



# **FEDERAL COMMUNICATIONS COMMISSION**

## **Fiscal Year 2019 Annual Performance Report**

(October 1, 2018 – September 30, 2019)

## *Message from the Chairman*

It is my pleasure to present the Federal Communications Commission's (FCC's or Commission's) Annual Performance Report for Fiscal Year (FY) 2019. This Annual Performance Report reflects the FCC's strategic and performance goals implemented under my leadership. The Commission has acted to link the FCC's mission to its strategic goals, which can be found in the FCC's Strategic Plan for FY's 2018 to 2022, and which include: Closing the Digital Divide, Promoting Innovation, Protecting Consumers and Public Safety, and Reforming the FCC's Processes. The FCC's Strategic Plan for FY's 2018 to 2022 is available at: <https://www.fcc.gov/about/strategic-plans-budget>. The FCC made significant progress in FY 2019 towards implementing these priorities. Below are examples of the Commission's substantial efforts to carry out its mission during the past fiscal year; the accompanying Annual Performance Report provides additional information and details about the FCC's accomplishments in FY 2019.

To accelerate the deployment of 5G, the next generation of wireless broadband connectivity, the FCC has developed and is executing a comprehensive strategy that will Facilitate America's Superiority in 5G Technology (the 5G FAST Plan). The Plan has three key components: (1) pushing more spectrum into the marketplace; (2) promoting the deployment of wireless infrastructure; and (3) modernizing outdated regulations to promote fiber deployment. Regarding spectrum, in January 2019, the Commission finished an auction of spectrum in the 28 GHz band and in May concluded an auction of spectrum in the 24 GHz band. And on December 10, 2019, the Commission started an auction of the upper 37 GHz, 39 GHz, and 47 GHz bands. This auction is the largest in American history, releasing 3,400 megahertz of spectrum into the commercial marketplace. To better protect consumers from robocalls, the Commission adopted a Declaratory Ruling to make clear that voice service providers may, as the default, block unwanted calls based on reasonable call analytics, as long as their customers are informed and have the opportunity to opt out of the blocking. This action empowers providers to protect their customers from unwanted robocalls before those calls even reach the customers' phones. To assist our efforts to close the digital divide, the Commission, in August 2019, adopted the Digital Opportunity Data Collection, an entirely new broadband mapping initiative that will provide the Commission with granular, precise broadband deployment maps depicting exactly where broadband networks are deployed. As part of this mapping program, the Commission will for the first time incorporate public feedback—or "crowdsourcing"—from members of the public along with state, local, and Tribal governments into broadband maps. Furthermore, the Commission adopted an order in December 2018 that provided high-cost universal service support to small, rural carriers in return for a commitment to provide 25/3 Mbps service to more than 940,000 rural homes and businesses. And in September 2019, the Commission approved nearly \$1 billion to expand, improve, and storm harden broadband networks in Puerto Rico and the U.S. Virgin Islands to ensure that Americans living there will have access to fast, resilient, and reliable broadband services.

Moving forward, I remain focused on promoting the public interest by taking actions that result in more innovation, more investment, better products and services, lower prices, more job creation, and faster economic growth.



Ajit V. Pai  
Chairman

## *Mission*

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

## *About the Federal Communications Commission*

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

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

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

- **The Consumer & Governmental Affairs Bureau** develops and implements consumer policies, including disability access and policies affecting Tribal nations. The Bureau serves as the public face of the Commission through outreach and education, as well as responding to consumer inquiries and informal complaints. The Bureau also maintains collaborative partnerships with state, local, and Tribal governments in such critical areas as emergency preparedness and implementation of new technologies. In addition, the Bureau's Disability Rights Office provides expert policy and compliance advice on accessibility with respect to various forms of communications for persons with disabilities.
- **The Enforcement Bureau** enforces the Communications Act and the FCC's rules. It protects consumers, ensures efficient use of spectrum, furthers public safety, promotes competition,

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<sup>1</sup> 47 U.S.C. § 151.

<sup>2</sup> *Id.*

resolves intercarrier disputes, and protects the integrity of FCC programs and activities from fraud, waste, and abuse.

- **The International Bureau** administers the FCC's international telecommunications and satellite programs and policies, including licensing and regulatory functions. The Bureau promotes pro-competitive policies abroad, coordinating the FCC's global spectrum activities and advocating U.S. interests in international communications and competition. The Bureau works to promote a high-quality, reliable, interconnected and interoperable communications infrastructure on a global scale.
- **The Media Bureau** recommends, develops, and administers the policy and licensing programs relating to electronic media, including broadcast, cable, and satellite television in the United States and its territories.
- **The Public Safety & Homeland Security Bureau** develops and implements policies and programs to strengthen public safety communications, homeland security, national security, emergency management and preparedness, disaster management, and network reliability. These efforts include rulemaking proceedings that promote more efficient use of public safety spectrum, improve public alerting mechanisms, enhance the nation's 911 emergency calling system, and establish frameworks for communications prioritization during crisis. The Bureau also maintains 24/7 operations capability and promotes Commission preparedness to assist the public, first responders, the communications industry, and all levels of government in responding to emergencies and major disasters where reliable public safety communications are essential.
- **The Wireless Telecommunications Bureau** is responsible for wireless telecommunications programs and policies in the United States and its territories, including licensing and regulatory functions. Wireless communications services include cellular, paging, personal communications, mobile broadband, and other radio services used by businesses and private citizens.
- **The Wireline Competition Bureau** develops, recommends, and implements policies and programs for wireline telecommunications, including fixed (as opposed to mobile) broadband and telephone landlines, striving to promote the widespread development and availability of these services. The Bureau has primary responsibility for the Universal Service Fund which helps connect all Americans to communications networks.
- **The Office of Administrative Law Judges** is composed of one judge (and associated staff) who presides over hearings and issues decisions on matters referred by the FCC.
- **The Office of Communications Business Opportunities** promotes competition and innovation in the provision and ownership of telecommunications services by supporting opportunities for small businesses as well as women and minority-owned communications businesses.

