FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 2, 2015

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Walden:

Pursuant to your request made at the March 19, 2015, Energy and Commerce Subcommittee on Communications and Technology hearing, "FCC Reauthorization: Oversight of the Commission," please find enclosed the final consultant's report regarding the closure and consolidation of the Federal Communication Commission's field offices. With the help of current technologies and the strategic re-deployment of personnel and equipment, I believe that the proposed approach would give the Commission the necessary tools to get the job done, with greater efficiency. The bottom line of this report is that the FCC's field office structure is 20 years old, too costly and not effectively focused on 21st century realities.

With a business-like approach, we took a hard look at the Commission's budget and facilities looking for areas where we could modernize, eliminate redundancies, and realize cost-savings. The field offices quickly emerged as facilities that needed a thorough operational review. It has been over 20 years since the last major reorganization of our Enforcement Bureau's field activities. It would have been irresponsible not to consider field office consolidation and efficiency improvements as part of the Commission's overall footprint reduction and long-term management plan. Accordingly, in October 2014, the Enforcement Bureau and the Office of the Managing Director engaged outside, independent consultants to drill down on the data about the field offices' activities and resources.

As an initial matter, it is important to recognize the high cost of maintaining the current field office structure: our licensees pay over $20 million a year to support 24 field sites and the average administrative overhead cost level to maintain just one field location is $400,000. Overall support costs per FTE for field staff are more than double that of our headquarters staff.

- There is an overabundance of managerial positions. The average field location has just 4.5 full time employees ("FTEs") (with many having just 1 or 2 FTEs). Yet for every 4 field employees, there is 1 manager.
- There are unaligned resources – some field offices have a 2 vehicle per agent ratio.
- The rent for these field offices is disproportionate. The square footage per employee in field offices ranges from 3,921 to 381 square feet. By comparison, FCC headquarters operates with 272 square feet per employee (with a target to reduce it to 180 after FY2017 as part of our restacking/move).

Against this backdrop of high costs, our field offices are caught in outdated modes of enforcement. Twenty years ago, the field offices were tasked with: (1) inspecting local licensee activities and encouraging compliance; and (2) investigating radio frequency interference and unauthorized radio spectrum usage. These priorities placed a premium on local presence in a relatively large number of locations.

A principal activity of yesteryear was the physical inspection of records and licensees' offices. Today those records are online. Similarly, much time used to be spent on direct visual inspection of antennas to check paint and lighting. The realities of today are that with modernized equipment, regulatory changes, remote operations, and monitoring capabilities, as well as strategic partnerships with other agencies, these inspections and compliance tasks require far fewer staff and localized resources. Maintaining an office with six people, for instance, where on average each agent only handles one radio interference case every five weeks is not a wise allocation of resources. And current overall activity metrics for our field offices tell the story even more powerfully: less than half of total field personnel time today is spent on any kind of spectrum enforcement activity, and a much smaller amount is spent on the most critical spectrum priorities such as public safety interference.

While interference resolution anywhere in the country is and will remain a top FCC priority, our methods and organization must evolve and improve with industry changes. The central management question therefore is whether it remains necessary to have expensive-to-maintain offices with local staff thinly spread across 24 markets, or instead whether the same results could be produced at lower costs by combining more efficient local scale in a smaller number of locations with the addition of a more mobile, flexibly deployable team of agents?

The answer is a resounding "yes." Our modernization plan will include:

- Right-sizing our geographic footprint from 24 to 8 field offices that will keep agents productively on the move;
- Strategically placed, pre-positioned direction-finding vehicles and equipment in 9 additional cities to allow agents to fly to those cities, pick up the equipment, and travel to a target area;
- Adjusting the number of agents from 63 to 33 field agents, all of whom will have electrical engineering backgrounds;
- Streamlining the management structure from 21 to 5 individuals, and refocusing on mobile solutions and partnerships.

I am confident that a new alignment of resources will not adversely affect our public interest mission. Our primary goal will continue to be responding to spectrum interference complaints, including responding to any public safety interference within one day, with the vast majority of the nation reachable within 4-6 hours. A newly created "tiger team" in the Columbia, Maryland, office will provide enforcement throughout the country including

inspections that are not complaint-driven and support other field offices in serving their redefined coverage areas.

The plan also recognizes the realities of key markets. New York and Miami, the two most significant hubs for pirate radio, will see a 30 percent increase agents with electrical engineering training, capable of responding to the most complex technical issues.

Our plan of relying more on flexibly deployable agents is not unique. The FAA, for instance, relies on an interference hunting team for all FAA radio communications investigations. This team is comprised of 7 people distributed across 7 cities across the country to cover the entire United States; in 2014 alone this team investigated 2,700 interference cases. Although our mission is much broader, this model demonstrates that the FCC can achieve greater efficiencies with our modernization plan.

Mr. Chairman, we take seriously your admonition to operate more efficiently. We have developed this plan in accordance with this goal, and believe once implemented it will update and overhaul outdated management models, realize significant cost-savings and make the FCC a 21st century agency.

Please don't hesitate to contact me or my staff with any follow up questions on this matter.

Sincerely,

Tom Wheeler

Enclosure

cc: The Honorable Fred Upton
Chairman, Committee on Energy and Commerce

The Honorable Frank Pallone
Ranking Member, Committee on Energy and Commerce

The Honorable Anna G. Eshoo
Ranking Member, Subcommittee on Communications and Technology

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FEDERAL COMMUNICATIONS COMMISSION
ENFORCEMENT BUREAU

Memorandum

DATE: March 10, 2015

TO: Enforcement Bureau Field Staff

FROM: Travis LeBlanc, Chief, Enforcement Bureau and Jon Wilkins, Managing Director

SUBJECT: Management Recommendations Regarding Enforcement Field Modernization Phase I

CC: Ana Curtis, President, NTEU Local 209

The current model of the Field was adopted approximately 20 years ago. While our field operations have served a vital part of the agency's mission, significant technological changes and increasing resource limitations require a fresh look at this operating model. In October 2014, the Enforcement Bureau (Bureau) and the Office of the Managing Director (OMD) embarked on an effort to modernize the Bureau's Field operations. This project sought to ensure that the Field's structure, operations, expenses, and equipment were properly aligned with the Commission's overall mission and resources.

As part of this effort, the Commission engaged outside consultants to conduct an independent analysis of the operating model. Over a five-month period, they collected input from more than 160 employees, outside experts, and internal and external stakeholders. They also closely reviewed prior studies, the Enforcement Bureau Automated Tracking System, and the field operations of other government agencies.

The Bureau and OMD management have used this data and analysis as input in formulating a recommendation to the Commission. We believe that our recommendation to the Commission more efficiently uses Commission resources while simultaneously making significant progress in modernizing our methods and meeting our enforcement responsibilities in the 21st Century. The recommendation consists of:

Aligning our Field focus with the priority of securing networks and resizing our Field resources to support this mission:

- Adjusting the primary focus of the geographically deployed Field offices to radio frequency spectrum enforcement
- Adjusting from 63 to 33 field agents in the Enforcement Bureau
- As part of the 33, staffing out of the Columbia, Maryland office a "Tiger Team" of field agents that will be flexible enough to support other high-priority initiatives of Enforcement Bureau or other Headquarter entities
- Requiring all field agents to have electrical engineering backgrounds to support the primary focus on RF spectrum enforcement
- Standardizing both our investigation and sanction processes to facilitate delivering high-impact work for our constituents in an efficient manner and increasing training on such standardized processes

Reducing administrative overhead expended to manage and support Field Operations:

- Streamlining our Enforcement Field management structure from 21 director positions to 5 director positions, increasing the median reports per manager from 4 employees currently to 10 employees
- Reducing from 10 to 3 administrative support positions

Downsizing our field office footprint to improve the efficiency of our resource expenditures:

- Downsizing our geographic footprint from 24 sites to 8 sites, with pre-positioned equipment in several other select cities, with emphasis on population/spectrum use density
    - Maintaining offices in or near New York City; Columbia, Maryland; Chicago; Atlanta; Miami; Dallas; Los Angeles; and San Francisco
    - Pre-positioning equipment in or near several other cities, initially including Kansas City; Denver; Salt Lake City; Phoenix; Seattle; San Juan; Anchorage; Honolulu; and Billings, Montana
- Modifying our current leased facilities to improve our resource efficiency in line with several other federal agencies
    - Working with our lessors in some locations to downsize our footprint
    - Relocating field offices to proximately located FCC owned property in or near Columbia, Maryland; San Francisco; and Atlanta

Focusing the Equipment Development Group on managing the entirety of our deployed equipment and developing mobility solutions to support the Field's mission

- Consolidating the overall equipment management function into our Equipment Development Group, based in Atlanta, to drive economies of scale and increased utilization opportunity
- Developing agent mobility and equipment portability solutions to increase our response time capability
- Establishing beneficial partnerships between the Field and other organizations that may support increasing our effectiveness in delivering against the mission

Implementing a nationwide outplacement effort to assist all affected employees

- Program will assist displaced employees in finding positions in the public or private sectors, including other vacancies within the Commission for which they are qualified and selected.

We recognize that you undoubtedly have many questions about the recommendation and the process for moving forward. Accordingly, we will have a briefing later this week to discuss the recommendation in more detail.

