

# **Federal Communications Commission**



# **2022**

**Budget-In-Brief  
May 2021**

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# **INTRODUCTION AND SUMMARY OF REQUEST**

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## INTRODUCTION AND SUMMARY OF REQUEST

The Federal Communications Commission (FCC or Commission) is pleased to present its fiscal year (FY) 2022 budget request.

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.

As specified in section 1 of the Communications Act of 1934, as amended, the FCC'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 1 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>

The FCC is directed by five Commissioners 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 the Chairperson.

The FCC's vision is to 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. The FCC will work to foster a competitive, dynamic and innovative market for communications services through policies that promote the introduction of new technologies and services and ensure that Commission actions promote entrepreneurship and remove barriers to entry and investment. The Commission will also strive to develop policies that promote the public interest, improve the quality of communications services available to those with disabilities, and protect public safety. Furthermore, in FY 2022, the FCC will continue to improve its processes to deliver on the needs of today and the future in a more proactive and efficient manner. Through these reform efforts, the Commission will develop and implement reforms that focus the Commission on effectively and efficiently leveraging human capital to deliver on programs that are the highest need to citizens and where there is a unique Federal role.

For FY 2022, the Commission is requesting the budget and personnel amounts that are summarized in the bullets and a table below:

- The Commission requests \$387,950,000 in budget authority from regulatory fee offsetting collections. This request represents a net increase of \$13,950,000 or 3.7 percent from the FY 2021 appropriated level of \$374,000,000.

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<sup>1</sup> 47 U.S.C. § 151.

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

- The Commission requests \$128,621,000 in budget authority for the spectrum auctions program. This request represents a net decrease of \$5,874,000 or -4.4 percent from the FY 2021 appropriated level of \$134,495,000. To date, the Commission’s spectrum auctions program has generated over \$210.5 billion for government use; at the same time, the total cost of the auctions program has been less than \$2.2 billion or 1.1 percent of the total auctions’ revenue.
- In creating a lean, accountable, and efficient Commission that works for the American people, the Commission requests 1,550 Full Time Equivalents (FTEs) funded by budget authority from regulatory fee offsetting collections, spectrum auctions program, and other budget authorities provided by President and Congress. This FTE level is an increase of 78 from the FY 2021 enacted level of 1,472. With this FTE level, the Commission will meet its increased mission demands in FY 2022.

(Dollars in Thousands)

|  | FY 2021           |                  | FY 2022           |                       | Change in Request |                 |
|--|-------------------|------------------|-------------------|-----------------------|-------------------|-----------------|
|  | FTEs <sup>1</sup> | Enacted          | FTEs <sup>1</sup> | Estimates to Congress | FTEs <sup>1</sup> | Amount          |
| <b>Budget Authority - Offsetting Collections:</b>        |                   |                  |                   |                       |                   |                 |
| Regulatory Fees - Commission <sup>2</sup>                | 1,412             | \$362,673        | 1,490             | \$376,096             | 78                | \$13,423        |
| Regulatory Fees - Office of Inspector General (OIG)      | 60                | \$11,327         | 60                | \$11,854              | 0                 | \$527           |
| <b>Subtotal - Offsetting Collections</b>                 | <b>1,472</b>      | <b>\$374,000</b> | <b>1,550</b>      | <b>\$387,950</b>      | <b>78</b>         | <b>\$13,950</b> |
| <b>Budget Authority - Other Offsetting Collections:</b>  |                   |                  |                   |                       |                   |                 |
| Auction Cost Recovery Reimbursement - Commission         |                   | \$134,358        |                   | \$128,481             |                   | -\$5,877        |
| Auction Cost Recovery Reimbursement - OIG                |                   | \$137            |                   | \$140                 |                   | \$3             |
| <b>Subtotal - Auction Cost Recovery Reimbursement</b>    |                   | <b>\$134,495</b> |                   | <b>\$128,621</b>      |                   | <b>-\$5,874</b> |
| Economy Act Reimbursable Agreements                      |                   | \$4,000          |                   | \$4,000               |                   | \$0             |
| <b>Subtotal - Other Offsetting Collections</b>           |                   | <b>\$138,495</b> |                   | <b>\$132,621</b>      |                   | <b>-\$5,874</b> |
| <b>Total Gross Proposed Budget Authority<sup>2</sup></b> | <b>1,472</b>      | <b>\$512,495</b> | <b>1,550</b>      | <b>\$520,571</b>      | <b>78</b>         | <b>\$8,076</b>  |

<sup>1</sup>The FTE numbers include Auctions Program FTEs. Refer to page 42 for a breakdown of FTEs between Regulatory Fees and Auctions Program FTEs.

<sup>2</sup>In FY 2021, a total of \$98 million was made available to implement certain requirements of the Broadband DATA Act, of which, \$33 million was appropriated under the Commission's Regulatory Fees (Offsetting Collections) and, therefore, is included in this schedule. The \$65 million in other budget authority dedicated for the implementation of the Broadband DATA Act is shown with Commission’s other budget authorities to provide a better historical comparison of the components of the FCC’s regular budgetary requests.



In furtherance of these objectives and the FCC’s mission, the FY 2022 budget request will be used to support the following Strategic Goals for FY 2022:

### **Strategic Goal 1: Pursue a “100 Percent” Broadband Policy**

The COVID-19 pandemic put a spotlight on the serious broadband gaps that exist across the country, including in rural infrastructure, affordability for low-income Americans, and at-home access for students. This continuing digital divide means millions of Americans do not have meaningful access to essential infrastructure for 21<sup>st</sup> century success. In response to the COVID-19 pandemic and the challenges that many Americans face, the agency should advance access to communications that are essential for Americans to work remotely, learn remotely, receive healthcare, and engage in commerce. To this end, the FCC will pursue policies to help bring affordable, reliable, high-speed broadband to 100 percent of the country.

### **Strategic Goal 2: Promote Diversity, Equity, Inclusion and Accessibility**

The FCC will seek to gain a deeper understanding of how the agency’s rules, policies, and programs may promote or inhibit advances in diversity, equity, inclusion, and accessibility. The FCC will pursue focused action and investments to eliminate historical, systemic, and structural barriers that perpetuate disadvantaged or underserved individuals and communities. In so doing, the FCC will work to ensure equitable and inclusive access and facilitate the ability of underserved individuals and communities to leverage and benefit from the wide range of opportunities made possible by digital technologies, media, communication services, and next-generation networks. In addition, the FCC recognizes that it is more effective when its workforce reflects the experience, judgement, and input of individuals from many different backgrounds. Advancing equity is core to the agency’s management and policymaking processes and will benefit all Americans.

### **Strategic Goal 3: Empower Consumers**

Consumers who are well informed about their rights and what they’re buying are more confident and more likely to participate in the digital economy. The FCC will tackle new challenges to consumer rights and opportunities stemming from the COVID-19 pandemic, plans for post-COVID recovery, and digital transitions. The FCC also will pursue effective enforcement and new approaches to protect consumers from unwanted and intrusive communications, phone-based scams, telephone privacy issues, and other trends that affect consumers. The FCC will work to enhance competition and pursue policies that protect the competitive process to improve consumer choice and access to information. The FCC will work to foster a regulatory landscape that fosters media competition, diversity, and localism. The FCC also must work to ensure the availability of quality, functionally equivalent communications services for persons with disabilities.

### **Strategic Goal 4: Enhance Public Safety and National Security**

There is no task at the FCC that is more important than keeping the American people safe. The FCC will pursue policies to promote the availability of secure, reliable, interoperable, redundant, and rapidly restorable critical communications infrastructure and services. The FCC also will promote the public’s access to reliable 911, emergency alerting, and first responder communications. The FCC will work to ensure the continued availability of timely emergency

alerts. The FCC will work in coordination with Federal and state, local, Tribal, and territorial government partners and industry stakeholders to support disaster response and to ensure the nation's defense and homeland security.

### **Strategic Goal 5: Advance America's Global Competitiveness**

The FCC will take action to promote investment and advance the development and deployment of new communications technologies, such as 5G, that will allow the nation to remain a global leader in an increasingly competitive, international marketplace. The FCC will identify incentives and policies to close security gaps and accelerate trustworthy innovation. The FCC will work with its federal partners to advocate for US interests abroad.

### **Strategic Goal 6: Foster Operational Excellence**

The FCC should be a model for excellence in government by effectively managing its resources, maintaining a commitment to transparent and responsive processes that encourage public involvement and decision-making that best serves the public interest, and encouraging a culture of collaboration both internally and across government agencies.

## **Additional Useful Information to Better Understand the Budget-In-Brief**

Below is some additional useful information for readers to better understand the information presented in the Commission's budget request:

- FY 2020 numbers presented are actual numbers.
- FY 2021 numbers presented are appropriated and enacted numbers.

## **Fiscal Year 2022 Proposed Appropriation Language**

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by 5 U.S.C. 5901–5902; not to exceed \$4,000 for official reception and representation expenses; purchase and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, \$387,950,000, to remain available until expended: *Provided*, That \$387,950,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, shall be retained and used for necessary expenses and shall remain available until expended: *Provided further*, That the sum above appropriated shall be reduced as such offsetting collections are received during fiscal year 2022 so as to result in a final fiscal year 2022 salaries and expenses appropriation estimated at \$0: *Provided further*, That, notwithstanding 47 U.S.C. 309(j)(8)(B), proceeds from the use of a competitive bidding system that may be retained and made available for obligation shall not exceed \$128,621,000 for fiscal year 2022: *Provided further*, That, of the amount appropriated under this heading, not less than \$11,854,000 shall be for the salaries and expenses of the Office of Inspector General.

## Summary of FYs 2020 - 2022 FTEs and Funding by Bureaus and Offices

(Dollars in Thousands)

| Bureaus and Offices                             | FY 2020           |                  | FY 2021           |                  | FY 2022           |                       |
|---|-------------------|------------------|-------------------|------------------|-------------------|-----------------------|
|   | FTEs <sup>1</sup> | Actuals          | FTEs <sup>1</sup> | Enacted          | FTEs <sup>1</sup> | Estimates to Congress |
| Chairman and Commissioners                      | 25                | \$5,774          | 23                | \$4,904          | 23                | \$5,401               |
| Consumer & Government Affairs Bureau            | 112               | \$22,565         | 111               | \$23,169         | 111               | \$23,753              |
| Enforcement Bureau                              | 183               | \$37,728         | 189               | \$39,472         | 211               | \$48,398              |
| International Bureau                            | 84                | \$17,028         | 83                | \$16,835         | 83                | \$17,616              |
| Media Bureau                                    | 132               | \$22,778         | 132               | \$22,512         | 132               | \$24,780              |
| Public Safety & Homeland Security Bureau        | 93                | \$19,369         | 97                | \$19,933         | 100               | \$20,791              |
| Wireless Telecommunications Bureau              | 148               | \$13,318         | 150               | \$14,522         | 152               | \$16,592              |
| Wireline Competition Bureau                     | 148               | \$30,225         | 154               | \$30,311         | 166               | \$34,968              |
| Office of Administrative Law Judges             | 4                 | \$674            | 4                 | \$686            | 4                 | \$743                 |
| Office of Communications Business Opportunities | 9                 | \$1,971          | 10                | \$2,037          | 11                | \$2,334               |
| Office of Economics and Analytics <sup>2</sup>  | 98                | \$14,558         | 105               | \$49,614         | 132               | \$20,725              |
| Office of Engineering & Technology              | 75                | \$15,801         | 74                | \$15,909         | 74                | \$16,229              |
| Office of General Counsel                       | 73                | \$16,196         | 73                | \$17,466         | 74                | \$17,988              |
| Office of Legislative Affairs                   | 7                 | \$1,511          | 7                 | \$1,609          | 8                 | \$1,700               |
| Office of Managing Director                     | 183               | \$94,238         | 183               | \$100,096        | 191               | \$120,111             |
| Office of Media Relations                       | 13                | \$2,512          | 12                | \$2,582          | 12                | \$2,705               |
| Office of Workplace Diversity                   | 6                 | \$936            | 5                 | \$1,017          | 6                 | \$1,262               |
| <b>Subtotal</b>                                 | <b>1,393</b>      | <b>\$317,183</b> | <b>1,412</b>      | <b>\$362,673</b> | <b>1,490</b>      | <b>\$376,096</b>      |
| Office of Inspector General                     | 46                | \$8,440          | 60                | \$11,327         | 60                | \$11,854              |
| <b>Total - Salaries &amp; Expenses</b>          | <b>1,439</b>      | <b>\$325,623</b> | <b>1,472</b>      | <b>\$374,000</b> | <b>1,550</b>      | <b>\$387,950</b>      |