- **The Office of Economics and Analytics** is responsible for expanding and deepening the use of economic analysis in Commission policy making, for enhancing the development and use of auctions, and for implementing consistent and effective agency-wide data practices and policies. The Office also manages the FCC's auctions in support of and in coordination with the FCC's Bureaus and Offices.
- **The Office of Engineering and Technology** advises the FCC on technical and engineering matters. This Office develops and administers FCC decisions regarding spectrum allocations and grants equipment authorizations and experimental licenses.
- **The Office of the General Counsel** serves as the FCC's chief legal advisor.
- **The Office of the Inspector General** conducts and supervises audits and investigations relating to FCC programs and operations.
- **The Office of Legislative Affairs** serves as the liaison between the FCC and Congress, as well as other federal agencies.
- **The Office of the Managing Director** administers and manages the FCC.
- **The Office of Media Relations** informs the media of FCC decisions and serves as the FCC's main point of contact with the media.
- **The Office of Workplace Diversity** ensures that the FCC provides employment opportunities for all persons regardless of race, color, sex, national origin, religion, age, disability, or sexual orientation.

# ***CLOSING THE DIGITAL DIVIDE***

***Develop a regulatory environment to encourage the private sector to build, maintain, and upgrade next-generation networks so that the benefits of advanced communications services are available to all Americans. Where the business case for infrastructure investment doesn't exist, employ effective and efficient means to facilitate deployment and access to affordable broadband in all areas of the country.***

## ***FY 2019 PERFORMANCE HIGHLIGHTS***

A key priority for the FCC is to close the digital divide in rural America. The FCC continued to use auction mechanisms as well as other funding models to increase broadband service in rural areas.

- The FCC conducted the Connect America Phase (CAF) II reverse auction which allocated \$1.49 billion in support to be distributed over the next 10 years to expand broadband service in unserved areas in 45 states. Over 700,000 rural homes and small businesses will gain access to high-speed Internet service for the first time as a result. As of the end of FY 2019, the FCC has authorized five waves of funding, bringing total authorized funding for the auction to over \$1 billion, and expanding connectivity to nearly 388,000 homes and businesses nationwide. This includes funding waves of \$112.2 million to expand broadband to nearly 48,000 unserved rural homes and businesses in five states; \$121 million, expanding connectivity to 36,579 unserved rural homes and businesses in 16 states; \$524 million to 205,520 unserved rural homes and businesses in 23 states; \$166.8 million to 60,850 unserved rural homes and businesses in 22 states; and \$111.6 million to expand broadband to 37,148 unserved rural homes and businesses in 12 states.
- The FCC authorized two waves of funding over the next decade through the Connect America Fund to expand broadband in upstate New York through matching funds provided in a partnership with the state's New NY Broadband Program. In the first wave, the FCC authorized over \$39.2 million in federal funding over the next decade to expand broadband to 15,442 unserved rural New York homes and businesses. In the second wave, the FCC authorized nearly \$16.2 million to expand broadband to 8,088 unserved rural New York homes and businesses.
- The FCC authorized over \$4.9 billion in support over the next decade for maintaining, improving, and expanding affordable rural broadband for 455,334 homes and businesses served by 171 carriers in 39 states and American Samoa, including 44,243 locations on Tribal lands. The homes and businesses are located in sparsely populated rural areas where the per-location price of deployment and ongoing costs of providing broadband service are high, requiring support from the FCC's Universal Service Fund to facilitate network improvements and keep rates reasonably comparable to those in urban areas. The support is targeted to smaller rural carriers, traditionally known as "rate-of-return" carriers. These carriers agreed this year to accept subsidies based on the FCC's Alternative Connect America Cost Model (A-CAM) II. The FCC also authorized and directed the Universal Service Administrative Company to obligate and disburse the appropriate transition payments to 35 carriers for whom the A-CAM II support amount is less than legacy support received in 2018. The transition payments total \$109.6 million over the term of support.