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FCC Enforcement Bureau Field Modernization

Consultants' Report

March 31, 2015

Field aligns to one of Enforcement Bureau's key priorities

Enforcement Bureau Priorities	Alignment of EB Divisions Against Priorities
1 Policing Integrity (Fraud, Waste, and Abuse)	• USF Strike Force • Investigations & Hearings Division
2 Protecting Consumers	• Telecommunications Consumers Division
3 Safeguarding Competition	• Market Disputes Resolution Division
4 Securing Networks	• EB Field • Spectrum Enforcement Division

EB Field aligned to primarily support Securing Networks priority with some support to other Divisions for other priorities

EB Field Modernization project initiated to address several issues

	Evolving Mission	Effectiveness	Scarce Resources
Today	Enforcement activities **not optimally aligned** with Commission's evolving priorities	Current **locations, management**, skillsets, processes, equipment, and systems are **not fully effective**	Overall **budgetary pressures** and **other high priority initiatives** competing for resources
Tomorrow	**Clear linkage** of activities **to Commission's priorities**	Execution of activities in most **effective and cost efficient** manner	

Team engaged 160+ stakeholders across several groups

Enforcement Bureau

- Interviews and surveys of entire Field
- 11x site visits
- 11x EB HQ management interviews
- Analysis of several data elements

FCC outside of Enforcement

- >30 interviews across several Bureaus and Offices

External Experts

- CTIA
- NCTA
- NAB
- Wireless carriers
- Former EB leadership
- Equipment manufacturers
- Other outside experts

Other Government

- NTIA
- FAA
- PIRT, Air Force (purposeful interference)
- Army
- Other regulatory agencies

Weekly briefing sessions with EB and OMD leadership

Current EB Field: 108 personnel across 24 sites

Current EB Field

24 Sites:

- 23 Field offices (21 are leased)
- 1 Equipment Development facility

108 Personnel:

- 63 Agents
- 21 Managers
- 8 Equipment Engineers
- 16 Others

~$21M Annual Expenses:

- $15.3M, Labor wages
  - $12.3M wages; $3.0M benefits
- $3.7M, Office related
- $2.0M, Other

Note: Based on Oct 2014

Field has 108 personnel totaling ~$12M annually in wage and $3M benefits

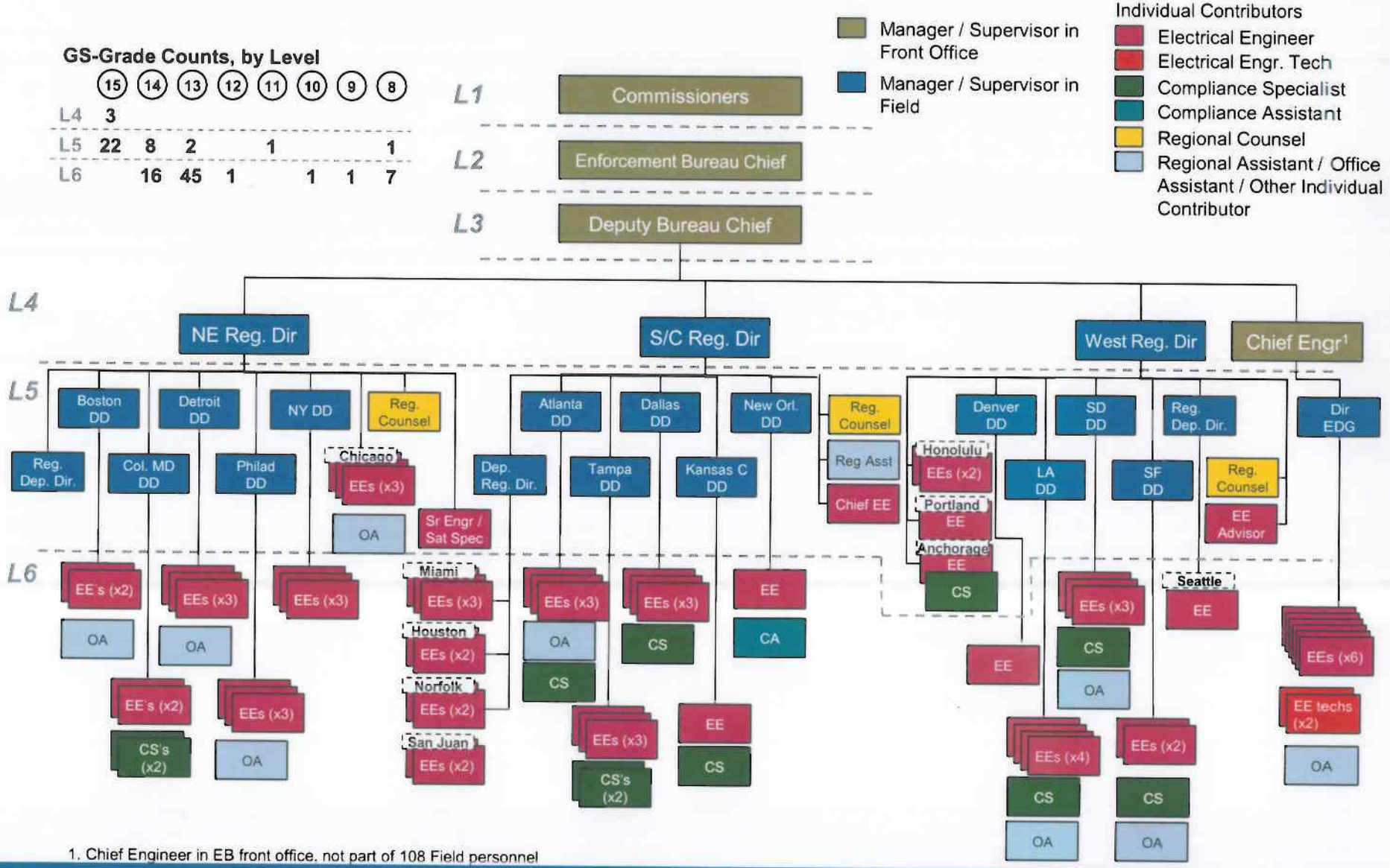
	Personnel Category	Personnel Subcategory	Current Field Personnel (#)	
1	Field Agent Management	Regional Director	3	21
		Deputy Regional Director	3	
		District Director	14	
		EDG Director	1	
2	Field Agents	Electronics Engineer	51	63
		Compliance Specialist	11	
		Compliance Assistant	1	
3	EDG	Elec. Engineer / Technician	8	8
4	Field Admin Support	Office Assistant	8	10
		Regional Assistant	1	
		EDG Assistant	1	
5	Legal Counsel	Regional Counsel	3	3
6	Other	Chief Electronics Engineer	1	3
		Electronics Engineer Advisor	1	
		Sr. Engineer / Satellite Spec.	1	
	Totals		108	

Note: Based on October 2014 employment. Does not include employees at HQ over Field (e.g. Deputy Bureau Chief and Chief Engineer)

Field's 108 personnel are distributed across three layers

GS-Grade Counts, by Level

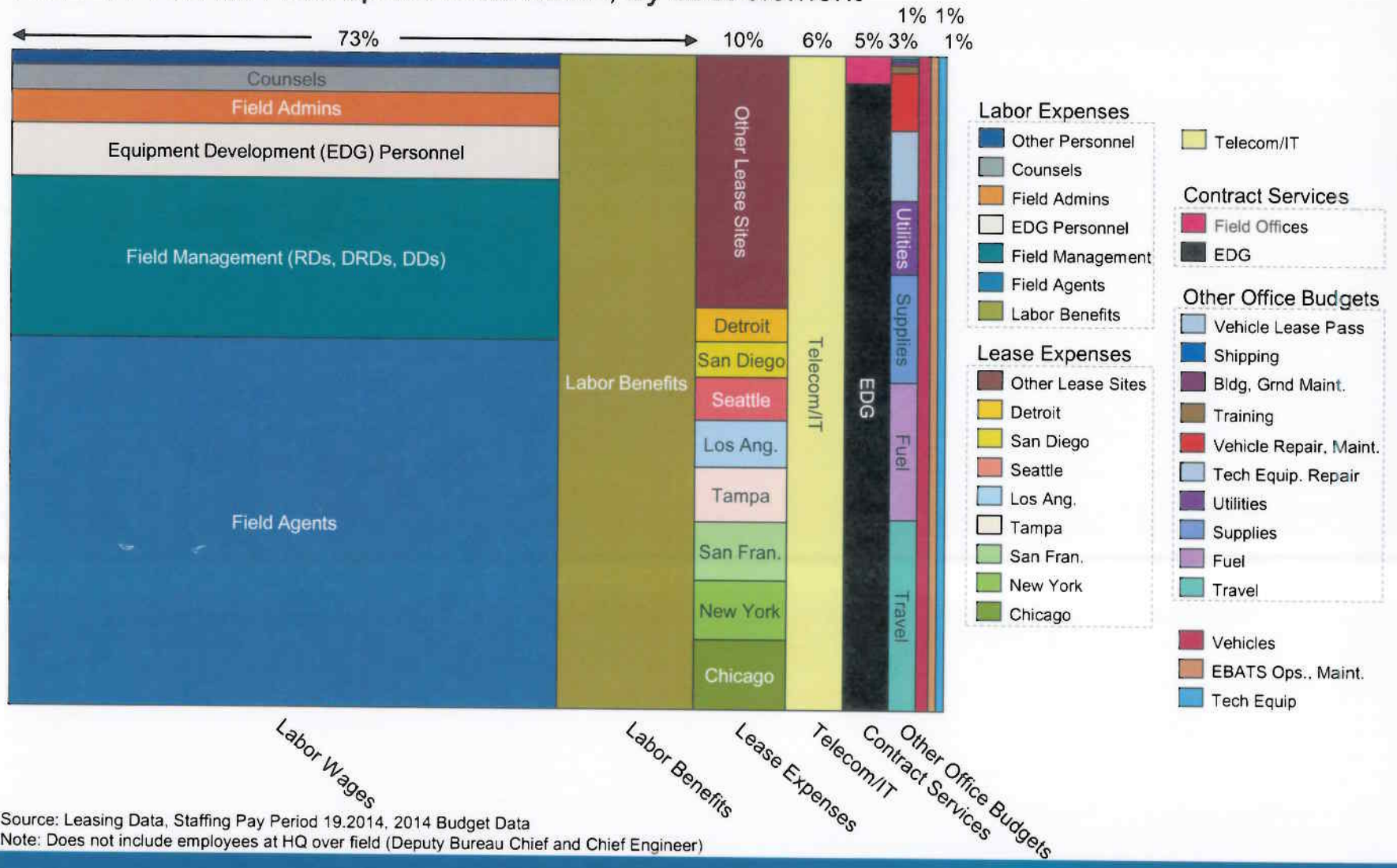
	15	14	13	12	11	10	9	8
L4	3							
L5	22	8	2		1			1
L6		16	45	1		1	1	7



