

DEPARTMENT OF COMMERCE**National Telecommunications and Information Administration**

[Docket No. 000410097-3041-07]

RIN 0660-ZA11

Public Telecommunications Facilities Program: Closing Date

AGENCY: National Telecommunications and Information Administration (NTIA), Commerce.

ACTION: Notice of closing date for solicitation of radio and nonbroadcast applications.

SUMMARY: Subject to the availability of fiscal year (FY) 2003 funds, the National Telecommunications and Information Administration (NTIA), U.S. Department of Commerce, announces the solicitation of applications for planning and construction grants for public radio and nonbroadcast facilities under the Public Telecommunications Facilities Program (PTFP).

DATES: Pursuant to 15 CFR 2301.8(b), the NTIA Administrator hereby establishes the following closing date for the filing of radio and nonbroadcast applications for PTFP grants. The closing date selected for the submission of all radio and nonbroadcast applications for FY 2003 is Friday, April 4, 2003. Applications must be received prior to 6 p.m. Friday, April 4, 2003. Applications submitted by facsimile or electronic means are not acceptable.

ADDRESSES: Application materials may be obtained electronically via the Internet (<http://www.ntia.doc.gov/ptfp>). To obtain a printed application package, submit completed applications, or send any other correspondence, write to: NTIA/PTFP, Room H-4625, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: William Cooperman, Director, Public Broadcasting Division, telephone: (202) 482-5802; fax: (202) 482-2156. Information about the PTFP can also be obtained electronically via the Internet (<http://www.ntia.doc.gov/ptfp>).

SUPPLEMENTARY INFORMATION:**I. Closing Date**

NTIA announces that all radio and nonbroadcast applicants for matching grants under the PTFP must file their applications on or before 6 p.m., April 4, 2003. Issuance of grants is subject to the availability of FY 2003 funds. Congress has recently passed an appropriation of \$43.5 million for the PTFP. NTIA intends to divide the funds

appropriated by the Congress into two parts. One portion of the appropriation will be set aside to fund radio and nonbroadcast applications submitted in response to this Notice as well as television broadcast applications submitted in response to the Notice of Closing Date published by NTIA on October 17, 2002. A second portion of the appropriation will be set aside to fund additional phases of multi-phase projects initially funded in FY 2000, FY 2001 and FY 2002. NTIA will shortly publish a Notice in the **Federal Register** indicating the funds set aside for each portion. In awarding grants, NTIA will strive to maintain an appropriate balance between traditional grants and those to stations converting to digital broadcasting. Information regarding radio projects is included in Section VI of this document and information regarding nonbroadcast projects is included in Section VII. The amount of any grants awarded by NTIA will vary, depending on the approved project. For FY 2002, NTIA awarded \$3.15 million in funds to 52 radio projects and \$1 million in funds to 4 nonbroadcast projects. The radio awards ranged from \$15,073 to \$220,568 and the nonbroadcast awards ranged from \$75,000 to \$404,047.

Any applications submitted in response to this Notice which are for television broadcast projects will be returned to the applicant without review.

All radio and nonbroadcast applications will be reviewed according to the Evaluation Process discussed in Section XI. Radio and nonbroadcast applications will compete with applications for television replacement or signal extension projects which were submitted by the November 19, 2002 Closing Date previously established by NTIA for television broadcast applications. Radio and nonbroadcast projects will be awarded in the fourth quarter of FY 2003 (July–September 2003).

II. Application Forms

All applicants must use the official application form for the FY 2003 grant cycle. This form expires on October 31, 2003, and no previous versions of the form may be used. Each page of the application form has the expiration date of 10/31/2003 printed on the bottom line. To apply for a PTFP grant, an applicant must file an original and five copies of a timely and complete application on the application form. The current application form is available on the Internet and will be provided to applicants as part of the application package upon request.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act (PRA), unless that collection displays a currently valid Office of Management and Budget (OMB) control number. The PTFP application form has been cleared under OMB control no. 0660-0003.