- The FCC approved allocations of \$950 million in funding to improve, expand, and harden communications networks in Puerto Rico and the U.S. Virgin Islands. After communications infrastructure on the islands was devastated by Hurricanes Irma and Maria two years ago, the FCC created the Uniendo a Puerto Rico Fund and the Connect USVI Fund. To date, the FCC has provided about \$130 million in additional, one-time Universal Service Fund support to assist with network restoration. With restoration work substantially complete, the FCC approved the next stage of funding to provide mid-term and long-term support to deploy fast, resilient, and reliable networks. In Puerto Rico, the FCC will allocate more than \$500 million over ten years in fixed broadband support and more than \$250 million over three years in mobile broadband support. In the U.S. Virgin Islands, the FCC allocated more than \$180 million over ten years in support for fixed networks, and \$4 million over three years for mobile networks. Fixed broadband support will be awarded through a competitive process, and support for mobile services will be awarded to providers that were offering mobile services in the Territories prior to the hurricanes.
- The FCC proposed the Rural Digital Opportunity Fund, which would direct up to \$20.4 billion to expand broadband in unserved rural areas. The proposal would make more areas eligible for support and require faster service than last year’s CAF Phase II reverse auction. In a Notice of Proposed Rulemaking, the FCC sought comment on continuing the expansion of broadband by using a reverse auction that builds on the success of last year’s CAF Phase II auction. The Rural Digital Opportunity Fund would focus on areas currently served by “price cap” carriers, along with areas that were not won in the CAF Phase II auction and other areas that do not currently receive any high-cost universal service support. In January 2020, the Commission adopted rules to implement the Rural Digital Opportunity Fund.
- The Commission adopted rules of the road for the upcoming transition from legacy CAF support in certain price cap areas to new, auction-based support for voice and broadband. The funds are targeted to areas where the incumbent provider-large carriers known as price cap carriers-declined a 2015 offer of CAF Phase II model-based support. The Order provided clarity and certainty to providers during this transition, while ensuring that existing voice service is maintained throughout the process for customers.

The FCC established the Digital Opportunity Data Collection (DODC), a new process for collecting fixed broadband data to better pinpoint where broadband service is lacking. The new data collection will collect geospatial broadband coverage maps from fixed broadband Internet service providers, will facilitate the development of high-quality fixed broadband deployment maps, and improve the FCC’s ability to target support for broadband expansion through the agency’s Universal Service Fund programs. The FCC’s Report and Order adopted a process to collect public input on the accuracy of service providers’ broadband maps and made targeted changes to the existing Form 477 data collection to reduce reporting burdens for all filers and incorporate new technologies. The FCC also sought comment on incorporating the collection of accurate, reliable mobile voice and broadband services into the DODC.

The FCC’s *2019 Broadband Deployment Report* showed that the number of Americans lacking access to a terrestrial fixed broadband connection meeting the FCC’s benchmark of at least 25/3 Mbps has dropped from 26.1 million Americans at the end of 2016 to 21.3 million Americans at



the end of 2017, a decrease of more than 18%. The majority of those gaining access to such connections, approximately 4.3 million, are in rural America. The Report also showed that higher-speed services are being deployed at a rapid rate as well. The number of Americans across the United States with access to at least 250/25 Mbps broadband grew in 2017 by more than 36%, to 191.5 million, and the number of Americans in rural areas with access to such broadband increased by 85.1% in 2017.

The FCC adopted new rules to promote broadband investment and deployment by prohibiting excessive franchise fees and explaining that local governments may not regulate most non-cable services, including broadband Internet access service, offered over a cable system. These rules respond to a remand by the U.S. Court of Appeals for the Sixth Circuit.

The FCC promoted telehealth in rural America through reforms to the Rural Health Care Program that ensure program funds are disbursed efficiently and equitably, promote transparency and predictability in the program's administration, and strengthen safeguards against waste, fraud, and abuse. The FCC's Report and Order also outlined program reforms to target funding to rural areas in the most need of health care services.

The FCC liberalized the rules for the 2.5 GHz band, allowing more entities to access the spectrum and eliminating unnecessary restrictions. With almost 200 megahertz, this is the largest band of contiguous flexible use spectrum below 3 GHz, and it is well-suited to providing wireless service in rural areas. To bridge the digital divide, the FCC established a priority filing window for rural Tribal Nations to provide them with an opportunity to obtain unassigned 2.5 GHz spectrum to address the communications needs of their communities. The Commission will then make the remaining unassigned 2.5 GHz spectrum available for commercial use via competitive bidding.

## ***PROMOTING INNOVATION***

***Foster a competitive, dynamic, and innovative market for communications services through policies that promote the introduction of new technologies and services. Ensure that the FCC's actions and regulations reflect the realities of the current marketplace, promote entrepreneurship, expand economic opportunity, and remove barriers to entry and investment.***

### ***FY 2019 PERFORMANCE HIGHLIGHTS***

The FCC took action to encourage innovation of new technologies and services in unlicensed spectrum:

- The FCC adopted an Order creating a new category of experimental licenses for frequencies between 95 GHz and 3 THz to encourage the development of new communications technologies and expedite the deployment of new services. The item also made 21.2 gigahertz of spectrum available for use by unlicensed devices, while limiting the potential for interference to existing governmental and scientific operations in the above-95 GHz bands.
- The FCC proposed making up to 1,200 megahertz of spectrum available for use by unlicensed devices in the 6 GHz band (5.925-7.125 GHz). The proposed rules are designed

to allow unlicensed devices to operate in the 6 GHz band without interfering with the operation of the licensed services using this spectrum.

- The FCC issued a Public Notice establishing the first two innovation zones, in New York City and in Salt Lake City, which will be the test beds for advanced wireless network research.