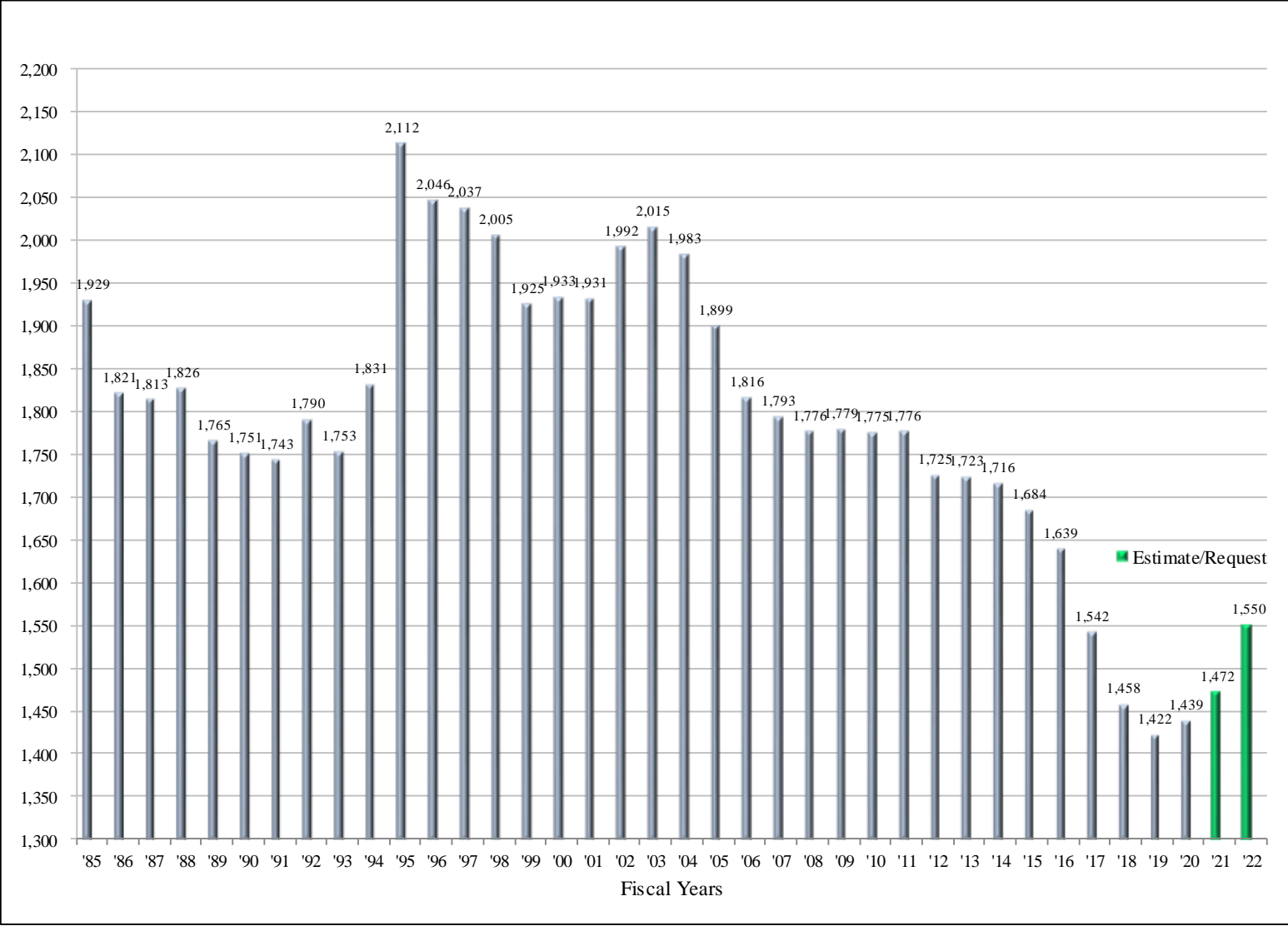
<sup>1</sup>The FTE numbers include the spectrum auctions program FTEs.

<sup>2</sup>In FY 2021, a total of \$98 million was made available to implement certain requirements of the Broadband DATA Act, of which, \$33 million was appropriated under the Commission's Regulatory Fees (Offsetting Collections) and, therefore, is included in this schedule. The \$65 million in other budget authority dedicated for the implementation of the Broadband DATA Act is shown with Commission's other budget authorities to provide a better historical comparison of the components of the FCC's regular budgetary requests.

The Commission is responsible for the overall management, oversight, and administration of the Universal Service Fund (USF), including all USF policy decisions. All USF related activities are currently funded by regulatory fees. The Universal Service Fund Activities and Costs section on pages 20 through 23 provides more details related to the Commission's USF activities and related costs.

# FTEs - Historical and Estimated

## Fiscal Years 1985 – 2022



## Summary of Changes - Regulatory Fees (Offsetting Collections)

(Dollars in Thousands)

| Regulatory Fees - Offsetting Collections:                                     | FY 2021          | FY 2022               | TOTAL NET CHANGE |             |
|---|------------------|-----------------------|------------------|-------------|
|   | Enacted          | Estimates to Congress | Amount           | Percent     |
| Commission  | \$362,673        | \$376,096             | \$13,423         |             |
| Office of Inspector General   | \$11,327         | \$11,854              | \$527            |             |
| <b>Total Spending Authority - Offsetting Collections</b>                      | <b>\$374,000</b> | <b>\$387,950</b>      | <b>\$13,950</b>  | <b>3.7%</b> |
| Full-Time Equivalents (FTEs) - Commission <sup>1</sup>                        | 1,412            | 1,490                 | 78               |             |
| FTEs - Office of Inspector General  | 60               | 60                    | 0                |             |
| <b>Total Full-Time Equivalents</b>  | <b>1,472</b>     | <b>1,550</b>          | <b>78</b>        | <b>5.3%</b> |
| <b>Explanation of Changes</b>   |                  |                       |                  |             |
| <b>FY 2021 Enacted - Regulatory Fees</b>                                      |                  |                       | <b>\$374,000</b> |             |
| <b>FY 2022 Base Reductions:</b>   |                  |                       |                  |             |
| Broadband DATA Act Reduction for FY 2022                                      |                  | -\$27,000             |                  |             |
| Reversal of FY 2021 One-Time Investment Requests <sup>2</sup>                 |                  | -\$2,579              |                  |             |
| Base Reduction - Rent Savings   |                  | -\$2,322              |                  |             |
| <b>Total - FY 2022 Base Reductions</b>  |                  |                       | <b>-\$31,901</b> |             |
| <b>FY 2022 Base Before Increases, Adjustments &amp; One-Time Investments</b>  |                  |                       | <b>\$342,099</b> |             |
| <b>FY 2022 Base Increases:</b>  |                  |                       |                  |             |
| 63 Additional FTE & Cost Required Based on Current Assessment                 |                  | \$12,640              |                  |             |
| PIRATE Act  |                  | \$5,000               |                  |             |
| IT Application Development Team   |                  | \$1,040               |                  |             |
| Office of the Inspector General   |                  | \$200                 |                  |             |
| <b>Subtotal - FY 2022 Base Increases</b>                                      |                  |                       | <b>\$18,880</b>  |             |
| <b>FY 2022 Base Adjustments:</b>  |                  |                       |                  |             |
| 2.7 Percent Increase in Salary  |                  | \$7,751               |                  |             |
| 2 Percent Non-Salary Inflationary Increase                                    |                  | \$1,878               |                  |             |
| <b>Subtotal - FY 2022 Base Adjustments</b>                                    |                  |                       | <b>\$9,629</b>   |             |
| <b>FY 2022 Adjusted Base Before One-Time Investment Requests</b>              |                  |                       | <b>\$370,608</b> |             |
| <b>FY 2022 - One-Time Investment Requests:</b>                                |                  |                       |                  |             |
| Media Ownership & Diversity Studies   |                  | \$1,250               |                  |             |
| IT - Modernize System for Political Files to Make Submission Machine-Readable |                  | \$5,000               |                  |             |
| IT - Data Center Cloud Migration  |                  | \$3,710               |                  |             |
| IT - Workforce Mobile Environment & HSPD12                                    |                  | \$4,916               |                  |             |
| IT - Enterprise Data Management Platform Enhancements                         |                  | \$1,113               |                  |             |
| IT - Cybersecurity Threat Hunt and Data Loss Prevention Program               |                  | \$722                 |                  |             |
| IT - Replace End of Life IT Equipment (Network and/or Field/Remote)           |                  | \$631                 |                  |             |
| <b>Subtotal - FY 2022 One-Time Investment Requests</b>                        |                  |                       | <b>\$17,342</b>  |             |
| <b>FY 2022 Total Request</b>  |                  |                       | <b>\$387,950</b> |             |
| <b>TOTAL NET CHANGE</b>   |                  |                       | <b>\$13,950</b>  | <b>3.7%</b> |

<sup>1</sup>Includes Spectrum Auctions Program FTEs.

<sup>2</sup>Reversal of FY 2021 One-Time Investment Requests is comprised of IT - Cloud Services and Systems Modernization (\$1,022), Mapping - Geographic Information System (\$420), Computational Power System (\$263), Enterprise Level Data Architecture (\$525), and On-Line Market Surveillance Tool (\$350).

## **Narrative Explanation of Changes - Salaries and Expenses - Regulatory Fees**

### **Personnel Compensation and Non-Salaries Inflationary Increase to Base: \$9,629,000**

- A. Personnel Compensation (\$7,751,000)** – Pursuant to OMB guidance, the request includes a 2.7 percent increase for personnel compensation and benefits. This increase also includes related increases for the Office of Inspector General (OIG), which total \$285,604.
- B. Non-Salary Inflationary Increase (\$1,878,000)** – This request provides expected inflationary increases for phones, utilities, printing and reproduction services, contractual services, supplies, travel, training, and other expenses. The total non-salary increase also includes related increases for the OIG, which total \$41,596. This increase is developed using an estimated inflationary rate of approximately 2 percent.

### **FY 2022 Base Increases and One-Time Requests for New Investments: \$36,222,000**

#### **A. Base Increases (\$18,880,000)**

##### **1. Additional FTEs (12,640,000)**

In recent years the Commission has lost a significant number of FTEs that possessed institutional knowledge in critical areas such as economists, auctions and policy attorneys, engineers, investigators, project managers, contracting officers, IT specialist, and accountants.

Also, in FY 2020 and FY 2021, over \$12.7 billion was appropriated to the Commission related to the COVID-19 Telehealth Program, the Emergency Broadband Benefit Program, the Emergency Connectivity Program, and the Secure and Trusted Communications Networks Act of 2019. These new appropriations total 24.6 times more than the Commission’s FY 2022 requested budget authority. In addition to these new mandates, the Commission is working hard to address our regular mission mandates such as Robocalls, caller ID spoofing, violation of the Open Internet “transparency” disclosure rules, 911 Fee Diversion & Vertical Location, 988 Suicide Hotline, modernization of the Universal Licensing System for spectrum with the increase of licensing and repurposing spectrum bands (5G), implementation of the OPEN Government Data Act and the TRACED Act. In rebuilding its most valuable asset, its workforce, the Commission estimates that an additional 63 FTEs (excludes 15 FTEs for the PIRATE Act) will be required.

##### **2. PIRATE Act (\$5,000,000)**

In January 2020, the Preventing Illegal Radio Abuse Through Enforcement Act (PIRATE Act), P.L. 106-109, was signed into law. The PIRATE Act demonstrates that Congress views enforcement against pirate radio broadcasting as a priority for the Commission. In addition to increasing the potential penalties for pirate broadcasting, the PIRATE Act imposes significant new responsibilities on the Commission. Among other things, the PIRATE Act requires the Commission to: (1) conduct annual enforcement sweeps in the top five radio markets; (2) conduct follow-up monitoring to determine whether pirate broadcasters identified in the sweeps are still on the air; (3) publish a pirate radio

broadcasting database that clearly identifies all licensed broadcasters operating in the AM and FM bands and all pirate radio broadcasters; and (4) submit an annual report to Congress summarizing the Commission's implementation of the PIRATE Act and enforcement activities in the prior fiscal year.

Additionally, the PIRATE Act specifically provides that the Commission must conduct the annual sweeps without decreasing or diminishing its regular pirate radio enforcement efforts. The budget includes an increase of \$5,000,000 to the base to begin the implementation of this legislation, which includes hiring 15 FTEs.

**3. Information Technology (IT) - Application Development Teams (\$1,040,000)**

This base increase will provide critically needed continuous support for four to five IT development teams. This new approach to IT application development will enable the FCC IT Group to be more agile and responsive to development efforts requested by the Bureaus and Offices. This new approach will minimize the ramp-up time required to begin each new IT development project and enable FCC IT to support concurrent development initiatives. Further, this approach will result in significant time-savings required to initiate and execute contract modifications.

**4. Office of Inspector General (\$200,000)**

This base increase for the Office of Inspector General's (OIG) will allow the OIG to hire additional contractors. An increase in contractual services is needed because of added requirements, which will increase investigations, audits, and related services.

**B. One-Time Requests for New Investments (\$17,342,000)**

**1. Media Ownership Studies (\$1,250,000)**

The Telecommunications Act of 1996 requires the Commission to review its media ownership rules to determine whether they "are necessary in the public interest as the result of competition." Pub. L. No 104-104, § 202(h), 110 Stat. 56, 111-12 (1996); Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99-100; 47 C.F.R. §§ 73.3555, 73.658. To gather evidence and inform the Commission's comprehensive media ownership review, the Commission will conduct a number of economic studies to analyze the present-day marketplace and the impact of the current market structure on competition, localism, and diversity, the three pillars of the ownership rules. The Commission will incorporate the studies in the record of the ownership proceeding.

**2. Information Technology (IT) Modernization and Implementation (\$16,092,000)**

**a. Modernize System for Broadcast and Cable Files to Make Submissions Machine-Readable (\$5,000,000)**

The Communications Act and the Commission's rules require that broadcasters and cable operators make available to the public certain information about their stations and systems.



Stations and systems upload this required information into the Online Public Inspection File (OPIF), an FCC-hosted database. There are thousands of entities that post their public file online at the FCC. The files are organized by station/system, and further organized by subfolders. Aside from this rudimentary organizational system, elements of the OPIF is not machine-readable, so it is difficult to organize a search of these files.

This funding would be used to make OPIF searchable, sortable, and downloadable, bringing transparency to our information and processes.

**b. Data Center Cloud Migration (\$3,710,000)**

This new investment request is to migrate all current IT services from the on-premise data center in West Virginia to cloud-based services. This new initiative will also avoid time consuming procurement of new hardware at the data center to address aging equipment. This new investment request includes closing the data center, improving efficiencies through automation, reducing downtime due to modern infrastructure, improving performance via automatic scaling, improving manageability through standardized implementation and instrumentation, and improving security posture through improved system visibility. Moving to cloud-based services also simplifies network architecture, reduces troubleshooting time, and provides improved IT service agility. This new initiative request is estimated to save \$1.1 million annually resulting in a return on investment within four years.