III. Authority

The Public Telecommunications Facilities Program is authorized by the Communications Act of 1934, as amended, 47 U.S.C. 390–393, 397–399(b).

IV. Catalog of Federal Domestic Assistance (CFDA)

CFDA No. 11.550, Public Telecommunications Facilities Program.

V. Regulations

The applicable Rules for the PTFP were published on November 8, 1996 (61 FR 57966). In accordance with provisions provided in 15 CFR part 2301, section 2301.26, certain requirements of the PTFP are modified in this Notice for FY 2003. Copies of the 1996 Rules are posted on the NTIA Internet site and NTIA will make printed copies available to applicants upon request. Parties interested in applying for financial assistance should refer to these rules and to the authorizing legislation (47 U.S.C. 390–393, 397–399b) for additional information on the program's goals and objectives, eligibility criteria, evaluation criteria, and other requirements.

Applicants sending applications must ensure that the carrier will be able to guarantee delivery of the application by the Closing Date and Time. Applicants should be aware that all material sent via the United States Postal Service (including "overnight" or "Express Mail") are subject to delivery delays due to increased mail security procedures at the Department of Commerce. NTIA will not accept applications posted on the Closing Date or later and received after the above deadline. However, if an application is received after the Closing Date due to (1) carrier error, when the carrier accepted the package with a guarantee for delivery by the Closing Date, or (2) significant weather delays or natural disasters, NTIA will, upon receipt of proper documentation, consider the application as having been received by the deadline.

Applicants submitting applications by hand delivery are notified that, due to security procedures in the Department

of Commerce, all packages must be cleared by the Department's security office. Entrance to the Department of Commerce Building for security clearance is on the 15th Street side of the building. Applicants whose applications are not received by the deadline are hereby notified that their applications will not be considered in the current Grant Round and will be returned to the applicant. *See* 15 CFR 2301.8(c); but *see* also 15 CFR 2301.26. NTIA will also return any application which is substantially incomplete, or when the Agency finds that either the applicant or project is ineligible for funding under 15 CFR 2301.3 or 2301.4. The Agency will inform the applicant of the reason for the return of any application.

All persons and organizations on the PTFP's mailing list will be sent a notification of the FY 2003 Grant Round. Copies of the application forms, Final Rules, Closing Date notification and application guidelines will be available on the NTIA Internet site: www.ntia.doc.gov/ptfp. Those not on the mailing list or who desire a printed copy of these materials may obtain copies by contacting the PTFP at the telephone and fax numbers, at the Internet site, or at the mailing address listed above. Prospective applicants should read the Final Rules carefully before submitting applications. Radio and nonbroadcast applicants whose applications were deferred in FY 2002 will be mailed information regarding the reactivation of their applications. Applicants whose radio projects were deferred from FY 2002 should carefully review Section VI., Radio Broadcasting, regarding policies which apply to the reactivation of their applications.

Indirect costs for construction applications are not supported by this program. The total dollar amount of the indirect costs proposed in a planning application under this program must not exceed the indirect cost rate negotiated and approved by a cognizant Federal agency prior to the proposed effective date of the award.

VI. Radio Broadcasting

NTIA will take great care to ensure that its funding of radio applications follows the directive of 47 U.S.C. 393(c) that "a substantial amount" of each year's PTFP funds should be awarded to public radio. For the FY 2003 grant round, the eligibility and priority of radio projects, eligibility of radio equipment, and the presumption of 50% funding for radio equipment replacement applications remain as they were in the FY 2002 grant round.

In response to recent changes in technology and in the Federal regulatory environment, NTIA is providing guidance on three issues of interest to potential radio applicants. Applicants for the following types of applications should read the appropriate sections on radio signal expansion, conversion to digital transmission, or Internet streaming.

