975
MO-2013-0025	2335	HVAC extra electric and preventive maintenance - 6th Floor	GSA Office of Finance	\$11,106
MO-2013-0026	2335	Security maintenance and monitoring 6th Floor, Suite CY-80 & Penthouse	GSA Office of Finance	\$10,970
MO-2013-0027	2335	Utilities for Gettysburg, PA facility	Columbia Gas of Penn., Inc.	\$8,800
MO-2013-0027	2335	ATS Units, HVAC extra electric & preventive maintenance	GSA Office of Finance	\$242,501
MO-2013-0028	2335	Utilities for garage	Potomac Electric Power Company	\$13,300
MO-2013-0029	2335	Utilities water bill for Gettysburg, PA facility	Gettysburg Municipal Authority	\$1,408
MO-2013-0030	2335	Utilities for Gettysburg, PA facility	MET-ED	\$88
MO-2013-0031	2335	Utilities for Gettysburg, PA facility	MET-ED	\$116,370
MO-2013-0037	2335	Utilities for Gettysburg, PA facility	Cumberland Township Authority	\$6,600
MOC-2013-CC-0046	2335	Cleaning of warehouse of solid waste	JPMorgan Chase	\$490
	2336	IRM Telecommunications Services		
MO-2013-0007	2336	Commercial Phone Service	Hawaiian Telcom	\$45
MO-2013-0008	2336	Commercial Phone Service	Verizon	\$70
MO-2013-0009	2336	Commercial Phone Service	Verizon California	\$62
MO-2013-0020	2336	Commercial Phone Service	Verizon	\$290
MO-2013-0021	2336	Commercial Phone Service	Pacific Telemanagement Services	\$258
MO-2013-0078	2336	Commercial Phone Service	Sprint	\$26

Document Number	BOCC	Description	Destination/Vendor	Total
FCCI1G0029	2337	Washington Express Courier Services	Falcon Express Transportation, Inc.	\$560
FCCI2G0145	2338	Leasing of mailroom equipment	Francotyp-Postalia, Inc.	\$2,617
FCCI13P0073	2338	Leasing of mailroom equipment	Hester, Inc.	\$156
FCCI1G00031	2340	Xerox Copier Leasing	Xerox	\$260,947
23		Total Rents, Communications and Utilities		\$9,665,042
MO-2013-CC-0430	2400	Printing of the 16th Competition Report covers and binding	JPMorgan Chase	\$630
MO-2013-0032	2412	Federal Register print of auctions related items	Government Printing Office	\$156,029
24		Total Printing		\$156,659
FCC07G0005	2520	Travel administrative fees	Various Employees	\$748
FCC08G0001	2520	E-Gov Travel Management Services	CW Government Travel Inc.	\$7,540
FCC09G0001	2520	Contractor support for hosting and ongoing support for the Core Financial System	CGI Federal, Inc.	\$1,201,739
FCC10G0001	2520	Licensing Customer Support Services	Federal Working Group, Inc.	\$108,000
FCC11G0001	2520	Guard Services for Gettysburg, PA facility	Information Network Associates, Inc.	\$12,547
FCC12G0001	2520	Financial Statement Audit	KMPG, LLC	\$133,824
FCC13G0001	2520	Hotline Support for Call Center	Federal Working Group, Inc.	\$32,614
FCC14G0001	2520	Online Monster Hiring Management Enterprise Subscription/Maintenance	Monster Government Solutions	\$29,763
FCC15G0001	2520	Service to provide daily newspaper clippings	Bulletin News, LLC	\$29,216
FCC16G0001	2520	Facility Support Services Contract	Infield Solutions, LLC	\$432,909
FCC17G0001	2520	HR Support Services Contract	PPMI Solutions, Inc.	\$66,496
FCC18G0001	2520	Financial Systems Support Services	CompuTech, Inc.	\$787,327
FCC19G0001	2520	Uniform Protective Force Guard Services	Omniplex World Services Corp	\$533,988
FCC20G0001	2520	Library Support Services	Viatronix, Inc.	\$37,076
FCC21G0001	2520	Emergency Mass Notification System	Send Word Now	\$7,337
FCC22G0001	2520	Smartbenefits	WMATA	\$189,393

Document Number	ROCC	Description	Destination/Vendor	Total
FCCI2C0037	2522	Mosaik Solutions for Mobility Fund Perpetual License. CoverageRight Complete and CoverageRight WISP USA	Mosaik Solutions, LLC	\$302,500
FCCI2P0104	2522	Infirma Telecoms and Media subscription	Infirma UK, Ltd	\$30,000
FCCI3C0003	2522	EBSCO Publishing Package Subscriptions	EBSCO Subscription Services	\$8,267
FCCI3P0006	2522	Telecommunications Reports, TRDaily, and State News Wire	CCH Inc.	\$7,762
FCCI3P0022	2522	West Library Maintenance Agreement	West Thomas Reuters Business	\$357
FCCI3P0067	2522	Online subscription to IEEE annual renewals	IEEE	\$11,556
FCCI3P0087	2522	Hein Online Core Collection Plus	Metro Storage Center	\$2,051
FCCI3P0080	2522	Wall Street Journal Online	Dow Jones & CO	\$907
FCCI3P0100	2522	ComScore Database	ComScore, Inc.	\$65,000
FCCI3P0112	2522	CO Roll Call subscription	CO-Roll Call, Inc.	\$2,934
FCCI3P0150	2522	SNL Financial	SNL-Kagan	\$10,890
MOC-2013-CC-0081	2522	Domain Name Subscription Renewal Broadbandmap.gov	PAY.Gov	\$18
MOC-2013-CC-0107	2522	Domain Name Subscription Renewal NBM.gov	PAY.Gov	\$17
MOC-2013-CC-0159	2522	Domain Name Subscription Renewal Broadband.gov	PAY.Gov	\$18
MOC-2013-CC-0160	2522	Domain Name Subscription Renewal Lifeline.gov	PAY.Gov	\$18
MOC-2013-CC-0198	2522	Periodicals, Subscriptions, Books and Miscellaneous Supplies for the Library	JPMorgan Chase	\$600
MOC-2013-CC-0356	2522	Domain Name OPENINTERNET.gov	PAY.Gov	\$18
MOC-2013-CC-0357	2522	Domain Name DTU.gov	PAY.Gov	\$18
MOC-2013-CC-0358	2522	Domain Names FCCUNIVERSITY.gov	PAY.Gov	\$18
MOC-2013-CC-0359	2522	Domain Name FCC.gov	PAY.Gov	\$18
		Training/Tuition/Fees		
FCCI1G00021	2523	West Legal Education Online Subscription	West Thomas Reuters Business Solutions, Inc.	\$3,142
FCCI2C0026	2523	2013 3GPP Membership	Alliance for Telecommunications Industry	\$15,000
FCCI3P0095	2523	Practicing Law Institute Membership	Practicing Law Institute	\$4,200
MIA-2013-0065	2523	Federal Executive Institute 2014	Office of Personnel Management	\$2,800
MO-2013-0085	2523	RTCM Membership Fee	RTCM	\$1,750
TG 2013-029	2523	Electronic Warfare Training	George Washington University	\$532
TG 2013-030	2523	Electronic Warfare Training	George Washington University	\$532
TG 2013-031	2523	Electronic Warfare Training	George Washington University	\$532
TG 2013-032	2523	Electronic Warfare Training	George Washington University	\$532
TG 2013-033	2523	Electronic Warfare Training	George Washington University	\$532
TG 2013-034	2523	Electronic Warfare Training	George Washington University	\$532
TG 2013-037	2523	Basic Non-Criminal Investigations Training Program	George Washington University	\$532
TG 2013-044	2523	Electronic Warfare Training	GSA	\$392
TG 2013-062	2523	Smart-Pro CPA Report	George Washington University	\$532
TG 2013-079	2523	ECE 6050 Research Part 2 Training	Smartpros, Ltd	\$252
TG 2013-087	2523	Basic Non-Criminal Investigations Training Program	George Washington University	\$551
TG 2013-088	2523	Procurement Fraud Investigations Training Program	GSA	\$147
TG 2013-092	2523	Procurement Fraud Investigations Training Program	GSA	\$63
				\$63

Document Number	BOCC	Description	Destination/Vendor	Total
FCCI3G0024	2572	Google Apps for Government	Micro Solutions Inc.	\$371
FCCI3G0029	2572	BES Yearly Maintenance	En Pointe Gov Inc	\$2,482
FCCI3G0032	2572	MapInfo Software Maintenance	Immix Technology	\$1,979
FCCI3G0033	2572	Attachmate Extra Software Maintenance	Software Solutions	\$265
FCCI3G0035	2572	Right Fax Combined Maintenance	Syscom Services, Inc	\$4,694
FCCI3G0036	2572	Informatica Maintenance	IPI Gramtech, Ltd	\$47,699
FCCI3G0040	2572	Jira software maintenance and support	Go 2 Group	\$4,698
FCCI3G0042	2572	SAS maintenance	Executive Information Systems	\$7,767
FCCI3G0046	2572	GOOD Security Software Licenses Maintenance	Four Points Technology, LLC	\$7,653
FCCI3G0047	2572	Maintenance for Google Earth Pro for mapping	Thermopylae Sciences & Technology LLC	\$2,438
FCCI3G0051	2572	Maintenance for WebEx Application subscription	EC America	\$415
FCCI3G0056	2572	Quest Software maintenance	DLT Solutions	\$573
FCCI3G0059	2572	SolarWinds Software Maintenance	DLT Solutions	\$1,303
FCCI3G0061	2572	Maintenance for ILOG Jrules enterprise-level business rules management system	IBM Corporation	\$131,905
FCCI3G0062	2572	BMC ProactiveNet Performance Management software maintenance	Rightstar, Inc.	\$30,333
FCCI3G0063	2572	Annual maintenance renewal for Sybase software	SAP Government Support and Services, Inc.	\$360,116
FCCI3G0067	2572	Maintenance for WebEx Renewal	EC America	\$9,124
FCCI3G0068	2572	Xacta IA Manager Maintenance	Telus	\$7,632
FCCI3G0070	2572	Documentum Maintenance	Immix Technology Inc.	\$64,280
FCCI3G0077	2572	Maintenance for Web Trends software used to analyze website statistics, capacity planning, and generate reports	Fedtek	\$2,364
FCCI3G0078	2572	NetBoz Renewal maintenance	CDW Government LLC	\$474
FCCI3G0081	2572	Maintenance for Forescout Software	Patriot Technologies, Inc.	\$5,799
FCCI3G0094	2572	Maintenance for AveGIS Suite software	ESRI	\$46,344
FCCI3G0111	2572	Rove Mobile Admin Annual Maintenance Renewal	DLT Solutions	\$736
FCCI3G0113	2572	Maintenance for Juniper Core support for Junos Space Standard	Presidio	\$507
FCCI3G0119	2572	Maintenance for Jira-FishEye-Bamboo-Greenhopper	Go 2 Group	\$3,741
FCCI300012	2572	WebInspect Maintenance	Carahsoft Technology Corporation	\$3,038
FCCI300019	2572	DoeConverter from ActivePDF maintenance	PCMailGov	\$5,828
FCCI300020	2572	Maintenance for VMware Software	IGOV.com	\$11,995
FCCI300024	2572	Adobe Product maintenance	CDW Government LLC	\$25,259
FCCI300046	2572	Maintenance for RSA Server Combined software	PCMailGov	\$60,063
FCCI300053	2572	TrendMicro Combined Maintenance	CDW Government LLC	\$12,616
FCCI300058	2572	Maintenance for AppDetective License	Carahsoft Technology Corporation	\$53,965
FCCI300066	2572	FireEye Software Maintenance	GOVConnection Inc.	\$79,569
FCCI300069	2572	Maintenance for Business Objects tools used for business intelligence, reporting, and ad-hoc queries	GOVConnection Inc.	\$162,796
FCCI300071	2572	Maintenance for UPS Wireclosets	GOVConnection Inc.	\$23,586
FCCI300072	2572	Maintenance for Checkpoint Software	GOVConnection Inc.	\$50,749
FCCI300073	2572	X2500 Web Application Firewall Annual Maintenance	Carahsoft Technology Corporation	\$9,740
FCCI301009	2572	XML Spy Maintenance	CDW Government LLC	\$396
FCCI301025	2572	VMWare Maintenance	GOVConnection Inc.	\$232,588
FCCI301031	2572	Maintenance renewal for Nitro Security Software	CDW Government LLC	\$43,670

