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Growth and change have occurred in telecommunications in recent years. New services have developed; the number of Federal Communications Commission's (FCC's) licensees has dramatically increased; and a greater public use and awareness of the radio spectrum have occurred. This has placed demands on the FCC to develop effective means for enforcing its regulations and responding to public inquiries. The FCC's Field Operations Bureau has the responsibility of enforcing the provisions of the Communications Act of 1934 and the Commission's rules and regulations and of serving as a liaison between the FCC and the public. Findings/Conclusions: Greater integration of the activities of the Field Operations Bureau into the FCC's regulatory structure can be achieved by: improving the coordination between the Field Operations Bureau and the Commission's other bureaus; developing improved methods for assessing the effectiveness of the Field Operations Bureau's enforcement functions; reevaluating the monitoring goals established by the FCC in 1973; establishing a system of internal control to ensure that equipment obtained for field use is effectively utilized and that resources exist to place it in service; and strengthening the Field Operations Bureau's role in obtaining, analyzing, and reporting information available to it from complaints and inquiries received and enforcement actions taken. In addition, the FCC may want to consider obtaining additional congressional guidance concerning the FCC's enforcement actions against ships under title III of the Communications Act of 1934 and clarifying the responsibilities of regional directors, field supervisors, and headquarters personnel under the FCC's program for regionalized field activities. (Author/SC)

REPORT BY THE U.S.

General Accounting Office

The Role Of Field Operations In The Federal Communications Commission's Regulatory Structure

Growth and change have occurred in telecommunications in recent years. New services have developed, the number of Federal Communications Commission's licensees has dramatically increased, and a greater public use and awareness of the radio spectrum have occurred. This has placed demands on the Commission to develop effective means for enforcing its regulations and responding to public inquiries.

The Commission's Field Operations Bureau has the responsibility of (1) enforcing the provisions of the Communications Act of 1934 and the Commission's rules and regulations and (2) serving as a liaison between the Commission and the public. This report notes areas where these operating activities can be strengthened and discusses how a greater integration of the Bureau's activities into the Commission's regulatory structure can be achieved.





UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

B-159095

The Honorable Charles D. Ferris
Chairman, Federal Communications
Commission

Dear Mr. Ferris:

This report provides a limited assessment of some of the current activities of the Commission's Field Operations Bureau and suggests ways to strengthen and integrate these activities into the regulatory structure.

This report contains recommendations to you on pages 41, 43, 44, and 46. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs no later than 60 days after the date of the report and the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Copies of this report are being sent to the Director, Office of Management and Budget; Executive Director, Federal Communications Commission; and the appropriate congressional committees.

Sincerely yours,

A handwritten signature in cursive script that reads "Henry Eschwege".

Henry Eschwege
Director

GENERAL ACCOUNTING OFFICE
REPORT TO THE CHAIRMAN,
FEDERAL COMMUNICATIONS
COMMISSION

THE ROLE OF FIELD OPERATIONS
IN THE FEDERAL COMMUNICATIONS
COMMISSION'S REGULATORY
STRUCTURE

D I G E S T

Because telecommunications now permeates the basic economy of the United States and is fundamental to its future way of life, increased demands have been placed on the Federal Communications Commission, the agency responsible for regulating this activity.

The Federal Communications Commission must develop proper methods, through its enforcement and public service activities, to strengthen its regulatory organization.

The Commission's Field Operations Bureau has many direct outlets to the public and may be the most important regulatory tool available to the Commission to make sure it is regulating in the "public interest."

Greater integration of activities into the Commission's regulatory structure can be achieved by

- improving the coordination between the Field Operations Bureau and the Commission's other bureaus;
- developing improved methods for assessing the effectiveness of the Field Operations Bureau's enforcement functions;
- reevaluating the monitoring goals established by the Commission in 1973;
- establishing a system of internal control to ensure that equipment obtained for field use is effectively utilized and that resources exist to place it in service; and
- strengthening the Field Operations Bureau's role in obtaining, analyzing, and reporting information available to

it from complaints and inquiries received and enforcement actions taken.

COORDINATION WITH OTHER BUREAUS

In carrying out its activities, the Field Operations Bureau must act reciprocally with the bureaus responsible for developing regulatory programs for telecommunications services under the Commission's jurisdiction--the Broadcast, Cable Television, Common Carrier, and Safety and Special Radio Services Bureaus.

However, no coordinated or systematic method exists among the Field Operations Bureau and the other bureaus to determine by priorities their needs for enforcement action. For example, the Field Operations Bureau has not obtained a workplan or other specific information from the other bureaus as to their priority of needs and has relied largely on its own subjective reasoning when referring violation cases to the other bureaus. A piecemeal enforcement policy approach has resulted.

Therefore, a more cohesive integration of the Field Operations Bureau's enforcement actions into the Commission's regulatory structure is needed to maintain an effective enforcement program. (See p. 39.)

EVALUATING THE EFFECTIVENESS OF ENFORCEMENT ACTIONS

Few studies have been conducted to evaluate the effectiveness of the Bureau's activities and procedures. As a result, responsibility for assigning personnel, using resources, measuring productivity, evaluating procedures, and determining the need for change in field activities has generally been left to the subjective judgment of officials in the Field Operations Bureau.

While the judgments of officials involved in field operations activities should be

given considerable weight, the establishment of an evaluation program in the Commission to assess the effectiveness of its enforcement activities could support and strengthen these judgments. (See p. 41.)

REEVALUATING MONITORING GOALS

In 1973 the Commission adopted goals for conducting its monitoring of the radio spectrum. These goals were designed to enable the Commission to carry out its enforcement and regulatory responsibilities most effectively and were to be attained by 1983 through increased monitoring efforts.

However, it appears unlikely, on the basis of the monitoring capabilities now available, that the goals will be reached. In light of this situation, these goals and the efforts taken to implement them should be reevaluated to determine if they are achieving their purpose. (See p. 43.)

ESTABLISHING A SYSTEM OF INTERNAL CONTROL

In its attempts to meet the goals adopted by the Commission for its monitoring activities, the Field Operations Bureau procured monitoring vehicles which it has not fully used. Similarly, in conducting its citizens radio service enforcement activities, it has provided each of its special enforcement units with four vehicles even though the units have not been staffed with sufficient personnel to form four enforcement teams.

By establishing an effective system of internal control to better coordinate the procurement of resources and equipment, the Field Operations Bureau can make certain that their use will be maximized and the effectiveness of its activities thereby increased. (See p. 44.)

OBTAINING, ANALYZING, AND REPORTING INFORMATION

To ensure that its regulatory efforts are meeting the "public interest" standards set forth in the Communications Act of 1934, the Commission must rely heavily on input and feedback received from both its licensees and the general public. The Field Operations Bureau can provide the Commission with an effective tool for obtaining this input in the form of (1) complaints and inquiries received from the public and (2) information obtained during enforcement activities.

However, an effective system for (1) observing patterns in complaints and inquiries and (2) accumulating and analyzing information available for enforcement actions is needed to provide the Commission with a more comprehensive base from which to allocate resources, designate priorities, revise rules and regulations, and alter policy direction. (See p. 45.)

OBSERVATIONS ON OTHER COMMISSION ACTIVITIES AFFECTING THE FIELD OPERATIONS BUREAU

GAO has provided its observations on two areas which the Commission may want to consider further:

- Obtaining additional congressional guidance concerning the Commission's enforcement actions against ships under title III of the Communications Act of 1934.
- Clarifying the responsibilities of regional directors, field supervisors, and headquarters personnel under the Commission's program for regionalized field activities.

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ABBREVIATIONS

FCC	Federal Communications Commission
FOB	Field Operations Bureau
GAO	General Accounting Office
SEF	Special Enforcement Facility
UHF	ultra high frequency
VHF	very high frequency

GLOSSARY

Amplitude modulation (AM) radio	Radio signals in which information is transmitted by varying the amplitude (strength) of the signal. This was the earliest form of radio broadcasting.
Broadcasting	Dissemination of radio or television communication intended to be received by the public, directly or through relay stations.
Common carrier	A company, organization, or individual providing wire or electronic communications services for hire.
Criminal sanction	An enforcement technique wherein evidence is referred to U.S. attorneys for the institution of criminal prosecution.
Direction finding	Taking bearings on radio signals to determine their points of origin.
Facsimile	The transmission of still pictures, maps, diagrams, and text. Images are scanned by the transmitter, reconstructed by the receiver, and duplicated on some form such as paper.
Forfeiture	A penalty or fine.
Frequency modulation (FM) radio	Radio signals in which information is transmitted by varying the frequency of the signal.
Harmonic interference	Interference caused by a transmitter producing a spurious emission (any undesired signal) on some multiple of its carrier (fundamental) frequency.
Megahertz	Unit of frequency equal to 1 million cycles per second.
Microwave	The portion of the radio spectrum above approximately 1,000 megahertz.

Nonbroadcast radio	Radio services other than broadcast or common carrier services. They include the use of radio by ships afloat and planes in the air, rail and motor carriers, industry and other businesses, and individuals for private convenience or for amateur communications.
Sanction	Something that gives binding force to a law or secures obedience to it, such as penalty for breaking it.
Special Enforcement Facilities (SEF)	Units established within the Field Operations Bureau for the sole purpose of enforcing the rules of the Citizens Radio Service.
Strike	An enforcement action which essentially consists of two pairs of engineers identifying, inspecting, and citing illegally operated citizens radio stations.
Translator	A low-power device receiving a signal on one frequency and transmitting it on another without significantly altering its original characteristics. Used to carry FM and television programs to areas where direct reception is unsatisfactory.
Ultra high frequency (UHF)	Band of frequencies extending from 300 to 3,000 megahertz.
Very high frequency (VHF)	Band of frequencies extending from 30 to 300 megahertz.

CHAPTER 1

INTRODUCTION

Telecommunications is becoming an increasingly vital element of American society. It has permeated our basic economy and plays an important role in our way of life. Technological advances in the field of telecommunications have led to the development of a variety of new services which offer many potential benefits for users. They also have led to extensive growth in the use of telecommunications services. This increased use of and reliance on telecommunications services has placed added emphasis on the importance of telecommunications' regulation to ensure that services are meeting the needs and interests of the American public. This has, in turn, placed increased demands on the regulator to develop effective means for enforcing its regulations and to ensure that enforcement efforts are integrated into the regulatory structure.

FEDERAL COMMUNICATIONS COMMISSION-- THE REGULATOR

The Communications Act of 1934 created the Federal Communications Commission (FCC)

"[f]or the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges, for the purpose of the national defense, for the purpose of promoting safety of life and property through the use of wire and radio communication * * *."