**c. Workforce Mobile Environment & HSPD12 (\$4,916,000)**

This investment will allow the FCC to provide all headquarters employees and contractors, with a government-issued laptop for the purposes of both onsite and remote work. Doing so enables a single device standard for the Commission, addressing existing known operational deficiencies to ensure support for a remote and mobile workforce. This investment also includes the ability for staff to conduct video enabled meetings both remotely and while in their assigned office and/or cubicle in a way that is not currently supported at the Commission.

**d. Enterprise Data Management Platform Enhancements (\$1,113,000)**

This one-time investment will implement advanced Artificial Intelligence (AI) and Machine Learning in the Enterprise Data Warehouse to improve the data analytics capabilities for the Commission's data users, owners, and stewards. The features will be integrated with the existing data marts and exposed to all data visualization applications such as Power-BI, MicroStrategy, and Notebook. These features will improve the automated and advanced analysis of all FCC data and provide advanced manual and self-help analytics capabilities. This will improve the strategic FCC decision making process through enhanced data analytics and will enrich data driven decision making capabilities for the Commission. This can be leveraged by many critical FCC business systems and functions such as the Electronic Comment Filing System (ECFS), Auctions, Enforcement, and Evidence Act Implementation.

This will also migrate the remaining two legacy on-premise Business Intelligence environments to modern cloud-based technologies and move the data sources to the

FCC Enterprise Data Platform (data warehouse). It will eliminate the two remaining business objects legacy software environments and reduce systems integration complexity.

**e. Cybersecurity Data Loss Prevention and Threat Hunt Program (\$722,000)**

This new initiative will greatly enhance the FCC's Cybersecurity posture, focusing on data privacy, integrity, and confidentiality. This new initiative will also address the advanced threats posed by Nation State and Advanced Persistent Threat actors, as well as Insider Threats. With this new investment, we will be conducting threat intelligence research on open and closed networks, working and partnering with other federal entities and intelligence agencies on malware research and analysis, and conducting advanced analytics. Staffing such capabilities ensures real-time, proactive mitigations against advanced threats to the FCC Enterprise while the Network Security Operations Center (NSOC) analysts focus on real-time incident response and reporting for the Cybersecurity and Infrastructure Security Agency (CISA) and the Federal Information Security Modernization Act (FISMA) Compliance.

This program will provide the FCC with a holistic, solution for monitoring and responding to events and user activities surrounding data used by the FCC. It will also focus on needed advanced analytics, countermeasures, forensics, and Open Source Intelligence research and collaboration, and it will provide the ability for forensics and malware analysis. The Data Loss Prevention Threat Hunt Program will address gaps in our current defense in depth as IT moves towards implementation of the IT strategic plan and a cloud-first strategy.

**f. Replace End of Life IT Equipment (Network and/or Remote/Field) (\$631,000)**

This new one-time investment will accomplish two critical needs of the Commission:

- (1) Replace aging and end-of-life (EOL) IT equipment that supports FCC operations in the field offices. This includes the replacement network equipment (e.g., routers and switches), load balancers, server hardware, voice communications, etc. Much of this equipment is already EOL which increases the risk of failure and the expense to maintain the equipment; and
- (2) Replace aging and EOL IT equipment that supports FCC remote sites and field offices. This includes the replacement of 65 field laptop computers that generally have a lifecycle of 3 to 5 years and network equipment (e.g., routers and switches) that generally has a lifespan of 10 years. Much of this equipment is already EOL, which increases the risk of failure and increases maintenance cost.

## **Office of Inspector General Narrative**

The Office of the Inspector General's (OIG or the Office) workload continues to increase in all mission-critical areas. The Office continues to focus on ensuring appropriate staff levels to keep pace with the workload. OIG has increased its full-time equivalent (FTE) staff over the past few budget years and this recruitment effort has permitted the Office to engage in a greater number of, and more complex, audits and investigations. As a result of the COVID-19 pandemic, Congress enacted several statutes directly impacting the FCC's subsidy programs. OIG has been actively involved in monitoring the Commission's activities in furtherance of these statutes and, has worked with the agency to ensure that any new regulations implementing the programs guard against fraud, waste and abuse. These difficult and wide-ranging cases will require substantial investigative and auditing expertise.

As a result of increased workload, in 2021, OIG is hiring additional staff to focus on matters having the potential to significantly impact important FCC missions or programs and the basic integrity and workings of the agency. Toward that end, OIG plans to hire at least two criminal investigators to support an expanded program of proactive investigations into E-rate and Lifeline providers and recipients and to provide additional law-enforcement capabilities. Also, OIG plans to fill two investigative attorney positions, two staff level audit positions, a contract specialist position and a data analyst position that are currently vacant. OIG continues to gauge the relative merits of any audit and investigation prior to expending valuable resources.

The OIG FY 2022 budget request of \$11,854,000 reflects a \$527,200 net increase over the FY 2021 request level of \$11,326,800. The net increase is attributable to a 2.7 percent increase in salary and benefits, and an increase in non-salary items. Also, the OIG increased its contract services funding by \$200,000 with the expectation of hiring additional contractors. We anticipate an increase in contractual services needed because of added requirements, which will drive additional investigations, audits, and related services.

OIG Office of Audit (OA) conducts and contracts for the performance of independent and objective audits, inspections, evaluations and related projects, designed to promote economy, effectiveness and efficiency in FCC programs and operations, and to prevent and detect fraud, waste and abuse. As of September 30, 2020, OA had completed 7 projects and an additional 8 projects were in process. OA plans to complete more than 50 audits, inspections and evaluations over the next five years, not including the mandated audits of the COVID 19 Telehealth Program and Emergency Broadband Benefit Program, or any unforeseen special projects and Congressional requests.

OIG Office of Investigation (OI) matters cover a wide range of topics touching on myriad aspects of the FCC's mission and programs. Most significantly, our investigations often address allegations of criminal misconduct or civil fraud in the Commission's Universal Service programs. We deal with complex investigations, large criminal conspiracies, and matters involving complex financial transactions throughout the United States and its territories. As of September 30, 2020, OI had 51 open cases. Working with the Department of Justice, in recent years, OI and has recovered tens of millions of dollars of government funds and saved the government hundreds of millions of additional dollars, resulting from criminal and civil fraud cases that have been successfully prosecuted or settled. In the upcoming year, in addition to our ongoing activities, we also expect to conduct investigations to fulfill our mandate to deter and detect fraud, waste and

abuse in the COVID 19 Telehealth program, the Emergency Broadband Benefit Program and the Emergency Connectivity Fund Program and other matters that are a direct result of changes to the FCC's subsidy programs in response to the coronavirus pandemic.

In compliance with the IG Reform Act of 2008, this FCC OIG FY 2022 budget request includes:

- A fair share ratio in the amount of \$41,592 for contribution to the Council of the Inspectors General on Integrity and Efficiency (CIGIE),
- Funds to support IGSNet Management Services, and
- Training funds in the amount of \$88,861.

## **Universal Service Fund Activities and Costs**

The Commission is responsible for the overall management, oversight, and administration of the Universal Service Fund (USF). The Commission develops policies for the USF, and the Universal Service Administrative Company (USAC) collects and delivers funding through four programs – Schools and Libraries (E-Rate), Rural Health Care, Lifeline, and High Cost – focused on places where broadband and connectivity needs are critical. These programs serve people in rural, underserved, and difficult-to-reach areas.

The Commission works with USAC, as administrator of the USF, to review USAC's administrative expenses and also to oversee the effectiveness of USAC's internal controls around USAC's program management, procurements, information technology projects, and personnel processes. The descriptions below provide additional information about how the Commission's various Bureaus and Offices work together as the agency carries out its USF management and oversight responsibilities.

Office of Managing Director. The Office of Managing Director (OMD) is responsible for all USF management and administrative activities, including finance, accounting, procurement, information technology, and audits of beneficiaries and contributors. OMD provides instruction and oversight to USAC on these issues.

Wireline Competition Bureau. The Wireline Competition Bureau (WCB) oversees USF policy and provides guidance on the applicability and interpretation of the Commission's USF rules, orders, and directives to USAC and to stakeholders. WCB also is primarily responsible for USF rulemaking proceedings, appeals of USAC decisions, requests for waivers of the Commission's USF rules, petitions for USF declaratory rulings, interactions with the Federal-State Joint Board on Universal Service, and preparation and publication of USF information in the Universal Service Monitoring Report.

Wireless Telecommunications Bureau. The Wireless Telecommunications Bureau (WTB), in coordination with WCB, develops policy and procedures concerning the Mobility Fund and proposed 5G Fund, which represent universal service support mechanisms dedicated exclusively to mobile wireless services.

Office of Economics and Analytics. The Office of Economics and Analytics (OEA), in coordination with WCB, oversees reverse auctions policy and implementation for distributing high-cost universal service support.

Office of General Counsel. The Office of General Counsel (OGC) oversees issues relating to litigation and settlements and serves as the Commission’s chief legal advisor, including on issues pertaining to USF matters.

Enforcement Bureau. If USAC or a Commission Bureau or Office identifies a possible violation of the Communications Act or a Commission rule, order, or directive, the matter is referred to the Enforcement Bureau (EB) for possible investigation and administrative enforcement action, including issuing forfeitures. EB pursues potential investigations of USF-related matters from other sources of information as well. In addition, EB is authorized to suspend and debar persons from participating in the universal service mechanisms upon a criminal conviction of or civil judgment for fraud against a USF program.

Office of Inspector General. The Office of Inspector General (OIG) conducts audits, evaluations, and inspections of USF programs and operations, as well as program service providers and beneficiaries designed to prevent and detect fraud, waste, and abuse. These oversight activities and related initiatives help promote economy, effectiveness, and efficiency of the USF.

## **USF Activities**

The Commission’s continued budgetary and programmatic focus for the universal services programs includes: (1) closing the digital divide between rural and urban America, (2) eliminating waste, fraud and abuse, and (3) promoting efficiency, accountability, and fiscal responsibility. With these priorities in mind, the Commission targets support to deliver, expand and maintain voice and broadband service to high cost and rural areas, low-income consumers, schools and libraries.

On February 23, 2017, the Commission adopted rules for allocating nearly \$2 billion, through a reverse auction, from the Connect America Fund, which aims to advance fixed broadband service to unserved and underserved areas across the country. Through an auction mechanism, the Commission sought the best deal for the American people with the available funds and, as of November 2020, has authorized \$1.476 billion in support over 10 years to 193 winning bidders to provide fixed broadband and voice services to over 700,000 locations in 45 states.

Most recently, the Commission adopted final rules for the Rural Digital Opportunity Fund. Using a two-phased competitive process, the Rural Digital Opportunity Fund will allocate up to \$20.4 billion to connect millions of unserved homes and small businesses to high-speed broadband. Phase I of the Rural Digital Opportunity Fund (Auction 904) will provide support to target areas that current data indicate are unserved, including approximately 5.4 million unserved rural homes and businesses. On December 7, 2020, the Commission announced that Auction 904 had closed, and \$9.23 billion in support will be distributed over 10 years to 180 winning bidders to provide fixed broadband and voice service to 5.22 million locations in 49 states, subject to approval of the long form applications for winning bidders. Phase II will distribute eligible support for unserved locations in partially served census blocks and areas not won in Phase I.

In October 2020, the Commission adopted the 5G Fund for Rural America to replace Mobility Fund Phase II. The 5G Fund Phase I auction will award up to \$8 billion over 10 years to deploy 5G service in areas otherwise unlikely to receive timely 5G deployment. The 5G Fund Phase II auction budget will be \$1 billion plus the remainder of the Phase I budget.

In the Lifeline program, the Commission’s goals are to: (1) continue implementation of the modernization of the Lifeline program to support affordable, high-speed internet access for our nation’s poorest families; and (2) ensure fiscal responsibility and combat waste, fraud, and abuse so Lifeline USF dollars spent reach the consumers Lifeline was created to help. Actions to accomplish these goals include using a unified interface to independently process eligibility verification and recertification of Lifeline subscribers, as well as interconnected verification with other agency and state eligibility databases to improve program controls.

In the E-rate program, the Commission is committed to enhancing access to broadband and telecommunications services in eligible elementary and secondary schools and libraries. The E-rate program has a current cap of \$4.23 billion per funding year, adjusted annually for inflation.

Finally, under the Rural Healthcare program, the Commission remains committed to ensuring all Americans have access to advanced medicine and health care services no matter where they live. The Rural Healthcare program has a current cap of \$604.76 million per funding year, adjusted annually for inflation.

The chart below shows the estimated costs that the Commission will incur in overseeing USF activities, which includes costs incurred by the OIG.

(Dollars in Thousands)

| <b>Fiscal Years</b>                          | <b>FY 2020</b> | <b>FY 2021</b> | <b>FY 2022</b> |
|--|----------------|----------------|----------------|
| <b>FCC's USF Activities Cost<sup>1</sup></b> | \$22,003       | \$22,444       | \$22,892       |
| <b>Full-Time Equivalent (FTEs)</b>           | 108            | 108            | 108            |

<sup>1</sup> Amount shown for FY 2021 through FY 2022 are projections based on actual cost.