1. Chief Engineer in EB front office, not part of 108 Field personnel

Estimated spend for field is approximately $21M; labor is >70% and office related expenses approximately 20%

Est. FY14 $21M Field spend breakdown, by cost element



Source: Leasing Data, Staffing Pay Period 19.2014, 2014 Budget Data
Note: Does not include employees at HQ over field (Deputy Bureau Chief and Chief Engineer)

EB Field focuses on three types of work

	Addressing Complaints "Reactive"	Auditing to Find Non-Compliance "Proactive"	Expected Outcome
	66% *E.g., responding to complaints about interference or unlit towers*	**34%** *E.g., random inspections of facilities to identify 'potential' violations*	
Radio Frequency Enforcement	**50%** *1,292 matters*	**3%** *75 matters*	Orderly Use of **Radio Frequency Spectrum**
Examples: Public Safety radio interference, Cellular interference			
Compliance by Licensees	**4%** *417 matters*	**18%** *1,829 matters*	Identification of **Regulation Violations**
Examples: Communications tower inspections, broadcast station inspections			
Support for Other FCC Initiatives	**12%** *462 matters*	**13%** *578 matters*	**Evidence Collected to Support** Initiatives of Other HQ Entities
Examples: USF investigations, Broadcast matters (illegal airplay, etc.)			

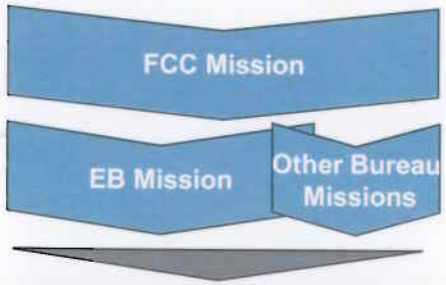
% of total Agent productive time

Note: Estimated % Agent productive time focused on each

Source: # matters from FY14 Enforcement Bureau Activity Tracking System, % of productive time based on Field surveys, interviews, and level of effort modeling

Evaluated all aspects of Enforcement Bureau Field

Field Activity Drivers



Enforcement Bureau Field mission is an output of FCC and Enforcement Bureau missions and priorities

Field Mission

- What cases are addressed and how are they prioritized
- What is the expected output of the Field

Case prioritization defines the Field Mission

Field Attributes

- What will be the process and alignment
- What personnel structure and skills are needed
- Where do we locate Field
- What equipment is required

Secondary decisions are attributes of the Enforcement Bureau Field that are a result of the mission

Organizational Effectiveness

- Team morale, alignment, and decision making
- Business systems, data, and metrics

Organizational effectiveness gaps must be addressed under all scenarios

Current Enforcement Bureau Field resources are not aligned against FCC enforcement mission priorities

Limited Time Addressing RF Spectrum

- Only 40% of Field time addresses RF spectrum enforcement
  - Of this time, ~8% addresses public safety interference, ~7% addresses cellular / LTE interference, and ~7% addresses pirate radio operations

Lower Priority Activities Consuming Resources

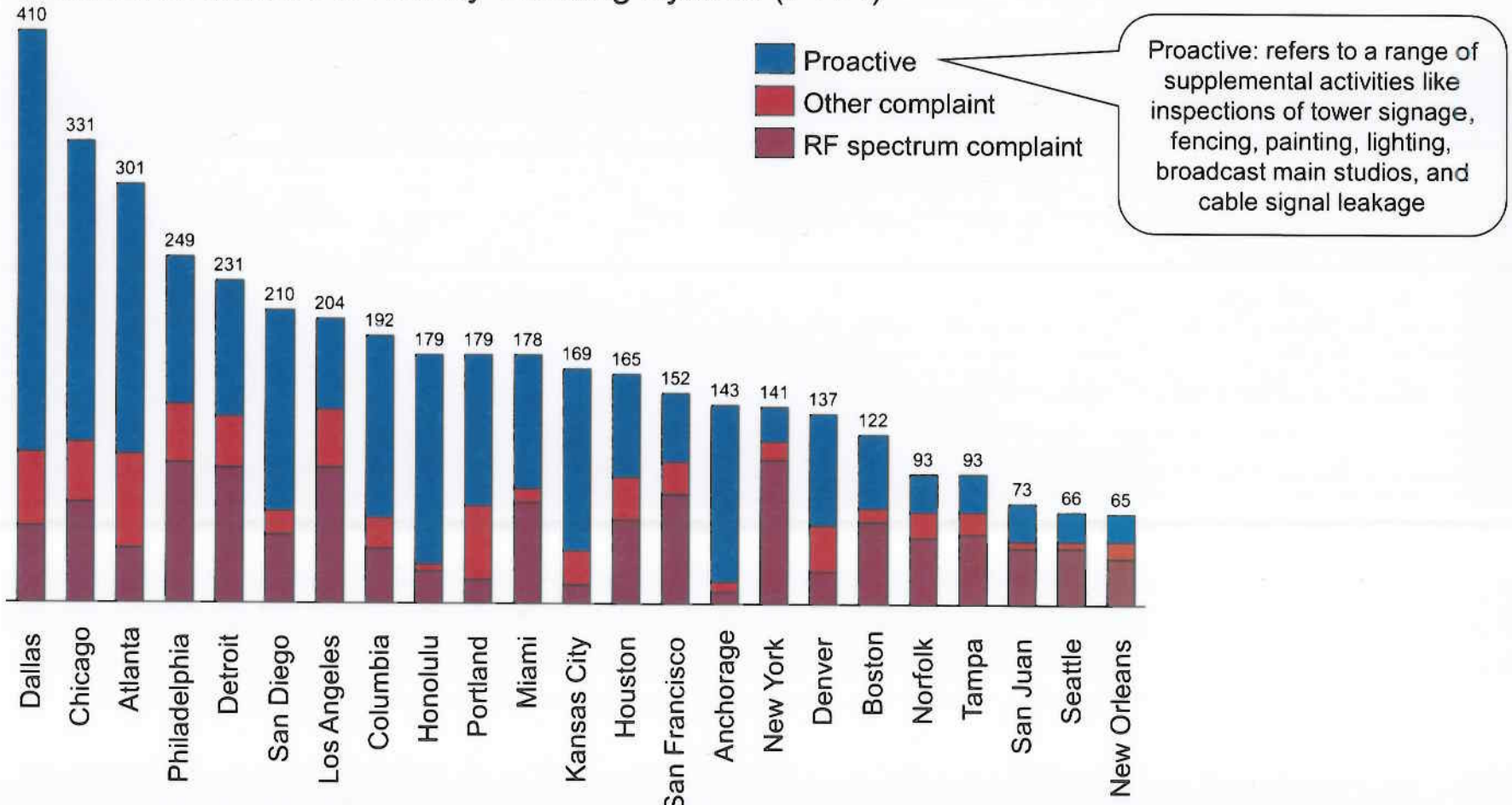
- Significant Field time is spent on matters like tower inspections, accounting for ~8%, where there is already a high degree of compliance, limiting the utility of on-site inspections
  - Another ~12% for several other proactive matters where high compliance rates exist or subject matters are outside agent skillsets

Expending high non-operational time

- Approximately 25% of Field time is spent on non-operational activities such as administration