(A) Radio Signal Expansion

NTIA's highest priority is activation of public broadcasting facilities to provide a public broadcasting signal to unserved audiences. NTIA is prepared to fund new radio station projects as warranted by reviewers' evaluations and PTFP's financial resources. Activation of new radio stations has been delayed in recent years as the Federal Communications Commission (FCC) placed a "freeze" on new applications as it considers a large number of mutually exclusive applications for construction permits.

NTIA anticipates receiving many applications for station activation projects when the FCC begins to accept new applications. In anticipation of increased interest in these types of applications, we are hereby providing the following guidance to potential applicants.

Priority 1A. NTIA's first priority for radio projects remains activations to provide the first public radio signal to an area. These projects have been divided into two subgroups, Priority 1A and Priority 1B. As in the past, Priority 1A status will be given to first public radio signal projects that will originate a local public radio service to a geographic area. A Priority 1A application must include local facilities which are fully staffed for station management and program production.

NTIA has long recognized that new fully-staffed Priority 1A projects are usually submitted by organizations that are beginning to build community support. Priority 1A projects usually also incur significant project costs which are ineligible for Federal support, such as studio building acquisition/renovation and start-up staff costs. Because these projects are NTIA's highest priority, PTFP will continue to fund Priority 1A applications with a presumption of a 75% Federal share, the maximum amount permitted by law.

Priority 1B. Priority 1B status will continue to be given to first public radio signal projects which are repeaters or translators of other public radio facilities, or that will serve significant additional listeners with a first public radio signal through increases in tower height and/or power upgrades.

In recent years, applications for expansion of service have shifted from fully-staffed stations to requests for Priority 1B repeaters and translators. Given the limited availability of Federal funds and the increasing number of applications for new repeater/translator stations, PTFP will now evaluate Priority 1B applications to determine whether or not 75% Federal funding is merited. In general, NTIA will continue its present presumption of 75% Federal funding for Priority 1B applications which construct the applicant's first broadcast facility in a community.

An application requesting a translator upgrade to a repeater station or a project to construct a second station in a community where the applicant already has a facility will be funded by NTIA at a 50% Federal share. These applicants should be able to draw on the financial resources of the community served by the applicant's existing program service and also would incur reduced ineligible start-up costs since the broadcaster would be building upon existing infrastructure. Applications for these types of Priority 1B projects may seek a higher Federal percentage by submitting justification for the increased amount which will be reviewed by PTFP and the peer reviewers.

Power increase projects. Sometimes a project to replace a station's transmitter or antenna results in an increase in coverage to a new, but relatively small, unserved audience. PTFP usually treats these applications with incidental coverage increases as Priority 2 applications if the equipment replacement meets the Priority 2 criteria. If an applicant is requesting a Priority 1B consideration of such an application, the applicant should provide documentation of a significant increase in the population that will receive a first public radio signal. PTFP will evaluate the Priority of such requests on a case-by-case basis.

Second station in a market. Sometimes a project to construct a second station (or other additional stations) in a community results in an increase in coverage to a new, but relatively small, unserved audience. If an applicant is requesting a Priority 1B consideration of such an application, the applicant should provide documentation of a significant increase in the population that will receive a first public radio signal. PTFP will evaluate the Priority of such requests on a case-by-case basis.

Priority 4A. An application to provide an additional public radio signal to an area already served by public radio will continue to be placed in Priority 4A. The project must demonstrate that it

addresses underserved needs in a way that significantly differentiates its services from what is already available in the proposed service area (*see* § 2301.4(b)(ii)(b) of the PTFP Final Rules). In order to extend its resources to assist in signal expansion, NTIA will usually fund Priority 4A additional signal projects at no more than a 50% Federal share. This is due both to the lower priority and reduced ineligible costs of Priority 4A repeater/translator projects which build upon existing infrastructure. Applicants for Priority 4A expansion projects, including those for new fully-staffed facilities, may seek a higher Federal percentage by submitting justification for the increased amount which will be reviewed by PTFP and the peer reviewers.