The basic criteria set forth in the act to govern the exercise of FCC regulation are the standards of "public interest, convenience, and necessity."

The Communications Act consolidated in FCC regulatory functions previously carried out by several Federal agencies. These functions included the regulation of broadcasting previously conducted by the Federal Radio Commission, supervision of certain telegraph and telephone operations which had been vested in the Interstate Commerce Commission, and jurisdiction over Government telephone rates which had been under the Post Office Department. The act also considerably broadened the scope of the FCC's regulatory authority.

Under the Communications Act, FCC's regulatory authority is divided into three major categories: common carrier services, broadcast services, and nonbroadcast radio services. Common carrier services include telephone, telegraph, facsimile, data, telephoto, audio and video broadcast program transmission, satellite transmission, and other electronic communications services for hire. Broadcast services include AM and FM broadcast radio, television, pay television, supplemental services such as television translators, and experimental and developmental services. Nonbroadcast radio services include police, fire, public safety, State and local government, aviation, marine, industrial, and land transportation services as well as the amateur and citizens radio services. In 1962 FCC also asserted limited jurisdiction over cable television.

To carry out its regulatory functions relating to these services, FCC has organized itself into five operating bureaus:

1. The Broadcast Bureau regulates AM, FM, and television broadcast stations and related facilities.
2. The Cable Television Bureau administers and enforces cable television rules. It also licenses private microwave radio facilities used to relay television and other signals to the cable systems.
3. The Common Carrier Bureau regulates wire and radio communications common carriers, such as telephone, telegraph, and satellite companies.
4. The Safety and Special Radio Services Bureau regulates all other radio stations (except experimental) engaged in safety, commercial, or personal communications.

Each of these four bureaus is responsible for developing and implementing a regulatory program, processing applications for licenses or other filings, considering complaints, conducting investigations, and taking part in FCC hearings.

The fifth bureau, the Field Operations Bureau (FOB), serves as FCC's enforcement arm and provides points of contact between FCC and the public throughout the United States.

A more detailed description of FOB's goals, functions, resources, and work structure is contained in chapter 2.

FOB AND THE REGULATORY STRUCTURE

FOB acts as a service unit to the other FCC operating bureaus by ensuring compliance with the FCC's many technical rules and regulations. Yet, in having its own regulatory functions, such as licensing radio operators, it also acts as an independent operating entity within FCC.

Its efforts throughout the United States as a service unit for FCC should place FOB in the unique firsthand position of understanding

- the impact of new FCC regulations;
- the technological advances which are occurring throughout the telecommunications industry, thus necessitating changes in old regulations; and
- the demands of FCC regulatory action.

SCOPE

Our work was conducted at FCC headquarters in Washington, D.C.; at FOB district offices in Atlanta, Georgia, and Miami, Florida; at FOB monitoring stations in Powder Springs, Georgia, and Fort Lauderdale, Florida; and at FOB's Special Enforcement Facility and its Engineering Construction and Installation Branch at Powder Springs, Georgia. We reviewed pertinent legislation, agency documents and reports, and interviewed officials at each of the locations.

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This report provides a limited assessment of some of the current activities of FCC's FOB and the integration of these activities into the regulatory structure. This includes

- obtaining compliance with FCC's rules and regulations,
- providing service to the public, and
- coordinating with other FCC operating bureaus.

Establishing the proper mode from which FOB, through its enforcement and public service activities, can strengthen FCC's regulatory structure is a difficult task. Yet, FOB, through its many direct outlets to the public, may be FCC's most important regulatory tool available to ensure that it is regulating in the "public interest."

CHAPTER 2

FOB: WHAT IT IS AND WHAT IT DOES

FOB is responsible for all FCC engineering activities performed in the field relating to radio stations and wire facilities. The activities include

- enforcing the provisions of the Communications Act of 1934 and FCC rules and regulations,
- examining and licensing radio operators,
- resolving cases of radio interference,
- providing information and assistance to communications users, and
- regulating the marking and lighting of antenna structures.

In carrying out these responsibilities, FOB's goals are to promote effective and efficient use of the radio spectrum in all radio services and to ensure effective communications for the safety of life and property.

STATUTORY AUTHORITY AND RESPONSIBILITIES

FOB's goals and responsibilities flow directly from the requirements placed on FCC by the Communications Act of 1934. The Communications Act established FCC to regulate interstate and foreign communications by radio and wire and gave it explicit responsibility for executing and enforcing act provisions. Title III of the act specifically provides that "no person shall use or operate any apparatus for the transmission of energy or communications or signals by radio" except under and in accordance with the act. It further bestows on FCC a variety of powers relating to radio which FCC is to exercise as the public convenience, interest, or necessity require. These powers include

- classifying radio stations;
- prescribing the nature of service to be rendered by each class of licensed station;
- regulating the kind of apparatus to be used in radio with respect to its external effects and the purity and sharpness of the emissions from each station;

- prescribing qualifications of station operators;
- inspecting all radio installations associated with stations which are required to be licensed to ascertain whether they conform to FCC rules and regulations, the provisions of any act, the terms of any treaty or convention binding on the United States, and the conditions of the stations' licenses;
- requiring the painting and/or illumination of radio towers if they may constitute a menace to air navigation; and
- making such rules and regulations and prescribing such restrictions and conditions consistent with law as are necessary to carry out the provisions of the act.

In addition to the general powers, the act also places certain specific obligations on FCC. These include the requirement that FCC conduct annual inspections of certain cargo and passenger ships.

ENFORCING THE ACT

To enforce the provisions of the act and FCC's rules and regulations authorized under it, FCC may invoke any of a number of penalties prescribed under the act.

Title III authorizes FCC to issue cease and desist orders to any person who

- has failed to operate substantially as set forth in a license,
- has violated or failed to observe any of the provisions of the act or sections of other specified U.S. Code, or
- has violated or failed to observe any FCC rule or regulation authorized by the act or by a treaty ratified by the United States.

Title III also authorizes FCC to revoke a station's license or construction permit for certain offenses, including

- false statements knowingly made in license applications;

- conditions coming to the FCC's attention which would warrant refusing to grant a license or permit on an original application;
- willful or repeated failure to operate substantially as set forth in a license;
- willful or repeated violation of, or willful or repeated failure to observe any provision of the act or any rule or regulation promulgated under the act or by a treaty ratified by the United States; and
- for violation of or failure to observe final cease and desist orders.

FCC is also given the power under title III to suspend the licenses of radio operators.

In addition to these penalties, title V of the Communications Act also confers on FCC the ability to issue fines. This title was recently amended by Public Law 95-234 dated February 21, 1978. The amendments expand the scope of FCC's forfeiture provisions and provide it with more enforcement powers over persons and entities subject to its regulation. Basically, these new provisions allow FCC to fine any person who it determines has willfully or repeatedly violated any provisions of the Communications Act; any FCC rule or regulation issued under the act; any treaty, convention or other agreement to which the United States is a party and which is binding on the United States; or the terms and conditions of a license, permit, or certificate issued by FCC.

The amendments also substantially increased the amount of the fines which FCC may issue to a maximum of \$2,000 per violation. Previously, the maximum fine per violation had been \$1,000 for broadcast stations and \$100 for most other radio stations.

FIELD OPERATIONS ACTIVITIES

FCC's field operations activities fall into four major categories: monitoring, inspections/investigations, public service, and engineering.

Monitoring involves a continual random sampling of signals throughout the radio spectrum and an examination of the signals to determine their characteristics. FCC uses it to provide information concerning actual use of licensed services and to detect violations of radio laws. FCC's monitoring capability also is used to assist other agencies in locating ships, aircraft, or individuals that are lost or in distress.

FCC's inspection/investigation activities involve detailed "onlocation" reviews of station operations. Inspections consist of physical examinations of radio stations and systems carrying signals by wire or cable to determine whether their equipment is operating according to FCC's technical specifications and if the station is operating in the required manner. Investigations are aimed at determining the sources of problems to users of the radio spectrum and at gathering data for the possible prosecution of offenders.

Public service activities include administering radio operator examinations and issuing operator licenses, conducting forfeiture interviews, specifying the marking of antenna towers, helping to resolve complaints concerning communications, and providing general assistance to the public.

The engineering activity is designed to provide material support and technical guidance to FCC's field operations personnel. This includes developing and manufacturing technical equipment as well as acquiring equipment and property for use in field operations activities.

In conducting monitoring, inspection, investigation, and public service activities, field officials have been given authority to designate work to achieve FCC's goal of effective regulation of the frequency spectrum. However, guidelines have been established to assist field units in allocating resources among these activities. These guidelines divide work in each activity into four broad priorities:

- I--Work which demands immediate response at any hour.
- II--Work which normally cannot be postponed.
- III--Work of a more routine or discretionary nature.
- IV--Work in which the field official has the greatest latitude in accomplishing his personal goals and meeting local standards of productivity.

Appendix I lists the priorities established by FOB under each activity.

Organization of FOB

To carry out its responsibilities, FOB has been divided into five major units:

1. The Office of the Bureau Chief plans, directs, and coordinates FOB's activities and maintains overall responsibility for the enforcement of FCC's rules and regulations. Specifically, its functions include

- advising and making recommendations to FCC, and acting for FCC in matters pertaining to enforcing its rules and regulations, licensing commercial radio operators, marking and lighting antenna towers, and being field liaison with the user public and local and Federal Government agencies;
- developing overall policies, programs, objectives, and priorities for all FOB programs and activities;
- reviewing program performance, accomplishments, and effectiveness; and recommending changes in policies, programs, objectives, and priorities;
- developing and implementing Bureau-wide management programs, including resource management systems, work measurement procedures, resource allocation models, management information/reporting, and program review/evaluation systems; and
- developing and controlling execution of operating budgets and financial plans.

2. The Enforcement Division is responsible for administering FOB's field enforcement programs; including monitoring, inspections, and investigations; and for directing, coordinating and controlling FOB's field enforcement activities throughout the United States and Puerto Rico.

3. The Regional Services Division is responsible for administering FOB's regional services program, including public information activities and licensing of radio operators, and for directing, coordinating and controlling FOB's public service functions throughout the United States.

4. The Engineering Division is responsible for providing technical engineering and other material support to the Enforcement and Regional Services Divisions.

5. The Violations Division is responsible for processing administrative sanctions initiated by the Enforcement Division, referring enforcement cases to the cognizant bureaus, and administering the entire sanctions program for radio operators.

To carry out its activities, FOB maintains 30 field offices and 13 monitoring stations. For fiscal year 1978 FOB was allocated 499 positions as shown below.