The FCC took several actions to increase spectrum flexibility for use in 5G deployment as part of its comprehensive strategy to Facilitate America's Superiority in 5G Technology (the 5G FAST Plan) and to help close the digital divide:

- The FCC announced the successful conclusion of bidding for the Spectrum Frontiers auctions of Upper Microwave Flexible Use Service licenses in the 28 GHz and 24 GHz bands to speed the deployment of 5G services. With the conclusion of Auctions 101 and 102, the FCC completed its first auctions that make high-band flexible use licenses available for 5G wireless, the Internet of Things, and other advanced spectrum-based services. These two auctions made 1,550 megahertz of spectrum available for flexible use wireless services.
- The FCC adopted new rules to promote the availability of high-band millimeter wave spectrum for next-generation wireless connectivity. The Order harmonized the band plans for the Upper 37 GHz, 39 GHz, and 47 GHz bands to include 100 megahertz blocks to facilitate the simultaneous auction of licenses in the three bands. The FCC's Order also adopted an incentive auction mechanism that will offer contiguous blocks of spectrum throughout the Upper 37 GHz, 39 GHz, and 47 GHz bands, while preserving spectrum usage rights for existing licensees. In furtherance of this effort, the FCC established procedures for the third auction of high-band, flexible-use licenses suitable for 5G. This auction of airwaves in the Upper 37 GHz, 39 GHz, and 47 GHz spectrum bands, commenced on December 10, 2019, and is the largest spectrum auction in history, offering licenses covering up to 3,400 megahertz. These bands of spectrum are suited for the development of 5G, the Internet of Things, and other advanced spectrum-based services.

The FCC established key dates, deadlines, and procedures for an experimental auction of certain sought-after toll-free numbers in the 833 code. The auction, which was held in December 2019, was the first time that the FCC used an auction mechanism to assign toll free numbers and included approximately 17,000 numbers in the 833 toll-free code for which there had been multiple, competing requests. The FCC will study the results of the auction to assess how best to distribute future toll-free numbers equitably and efficiently.

The FCC granted forbearance to Bell Operating Companies (BOCs) and other incumbent Local Exchange Carriers (LECs) from a number of burdensome statutory provisions and regulations that are no longer necessary in light of changes in the industry. The FCC granted forbearance from: (1) the requirement that independent rate-of-return incumbent LECs offer long-distance telephone service through a separate affiliate; (2) nondiscriminatory provisioning interval requirements applicable to BOCs and independent price cap LECs; and (3) the redundant statutory requirement that BOCs provide nondiscriminatory access to poles, ducts, conduits, and rights-of-way. In addition, the FCC granted price cap incumbent LECs forbearance from requirements to: (1) unbundle two-wire and four-wire analog voice-grade copper loops; (2) offer retail

telecommunications services for resale at wholesale avoided-cost rates; and (3) unbundle certain DS1/DS3 Transport facilities.

The Commission made significant progress toward making the 3.5 GHz band, also known as the Citizens Broadband Radio Service (CBRS), available for shared use. The CBRS band uses a dynamic sharing model to enable sharing between naval radars, satellite users, Priority Access Licensees (PALs), and General Authorized Access users. CBRS dynamic sharing relies on a database known as a Spectrum Access System (SAS) linked to sensors providing Environmental Sensing Capability. In September, the FCC authorized five SAS administrators to begin initial commercial deployments. Later that month, the FCC sought comment on the procedures for an auction of the PALs. Seven 10-megahertz channels will be made available in each county-license area, for a total of 70 megahertz of spectrum and 22,631 licenses. The auction is scheduled to start on June 25, 2020, and it will offer the most licenses ever in an FCC spectrum auction.

The Commission began accepting and granting applications to let television broadcasters use the Next Generation broadcast television transmission standard, also called ATSC 3.0. The Next Generation TV standard lets broadcasters provide consumers with more vivid pictures and sound, including Ultra High Definition television and superior reception, mobile viewing capabilities, advanced emergency alerts, better accessibility features, localized content, and interactive educational children's content.

The FCC authorized over 20,000 requests totaling \$572 million in reimbursement payments for costs incurred in the reorganization of the broadcast television band. This repacking of the band is a result of the 2017 Incentive Auction, which repurposed sections of the broadcast airwaves for wireless services, including 5G, while raising revenue to pay the winning bidders and for deficit reduction.

The FCC adopted a Notice of Proposed Rulemaking seeking to modernize the Commission's rule for over-the-air reception devices. The rule prohibits laws, regulations, or restrictions imposed by state or local governments or private entities that impair the ability of antenna users to install, maintain, or use over-the-air reception devices. The Notice of Proposed Rulemaking seeks comment on a fresh approach for facilitating the deployment of modern fixed wireless infrastructure. This work is part of the FCC's overall efforts to update existing regulatory requirements to better account for technological developments.

## ***PROTECTING CONSUMERS AND PUBLIC SAFETY***

*Develop policies that promote the public interest by providing consumers with freedom from unwanted and intrusive communications, improving the quality of communications services available to those with disabilities, and protecting public safety.*

### ***FY 2019 PERFORMANCE HIGHLIGHTS***

The FCC has acted aggressively to target and eliminate unlawful robocalls, which are the number one consumer complaint to the FCC from the public. The FCC released its first-ever Robocall Report, a comprehensive report which discusses widespread implementation by providers of the

proactive blocking of invalid, unallocated and unused numbers, agency development of the reassigned number database, aggressive Commission enforcement against illegal robocallers, and critical consumer education work done by both the FCC and the Federal Trade Commission.

