

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE NATIONAL TELECOMMUNICATIONS AND INFORMATION  
ADMINISTRATION,  
U.S. DEPARTMENT OF COMMERCE  
AND  
THE OFFICE OF GRANTS AND TRAINING,  
U.S. DEPARTMENT OF HOMELAND SECURITY  
Agreement No. M72177**

**I. PARTIES AND PURPOSE**

This Memorandum of Understanding (MOU) establishes an agreement between the National Telecommunications and Information Administration (NTIA), U.S. Department of Commerce (DOC) and the Office of Grants and Training, U.S. Department of Homeland Security (DHS), through which NTIA will pay the Office of Grants and Training to administer the Public Safety Interoperable Communications (PSIC) Grant Program.

**II. BACKGROUND**

Section 3006 of the Digital Television Transition and Public Safety Act of 2005 (Title III of the Deficit Reduction Act of 2005, Pub. L. No. 109-171) creates a new matching grant program to assist public safety agencies in the acquisition of, deployment of and training for the use of interoperable communications systems that utilize or enable interoperability with communications systems that can utilize the 764-776 MHz and 794-806 MHz bands. It directs NTIA in consultation with DHS to take the administrative actions necessary to establish and implement the grant program. It authorizes NTIA to make payments not to exceed \$1 billion in the aggregate through fiscal year 2010 to carry out the program.

**III. AUTHORITY**

The authorities for NTIA and the Office of Grants and Training to enter into this agreement are:

(A) the Economy Act, 31 U.S.C. § 1535, which provides that an agency may place an order with a major organizational unit within the same agency or another agency for goods or services if:

(1) amounts are available;

(2) the ordering agency decides the order is in the best interest of the United States Government;

(3) the agency to fill the order is able to provide or get by contract the ordered goods or services; and

(4) the agency decides ordered goods or services cannot be provided by contract as conveniently or cheaply by a commercial enterprise (payments must be made on the basis of the actual cost of goods or services provided);

(B) Section 3006 of the Deficit Reduction Act of 2005, Pub. L. No. 109-171, 120 Stat. 4, 24 (2006) (as modified by Section 4 of the Call Home Act of 2006, Pub. L. No. 109-459, 120 Stat. 3399 (2006)), which creates the PSIC Grant Program; and

(C) Section 430 of the Homeland Security Act of 2002, Pub. L. No. 107-296, (2002), which authorizes the Assistant Secretary of Grants and Training to coordinate communications and systems of communication relating to Homeland Security at all levels of the government.

#### IV. ECONOMY ACT FINDINGS

As set forth in the attached "Determinations and Findings Pursuant to 48 CFR 17.503," NTIA warrants that sufficient funding amounts are available, that this agreement is in the best interest of the United States Government, and that the services requested cannot be provided by contract as conveniently or cheaply by a commercial enterprise. NTIA warrants if the action requires contracting action by the Office of Grants and Training, the acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services. The Office of Grants and Training warrants that it is able to provide or get by contract the requested services.

#### V. TERMS AND CONDITIONS

A. In cooperation with NTIA and consistent with the requirements of Section 3006 of the Deficit Reduction Act of 2005, as well as federal administrative requirements for grants and cooperative agreements, the Office of Grants and Training shall:

1. Develop policies, procedures and regulations pursuant to the attached Program Plan to govern the administration of awards during the grant period in order for grants under this program to be awarded no later than September 30, 2007, and completed in fiscal year 2010;
2. Develop a timetable to complete the actions cited in this section so that grants may be awarded by the dates established in Section V.A.1;

3. Develop, on an annual basis, an administrative plan with projected budget costs to implement and administer the PSIC Grant Program.
4. Develop and distribute program application and guidance materials;
5. Publicize the availability of grant opportunities under the PSIC Grant Program;
6. Provide technical assistance to applicants wishing to apply to the PSIC program;
7. Using published evaluation and selection criteria and procedures, develop a final slate of awards for approval by the Assistant Secretary for Communications and Information, such final slate to be presented in the form of a decision memorandum describing procedures used to determine the awards;
8. Notify recipients of grant awards;
9. Make awards to grantees in accordance with deadlines set by law;
10. Provide technical assistance in meeting programmatic and financial requirements to grant recipients;
11. Monitor the technical and financial performance of grantees, including the collection of, at a minimum, quarterly financial status and semi-annual technical reports, which include separately identifiable expenditures and performance related to the PSIC Grant Program;
12. Receive, assess, approve and process requests for payment to grant recipients;
13. Receive, assess, approve and process grant amendments requested by grant recipients;
14. Conduct site visits to verify progress and completion of funded projects;
15. Provide NTIA with quarterly reports detailing DHS progress in meeting the terms of this agreement as well as grantee progress in acquiring and deploying interoperable communications funded through the PSIC Grant Program (such quarterly reports shall include budget costs specifically related to the administration and implementation of the PSIC Grant Program) and a summary of the financial status and technical reports received from grant recipients;

16. Close out grant awards including collection of final financial and performance reports in order to close out all grants and return unspent grant funds to the Fund in accordance with deadlines set by law;
17. Retain and archive grant records at the conclusion of the PSIC grant program; and
18. Provide a final report to NTIA describing the program's success in meeting its purpose and documenting the closeout of the PSIC Grant Program.