All new service applications. An applicant proposing to construct a Priority 1A, 1B or Priority 4A facility should provide documentation, including maps or tables, of the number and geographical location of persons who would receive a first public radio signal as a result of the proposed project or who would receive a duplicated public radio signal as a result of the proposed project (*see* § 2301.4(b)(1)(v) of the PTFP Final Rules).

NTIA will permit those applicants whose FY 2002 applications for new service projects were negotiated by PTFP, but were deferred from funding because of the lack of FCC authorizations, to submit FY 2003 applications requesting the same Federal percentage as their FY 2002 applications.

(B) Radio Station Conversion to Digital Transmission

NTIA encourages the use of digital technologies for public radio facilities. For several years, NTIA has funded projects for digital STLs and audio production equipment which will assist public radio stations as they prepare for conversion to digital technologies. These digital projects are funded as equipment replacement, improvement, or augmentation projects with the presumption of a 50% Federal share unless a showing of extraordinary need for a higher percentage has been made pursuant to § 2301.6(b)(ii) of the PTFP Rules. NTIA will continue to support digital non-transmission equipment for radio as it has been doing for more than a decade.

Digital conversion projects. On October 10, 2002, the FCC approved digital transmission for radio stations, although it has not yet published regulations for such stations. Unlike the digital conversion of television stations, the FCC has not established a deadline

for the conversion of radio stations. In addition, there is the question of when receivers will be generally available for purchase by the public. These factors raise the issue of whether projects whose primary purpose is to begin digital radio broadcasts present compelling urgency for funding in the FY 2003 grant round.

NTIA continues to examine with interest the development of digital radio, but shares many of the concerns which were recently expressed by the Digital Radio & Television Consultation Panels established by the Corporation for Public Broadcasting (CPB). In their joint recommendations, the Panels recommended that CPB set aside \$3.5 million for conversion of public radio stations in 13 seed markets identified by Ibbiquity, the developer of the digital radio standard. (The seed markets are Atlanta, Boston, Chicago, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, New York, San Francisco, Seattle, and Washington, DC.) Public radio stations serving these thirteen communities collectively provide service to more than 30% of public radio's total national audience.

On August 30, 2002, even before the FCC's October action, the CPB board of directors adopted the Panels recommendations.

The CPB Panels indicated that digital conversion of the stations in the seed markets would provide public radio with an opportunity to assess the risks and benefits of further digital deployment. Conversion of the stations, the joint panel report states, would provide "knowledge that would help stations develop a realistic timetable and plan for digital conversion in the rest of the country."

NTIA believes that the digital conversion of public radio stations in these markets is a reasonable way to begin the orderly transition to digital radio broadcasting. We urge stations in these thirteen markets to consider the funding opportunities presented by the Corporation for Public Broadcasting.

Applications for digital transmission equipment for public radio facilities to convert to digital broadcasting are eligible for PTFP funding although, for the reasons discussed above, we do not believe these applications will demonstrate compelling urgency during the FY 2003 grant round. As with applications for television digital conversion projects, PTFP will place radio applications requesting funds to convert to digital broadcasting in the Broadcast Other category. The presumption of funding for radio projects in the Broadcast Other category is a 50% Federal share.