<u>Function</u>	<u>Washington</u>	<u>Field</u>	<u>Total</u>
Office of Bureau Chief	18	0	18
Regional Services Division	16	51	67
Engineering Division	9	9	18
Enforcement Division	26	353	379
Violations Division	<u>17</u>	<u>0</u>	<u>17</u>
Total	<u>86</u>	<u>413</u>	<u>499</u>

During fiscal year 1978 about \$14.3 million was allocated to FCC's field operations activities. This represents about 22.2 percent of FCC's total budget.

REGIONALIZATION

On July 31, 1974, FCC approved a reorganization of FOB's field structure to correspond to the 10 Federal regions. The objectives of the plan were:

- To enhance management of the Bureau's mission by (1) reducing the span of control from Washington, (2) optimizing the cross-utilization of resources assigned to the field, (3) facilitating concentrated enforcement action where needed, and (4) delegating maximum authority and responsibility to the field.
- To provide FCC "presence," both in an enforcement and public service sense, in areas of significant population density.
- To facilitate FCC response to the public through local availability of FOB employees who can furnish appropriate assistance.
- To maximize the resolution of enforcement and field public service problems at the lowest organizational level possible.
- To provide an adequate and effective enforcement level of FCC's rules.

On August 8, 1977, FCC revised its approved field structure from 10 regions to 6. According to FOB officials, this was done after a trial period utilizing three regional offices--San Francisco, Boston, and Kansas City--which were established in August 1976. FOB decided that, given the

number of existing field units, six regions would provide greater utilization of its resources. In January 1978 three additional regional offices were created in Chicago, Atlanta, and Seattle. With the exception of one district located in Washington, D.C., all field units are under the general guidance and supervision of a regional director.

The director works under the general administrative direction of the Bureau Chief, and among other duties, is delegated the responsibility of

- directing and coordinating the regional inspection, monitoring, and investigative programs;
- assuring the best utilization of available resources for the overall enforcement program; and
- providing direction and guidance to enforcement supervisors and technical staff regarding policy interpretation, priorities, and work load assumption.

Although regional directors have the responsibility to direct and coordinate regional enforcement programs and to determine utilization of resources, we were told that FOB headquarters still (1) determines the organizational structure and staffing for individual field units, (2) directs the activities of the Special Enforcement Facilities (SEFs)--teams used to enforce Citizens Band Radio regulations, (3) coordinates requests for assistance from U.S. attorneys, and (4) forwards workload requirements directly to the supervisors of the field units.

According to the regional directors from the three original regions, regionalization has provided improvements in (1) the purchasing of technical equipment, (2) utilization of personnel in sharing workloads, and (3) control over recruitment, promotions, and personnel evaluations.

CHAPTER 3

FIELD ENFORCEMENT ACTIVITIES

FOB's primary goal is to promote effective and efficient use of the radio spectrum in all radio services through enforcement of the Communications Act of 1934 and FCC's rules and regulations. It carries out its enforcement mission through three primary activities:

- Monitoring of signals throughout the radio spectrum.
- Inspecting selected stations.
- Investigating problems not immediately resolvable or preventable by monitoring and inspections.

These activities are conducted by field offices and monitoring stations located throughout the United States and are directed and coordinated through three corresponding branches of FOB's Enforcement Division in Washington, D.C.

MONITORING

The three basic elements of FOB's monitoring program are: fixed monitoring, mobile monitoring, and microwave monitoring.

Fixed monitoring is performed by 13 fixed monitoring stations located throughout the United States and Puerto Rico. These stations continually sample signals in the high frequency range of the radio spectrum as well as local ultra-high frequency (UHF) and very high frequency (VHF) signals. These signals are then measured to determine whether the transmitting station is in compliance with FCC regulations. In addition, fixed monitoring stations also search ("cruise") the radio spectrum to locate unauthorized stations or potential sources of interference, monitor specified channels or frequency bands to determine what stations use them and what possibilities exist for further assignments on them and provide assistance to lost aircraft and vessels in distress.

Due to the relatively short-range characteristics of UHF/VHF signals, FOB employs specially equipped mobile vehicles to monitor stations not situated near the fixed monitoring stations. These vehicles perform essentially the same function as the fixed monitoring stations, except they concentrate on UHF/VHF frequencies. Mobile monitoring units operate out of all fixed stations except the one in Puerto Rico. FOB currently has 24 UHF/VHF mobile monitoring vehicles, of which 18 are equipped and in use.

Microwave radio signals are highly directional and complex. They are used by common carriers, cable television systems, and private businesses, among others, for transmitting communications from point to point via towers and dish-shaped antennas. Because of their characteristics, they must be situated so that no obstacles intervene between microwave transmitters and receivers. As a result, microwave stations may be located in remote areas. To monitor the operations of these stations, FOB had five mobile microwave units in operation throughout fiscal year 1977.

FOB's priorities for initiating monitoring activities are shown in appendix I.

Establishing a monitoring system

In 1972 FCC contracted with the Georgia Institute of Technology to evaluate FCC's monitoring system and design a system which would enable it to effectively carry out its enforcement responsibilities. The study recommended three levels of monitoring which FCC could pursue predicated on its budget support:

- A system based on FCC's previous budget history, which Georgia Tech termed "austere."
- A system to meet minimal needs.
- A system judged to be adequate.

In 1973 FCC approved the "adequate" monitoring level as the goal to be achieved by 1983. This level included a recommendation that UHF/VHF mobile monitoring capabilities be increased from 18 to 54 units and that microwave mobile monitoring capabilities be increased from 6 to 12 units.

After FCC adopted the "adequate" monitoring level, FOB purchased 13 extended roof vans during fiscal years 1974 and 1975 for the purpose of increasing mobile monitoring capabilities. However, as of February 1978, FOB still had only 18 UHF/VHF mobile monitoring units available for use. Seven of the 13 vans purchased have been used as replacements for older units, 2 are only partially equipped, and the remaining 4 are totally unequipped. According to FOB officials they plan to equip the remaining four vans; however, they were uncertain as to when these vans would be equipped, where they would be used after they are equipped, or whether they would be used to replace older units or increase the number of UHF/VHF mobile monitoring units.

As of March 1978 FOB had 10 vehicles designated for microwave mobile monitoring; of these 6 are now in operation. The four other units, purchased in fiscal year 1975, have been designated to replace older units. In this regard, FOB officials told us that they considered 12 units to be too many and, therefore, only planned to maintain 6.

Assignment and use of monitoring resources

Monitoring stations are generally staffed for enforcement purposes by a minimum of 10 persons. This staffing level has been established by FOB officials based on staffing patterns which have evolved over the years.

Excluding the smaller fixed monitoring stations in Puerto Rico and Hawaii, the basic staffing for a fixed monitoring station includes two electronics engineers, one serving as the engineer in charge and one as the senior engineer, and six electronics technicians. One technician is responsible for equipment maintenance; the other five rotate between performing monitoring activities at the fixed station (standing watch) and conducting UHF/VHF mobile monitoring activities. Those fixed stations having microwave mobile monitoring capabilities have an additional electronics engineer to perform these activities.

Basically the supervisor of each monitoring station determines how that station's resources will be used. For example, each monitoring station determines the number of staff-hours that will be expended on enforcement monitoring and cruising. The monitoring stations also decide, based on available staffing and travel funds, how much UHF/VHF and microwave mobile monitoring will be performed and the locations for conducting these activities. FOB headquarters' direct input to a station's workload is generally limited to special assignments on a case-by-case basis.

How monitoring activities are prioritized

In an attempt to improve the impact of its monitoring activities, FOB implemented, effective April 1, 1978, a new procedure called "dynamic priorities." This procedure is applicable to the fixed monitoring stations, to each geographic location monitored by the UHF/VHF mobile monitoring vehicles, and to all other field offices which monitor the frequency spectrum for violators of FCC's rules and regulations. Basically the new procedure is designed to establish a fixed number of staff-hours available for enforcement monitoring and to concentrate those hours on the radio services having the highest percentage of signals

found to be in violation of FCC rules. The result would be reduced percentages by enforcement action. FOB noted that the existing system of priorities did not adjust resource allocations to meet changing circumstances and needs.

INSPECTIONS

FOB's inspection programs include onsite review of the overall technical and administrative operation of all classes of broadcasting, land mobile, aviation, marine, microwave, cable television, common carrier, and foreign ship stations. These inspections consist of an examination by FOB technical personnel of the equipment required to be maintained by a particular station. They include measurements of whether the radio equipment is operating according to technical specifications. Inquiry is also made to determine if the station is operating in the manner required to achieve maximum utilization of the radio spectrum.

There are two general types of inspections--detailed and special. Detailed inspections apply to stations in any of the radio services. They are comprehensive and cover all equipment installed and used in connection with a station's operation. Detailed inspections are conducted at any time considered necessary for enforcement purposes by FOB's supervisory personnel. Special inspections also apply to stations in any of the radio services, but the scope is generally limited to particular items. For example, the Broadcast Bureau may request that FOB inspect certain aspects of a radio station's operation on the basis of a complaint from the public.

FOB inspects maritime vessels, both foreign and domestic, to determine if the radio installation on board meets the requirements of U.S. laws and international treaties. Broadcast stations are inspected to ensure that the quality of service to the public is maintained at an acceptable level. Other stations licensed in the common carrier, public safety, and industrial radio services are inspected because frequencies used by these stations are shared and there is potential for interference in the event of equipment malfunction.

To accomplish its inspections program, FOB has developed a priority schedule which is shown in appendix I.

Inspection resources

All of FOB's field offices have the authority to conduct inspections and have the technical personnel and equipment necessary to perform this activity. Additionally, FOB has

four specially--equipped mobile units for the purpose of performing inspections of television/FM/cable television stations.

Ship inspections

Although FCC rules state that all radio facilities are subject to inspection by FCC personnel, the only mandatory inspections are of radio facilities on certain types of ships. The Communications Act of 1934 requires that FCC inspect certain ships at least once a year. Generally, these ships are large passenger and cargo ships which operate in the open sea. The act also requires FCC to inspect ships, which transport more than six passengers for hire in the open sea or U.S. tidewater areas, as often as necessary to ensure compliance with its provisions. FCC regulations call for such inspections to be conducted at least once every 2 years. Ships not covered under these mandatory inspection programs and foreign ships may voluntarily request an inspection.

FOB officials told us that they do not have a system for determining when mandatory inspections are due nor do they know the number of such ships which require inspections. Instead they rely on ships to notify FCC of their schedules and to request that an inspection be conducted while they are docked. Although officials in neither FOB nor the Safety Bureau could be certain that all ships subject to mandatory inspection requirements were inspected as scheduled, they did not consider this a serious problem.