Document Number	BOCC	Description	Destination/Vendor	Total
FCCI13P0143	2572	LoadRunner software maintenance	Carahsoft Technology Corporation	\$19,228
FCCI13P0147	2572	Subversion SVN support maintenance	Carahsoft Technology Corporation	\$16,622
FCCI13P0001	2572	Lyris Listserver Software Maintenance	Sparklist	\$401
FCCI13P0002	2572	Tivoli Endpoint Mgr Software Maintenance	IBM Corporation	\$39,743
FCCI13P0004	2572	SSL Certificates	Entrust, Inc.	\$9,592
FCCI13P0009	2572	SolarWinds Software Maintenance	Solarwinds, Inc.	\$309
FCCI13P0010	2572	Maintenance for Hosting Servers	Peer 1 Network (USA), Inc.	\$1,977
FCCI13P0014	2572	UnitySync Directory Maintenance	Directory Solutions Group	\$38
FCCI13P0015	2572	Metadata Assistant Annual Maintenance	The Paycgroup	\$385
FCCI13P0017	2572	ActivePDF DocConverter Enterprise Maintenance	Iron Horse	\$5,029
FCCI13P0019	2572	Acuate Maintenance	Acuate Corporation	\$378
FCCI13P0028	2572	Sun Java Signing Digital ID -VeriSign SSL Certificates	Symantec	\$499
FCCI13P0030	2572	M.I.S Printer Maintenance	Rochester Software Associates	\$1,968
FCCI13P0034	2572	BIA Media Access Pro Software Maintenance	BIA Research	\$5,575
FCCI13P0036	2572	WhaustUp Gold Software Maintenance	CDW Government LLC	\$863
FCCI13P0041	2572	ILG Software Maintenance	ILG Software & BFM Internet	\$80
FCCI13P0049	2572	BMC Kennedy Maintenance	Rightstar, Inc.	\$101,149
FCCI13P0063	2572	Maintenance for Embarcadero Software used to manage ISAD and UI.S database servers	Embarcadero Technologies, Inc.	\$45,452
FCCI13P0069	2572	MyEclipse Professional Edition subscription	Genuitec, LLC	\$2,860
FCCI13P0070	2572	Maintenance for NetZoom Visto Stencils	Altima Technologies, Inc.	\$1,688
FCCI13P0071	2572	Snaagt Maintenance	Techamith Corporation	\$138
FCCI13P0088	2572	GAUSS Software Licenses	Appesh Systems, Inc.	\$234
FCCI13P0091	2572	Auctions Garobi Optimization Maintenance	Garobi Optimization, Inc.	\$4,800
FCCI13P0093	2572	Probe Suite Maintenance	DLT Solutions	\$1,026
FCCI13P0096	2572	CT Summation Enterprise Maintenance	Immix Technology	\$4,760
FCCI13P0104	2572	ActsClient Software Maintenance	CDW Government LLC	\$1,058
FCCI13P0105	2572	Renewal of PerCon's Datalinks Internet	PerCon Corporation	\$3,499
FCCI13P0109	2572	Legiant Time Maintenance	Asure Software Inc.	\$2,149
FCCI13P0113	2572	Maintenance for SiteBoot Combined and Port Control	CDW Government LLC	\$5,144
FCCI13P0116	2572	Maintenance for Cast Software	Cast Software, Inc.	\$26,909
FCCI13P0117	2572	Am-FM Probe licenses	VSoft Communications LLC	\$1,962
FCCI13P0122	2572	Xmsedius Fax FAXoIP Maintenance	Force 3 Inc.	\$2,056
FCCI13P0124	2572	Compliance Sheriff Maintenance	Hisoftware, Inc.	\$7,440
FCCI13P0129	2572	Maintenance for NetIQ Management Suite software used for monitoring windows servers and applications	Fedtek	\$13,028
FCCI13P0130	2572	Maintenance for ISS Proventia software	CDW Government LLC	\$14,745
FCCI13P0131	2572	Core Insight Maintenance	Core-SDI Inc.	\$23,513
FCCI13P0132	2572	UnitySync Directory Maintenance	Directory Solutions Group	\$292
FCCI13P0139	2572	CellPanner Software Maintenance	CellPlan Technologies Inc.	\$350
FCCI13P0142	2572	Colligo Email Manager License Software Maintenance	Colligo Network Inc.	\$767
FCCI13P0202	2572	Video Conferencing Equipment Maintenance	ProTelecom, LLC	\$422
FCCI13P0220	2572	Production Tracker Software Maintenance	Successful Selling Inc. DBA Toss Inc.	\$2,838

Document Number	BOCC	Description	Destination/Vendor	Total
FCCI13J0004	3120	Purchase of Monitors	GovConnection Inc.	\$1,133
FCCI13J0005	3120	Purchase of Keyboards	IGOV.com	\$672
FCCI13J0023	3120	Purchase of HP LaserJet Pro and 100 Xerox Phaser personal printers	PC Mail Gov	\$9,685
FCCI13J0025	3120	Purchase of Offsite UPS Device	CDW Government LLC	\$493
FCCI13J0033	3120	Purchase of Hard Drives and NAS devices migration	CDW Government LLC	\$590
FCCI13J0045	3120	Purchase of Field Office Laptops and Docking Stations	CDW Government LLC	\$23,377
FCCI13J0047	3120	Purchase of MacBook Pro Laptops	CDW Government LLC	\$14,437
FCCI13J0049	3120	Purchase of HP Laptops	PC Mail Gov	\$5,136
FCCI13J0052	3120	Purchase of 100 LaserJet Pro and 100 Xerox Phaser personal printers	PC Mail Gov	\$4,150
FCCI13J0053	3120	Purchase of HP Laptops	PC Mail Gov	\$3,505
FCCI13J0061	3120	Purchase of Field Office Printers	GovConnection Inc.	\$5,564
FCCI13J0070	3120	VOIP Phones Power Bricks	CDW Government LLC	\$750
FCCI13J0085	3120	Samsung Optical Drives	CDW Government LLC	\$1,175
FCCI13J0088	3120	NetBotz Room Monitor	CDW Government LLC	\$1,343
FCCI13J0107	3120	Purchase of HP Printers	CDW Government LLC	\$69,646
FCCI13J0110	3120	XML Spy Maintenance	CDW Government LLC	\$11,028
FCCI13J0111	3120	CDW-G Order: BPA Call	CDW Government LLC	\$3,183
FCCI13J0114	3120	Video Surveillance System	CDW Government LLC	\$31,055
FCCI13J0120	3120	PCM-G Order: BPA Call	PC Mail Gov	\$6,788
FCCI13J0133	3120	Purchase of 10G Power Supplies	CDW Government LLC	\$1,960
FCCI13J0142	3120	Purchase of 10G Cables	GovConnection Inc.	\$840
FCCI13P0059	3120	Purchase of HP Network Printer	CDW Government LLC	\$396
FCCI13P0103	3120	Asure Biometric Time Clocks and Maintenance	CDW Government LLC	\$6,166
FCCI13P0125	3120	Istockphoto credits	Asure Software, Inc.	\$135
FCCI13P0134	3120	Purchase of HP Printers	Istockphoto LLC	\$22,184
FCCI13P0136	3120	OpenGeo Suite Platform Edition	CDW Government LLC	\$37,505
FCCI13P0189	3120	Columbia, MD Tree# #1	OpenGeo, Inc.	\$2,000
FCCI13P0209	3120	Video Conferencing Equipment	Singhat & Co, Inc	\$154,401
FCCI13P0224	3120	Purchase of MacBook Pro 15 inch Laptops	PC Mail Gov	\$35,046
MOC-2013-CC-0094	3120	Dallas Field Office printer repair	JPMorgan Chase	\$56
MOC-2013-CC-0138	3120	Purchase of International Converter Plug-Ins for Chairman travel	JPMorgan Chase	\$35
MOC-2013-CC-0181	3120	Purchase of 27 inch Monitor for visually impaired employee	JPMorgan Chase	\$45
MOC-2013-CC-0224	3120	San Diego Field Office printer repair	JPMorgan Chase	\$45
MOC-2013-CC-0225	3120	Purchase of Privacy Screens Filter for Enforcement Bureau	JPMorgan Chase	\$16
MOC-2013-CC-0226	3120	Purchase of North Carolina Field Office Printer Replacement	JPMorgan Chase	\$31
MOC-2013-CC-0244	3120	Cerritos, California Field Office printer repair	JPMorgan Chase	\$33
MOC-2013-CC-0256	3120	Purchase of ergonomic mouse with bluetooth	JPMorgan Chase	\$14
MOC-2013-CC-0248	3120	Detroit Field Office printer repair	JPMorgan Chase	\$35
MOC-2013-CC-0262	3120	Purchase of Privacy Screens for 8th floor Executive offices	JPMorgan Chase	\$363
MOC-2013-CC-0264	3120	Purchase of Clear Acrylic Combo and Frame with pockets	JPMorgan Chase	\$20
MOC-2013-CC-0265	3120	Purchase of Cisco Unity Memory	JPMorgan Chase	\$352