Digital replacement transmitters. Regarding FY 2003 applications for replacement equipment, NTIA anticipates that it will fund digital-compatible transmitters as analog transmitter replacements, if requested by applicants and justified as urgent replacement of radio transmission equipment. Transmitter replacement applications will be placed in Priority 2 or Priority 4A, as appropriate, depending on whether the applicant provides the only public radio signal to an area (*see* §§ 2301.4(b)(2) and (4)). Reflecting many of the concerns regarding risks and benefits expressed by CPB's Digital Radio and Television Consultation Panel, NTIA believes that FY 2003 is the beginning of a transition period for public radio. PTFP does not anticipate directly funding digital transmitters with HD Radio (IBOC) exciter during the FY 2003 grant cycle. Grant recipients will, however, be able to add IBOC exciters to PTFP-funded digital-compatible transmitters. PTFP grant recipients can use the funds authorized for an analog or digital-compatible radio transmitter towards the purchase of a transmitter with an IBOC exciter. For FY 2003 awards, the maximum amount that PTFP will accept in the final cost of a project which includes an IBOC transmitter/exciter will be limited to the amount initially approved for the analog or digital-compatible transmitter. Any cost for the IBOC transmitter/exciter above the amount initially approved for the analog or digital-compatible transmitter will be the responsibility of the grantee. NTIA reminds potential applicants that licensing fees, including licensing fees related to the use of HD Radio technology, are not eligible for PTFP funds.

(C) Internet Streaming

Given the limited availability of funds, NTIA has emphasized support of basic equipment required for a public broadcast station to serve its local audience (*see* the Final Rules, § 2301.4, *passim*). NTIA continues to receive more activation and replacement applications than it can fund in any cycle. NTIA has received one or two applications for equipment to provide Internet streaming in each of the past several grant rounds. The applications have not been favorably evaluated by the outside peer reviewers or the national advisory panels.

NTIA has determined that streaming on the Internet goes beyond the provision of a basic local public broadcasting service. Until Internet streaming becomes a basic part of a station's service to its own community,

therefore, NTIA will place any applications it receives for streaming equipment in Priority 5B (see § 2301.4(b)(5)(ii) of the PTFP Final Rules). Priority 5B relates to equipment required for the production of "programming for regional and national use."

VII. Distance Learning and Nonbroadcast Projects

Since 1979, NTIA has funded nonbroadcast distance learning projects through the Special Applications category as established in § 2301.4(a) of the PTFP Rules. NTIA encourages applications for innovative or unique distance learning projects which address demonstrated and substantial community needs. For fiscal year 2002, NTIA awarded \$1 million in funds to four grants for distance learning projects. The awards ranged from \$75,000 to \$404,047.

The growth of digital technologies provides new opportunities for distance learning projects using both broadcast and nonbroadcast facilities. NTIA encourages applicants to consider the use of digital technologies in proposing unique or innovative distance learning projects for funding in FY 2003. Examples of innovative digital applications might include projects (1) Which use broadband technologies for distance learning, (2) which distribute educational or informational programming via Direct Broadcast Satellite technologies, or (3) which provide multi-media content using the digital television transmission infrastructure and delivered through a method that is not a typical broadcast channel. All distance learning applications must address substantial and demonstrated needs of the communities being served. NTIA is particularly interested in distance learning projects which benefit traditionally underserved audiences, such as projects serving minorities, people living in rural communities, or those living in disadvantaged areas where distance learning services will provide significant educational opportunities.

The November 22, 1991, PTFP Policy Statement (56 FR 59168 (1991)) mentioned in the Application Forms and Regulations section discussed a number of issues of particular relevance to applicants proposing nonbroadcast educational and instructional projects and potential improvement of *nonbroadcast* facilities. These policies remain in effect and will be available to all PTFP applicants as part of the Guidelines for preparing FY 2003 PTFP applications.

VIII. Television Broadcasting and Digital Conversion

NTIA is not accepting applications for television broadcasting and digital conversion projects at this time. The Closing Date for these applications was November 19, 2002.

IX. Eligible and Ineligible Costs

Eligible equipment for the FY 2003 Grant Round includes the apparatus necessary for the production, interconnection, captioning, broadcast, or other distribution of programming, including but not limited to studio equipment; audio and video storage, processing, and switching equipment; terminal equipment; towers; antennas; transmitters; remote control equipment; transmission line; translators; microwave equipment; mobile equipment; satellite communications equipment; instructional television fixed service equipment; subsidiary communications authorization transmitting and receiving equipment; cable television equipment; and optical fiber communications equipment.