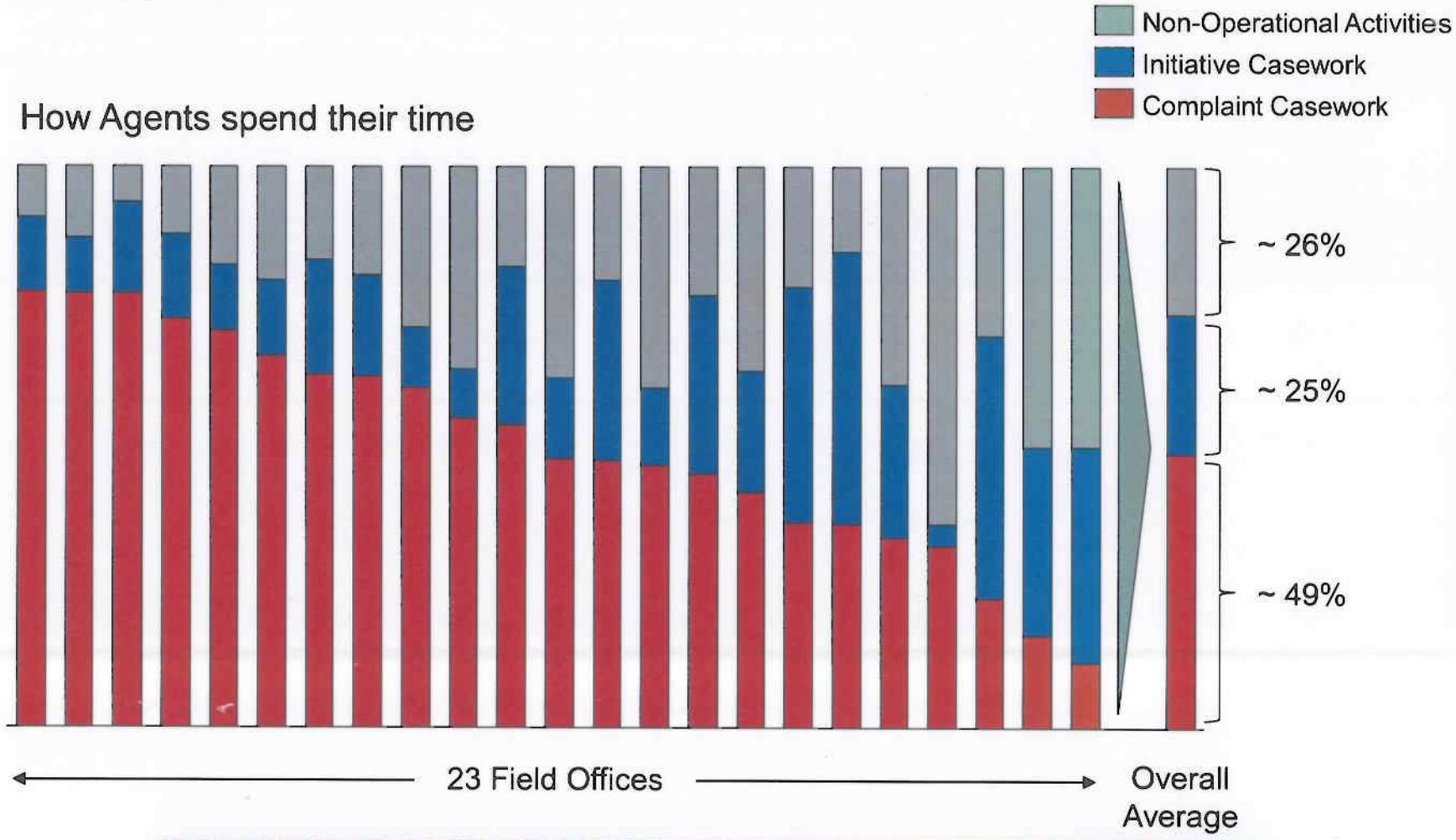
Distribution of case load

Number of matters in Activity Tracking System (FY14)



Note: Based on Oct 2014 extract from EBATS – Enforcement Bureau Activity Tracking System for FY14 matters. 570 matters were not tagged to a specific office; the majority of these were non-RF complaints.

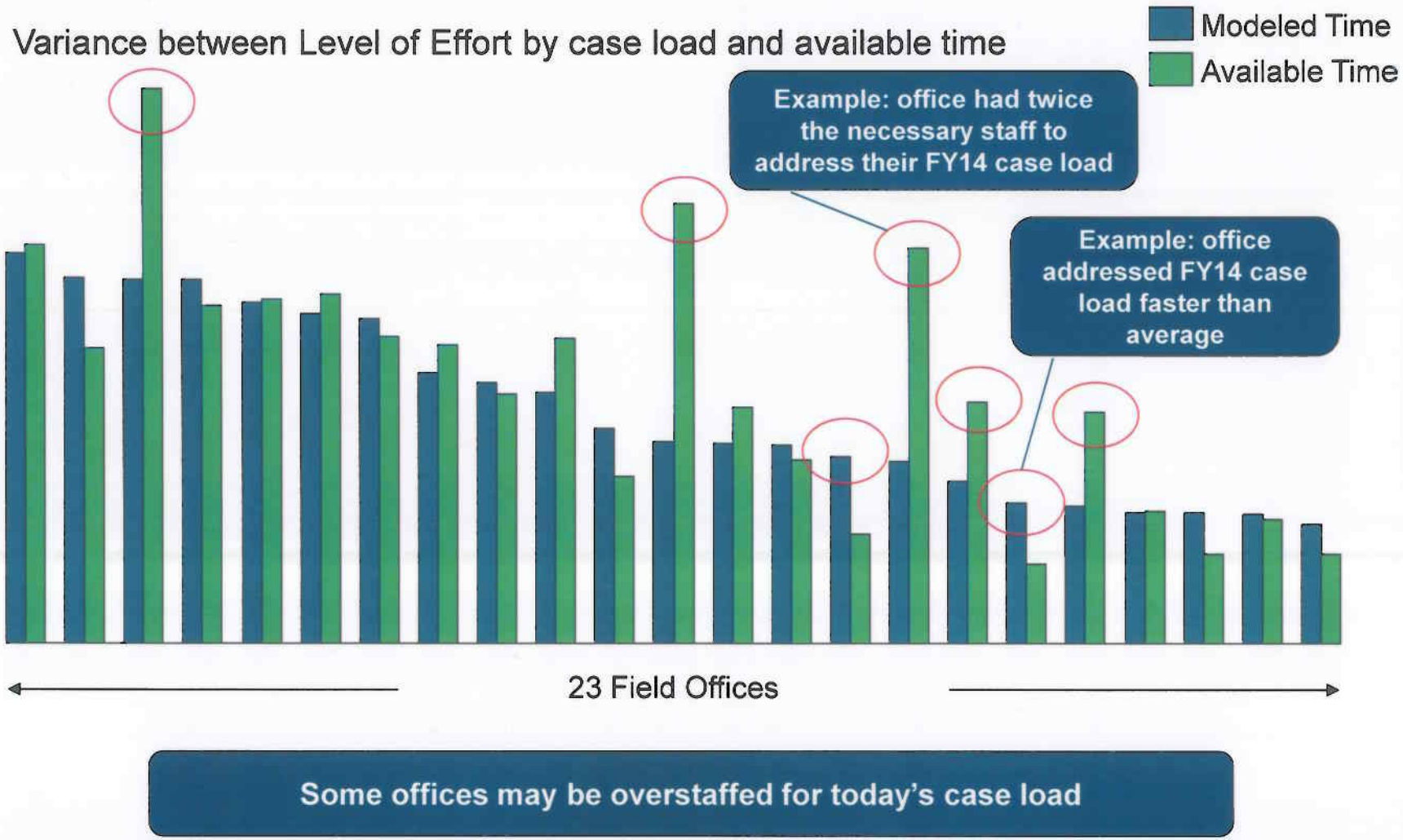
Inefficiencies in terms of time spent and management structure



Additionally, large management structure with median of 4 reports per manager

Note: Based on Oct 2014; time assessment based on Field survey and level of effort modeling