The chart below shows the estimated number of Commission FTEs working on USF activities by bureau and office for FY 2020 based on extrapolated data.

| <b>Number of FCC FTEs Working On USF Activities By Bureau and Office</b> | <b>FTEs</b> |
|--|-------------|
| Wireline Competition Bureau  | 56          |
| Office of Economics & Analytics  | 20          |
| Office of Inspector General  | 11          |
| Enforcement Bureau   | 8           |
| Wireless Telecommunications Bureau                                       | 5           |
| Office of General Counsel  | 4           |
| Office of the Managing Director  | 2           |
| Media Bureau   | 1           |
| International Bureau   | 1           |
| <b>Total FTEs</b>  | <b>108</b>  |

## Crosswalk of USF Outlays to FCC Strategic Goals

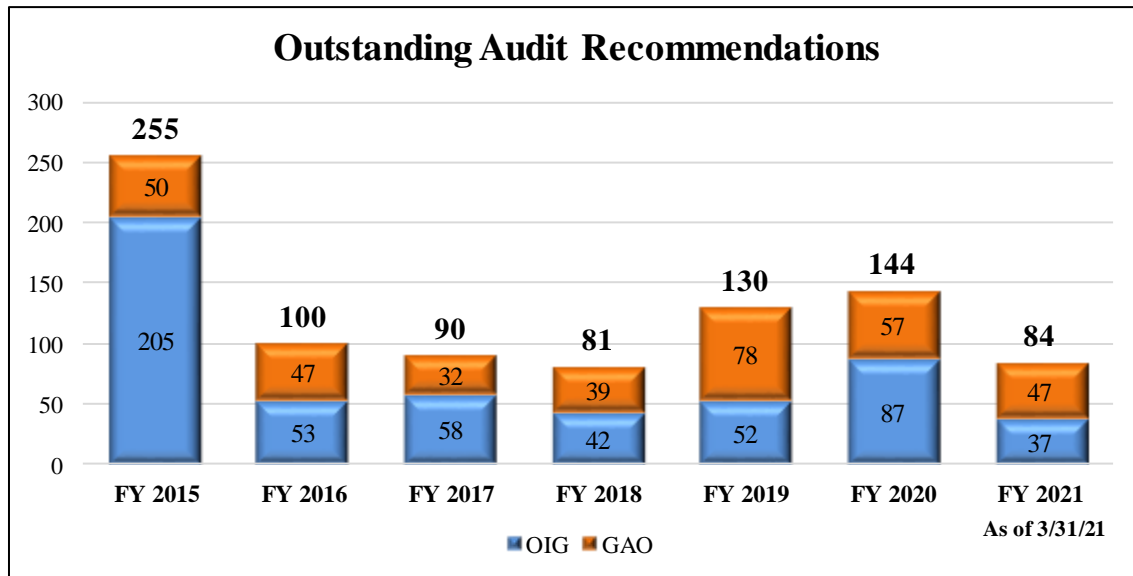
In FY 2020, USF made outlays totaling \$8.232 billion. These outlays were allocated to the following FY 2020 strategic goals:

(Dollars in Millions)

| <b>Applicable FY 2020 Strategic Goals</b> | <b>Outlay Amount</b> | <b>Percent</b> |
|---|----------------------|----------------|
| Closing the Digital Divide                | \$6,838              | 83.1%          |
| Promoting Innovation                      | \$1,394              | 16.9%          |
| <b>Total</b>                              | <b>\$8,232</b>       | <b>100.0%</b>  |

## Overall Status of Audit Recommendations

The chart below shows the number of audit recommendations outstanding from various audits conducted by FCC’s Office of Inspector General (OIG) and the Government Accountability Office (GAO) at the end of each fiscal year. The numbers shown below exclude those recommendations for which the Commission has already submitted information to GAO and OIG requesting closure of the recommendation. The count also excludes those recommendations that the Commission has determined to close as not implemented.



## Status of FCC Headquarters Move

The Commission’s headquarters (HQs) lease for the Portals II building at 445 12th Street SW, Washington, DC expired on October 15, 2017. In June 2018, GSA executed a lease extension for the HQs at the Portals II building that expired on November 30, 2020.

In 2015, Congress approved a prospectus for a replacement lease for a 15-year term that would reduce FCC headquarters square footage by approximately 30 percent and lower the overall rental expense. It is estimated that the move will provide up to \$119 million in total net savings over the 15 years of the new lease. Subsequently, the GSA conducted a competitive lease procurement and awarded the contract to a new lessor. The new lease required the Commission to move to a newly built facility in FY 2021. The Commission’s obligation to pay rent at the new headquarters building commenced when the construction was substantially complete.

GSA estimated that the total cost for the headquarters move would be \$70,971,489. In FYs 2016 and 2017, as part of the Commission’s budget request, the Commission requested a total amount of \$51,358,497 and \$19,612,992, respectively, from both regulatory fees and auctions program funds. Congress appropriated a total amount of \$68,225,489 from both regulatory fees and auctions program funds. The Commission intended to move to the new headquarters building in June 2020, however there were delays in the completion of the new building due to COVID-19. The Commission completed the move in November 2020 and completed decommissioning of the Portals II building in November 2020 consistent with the lease expiration.



# **SPECTRUM AUCTIONS**

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## Spectrum Auctions Program - Explanation of Requested Change

The Federal Communications Commission requests \$128,621,000 for the Spectrum Auctions Program for FY 2022, which is a net decrease of \$5,874,000 from FY 2021 appropriated level of \$134,495,000, as detailed below. This level of funding will enable the Commission to continue its efforts to make more spectrum available for 5G, to continue the implementation of the Spectrum Pipeline Act of 2015 and certain provisions of the RAY BAUM'S Act, including the MOBILE NOW Act, as well as the Beat China by Harnessing Important, National Airwaves for 5G Act of 2020 included in the Consolidated Appropriations Act of 2021; to continue the post-broadcast incentive auction work related to displaced, repacking, and reimbursing from the TV Broadcaster Relocation Fund to broadcasters, multichannel video programming distributors (MVPDs), Low Power TV (LPTV), TV translator stations, and FM broadcast stations for reasonable relocation costs incurred because of the Commission's broadcast incentive auction, and to upgrade and improve Commission's auction infrastructure in preparation for future auctions.

(Dollars in Thousands)

|  | FY 2021<br>Enacted | FY 2022<br>Estimates to<br>Congress | TOTAL NET CHANGE |              |
|--|--------------------|-------------------------------------|------------------|--------------|
|  |                    |                                     | Amount           | Percent      |
| <b>Spectrum Auctions Program Cost Recovery</b> | \$134,495          | \$128,621                           | -\$5,874         | -4.4%        |
| <b>Explanation of Changes</b>                  |                    |                                     |                  |              |
| <b>FY 2021 Enacted</b>                         |                    |                                     | <b>\$134,495</b> |              |
| <b>FY 2022 Base Reductions:</b>                |                    |                                     |                  |              |
| New Headquarters Rent Savings                  |                    | -\$378                              |                  |              |
| Contract Cost Reduction                        |                    | -\$8,300                            |                  |              |
| <b>Total - FY 2022 Base Reductions</b>         |                    |                                     | <b>-\$8,678</b>  | <b>-6.5%</b> |
| <b>FY 2022 Base Before Adjustments</b>         |                    |                                     | <b>\$125,817</b> |              |
| <b>FY 2022 Base Adjustments:</b>               |                    |                                     |                  |              |
| 2.7 Percent Increase in Salary                 |                    | \$1,040                             |                  |              |
| 2 Percent Non-Salary Inflationary Increase     |                    | \$1,764                             |                  |              |
| <b>Subtotal - FY 2022 Base Adjustments</b>     |                    |                                     | <b>\$2,804</b>   |              |
| <b>FY 2022 Total Request</b>                   |                    |                                     | <b>\$128,621</b> |              |
| <b>TOTAL NET CHANGE</b>                        |                    |                                     | <b>-\$5,874</b>  | <b>-4.4%</b> |

## Spectrum Auctions Program

The Omnibus Budget Reconciliation Act of 1993, P.L. 103-66 (Act), required the Commission to auction licenses for portions of the electromagnetic spectrum used for certain services, replacing the former lottery process. The Act further requires the Commission to ensure that small businesses, women, minorities, and rural telephone companies have an opportunity to participate in the competitive bidding process. The Commission initiated regulations implementing the spectrum auction authority granted by the legislation and conducted its first round of auctions in July 1994.

As of April 2021, the total amount generated for broader government use and deficit reduction since 1994 exceeds \$207.5 billion. The original spectrum auction authority was scheduled to expire in FY 1998; however, it was extended through FY 2007 in the Balanced Budget Act of 1997, P.L. 105-33; extended through FY 2011 by the Deficit Reduction Act of 2005, P.L. 109-171; extended through FY 2012 by the DTV Delay Act (2012), P.L. 111-4; and extended through FY 2022 by the Middle Class Tax Relief and Job Creation Act of 2012, P.L. 112-96. Furthermore, the Commission's authority to conduct auctions was further extended until September 30, 2025, in the Spectrum Pipeline Act of 2015 (included as Title X in the Bipartisan Budget Act of 2015, P.L. 114-74), with respect only to electromagnetic spectrum identified under section 1004(a) of that Act.

The Commission is authorized to retain funds from auction revenues to develop, implement, and maintain the auctions program. These funds cover the personnel and administrative costs required to plan and execute spectrum auctions; operational costs to manage payments and collections activities; development, implementation, and maintenance of all information technology systems necessary for auctions operations, including development of a combinatorial bidding system; and a proportional share of the general administrative costs of the Commission. This budget submission assumes that the auctions program will continue to recover the costs of conducting auction activities from spectrum license auction receipts as the Commission continues to use auctions as a licensing mechanism for spectrum-based communications services.

The Commission's FY 2021 Appropriations language capped the auctions program obligations at \$134,495,000. The Commission's request of \$128,621,000 for FY 2022 is a net decrease of \$5,874,000 or 4.4 percent, which was possible due to cost reduction on the Fund Administrator contract for the TV Broadcaster Relocation Fund (TVBRF) and additional rent savings as a result of moving to a new headquarters.

Funding at this level will enable the Commission to:

- conduct additional auctions to make more spectrum available for next-generation wireless services including the 3.45 GHz band, as required by the Beat CHINA for 5G Act of 2020, and the 2.5 GHz band;
- implement the Spectrum Pipeline Act of 2015 by, for example, continuing the steps necessary to promote use of the 3.5 GHz band;
- continue ongoing activities and taking other steps necessary to implement the RAY BAUM'S Act, including the Making Opportunities for Broadband Investment and Limiting Excessive and Needless Obstacles to Wireless Act (MOBILE NOW Act) provisions regarding identifying, making licenses available through auction, and transitioning spectrum for mobile and fixed wireless broadband use in, among other bands, the 3.7 GHz-4.2 GHz range;

- continue post-broadcast incentive auction (BIA) work related to displacement, repacking, and reimbursing from the TVBRF to broadcasters and MVPDs for their costs to implement the results of the BIA; and
- resolve any mutually exclusive applications for various services, including low-power television;
- upgrade and improve its auctions program infrastructure in preparation for future auctions.

In addition, as the demand for spectrum for new technologies extends to spectrum bands previously assigned for legacy applications, creative approaches must be found to accommodate existing licensees and operations while expanding opportunities for access by new users.

*Spectrum Pipeline Act of 2015, RAY BAUM'S Act, and Other Auction Program Improvements*

The Spectrum Pipeline Act of 2015 (Pipeline Act) requires the Commission to auction 30 megahertz of spectrum identified by the Secretary of Commerce for reallocation from Federal use to non-Federal use, shared use, or a combination thereof. The Pipeline Act also appropriates funds from the Spectrum Relocation Fund to support activities by Federal entities to improve the efficiency and effectiveness of Federal use of spectrum in order to make Federal spectrum available for non-Federal use, shared use, or a combination thereof. The Pipeline Act requires the FCC, as part of its role on the interagency Technical Panel established within the National Telecommunications and Information Administration (NTIA), to review Federal entities' proposals for funds for these purposes.

Additionally, the Pipeline Act requires the Commission to submit four reports to Congress. In November 2018, the Commission submitted a first report with an analysis of its new rules for the innovative Citizens Broadband Radio Service in the 3550-3650 MHz band. That same month, the Commission submitted a second report analyzing proposals to promote and identify additional bands that can be shared under such rules and identifying at least 1 gigahertz of spectrum between 6 GHz and 57 GHz for such use. By January 1, 2022, in coordination with the Assistant Secretary of Commerce for Communications and Information, the Commission must submit a third report that identifies at least an additional 50 megahertz of spectrum below 6 GHz for potential auction. Finally, by January 2, 2024, in coordination with the Assistant Secretary of Commerce for Communications and Information, the Commission must submit a fourth report which identifies at least another additional 50 megahertz of additional spectrum below 6 gigahertz for potential auction. The latter two reports must contain an assessment of the Federal operations in such spectrum, an estimated timeline for the competitive bidding process, and a proposed plan for balance between unlicensed and licensed use.

The RAY BAUM'S Act amended the Pipeline Act to require notice and comment for certain Pipeline Act reports and to direct the Commission to undertake numerous rulemakings and initiatives related to potential repurposing, reallocation, sharing, or auction of spectrum bands. The latter directive included a requirement that the Commission work with NTIA to identify an additional 255 megahertz of spectrum for mobile and fixed wireless use by 2022.