A complete listing of equipment eligible for funding during the FY 2003 Grant Round is posted on the NTIA Internet site and printed copies are available from PTFP.

Other Costs

(1) *Construction Applications*: NTIA generally will not fund salary expenses, including staff installation costs, and pre-application legal and engineering fees. Certain "pre-operational expenses" are eligible for funding. (See 15 CFR 2301.2.) Despite this provision, NTIA regards its primary mandate to be funding the acquisition of equipment and only secondarily funding of salaries. A discussion of this issue appears in the PTFP Final Rules under the heading *Support for Salary Expenses* in the introductory section of the document.

(2) *Planning Applications*. (a) *Eligible*: Salaries are eligible expenses for all planning grant applications, but should be fully described and justified within the application. Planning grant applicants may lease office equipment, furniture and space, and may purchase expendable supplies under the terms of 47 U.S.C. 392 (c). (b) *Ineligible*: Planning grant applications cannot include the cost of constructing or operating a telecommunications facility.

(3) *Audit Costs*. Audits shall be performed in accordance with audit requirements contained in Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit

Organizations, revised June 30, 1997. OMB Circular A-133 requires that non-profit organizations, government agencies, Indian tribes and educational institutions expending \$300,000 or more in federal funds during a one-year period conduct a single audit in accordance with guidelines outlined in the circular. Applicants are reminded that other audits may be conducted by the Office of Inspector General.

NTIA recognizes that most of its grant recipients are divisions of state and local governments or are public broadcasting facilities, all of which routinely conduct annual audits. In order to make the maximum amount of monies available for equipment purchases and planning activities, NTIA will, therefore, fund audit costs only in exceptional circumstances.

X. Notice of Applications Received

In accordance with 15 CFR 2301.13, NTIA will publish a listing of all applications received by the Agency. The listing will be placed on the NTIA Internet site and NTIA also will make this information available by mail upon request. The address of the NTIA Internet site is: www.ntia.doc.gov/ptfp. Listing an application merely acknowledges receipt of an application to compete for funding with other applications. This listing does not preclude subsequent return of the application for the reasons discussed under the Dates section above, or disapproval of the application, nor does it assure that the application will be funded. The listing will also include a request for comments on the applications from any interested party.

XI. Evaluation Process

See 15 CFR 2301.16 for a description of the Technical Evaluation and 15 CFR 2301.17 for the Evaluation Criteria.

XII. Selection Process

Based upon the above cited evaluation criteria, the PTFP program staff prepares summary recommendations for the PTFP Director. These recommendations incorporate outside reviewers rankings and recommendations, engineering assessments, and input from the National Advisory Panel, State Single Point of Contacts and state telecommunications agencies. Staff recommendations also consider project impact, the cost/benefit of a project and whether review panels have consistently applied the evaluation criteria. The PTFP Director will consider the summary recommendations prepared by program staff, will recommend the funding order

of the applications, and will present recommendations to the OTIA (Office of Telecommunications and Information Applications) Associate Administrator for review and approval of the recommended slate. The PTFP Director recommends the funding order for applications in three categories: "Recommended for Funding," "Recommended for Funding if Funds Are Available," and "Not Recommended for Funding." See 15 CFR 2301.18 for a description of the selection factors retained by the Director, OTIA Associate Administrator, and the Assistant Secretary for Communications and Information, the NTIA Administrator.