- The FCC approved a Declaratory Ruling to make clear that voice service providers may, as the default, block unwanted calls based on reasonable call analytics, as long as their customers are informed and have the opportunity to opt out of the blocking. This action empowers providers to protect their customers from unwanted robocalls before those calls even reach the customers' phones. While many phone companies offered their customers call blocking tools on an opt-in basis, the Declaratory Ruling clarifies that they can provide them as the default. The ruling also clarifies that providers may offer their customers the choice to opt in to tools that block calls from any number that does not appear on a customer's contact list or other "white lists." This option would allow consumers to decide directly whose calls they are willing to receive. The Commission also adopted a Notice of Proposed Rulemaking that proposes requiring voice service providers to implement the SHAKEN/STIR caller ID authentication framework, if major voice service providers fail to do so by the end of this year. The FCC's Notice of Proposed Rulemaking also seeks comment on whether the Commission should create a safe harbor for providers that block calls that are maliciously spoofed so that caller ID cannot be authenticated and that block calls that are "unsigned."
- The FCC adopted new rules banning illegal spoofed text messages and international calls to address consumer concerns about unwanted text messages and scam calls from overseas. The Truth in Caller ID Act of 2009 prohibits anyone from transmitting misleading or inaccurate caller ID information ("spoofing") with the intent to defraud, cause harm, or wrongly obtain anything of value. Until the passage of the RAY BAUM'S Act of 2018, these consumer protections did not extend to text messages or international calls. The new rules closed a loophole that prevented the agency from pursuing scammers sending spoofed text messages and allowed the FCC to bring enforcement actions against bad actors from overseas. The new rules extended these prohibitions to text messages, calls originating from outside the United States to recipients within the United States, and additional types of voice calls, such as one-way Voice over Internet Protocol (VoIP) calls.
- The FCC made clear that wireless providers are authorized to continue efforts to stop unwanted text messaging through robotext-blocking, anti-spoofing measures, and other anti-spam features. The FCC denied requests from mass-texting companies to classify text messaging services as "telecommunications services" subject to common carrier regulation under the Communications Act—a classification that would have impeded wireless providers' efforts to effectively combat spam and scam robotexts. Instead, the FCC found that two forms of wireless messaging services, Short Message Service (SMS) and Multimedia Messaging Service (MMS), are "information services" under the Communications Act, thus allowing wireless providers to continue taking action to protect American consumers from unwanted text messages.
- The FCC adopted rules to establish a reassigned numbers database to reduce the number of unwanted phone calls Americans receive. The new rules establish a single, comprehensive database with information provided by phone companies that callers will be able to use to avoid calling reassigned numbers. Callers using the database will be able to find out if telephone numbers have been disconnected and made eligible for

reassignment. Any such numbers can then be purged from their call lists, thereby decreasing the number of unwanted calls to consumers.

- The FCC conducted a wide-ranging consumer education and outreach campaign focused on spoofing and robocalls, reaching well over one million consumers. The campaign included original animated video, federal agency and non-profit partner engagement, a series of Rural Road Tours, and targeted outreach efforts focused on older Americans and those with low or limited English proficiency.

The FCC's Enforcement Bureau undertook a number of actions and investigations in fulfilling its mission to enforce the Commission's rules and protect consumers from illegal or unfair practices. Results of those actions and investigations included:

- A proposed \$63.47 million fine against a wireless reseller for apparent violations of FCC rules governing the Lifeline program, which helps make communications services more affordable for low-income Americans. The FCC found that the reseller, through its sales agents, apparently improperly sought and received Lifeline funding by creating numerous ineligible Lifeline subscriber accounts. In addition, the company apparently filed inaccurate forms with the Lifeline program administrator and apparently failed to de-enroll subscribers it knew or should have known were ineligible to receive Lifeline support.
- A \$2.32 million fine against a phone company for deceptive marketing practices, slamming and cramming. The FCC's investigation found that the company misrepresented its identity to consumers in order to deceive them.
- A proposed \$233,000 fine against four subsidiaries for apparent violations of the FCC's sponsorship identification rules, and for apparently failing to promptly self-report some of these violations to the FCC despite its agreement to do so under a prior Consent Decree.
- A proposed forfeiture of \$100,000 against a company for apparently repeatedly engaging in prohibited communications of its bidding and bidding strategies during the Commission's CAF Phase II auction (Auction 903), and its failure to timely report such prohibited communications.
- A proposed forfeiture of \$75,000 against a telecommunications company for apparently engaging in prohibited communications during the Commission's CAF Phase II auction (Auction 903) and failing to timely report such prohibited communications.
- Several actions against companies for operating devices that caused interference to the terminal doppler weather radar station operated by the Federal Aviation Administration in San Juan, Puerto Rico; collectively proposing almost \$100,000 in fines.
- Settlement of an investigation into a company's unauthorized launch and operation of small satellites. The company agreed to a settlement which included a \$900,000 penalty, an extended period of FCC oversight, and a requirement of pre-launch notices to the Commission, among other stipulations.
- Settlements reached with a TV broadcaster, cable TV networks, and a radio broadcaster for misusing Emergency Alert System (EAS) or Wireless Emergency Alert (WEA) tones. Each company aired actual or simulated alert tones in violation of the Commission's rules. The companies agreed to pay over \$600,000 in combined civil penalties, and each company committed to a strict compliance plan to ensure such actions do not reoccur. Also, proposed a \$272,000 fine against a broadcaster for allegedly broadcasting a simulated EAS tone during a nationally televised episode. The FCC's rules prohibit the broadcasting

of EAS tones – including simulations of them – aside from actual emergencies or authorized tests or public service announcements.