Variation in efficiencies across offices

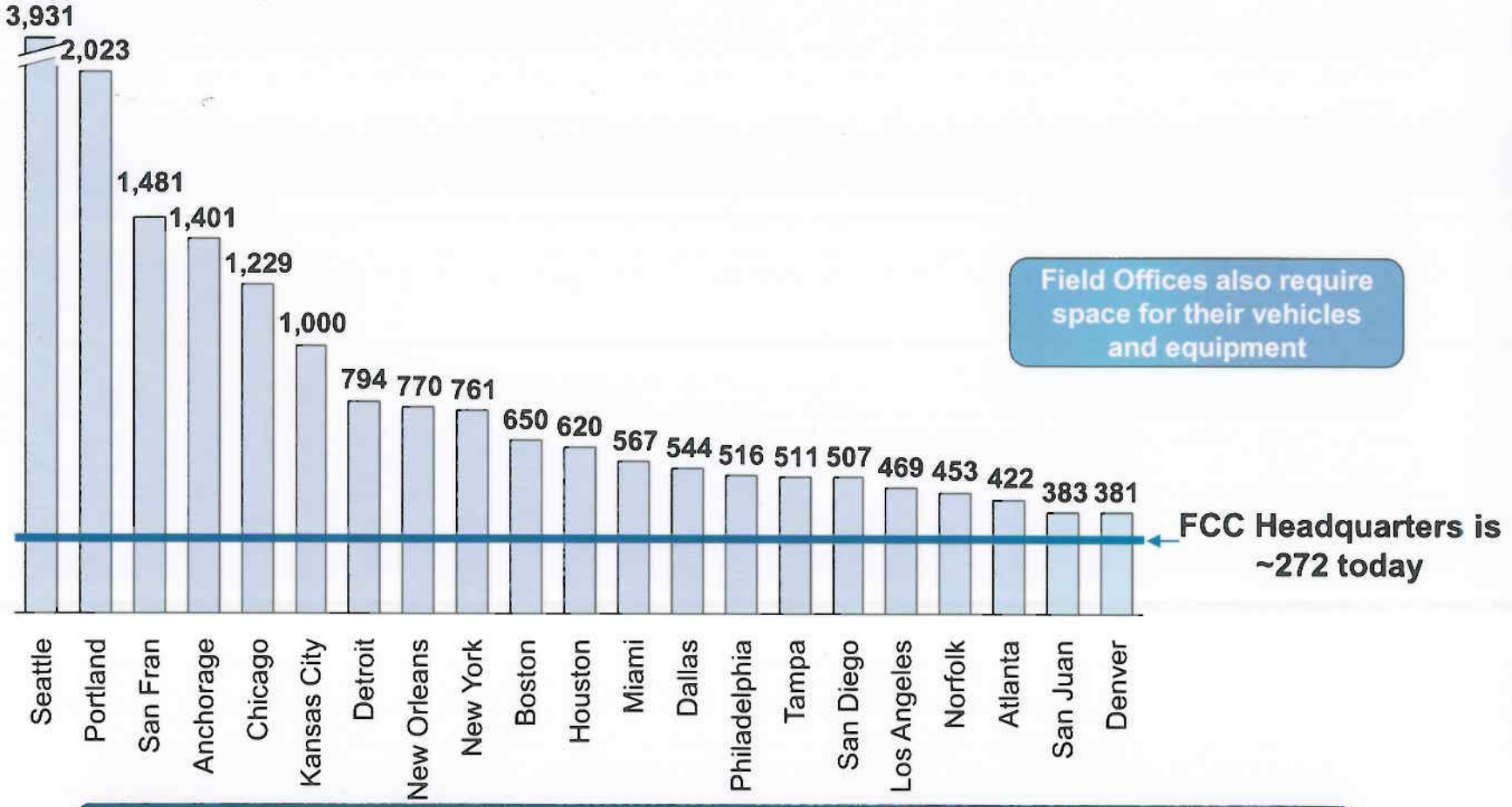


Some offices may be overstaffed for today's case load

Note: Available time is number of agents multiplied by % of time on case work via survey. Modeled time is Level of Effort average per case type multiplied by the office's matters

Excess space and related costs across our sites

Square feet per employee, leased sites

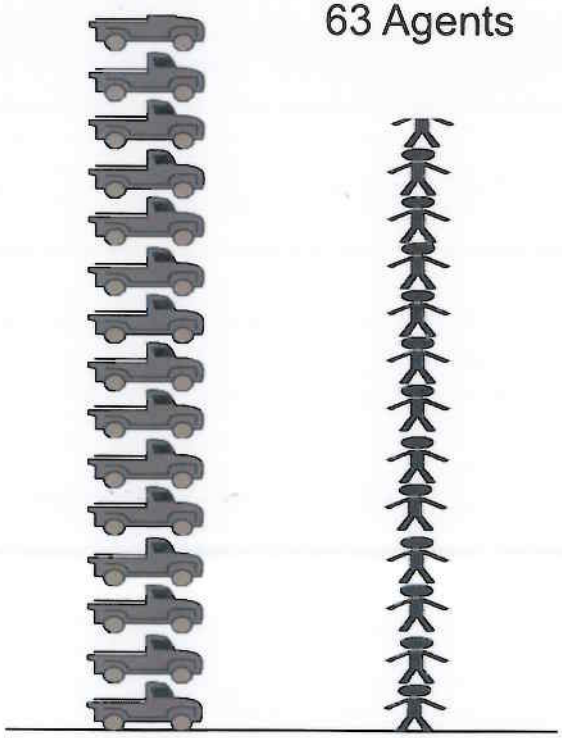


OMB and GSA are focused on reducing space across all agencies and improving space utilization and flexibility

Significant equipment development time spent on 'Direction Finding' vehicles

74 Direction Finding Vehicles

63 Agents



Quotes about the Vehicles

*"We're **not as dependent on our cars for direction finding as we used to be**"*

*"We only **need the undercover vehicle 15-20%** of the time"*

*"Vehicles are useful, but more and **more of our work is necessitating portable equipment**"*

Resources consumed

~$90k - $115k each, including vehicle, electronics, and outside services

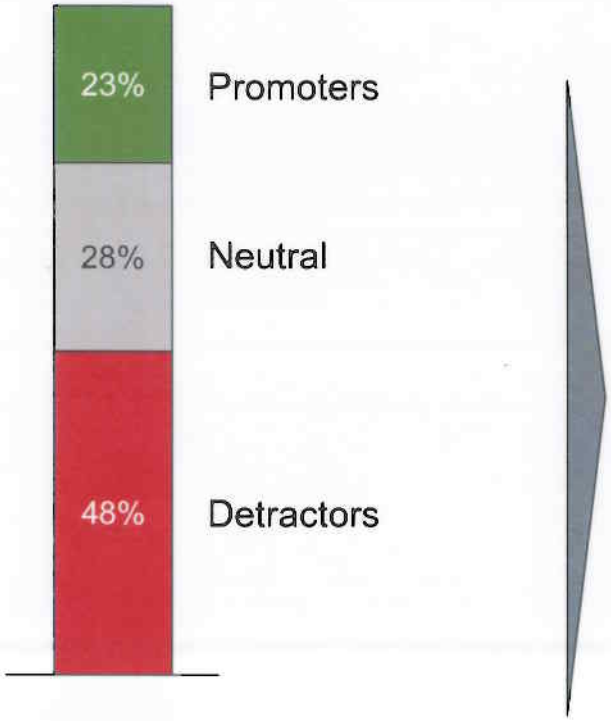
~ 1.5 to 2.0 man year equivalents per vehicle for integration

Shifting away from using the MDF vehicles as our primary means to direction find and shifting towards more mobile solutions

Note: Based on Oct 2014 Field

Overall morale and retention issues are a risk to the Field

Net Promoter Score across Field is -25%



Likely driven by excessive management layers, perceived lack of feedback, and unclear linkage to mission

Quotes from Interviews

*"Feel **extra steps** [above immediate supervisor] are unnecessary and **slow us down**"*

*"We **rarely hear what happens** [after submitting case], which is demoralizing and makes us feel like our work is not valued"*

*"I have **no idea what HQ defines as success**"*

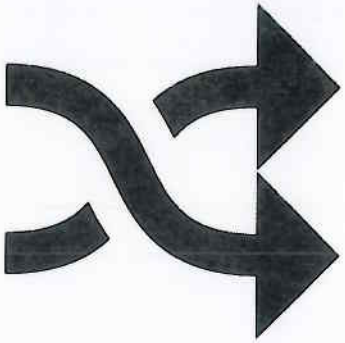
Employee engagement is critical for success of ongoing Field operations and any change – many organizations aim to be in +10-20% net promoter range

Note: Promoters answer 9 -10, Neutral answer 7-8, and Detractors answer 0-6 on standard net promotor framed questions
Source: Field Survey responses

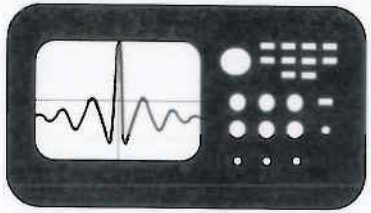
Future vision for the EB Field

Field that primarily supports enforcement of RF spectrum plus other regulations in a high impact and cost effective manner aligned with the priorities of the FCC and the Enforcement Bureau

Field Agents **appropriately sized, deployed, and flexible** to focus on and resolve high-priority matters



Effective organization **better integrated and aligned** with EB and FCC, with **standard processes, standard communications**, and supporting systems and metrics



Equipment that meets the needs of the Field to resolve matters timely and efficiently

Beneficial **collaboration and partnership** with other bureaus, agencies, and organizations as appropriate

Recommended adjustments to align to future vision

Resize Field Agents

- Adjust from 63 to 33 Field Agents with a **primary focus on RF Spectrum**
  - Staff a 'Tiger Team' to support other high-priority initiatives
  - Staff all Agent positions with **Electrical Engineering backgrounds**
  - **Standardize processes and sanction application** with increased training

Reduce Administrative Overhead

- Lean management structure from 21 to 5, **increasing median reports from 4 employees to 10 employees** per manager
  - Also, reducing from 10 to 3 admin support position located in Field

Downsize Field Sites

- Downsize geographic footprint from 24 to 8 sites in several of the **most populous / spectrum dense cities** plus pre-positioned equipment in other cities
  - Reducing effective coverage from 91% to 81% of US population, while reducing our direct office related costs up to 68%

Refocus Equipment Dev

- Refocus development towards **mobility solutions and beneficial partnerships**

Evaluated a range of mission scenarios

Optimization with Current Scope	Optimize resource efficiency around full current scope and activities	Does not fully address potential misalignments between activities and Commission priorities, nor prioritization consistency
Field Scope Reprioritization (Selected Scenario)	Refocus the majority of Field resources on RF spectrum investigations and prioritizing highest-impact cases	Minimizes time spent on lower-priority activities consuming significant time and clearly links Field activities to Commission priorities
Spectrum Enforcement Only	Only address cases based on unauthorized use of RF spectrum or interference to licensees on RF spectrum	Too restrictive; several non-RF spectrum matters have broad and high impact, useful for Field to support
Mission Change and/or Expansion	Expand enforcement activities addressed outside of FCC headquarters by Field	Limited opportunities highlighted for the near future that align to skill sets of the Field or the need to be geographically proximate

Resize Field Agents

Engaged experts on potential future state RF spectrum trends that may change Field's work

Ongoing Transition From Analog to Digital	Digital signals less susceptible to interference; manifests as decreased need for staff intervention
Increasing Use of Higher RF Bands	Radius of potential interference decreases in higher frequency/lower power bands; main congestion expected to continue in lower bands
FCC-Mandated Narrowbanding	As non-narrowbanded land mobile radios phase out, interference events become less likely
Increasing Use of Digital Technologies	Greater interference resistance; however, interference is more challenging to identify and resolve
Spectrum Sharing	Most interference issues will be caused by uncertified or improperly certified equipment; need to develop medium to long term enforcement strategies to conduct market surveillance
FirstNet Implementation	Potential short term period of high interference volume to 'clean up' spectrum during initial operation