Document Number	BOCC	Description	Destination/Vendor	Total
FCCI3P0108	3130	JIRA Workflow Extension Licenses	Go 2 Group	\$533
FCCI3P0127	3130	Knowlegis Software Licenses	CQ-Roll Inc.	\$2,100
FCCI3P0138	3130	Zend Studio Software	Technologies USA, Inc.	\$419
FCCI3P0155	3130	Nitro Security Appliance	4 Star Technologies, Inc.	\$39,553
FCCI3P0210	3130	McAfee Anti-Virus Software	4 Star Technologies, Inc.	\$2,677
MOC-2013-CC-0161	3130	Novi Survey Software	JPMorgan Chase	\$279
MOC-2013-CC-0400	3130	Video Conferencing Service	JPMorgan Chase	\$468
	3140	Office Furniture and Equipment		
MOC-2013-CC-0399	3140	Paper Shredder for Auctions War Room in Gettysburg	JPMorgan Chase	\$1,951
	3150	Telecommunications Equipment		
MOC-2013-CC-0395	3150	Purchase of Blackberry accessories	JPMorgan Chase	\$386
MOC-2013-CC-0427	3150	Purchase of Desktop-NTI Adapters and Power Supplies	JPMorgan Chase	\$261
	3170	Books		
MOC-2013-CC-0198	3170	Library Services for the purchase of books and miscellaneous supplies	JPMorgan Chase	\$462
	31	Total Equipment		\$2,190,496
		Total Auctions Operating Costs Funded from Auctions Receipts		\$98,648,758
		Credit Reform Program Costs		
	1100	Credit Reform Program - Personnel Compensation		
	1100	Personnel Compensation		\$265,341
	11	Total Personnel Compensation		\$265,341
	1200	Credit Reform Program - Benefits		
	1200	Personnel Benefits		\$71,808
	12	Total Personnel Benefits		\$71,808
	2520	Credit Reform Program - Contract Services - Non-Federal		
FCC07G0005	2520	E-Gov Travel Services	Avel	\$1,319
FCC08G0001	2520	Core Financial Systems Replacement	CGI Federal, Inc.	\$20,943
FCC11G0007	2520	Financial Systems Support Services	Computech, Inc.	\$13,574

Document Number	BOCC	Description	Destination/Vendor	Total
FCC12C0008	2520	Financial Support Services	VMD Systems Integrators, Inc.	\$2,549
FCC13G0066	2520	Financial and Performance Reporting	Ernst & Young LLP	\$47,865
	2530			
		Credit Reform Program - Contract/Purchase - Federal		
MIA-2013-0042	2530	Pacer Service Center to research all bankruptcy litigation matters involving the Commission	Admin Office of the US Courts	\$2,500
	2534			
		Interagency Contracts		
MIA-2013-0068	2534	DOJ 3% Administrative Fees	Department Of Justice	\$106,423
	25	Total Contractual Services		\$194,973
	4200			
		Credit Reform Program - Insurance Claims & Indemnities		
	4200	Insurance Claims & Indemnities		\$39
	42	Total Equipment		\$39
		Funded From Treasury Credit Reform Program Accounts		\$532,161

Spectrum Auction Expenditures

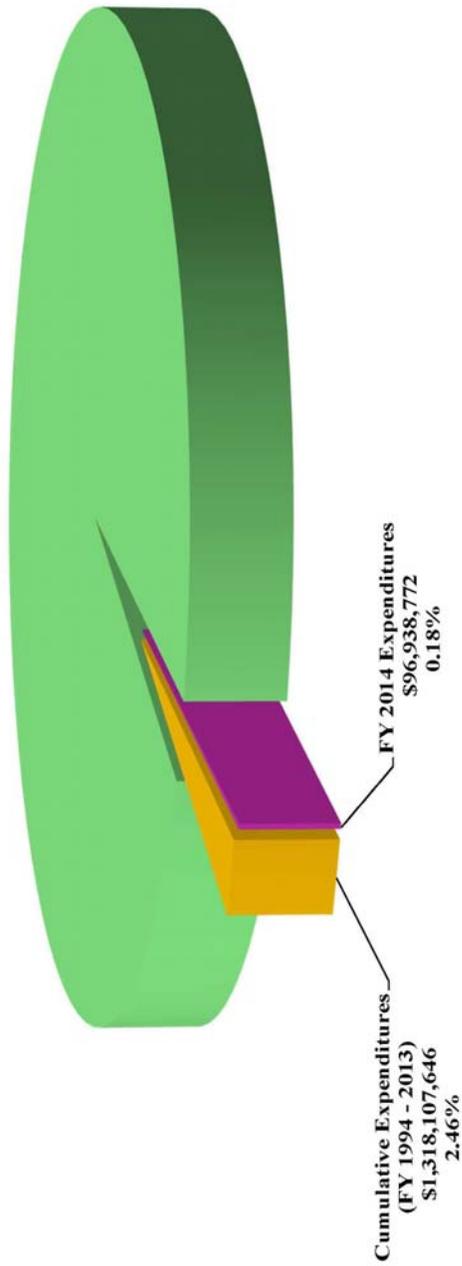
Fiscal Year 2014



Spectrum Auction Cash Receipts & Expenditures

Fiscal Years 1994 - 2014

Cash Receipts
\$53,562,655,117



Cash Receipts is the total net winning bids collected for broader government use. Over this 21 year period, the average cash receipts per year is \$2,550,602,625. Cumulative Expenditures (FY 1994 - 2013) includes appropriated amount and does not include administrative cost of the Spectrum Credit Reform Program.

Spectrum Auction Expenditures

Fiscal Year 2014

Compensation: (1100 – 1300 BOCC Series)

- 1) Personnel Compensation
- 2) Personnel Benefits
- 3) Benefits for Former Personnel

Travel & Transportation of Persons: (2100 BOCC Series)

- 1) Domestic Travel
- 2) Foreign Travel
- 3) Leased Passenger Vehicles

Transportation of Things: (2200 BOCC Series)

- 1) Parcel Post

Rent, Communications, Utilities, and Mail: (2300 BOCC Series)

- 1) GSA Space Rent
- 2) Non-GSA Space Rent
- 3) Non-GSA Telephone/Fax
- 4) GSA Telephones
- 5) Mail Services – Postage
- 6) Gas/Electric/Other Utilities
- 7) Messenger Services
- 8) Other Equipment Rental
- 9) Copier Rental

Printing and Reproduction: (2400 BOCC Series)

- 1) Printing/Reproduction
- 2) Printing/Binding/Federal Register

Other Contractual Services: (2500 BOCC Series)

- 1) Contracts Services – Non Federal
- 2) ADP* Retrieval Service
- 3) Training/Tuition/Fees
- 4) Security Investigations – Federal
- 5) Interagency Contracts
- 6) Space Repair/Interior/Exterior
- 7) ADP* Software Maintenance
- 8) ADP* Equipment Maintenance
- 9) Repair Office Equipment/Furniture
- 10) ADP* Service Contracts

Supplies and Materials: (2600 BOCC Series)

- 1) Supplies & Materials
- 2) Periodicals & Subscriptions

Equipment: (3100 BOCC Series)

- 1) ADP* Equipment
- 2) ADP* Software
- 3) Office Furniture/Equipment
- 4) Telecommunications Equipment
- 5) Books

*Automated Data Processing

SPECTRUM AUCTION EXPENDITURES REPORT
Fiscal Year 2014

Budget Object Class Code	Budget Object Class Code Description	Expenditures
11	Personnel Compensation	\$27,990,745
12	Personnel Benefits	7,632,073
13	Benefits for Former Personnel	9,765
21	Travel and Transportation of Persons	216,887
22	Transportation of Things	8,460
23	Rents, Communications, Utilities, and Mail	9,691,280
24	Printing and Reproduction	149,629
25	Other Contractual Services	49,997,255
26	Supplies and Materials	203,305
31	Equipment	1,039,373
	TOTAL¹	<u>\$96,938,772</u>

¹This total does not include obligations for Spectrum Credit Reform Program Administrative Costs to support loan activities. These activities are funded from the General Fund of Treasury as provided in the Credit Reform Act. These costs are identified on page 15 of this report.

Document Number	BOCC	Description	Destination/Vendor	Amounts
		Personnel Compensation		
	1100	Personnel Compensation		\$27,990,745
	11	Total Personnel Compensation		\$27,990,745
		Personnel Benefits		
	1200	Personnel Benefits		\$7,632,073
	12	Total Personnel Benefits		\$7,632,073
		Unemployment Compensation		
	1302	Unemployment Compensation Benefits The funds are requested for anticipated unemployment compensation benefits payments for FY 2014	U.S. Department of Labor	\$9,765
MIA-2014-0012	13	Total Benefits for Former Personnel		\$9,765
		Travel and Transportation of Persons		
	2100	Attended Informational Meeting - RTCM Conference (1 trip/1 person)	Annapolis, MD	\$357
	2100	Attended AARP Annual Conference (1 trip/2 people)	Boston, MA	\$385
	2100	Attended USEET 2013 Annual Meeting and Expo (1 trip/2 people)	Charlotte, NC	\$1,150
	2100	Attended Informational Meeting - IWPC Conference (1 trip/1 person)	Chicago, IL	\$230
	2100	Attended T-Mobile/NSN Demo in Chicago (1 trip/1 person)	Chicago, IL	\$231
	2100	Attended National Association of Area Agencies on Aging (NAAA) Conference (1 trip/2 people)	Dallas, TX	\$442
	2100	Attended Informational Meeting - NEMA (1 trip/1 person)	Fort Myers, FL	\$524
	2100	Attended Meeting with Licensing Division Staff (1 trip/1 person)	Gettysburg, PA	\$50
	2100	Attended Site Visit - Gettysburg Field Office (2 trips/1 person)	Gettysburg, PA	\$71
	2100	Attended Informational Meeting - PEGA Demonstration (1 trip/1 person)	Gettysburg, PA	\$76
	2100	Attended Meeting to Coordinate Work Assignments for new employees (1 trip/1 person)	Gettysburg, PA	\$99
	2100	Attended Licensing Modernization Meeting (2 trips/1 person)	Gettysburg, PA	\$151
	2100	Attended Mock Auction 96 & Answer Bidder Questions (2 trips/2 people)	Gettysburg, PA	\$189
	2100	Attended FCC COOP Event (1 trip/30 people)	Gettysburg, PA	\$650
	2100	Attended ALA Conference (1 trip/2 people)	Las Vegas, NV	\$542
	2100	Attended Consumer Electronics Show (1 trip/1 person)	Las Vegas, NV	\$655
	2100	Attended Informational Meeting - CTIA (1 trip/7 people)	Las Vegas, NV	\$7,639
	2100	Attended Wells Fargo Securities Small Cell Symposium (1 trip/1 person)	New York, NY	\$297
	2100	Attended Informational Meeting - Spectrum Auction Design & Experiences at CITI (1 trip/1 person)	New York, NY	\$357
	2100	Attended PIGA Conference (1 trip/1 person)	Orlando, FL	\$246
	2100	Attended CCA Expo (1 trip/1 person)	San Antonio, TX	\$277
	2100	Attended 3GPP Meeting (1 trip/1 person)	San Francisco, CA	\$2,431
	2100	Attended ICAO Working Group F Meeting (1 trip/1 person)	Seattle, WA	\$1,771
	2100	Attended PTC World Congress (1 trip/4 people)	Tulsa, OK	\$1,923
	2100	Attended Informational Meeting - ITC Event (1 trip/1 person)	Washington, DC	\$48
	2100	Attended PegaWorld Conference (1 trip/1 person)	Washington, DC	\$56
	2100	Attended Site Visit - Work on Major Transaction (1 trip/1 person)	Washington, DC	\$405
	2100	Local Travel Reimbursements (Various WTB Employees)	Washington, DC	\$370
		Foreign Travel		
	2120	Attended 3GPP Meeting (1 trip/1 person)	Busan, Korea	\$6,510
	2120	Attended ICAO Working Group F (1 trip/1 person)	Bangkok, Thailand	\$2,561
	2120	Attended CIBEL FCC II (1 trip/2 people)	Caragena, Colombia	\$6,686
	2120	Attended WRC-13 Preparatory Group of European Conference of Postal and Telecommunications Administrations (1 trip/1 person)	Copenhagen, Denmark	\$1,582