- Twenty-one settlement agreements with companies that marketed non-compliant light-emitting diode (LED) signs in violation of the Communications Act and FCC rules. The settlements yielded approximately \$850,000 in penalties paid to the U.S. Treasury and commitments to ensure compliance with the law going forward.
- A settlement to resolve an investigation into a company’s placement of unauthorized third-party charges and fees onto consumers’ bills, known as cramming. As part of the settlement, the company agreed to pay \$550,000 to the U.S. Treasury and committed to a compliance plan.
- A settlement agreement with a telecommunications company for \$5.25 million for two nationwide voice over LTE 911 outages that collectively knocked out 911 service to millions of wireless customers for over six hours and resulted in emergency call centers not receiving complete and timely notifications of the outages. The company agreed to provide the FCC with a roadmap of the actions it would take to ensure that similar 911 outages are prevented in the future.
- A settlement to resolve an investigation into a Telecommunications Relay Services (TRS) provider’s failure to adequately verify users and obtain certification documents from users attesting to their eligibility for TRS. The provider had submitted inaccurate information for purposes of being reimbursed from the TRS Fund. As part of the settlement, the company agreed to reimburse the TRS Fund \$177,650, pay \$75,000 to the U.S. Treasury, and commit to implementing a compliance plan.

The FCC took several actions to strengthen the EAS:

- The Commission harmonized EAS testing requirements that apply to the Satellite Digital Audio Radio Service and those that apply to direct broadcast satellite (DBS) providers.
- To increase the proficiency of local alerting officials and educate the public about how to respond to actual alerts, the Commission reminded media employing the EAS of their obligations concerning “live code” end-to-end tests that use the same codes and processes that would be used in an actual emergency.
- Due to the Federal Emergency Management Agency’s Integrated Public Alert and Warning System not being ready to support state and local WEA tests, the Commission issued multiple waivers to alert originators to permit testing, provided that alert originators: carefully advised that the issued alerts were only a test, coordinated with relevant agencies and organizations and wireless providers, and required the waiver proponents to advertise the upcoming tests in a variety of media.
- The FCC supported a nationwide test of the EAS on August 7, 2019, that originated from designated radio stations, known as Primary Entry Point stations to test the system’s functionality without the use of the Internet.
- The Commission conducted a public workshop on promoting the use of multilingual emergency alerting in which panelists described the capabilities of current technologies to facilitate multilingual alerting within the EAS and WEA architectures.
- The FCC released a final report on the nationwide EAS and WEA tests. The report concluded that EAS and WEA are effective alerting tools and included recommendations

for next steps, as well as identifying issues regarding accessibility and recommended actions to help resolve those issues.

The FCC adopted rules to help ensure that people who call 911 from multi-line telephone systems, which serve hotels, office buildings, and campuses, can reach 911 and be quickly located by first responders. The action implemented Kari's Law, which requires multi-line telephone systems to enable users to dial 911 directly, without having to dial a prefix (such as a "9") to reach an outside line. The new rules also apply dispatchable location requirements to multi-line telephone systems, fixed telephone service, interconnected VoIP services, TRS, and mobile texting services.

The FCC proposed rules to help first responders more accurately locate people who make wireless 911 calls from multi-story buildings. The rules would require wireless providers to meet an increasingly stringent series of location accuracy benchmarks in accordance with a timetable, including provision of the caller's "dispatchable location" (such as the street address and apartment number) or vertical location on a phased-in basis beginning in April 2021. The Commission proposed a vertical (or "z-axis") location accuracy metric of plus or minus three meters relative to the handset for 80 percent of indoor wireless 911 calls.

The FCC released a report addressing the cause and effects of the December 2018 CenturyLink nationwide network outage. The report discusses lessons learned from the incident and recommended best practices which, if implemented, could have prevented the outage or mitigated its effects.

The FCC initiated an examination of the efficacy of the Wireless Resiliency Cooperative Framework (Framework) – a voluntary commitment of the wireless industry to promote resilient communications and situational awareness during disasters. To aid in the FCC's examination, the Commission requested information from seven wireless providers that participate in the Framework as to how they implemented the Framework during the 2017 and 2018 hurricane seasons. The Commission also released three Public Notices seeking comment on the Framework and how to improve coordination between Framework stakeholders.

The FCC updated its children's television programming rules, providing broadcasters greater scheduling flexibility, enabling them to offer more diverse and innovative educational programming, and relieving unnecessary burdens while ensuring that educational programming remains available to all children. The Report and Order expanded the 7:00 a.m. to 10:00 p.m. timeframe to allow broadcasters to begin airing children's programming one hour earlier, at 6:00 a.m., modified the safe harbor processing guidelines, allowed up to 52 hours a year of children's programming to consist of educational specials and/or short-form programming, and streamlined the children's programming reporting requirements.

The FCC adopted a Report and Order to combat issues with rural call completion and set enforceable service quality standards for intermediate providers to help ensure that calls are completed. The Improving Call Quality and Reliability Act of 2017 (RCC Act) gave the FCC new authority over providers, called "intermediate providers," that are central to call completion. Under the RCC Act and rules set by the FCC, providers must register with the FCC,

and certain carriers that originate long-distance calls, called “covered providers,” may not hand off calls to an unregistered intermediate provider.

The FCC adopted a Report and Order giving consumers and the Commission better access to information about the availability of hearing aid-compatible wireless handsets. The Report and Order required service providers to post on their websites more up-to-date and accessible information about hearing aid compatible wireless handsets and required all service providers to certify annually whether they are in compliance with FCC hearing aid compatibility rules.