Need to continue to modernize equipment, processes, and staff to address evolving spectrum issues, but trends do not translate to a near-term need for major Field expansion

Recommend adjusting Agent count from 63 to 33

	Category	Requirements	Examples	Adjustments to Staffing	Staff Needs	Team Distribution
1	**Need Significant Footprint for Quick Response**	• Specific site & quick response • Equipment	• Public Safety radio interference • Jamming	• Address completely • Add buffer for growth	22	• Allocate FTEs to geographic offices • Staff all as Electrical Engineering positions
2	**Need to be 'Close Enough'**	• Specific site • Flexibility with response time • Equipment	• Pirate radio • Amateur / Personal radio interference	• Focus on higher priority matters • Improve efficiency • Reduce initiatives • Add buffer for growth		
3	**Ability to Adjust Who Responds**	• Specific site • Flexibility with response time • Equipment • Alternatives exist	• Cellular interference • Lower Power, Unlicensed interference	• Focus on higher priority matters • Improve efficiency • Reduce initiatives		
4	**Need Flexibility to Decide Where to Audit**	• No specific time	• Tower compliance	• Focus on matters required presence • Improve efficiency	11	• Distribute some FTEs • Consolidate rest into 'Tiger Team' in Columbia
5	**Location Changes Regularly**	• Locations change regularly	• Low income / Federal funds • Broadcast matters	• Address the highest impact cases • Improve efficiency		
					33	

Radio Frequency spectrum activities, especially public safety ones, drive the need for a geographically dispersed Field

Note: Based on level of effort modeling

Downsize Field Sites

Office location selection requires balance between amount of resources and response time / service level

Amount of Resource Allocated to Geographical Coverage

Response Time

Example:

- Many offices spread across country
- Smaller offices
- Ability to "be on the doorstep" of complaint or violation today
- Significant management structure

Must Balance:

- How much of our budget we devote to office related expenses versus personnel
- How close is close enough – potentially for different matter types
- What level of management is required for a distributed staff

Example:

- Single location for EB Field
- Large office
- Some issues may not be addressed within appropriate timing
- Lean management structure

Pros:	• Close to the site of issues • Quick response time • Transportation of equipment is simplified • Highly visible to constituents • Easy to re-respond to issue areas	• Resources allocated to people versus office space • Easier to manage • Increased productivity • Priorities can be flexed easier
Cons:	• Costly – potentially takes away from other priorities • Diseconomies of scale – fixed overhead portions of square feet in each offices • Scale-back/retirements can leave offices empty • May drive higher labor cost just to 'man' locations • Limits flexibility – tied to specific locales	• Equipment transportation becomes an issue • Potential slow response time – potentially 'too much' for some matter types • Travel may dictate prioritization

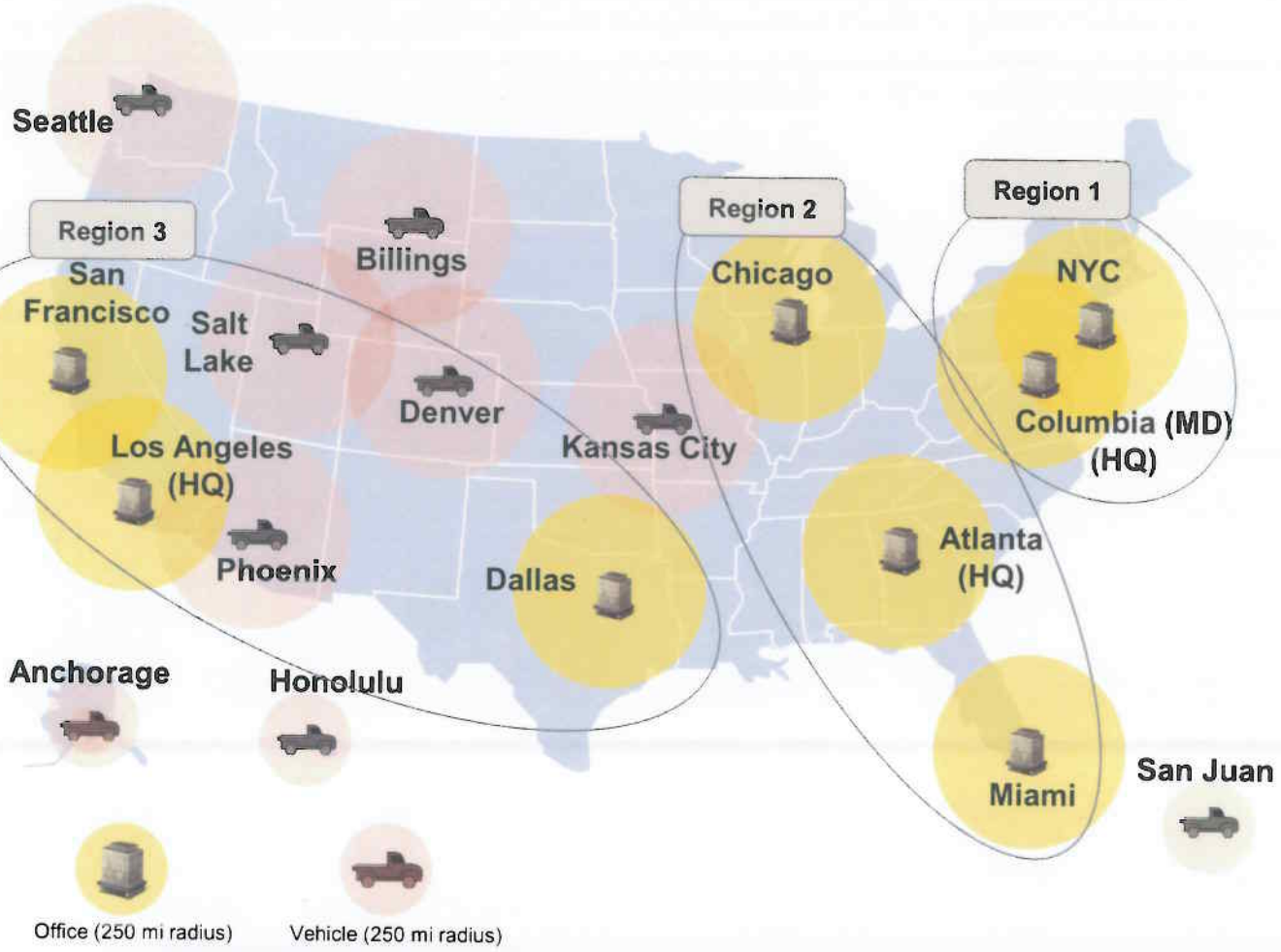
Downsize Field Sites

Evaluated a range of office deployment scenarios

No Field Offices	Agents travel out of FCC Headquarters to address cases	Unable to address public safety with adequate response time; risk of distraction by other priorities
4 Offices	Offices in Columbia, Chicago, Atlanta, Los Angeles with 13 equipment pre-positioned sites	Unable to address public safety with adequate response time with current equipment; large areas of responsibility
6 Offices	Offices in Columbia, New York, Chicago, Atlanta, Dallas, Los Angeles with 11 equipment pre-positioned sites	Majority of populous cities covered, however, West and South East with large geography to cover out of one office
8 Offices	Offices in Columbia, New York, Chicago, Atlanta, Miami, Dallas, Los Angeles, San Fran. with 9 equipment pre-positioned sites	Selected Scenario Appropriate balance between geographic coverage and critical mass per office; addresses most populous areas
11 Offices	Offices in Columbia, New York, Chicago, Detroit, Atlanta, Miami, San Juan, Dallas, Los Angeles, San Fran., Honolulu with 6 equipment pre-positioned sites	Significant resources consumed by offices; several offices below critical mass of personnel

Telework models were evaluated across all office deployment scenarios, however, they limited equipment and case prioritization flexibility