Document Number	BOCC	Description	Destination/Vendor	Amounts
	2120	Attended IRW-WRC and WP-5C (1 trip/1 person)	Geneva, Switzerland	\$3,515
	2120	Attended ITU-R Joint Task Group 4-5-6-7 (1 trip/2 people)	Geneva, Switzerland	\$13,352
	2120	Attended ITU-R WP-5B & Joint Task Group 4-5-6-7 (1 trip/2 people)	Geneva, Switzerland	\$17,597
	2120	Attended ITU-R Working Party 5A/5B/5C/D Study Group 3 (1 trip/2 people)	Geneva, Switzerland	\$24,547
	2120	Attended ITU-R Working Party 5A/5B/5C and Study Group 6 (1 trip/2 people)	Geneva, Switzerland	\$21,729
	2120	Attended ITU-R Working Party 5A/5B/5C and Study Group 6 (1 trip/2 people)	Geneva, Switzerland	\$12,897
	2120	Attended ITU-R Study Group 6A/6B/6C (1 trip/2 people)	Geneva, Switzerland	\$11,224
	2120	Attended ITU-R WP-5A/5B/5C and Study Group 6 (1 trip/2 people)	Geneva, Switzerland	\$11,904
	2120	Attended ITU-R Working Party 1C (1 trip/1 person)	Geneva, Switzerland	\$1,338
	2120	Attended ITU-R BAG (1 trip/1 person)	Geneva, Switzerland	\$2,647
	2120	Attended ITU-R Study Group 3 and Working Parties 31, 3K, 3L, 3M (1 trip/1 person)	Geneva, Switzerland	\$4,179
	2120	Attended ITU-R Working Party 5D (1 trip/2 people)	Hallifac, Canada	\$5,364
	2120	Attended International Maritime Organization (IMO) NCSR 2014 (1 trip/2 people)	London, UK	\$5,742
	2120	Attended ITU-R Joint Experts Group Meeting on WRC-15 (1 trip/1 person)	London, UK	\$4,815
	2120	Attended CITEEL FCC II (1 trip/2 people)	Managua, Nicaragua	\$2,855
	2120	Attended Incentive Auctions Meeting (1 trip/3 people)	Mexico City, Mexico	\$1,318
	2120	Attended Meeting on Spectrum, Public Safety, and Incentive Auctions (1 trip/2 people)	Mexico City, Mexico	\$1,200
	2120	Attended CITEEL FCC II (1 trip/2 people)	Oaxaca, Mexico	\$4,790
	2120	Attended CANUS CIWG (1 trip/1 person)	Ottawa, Canada	\$414
	2120	Attended Radio Technical Liaison Committee (1 trip/5 people)	Ottawa, Canada	\$4,425
	2120	Attended WRC-15 CEPT CFG (1 trip/1 person)	Riga, Latvia	\$1,974
	2120	Attended ITU-R Working Party 5D and ITU-R Joint Task Group 4/5/6/7 (2 trips/2 people)	Saigon, Vietnam and Geneva, Switzerland	\$16,803
	2162	FCC's Commercial Auto Leasing	Acme Auto Leasing	\$4,064
FCC10G0012	2162	FCC's Commercial Auto Leasing	Acme Auto Leasing	\$4,242
FCC14G0072	2162	FCC's Commercial Auto Leasing	Jefferson Leasing	\$1,000
FCC14G0095	21	Total Travel and Transportation of Persons		\$216,887
FCC13G0005	2212	FCC's Express and Ground Domestic Delivery Services	UPS	\$8,460
	22	Total Transportation of Things		\$8,460
MIA-2014-0001	2311	Rent for Portal I and Portal II Space	GSA Space Rent	\$7,752,947
FCC140101	2321	First Call under BPA for storage of FCC records	Iron Mountain Inc.	\$4,649
MO-2014-0015	2321	Rental space for the Cetyburg Facility	Realty Leasing & Management CO	\$340,000
FCC13G0062	2331	Local phone service	CenturyLink	\$18,776
FCC13G0022	2331	Fixed-rate phone service (FRS)	Sprint	\$1,120
FCC13G0117	2331	AT&T wireless phone services	AT&T Mobile LLC	\$6,042
FCC13G0120	2331	Sprint wireless phone services	Sprint	\$43,129
FCC13G0121	2331	Verizon wireless phone services	Verizon Wireless	\$14,018
FCC130135	2331	T-Mobile wireless phone service	T-Mobile USA, Inc.	\$7,280

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination Vendor	Amounts
FCC11G0015	2331	Verizon wireless phone services	Verizon Wireless	\$10,611
FCC11G0038	2331	AT&T wireless phone services	AT&T Mobile LLC	\$14,582
FCC11G0046	2331	Federal Relay Service (FRS)	Sprint	\$201
FCC11G0071	2331	Iridium Satellite phone service	Aerium Services Government, Inc.	\$491
FCC11G0121	2331	T-Mobile wireless phone service	T-Mobile USA, Inc.	\$6,090
FCC11P0104	2331	Globalstar satellite phone service	Globalstar USA, LLC	\$2,140
MIA-2014-0002	2331	Secure Enhanced Mobile Satellite Service	DFAS - Denver Center	\$5,943
FCC11G0057	2332	MCI Long Distance Service	MCI Communications Svcs, Inc.	\$5,945
FCC11G0058	2332	Sprint Video Conferencing Service	Sprint	\$210
FCC11G0059	2332	AT&T Audio Conferencing Service	AT&T	\$6,070
FCC11G0061	2332	CenturyLink dedicated circuits and phone number for toll free service	CenturyLink	\$6,016
FCC12G0023	2332	GSA phone service for HFD/ Facilities	GSA Office of Finance	\$33,569
FCC12G0036	2332	Managed Truusted Internet Protocol Services (MTIPS)	CenturyLink	\$303,637
FCC12G0054	2332	Managed Truusted Internet Protocol Services (MTIPS)	Sprint	\$104,078
FCC12G0061	2332	CenturyLink Wide Area Network (WAN) services	CenturyLink	\$221,784
MIA-2014-0003	2332	GSA-TOPS (WITS/LSA) contract phone bills	GSA Office of Finance	\$149,188
MO-2014-0037	2333	Metered mail service for Gettysburg Facility	USPS (Francotyp-Postalia)	\$45,483
MO-2014-0048	2333	Metered mail service for Headquarters Facility	USPS (Haher)	\$1,7817
MIA-2014-0027	2335	Security maintenance and monitoring	GSA Office of Finance	\$11,387
MIA-2014-0028	2335	Courtyard lights maintenance	GSA Office of Finance	\$6,107
MIA-2014-0029	2335	ATS Units, HVAC extra electric & preventive maintenance	GSA Office of Finance	\$220,392
MIA-2014-0030	2335	HVAC extra electric and preventive maintenance - 6th Floor	GSA Office of Finance	\$10,876
MIA-2014-0031	2335	TWC-206, HVAC extra electric and preventive maintenance	GSA Office of Finance	\$1,664
MIA-2014-0032	2335	Security Bollards Maintenance	GSA Office of Finance	\$1,266
MIA-2014-0033	2335	HVAC Shutdown Sequencing - Portals II	GSA Office of Finance	\$80
MIA-2014-0034	2335	1st Floor Computer Room HVAC extra electric and preventive maintenance	GSA Office of Finance	\$7,742
MO-2013-0030	2335	Utilities water bill for Gettysburg, PA facility	Gettysburg Municipal Authority	\$1,056
MO-2014-0018	2335	Utilities for Gettysburg, PA facility	Columbia Gas of Penn., Inc.	\$13,200
MO-2014-0023	2335	Utilities for garage	Potomac Electric Power Company	\$12,600
MO-2014-0029	2335	Utilities for Gettysburg, PA facility	MET-ED	\$123,160
MO-2014-0031	2335	Utilities for Gettysburg, PA facility	Cumberland Township Authority	\$3,300
MO-2014-0032	2335	HVAC reasonable accommodations - Parcel 49B & 49C	JPMorgan Chase	\$274
MOC-2014-CC-0044	2335	Warehouse disposal of waste	JPMorgan Chase	\$280
MO-2014-0020	2336	Commercial Phone Service	Pacific Telemangement Services	\$320
MO-2014-0021	2336	Commercial Phone Service	Verizon	\$151
	2337	Messenger Services		

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
FCC11G0029	2337	Falcom Express Courier Services	Falcom Express Transportation, Inc.	\$560
FCC12G0145	2338	Leasing of Mailroom Equipment	Francotyp-Postalia, Inc.	\$2,617
FCC11G0031	2340	Lease of Xerox Devices	Xerox	\$137,717
	23	Total Rents, Communications, Utilities, and Mail		\$9,691,280
MIA-2014-0023	2412	Federal Register print of auctions related items	Government Printing Office	\$108,621
MO-2014-0095	2412	Federal Register print of auctions related items	Government Printing Office	\$11,008
	24	Total Printing and Reproduction		\$149,629
FCC08G0001	2520	Travel Administrative Fees	Various Employees	\$167
FCC09G0001	2520	Contractor support for housing and ongoing support for the Core Financial System	CGI Federal, Inc.	\$1,095,900
FCC10C0001	2520	Guard Services for Gettysburg, PA facility	Information Network Associates, Inc.	\$16,114
FCC10P0008	2520	Systems Connection Contract	Systems Connection of MD, Inc.	\$1,645
FCC11C0003	2520	Service to provide daily newspaper clippings	Bulletin News, LLC	\$11,937
FCC11G0007	2520	Facilities Support Services Contract	Intrast Solutions, LLC	\$70,178
FCC11G0009	2520	HR Support Services Contract	PPMI Solutions, Inc.	\$76,983
FCC11G0042	2520	Uniform Systemic Support Services	Comparich, Inc.	\$22,889
FCC11G0050	2520	Library Support Services Contract	Global International Investigations	\$15,538
FCC12C0008	2520	Emergency Mass Notification System	Vitrox, Inc.	\$6,406
FCC12C0012	2520	WAMATA Transit Benefits	WAMATA	\$70,826
FCC12C0020	2520	Financial Support Services	VMD Systems Integrators, Inc.	\$118,222
FCC12C0049	2520	Contractor support for Information Technology Specialist	Digitalbiz, Inc.	\$79,840
FCC12G0147	2520	Contractor support for Reference Imaging Center	Digitalbiz, Inc.	\$35,592
FCC13C0005	2520	Web/TA Gold Maintenance	Clark Consulting LLC	\$12,494
FCC13G0012	2520	Incentive Auctions Contract	Inmixtechnology, Inc.	\$6,843
FCC13G0012	2520	Upfront Lockbox Services	U. S. Bank Government Services	\$300
FCC13G0066	2520	Graphic Design Support for Summary of Performance and Financial Results	Adventum LLC	\$4,732
FCC13G0076	2520	Financial and Performance Reporting	Ernst & Young U.S. LLP	\$10,100
FCC13G0089	2520	Chief Negotiator Support Services	GRA, Inc.	\$934
FCC13P0051	2520	CGB Call Center Support Services	ECS, Inc.	\$56,702
FCC13P0052	2520	Licensing and Auction Customer Support Services	ECS, Inc.	\$475,242
FCC14C0022	2520	Broadcast Transition Study	Widely Inc.	\$100,000
FCC14G0003	2520	TeamMate Software Maintenance	Walters Kluwer	\$4,476
FCC14G0019	2520	Incentive Auction Outreach Program	Greenhill & Co., LLC	\$749,800
FCC14G0024	2520	E-Gov Travel Management Services	GWTSatoTravel	\$62,887
FCC14G0045	2520	Monster Hiring Management Enterprise Subscription	Monster Government Solutions	\$2,170
FCC14J0004	2520	Retirement Calculator - FHR Navigator	Economic Systems, Inc.	\$516
FCC14J0004	2520	Symbio Movable Wall - Office Space Renovation	Environomics, Inc.	\$641
FCC14J0009	2520	Linen Cleaning Support Services	Metro Laundry Service	\$350
FCC14J0009	2520	Transcription services for OALJ docketed hearing case - EB #11-71 Maritime Communications/Land Mobile	Court Reporters and Transcribers	\$4,000