The FCC adopted new rules to improve Video Relay Service (VRS), which enables people with hearing and speech disabilities who use sign language to make telephone calls over broadband with a videophone. The new rules expand VRS users’ access to direct video communications with people who know sign language by enabling direct video calling between VRS users and customer support call centers, without the need for an interpreter, and at no cost to the program. To protect against waste, fraud, and abuse in the TRS Fund, a fund that supports numerous relay services using contributions collected from telecom carriers and VoIP service providers, the Commission also required validation of each caller’s registration via the TRS Numbering Directory querying system.

The FCC took steps to improve Internet-based relay services for people who are deaf or hard of hearing and communicate by speaking. The FCC approved new rules and proposed further regulations to enhance program management, prevent waste, fraud, and abuse, and improve emergency call handling in its Internet Protocol Captioned Telephone Service (IP CTS) program. IP CTS is a form of TRS that allows people with hearing loss to speak to friends, family members, or business associates by simultaneously reading captions and using their residual hearing to understand a telephone conversation. Support for this service is provided by the FCC through the TRS Fund.

The FCC denied China Mobile USA’s application to provide telecommunications services between the United States and foreign destinations. The FCC concluded, in close consultation with Executive Branch agencies having expertise in national security and law enforcement, that China Mobile’s application would raise substantial and serious national security and law enforcement risks.

## ***REFORMING THE FCC’S PROCESSES***

***Modernize and streamline the FCC’s operations and programs to increase transparency, improve decision-making, build consensus, reduce regulatory burdens, and simplify the public’s interactions with the agency.***

### ***FY 2019 PERFORMANCE HIGHLIGHTS***

The FCC’s new Office of Economics and Analytics (OEA) officially opened December 13, 2018 combining over 60 economists—along with data analytics experts, statisticians, attorneys and other professionals—into one central functional location. OEA is responsible for expanding and deepening the use of economic analysis into Commission policy making, enhancing the



development and use of auctions, and implementing consistent and effective agency-wide data practices and policies. OEA provides economic analysis for rulemakings, transactions, adjudications, and other Commission actions and manages the FCC's auctions program and significant FCC data collections. OEA's efforts included the following:

- Reviewing over 240 Commission-level rulemakings, orders, and other actions, and providing economic analysis as appropriate; and
- Conducting quantitative and qualitative analyses of the T-Mobile-Sprint transaction, including reviewing economic models submitted by the applicants and other commentators, to determine whether the merger would have a negative impact on consumers through the concentration of market share and the elimination of a price-disciplining competitor.

The FCC streamlined the procedures for filing interference complaints caused by FM translators in order to expedite the translator complaint resolution process. The number of FM translators has grown substantially in recent years due to use by AM operators and by FM operators rebroadcasting digital subchannels, resulting in an increase in the number of interference complaints. The streamlined procedures are meant to avoid protracted and expensive interference disputes.

The FCC continued its Modernization of Media Regulation Initiative, to reduce unnecessary regulation in the media marketplace by identifying rules that are outdated, unnecessary, or unduly burdensome. This effort included the following proceedings by the FCC:

- Adopted rules allowing cable operators to deliver general subscriber notices to their customers via email, reducing costs and paper waste for both cable operators and consumers. The Order also allows cable operators to respond to certain consumer requests and billing dispute complaints by email if the consumer used email to file the complaint or asked for a response via email. The Order ensured that electronic messages are sent only to verified email addresses and that subscribers can still opt for paper delivery at any time.
- Sought comment on whether the Commission should eliminate all existing rate regulation forms and create a simplified structure for ensuring reasonable basic service rates in the few localities that remain rate regulated. Alternatively, it sought comment on updating existing cable rate regulation rules. The FCC also adopted rules eliminating or revising rules that: have become obsolete due to the sunset of rate regulation for cable programming service tiers, are unnecessary given changes in industry practices, or have become obsolete.
- Proposed streamlining procedures for processing and licensing competing applications for new noncommercial educational (NCE) broadcast and low power FM (LPFM) stations. Mutually exclusive (MX) applications for new NCE and LPFM stations are currently resolved by applying comparative procedures that include a point system for selecting among MX applications.
- Commenced the 2018 Quadrennial Review of the Commission's media ownership rules, seeking comment on whether the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule continue to serve the public interest or whether they should be modified or eliminated in light of changes to the media

marketplace. The Notice also sought comment on three proposals relevant to promoting diversity in the broadcast industry.