Recommend maintaining eight physical locations

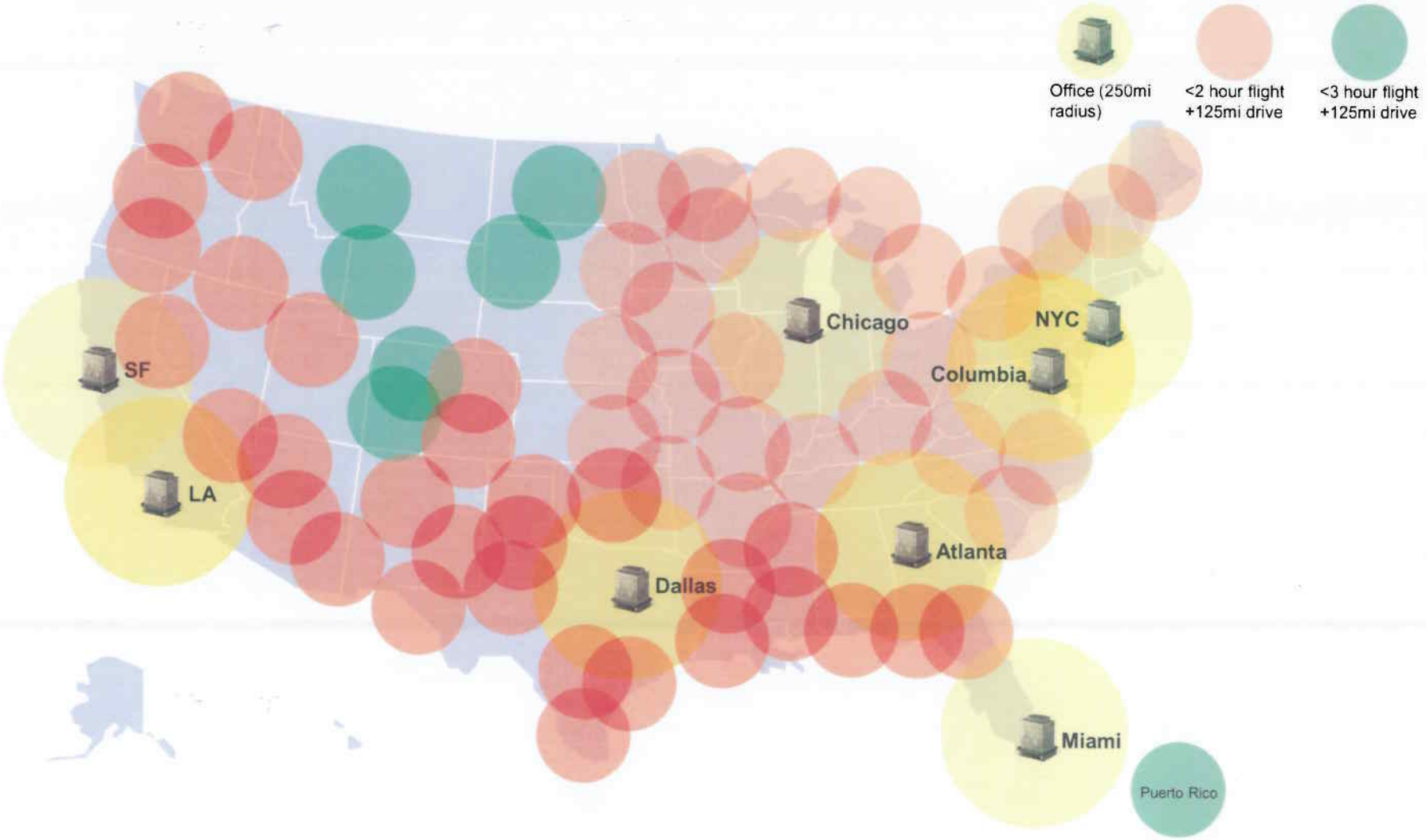


Office Space Recommendations:

- Consolidate to 8 sites from 24, selected for:
  - Spectrum / population density
  - Availability of current space
  - Transportation
- Consolidate 2 sites into FCC-owned space
- Pre-position 9 radio frequency vehicles to ensure response to 100% of US population within one day

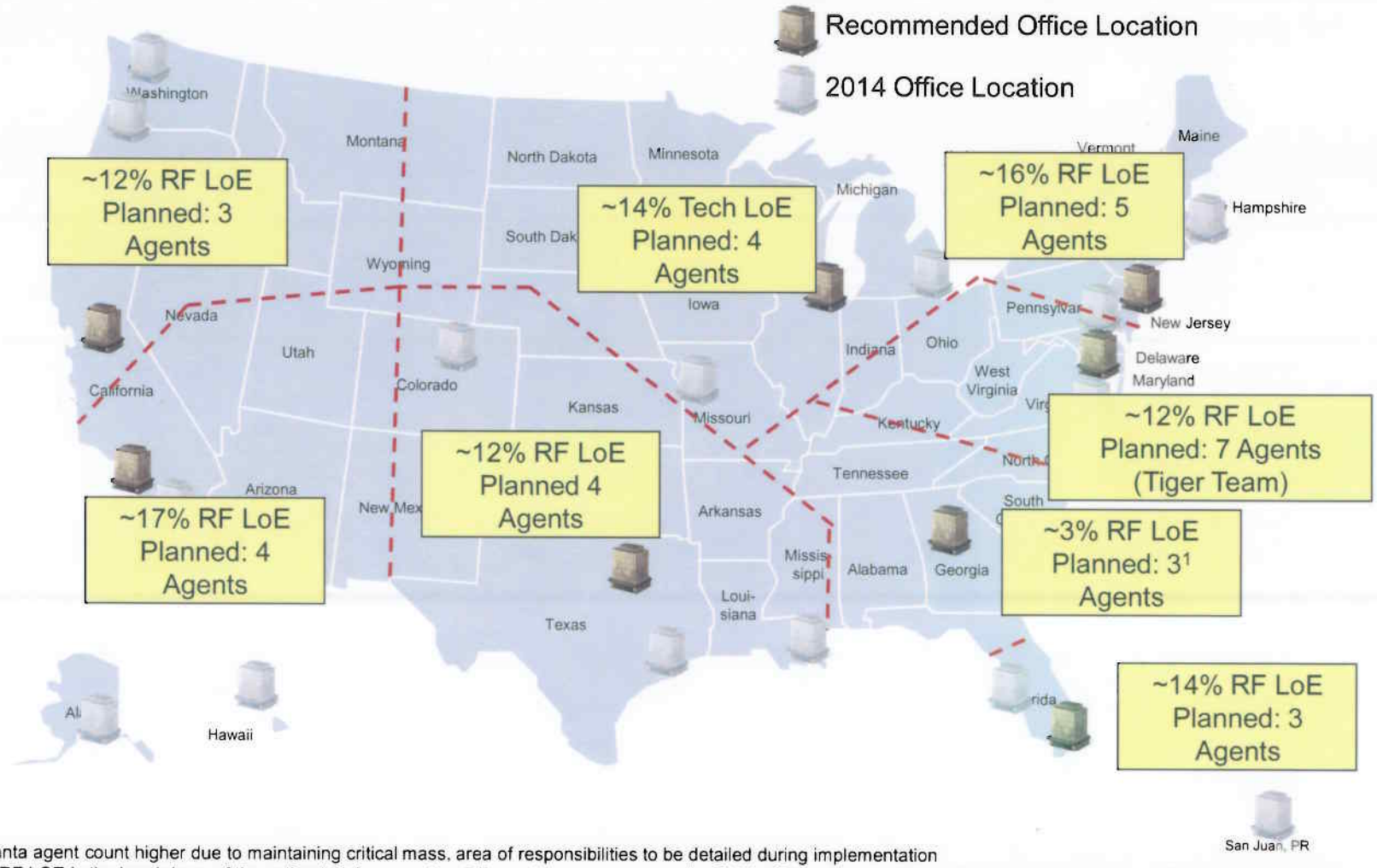
Eight site model with pre-positioned vehicles covers ~80% of US population within ~4-6hr response time versus 24 site model that covered ~90%

The entire country can be reached within a day from these offices, as more mobile equipment solutions are developed



Agent positions by office aligned with expected RF spectrum case load

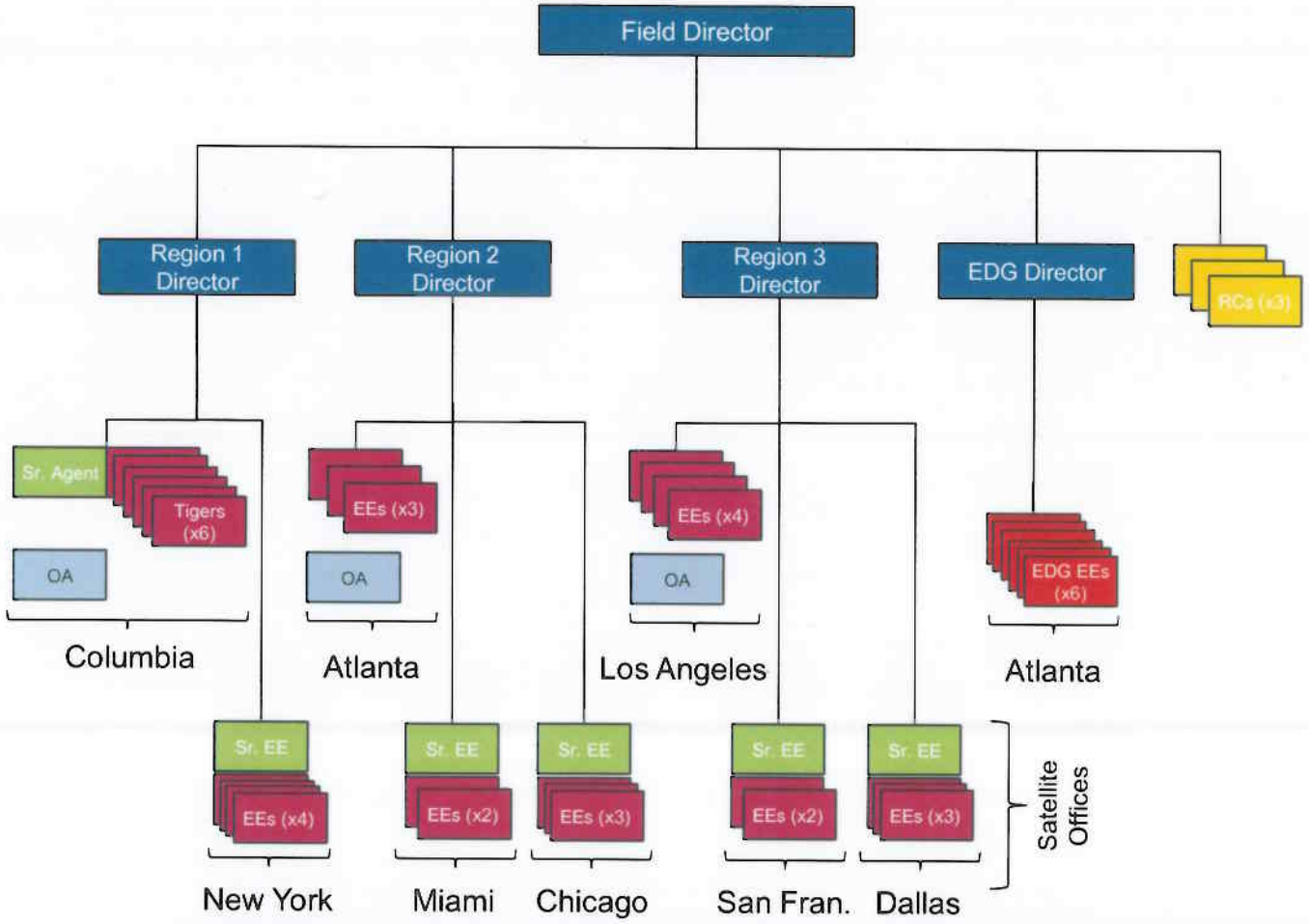
RF Spectrum case Level of Effort (LoE) by approximate Areas of Responsibility