In addition to the inspections required under the Communications Act, FCC is also required by Coast Guard regulations to conduct inspections on specialized radio equipment required for certain vessels by the Vessel Bridge-to-Bridge Radiotelephone Act of 1971. This equipment provides a means whereby the operators on approaching vessels may communicate with each other through voice radio located near their navigation stations.

Other inspections

The remainder of FOB's inspection workload is derived from three basic sources:

- Broadcast station inspections conducted in accordance with an August 1976 agreement between FOB and the Broadcast Bureau.
- Specific requests for inspections from other Bureaus.
- Field-initiated inspections.

Corrective actions

After an inspection, a station may be notified if discrepancies are detected. Some of the notices require the station to respond concerning the corrective action it has taken and/or planned. Followup by the field offices is done by evaluating responses to these notices. FOB's inspections program does not include follow-up inspections.

INVESTIGATIONS

The mission of FOB's investigation programs includes detecting, locating, and initiating action to halt unlicensed or unauthorized stations and activities and resolving radio frequency interference affecting FCC licensees, governmental units, or the public. Its investigative activities involve data-gathering efforts aimed at specific problems, including interference complaints, operation of unlicensed stations, marketing regulations, and citizens radio enforcement.

FOB's investigative workload is determined on a case-by-case basis. An FOB official said that about 80 percent of all investigative cases are initiated within FOB and 20 percent are based on requests from other FCC Bureaus. The priorities established by FOB for initiating investigation activities are shown in appendix I.

Special enforcement facilities

As part of its investigative programs, FOB has established SEFs for the purpose of improving FOB's enforcement activities in the citizens radio service.

Although no formal statement has been developed by FOB, one field official considered SEFs' primary function (1) to make best use of available staffpower and funding for enforcement of FCC rules and regulations in the citizens radio service, and (2) to provide an efficient and viable communications environment to the citizens radio operator as well as to users of other radio and television services.

Presently FOB has five SEFs located at Laurel, Maryland; Powder Springs, Georgia; Detroit, Michigan; Grand Island, Nebraska; and Long Beach, California. We were told that because of the large number of citizens radio users and rule violators, FCC found it to be an overwhelming task to investigate each reported case of citizens radio abuse or interference. Thus, a larger-scale strike enforcement effort, covering a general geographic area is employed by the SEFs to try and maximize the use of enforcement resources.

Powder Springs SEF Unit

The SEF at Powder Springs has eight employees--six electronics engineers, including the supervisor of the SEF; one electronics technician; and one secretary. This unit covers seven States: Florida, Georgia, Alabama, South Carolina, North Carolina, Tennessee, and Virginia. The SEF attempts to conduct 12 strikes each year, one each month. The locations for these strikes are selected according to the number of complaints received about problems with citizens radio users in the area and how long it has been, if ever, since a strike was conducted in the area.

The Powder Springs SEF generally utilizes six men working in teams of two when conducting a strike. When a team arrives at a selected location, they monitor the citizens radio channels. Those frequencies above and below the citizens radio band are also monitored to detect those citizens radio users operating out of their assigned band. As stations in violation are detected, they are located through the use of direction-finding techniques. After the transmitting antenna is located, the monitoring procedure is repeated. Following several days of monitoring, the enforcement team contacts and inspects those CB stations in apparent violation of FCC's rules and regulations.

After the inspection phase of SEF operations are completed, the investigators return to the office at Powder Springs to process the cases.

Effectiveness of SEF's

In 1976 FOB completed a study, discussed on page 26, which showed that the SEFs' enforcement activities produced improved compliance with FCC rules. The study also showed that more frequent strikes would increase the average level of compliance. As a result, in March 1976, the Chief of FOB's Enforcement Division requested that the SEFs routinely employ four men using two cars instead of six men using three cars, when conducting strikes. It was also recommended that the cities employing the smaller teams be visited more frequently. Vehicles and personnel remaining in excess of what is required for the four-man strikes are to be utilized for ministrikes in smaller cities. However, the SEF at Powder Springs continues to utilize six men and three cars and does not routinely make followup visits. The supervisor of the SEF at Powder Springs told us that he believes it is better to provide some enforcement service to more people than to provide the best service to a limited number of people.

When the SEFs were organized, it was planned that each would consist of four two-man teams. However, even though the SEFs have not been staffed with eight enforcement personnel, each of the SEFs have been provided with four specially equipped vehicles. In this regard, an SEF unit which was established in Detroit in the fall of 1977 was provided with four vehicles even though it was not staffed with eight persons.

The SEF at Powder Springs is currently leasing its four vehicles. According to an FOB official, FOB plans to transfer three FCC-owned vehicles from other SEF's to the facility at Powder Springs when the lease on the vehicle expires at the end of fiscal year 1978. This will reduce all but one SEF to three vehicles.

ACTIONS TAKEN AGAINST VIOLATORS

If during the course of its monitoring, inspection, or investigation activities FOB determines that a violation of the Communications Act or FCC rules and regulations has occurred, it may take corrective action against the violator. This corrective action may result in the imposition of any of a number of administrative sanctions, including letters of admonishment, fines, cease and desist orders, or license revocations--depending on the nature of the violation and the circumstances involved.

FOB's Violations Division plays a central role in the administrative sanction process. It is responsible for processing administrative sanctions initiated by the Enforcement Division, referring enforcement cases to the cognizant bureaus, and administering the entire sanctions program for radio operators. In carrying out this responsibility the division, among other duties,

- reviews completed enforcement cases received from the Enforcement Division and prepares referrals to other bureaus for the imposition of sanctions or other appropriate action;
- reviews enforcement actions of field units for quality control and conformance to policy, rules interpretations, and procedural guidelines; and
- maintains central files of field enforcement actions.

Processing administrative sanctions by FOB

The first step in processing administrative sanctions is the issuance of violation notices when violations are detected.

The most commonly used violation notice, FCC Form 793 (Official Notice of Violation), identifies the violation in question and requires the violator to give written confirmation that corrective action has been taken. It also advises the violator that certain willful or repeated violations of FCC rules or failure to respond to the notice may result in the issuance of a monetary forfeiture or license revocation. FCC Form 793-L (Notice of Violation/Notice of Apparent Liability to Monetary Forfeiture) instead of Form 793 may be issued by field units against certain citizens radio violators. This form carries with it a fine for specified citizens radio rule violations which FCC has designated as willful. In less serious or borderline cases, field officials may issue FCC Form 790 (Advisory Notice). This notice describes a condition which if not corrected could become a violation. This notice does not require a response.

FOB enforcement personnel provide the Violations Division with case files containing copies of the violation notices, replies from the violator stating the corrective actions to be taken, and the inspection or investigation reports. The Violation Division reviews and evaluates the enforcement products for quality control and to determine whether the reported violations, when combined with violations previously documented and on file, warrant a sanction and should be referred to an operating bureau with a recommendation for further action.

During fiscal year 1977 FOB field units issued about 20,000 violation notices. Of these the Violations Division recommended 3,113 cases for administrative sanctions. The recommended cases included over 1,400 forfeitures assessed by FOB field units against citizens radio violators and a few cases against people with commercial operators licenses, which are handled within FOB. Violation Division officials said that some of the violation cases are not referred for further action because the station has responded that the problem had been corrected. The number of cases which were not referred for this reason was not available from the Violations Division.

Processing of administrative sanctions by operating bureaus

Of the four operating bureaus we contacted, the Broadcast and Safety and Special Radio Service Bureaus received and processed most of the cases referred from FOB.

Broadcast Bureau

FCC has the statutory responsibility to determine that a grant of a broadcast license is in the public interest. Once a license is granted, FCC may, on finding that the public interest is not being served, (1) revoke the license, (2) deny renewal of the license or renew it for a period of less than 3 years, or (3) levy a fine against the licensee. It may also issue the station a letter of admonishment.

A Broadcast Bureau official told us that when cases are referred to the Bureau from FOB, it reviews them to determine what sanction, if any, is required. We were told that most of the forfeitures were assessed on nontechnical violations documented by the Bureau's own investigative staff rather than on technical violations documented by FCC.

Safety and Special Radio Services Bureau

The procedure used by the Safety Bureau to handle cases referred to it from FOB is similar to that used in the Broadcast Bureau. Cases which are referred are reviewed to determine what action should be taken in the judgement of Bureau officials.

Generally, the fines levied against violators have been low. Under section 510 of the Communications Act--the Bureau's basic authority for assessing fines against violators (other than certain ships covered under title III, parts II and III of the act) before passage of the 1978 amendments--the maximum fine which could be levied for a single willful or repeated violation was \$100, with an overall ceiling of \$500 for all violations.

Title III, parts II and III of the act, specify that each day vessels covered under these sections navigate while in violation of pertinent sections of the act or FCC rules and regulations, it constitutes a separate offense at a forfeiture rate of \$500 per day. According to Safety Bureau officials, the statutory fine of \$500 per day is levied, but the total fine is regulated by not counting all the days the ship was found in violation. In any case, a fine will not be issued for less than \$500 or 1 day. Once the fine has

been issued, the Safety Bureau may then reduce it in accordance with the following general guidelines:

- The fine is reduced to somewhere between \$50 and \$500 on ships traveling the Great Lakes and the Oceans.
- Fines for small-party-fishing and sight-seeing boats are reduced to \$10 on the first offense and \$25 on the second offense.

However, where circumstance warrants it, the Safety Bureau will increase the fine if it considers the violation serious or where there is evidence of bad faith on the part of the ship owner or master.

Bureau officials told us that because of the small size of the forfeitures levied, unpaid forfeitures are not sent to the Department of Justice for collection. In fact, Bureau officials could recall no cases being sent to Justice for collection in the past 10 years (except for a couple of citizens radio cases which were referred directly to a U.S. attorney for collection). Safety Bureau officials said the reluctance of Justice to accept cases involving small forfeitures resulted in closing them as uncollectable.

Effect of new forfeiture authority

The implementation of the new forfeiture and penalty system provided under Public Law 95-234 had not begun at the time of our work. Accordingly, we were unable to assess its impact on the current forfeiture system.

The principal objectives of the amendments are to (1) unify and simplify the forfeiture provisions, (2) enlarge their scope to cover persons subject to the act but not now under the forfeiture provisions, i.e., cable systems, communications equipment manufacturers, and others also subject to FCC regulations who do not hold licenses issued by FCC, and (3) provide for more effective enforcement.