Upon review and approval by the OTIA Associate Administrator, the Director's recommendations will then be presented to the Selection Official, the NTIA Administrator. The NTIA Administrator selects the applications for possible grant award taking into consideration the Director's recommendations and the degree to which the slate of applications, taken as a whole, satisfies the program's stated purposes set forth at 15 CFR 2301.1(a) and (c). Prior to award, applications may be negotiated between PTFP staff and the applicant to resolve whatever differences might exist between the original request and what PTFP proposes to fund. Some applications may be dropped from the proposed slate due to lack of FCC licensing authority, an applicant's inability to make adequate assurances or certifications, or other reasons. Negotiation of an application does not ensure that a final award will be made. The PTFP Director recommends final selections to the NTIA Administrator applying the same factors as listed in 15 CFR 2301.18. The Administrator then makes the final award selections taking into consideration the Director's recommendations and the degree to which the slate of applications, taken as a whole, satisfies the program's stated purposes in 15 CFR 2301.1(a) and (c).

XIII. Disposition of Unsuccessful Applications

PTFP will retain unsuccessful applications through the Closing Date of the FY 2004 grant cycle. Applicants may reactivate their unsuccessful applications pursuant to § 2301.9 of the PTFP Rules. Unsuccessful applications not reactivated by the Closing Date of the next grant cycle will be destroyed.

XIV. Project Period

Planning grant award periods customarily do not exceed one year, whereas construction grant award

periods for grants in the five broadcast Priorities and nonbroadcast Special Applications category commonly range from one to two years. Although these time frames are generally applied to the award of all PTFP grants, variances in project periods may be based on specific circumstances of an individual proposal.

XV. NTIA Policies on Procedural Matters

Based upon NTIA's experience during the PTFP 2002 Grant Round, NTIA has determined that it is in the best interest of NTIA and applicants to continue recent policies regarding three procedural matters. The following policies are applicable only to the FY 2003 PTFP Grant Round and resulting awards.

Applications Resulting from Catastrophic Damage or Emergency Situations

Section 2301.10 provides for submission of applications resulting from catastrophic damage or emergency situations. NTIA would like to clarify its implementation of this provision. While the intent of this Notice is to address FY 2003 radio applications, applicants for radio or television projects may submit applications resulting from catastrophic damage or emergency situations.

For FY 2003 PTFP applicants, when an eligible broadcast applicant suffers catastrophic damage to the basic equipment essential to its continued operation as a result of a natural or manmade disaster, or as the result of significant equipment failure, and is in dire need of assistance in funding replacement of the damaged equipment, it may file an emergency application for PTFP funding at any time. NTIA limits this request to equipment essential to a station's continued operation such as transmitters, towers, antennas, STLs or similar equipment which, if the equipment failed, would result in a complete loss of service to the community.

When submitting an emergency application, the applicant should describe the circumstances that prompt the request and should provide appropriate supporting documentation. NTIA requires that applicants claiming significant failure of equipment will document the circumstances of the equipment failure and demonstrate that the equipment has been maintained in accordance with standard broadcast engineering practices.

NTIA will grant an award only if it determines that (1) the emergency satisfies this policy, and (2) the applicant either carried adequate

insurance or had acceptable self-insurance coverage.

Applications filed and accepted for emergency applications must contain all of the information required by the Agency application materials and must be submitted in the number of copies specified by the Agency.

NTIA will evaluate the application according to the evaluation criteria set forth in § 2301.17(b). The PTFP Director takes into account program staff evaluations (including the outside reviewers) the availability of funds, the type of project and broadcast priorities set forth at § 2301.4(b), and whether the applicant has any current NTIA grants. The Director presents recommendations to the Office of Telecommunications and Information Applications (OTIA) Associate Administrator for review and approval. Upon approval by the OTIA Associate Administrator, the Director's recommendation will be presented to the Selecting Official, the NTIA Administrator. The NTIA Administrator makes final award selections taking into consideration the Director's recommendation and the degree to which the application fulfills the requirements for an emergency award and satisfies the program's stated purposes set forth at § 2301.1(a) and (c).

Service of Applications

FY 2003 PTFP applicants are not required to submit copies of their PTFP applications to the FCC, nor are they required to submit copies of the FCC transmittal cover letters as part of their PTFP applications. NTIA routinely notifies the FCC of projects submitted for funding which require FCC authorizations.