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
FCCI4J0059	2520	Court Reporting Services- FMCS Case #13-58977 Arbitration	Anderson Court Reporting, LLC	\$560
FCCI4J0061	2520	Enterprise Data Management Contract	Computech, Inc.	\$29,514
FCCI4J0069	2520	Custom Software Programming Services	Computech, Inc.	\$89,000
FCCI4J0105	2520	Transcription services for OALJ docketed hearing case - EB #11-71 Maritime Communications/Land Mobile	Court Reporters and Transcribers	\$3,000
FCCI4J0113	2520	Litigation Support Services	Aflon, Inc.	\$35,000
FCCI4J0012	2520	Economic Expertise for AT&T L.amp. Transaction	William P. Rogerson	\$56,250
FCCI4J0093	2520	Broadcasters Outreach Program	Greenhill & Co., LLC	\$149,000
FCCI4J0110	2520	Arbitration Services	Mary P. Bias ESQ.	\$1,494
FCCI4J0117	2520	FSAFEDS	ADP Benefit Services KY, Inc.	\$1,506
FCCI4J0159	2520	Fiber Cable Installation	MCW	\$562
MIA-2014-0052	2520	Financial Statement Audit and FISMA Audit	National Business Center	\$156,507
MIA-2014-0068	2520	Electronic Mail Security Assessment Fiscal Year 2014	National Business Center	\$16,240
MIA-2014-0086	2520	FCC Website Security Assessment Follow-up	National Business Center	\$27,804
MO-2014-0088	2520	Library Support Services Special Report for OSP	V.ironix, Inc.	\$1,021
MOC-2014-CC-0010	2520	Exhibit Booth and Conference Registration for ONSAP Outreach Events	JPMorgan Chase	\$1,225
MOC-2014-CC-0014	2520	Exhibit Booth and Conference Registration for CGB Outreach Events	JPMorgan Chase	\$3,800
MOC-2014-CC-0050	2520	Various miscellaneous credit card purchases for contractual services	JPMorgan Chase	\$187
MOC-2014-CC-0102	2520	Various miscellaneous credit card purchases for contractual services	JPMorgan Chase	\$1,120
MOC-2014-CC-0163	2520	Exhibit Booth and Conference Registration for CGB Outreach Events	JPMorgan Chase	\$2,000
		ADP Data Retrieval Service		
FCCI1G0018	2522	WestNext database services	West, A Thomson Reuters Business	\$131,210
FCCI1G0033	2522	STKS Professional Services	Anabrical Graphics, Inc.	\$4,601
FCCI1G0036	2522	Telecommunications Law Resources	RNA	\$5,345
FCCI1P0023	2522	LexisNexis news delivery services	LexisNexis	\$3,847
FCCI1C0037	2522	Mosak Solutions for Mobility Fund Perpetual License, CoverageRight Complete and CoverageRight WISP USA	Mosak Solutions, LLC	\$120,900
FCCI1P0104	2522	Infoma Teleoms and Media subscriptions	Infoma UK Ltd	\$10,000
FCCI1C0002	2522	EBSCO Publishing Package Subscriptions	EBSCO Industries Inc.	\$8,846
FCCI1C0003	2522	Telecommunications Reports, TRDaily, and State News Wire	CCH Inc.	\$7,937
FCCI1P0067	2522	Hein Online Core Collection Plus	Metro Storage Center	\$2,290
FCCI1P0080	2522	Wall Street Journal Online	Dow Jones & CO	\$977
FCCI1C0013	2522	CQ Roll Call Subscription	West, A Thomson Reuters Business	\$130,496
FCCI1C0018	2522	WestNext Online Legal Research	CQ-Roll Call, Inc.	\$3,080
FCCI14G0005	2522	LexisNexis Law Enforcement Page database access	LexisNexis	\$26,562
FCCI14G0006	2522	LexisNexis Online Database Services	LexisNexis	\$5,006
FCCI14G0007	2522	Online subscription to IEEE annual renewals	IEEE	\$11,962
FCCI14G0109	2522	LexisNexis Online Research Subscription	LexisNexis	\$67,800
FCCI4P0014	2522	ProQuest Congressional Annual Subscription	ProQuest LLC	\$1,418
FCCI4P0119	2522	Math-Works Products and Services	The Mathworks Inc	\$9,200
FCCI4P0129	2522	ComScore Database	ComScore, Inc.	\$65,000
FCCI4P0137	2522	TV & Cable Faebook	Warren Communications News, Inc.	\$3,922
FCCI4P0141	2522	Cision Annual Subscription	Cision US, Inc.	\$3,400
FCCI4P0158	2522	Nielsen Station Index	Nielsen Government And Public Sector, LLC	\$24,078
FCCI4P0163	2522	ProQuest Congressional Gaps	ProQuest LLC	\$5,185
FCCI4P0189	2522	OCLC WorldShare Management Services	OCCL	\$48,782
MO-2014-0050	2522	LexisNexis Online Database Services	LexisNexis	\$123
MO-2014-0064	2522	WestNext database services	West, A Thomson Reuters Business	\$1,253
MOC-2014-CC-0001	2522	Domain Name Subscription Renewal NEM.gov	PAY.Gov	\$18
MOC-2014-CC-0046	2522	Periodicals, Subscriptions, Books and Miscellaneous Supplies for the Library	JPMorgan Chase	\$5,000

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
MOC-2014-CC-0091	2522	Domain Name Subscription Renewal Lifeline.gov	PAY.Gov	\$18
MOC-2014-CC-0108	2522	Domain Name Subscription Renewal Broadbandup.gov	PAY.Gov	\$18
MOC-2014-CC-0208	2522	Domain Name Subscription Renewal Broadband.gov	PAY.Gov	\$18
MOC-2014-CC-0396	2522	Domain Name Subscription Renewal FCC.gov	PAY.Gov	\$18
MOC-2014-CC-0397	2522	Domain Name Subscription Renewal FCCUniversity.gov	PAY.Gov	\$18
MOC-2014-CC-0398	2522	Domain Name Subscription Renewal DTV.gov	PAY.Gov	\$18
MOC-2014-CC-0399	2522	Domain Name Subscription Renewal OPENINTERNET.gov	PAY.Gov	\$18
Training/Tuition Fees				
FC14P0994	2523	Practicing Law Institute Membership	Practicing Law Institute	\$4,641
MA-2014-0088	2523	Learning Management System Renewal (NTIS)	National Technical Info Svc	\$7,620
TG 2014-0106	2523	Essentials of Sustainability Accreditation Program	ODM	\$420
TG 2014-0113	2523	Federal Workforce Training Expo	IRP Publications	\$136
TG 2014-0117	2523	Business Enterprise	Strayer University	\$333
TG 2014-0118	2523	Executive Cybersecurity Collaborations: Mission Critical & Outcomes Driven Education	GovTrek LLC	\$28
TG 2014-0133	2523	Crucial Conversations Course Materials	VitalStorarts, L.C.	\$1,020
TG 2014-0329	2523	7 Habits of Highly Effective People (Course Materials)	Franklin Covey	\$384
TG 2014-0452	2523	GWU: Telecom Security Protocols	George Washington University	\$420
TG 2014-0453	2523	GWU: Telecom Security Protocols	George Washington University	\$402
TG 2014-0454	2523	GWU: Telecom Security Protocols	George Washington University	\$402
TG 2014-0459	2523	GWU: Telecom Security Protocols	George Washington University	\$420
TG 2014-0460	2523	GWU: Telecom Security Protocols	George Washington University	\$402
TG 2014-0465	2523	GWU: Telecom Security Protocols	George Washington University	\$402
TG 2014-0466	2523	Contracting Officer's Representative Course	Management Concepts, Inc.	\$1,069
TG 2014-0467	2523	RSA Conference	RSA Security LLC	\$322
TG 2014-0468	2523	SmartProse CPA Report	SmartProse	\$252
TG 2014-0469	2523	RSA Conference	RSA Security LLC	\$322
TG 2014-0470	2523	CPA Exam Review	Becker Professional Education	\$296
TG 2014-0486	2523	GWU: Telecom Security Protocols	George Washington University	\$420
TG 2014-0492	2523	GWU: Telecom Security Protocols	George Washington University	\$420
TG 2014-0497	2523	Learn Six Sigma Delivery	Sue Ellen Blackman	\$2,100
TG 2014-108	2523	GWU: Telecom Security Protocols	George Washington University	\$420
TG 2014-120	2523	West Legal Education Center	Thompson Reuters Business	\$577
TG 2014-124	2523	IEEE DySPAN Conference	IEEE DySPAN	\$225
TG 2014-158	2523	FCC Bankruptcy Mini-Conference	FCBA and ABI	\$75
TG 2014-162	2523	FCC Bankruptcy Mini-Conference	FCBA and ABI	\$75
TG 2014-171	2523	Small Cell Technical Overview	Award Solutions Inc.	\$590
TG 2014-172	2523	Learn Six Sigma Program, Codification and Accreditation	Sue Ellen Blackman	\$1,344
TG 2014-183	2523	GWU - Planning and Scheduling	George Washington University	\$2,255
TG 2014-190	2523	Situational Leadership II Materials	Ken Blanchard Companies	\$304
TG 2014-200	2523	Creating Collaborative Solutions: Innovation in Government	Harvard Kennedy School of Business	\$1,008
TG 2014-310	2523	Operational Auditing	Institute of Internal Auditors	\$197
TG 2014-311	2523	Contracts Statement of Work	Management Concepts	\$125
TG 2014-313	2523	Auditing Outsourced Government Services	Graduate School	\$111
TG 2014-314	2523	Auditing Outsourced Government Services	Graduate School	\$111
TG 2014-315	2523	Assessing Risk: Ensuring Internal Audit Has Value	Institute of Internal Auditors	\$500
TG 2014-316	2523	Contracts Administration	Management Concepts, Inc.	\$171
TG 2014-318	2523	AGCs Internal Control and Fraud Prevention	Association of Government	\$108
TG 2014-319	2523	AGCs Internal Control and Fraud Prevention	Association of Government	\$108