The new amendments deleted section 510 from the Communications Act, consolidating its provisions with those contained in section 503. It also expanded the coverage of FCC's sanction authority against nonbroadcast radio stations. Section 510 had listed 12 categories of rules which, if willfully or repeatedly violated, could subject the violator to a forfeiture. Under the amendments, these categories are eliminated, thus giving all FCC rules "sanction potential" if willfully or repeatedly violated. In addition, the amendments increased the maximum amount of the fines which FCC may issue.

Various FCC officials expressed opinions that the new system is an improvement, particularly in that administrative sanctions can be applied to unlicensed stations and operators. Previously, criminal sanctions processed outside the jurisdiction of FCC were the only effective means for regulating unlicensed stations and operators and required the cooperation of a U.S. attorney. Some officials also believed higher forfeitures may benefit the enforcement program because of the Department of Justice's reluctance in the past to prosecute small uncollectable forfeitures.

Violations Division officials said that since section 510 had been eliminated, it would now be necessary for other bureaus to provide guidance on what cases they wish to receive.

Criminal sanctions

In addition to its administrative sanction program, FOB also employs criminal sanction techniques, primarily in citizens radio matters. This technique basically consists of preparing evidence against serious violators and referring the evidence to U.S. attorneys, who initiate criminal prosecution.

From July 1, 1975, through March 31, 1977, FOB processed 106 criminal cases. Seventy percent (74 cases) were cases where the U.S. attorney requested FCC assistance. The remaining 32 cases were initiated by FCC. Two cases recommended by FCC for prosecution were declined by the U.S. attorney. While most of the 106 cases involved willful violations of FCC rules and regulations, statistics were not available showing the number of cases by radio service. Until the recent change in the law, criminal sanctions were the only effective means for enforcement action available against unlicensed stations and operators.

Generally, criminal cases are initiated when one or more of the following factors are present:

- Administrative sanctions have been tried without success.
- Warnings to terminate the abusive conduct have been unsuccessful.
- The abusive conduct attributable to the subject or the investigation is repetitive and recurrent.
- In the case of obscene or profane language, the profanity is profuse and extends over a period of time.

- In the case of juvenile violators, the parents of the subject have been advised of the problem, but the abusive conduct has continued.
- In the case of false distress signals, the Coast Guard or other appropriate authorities have reacted to the false signal.
- The broadcast involves serious threats of physical harm.

Because criminal sanctions require close contact with the local U.S. attorney, the use of this enforcement procedure varies among field offices. None of the Miami District Office's cases in fiscal year 1977 were processed through criminal proceedings. According to a Miami District Office official, the U.S. attorneys in the Miami area expressed a lack of interest in such cases.

On the other hand, an Atlanta District Office official said that he had gained cooperation from some U.S. attorneys in the Atlanta district. As a result, Atlanta pursued a number of its cases through the use of criminal sanction techniques. For example, we were told that the U.S. attorney of the Nashville, Tennessee, area requested assistance from the Atlanta office in resolving what was felt to be a serious problem concerning the unauthorized use of citizens radio equipment. On the basis of this request, enforcement personnel from the Atlanta District Office conducted eight investigations in the Nashville area which were later pursued through criminal sanction proceedings.

Atlanta District Office personnel believed that pursuing cases through the criminal sanctions method is more effective in gaining compliance with FCC rules and regulations than the administrative procedure. However, no followup is done after the investigation cases are officially closed to determine if this method is more effective in gaining long-term compliance.

REPORTING OF FIELD ACTIVITIES

All field units report to FOB headquarters the activities they performed. They include inspections, investigations, monitoring activities, the number of examinations and licenses issued, and interference complaints received from the public. However, we found that little use is made of some of these reports and that inconsistent reporting practices exist among field units.

Types of reports issued

Field offices and monitoring stations submit quarterly reports to FOB headquarters covering public service and enforcement activities. Specifically, the reports cover

- monitoring activities,
- inspections,
- investigations,
- interference complaints, and
- examinations and issuance of licenses.

During our work we noted inconsistencies in the methods used for collecting and reporting statistical information included in quarterly reports. For example, monitoring stations are required to report certain activities as either a major or a minor case. However, one official told us that FOB has not provided a clear-cut definition of major or minor cases and that each monitoring station may not be reporting minor cases consistently. He said that he includes all complaints about interference, illegal operations, and questions about licenses as minor cases even though no further action is taken on some of these complaints. Other monitoring stations may only be including those cases which involve some action to resolve the problem.

In addition to the quarterly reports, specific reports are also prepared as certain field activities are completed. These include inspection reports, investigation reports, and spectrum utilization reports.

We found, however, that in some cases little use is made of the information contained in these reports. For example, FOB officials told us that the inspection reports covering licensees other than ships are routinely filed by the Violations Division and are not presently used by anyone unless a Bureau requests the report or the Division forwards the report to an operating Bureau for sanctions. We were also told that microwave spectrum utilization reports are unused and remain in the Violations Division. In this regard a Safety Bureau official told us that spectrum utilization reports on microwave facilities would be useful to determine if stations are using the bandwidth which they have been assigned.

In addition to the reports prepared in the field, Violations Division officials said that they compile a monthly

list showing the number of violation notices issued by FCC rule number. They said that this list is retained in the Division and little use is made of it.

Efforts to improve the system

In January 1978 a draft report was issued by FOE's Inspections Branch pointing out some of the shortcomings in its present system for collecting statistics and recommending an alternative approach. As of July 31, 1978, we were told that the matter was still being considered but that no changes had been made.

EVALUATION OF ENFORCEMENT ACTIVITIES

Within FOE the Office of the Bureau Chief has the basic responsibility for evaluating the effectiveness of its field enforcement programs. In addition, other units within FCC also have evaluation functions which could encompass enforcement effectiveness.

FOE's evaluation functions

The Office of the Bureau Chief, FOE, has been assigned a variety of functions relating to program development and evaluation. Among these functions are

- developing overall policies, programs, objectives, and priorities for all Bureau programs and activities;
- ensuring that the Bureau's programs are consistent with FCC policies;
- reviewing program performance, accomplishments and effectiveness and recommending changes in policies, programs, objectives, and priorities;
- analyzing short- and long-term technical developments and the impact that predicted growth of existing and new telecommunications services will have on the Bureau's mission and workload in consultation with other FCC bureaus and offices;
- developing and evaluating (through such techniques as cost-benefit analysis) alternative field enforcement techniques and organizations in consultation with the divisions of the Bureau; and
- recommending changes in present enforcement techniques and organizations which will maximize mission accomplishment under alternative resource allocations.

To help carry out these functions, in 1974 a Program Development and Evaluation Staff was established within FOB. The individual who heads the staff is responsible for

- developing and maintaining systems to determine the quality of major Bureau services;
- using rigorous methods of scientific inquiry to analyze the productivity of various Bureau installations;
- conducting complex analytical studies to determine the most efficient and effective methods of performing the Bureau's engineering, enforcement, and public service functions;
- evaluating field enforcement procedures, techniques, and organization and recommending and developing alternative procedures and methods which will result in more effective enforcement and overall Bureau operation; and
- performing an intensive evaluation of all Bureau programs, policies, and objectives.

The Program Development and Evaluation staff is presently composed of four members, including support staff.

The activities of the staff relating to program evaluation have been limited. Since 1976 it has issued three reports. Two of the reports are related to citizens radio enforcement. They are entitled "Enforcing Citizens Radio Regulations: Conventional Enforcement Techniques," dated April 1976 and "Cost Effectiveness of Alternative Compliance Techniques for the Citizens Radio Service," dated May 1977. These two reports represent the first part of a three-phase study of citizens radio enforcement designed to identify the relationships between (1) alternative enforcement techniques and rule compliance, (2) rule compliance and communications quality, and (3) communications quality and public benefit.

We were told by FOB officials that no work is currently underway on the next phase of the study because of priority emphasis on a review of FOB's activity reporting system.

The third report entitled "The Extent and Nature of Television Reception Difficulties Associated with CB [citizens] Radio Transmission," dated July 1977, describes the various factors contributing to citizens radio-television interference complaints.

Evaluation function of other FCC units

FCC's Office of Plans and Policy and Office of the Executive Director, while involved in the development and implementation of policy considerations for FCC's Commissioners, have done little to evaluate FOB's enforcement effectiveness.

Office of Plans and Policy

FCC's Office of Plans and Policy assists, advises, and makes recommendations to FCC on the development and implementation of communications policies in all areas of FCC authority and responsibility. A primary function of the office is to conduct independent policy analyses to assess the long-term effects of alternative FCC policies on domestic and international communications industries and services. This includes considering the responsibilities and programs of other staff units.

An official of the office told us that the office was not, however, responsible for evaluating the effectiveness of FCC's programs. He said it was somewhat unclear to him where such authority lies within FCC, but that he believed it to be the responsibility of the Office of the Executive Director. He added that no effort has been made to take a comprehensive look at enforcement problems, but that his office is currently involved in two studies which relate to enforcement activities.

One study was designed to evaluate possible changes in the personal radio services administered by FCC. A Personal Radio Planning Group, consisting of representatives from three FCC bureaus and offices, was attached to the Office of Plans and Policy to evaluate possible alternatives to the existing personal radio services. These alternatives were to be evaluated in terms of a number of factors including the cost effectiveness of compliance and administrative procedures. The group completed a draft report in March 1978 and issued a final report in late May 1978.

The second study, just underway as of April 1978, is designed to analyze tradeoffs among field inspection, licensing, transmitting system operation regulations, equipment design regulation, and noncompliance sanctions in the broadcast service. The study noted that while each of these programs has a common objective--to maximize efficient use of the radio spectrum in the public interest--the policies and procedures in each area have evolved fairly independently over time and have been affected by changes in the industry.

Thus, it was important for FCC to determine if the current programs comprise the optimum combination of effort.

Office of the Executive Director

The Office of the Executive Director provides managerial leadership and support for all activities within FCC. One of the major functions of the office is to review, with FCC's Commissioners and heads of bureaus and offices, FCC's programs and procedures and make recommendations as may be necessary to administer the Communications Act most effectively in the public interest. However, no specific organizational entity exists within the office to carry out this function.

While one division within the office is charged with conducting comprehensive management surveys, studies, and audits of FCC systems and procedures, these studies have generally been directed toward improving organizational efficiency.

Other review efforts

In April 1976 FCC adopted a formal program review system to analyze its programs to ensure that they were maximizing FCC's regulatory efforts from a cost-benefit perspective.

Specifically, the program's objectives were to determine how best to accomplish FCC's regulatory mission with

- minimum intervention in the marketplace,
- least burden on the public,
- dispatch, and
- maximum effectiveness.

