

# GAO Highlights

Highlights of [GAO-17-727](#), a report to congressional requesters

## Why GAO Did This Study

FCC's Enforcement Bureau is primarily responsible for ensuring the telecommunications industry's compliance with federal statutes and the Commission rules and orders designed to protect consumers, ensure public safety, and encourage competition. Some industry stakeholders have raised questions about the transparency and fairness of the Enforcement Bureau. GAO was asked to review FCC's management of its enforcement program.

In this report, GAO addresses: (1) actions FCC has taken in the last 5 years to update its enforcement program, (2) FCC's enforcement performance goals and measures, and (3) selected stakeholders' views on FCC's enforcement program and external communications. GAO reviewed FCC's enforcement policies and procedures; analyzed FCC's performance measures and spoke with officials of similarly sized independent agencies with enforcement missions; and interviewed FCC officials and 22 stakeholders from public and private organizations who were knowledgeable of the Enforcement Bureau and the communications industry.

## What GAO Recommends

FCC should establish and publish: (1) quantifiable performance goals and related measures for its enforcement program; and (2) a communications strategy outlining its enforcement program for external stakeholders. FCC concurred with the recommendations.

View [GAO-17-727](#). For more information, contact Mark Goldstein at (202) 512-2834 or [goldsteinm@gao.gov](mailto:goldsteinm@gao.gov).

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## TELECOMMUNICATIONS

### FCC Updated Its Enforcement Program, but Improved Transparency Is Needed

## What GAO Found

The Federal Communications Commission (FCC) has taken actions in the last 5 years to update its enforcement data collection and processes. In 2012, FCC implemented a new enforcement data system, which combined five previously separate databases and contains pertinent information related to each enforcement case. In 2014, FCC launched a new consumer complaints portal that FCC officials can use to identify trends and determine whether to investigate a particular company or practice. FCC also updated its internal enforcement program guidance, which includes case prioritization policies as well as timeliness goals for case resolution. Lastly, FCC completed its reorganization of the Enforcement Bureau's field office division in January 2017, closing 11 of 24 field offices and decreasing personnel from 108 to 54. FCC officials stated they do not anticipate a decline in enforcement activity because FCC is taking steps to use the anticipated annual cost savings of \$9 to \$10 million from the reorganization to invest in training, equipment, and technology that will improve efficiency. Given the recent changes, it is too early to determine the impact these actions will have on enforcement efforts.

FCC has not quantified most of its enforcement performance goals and measures. FCC officials told GAO that in 2009 the Chairman's Office decided that narrative examples, rather than quantifiable goals and related measures, were the most appropriate way to report on the enforcement program. For example, FCC's 2016 *Annual Performance Report* describes details of settlements or fines levied without reporting such goals or measures. Although such metrics can be difficult to develop, GAO found that other enforcement agencies report quantified performance goals and related measures and that FCC has the data it would need to develop such goals and measures. Without meaningful program performance goals and measures, FCC lacks important tools for assessing and reporting on the progress of its enforcement efforts and determining whether it should make changes to its program. FCC also may be missing an opportunity to help promote transparency and support congressional oversight by clearly communicating enforcement priorities.

Most of the selected stakeholders GAO interviewed affirmed the importance of enforcement, but cited concerns about FCC's current enforcement process and communication efforts with stakeholders. Fourteen of 22 selected stakeholders said enforcement is important for deterring violations of federal statutes and FCC rules. However, 17 of 22 also expressed concerns regarding the transparency or fairness of the enforcement process or regarding FCC's emphasis on generating publicity by proposing high dollar fines for potential violators. FCC does not have a formal communications strategy that outlines its enforcement purposes and processes. Instead, FCC tailors the extent of its communications to stakeholders on a case-by-case basis. FCC officials told GAO that information about the enforcement process is sensitive and could undermine their cases. However, leading practices on enforcement highlight the importance of disclosing agency enforcement processes, including how to challenge and appeal conclusions, as a way to foster fair and consistent enforcement. Increased communication from FCC could improve transparency and stakeholder perceptions of FCC enforcement actions.