Document Number	BOCC	Description	Destination Vendor	Amounts
TG 2014-374	2533	CON-127 Contract Management	Management Concepts	\$117
TG 2014-380	2533	Overview of Acquiring & Importing Data	Audiation Services	\$79
TG 2014-381	2533	Overview of Analyzing & Importing Data Level 1	Audiation Services	\$79
TG 2014-410	2533	Overview of Acquiring & Importing Data	Audiation Services	\$38
TG 2014-411	2533	Overview of Analyzing & Importing Data Level 1	Audiation Services	\$38
TG 2014-412	2533	Overview of Acquiring & Importing Data	Audiation Services	\$38
TG 2014-413	2533	Overview of Analyzing & Importing Data Level 1	Audiation Services	\$38
TG 2014-414	2533	AGis Internal Control and Fraud Prevention	Association of Government	\$108
MIA-2014-0010	2530	Security Investigations	Office of Personnel Management	\$104,100
MIA-2014-0004	2534	Homeland Security Federal Protective Service	U.S. Dept. of Homeland Security	\$79,513
MIA-2014-0009	2534	QuickHire Services through Treasury	Financial Management Service	\$14,057
MIA-2014-0013	2534	NARA storage of records	Bureau of Public Debt	\$6,699
MIA-2014-0019	2534	IPA Agreement for Engineering Services in PSHRB	Columbia University	\$18,858
MIA-2014-0020	2534	Reimbursable Detail Agreement with NTLA	National Institute of Standards & Tech	\$4,200
MIA-2014-0022	2534	Payroll and Personnel Processing Services	U.S. Department of Agriculture	\$32,434
MIA-2014-0025	2534	Interagency Agreement with GSA for the implementation and maintenance of HSPD-12	GSA Office of Finance	\$14,000
MIA-2014-0037	2534	Flexible Spending Accounts	Office of Personnel Management	\$301
MIA-2014-0047	2534	Broadcast Station Reassignment Costs	National Institute of Standards & Tech	\$195,783
MIA-2014-0058	2534	USA Job Annual Fee	Office of Personnel Management	\$1,477
MIA-2014-0059	2534	IPA Agreement with UMBC for Chief Economist	University of Maryland Baltimore County	\$24,861
MIA-2014-0063	2534	FEL Training Program	Office of Personnel Management	\$2,783
MIA-2014-0098	2534	QuickHire Services through Treasury Dept.	Financial Management Service	\$7,859
MIA-2014-0099	2534	IPA Agreement for Chief Technology Officer	University of California	\$28,420
MIA-2014-0100	2534	FOIAonline Implementation and Support	Environmental Protection Agency	\$10,542
MOC-2014-CC-0013	2534	Miscellaneous credit card purchases for HRM	JPMorgan Chase	\$350
FCC14P0040	2541	Installation 10GB Backbone Cabling Package	MCW Solutions, LLC	\$616
MOC-2014-CC-0027	2541	Installation and repair of tele/data & cable TV drops	JPMorgan Chase	\$1,064
MOC-2014-CC-0106	2541	Installation of data drops for CV Auctions	JPMorgan Chase	\$3,626
MOC-2014-CC-0107	2541	Installation of electrical circuits for Gettysburg Main Data Center	JPMorgan Chase	\$132
MOC-2014-CC-0228	2541	Electrical installation, repair, upgrades and mechanical changes to staff at Portals I	JPMorgan Chase	\$3,800
FCC10G0005	2572	Enterprise Core Software Solution	Softchoice Corporation	\$660,457
FCC11P0022	2572	Symantec Maintenance	TTC, Inc. (Arlington CO)	\$35,554
FCC13G0090	2572	Xerox Printer Gettysburg	Xerox Corporation	\$168
FCC14G0004	2572	RedHat Maintenance	August Schell Enterprises, Inc.	\$87,842
FCC14G0008	2572	Barcode Inventory Software Maintenance	Integrated Asset Management Inc.	\$419
FCC14G0016	2572	Oracle Sun Software Maintenance	Immixtechnology, Inc.	\$351,984
FCC14G0022	2572	BMC Remedy Maintenance	Righthstar, Inc.	\$99,496
FCC14G0023	2572	Right Fax Combined Maintenance	Syscom Services, Inc.	\$4,694

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
FCC14G0030	2572	ForeScout Software Maintenance	Immistechology, Inc.	\$13,022
FCC14G0031	2572	EncCase Forensic Maintenance	Immistechology, Inc.	\$80
FCC14G0032	2572	SnagIt Software Maintenance	GOVConnection Inc.	\$39
FCC14G0033	2572	FireEye Software Maintenance	PCMG, Inc.	\$70,378
FCC14G0034	2572	Jaws Pro Software Maintenance	Immistechology, Inc.	\$485
FCC14G0039	2572	MapInfo Maintenance Renewal	Immistechology, Inc.	\$1,980
FCC14G0048	2572	BMC ProactiveNet Performance Management Maintenance	Rightstar, Inc.	\$30,317
FCC14G0050	2572	RedHat Maintenance	August Schell Enterprises, Inc.	\$87,842
FCC14G0052	2572	Informatica Software Maintenance	PI Grammsch Ltd	\$48,920
FCC14G0059	2572	SolarWinds Licenses	DLT Solutions	\$4,872
FCC14G0066	2572	SAS Maintenance	Executive Information Systems	\$9,477
FCC14G0073	2572	EncCase Cybersecurity License and Maintenance	Immistechology, Inc.	\$5,459
FCC14G0074	2572	SAP Business Objects Tools	Carahsoft Technology Corporation	\$168,100
FCC14G0075	2572	Subversion SVN support maintenance	Carahsoft Technology Corporation	\$16,622
FCC14G0076	2572	Google Earth Pro Licenses	Thermopylae Sciences & Technology LLC	\$2,438
FCC14G0079	2572	MongoDB Licenses Maintenance	Carahsoft Technology Corporation	\$21,498
FCC14G0082	2572	WebInspect Maintenance	Carahsoft Technology Corporation	\$15,279
FCC14G0086	2572	Sybase Enterprise Service Support	SAP Government Support and Services, Inc.	\$360,116
FCC14G0089	2572	Quest Software Maintenance	DLT Solutions	\$706
FCC14G0096	2572	ILOG Tools Combined Maintenance - PVU Migration License	IBM Corporation	\$115,097
FCC14G0101	2572	LOG Jools (Rules/CPLEX) Combined Maintenance	IBM Corporation	\$5,476
FCC14G0107	2572	Xacta IA Manager Support Licenses Maintenance	Telos	\$19,488
FCC14G0113	2572	StorageTek Management System Maintenance	Boundless	\$3,781
FCC14G0114	2572	OpenGeo Suite Platform Edition	Boundless	\$37,405
FCC14J0021	2572	Mule ESB Enterprise Subscription	Govplace	\$124,663
FCC14J0028	2572	ActivePDF DocConverter Maintenance	GOVConnection Inc.	\$3,918
FCC14J0033	2572	Web Firewall and Threat Radar Reputation Licenses	Carahsoft Technology Corporation	\$60,115
FCC14J0035	2572	Safesoft Combined SW Maintenance	CDW Government LLC	\$4,242
FCC14J0039	2572	Adobe Product Maintenance	CDW Government LLC	\$25,229
FCC14J0042	2572	WebEx Maintenance Renewal	CDW Government LLC	\$397
FCC14J0044	2572	SubSelinux License Renewal	CDW Government LLC	\$9,353
FCC14J0045	2572	IronKey Server Maintenance	CDW Government LLC	\$4,883
FCC14J0046	2572	McAfee Enterprise Log Manager Software Maintenance	CDW Government LLC	\$2,764
FCC14J0047	2572	ActivClient User License	CDW Government LLC	\$15,793
FCC14J0053	2572	HP Quality Center Software Maintenance	Carahsoft Technology Corporation	\$8,424
FCC14J0060	2572	HP LoadRunner Software Maintenance	Carahsoft Technology Corporation	\$13,900
FCC14J0067	2572	Camtasia TechSmith Maintenance	CDW Government LLC	\$57
FCC14J0070	2572	TrendMicro Software Maintenance	CDW Government LLC	\$8,835
FCC14J0073	2572	NetBatz Renewal maintenance	CDW Government LLC	\$197
FCC14J0074	2572	VM Ware Licensing Option Year 2	GOVConnection Inc.	\$117,257
FCC14J0078	2572	FireEye Appliances Software Maintenance	PCMailGov	\$107,923
FCC14J0080	2572	XML Spy Maintenance	CDW Government LLC	\$396
FCC14J0081	2572	Xmredius FAXoIP Maintenance	CDW Government LLC	\$674
FCC14J0082	2572	Maintenance for Checkpoint Software Maintenance	GOVConnection Inc.	\$56,463
FCC14J0092	2572	Splunk Log Analyzer Software Maintenance	CDW Government LLC	\$31,597
FCC14J0003	2572	Acunote Software Maintenance	Acunote Corporation	\$2,580
FCC14J0004	2572	Entrust SSL Certificates	Entrust, Inc.	\$9,436
FCC14J0005	2572	Riverbed Software Maintenance	EC America, Inc.	\$19,675
FCC14J0006	2572	NetCool Software Maintenance	IBM Corporation	\$41,896