FY 2003 PTFP applicants for distance learning projects are not required to notify every state telecommunications agency in a potential service area. Many distance learning applications propose projects which are nationwide in nature. NTIA, therefore, believes that the requirement to provide a summary copy of the application in every state telecommunications agency in a potential service area is unduly burdensome to applicants. NTIA, however, does expect that distance learning applicants will notify the state telecommunications agencies in the states in which they are located.

FCC Authorizations

For the FY 2003 PTFP Grant Round, applicants may submit applications to the FCC after the closing date, but do so at their own risk. Applicants are urged to submit their FCC applications with as much time before the PTFP closing date as possible. No grant will be awarded

for a project requiring FCC authorization until confirmation has been received by NTIA from the FCC that the necessary authorization will be issued.

For FY 2003 PTFP applications, since there is no potential for terrestrial interference with Ku-band satellite uplinks, grant applicants for Ku-band satellite uplinks may submit FCC applications after a PTFP award is made. Grant recipients for Ku-band satellite uplinks will be required to document receipt of FCC authorizations to operate the uplink prior to the release of Federal funds.

For FY 2003 PTFP applications, NTIA may accept FCC authorizations that are in the name of an organization other than the PTFP applicant in certain circumstances. Applicants requiring the use of FCC authorizations issued to another organization should discuss in the application Program Narrative why the FCC authorization must be in the other organization's name. NTIA believes that such circumstances will be rare and, in its experience, are usually limited to authorizations such as those for microwave interconnections or satellite uplinks.

As noted above, for FY 2003 PTFP applications, NTIA does not require that the FCC applications be filed by the closing date. While NTIA is permitting submission of FCC applications after the closing date, applicants are reminded that they must continue to provide copies of FCC applications, as they were filed or will be filed, or equivalent

engineering data, in the PTFP application so NTIA can properly evaluate the equipment request. These include applications for permits, construction permits and licenses already received for (1) Construction of broadcast station, (including a digital broadcasting facility) or translator, (2) microwave facilities, (3) ITFS authorizations, (4) SCA authorizations, and (5) requests for extensions of time.

For those applicants whose projects require authorization by the FCC, information about FCC filing procedures can be found on the Internet at: www.fcc.gov.

XVI. Intergovernmental Review

Applicants should note that they must continue to comply with the provisions of Executive Order 12372, "Intergovernmental Review of Federal Programs." The Executive Order requires applicants for financial assistance under this program to file a copy of their application with the Single Points of Contact (SPOC) of all states relevant to the project. Applicants are required to provide a copy of their completed application to the appropriate SPOC on or before the Closing Date. Applicants are encouraged to contact the appropriate SPOC well before their PTFP closing date. A listing of the state SPOC offices may be found with the PTFP application materials at the NTIA Internet site. A list of the SPOC offices is available from NTIA (*see* the Address section above).

XVII. Other Requirements

The Department of Commerce Pre-Award Notification of Requirements for Grants and Cooperative Agreements contained in the **Federal Register** notice of October 1, 2001 (66 FR 49917), as amended by the **Federal Register** notice published on October 30, 2002 (67 FR 66109), is applicable to this solicitation.

XVIII. Executive Order 12866

It has been determined that this notice is a "not significant" rule under Executive Order 12866.

XIX. Executive Order 13132

It has been determined that this notice does not contain policies with Federalism implications as that term is defined in EO 13132.

XX. Regulatory Flexibility Analysis

Because notice and comment are not required under 5 U.S.C. 553, or any other law, for this notice related to public property, loans, grants, benefits or contracts, 5 U.S.C. 553(a), Regulatory Flexibility Analysis is not required and has not been prepared for this notice. 5 U.S.C. 601 *et seq.*

Bernadette McGuire-Rivera,

Associate Administrator, Office of Telecommunications and Information Applications.

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