The objectives were to be accomplished by critically examining both existing and proposed FCC programs. For each program study approved by FCC under the system, an appropriate ad hoc team composed of FCC staff and outside consultants are to be organized to carry it out.

An initial study was set up under the program to provide information on the range of citizens radio authorization options available to FCC, including their costs and consequences. This study, completed in December 1976, has been the only one conducted under the program.

CHAPTER 4

PUBLIC SERVICE ACTIVITIES

FOB's public service activities are carried out by employees in 28 offices located throughout the United States. These activities include such things as

- conducting radio operator examinations and issuing operator licenses,
- assisting individuals in applying for station licenses,
- providing information to the public, and
- answering complaints on communications matters.

FOB's public service activities also include specifying antenna marking and lighting requirements.

THE REGIONAL SERVICES DIVISION

The activities of FOB's public services offices are directed, coordinated, and controlled by its Regional Services Division in Washington, D.C. The Division is responsible for making recommendations concerning FOP's public service policies, programs, objectives, priorities, and resource allocations; recommending legislation or rule revisions to facilitate its public service activities, and developing operational plans to carry out these activities. Specifically, it is responsible for

- developing and implementing procedures to satisfy the information needs of the public,
- identifying materials and applications needed by the public and insuring that such materials are available for distribution, and
- developing procedures for channeling inquiries and complaints to appropriate offices if they cannot be satisfied at the regional level.

For fiscal year 1977 the activity reports (estimates of time spent on various FCC activities) from the Atlanta and Miami district offices showed they spent 57.2 percent and 51.8 percent, respectively, of available staff-years on public service functions as compared to 48.5 percent for all FCC districts. According to District Office representatives, most of the above time was spent on license processing and

answering complaints about interference to home electronic entertainment equipment (radios, television, tape recorders, etc.).

INCREASED DEMANDS FROM THE PUBLIC

In recent years the demands placed on FOB's public service activities have increased greatly. Since 1973 the number of applications processed annually by FOB has risen from about 330,000 to over 600,000 in fiscal year 1977, and is expected to increase to about 800,000 by 1979. Likewise, the number of complaints and inquiries received from the public reached over 2 million in fiscal year 1977 and is expected to reach close to 3 million by fiscal year 1979.

FCC has attributed these increased demands on its public service activity to increased public awareness of radio communications and an increasing technical sophistication within the entire population.

Efforts to meet the demands

To meet these additional demands FOB has taken several actions. These include revising certain examination procedures and installing answering devices in certain field offices to provide routine or "oft asked for" information. In addition, FOB plans to establish a centralized, automated licensing system.

In addition to these efforts, an FOB official told us that FOB had begun a study of complaints received which was designed to improve FOB's service to the public. The study was to include an analysis of the number and types of complaints FOB received and the methods by which they were handled. We were told, however, that this study was postponed in early 1977 because of other priorities.

Home electronic entertainment interference complaints

During recent years the number of complaints received by FCC involving interference to home electronic entertainment equipment has increased dramatically. This increase is directly related to

- the rapid growth of the citizens radio service,
- the technology used in electronic devices, and
- the growing use of consumer electronics.

It is estimated, for example, that during fiscal year 1979, between 3 and 21 million persons will receive interference to their television reception associated with citizens radio use.

In July 1977 FOB completed a report dealing with this problem entitled "The Extent and Nature of Television Reception Difficulties Associated with CB [citizens] Radio Transmissions." The report describes the various factors contributing to citizens radio-television interference complaints with an aim toward improving complaint handling procedures and eventually eliminating the fundamental causes of the complaints. The study concluded that approximately 55 percent of citizens radio-television interference complaints were partially attributable to inadequate transmitter harmonic suppression and that existing requirements were insufficient to prevent all cases of this type of interference. It further concluded that the use of filters in citizens radio stations and television receivers would resolve approximately 40 percent of all citizens radio-television interference and improve an additional 30 percent.

An FOB official told us that although the report concluded that existing harmonic suppression requirements are inadequate, they remain in effect.

In fall 1977 FOB also implemented a new system for handling home electronic entertainment equipment complaints. The program's short-term goal is to have the public service staff process the routine interference complaints with an overall goal of removing enforcement personnel from complaint processing work. Basically, the new procedure instructs field office personnel to send complainants an FCC brochure entitled "How to Identify and Resolve Radio-TV Interference Problems" when an initial home electronic entertainment equipment complaint is received. If a second complaint is received, FCC nontechnical staff review it to see what action the complainant has taken and attempt to identify the specific problem involved. If the source of the complaint is a citizens radio transmission and the complainant has taken the recommended action to no avail, FCC will require the citizens radio operator to install a filter in his transmitter. If the problem persists, the case is referred to enforcement personnel for additional action.

CHAPTER 5

INTERACTION BETWEEN FOB AND FCC'S

FOUR OTHER OPERATING BUREAUS

The Broadcast, Common Carrier, Cable Television, and Safety and Special Service Radio Bureaus are FCC's backbone for developing and implementing a regulatory policy. Their functions in such areas as processing license applications, considering complaints, and initiating and participating in changes to regulatory policies and rules can have a direct impact on how FOB assigns priorities to enforcement functions. This impact, through interaction between FOB and the four bureaus, can prove to be a positive force in integrating FOB's enforcement program into the regulatory structure.

HOW PRIORITIES ARE SET FOR ENFORCEMENT FUNCTIONS

Each of the four operating bureaus within FCC must interact with FOB in providing input and obtaining feedback relating to the technical operating characteristics of the licensee. The lack of a systematic method to assign priorities to the needs and requests of the four operating bureaus for enforcement action has limited the impact by these bureaus in FOB's enforcement programs. It is reflected in FOB's (1) methodology in obtaining user compliance and (2) procedures for referring violation notices to the four operating bureaus.

User compliance

FOB, in enforcing FCC's rules and regulations, relies on monitoring, inspections, and investigations of licensee operations. In carrying out these actions, however, FOB has neither sought nor obtained adequate input from the four operating bureaus as to their priority of needs or their views on techniques for implementing enforcement actions.

Broadcast Bureau

In August 1976 an agreement was reached between FOB and the Broadcast Bureau in which FOB would annually inspect 500 broadcast stations for use in the Broadcast Bureau's consideration of applications for a license renewal or transfer. According to Broadcast Bureau officials, the list of the stations to be inspected consists of broadcast stations considered highly susceptible to having technical problems and broadcast stations which historically have had technical operating problems.

In this regard the Atlanta District Office has been requested to perform 219 broadcast station inspections in connection with license renewals, and the Miami District Office has been requested to inspect 84 broadcast stations. Officials at both district offices stated that keeping abreast of higher priority activities and attempting to complete these inspections would not leave time for any other types of inspections or enforcement activities.

While our work was ongoing, FOB's Enforcement Division directed all district offices to set priorities among the broadcast stations on their lists and develop a schedule for conducting these inspections, starting with those stations considered to have problems complying with FCC rules. A copy of this list will be sent to FOB and then reviewed with the Broadcast Bureau to determine if conducting inspections by the assigned priorities meets the Broadcast Bureau's needs.

The Broadcast Bureau may also forward requests for inspections of specific broadcast stations to FOB on a case-by-case basis. Broadcast Bureau officials noted that these requests are usually based on complaints from the public or the Bureau's desire for newly constructed stations to be inspected. The Bureau maintains its own investigative staff at FCC headquarters in Washington, D.C., to conduct investigations of nontechnical problems and complaints.

Other broadcast station inspections are conducted by FOB's frequency modulation/television/cable television mobile units on a random basis. The engineer assigned to the Powder Springs, Georgia, unit said that he conducted his activities by moving from State to State within his 10-State area of coverage. He noted that he inspected all television stations in each State and, while in the area, took off-the-air measurements of some frequency modulation signals.

Broadcast Bureau officials were unable to identify any specific procedures by which the Broadcast Bureau sets priorities among (1) the enforcement action it requests or (2) the types of enforcement actions needed to gain compliance. According to Bureau officials, FOB is responsible for conducting those programs which it deems necessary to assure compliance with FCC's rules and regulations. As such, these officials stated that the Broadcast Bureau should not tell, and may not in fact have the authority to tell, FOB how to carry out its enforcement functions.

Cable Television Bureau

Officials in the Cable Television Bureau indicated that they have little contact with FOB and that few requests are

made by the Bureau for enforcement action. They noted that the Bureau has not prepared a workplan for FOB which would outline the Bureau's areas of concern for enforcement action. In this regard the Bureau was not aware of an ongoing FOB program for each frequency modulation/television/cable television unit to inspect at least six cable systems annually. According to FOB officials, information obtained during these inspections was not forwarded to the Cable Bureau, but rather the inspections were scheduled and used as a training exercise to maintain an awareness of cable system's technical operations. The Powder Springs, Georgia, Office completed only one cable television inspection during fiscal year 1977. According to a Powder Springs official, taking technical measurements of cable television systems was time consuming, and to carry out the television station inspections there was not enough time to include six cable television systems.

Common Carrier Bureau

We were told that the Common Carrier Bureau has little contact with FOB. In this regard it has not prepared a workplan detailing its most urgent needs and does not routinely request FOB's assistance. One Bureau official told us that because common carriers offer communications services for hire, it was in their own interest to avoid technical problems, thus reducing the need for FOB action. Another Bureau official stated, however, that he would like FOB to do more routine and periodic inspections of base stations in the domestic public land mobile services. He noted that in making requests of FOB for action in this area, he considers FOB's resources to perform the inspections.

In addition, the Bureau had told FOB in June 1977 that field monitoring stations were issuing violation notices on mobile subscriber units for off-frequency operation or failure to identify their call letters. One Bureau official stated that while such operations by mobile subscribers were clear violations of the rules, the enforcement efforts were far out of proportion to the public benefits of such enforcement. The official noted that failure of a mobile unit to identify its call letters did not appear to affect service to the public or cause a problem to anyone except FCC's monitoring teams. In this regard, however, FOB officials noted that they planned to strengthen their monitoring capabilities in this area through purchases of additional equipment to better identify mobile subscriber units in violation.

Safety and Special Radio Services Bureau

The Safety and Special Radio Services Bureau is responsible for the FCC's largest and most diverse citizens radio group--police, fire, aviation, marine--of licensees. The Bureau forwards requests to FOB on the basis of complaints it has received or because it needs technical data on an application for a new or renewal license application. Contacts between FOB and the Bureau are usually on a case-by-case basis and are usually informal. Bureau officials stated that they have limited their requests for FOB to conduct inspections because they realize that FOB's resources are limited. These officials felt that they could make greater use of FOB's services if time were available. The Bureau has not, however, prepared a work plan for FOB's consideration which lists areas the Bureau considers of major significance.