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
FCC14P0007	2572	Hosting Servers Services	Peer 1 Dedicated Hosting, Inc.	\$1,977
FCC14P0008	2572	Lyrus Listerver Software Maintenance	Sparklist	\$401
FCC14P0009	2572	CarroDB Software Maintenance	Vizzuality, Inc	\$1,400
FCC14P0010	2572	EhacCoat Software Maintenance	CDW Government LLC	\$64,097
FCC14P0011	2572	Metradia Assistant Software Maintenance	The Payne Group	\$385
FCC14P0015	2572	Novi Survey Software Maintenance	3rd Millennium, Inc.	\$88
FCC14P0033	2572	WCAP Pro Software Maintenance	Weisberg Consulting, Inc.	\$35
FCC14P0038	2572	Media Access Pro Software Maintenance	BIA Research	\$5,769
FCC14P0039	2572	WhatUpGold Software Maintenance	CDW Government LLC	\$1,480
FCC14P0042	2572	SecureNetTerm Software Maintenance	Intersoft International Inc	\$269
FCC14P0049	2572	Sun Java Signing Digital ID -Verisign SSL Certificates	Symantec	\$499
FCC14P0051	2572	Carubi Optimizer Licenses	Carubi Optimization, Inc.	\$7,200
FCC14P0052	2572	Agus Software Maintenance	Bevertidge, Inc.	\$112
FCC14P0057	2572	Pages & Database Intence	ES&S	\$5,464
FCC14P0062	2572	ES&S Software Licenses	ES&S Corporation	\$3,321
FCC14P0066	2572	GAISS Software Licenses Maintenance	Aspach Systems, Inc	\$321
FCC14P0067	2572	McAfee Software Licenses Maintenance	4 Star Technologies, Inc.	\$63,990
FCC14P0068	2572	M LS Print Software Maintenance	Rockwater Software Associates	\$1,968
FCC14P0070	2572	NetIQ Software Maintenance	Fedtek	\$13,030
FCC14P0071	2572	Web Trends Software Maintenance	Fedtek	\$2,364
FCC14P0075	2572	Production Tracker Software Maintenance	Techniques Successful Selling Inc. DBA Toss Inc.	\$2,888
FCC14P0078	2572	ScoutUI Pro Software Maintenance	Smart Bear Software Inc.	\$1,688
FCC14P0080	2572	MyEclipse Software Maintenance	Gemites, LLC	\$2,345
FCC14P0081	2572	Embarcadero Software Maintenance	PCMG, Inc.	\$47,212
FCC14P0086	2572	ReportMill Software Maintenance	ReportMill Software, Inc.	\$3,981
FCC14P0087	2572	Compliance Sheriff Software Maintenance	Namtek Corp.	\$7,240
FCC14P0088	2572	Am-Pro Licenses	VSoft Communications LLC	\$2,013
FCC14P0090	2572	Jim Software Maintenance and Support	Go 2 Group	\$7,504
FCC14P0091	2572	ManageEngine ADAudit Plus Directory Maintenance	Zoho Corporation	\$462
FCC14P0095	2572	Blackberry BES Software Maintenance	Blackberry Corporation	\$8,632
FCC14P0097	2572	GOOD Security Software Licenses Maintenance	PCMG, Inc.	\$17,497
FCC14P0103	2572	Carubi Optimizer Maintenance	Gurubi Optimization, Inc.	\$5,195
FCC14P0115	2572	iLog Tools Software Maintenance	IBM Corporation	\$13,480
FCC14P0118	2572	AutoCAD Maintenance	CDW Government LLC	\$289
FCC14P0120	2572	Zoom Software Maintenance	Sofchoice Corporation	\$2,758
FCC14P0121	2572	Cast Software Maintenance	Cast Software, Inc.	\$26,909
FCC14P0124	2572	UnitySync Software Maintenance	Directory Solutions Group	\$292
FCC14P0133	2572	Asure Software Maintenance	Asure Software Inc.	\$1,242
FCC14P0138	2572	NetOptics Maintenance	Force 3, Inc.	\$8,105
FCC14P0139	2572	WorkShare Subscription E-certificate License and Maintenance	Sofchoice Corporation	\$235
FCC14P0152	2572	CADapult FM Room Scheduler and Space Management	Cadapult, Ltd.	\$1,260
FCC14P0166	2572	Knowlegis Software Maintenance	CQ-Roll Call, Inc.	\$1,960
FCC14P0184	2572	Symantec Products Maintenance Renewal	DLT Solutions	\$120,118
FCC14P0185	2572	Hyma Upgrade and Maintenance	Systemtools Software, Inc	\$131
MOC-2014-CC-0436	2572	Testpad Licenses Software Maintenance	JPMorgan Chase	\$28
ADP Equipment Maintenance				
FCC12P0164	2573	GB Printer Maintenance	Pitney Bowes Software, Inc.	\$100
FCC13G0090	2573	Xerox D125 Licensing Printer Maintenance	Xerox Corporation	\$3,500

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
FCC13J0014	2573	Oracle Sun Hardware Maintenance	PCMG, Inc.	\$385,486
FCC14G0009	2573	NetApp Hardware Maintenance	Mythics, Inc.	\$120,279
FCC14G0020	2573	Juniper HW Maintenance	Arrow Enterprise Computing Solutions	\$16,956
FCC14G0021	2573	Nutanix (VMWare-VDI Solution) Maintenance	SMS Data Products Group, Inc	\$18,881
FCC14G0092	2573	Genysburg Printer Maintenance	Carahsoft Technology Corporation	\$52,504
FCC14G0094	2573	Video/Audio Conferencing Equipment Maintenance	Primey Brown Software, Inc.	\$10,766
FCC14G0112	2573	Maintenance for Brocade switches and routers which integrate the SAN and network servers	Protekcom, LLC	\$487
FCC14G0043	2573	UPS Wreelocets Maintenance	CDW Government LLC	\$22,049
FCC14G0062	2573	UPS Server Combined Maintenance	GovConnection Inc.	\$22,513
FCC14G0077	2573	Citro Maintenance	CDW Government LLC	\$17,707
FCC14G0091	2573	Cisco 4800 Switching Maintenance	CDW Government LLC	\$45,368
FCC14G0101	2573	Juniper SRX 3600 HW Maintenance	CDW Government LLC	\$21,496
FCC14G0110	2573	Open Switch Hardware Maintenance	CDW Government LLC	\$15,420
FCC14G0015	2573	IronPort Maintenance	Oracle Interact, Inc.	\$14,721
FCC14G0092	2573	Microfiche Reader Maintenance	Image2, Inc.	\$56,917
FCC14G0101	2573	Leasing Time Hardware Maintenance	Image2, Inc.	\$1123
FCC14G0132	2573	Nikon HW Maintenance	Avare Software, Inc.	\$1,079
FCC14G0165	2573	New York Field Offices printer repair	Technica Corporation	\$207,324
MOC-2014-CC-0245	2573	New York Field Offices printer repair	JPMorgan Chase	\$31
MOC-2014-CC-0245	2573	New York Field Offices printer repair	JPMorgan Chase	\$77
Repair Office Equipment/Furniture				
FCC11C0007	2574	Maintenance of mailing equipment	National Mailing Systems Inc.	\$2,382
FCC12P0081	2574	FCC Warehouse Burglar Alarm Contract	ABC Alarm Systems Inc.	\$59
FCC13J0048	2574	Maintenance service for Uninterruptible Power Supply units (UPS)	Ready Leasing & Management Co	\$1,848
FCC14J0065	2574	Forklift and L.R. Truck preventive maintenance	McCall Handling Co.	\$350
FCC14J0068	2574	Preventive maintenance for refrigerator and ice machine	A&B Appliance Co	\$1,819
FCC14P0048	2574	Images maintenance contract	Image2	\$105
MOC-2014-CC-0104	2574	Maintenance of equipment located in print plant	JPMorgan Chase	\$980
MOC-2014-CC-0274	2574	Micro credit card purchases for repair services and office supplies	JPMorgan Chase	\$2,100
ADP Service Contracts				
FCC11G0041	2575	Offsite Data Tape Storage	First Federal Corporate	\$42,827
FCC12G0136	2575	C-Cap Service Contract	Phasit, Inc.	\$407,855
FCC12G0140	2575	NSOC Service Contract	Energy Enterprise Solutions, LLC	\$906,771
FCC12G0143	2575	IT Infrastructure Support Services	AAAC, INC.	\$8,099,871
FCC12G0155	2575	Incentive Auctions Contract	Microtech	\$142,200
FCC12G0174	2575	Terremark Cloud Contract	Terremark Federal Group	\$402
FCC13C0009	2575	IT Program Management support services	OCTO Consulting Group, Inc.	\$107,330
FCC13G0080	2575	Cloud Services for FCC.gov	Savvis Federal Systems, Inc.	\$96,655
FCC13G0097	2575	Telecommunications Expense Management Services	Iya, LLC	\$9,816
FCC14C0010	2575	ISAS Bidding System Requirements	Power Auctions LLC	\$1,000,000
FCC14C0011	2575	Website Research, Prototyping and Usability Testing	Information Systems Solutions, Inc.	\$56,000
FCC14C0019	2575	System Integration & Functional Validation Testing	Oasis International	\$1,060,945
FCC14G0026	2575	Mongo DB Support Subscription	Carahsoft Technology Corporation	\$38,696
FCC14G0090	2575	Hosted kCura Relativity Software Access and Support	Cact, Inc.	\$11,304
FCC14G0093	2575	Digital Reasoning	Carahsoft Technology Corporation	\$7
FCC14G0115	2575	Mule ESB API Subscription	GovPlace	\$127,789

SPECTRUM AUTION EXPENDITURES - FISCAL YEAR 2014			
Document Number	BOCC	Description	Amounts
FCC14P0013	2660	TV & Cable Facebook 2014	
FCC14P0017	2660	Science Direct Subscription	\$225
FCC14P0032	2660	Daily Newspapers Subscription	\$423
FCC14P0036	2660	IEEE Enterprise Service	\$142
FCC14P0047	2660	BNA Daily Report	\$867
FCC14P0060	2660	GitHub Subscription	\$824
FCC14P0079	2660	Webex Renewal Maintenance FCC-Conference	\$168
FCC14P0089	2660	Subscription to Aspen Supplements	\$401
FCC14P0105	2660	Corporate Digital Subscription NYTimes.com	\$726
FCC14P0126	2660	Accessible Event Subscription	\$203
FCC14P0131	2660	Politico Site License	\$133
FCC14P0136	2660	Yelp.com Leadership Directories	\$6,981
FCC14P0146	2660	SNL Regional Directories	\$1,880
FCC14P0158	2660	SNL Regional Directories	\$11,801
FCC14P0168	2660	SNL Regional Directories	\$1,801
MFA-2014-0026	2660	FeedBack OGLC Annual Subscription	\$560
MFA-2014-0017	2660	MNSA ID - FY14 Annual Subscription	\$70
MOC-2014-CC-0046	2660	Various vendors providing agency-wide periodicals and subscriptions	\$31,943
MOC-2014-CC-0291	2660	BR,IFIC publications	\$6,800
MOC-2014-CC-0471	2660	NRIC,Org and MSRC,Org combined registration fees	\$4
	26	Total Supplies and Materials	\$203,305
		ADP Equipment	
FCC14G0012	3120	Thin Client Test Models	\$503
FCC14G0036	3120	Oracle Sun Servers Maintenance	\$101,676
FCC14G0047	3120	Oracle Sun Servers	\$139,854
FCC14G0049	3120	International Travel Support Devices	\$43,957
FCC14G0069	3120	CAD Computers EDG Support	\$1,129
FCC14J0007	3120	DDR2 Desktop Memory	\$350
FCC14J0013	3120	MacBook Pros for Incentive Auctions	\$66,125
FCC14J0037	3120	VDI Thin Client	\$9,478
FCC14J0052	3120	External DVD Players	\$571
FCC14J0054	3120	Imperva Web Application Firewall Threat Radar	\$89,723
FCC14J0063	3120	Samsung Monitors	\$3,423
FCC14J0079	3120	Desktop Memory - Edge 2 MB	\$236
FCC14P0027	3120	Cisco Video Equipment	\$1,540
FCC14P0029	3120	Cisco 1000 Base-T SFP Modules	\$367
FCC14P0035	3120	MacBook Pro	\$3,893
FCC14P0041	3120	Back-up Tapes	\$30,500
FCC14P0046	3120	RSA Tokens	\$26,524
FCC14P0074	3120	Video Streaming Encoder	\$1,959
FCC14P0076	3120	Powerlite Projectors	\$973
FCC14P0096	3120	Keyboards and Optical Mouse	\$1,077
FCC14P0100	3120	MacBook Air and MacBook Pro	\$3,612
FCC14P0123	3120	BlackBerry Holsters	
FCC14P0160	3120	SFP Modules	\$364
FCC14P0175	3120	Genysung Cellular Upgrade	\$504
FCC14P0195	3120	Cisco Switches for Portals I	\$17,524
FCC14P0199	3120	Back-up Tapes	\$13,727
MOC-2014-CC-0009	3120	ITC Substitution Box	\$8,674
MOC-2014-CC-0013	3120	Logitech Professional Presenter Laser Pointer	\$114
			\$22