To fulfill these statutory requirements and enhance the Commission's ability to execute upcoming auctions, auctions funding will also be used for the following that entail extensive work to be performed during FY 2022:

- 3.5 GHz Auction and Post-Auction Implementation* – In 2018, the Commission updated its service rules for licenses in this band, which were assigned by bidding in Auction 105 that began on July 23, 2020 and concluded on August 25, 2020. On, September 2, 2020, the Commission announced that 228 bidders won a total of 20,625 licenses, for \$4,543,232,339 in net bids. Due to the characteristics of and use cases for licenses in this band, bidding in this auction had a novel set of requirements that required the Commission to develop new auction procedures and software. In addition, the nature of the licenses required significant software changes to accommodate the post-auction licensing process. Much of the work took place in FY 2020, but statutorily required work, including any remaining post-auction licensing and monitoring of the novel licenses to be awarded, will by necessity continue through FY 2021 and may continue into FY 2022. Long-form license applications were filed just before the end of FY 2020. Commission staff then undertake the statutorily required process to evaluate and grant such applications, where warranted; such work may extend into FY 2022 because of the large number of winning bidders that require careful review. In addition, the Commission will have an ongoing need to interface with the Spectrum Access System Administrators (SASs), which manage the dynamic spectrum sharing environment in the 3.5 GHz band, as well as the Environmental Sensing Capability (ESC) operators, which facilitate federal incumbent protection in the band. The Commission also will have an ongoing need to test and verify the operational capabilities of current and future SASs and ESCs, as discussed below. Successful implementation of the unique sharing model adopted in the band will provide the American consumer with access to additional spectrum resources.
- 3.7-4.2 GHz Auction and Post-Auction Implementation* – Bidding in Auction 107, an auction of flexible-use licenses for 280 megahertz of spectrum in this band, began on December 8, 2020 and concluded on February 17, 2021. On February 24, 2021, the Commission announced that the auction raised a total of \$81.1 billion in net bids and \$81.2 billion in gross bids, with 21 bidders winning all 5,684 licenses offered in the auction. Winning bidders were required to file post-auction long-form applications by March 10. Commission staff will undertake the statutorily required process to evaluate and grant such applications, where warranted. The Commission will oversee the process of transitioning incumbent Fixed Satellite Services (FSS) out of the 280 megahertz that has been auctioned in order to enable new flexible-use licensees to deploy. Under the transition process adopted by the Commission, overseeing this process would involve Commission staff resources in FY 2022 and beyond.
- 3.1-3.55 GHz Band* – In a March 2021 Report and Order, the Commission reallocated the top portion of the band (3.45-3.55 GHz) to make 100 megahertz of spectrum available for flexible use and adopted a framework for the 3.45 GHz band that will enable robust commercial use by an array of service providers, while also ensuring that federal incumbents are still protected from harmful interference where and when they require continued access to the band. Pursuant to the requirements of the Commercial Spectrum Enhancement Act, the Commission intends to conduct the bidding for licenses in the 3.45 GHz band starting in early October 2021. Conducting the anticipated auction and performing post-auction activities will require Commission staff resources in FY 2021 and FY 2022.

- *2.5 GHz Band (2496-2690 MHz)* – On July 10, 2019, the Commission released a *Report and Order* modernizing the 2.5 GHz band and making additional spectrum available for 5G and other advanced wireless services. To this end, the Commission eliminated the legacy Educational Broadband Service (EBS) eligibility requirements, educational use requirements, and leasing restrictions in the band. The Commission also established a priority filing window providing Tribal Nations with a one-time licensing opportunity for unassigned 2.5 GHz spectrum over their rural Tribal lands. Over 400 applications were filed in the window, and the Commission has so far issued over 200 licenses to eligible Tribal entities enabling them to address the communications needs of their communities. Finally, the Commission decided that any unassigned spectrum remaining post-window would be made available via competitive bidding in a future auction. On January 13, 2021, the Commission sought comment on procedures for this proposed auction; comments are due May 3, 2021, and reply comments are due May 17, 2021.
- *Other Auction Development and Implementation* – The Commission needs to make additional changes to the auction bidding and licensing systems to prepare for auctions of spectrum bands that may become available for licensing based on spectrum planning currently underway, including other bands identified by the Mobile Now Act and the 30 megahertz required by the Pipeline Act. The Commission and its federal partners, including National Telecommunications and Information Administration (NTIA) and the Department of Defense, are currently collaborating to explore additional mid-band 5G opportunities, including ongoing work streams in NTIA’s Policy and Plans Steering Group (PPSG). The PPSG provides a forum for the Commission and its federal partners to address spectrum policy issues that affect the use of spectrum by non-federal and federal users. The PPSG is examining potential shared federal and non-federal use of the 3100-3450 MHz band, as well as exploring other bands that could potentially be made available for commercial 5G use, including on a shared basis, consistent with statutory directives. This work has continued into FY 2021 and the Commission expects activity will extend into 2022 as well.
- *SAS/ESC Testing for 3.5 GHz and Beyond* – The Spectrum Access System (SAS)/Environmental Sensing Capability (ESC) are necessary components to facilitate additional non-federal access to spectrum in the 3.5 GHz band and are necessary to protect incumbent Federal operations. The first of these systems have been authorized for use in the 3.5 GHz band. Because the SASs will work as dynamic frequency coordinators for a complex ecosystem of devices, we need to ensure they operate properly and consistently with the FCC’s rules prior to approval. The Commission will continue to monitor and analyze the operations of approved SASs and ESCs to ensure compliance with the rules and identify opportunities for improving non-federal access to the 3.5 GHz band and, potentially, other spectrum bands. Several other entities have applied to be SAS administrators and ESC operators. The Commission will need to test and evaluate these new SASs and ESCs prior to approving them for use in the 3.5 GHz band. The Commission may also need to perform additional testing on existing SASs and ESCs to ensure that any future system upgrades or modifications comply with the rules. The Commission will also engage in additional research (e.g., spectrum monitoring) to refine its understanding of the spectral environment and facilitate more robust and efficient use of spectrum resources.

- *Optimization for New Spectrum Opportunities* – The optimization team will help the Commission analyze and study options for using complex mathematical optimization techniques for making new spectrum licenses available through new auction formats including overlay licenses, transitioning incumbents out of repurposed spectrum bands while assuring continued service to their customers, and other ways to implement spectrum sharing scenarios, to ensure we are maximizing the amount of useful commercial spectrum. They will develop optimal band plans accommodating incumbent uses and demonstrate the value of additional clearing or sharing as necessary. This research will also provide statistical and technical computation, analysis, simulation, and modeling, including geographic data and mapping, related to auctions.
- *Spectrum Visualization Tools* – Public Facing and Internal – The Commission will develop spectrum visualization tools to provide the public and government agencies with insights into how spectrum utilization could be modified to meet growing demand for wireless broadband services, including through licenses assigned by auction. These tools will help satisfy the public’s significant interest in understanding who has licensed rights to different spectrum bands at different locations and provide the ability to manipulate and analyze this data. Federal agencies also would benefit from this information as they consider sharing/relocation options. Additionally, it is critical for internal Commission teams to have robust data, including mapping, to understand coverage and operations across the country.
- *Auction Application System (formerly known as Integrated Spectrum Auctions System (ISAS)) Enhancement/Modernization* – The Commission must modify the application forms for participation in each auction in response to the auction’s unique requirements. Work to modernize the auction application system will provide the foundation for new implementations of the primary auctions application software, including providing the ability to customize the form to support future auctions based on novel license eligibility requirements and auction formats. This work, including updates to implement new spectrum and auction policies will continue through FY 2021 and FY 2022.
- *Universal Licensing System (ULS) Modernization* – In 2019 the Commission determined that it must modernize its licensing database and infrastructure to implement complex new service rules, as well as replace outdated technology to improve reliability, security, and access to data. The modernized system would enable the FCC to better support new auctions, inventory existing auction licenses, and re-auction spectrum. Early in FY 2020, the Commission initiated a multi-year, multi-million-dollar project to modernize ULS. The initial contract will begin development of market-based licensing and identification of requirements for the site-based and personal radio services. Subsequent work, commencing in FY 2022, will continue with modernization to complete market-based licensing and deliver site-based and personal radio service functionality.

#### Post-Broadcast Incentive Auction Transition Work

In the Incentive Auction Closing and Channel Reassignment Public Notice, released on April 13, 2017, the Commission announced the completion of the first-ever spectrum incentive auction and publicly released the results of the reverse auction, the forward auction, the assignment phase, and the channel reassignments for full power and Class A television stations that are required to change



their TV channels during the 39-month relocation process that commenced as of the release of that Public Notice. The licensing process for the winning bidders for new flexible-use wireless spectrum licenses also commenced with the release of that public notice.

After the post-auction transition by full power and Class A TV stations to their new channels is complete, the BIA will have made available 84 megahertz of low-band spectrum for commercial and unlicensed wireless use by repurposing a portion of the broadcast TV band. The total net winning bids of approximately \$19.3 billion from the auction placed it third among all Commission auctions in terms of the amount of total winning bids. The auction proceeds from winning bidders of new spectrum licenses were used, among other things, to pay winning broadcast bidders in the reverse auction and, as directed in the Middle Class Tax Relief and Job Creation Act of 2012, and the Reimbursement Expansion Act of 2018 (REA) to fund the TVBRF with \$2.70 billion to reimburse full power, Class A, low power and translator television and FM radio broadcast stations and MVPDs for their reasonable expenses incurred as a result of stations being involuntarily relocated to new channels. The REA permits the Commission to continue the reimbursement program until July 3, 2023, under certain circumstances, but did not extend the July 13, 2020 deadline to transition off of their pre-auction channels.

Because of the complex nature of the post-BIA transition, including displacement of low power and TV translator stations, and the inclusion of low power and translator TV stations and FM stations as categories of broadcast stations eligible for reimbursement for the first time in the 2018 REA, the Commission will continue to engage in a significant amount of post-auction activity. For example, the results of the BIA required 987 full-power and Class A broadcasters nationwide to relocate to create contiguous spectrum in the 600 MHz band that has been repurposed and auctioned for flexible wireless uses, and 957 of those stations are eligible for reimbursement from the TVBRF.<sup>3</sup> In addition to these stations, on December 8, 2019, the Incentive Auction Task Force and Media Bureau announced that 87 FM stations and, on March 26, 2020, that 844 low power and translator TV stations (LPTV/translator stations), had also satisfied the eligibility requirements to participate in the TVBRF. About 40 full power and Class A stations remain on interim facilities and must complete construction of final facilities. This work will also require some MVPDs to modify their facilities to continue to carry the station's signals and some FM stations to modify their facilities to allow for completion of the repack construction work. In addition, some repacked stations, who have already vacated their pre-auction channel, have ongoing construction to remove old antennas and equipment and take other follow-up efforts, the reasonable costs of which are also reimbursable from the TVBRF. The Commission established procedures necessary to bring each entity's participation in the TVBRF to a close that involves two steps: an interim stage and a final stage. Final invoice filing deadlines for reimbursement from the TVBRF have been set for October 8, 2021 for repacked full power and Class A TV stations assigned transition completion dates in the first half of the 39-month post-incentive auction transition schedule; March 22, 2022 for repacked full power and Class A TV stations assigned completion dates in the second half of the 39-month post-incentive auction transition schedule; and September 5, 2022 for LPTV/translator stations, FM stations, and MVPDs. The deadlines help ensure that all eligible invoices are

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<sup>3</sup> As a result of the BIA, 987 full-power and Class A broadcast stations were assigned new channels and must be relocated during the 39-month transition period. Of those, 30 full-power stations were winning bidders in the reverse auction and are not eligible for reimbursement of relocation costs, but they nevertheless must file applications, licenses to cover, and/or waivers that will require processing by the Commission. The remaining 957 full-power and Class A stations that are being relocated are eligible for reimbursement from the TVBRF.

processed and that entities are able to complete the TVBRF close-out procedures prior to July 3, 2023, when any unobligated amounts will be rescinded and deposited into the U.S. Treasury.

The last phase of the 39-month channel reassignment process ended July 3, 2020, but the reimbursement period may extend to July 3, 2023. This means that while all full power and Class A broadcast stations were required to vacate their pre-auction channels prior to the end of the 39-month period, some of the necessary licensing and post-transition filings for such stations and for LPTV/translator stations and FM stations will continue after that date. Final reimbursement submissions, close-out review, and, as appropriate, verification and audit processes will also continue past that date. The following are a list of highlights from the many activities that will continue to take place in FY 2022.

- Licensing for Broadcasters Being Relocated –The Commission will continue to process applications and licenses to cover, as well as possible technical modifications determined to be necessary once the stations transition and test their new facilities, as described in more detail below.

Several dozen full power and class A stations are using interim facilities in order to meet their deadline to vacate their pre-auction channel while still in the process of completing construction of their permanent facilities. In such cases, stations will have met their phase deadline to cease operation on their pre-auction channel but not yet have fully transitioned to their new facilities. Construction of those new facilities, and the related Media Bureau consideration of all related applications and waivers, as well as submission of reimbursement invoices, is continuing for some of those stations beyond the end of the 39-month phase schedule.

The process will therefore require Commission staff to continue to monitor broadcaster progress, identify and resolve transition-related problems and challenges, process applications, and review and verify information in FY 2022. Concluding the post-auction transition will therefore also continue to require software, cloud computing resources, and assistance from skilled computer scientists, software engineers, and technology experts.

- Displaced LPTV and TV Translator Station Licensing – A Special Displacement Window closed on June 15, 2018, for operating LPTV/translator stations displaced due to the new 600 MHz wireless band and the post-auction repacking process for full power and Class A stations. More than 2,000 applications were granted. Broadcast licensing for LPTV/translator stations is performed in two steps: (1) application review and grant of a CP and (2) application review and grant of a license to cover. The Commission will continue to process such applications as they are filed.
- FM Station Licensing – FM radio spectrum was not subject to the post-Incentive Auction repacking process. Some FM stations with antennas on or near a tower supporting a repacked TV antenna may be affected if, for example, the FM antenna must be moved, temporarily or permanently, to make it possible for the co-located TV station to complete its construction of facilities on the tower. In such situations some FM stations must apply for a construction permit or special temporary authority to operate on an interim basis during a construction project on the station's tower.