Safety Bureau officials have nevertheless questioned the methods which FOB uses to obtain compliance in the safety and special radio services. These officials stated that they believe FOB has established no comprehensive FCC enforcement programs except in the citizens radio service. They also disagreed with the procedures which FOB uses in citizens radio enforcement. Safety Bureau officials believe that a selective enforcement program would be of greater value than FOB's current "blanket" approach. These officials noted that the citizens radio enforcement program should concentrate on serious violators by instituting a followup program of prosecution in the Federal courts if an unlicensed operation continues after the license has been revoked. They stated that such a system has never been tried by FOB.

They further questioned FOB's use of criminal sanction procedures since their success depends on the willingness of U.S. attorneys to participate. They felt that education and revocation are better methods of enforcement than criminal sanctions. In this regard the Bureau disagreed with FOB's study on alternative enforcement techniques for the citizens radio service which showed education as the least cost-effective technique. This study is discussed on page 26 of this report. They stated that they were not consulted by FOB during the study, nor was the study coordinated with them. They added that they were not even told by FOB to expect a decrease in the number of cases referred to them while FOB citizens radio enforcement teams were involved in the study.

These officials further noted that FOB had developed an educational audio-visual program for citizens radio users, but had not discussed its development with the Safety Bureau. They said they believed that education is a valuable tool in

enforcement, but that the audio-visual program developed by FOB contained inaccuracies. They told us that FOB has continued to present the program over the Safety Bureau's objections.

VIOLATION REFERRALS

The basic criterion used by FOB for referring most cases to other bureaus for sanction is whether the violation is a willful or repeated violation of the Communications Act or of FCC rules or regulations. Although FOB's Violations Division has been given some informal guidance from the Broadcast Bureau and the Safety and Special Radio Services Bureau on which cases to refer, generally the Violations Division has to rely on its own subjective reasoning.

Violations Division officials told us that they have gotten little input or feedback from other bureaus on which rules they feel do or do not warrant sanctions and, thus, should be referred. They did note, however, that the violation of a few citizens radio rules and several maritime rules have been designated as willful. Otherwise, they said willful violations have not been defined to them. For this reason they said they are not certain that all cases which merit sanction actions under the "willful" criteria are being referred to operating bureaus.

Violations Division officials also told us that none of the bureaus have a written definition of "repeated." Two bureaus have given them oral definitions; however, the definitions are different.

The process for referring cases from FOB to other bureaus does not represent a coordinated effort in establishing criteria for repeated or willful violations and thus, neither FOB nor the operating bureaus can be assured that referrals are being made which effectuate a regulatory enforcement program.

Broadcast Bureau

In a letter to FOB dated October 31, 1974, the Broadcast Bureau outlined those instances where it wanted to receive a case. These include instances in which

- repeated or willful violations have occurred,
- corrective action by the licensee is in doubt,
- FOB disagrees with the licensee's reply to a violation notice,

- interpretation or clarification of a possible rule violation is needed,
- inspection or monitoring requests by the Broadcast Bureau are completed, or
- FOB determines the matter should be referred.

The memo did not further describe the types of willful violations which the Bureau would like referred. According to Bureau officials, although no documentation exists as to what constitutes a willful violation, FOB knows the kinds of violations on which the Bureau will take further enforcement action. These officials went on to say, however, that if something is important enough to be included as a rule or regulation it should be enforced. If it is not important enough to be enforced, it should not be a rule or regulation.

Cable Television Bureau

Until the Communications Act was recently amended by Public Law 95-234, FOB had little enforcement authority over the estimated 7,900 cable television systems. Because cable systems were not considered licensees, FCC could not assess fines on violations of its rules. The only actions available were letters of violation and revocation of the system's certificate of compliance.

Public Law 95-234 provides FCC the authority to assess fines against all cable television systems which are found in violation of administrative, operational, or technical rules and regulations. Officials of the Bureau stated that their demands on FOB could increase under the new provisions of the law.

Common Carrier Bureau

The Common Carrier Bureau does not receive inspection reports, spectrum utilization reports, or notices of violation issued by FOB against licensees unless the Bureau has specifically requested them or unless FOB's Violation Division has decided that the violation warrants further action. According to Common Carrier Bureau officials, little contact is made with FOB and no attempt has been made to establish criteria from which FOB can assess the needs of the Bureau based on the type or quantity of violations noted from field enforcement action. In this regard, one Common Carrier Bureau official stated that he wondered what criteria FOB used for referring cases to the Bureau.

Safety and Special Radio Services Bureau

The Safety Bureau has the regulatory responsibility for about 14.8 million of FCC's 19.2 million licensees. The largest segment, citizens radio licensees, account for 13.4 million of the 14.8 million licensees.

In 1975 FCC granted FOB the authority to issue monetary forfeitures directly against violators of certain citizens radio rules without referring a violation notice to the Safety Bureau. Safety Bureau officials stated that they believed that revoking a license was a more effective enforcement action against serious violators as opposed to monetary forfeitures, in achieving compliance with its rules and regulations. These officials noted, however, that their Bureau will not take any action to revoke a license if a monetary forfeiture has been assessed by FOB. In addition, Safety officials said that they would prefer to receive copies of all violation notices--not just those sent forward by FOB's Violation Division, including citizens radio, and then decide on the appropriate action to be taken.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

Growth and change have occurred in telecommunications in recent years. New services have developed, the number of FCC licensees has dramatically increased, and a greater public use and awareness of the radio spectrum have occurred. This has, in turn, placed demands on FCC to develop effective means for enforcing its regulations and responding to public inquiries.

While FCC's FOB has the responsibility of (1) enforcing the provisions of the Communications Act of 1934 and FCC's rules and regulations and (2) serving as a liason between FCC and the public, these activities can be strengthened and a greater integration of FOB's activities into FCC's regulatory structure can be achieved by

- improving the coordination between FOB and FCC's other bureaus;
- developing improved methods for assessing the effectiveness of FOB's enforcement functions;
- reevaluating the monitoring goals established by FCC in 1973;
- establishing a system of internal control to insure that equipment obtained for field use is effectively utilized and that resources exist to place it in service;
- strengthening FOB's role in obtaining, analyzing, and reporting information available to it from complaints and inquiries received and enforcement actions taken.

COORDINATION BETWEEN FOB AND THE OTHER OPERATING BUREAUS

The Broadcast, Common Carrier, Cable Television, and Safety and Special Services Radio Bureaus within FCC must interact with FOB in providing input and obtaining feedback relating to the technical operating characteristics of the licensee. The lack of a coordinated and systematic method between FOB and the operating bureaus to set priorities among their needs for enforcement action has resulted in a piecemeal enforcement policy approach. It is reflected in FOB's (1) methodology in obtaining user compliance and (2) procedures for referring violation notices to the four operating bureaus.

FOB has neither sought nor obtained a work plan or other specific input from the four operating bureaus as to their priority of needs and has relied largely on its own subjective reasoning when referring violation cases to the four bureaus.

- Broadcast Bureau officials did not think that they should be telling FOB how to carry out its functions and that FOB generally knows the type of violations the Broadcast Bureau should receive for further action.
- Common Carrier Bureau officials noted that their bureau does not routinely request assistance from FOB. They were also unaware of the criteria used to forward violations to their bureau for action. Yet these officials noted that they would like more FOB inspections of some facilities.
- Cable Bureau officials stated that they have little contact with FOB and that few requests are made for enforcement action. In this regard they noted that their demands on FOB could increase under the new provisions of Public Law 95-234. They were not aware of an ongoing FOB program to annually inspect cable systems.
- Safety and Special Services Radio Bureau officials have questioned the methods FOB uses to obtain compliance with rules and regulations, particularly as they relate to citizens radio enforcement. They also stated that their bureau would like to receive copies of all violation notices, not just those sent forward by FOB's Violation Division.

Given these circumstances, we concluded that an effective FCC enforcement program cannot be maintained without a more cohesive integration of FOB enforcement actions into FCC's regulatory structure.

To accomplish this, improved methods are needed for providing input from other bureaus into FOB's enforcement activities and for referring violations back to the bureaus for corrective action.

We believe that the establishment of a coordinated mechanism for providing input from other bureaus into FOB's enforcement activities would be of great benefit. Such a mechanism would require each bureau to identify and prioritize its greatest needs for enforcement action. These needs

could then be coordinated among the bureaus and then enforcement activities could be planned which would best meet FCC's needs.

We recognize that not all FOB enforcement activities can be planned in this manner and that situations can arise which would result in deviation from them. Nevertheless, the mechanism would serve a number of purposes, including

- ensuring that enforcement activities are directed at areas of greatest concern;
- providing other bureaus information which they need to conduct their regulatory activities;
- furnishing other FCC bureaus reasonable expectations of what FOB will accomplish for them; and
- establishing an arena in which enforcement goals and methods can be discussed and evaluated, thus reducing disagreement between bureaus.

Similarly, we believe that improved methods for handling the referrals of violations are needed. Because willful violations are not specifically defined, there is no assurance that all cases warranting sanction action are being referred and acted on. Thus, we believe more definitive criteria or other alternative means of referring willful violations cases are needed. One such alternative means for improving the referral of violations would be to refer all violation notices directly to the operating bureaus for their consideration. This would not only ensure that the bureau responsible for initiating sanctions is receiving all cases warranting such action, it would afford them a better opportunity to observe trends in violations, note areas which merit special attention, and determine the need for changes in rules and regulations or in enforcement procedures.

RECOMMENDATION TO THE CHAIRMAN, FCC

We recommend that the Chairman, FCC, establish a mechanism for setting priorities among FOB's enforcement functions and coordinating them with the regulatory programs of FCC's Broadcast, Common Carrier, Cable Television, and Safety and Special Service Radio Bureaus.

EVALUATING THE EFFECTIVENESS OF ENFORCEMENT ACTIONS

A mechanism for evaluating the usefulness of Government programs is an important tool in improving the efficiency

and effectiveness of an agency's operations. Information provided through program evaluation can be used to reduce cost, establish priorities, increase efficiency, and modify or eliminate unproductive or ineffective programs.

The review and evaluation of programs and the analysis of alternatives are critically important to effective management in agencies. An agency with the capacity to assess the impact of its programs and to examine alternative courses of action is much more likely to pursue its program goals effectively.