SPECTRUM AUCION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
MOC-2014-CC-0032	3120	HVAC - Electrical Work for the 1st floor computer room	JPMorgan Chase	\$145
MOC-2014-CC-0068	3120	Replacement 2 UPS Units Hawaii Field Office	JPMorgan Chase	\$60
MOC-2014-CC-0142	3120	Purchase of Logitech Mouse to support Service Center	JPMorgan Chase	\$89
MOC-2014-CC-0143	3120	Purchase of Eberhach Mouse	JPMorgan Chase	\$18
MOC-2014-CC-0148	3120	Purchase of Privacy Screens for 8th floor Executive Suites	JPMorgan Chase	\$185
MOC-2014-CC-0149	3120	Cables for Denver Field Office	JPMorgan Chase	\$43
MOC-2014-CC-0150	3120	Cabling and accessories for Gettysburg Upgrade	JPMorgan Chase	\$49
MOC-2014-CC-0151	3120	Purchase of Wireless Mouse	JPMorgan Chase	\$15
MOC-2014-CC-0152	3120	IPad Keyboard	JPMorgan Chase	\$15
MOC-2014-CC-0207	3120	Printer Cordell	JPMorgan Chase	\$161
MOC-2014-CC-0211	3120	Printer Kennel Rack Site 3	JPMorgan Chase	\$41
MOC-2014-CC-0242	3120	IPDF Liberation Hardware	JPMorgan Chase	\$32
MOC-2014-CC-0248	3120	Peripherals	JPMorgan Chase	\$32
MOC-2014-CC-0264	3120	Mac Book Air & Thunderbolt Gigabyte	JPMorgan Chase	\$177
MOC-2014-CC-0268	3120	Logitech Ultra Thin Keyboard Cover	JPMorgan Chase	\$41
MOC-2014-CC-0269	3120	Magie Software & Keyboard	JPMorgan Chase	\$110
MOC-2014-CC-0271	3120	Workstation Hard Drive Repair	JPMorgan Chase	\$50
MOC-2014-CC-0281	3120	APC Smart-UPS (Gettysburg)	JPMorgan Chase	\$192
MOC-2014-CC-0284	3120	Headset for Office of the Chairman	JPMorgan Chase	\$34
MOC-2014-CC-0288	3120	Thunderbolt to Gigabit Ethernet Adapter	JPMorgan Chase	\$84
MOC-2014-CC-0294	3120	IPad Keyboard Cover	JPMorgan Chase	\$111
MOC-2014-CC-0298	3120	APC Smart - UPS for Enforcement Bureau	JPMorgan Chase	\$84
MOC-2014-CC-0302	3120	CoverBot IPad Air & Keyboard for Service Desk	JPMorgan Chase	\$102
MOC-2014-CC-0304	3120	Snagless Patches for the Gettysburg Field Office	JPMorgan Chase	\$163
MOC-2014-CC-0320	3120	APC Replacement Battery for GA Field Office	JPMorgan Chase	\$48
MOC-2014-CC-0321	3120	Replacement Tmoy (CO FO)	JPMorgan Chase	\$55
MOC-2014-CC-0322	3120	Headset	JPMorgan Chase	\$7
MOC-2014-CC-0325	3120	IPad Cover & Keyboard for PSHSB	JPMorgan Chase	\$7
MOC-2014-CC-0330	3120	APC Replacement Battery for LA Field Office	JPMorgan Chase	\$12
MOC-2014-CC-0346	3120	MacBook Adapter	JPMorgan Chase	\$60
MOC-2014-CC-0350	3120	VGA Adapters for Gettysburg Field Office	JPMorgan Chase	\$19
MOC-2014-CC-0351	3120	IPad Keyboards for Gettysburg	JPMorgan Chase	\$40
MOC-2014-CC-0358	3120	APC Smart-UPS (HI)	JPMorgan Chase	\$238
MOC-2014-CC-0364	3120	Inside Delivery	JPMorgan Chase	\$6
MOC-2014-CC-0367	3120	Connection Cables	JPMorgan Chase	\$11
MOC-2014-CC-0368	3120	Apple Power Adapter	JPMorgan Chase	\$168
MOC-2014-CC-0371	3120	Mobile Devices Management Tools	JPMorgan Chase	\$399
MOC-2014-CC-0383	3120	Dragon Naturally Speaking Software & Headset	JPMorgan Chase	\$80
MOC-2014-CC-0402	3120	OCH KVM Switches	JPMorgan Chase	\$52
MOC-2014-CC-0405	3120	IPad Cover with Keyboard	JPMorgan Chase	\$52
MOC-2014-CC-0407	3120	Monitors Displays & DVI Adapters	JPMorgan Chase	\$106
MOC-2014-CC-0411	3120	APC Replacement Battery for MO Field Office	JPMorgan Chase	\$202
MOC-2014-CC-0422	3120	Avigil Padlock 4TB HDD	JPMorgan Chase	\$10
MOC-2014-CC-0430	3120	Logitech Keyboard Folio (2)	JPMorgan Chase	\$10
MOC-2014-CC-0443	3120	Mobile Devices Management Tools	JPMorgan Chase	\$339
MOC-2014-CC-0465	3120	RAM for PC's License Modernization	JPMorgan Chase	\$383
MOC-2014-CC-0467	3120	Wireless Keyboard and mouse configuration	JPMorgan Chase	\$726
MOC-2014-CC-0469	3120	Various Miscellaneous Expenses	JPMorgan Chase	\$726
MOC-2014-CC-0470	3120	IPad Air Keyboards	JPMorgan Chase	\$33
MOC-2014-CC-0470	3120	8 External hard drive and 75 Zero Client Monitor	JPMorgan Chase	\$2,601

SPECTRUM AUCTION EXPENDITURES - FISCAL YEAR 2014				
Document Number	BOCC	Description	Destination/Vendor	Amounts
MOC-2014-CC-0046	3170	Library Services for the purchase of books and miscellaneous supplies	JPMorgan Chase	\$462
	31	Total Equipment		\$1,039,373
		Total Auctions Operating Costs Funded from Auctions Receipts		\$96,938,772
Spectrum Credit Reform Program Costs				
	1100	Personnel Compensation		\$201,997
	11	Total Personnel Compensation		\$201,997
	1200	Personnel Benefits		\$58,595
	12	Total Personnel Benefits		\$58,595
	2520	Core Financial System Replacement	CGI Federal, Inc.	\$18,894
FCC08G0001	2520	Financial Systems Support Services	CompuTech, Inc.	\$8,460
FCC11G0007	2520	Financial Support Services	VMD Systems Integrators, Inc.	\$2,039
FCC12C0008	2520	Summary of Performance and Financial Results	Adventium LLC	\$81
FCC13G0012	2520	Financial and Performance Reporting	Ernst & Young LLP	\$42,180
FCC13G0066	2520	E-Gov Travel Services	CWTSATOTravel	\$1,084
FCC14G0003	2520			
	2530	Pacer Service Center to research all bankruptcy litigation matters involving the Commission	Admin Office of the US Courts	\$2,600
MFA-2014-0016	2530	Total Contractual Services		\$75,338
	25	Funded From Treasury Credit Reform Program Accounts		\$335,930

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. Lifeline has been a critical program in ensuring low-income Americans have access to phone service, providing critical connections to work, family, and emergency services. After expanding to wireless cell service in 2005, I applaud the Commission for extending access to bring essential broadband services to the more than 100 million Americans lacking broadband service across the country. What steps will the FCC take to ensure all who are eligible know of the expansion and are able to benefit?

Answer. The recent Lifeline Order fundamentally modernizes and restructures the program to support 21st century communications that have become critical to full participation in modern society. As you noted, consumers will now be able to apply the \$9.25 per month household subsidy to stand-alone broadband service, as well as bundled voice and data service. We believe that adding broadband as a supported service, as well as streamlining eligibility criteria to allow more providers to participate in the program, will increase the value and options for low-income consumers and allow the program to better address their needs.

We also recognize that education and awareness programs can be effective in overcoming barriers to broadband adoption, especially among seniors and underprivileged populations. Broadband can be a critical tool to realize many economic and health gains as well as increased socialization, but seniors and underprivileged populations lag behind other demographic groups in terms of adoption and digital inclusion. Education and awareness programs can be effective in overcoming these barriers and increasing broadband adoption among these groups.

To address these issues head on, the Commission has directed the Consumer and Governmental Affairs Bureau to develop a comprehensive plan to allow the Commission to better understand the non-price barriers to digital inclusion and to propose how the Commission can facilitate efforts to address those barriers. As part of this effort, the Commission has encouraged Lifeline providers to work with schools, libraries, community centers and other organizations such as food banks and senior citizen centers that serve low-income consumers to increase broadband adoption and address non-price barriers to adoption.

We recognize the importance of the Lifeline program in addressing the broadband affordability gap that exists now, and believe that these reforms and other efforts will result in increased participation that will help bridge that gap.

Question. Some have expressed concern that certain markets will be without any public television options as a result of the spectrum auction. Some areas of the country have just one public TV station, and should they choose to auction their spectrum, their existing customers would be without these services. This troubling news is not limited just to America's small towns: cities as large as San Diego, Detroit, and Dallas happen to be served by just one public TV licensee. Studies have found that poorer communities of color are more reliant on public television services than the general population, and could potentially be forced into the difficult decision between unaffordable paid service or no service at all. What steps are being taken to ensure that communities of color are minimally impacted during the ongoing auction?

Answer. The Commission remains fully committed to the mission of non-commercial broadcasting. We think that the auction is likely to create few if any "white areas," i.e., areas with no public broadcasting. Public broadcasters that wish to participate in the auction have the option of doing so without going off the air, by entering into channel sharing arrangements or bidding to move from UHF to VHF.

In response to concerns raised by public broadcasting about possible "white areas," the Commission concluded that the most effective means of balancing its commitment to noncommercial broadcasting and the mandates of the Spectrum Act is to address any actual service losses on a case-by-case basis in a manner that is tailored to the post-auction television landscape.

In this regard, the Commission has outlined several options for assisting any communities left without a non-commercial station or channel allotment post auction:

- The Commission could waive the freeze on the filing of applications for new LPTV or TV translator stations to allow NCE licensees to promptly restore any lost NCE service.
- The Commission could consider a minor modification application by a neighboring public station to expand its contour to cover a community that lost NCE service, possibly by waiving our rules on power and height restrictions, if the licensee can demonstrate that it would not introduce new interference to other broadcasters.
- Interested parties could file petitions for rulemaking to propose the allotment of new reserved channels to replace the lost service once the Commission lifts

the current freeze on the filing of petitions for rulemaking for new station allotments, or the Commission could do so on its own motion.

SUBCOMMITTEE RECESS

Senator BOOZMAN. The subcommittee is hereby adjourned.
[Whereupon, at 11:57 a.m., Tuesday, April 5, the subcommittee was recessed, to reconvene subject to the call of the Chair.]