- Reimbursements to Eligible TV and FM Stations and MVPDs – Reimbursements to eligible full power and Class A broadcasters and MVPDs started in FY 2018. In 2019, in response to the REA, the Commission expanded its reimbursement process to include LPTV/translator and FM stations pursuant to the REA and approved applications by stations in those categories for reimbursement in 2020 and 2019, respectively.
  - Fund Administration – The Commission has engaged a contractor (Fund Administrator) to assist in administering the TVBRF. The Fund Administrator has extensive experience in television broadcast engineering and federal funds management to review cost estimates. The Fund Administrator reviews the initial reimbursement estimates and the accompanying supporting documentation submitted by eligible entities to validate that the estimates reflect costs that may be reasonably incurred to relocate television service from a station’s original channel to its reassigned channel or, in the case of MVPDs, to continue to carry the broadcast signal of a reassigned broadcast station. Requests for additional information are sent to entities where reasonableness cannot be determined, where necessary documentation appears to be missing, or where the requested reimbursement appears to be excessive.
  - Reimbursement Process – The reimbursement process has two major components: (1) cost estimates and fund allocation and (2) invoice reimbursement processing.
    - Cost Estimates and Fund Allocation – The Fund Administrator and Media Bureau review the initial reimbursement estimates, and the eligibility showings of the submitting entities, and the accompanying supporting documentation submitted to validate that the estimates reflect costs that may be reasonably incurred to relocate television service from a station’s original channel to its reassigned channel or, in the case of FM stations, to reasonably minimize disruption of service during the repack, or in the case of MVPDs to continue to carry the signal of a repacked station. Based upon that review, an initial allocation based on such verified estimates is issued to stations found to be eligible for reimbursement. Once the initial allocation is made, the Fund Administrator reviews invoices for actual costs incurred by broadcasters and MVPDs and makes recommendations to the Commission as to their reasonableness. The Commission reviews and verifies those recommendations and pays approved invoices submitted by eligible stations and MVPDs. The Commission may announce one or more additional allocations during the transition period, and subsequent allocations may be based on revised cost estimates.

As of March 2021, the Commission had allocated a total of over \$2.04 billion to broadcasters and MVPDs, giving each reimbursable entity access to approximately 92.5 percent of their currently estimated and verified costs.

- Invoice Reimbursement Processing – Eligible TV and FM radio stations and MVPDs may only draw upon their allocated funds upon submission of actual

invoices and other supporting documentation. The Fund Administrator reviews invoices for actual costs incurred by broadcasters and MVPDs and makes recommendations to the Commission as to their reasonableness. The Commission reviews those recommendations and pays approved invoices submitted by broadcasters and MVPDs. Reimbursement payments to all of these categories of recipients will continue in FY 2022 as reimbursement-eligible entities continue to submit their invoices.

- Close Out Procedures for TV and FM Broadcasters and MVPDs – Each entity will engage in a two-step close out procedure and receive two close out letters from the Media Bureau, including (1) an “interim close-out letter” when the station has submitted evidence of all incurred costs; and (2) a “final close-out letter” after all or nearly all entities eligible for reimbursement from the Fund have entered the close-out process. The final account close-out for each entity will occur no later than July 3, 2023, the statutory end of the reimbursement period, when all entities eligible for reimbursement from the Fund must have submitted all actually incurred costs.

When an entity completes its construction project it will submit all remaining supporting documentation and requests for reimbursement to the Commission and inform the Commission that the submissions are complete. The entity will receive a financial reconciliation statement from the Fund Administrator that specifies verified, estimated amounts; allocated amounts; amounts requested for reimbursement; amounts disbursed by the Commission; and information outlining any additional amounts payable by the Commission to the entity or owed to the Commission by the entity. If an overpayment is discovered, the entity will be required to return the excess amount to the Commission and detailed instructions for prompt submission of such overpayments will be provided to the entity by the Commission. Each station will review the financial reconciliation statement for accuracy and completeness and, upon concurrence, return an executed version of the financial reconciliation statement to the Fund Administrator. The Bureau will then provide the station with an interim close-out letter and issue any payments currently due, subject to the station’s available allocation.

Because the Commission has determined that stations should be allocated a *pro rata* amount of actual costs incurred based on the total fund availability, the Commission will withhold a certain portion of potentially eligible funds until the conclusion of the program, or until such time as the Bureau can reasonably extrapolate that the total available funding will be sufficient to meet the total cost of the program. A final close-out letter will serve as the official notice of account close-out, include a summary of any financial changes that occurred during the interim closing period, and remind entities of their ongoing document retention requirements.

- Audits, Data Validations, and Disbursement Validations – Audits, data validations, and site visits are essential tools in preventing waste, fraud, and

abuse, and use of these measures will maximize the amount of money available for reimbursement. Throughout the reimbursement period, the Media Bureau together with the Fund Administrator performs disbursement validations in order to confirm that entities receiving reimbursement funding for third party services have in fact disbursed monies received from the Fund in a manner consistent with representations made to the Commission in the Reimbursement Form. Also, a third-party audit firm acting on behalf of the Commission may conduct audits of entities receiving disbursements from the Reimbursement Fund, and these audits may occur both during and following the Reimbursement Period. The Commission has determined that Commission staff and/or a third-party auditor will continue to validate expenses after the reimbursement period ends, consistent with the Commission’s obligation to recover improper payments, including after the close-out period.

- **Submission of Banking Information** – The Commission requires all eligible entities who will receive TVBRF payments to provide detailed banking information that is both notarized on paper form and submitted in a secure electronic system. The Commission reviews this information prior to making any payments. Eligible entities may revise their banking information throughout the reimbursement period.

Pursuant to 47 U.S.C. §309(a), the Commission must provide its authorizing and appropriations committees in Congress with a detailed report of the FCC’s obligations in support of the auctions program for each fiscal year of operation. The following table shows available auction cash for recent fiscal years.

### Spectrum Auctions Activities

|   | Dollars in Thousands      |                           |                           |                           |                            |
|---|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
|   | <u>FY 2017</u>            | <u>FY 2018</u>            | <u>FY 2019</u>            | <u>FY 2020</u>            | <u>FY 2021<sup>4</sup></u> |
| Beginning Cash Balance as of October 1                      | \$2,980,154               | \$8,620,648               | \$3,508,741               | \$3,378,640               | \$7,731,130                |
| Current Year Net Cash                                       | 7,728,932                 | (3,929,722)               | 2,598,061                 | 6,845,791                 | 78,549,980                 |
| Less:   |                           |                           |                           |                           |                            |
| Deferred Revenue as of September 30 <sup>1</sup>            | (2,064,903)               | (1,158,650)               | (2,725,948)               | (2,491,088)               | (78,690,213)               |
| Deposit Liability - Refunds as of September 30 <sup>2</sup> | (2,214)                   | (2,214)                   | (2,214)                   | (2,213)                   | 1,606                      |
| Accounts Payable <sup>3</sup>                               | (21,321)                  | (21,321)                  | 0                         | 0                         | 0                          |
| <b>Available Cash as of September 30</b>                    | <b><u>\$8,620,648</u></b> | <b><u>\$3,508,741</u></b> | <b><u>\$3,378,640</u></b> | <b><u>\$7,731,130</u></b> | <b><u>\$7,592,503</u></b>  |

<sup>1</sup>Cash associated with licenses that have not been granted as of stated date.

<sup>2</sup>Upfront auction deposits not refunded as of stated date.

<sup>3</sup>Remaining amount owed to the Incentive Auction Reverse Auction Winners.

<sup>4</sup>For FY 2021, the amounts shown are as of March 31, 2021.

## Summary of Distribution of Resources - Spectrum Auctions Program

### SPECTRUM AUCTIONS COST RECOVERY REIMBURSABLE AUTHORITY INCLUDING OFFICE OF INSPECTOR GENERAL

(Dollars in Thousands)

| <u>Object Classification Description</u>                     | <u>FY 2020</u><br><u>Actuals</u> | <u>FY 2021</u><br><u>Enacted</u> | <u>FY 2022</u><br><u>Estimates to</u><br><u>Congress</u> |
|--|----------------------------------|----------------------------------|--|
| <b>Personnel Compensation &amp; Benefits:</b>                |                                  |                                  |  |
| Full-time & Other than full-time Permanent (11.1 & 11.3)     | \$27,494                         | \$31,151                         | \$32,074   |
| Personnel benefits (12.0)                                    | 8,913                            | 9,752                            | 10,066   |
| <b>Subtotal - Personnel Compensation &amp; Benefits</b>      | <b>\$36,407</b>                  | <b>\$40,903</b>                  | <b>\$42,140</b>  |
| <b>Other Expenses:</b>                                       |                                  |                                  |  |
| Benefits for former personnel (13.0)                         | \$8                              | \$8                              | \$9  |
| Travel & transportation of persons (21.0)                    | 37                               | 121                              | 124  |
| Transportation of things (22.0)                              | 9                                | 9                                | 9  |
| Rent payments to GSA (23.1)                                  | 6,175                            | 2,868                            | 4,115  |
| Communications, utilities, & misc. charges (23.3)            | 1,905                            | 2,608                            | 2,689  |
| Printing and reproduction (24.0)                             | 210                              | 234                              | 238  |
| Other services from non-Federal sources (25.2)               | 24,820                           | 30,848                           | 21,244   |
| Other goods & services from Federal sources (25.3)           | 655                              | 2,004                            | 2,044  |
| Operation & maintenance of equipment (25.7)                  | 36,677                           | 54,647                           | 55,744   |
| Supplies and materials (26.0)                                | 73                               | 107                              | 109  |
| Equipment (31.0)   | 777                              | 132                              | 134  |
| Land and structures (32.0)                                   | 0                                | 0                                | 0  |
| Insurance claims & interest (40.0)                           | 8                                | 5                                | 21   |
| <b>Subtotal - Other Expenses</b>                             | <b>\$71,355</b>                  | <b>\$93,592</b>                  | <b>\$86,481</b>  |
| <b>Total - Auctions Cost Recovery Reimbursable Authority</b> | <b>\$107,762</b>                 | <b>\$134,495</b>                 | <b>\$128,621</b>   |

## Spectrum Auctions Expenditures Report

Section 309(j) of the Communications Act permits the Commission to use funds raised from auctions to fund its auctions program, including contracts for services and costs related to personnel performing work in support of Commission auctions authorized under that section. The FCC's Office of General Counsel (OGC) and Office of Managing Director (OMD) provide direction to FCC employees attributing hours for this purpose. The House of Representatives and Senate Appropriations Committees review and set a yearly cap for the spectrum auctions program. The requested cap level for FY 2022 is \$128,621,000 to fund the following activities: further the objective of making more spectrum available for commercial use; continue implementation of the Spectrum Pipeline Act of 2015 and certain provisions of the RAY BAUM'S Act, including the MOBILE NOW Act, as well as the Beat China by Harnessing Important, National Airwaves for 5G Act of 2020 included in the Consolidated Appropriations Act of 2021; continue post-BIA work to include the new additional requirements from the REA related to the TVBRF; and upgrade and improve auctions infrastructure in preparation for future actions. In addition, as the demand for spectrum for new technologies extends to spectrum bands previously assigned for legacy applications, creative approaches must be found to accommodate existing licensees and operations while expanding opportunities for access by new users.

The Commission's spectrum auctions program supports efficient licensing while also contributing significant funds to the U.S. Treasury for deficit reduction and providing direct support to other government programs. In particular, in the Middle-Class Tax Relief and Job Creation Act of 2012, Congress directed that proceeds from certain spectrum auctions, including auctions of licenses covering spectrum offered in the H-Block, AWS-3, and BIA, fund certain public safety-related programs and contribute to deficit reduction. Specifically, Congress directed that the net proceeds from these auctions, in addition to being used to reimburse Federal agencies for costs incurred as a result of sharing or relocating Federal spectrum assignments and to reimburse the relocation expenses of full power and Class A broadcast stations being repacked in the new TV Band following the BIA, be distributed as follows: \$135 million for a state and local First Responder Network Authority (FirstNet) implementation fund; \$7 billion for FirstNet build out; \$115 million for 911, E911, and NG911 implementation; \$300 million for public safety research; and \$20.4 billion plus any additional proceeds for deficit reduction.

As of April 2021, the Commission had generated over \$207.5 billion in auctions revenues since initiating the auctions program in 1994. During this period, auctions program expenses have been less than two percent of the Commission's total auctions revenues.

Spectrum auction planning, development, and implementation is performed agency-wide and is very information technology (IT) intensive, as reflected in our Auction Expenditure Justification Reports. For example, the Incentive Auction Task Force as well as the teams implementing the auction and transition that repurposes 280 megahertz of spectrum in the 3.7 GHz band from incumbent uses (including fixed satellite service) to flexible use, draw upon the resources and expertise of staff from across the Commission, including the Wireless Telecommunications Bureau, Media Bureau, International Bureau, Bureau of Consumer and Governmental Affairs, Office of Economics and Analytics, Office of Engineering and Technology, OMD, and OGC. Auctions funds also cover the program's share of Commission operating expenses. The Commission uses these funds to enable successful auctions and expends them in a manner consistent with statutory requirements.

Every auction is different and has specific requirements, which require careful attention to detail and planning. Since auction activities are performed agency-wide and are unique, allocating the appropriate amount of cost and overhead related to the auctions program is a challenge. In addition, the complexity of spectrum auctions has increased steadily as the Commission works through more difficult technical and policy issues related to the scarcity of vacant spectrum. Preparation for spectrum auctions generally requires sufficient time to design, develop, and implement secure, reliable, and effective auction application, bidding, and post-auction licensing systems.