- Updated its carriage election notice rules. Under the new rules, broadcasters need only send carriage election notices to multichannel video programming distributors (MVPDs) when first electing carriage or changing their carriage election status from must carry to retransmission consent or vice versa. These notices will be sent by email and will be posted in a broadcaster's online public inspection file (OPIF). In the past, a broadcast station typically sent a paper notice via certified mail to MVPDs, including each individual cable system, every three years, regardless of whether its carriage election changed.
- Updated its leased access rules to simplify cable operator requirements. The revisions were made in recognition of the growth and development in the current video marketplace of cable systems and other platforms for delivering content.
- Sought comment on whether satellite TV providers should be required to use email to deliver notices to broadcast TV stations. In addition, the FCC sought comment on whether and how the proposal to require electronic delivery of notices can be applied to certain low power TV and noncommercial translator stations that are not required to maintain an OPIF.
- Eliminated the Broadcast Mid-Term Report (Form 397) filing requirement, which the Commission used in its mid-term reviews of broadcasters' equal employment opportunity practices because the information collected is now available in broadcasters' OPIFs.
- Eliminated two unnecessary rules pertaining to cable operators' channel lineups. First, the FCC eliminated a rule which required cable operators to maintain at their local office a current listing of the cable television channels that each cable system delivers to its subscribers. Second, the FCC eliminated the requirement that certain cable operators make their channel lineup available through their Commission-hosted OPIF. The Commission concluded that these requirements are unnecessary as channel lineups are readily available to consumers today through a variety of other means, including the websites of individual cable operators, third-party websites, on-screen electronic program guides, and paper guides.
- Eliminated the paper filing requirement for broadcast station contracts and certain other documents with the Commission. Broadcasters have the option of uploading these documents to their OPIF or maintaining these documents in their OPIF and providing copies to requesting parties within seven days.
- Eliminated the requirement that broadcasters physically post and maintain FCC licenses at their facilities due to the ready accessibility of licensing information online through the Commission's databases.
- Adopted rules streamlining the process for reauthorizing television satellite stations when they are assigned or transferred, if there has been no material change in the underlying circumstances supporting the satellite station's existing authorization. This process previously required the same evidentiary showing necessary for an initial authorization.

The FCC adopted its first Communications Marketplace Report, which provided a comprehensive evaluation of the state of the communications marketplace. As required by Title IV of RAY BAUM'S Act of 2018, the report consolidated or eliminated ten separate regularly recurring Commission reports and relevant data has now been consolidated into a single, comprehensive report which will be issued every two years.

The FCC adopted a Report and Order modernizing the procedures and rules governing DBS service. These actions align DBS processing procedures with recently streamlined processing procedures for GSO fixed-satellite service (FSS) satellites and reflect changes in the regulation and provision of satellite communications services since the Commission last examined the licensing provisions for DBS over a decade ago.

The FCC adopted a Report and Order significantly streamlining the application process for a category of satellites known as small satellites. The new rules provide an alternative, cheaper, and more flexible process for a fast-growing segment of the commercial satellite communications market.

The FCC proposed making all filings to the Universal Licensing System (ULS) completely electronic; expanding electronic filing and correspondence elements for related systems; and requiring applicants to provide an e-mail address on the FCC Forms related to these systems. The FCC also sought comment on additional rule changes to further expand the use of electronic filing and electronic service. Together, these proposals will facilitate the remaining steps to transition these systems from paper to electronic, reducing regulatory burdens and environmental waste, and making interaction with these systems more accessible and efficient for those who rely on them.

The FCC officially moved its Equal Employment Opportunity (EEO) team from the Media Bureau to the Enforcement Bureau. The EEO team's work is primarily focused on periodic random audits of broadcast licensee and MVPD EEO programs, along with any necessary enforcement action arising from those audits. The team also investigates complaints and takes enforcement action based on those investigations when necessary. Transferring enforcement of these rules to the Enforcement Bureau will better ensure that the communications companies subject to these rules give all qualified individuals an opportunity to apply and be considered as job candidates.

The FCC established a Fraud Division within its Enforcement Bureau. The Fraud Division is dedicated to investigating and prosecuting fraud in the Universal Service Fund and works closely with the FCC's Office of Inspector General, the U.S. Department of Justice, and other law enforcement agencies to prosecute unlawful conduct.

The FCC's Enforcement Bureau met the performance indicators and timeframes the Commission established in its FY 2019 Performance Plan.<sup>3</sup>

The FCC reviewed and processed 775,873 applications and complaints in FY 2019, meeting its Speed of Disposal (SOD) goals 94.7% of the time. See results below:

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<sup>3</sup> Includes performance targets and goals requiring Enforcement Bureau action prior to December 31, 2019.

<b><u>BUREAU/OFFICE</u></b>	<b><u>FY 2013</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
CONSUMER AND GOVERNMENTAL AFFAIRS	99.0%	98.3%	97.8%	99.0%	99.7%	99.9%	99.9%
INTERNATIONAL <sup>4</sup>	83.0%	77.3%	75.9%	81.8%	88.4%	92.9%	52.7%
MEDIA	98.0%	97.0%	85.4%	91.3%	95.9%	99.1%	97.0%
ENGINEERING AND TECHNOLOGY	99.6%	99.7%	99.9%	98.8%	98.9%	93.9%	97.5%
PUBLIC SAFETY AND HOMELAND SECURITY	97.1%	99.1%	99.0%	98.7%	98.7%	98.8%	98.0%
WIRELESS TELECOMMUNICATIONS	85.2%	94.7%	97.8%	97.5%	97.4%	95.6%	90.8%
WIRELINE COMPETITION	99.6%	99.5%	99.3%	98.7%	97.2%	97.3%	97.3%
<b>FCC TOTAL</b>	92.2%	96.3%	97.6%	98.0%	98.3%	97.7%	94.7%

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<sup>4</sup> The International Bureau's SOD numbers for non-routine 214 applications are significantly affected by the process of consultation with the Executive Branch on foreign ownership issues. In addition, the decrease in the percentage of earth station applications and registrations processed within the SOD goal for FY 2019 is due to the C-band earth station freeze and filing window, which closed on October 31, 2018. Thousands of applications and registrations were filed during this filing window, and the Bureau has received additional resources (on detail) to process these applications and registrations.