A system for evaluating regulatory effectiveness should be a central part of FCC's actions in attempting to ensure maximum use of the radio frequency spectrum and to provide optimum service to the public. Regarding FOB's activities it could provide information on such factors as

- the efficiency and productivity of various field units in FCC,
- the resources needed to accomplish specified goals,
- the effectiveness of alternative procedures and techniques for obtaining user compliance with FCC rules and regulations, and
- the impact of new services and technological change on field activities.

During our discussions with FCC officials, however, we were told that few studies have been conducted relating to enforcement activities. In this regard FCC's Office of Plans and Policy and Office of the Executive Director, while involved in the development and implementation of policy for FCC's Commissioners, have done little to evaluate FCC's enforcement actions. Those studies which have been conducted deal mainly with the Citizens Radio Service.

As a result, responsibility for assigning personnel, using resources, measuring productivity, evaluating procedures, and determining the need for changes has been left to FOB. For example, we noted that Atlanta District Office personnel pursued cases through the criminal sanctions method because they believed that it is more effective in gaining compliance with FCC's rules and regulations than the administrative procedure. However, no followup is done after the investigation cases are officially closed to determine if this method is more effective in gaining long-term compliance. Likewise, the Special Enforcement Facilities unit at Powder Springs, Georgia, uses six men and three cars

on citizens radio strikes based on the belief that it is better to provide some enforcement service to more people than to provide the best service to a limited number of people.

While we recognize that the judgements of FOB officials are valuable and should be given considerable weight, we believe that the establishment of an evaluation program within FCC to assess the effectiveness and impact of FOB's enforcement activities could support and strengthen these judgements. Such a program would also be useful for

--coordinating the activities of other units within FCC as they relate to enforcement activities and

--resolving disagreements between FOB and other operating bureaus regarding enforcement methods.

RECOMMENDATION TO THE CHAIRMAN, FCC

We recommend that the Chairman, FCC develop an evaluation program to assess the effectiveness of FOB's activities to ensure that its efforts are providing (1) maximum use of the radio spectrum and (2) optimum access and service to the public.

REEVALUATING MONITORING GOALS

In 1972 FCC contracted with the Georgia Institute of Technology to conduct a study which would be used by FCC in evaluating and developing a comprehensive monitoring system to carry out its enforcement and regulatory responsibilities most effectively.

The study recommended three alternative system configurations which FCC could pursue based on its likely budget support. Of these, FCC adopted in 1973 the highest or "adequate" level as its monitoring goal. The "adequate" level called for FCC to have 54 UHF/VHF mobile monitoring units and 12 mobile microwave units in operation by 1983.

Although we have not evaluated the merits of the Georgia Tech. study nor FCC's decision to select the "adequate" level as the goal for its monitoring activities, it appears highly unlikely to us that FCC will reach its goal for increased mobile monitoring by 1983. At present only 18 UHF/VHF vans and 6 microwave units are in operation. The situation represents no change from that which existed in 1972.

In light of this situation, we believe that the goals adopted for FCC's monitoring activities should be reevaluated

along with the actions taken to implement them. From this FCC should be able to determine whether its goals should be readjusted or the methods for implementing them improved to ensure that its monitoring efforts are being conducted most effectively.

RECOMMENDATION TO THE CHAIRMAN, FCC

We recommend the Chairman, FCC, reevaluate the goals adopted by FCC in 1973 to achieve an adequate monitoring system, FOB's efforts to meet these goals, and how these actions have affected FCC's monitoring activities.

ESTABLISHING A SYSTEM OF INTERNAL CONTROL

In its attempts to meet the goals adopted by FCC for its monitoring activities, FOB procured equipment which it has not fully used. During fiscal years 1974 and 1975, FOB purchased 13 extended roof vehicles to increase its mobile monitoring activities. The vans have not, however, increased FOB monitoring capabilities. Rather, seven vans have been used as replacement vehicles, and the other six still remain either unequipped or only partially equipped.

Similarly, in conducting its CB enforcement activities, FOB has provided each of its SEF units with vehicles which do not appear to be needed. Normally, when conducting their enforcement activities SEF units work in two-man teams. However, even though SEF units have not been provided with eight enforcement personnel (four two-man teams), they have been provided with four specially equipped vehicles. FOB officials told us that they plan to reduce the number of vehicles in all but one SEF unit to three when the lease on the vehicles at the Powder Springs, Georgia, SEF expires.

We believe that in procuring equipment to conduct enforcement activities care should be taken to ensure that resources are available to fully utilize them. By establishing an effective system of internal control to coordinate the procurement of resources and equipment, FCC can make certain that their use will be maximized and the effectiveness of FOB's activities thereby increased.

RECOMMENDATION TO THE CHAIRMAN, FCC

We recommend that the Chairman, FCC, establish a system of internal control to ensure that equipment obtained for field use is effectively utilized and that adequate resources are available to place it in service within a reasonable timeframe after purchase.

OBTAINING, ANALYZING, AND REPORTING INFORMATION

To ensure that its regulatory efforts are achieving the "public interest" standards set forth in the Communications Act of 1934, FCC must rely heavily on input and feedback received from both its licensees and the general public. FOB, with its offices located throughout the United States, can provide FCC with an effective tool for obtaining this input, in the form of (1) complaints and inquiries received from the public and (2) information obtained during enforcement activities.

The receipt of complaints and inquiries may be FCC's most direct source available for obtaining information from the public on its problems and needs. This information is important to alert FCC of rule violations or to inform it of the need for specific actions. It may also be a valuable means for providing public input into policy decisions.

During recent years FCC has been faced with an ever-increasing volume of complaints and inquiries. To deal with this FCC has developed new techniques which have generally focused on providing more efficient responses to individual complaints and inquiries rather than determining their causes. We were told that FOB had begun a study which would attempt to analyze the types of complaints it receives; however, this study has been postponed.

Information obtained through enforcement activities can also serve as an important instrument for FCC to

- evaluate the effect of rules and regulations on the licensee and the public and
- determine the need for revising rules, regulations, and policies.

We found, however, that little use is made of some reports prepared by FOB and that inconsistent reporting practices exist. For example, information obtained during inspections and monitoring activities, such as those conducted by mobile microwave units, is now routinely filed away and not referred to the operating bureaus. In addition, FOB officials told us that while they prepare a monthly list showing the number of violations of FCC rules and regulations, little use is made of this list.

In our opinion an effective system for (1) observing patterns in complaints and inquiries and (2) accumulating and analyzing information available for enforcement actions could

provide FCC with a more comprehensive base from which to allocate resources, designate priorities, revise rules and regulations, and alter policy direction.

In January 1978 FOB issued a draft report which noted shortcomings in its current data collection system and recommended an alternative approach. We believe that this can represent a positive step toward developing a system which will collect, analyze, and report data for use throughout FCC. To be fully effective, however, this system will require the support and participation of the other operating bureaus in FCC.

RECOMMENDATION TO THE CHAIRMAN, FCC

We recommend that the Chairman, FCC, strengthen FOB's role in obtaining, analyzing, and reporting to the operating bureaus, information available to it from (1) complaints and inquiries received and (2) enforcement actions to provide more accurate and timely feedback on regulatory concerns to the public, the licensee, and the FCC.

OBSERVATIONS ON OTHER FCC ACTIVITIES AFFECTING FOB

We have provided below our observations on two areas which FCC may want to consider further--actions taken regarding ship radio violations and the regionalization of its field activities.

Actions taken regarding ship radio violations

Title III, parts II and III of the Communications Act, specifies that certain types of vessels be periodically inspected by FCC. It also requires that a fine be levied of \$500 for each day the vessel sails in violation of pertinent sections of the act, and rules made pursuant to the act.

Part II requires an annual inspection on certain ships--generally large cargo and passenger vessels which operate in the open sea. Part III of the act requires that FCC inspect ships which transport more than six passengers for hire in the open sea or U.S. tidewater areas as often as necessary to ensure compliance with its provisions. FCC regulations specify that such inspections be conducted biannually.

FOB officials told us, however, that they neither have a system for knowing when mandatory inspections are due nor know the number of such ships which require inspections.

Rather, they rely on the ship to notify FCC of its schedule and to request that an inspection be completed while docked.

Title III, parts II and III, also specifies that each day that vessels covered under these parts navigate or attempt to navigate while in violation of pertinent sections of the act or FCC rules constitutes a separate offense at a forfeiture rate of \$500 per day. The statutory fine is levied; however, the total amount is regulated by not counting all the days the ship is in violation and by reducing the fines to nominal amounts in accordance with guidelines approved by FCC.

The action now taken by FCC in assessing fines for ship violations appears to be a paperwork process to ensure technical compliance with the provisions of the Communications Act. FCC, by regulating the number of days a ship is considered in violation, has determined that some latitude exists in the Communication Act regarding the enforcement program for ships. Such latitude may exist. However, given the specific statutory language dealing with enforcement actions against ships, FCC may want to seek additional congressional guidance concerning its enforcement program for ship violations.

Regionalization of field activities

In 1974 FCC approved a realignment of FOB's field structure to improve operating efficiency and effectiveness, strengthen its line of communications with field offices, and assure effective enforcement of FCC rules and regulations and fullest use of allocated resources. On January 1, 1978, FCC completed its realignment by establishing the final three of six regional offices.

We believe that regionalization should provide FCC with a more unified approach for implementing its regulatory programs. We have noted, however, that FOB headquarters still remains the point of contact for many of the field office's activities. For example, FOB headquarters forwards workload requirements directly to field offices.

Confusion may exist among the regional directors, field office supervisors, and FOB headquarters personnel as to the methods used and resources allocated for enforcement and public service activities when workload requirements continue to be forwarded directly to each field unit with primary control apparently remaining at headquarters.

FOB PRIORITIES OF WORK

	<u>Public service</u>	<u>Investigations</u>	<u>Inspections</u>	<u>Monitoring</u>
Priority I:	Scheduled examinations Licensing (ships and restricted permits)	White House interference Ship and aircraft interference Police, fire, and other safety interference	Ships (title III, part II) Ships (title III, part III)	Interference--ships, aircraft, distress Interference--police, fire, other safety
Priority II:	Licensing (commercial) Interference assistance User education	Court and hearing appearance Interference--other Federal agencies Special engineer assignments	Court and hearing appearance Other safety assignments Special engineer assignments	Court and hearing appearance Interference--other Federal agencies
Priority III:	Public information (forms) Special examinations	Equipment maintenance Interference--public outcry Unauthorized operations	Equipment maintenance Broadcast, cable tele- vision, microwave Marketing regulations	Equipment maintenance Interference routine Enforcement monitoring
Priority IV:	Other public service Administration	Other investigations Routine engineering projects Administration	Other inspections Routine engineering projects Administration	Other monitoring Routine engineering projects Administration