In the practice of cost accounting, costs are identified as one of the following: (1) direct cost, (2) indirect cost, or (3) generally allocated cost. The methodology for deriving the proportional share of generally allocated administrative costs to be charged to the auctions program is based on the Commission's time reporting system and Generally Accepted Accounting Principles. The allocation is based on the percentage of actual hours that employees worked to support the auction program plus the same proportional share of the employee's indirect hours (leave hours). This full time equivalent (FTE) rate is applied to costs that benefit the Commission as a whole. The items that are allocated by the FTE rate include Commission-wide IT systems, guard service, administrative facility services, supplies, furniture, equipment, and human resources training activities. The FCC has maintained an average of 14 percent for this purpose, with minor deviations.

The Commission continues to plan for future auctions, most notably ongoing and potential auctions related to the 3.45-3.55 GHz band to make an anticipated 100 megahertz of spectrum available for commercial use by relocating non-federal operations and potentially providing for shared use with federal operations; reallocating bands made available in the Spectrum Frontiers proceeding to terrestrial wireless use, new auctions for overlay licenses for white spaces in the 2.5 GHz band, and auction of the spectrum required by the Spectrum Pipeline Act of 2015. Other auctions that may continue to be a focus for the Commission in FY 2022 include re-auctions of certain licenses previously offered and not won or returned to the Commission (including AWS-3 and unsold 600 MHz licenses from the BIA).

The Commission will also continue to leverage auctions expertise and infrastructure to support reverse auctions that allocate Universal Service funding in an efficient and effective manner. Specifically, the Commission adopted rules to make available through reverse auctions up to \$20.4 billion in the Rural Digital Opportunity Fund to bring fixed broadband to unserved locations and has concluded the first auction under these rules. The Commission has also adopted rules to make available through reverse auctions up to \$9 billion in the 5G Fund to support deployment of mobile broadband in unserved areas. In addition, the Commission is continually working to update and modernize its auction bidding and application systems to improve their speed, flexibility, reliability, and security to support timely new auctions when additional spectrum that could be made available is identified.

In FY 2022, the Commission will continue implementation of the RAY BAUM'S Act, including working with NTIA to identify 255 megahertz of additional spectrum (subject to certain frequency and use requirements) for mobile and fixed broadband use; preparing annual reports on upcoming systems of competitive bidding; and coordinating with NTIA on initiatives related to incentivizing Federal agencies to share spectrum allocations, bidirectional sharing, and commercial wireless use in the 3100-3550 MHz bands; and monitoring post-auction operations in bands subject to spectrum sharing and/or transition to new flexible uses.



In addition, a significant Commission auction focus in FY 2022 will be to continue post-broadcast incentive auction implementation. This work includes continuing to process applications and licenses to cover filed by relocated (or “repacked”) full power and Class A television stations and over 840 displaced LPTV/translator stations with minimum disruption to the viewing public that are still completing their construction of new post-auction facilities. We will also continue to make disbursements from the TVBRF to repacked full power and Class A TV stations and MVPDs, and, pursuant to the REA, to LPTV/translator stations and FM stations impacted by the post-auction repack that have become eligible for reimbursement as a result of the REA. Although the repacked full power and Class A television stations were required to vacate their pre-auction channels by July 2020, there will be considerable continuing application review, cost reimbursement, and other transition processing required after that time for both full power and Class A stations, MVPDs, and LPTV/translator and FM stations. For example, LPTV/translator stations are not subject to the same construction deadlines as full power and Class A Stations, and a number of the full power and Class A stations that vacate their pre-auction channels are moving to interim facilities while they continue to construct their permanent facilities. Moreover, the reimbursement period for costs associated with the repack of full power and Class A stations and MVPDs, and the reimbursement of LPTV/translator stations and FM stations, is authorized by Congress to extend up to July 3, 2023.

Repacking involves reorganizing and assigning channels to the remaining broadcast television stations to create contiguous blocks of cleared spectrum suitable for flexible wireless use. The scope of the repacking component of this auction has made it a unique and computationally complex challenge that will continue to require substantial resources and engagement from the Commission until all stations are operating on their permanent facilities and the reimbursement process has been completed. Such active oversight of the process will continue to require Commission staff resources to coordinate with broadcasters to monitor broadcaster progress, identify and resolve transition-related problems and challenges, process applications, review and verify information, undertake and complete the ongoing reimbursement program and, as appropriate, conduct subsequent verifications and audits of the reimbursements. The transition also requires continued engagement of the Fund Administrator, which is overseen by Commission staff, to administer the reimbursement of up to \$2.7 billion to the eligible broadcasters, MVPDs, LPTV/translator stations, and FM stations by reviewing cost estimates and invoices to prevent waste, fraud, and abuse.

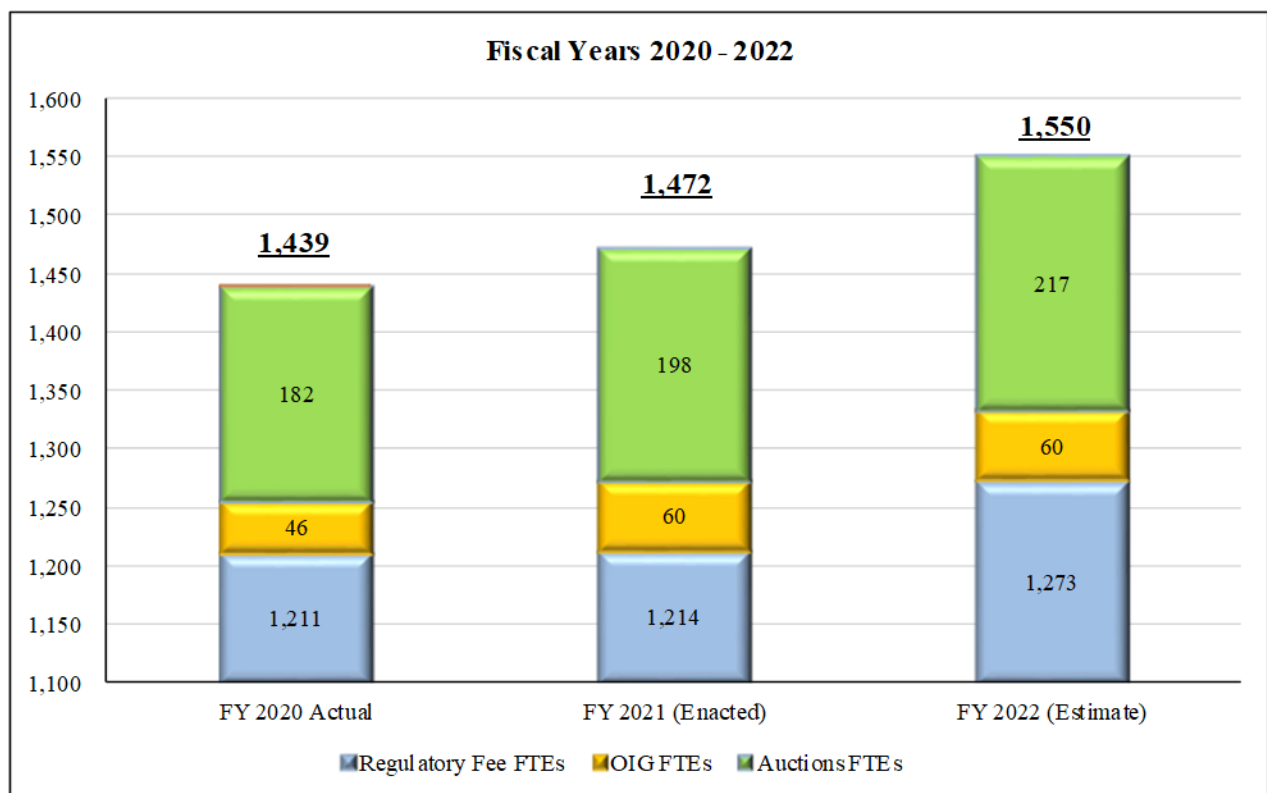
Finally, the Commission will devote significant resources in FY 2022 towards implementation efforts to transition a 280-megahertz block of spectrum in the 3.7-4.0 GHz band, plus a 20-megahertz guard band, from incumbent use to new flexible-use now that the related auction is complete. All eligible incumbent space station operators elected to clear according to the following accelerated timeline: (1) clearing 120 megahertz (3.7-3.82 GHz) by December 5, 2021, and (2) clearing the remaining 180 megahertz (3.82-4.0 GHz) by December 5, 2023. If these deadlines are met, the incumbent space station operators will be eligible for accelerated relocation payments of up to \$9.7 billion, to be paid by the new flexible-use licensees. Incumbent fixed-satellite service (FSS) and fixed service (FS) licensees, as well as incumbent earth station operators, may also seek reimbursement of reasonable relocation costs paid by flexible-use licensees as a condition on their license.

Commission staff will establish a process for reviewing certifications by the incumbent space station operators who elected accelerated relocation to determine whether they have met their clearing deadlines and qualify for the accelerated relocation payments. Commission staff will also oversee the reimbursement process and the work of a Relocation Payment Clearinghouse, who will manage the intake, payout, and auditing of relocation funds, serve in an administrative role to

mediate disputes related to such costs, and provide progress reports to the Commission. Likewise, Commission staff will oversee technical aspects of the transition being managed by an external Relocation Coordinator, who is tasked with establishing a timeline and taking actions necessary to migrate and filter incumbent earth stations to ensure continued, uninterrupted service during and following the transition. Should the Relocation Coordinator receive notice of any substantive transition disputes between space station and earth station operators, it must notify Commission staff who will resolve such disputes. Commission staff will also handle any appeals of disputes mediated by the Relocation Payment Clearinghouse in the first instance.

The actual and estimated FTE levels for the spectrum auctions program for FYs 2020 through 2022 are shown below

### FTEs by Resource Category



The following two schedules provide some details of the spectrum auctions program since its inception in 1994. These schedules also provide some perspective into how much money was collected/generated for the U.S. Treasury or for broader government use and the total cost for running the Commission's spectrum auctions program.

## Spectrum Auctions and Cash Collected/Generated

Fiscal Years 1994 through March 2021

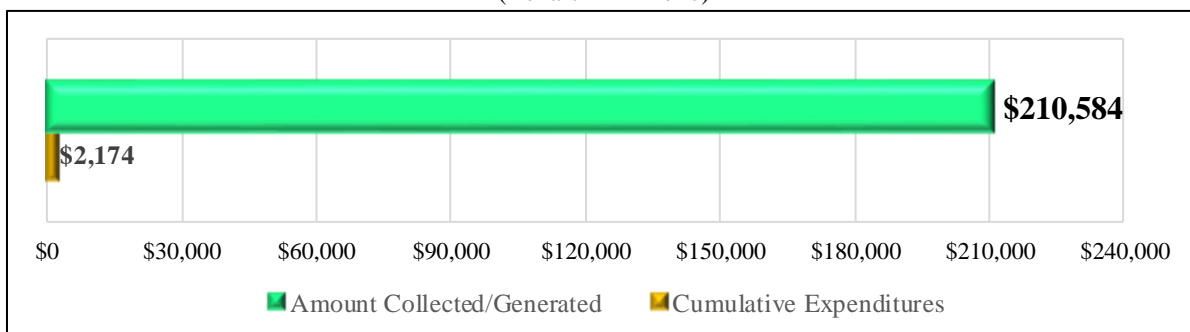
| Fiscal Year   | Number of Auctions | Number of Licenses Won | Amount Collected/Generated |
|---------------|--------------------|------------------------|----------------------------|
| 1994          | 2                  | 604                    | \$652,954                  |
| 1995          | 2                  | 129                    | \$8,234,321                |
| 1996          | 6                  | 2,026                  | \$2,019,376                |
| 1997          | 4                  | 1,614                  | \$2,205,922                |
| 1998          | 2                  | 1,388                  | \$860,879                  |
| 1999          | 6                  | 1,693                  | \$499,599                  |
| 2000          | 8                  | 4,403                  | \$1,335,043                |
| 2001          | 4                  | 3,447                  | \$583,600                  |
| 2002          | 7                  | 7,036                  | \$135,631                  |
| 2003          | 7                  | 3,144                  | \$77,122                   |
| 2004          | 5                  | 267                    | \$126,790                  |
| 2005          | 6                  | 2,803                  | \$2,208,333                |
| 2006          | 5                  | 1,284                  | \$13,834,979               |
| 2007          | 5                  | 290                    | \$163,430                  |
| 2008          | 3                  | 1,144                  | \$18,988,396               |
| 2009          | 2                  | 115                    | \$5,696                    |
| 2010          | 3                  | 4,788                  | \$25,973                   |
| 2011          | 3                  | 126                    | \$31,493                   |
| 2012          | 1                  | 93                     | \$3,878                    |
| 2013          | 2                  | 3,197                  | \$5,784                    |
| 2014          | 2                  | 186                    | \$1,564,597                |
| 2015          | 2                  | 1,713                  | \$41,772,724               |
| 2016          | 0                  | 0                      | \$0                        |
| 2017          | 1                  | 2,776                  | \$19,306,993               |
| 2018          | 2                  | 41                     | \$806                      |
| 2019          | 3                  | 5,880                  | \$2,723,993                |
| 2020          | 2                  | 34,767                 | \$12,101,278               |
| 2021          | 1                  | 5,684                  | \$81,114,720               |
| <b>Totals</b> | <b>96</b>          | <b>90,638</b>          | <b>\$210,584,310</b>       |

Dollars in Thousands

## Spectrum Auctions Program – Cash Collected/Generated vs. Expenditures

Fiscal Years 1994 through March 2021

(Dollars in Millions)



Cumulative Expenditures includes the amount enacted for FY 2021.