1. Atlanta agent count higher due to maintaining critical mass, area of responsibilities to be detailed during implementation

Note: RF LOE is the breakdown of the estimated time spent on RF spectrum cases across the Field offices. Aggregation to the approximate Areas of Responsibility is based on which offices matters were assigned to in FY14 database

Recommend optimizing the go-forward organization



Org Structure Recommendations:

- Adjust overall Field size from 108 to 50
- Reduce Agents from 63 to 33
- Clarify required skills
  - Eliminate compliance specialists; staff all Agent pos. with EEs
- Add dedicated Field Director
- Lean management from 21 to 5
- Staff a 'Tiger Team' in Columbia

Organization designed to allow flexibility in supporting other Divisions, Bureaus, and Offices in evolving missions and priorities

Refocus equipment development on more strategic role of managing entirety of deployed equipment and planning for future

Manage Entirety of Deployed Equipment → Become the central owner of equipment inventory, refresh plans, deployment and staging, maintenance and calibration, training, and procurement research

Refocus Development on Medium-term and Future Strategies → Develop strategies for Agent mobility, equipment portability, and shared spectrum enforcement; reduce resources devoted to direction finding vehicle integration

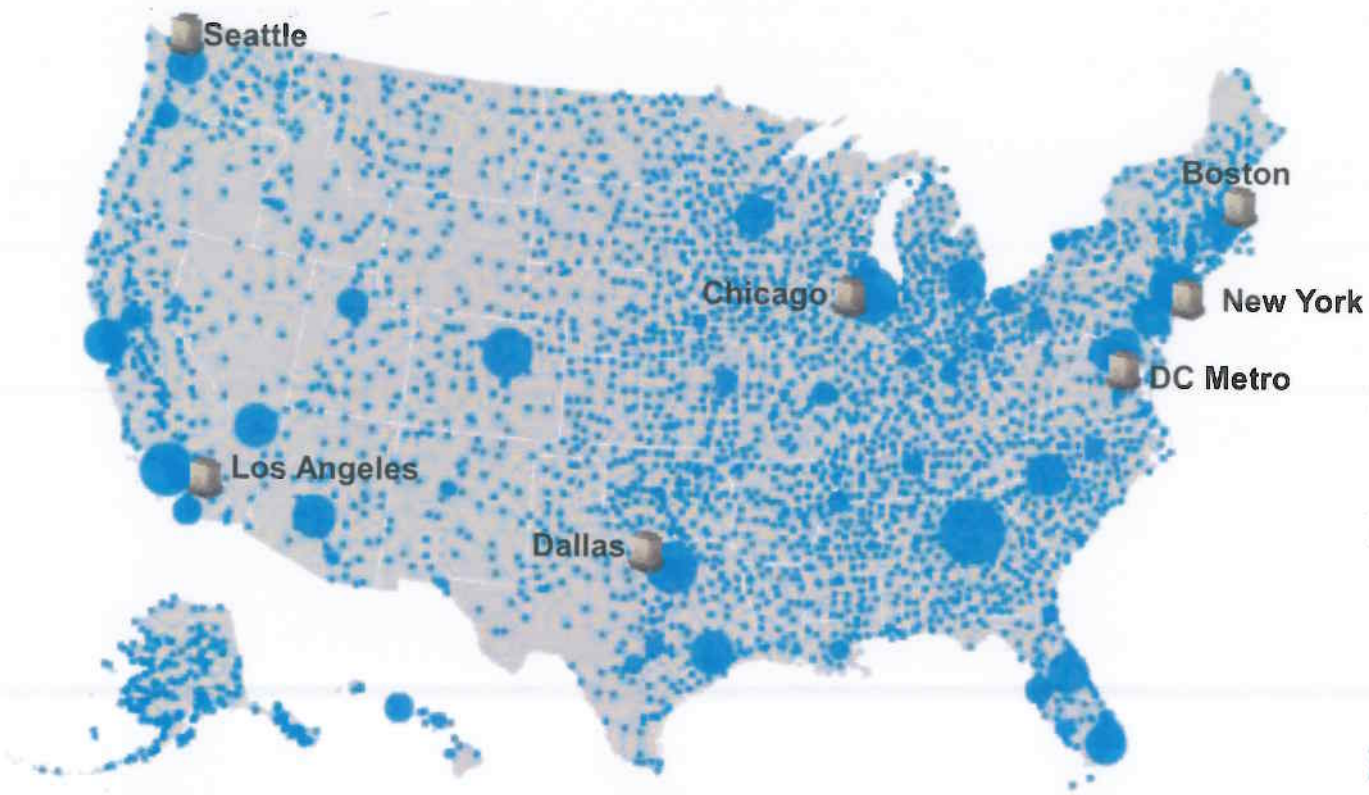
Establish Beneficial Partnerships → Engage other organizations to increase effectiveness, potentially sharing data, best practices, equipment, or procurement

In addition, address organizational effectiveness during change, continuing after implementation

Clarify Priorities and Increase Communication	Increase Field's participation in decision making, strengthen communication linkage with HQ, and clarify alignment with mission and priorities
Standardize Processes and Develop Trainings	Standardize matter prioritization, investigation and inspection procedures, and sanction delivery and develop trainings to increase efficiency
Measure Field Performance and Collect Data	Collect data for policy making and measure Field productivity metrics through Case Management System[1]

1. Case Management System is EBATS (Enforcement Bureau Activity Tracking System)

Case Study: FAA Interference Hunting Team



Supports more limited-hub based model and efficiency impact of having clear mission

Note: Number of enplanements shown by airport
Source: FAA, NFDC

Case Study:

- Investigate interference to FAA radio comms (Voice or Navigation)
  - ~2,700 RF interference cases in 2014
  - Engage FCC on <4% of cases
- 7 person team, distributed across 7 cities
- Located personnel near dense flight activity
  - Travel to investigate interference
- Utilize commercially available and mobile equipment
  - NY, Chicago, and LA covered with Fixed DF

Case Study: Railroad Safety Field

Case Study:

- Inspects every mile of track over 5-year cycle
  - Also reactively investigates complaints or accidents and proactively inspects for safety
- ~400 persons, distributed across 8 cities
- Located personnel near dense Class I track locations
- Management spans: ~15 reports per GS15 or GS14

Supports more limited-hub based model and management structure

Source: Rail Transportation in the United States picture. Federal Railroad Administration interview

Recommendations provide several benefits for EB and FCC

Evolving Mission

- ✓ More **clearly defined mission and role** for Field within Enforcement
- ✓ Work **more closely aligned with Commission's priorities**

Effectiveness

- ✓ Locations, management **appropriately sized**
- ✓ **Improved systems** to support tracking of metrics or inform policy making
- ✓ **Standardized processes** to improve efficiency

Scarce Resources

- ✓ Aligns personnel against **highest-priority, highest-impact enforcement** activity
- ✓ Frees up **resources that can be redeployed** against other high-priority initiatives

Enables FCC to address emerging priorities within current budget environment without a decline in service of Field's most important matters

Run-rate financial impact of recommendations is $9M-$10M annually

	Est. FY14 ($M)	Key changes	Est. Annual Savings ($M)
Labor Expenses *Examples: Field Mgmt, Field Agents, EDG, Admin Support*	**15.3** *(12.3 wages; 3.0 benefits)*	**Organizational restructuring** of Field Agents, management, and support	**7.9 – 8.0** *(6.3-6.4 wages; 1.6 benefits)*
Office Related Expenses *Examples: Leases, Telecom/IT, Utilities, Supplies*	**3.7**	Several **site reductions and relocations** to owned space	**1.6 – 2.5**[1]
Equipment Expenses *Examples: Vehicles, EDG Contract SVC, Tech Equipment*	**1.6**		-
Other Expenses *Examples: Travel, EBATS*	**0.4**	**Travel increase** due to Tiger Team and less sites	**(0.2)**
	Total: $21M		**Total: $9M – $10M**

1. Range shows savings with and without IT/Telecomm

Depending upon how FCC decides to proceed, there are a variety of one-time costs to implement recommendations

Personnel Related Adjustments	Estimate of **potential personnel exit costs**, e.g. leave payout
Shut Down of Spaces	**Lease exit costs and shipping** equipment, files, and office supplies
Space Refurbishment	**Construction costs** for refurbishing spaces where Field Agents will move, e.g. San Francisco owned office space
System Improvements	**Developer costs for functionality additions** to EBATS (Case Management System)

Estimate up to ~$2M - $4M in one-time costs required to implement recommendations