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## **New Budget Authorities Already Provided**

In fiscal years 2020 and 2021, the President and Congress provided new budget authorities to the Commission from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), the Consolidated Appropriations Act, 2021 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2). The programs outlined below are a summary and status of these new budget authorities.

### **COVID-19 Telehealth Program**

Due to the ongoing novel coronavirus 2019 disease (COVID-19) pandemic, the Commission established the COVID-19 Telehealth Program through a *Report and Order* released on April 2, 2020. The COVID-19 Telehealth Program is funded through a \$200 million Congressional appropriation as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to immediately support eligible health care providers responding to the pandemic by providing funding for telecommunications services, information services, and connected devices necessary to provide critical connected care services whether for treatment of the COVID-19 disease or other health conditions during the COVID-19 pandemic. The COVID-19 Telehealth Program is an emergency funding program, not a grant program, that is designed to provide flexibility for eligible health care providers that apply for and receive funding commitments, and then request reimbursement for eligible expenses that they have purchased and received from their service providers or vendors under the COVID-19 Telehealth Program.

In order to seek funding under the CARES Act (Round 1), eligible health care providers were required to submit an application to the Commission, including information on the costs of the services and/or connected devices for which they plan to seek reimbursement. The Wireline Competition Bureau (Bureau), in consultation with the FCC's Connect2Health Task Force, reviewed the COVID-19 Telehealth Program applications, as outlined in the *Report and Order*, selected participants, and made funding awards on a rolling basis to eligible applicants based on the estimated costs of the eligible items they intended to purchase with the COVID-19 Telehealth Program funds. Selected funding recipients received a funding commitment letter providing their award amount and additional information about certain COVID-19 Telehealth Program requirements and procedures. Consistent with the *Report and Order*, applications from areas that were hardest hit by COVID-19 and where funding had the most impact on addressing a community's health care needs were prioritized. In order to ensure as many applicants as possible received available funding under the CARES Act, the Bureau did not award more than \$1 million to any single applicant. The Commission stopped accepting applications for Round 1 funding under the COVID-19 Telehealth Program on June 25, 2020. Awards were made until the appropriated Round 1 funding under the COVID-19 Telehealth Program was exhausted, which occurred on July 8, 2020. The Bureau issued \$200 million in total COVID-19 Telehealth Program Round 1 funding commitments for 539 applications.

After paying for and receiving the eligible services and/or connected devices from the service provider or vendor, funding recipients must submit to the Commission: a request seeking reimbursement; invoice documentation sufficient to identify the eligible items that were purchased and received, and the price paid; and, if applicable, a Letter of Authorization for those applicants that received a funding commitment on behalf of other eligible health care provider sites. Under

Round 1 of the COVID-19 Telehealth Program, the Commission reimburses funding recipients the full cost of the eligible services and/or connected devices received so long as the invoice submissions are accompanied by the required supporting documentation. After the reimbursement request is approved by the Commission, payment is issued by the U.S. Department of Treasury electronically to the bank account on file associated with the funding recipient.

On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed into law, which appropriated an additional \$249.95 million to the Commission's COVID-19 Telehealth Program (Round 2). This additional funding will allow the Commission to continue its efforts to expand telehealth and connected care throughout the country and enable patients to access necessary health care services while helping slow the spread of the disease. Per congressional directive, the Commission was required to seek comment on various ideas related to committing the new funding, including the criteria to use to evaluate applications and how to treat pending applications from Round 1. The Commission released a Public Notice seeking comment on these issues on January 6, 2021. On February 2, 2021, the Commission adopted a *Report and Order* finding that it was in the public interest to use the Universal Service Administrative Company (USAC) to administer the COVID-19 Telehealth Program going forward. On March 30, 2021, the Commission released a *Report and Order and Order on Reconsideration* setting forth additional details about the policies and procedures that would apply during Round 2. On April 15, 2021, the Bureau released a Public Notice announcing the duration of the Round 2 application filing window, which opened on April 29, 2021 and closed on May 6, 2021.

### **Broadband Deployment Accuracy and Technological Availability (Broadband DATA) Act**

The Commission has long recognized that precise, granular data on the availability of fixed and mobile broadband are vital to bringing digital opportunity to all Americans, no matter where they live, work or travel. On March 23, 2020, the Broadband Deployment Accuracy and Technological Availability Act (Broadband DATA Act) was signed into law requiring the Commission to create a new set of broadband availability maps. Among other things, the Broadband DATA Act requires the Commission to collect standardized, granular data on the availability and quality of both fixed and mobile broadband Internet access services, to create a common dataset of all locations where fixed broadband Internet access service can be installed (the Fabric), and to create publicly available coverage maps. The Act further requires the Commission to establish processes for members of the public and other entities to (1) provide verified data for use in the coverage maps; (2) challenge the coverage maps, the broadband availability data submitted by service providers, and the Fabric; and (3) submit specific crowdsourced information about the development and availability of broadband service.

In July 2020, the Commission—building upon proposals it adopted in 2019—adopted rules and proposed additional measures to implement the mandates of the Broadband DATA Act. Specifically, the Commission adopted standards for reporting fixed and mobile service availability consistent with Broadband DATA Act requirements, established the use of the Fabric as the basis for reporting locations with fixed broadband, and provided processes for verifying the data collected from providers, including certification requirements, regular Commission audits, the acceptance of crowdsourced data, and the use of the High Cost Universal Broadband database. The Commission also adopted the Broadband DATA Act's enforcement standard for submitting inaccurate or incomplete data and established standards for confidential treatment of information.

The Commission proposed standards for reporting availability and quality of service data for fixed broadband service, standards for collecting infrastructure data from mobile broadband service providers, processes for verifying service providers' broadband data, challenge process procedures, and other reforms implementing the Broadband DATA Act as well.

On December 27, 2020, the Consolidated Appropriations Act, 2021, was signed into law appropriating \$98 million in funding for the implementation of the Broadband DATA Act. In light of this recent appropriation of funding, on January 13, 2021, the Commission adopted a *Third Report and Order* building on its earlier actions and taking key additional steps to help ensure that the Commission collects precise and accurate broadband deployment data in its mission to close the digital divide. Specifically, the new rules identify which fixed and mobile broadband Internet access service providers are required to report availability and/or coverage data and adopt requirements for reporting speed and latency for fixed technologies. Among other things, the *Third Report and Order* also requires fixed broadband Internet access service providers to report whether broadband services are offered to residential and/or business customer; creates standards for collecting broadband deployment data from state, local, and Tribal mapping entities, other federal agencies and third parties; and sets up a process for providers to submit and respond to challenges to fixed and mobile coverage map data.

### **Secure & Trusted Communications Network Reimbursement Program**

On March 12, 2020, the Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act) was signed into law. The Secure Networks Act, among other measures, directed the Commission to establish the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program) to fund the removal, replacement, and disposal of covered communications equipment or services that pose an unacceptable risk to the national security of the United States or the security and safety of U.S. persons from the networks of providers of advanced communications service.

On December 10, 2020, the Commission adopted a *Second Report and Order* implementing the Secure Networks Act by establishing rules for the Reimbursement Program. The Reimbursement Program will provide funding allocations to eligible providers based on their estimated costs. Reimbursement Program recipients can then obtain funding disbursements from their allocation upon showing of actual expenses incurred. Reimbursement Program recipients will have one year from the initial disbursement to complete the permanent removal, replacement, and disposal of covered communications equipment or services with the potential for a general and individual extensions of time. Recipients of Reimbursement Program funds shall use these funds solely to: (1) permanently remove covered communications equipment and services from their networks; (2) replace the covered communications equipment and services with non-covered equipment or services; and (3) dispose of the covered communications equipment and services in accordance with the Secure Networks Act.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (Consolidated Appropriations Act), was signed into law. The legislation, among other things, appropriated \$1.9 billion to "carry out" the Reimbursement Program. In addition, the legislation amended the Secure Networks Act, expanding program eligibility from providers of advanced communications service with two million or fewer customers to providers with ten million or fewer customers. The Consolidated

Appropriations Act also amended the definition of a provider of advanced communications service to specifically include certain non-commercial education institutions and added a method for prioritizing funding that differs from the approach adopted by the Commission in the *Second Report and Order*. The Commission adopted a *Third Further Notice of Proposed Rulemaking*, on February 17, 2021, seeking comment on proposals to modify the Commission's rules consistent with the changes to the Secure Networks Act by the Consolidated Appropriations Act. In March 2021, the Commission announced the publication of a list of communications equipment and services that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons. In a separate Public Notice, in March 2021, the Commission sought comment on a report and a preliminary cost catalog, and a preliminary replacement list to help eligible providers participate in the Reimbursement Program.

### **Emergency Broadband Connectivity Fund-Emergency Broadband Benefit Program**

On December 27, 2020, the Consolidated Appropriations Act, 2021 (Consolidated Appropriations Act), was signed into law. In the Consolidated Appropriations Act, Congress appropriated \$3.2 billion for the Emergency Broadband Connectivity Fund for fiscal year 2021, to remain available until expended or six months after the end of the public health emergency. The Consolidated Appropriations Act directed the Commission to use that funding to establish the Emergency Broadband Benefit (EBB) Program, under which eligible low-income households may receive a discount off the cost of broadband service and certain connected devices during an emergency period relating to the COVID-19 pandemic, and participating providers can receive a reimbursement for such discounts.

To participate in the EBB Program, a provider must elect to participate, and either be designated as an eligible telecommunications carrier or be approved by the Commission. Participating providers will make available to eligible households a monthly discount off the standard rate for an Internet service offering and associated equipment, up to \$50.00 per month. On Tribal lands, the monthly discount may be up to \$75.00 per month. Participating providers will receive reimbursement from the EBB Program for the discounts provided. Participating providers that also supply an eligible household with a laptop, desktop computer, or tablet (connected device) for use during the emergency period may receive a single reimbursement of up to \$100.00 for the connected device, if the charge to the eligible household for that device is more than \$10.00 but less than \$50.00. A participating provider may receive reimbursement for only one supported device per eligible household. Providers must submit certain certifications to the Commission to receive reimbursement from the program, and the Commission is required to adopt audit requirements to ensure provider compliance and prevent waste, fraud, and abuse.

In implementing the EBB Program, the Consolidated Appropriations Act permits the Commission to apply rules contained in part 54 of the Commission's rules, including those governing the Lifeline program. The Consolidated Appropriations Act further permits the Commission to avail itself of the Universal Service Administrative Company (USAC)'s, the administrator of the universal service support programs, services to administer the EBB Program. Specifically, the Consolidated Appropriations Act required the Commission to adopt rules implementing the program by February 25, 2021.

Consistent with the Consolidated Appropriations Act, the Commission adopted a *Report and Order* on February 25, 2021 adopting the rules and policies creating and governing the EBB Program. The



Commission’s Wireline Competition Bureau (Bureau), other Commission staff and USAC are working to establish the processes and systems needed to administer the EBB Program. This includes the Commission process for approval of broadband providers to participate, the USAC process for all broadband providers that will elect to participate, and when enrollment and reimbursement will start. On March 4, 2021, the Bureau announced the initial deadlines for approving the broadband provider participation and election process and will announce at a later date other administrative deadlines or milestones. On May 12, 2021, the EBB Program launched and consumers can apply for the program through the National Verifier at [GetEmergencyBroadband.org](http://GetEmergencyBroadband.org) and service providers can begin enrolling consumers.

### Emergency Connectivity Fund

To help schools and libraries provide connected devices, such as a laptop, tablet, or similar end-user devices, and connectivity to students, school staff, and library patrons during the coronavirus disease 2019 (COVID-19) pandemic, Congress established a \$7.171 billion Emergency Connectivity Fund to remain available until September 30, 2030 as part of the American Rescue Plan Act of 2021 (American Rescue Plan Act) signed into law on March 11, 2021. Per congressional directive, the Commission is required to promulgate rules providing for the distribution of funding from the Emergency Connectivity Fund to eligible schools and libraries for the purchase of eligible equipment and advanced telecommunications and information services for use by students, school staff, and library patrons at locations other than a school or library. Consistent with this congressional directive, on March 16, 2021, the Wireline Competition Bureau sought comment on the provision of support from the Emergency Connectivity Fund consistent with section 7402 of the American Rescue Plan Act, and will provide additional information regarding the implementation of the Emergency Connectivity Fund after it has promulgated rules providing for the distribution of funding from the Emergency Connectivity Fund.

### Summary Activities for New Budget Authorities Received in FY 2020 and FY 2021

(Dollars in Thousands)

|   | Budget Authority    | Amount Obligated for Program Use | Amount Obligated for Program Administration Use | Amount Disbursed |
|---|---------------------|----------------------------------|---|------------------|
| COVID-19 Telehealth Program - Round 1                                       | \$200,000           | \$200,000                        | \$0   | \$161,841        |
| COVID-19 Telehealth Program - Round 2                                       | \$249,900           | \$0                              | \$6,600   | \$0              |
| Secure & Trusted Communications Network Reimbursement Program               | \$1,900,000         | \$0                              | \$6,315   | \$0              |
| Emergency Broadband Connectivity Fund - Emergency Broadband Benefit Program | \$3,200,000         | \$0                              | \$48,544  | \$0              |
| Broadband DATA Act  | \$65,000            | \$0                              | \$0   | \$0              |
| Emergency Connectivity Fund   | \$7,171,000         | \$0                              | \$107,560                                       | \$0              |
| <b>TOTAL - FY '20 &amp; '21 New Budget Authorities</b>                      | <b>\$12,785,900</b> | <b>\$200,000</b>                 | <b>\$169,019</b>                                | <b>\$161,841</b> |

Note: Amounts dedicated to OIG for COVID-19 Telehealth Program - Round 2 and Emergency Connectivity Fund are not included in the amounts shown above. The amounts shown are as of May 20, 2021.