In performing these tasks, the Office of Grants and Training shall administer the PSIC Grant Program consistent with the *Recommended Federal Grant Guidance: Public Safety Communications and Interoperability Grants, Fiscal Year (FY) 2007* developed by the DHS SAFECOM office, and as may be amended by DHS. Grants are to be administered to the maximum extent practicable in a manner which is consistent with urban area Tactical Interoperable Communication Plans, Statewide Interoperable Communications Plans, state and urban areas homeland security strategies, the National Preparedness Goal, and accompanying guidance. Moreover, DHS will to the maximum extent practicable utilize existing application, programmatic, and administrative processes and resources to minimize the administrative burden on applicants as well as the non-grant management and administrative costs of the PSIC Grant Program.

B. In cooperation with the DHS, NTIA shall:

1. Identify specific meaningful and attainable investment goals for improving communications interoperability through this grant program;
2. Assist in the development of and approve policies, procedures and regulations to govern the PSIC program, including specific PSIC grant program guidance and application materials, timetable and administrative plans with projected budget costs;
3. Perform certain administrative responsibilities, including obtaining a Catalog of Federal Domestic Assistance (CFDA) number for the program, providing DHS with NTIA access rights to Grants.gov to post funding opportunity announcements and to retrieve applications, and posting NTIA grant award information to the Federal Assistance Award Data Systems;
4. Participate in publicizing the availability of grant opportunities under the PSIC Grant Program;

5. Approve the final slate of grant awards;
6. Review and approve, on an annual basis, an administrative plan with projected budget costs to implement and administer the PSIC Grant Program;
7. Jointly announce the grant awards; and
8. Provide timely funding to the DHS Office of Grants and Training for the administrative cost of the PSIC Grant Program and the grant awards.

## VI. TRANSFER OF FUNDS

NTIA agrees to provide not to exceed \$988,985,000 to the Office of Grants and Training via IPAC (Inter-Agency Line Payment and Collection) over the full term of this agreement (fiscal years 2007 through 2010) with advances provided at least annually to fund \$958,985,000 in grants, and not to exceed \$30,000,000 management and administrative services. NTIA will make advances from the Digital Television Transition and Public Safety Fund (Fund), which are “no year” funds, in accordance with the attached Budget Plan and reports on performance (Section V.A.15). NTIA agrees to make these advances at a level that is sufficient to meet, but not exceed, the outlays for the fiscal year being funded. The Office of Grants and Training will recover all unexpended funds from PSIC grantees at the end of the grant period or in accordance with deadlines set by law, and return them to the Fund, at least annually. In addition, to the extent that the Office of Grants and Training has not incurred obligations before statutory deadlines, any remaining amounts shall be returned to the Fund.

Information for processing payments:

For NTIA: National Institute of Standards and Technology  
ATTN: Janet Rescigno  
Accounts Payable Office  
Building 101, Room A826  
Gaithersburg, MD 20899

NTIA ALC (Agency Location Code): 13060001  
Treasury Account Symbol: 13X5396  
Object Class: 2599  
ACCS: 61-07-4711000-300-0630  
Business Partner Network Number: 127625023  
Business Event Type Code: DISB

For DHS:

Treasury Account Symbol: 70-07-0560  
Business Partner Network Number: 052368391  
Business Event Type Code: COLL

## VII. CONTACT

The contacts of each part to this agreement are:

For NTIA:

Wayne Ritchie  
Office of Telecommunications and  
Information Applications  
National Telecommunications  
and Information Administration  
1401 Constitution Avenue, N.W.  
Room 4096  
Washington, DC 20230  
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Clifton Beck  
Budget Officer  
National Telecommunications  
and Information Administration  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W.  
Room 4888  
Washington, DC 20230  
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Fax: (202) 482-0979  
email: cbeck@ntia.doc.gov

For the Office of Grants and Training:

David J. Kaufman  
Office of State and Local  
Government Coordination  
and Preparedness  
Department of Homeland Security  
810 7<sup>th</sup> Street, N.W.  
Washington, DC 20531  
Phone: (202) 786-9652  
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Jon Lemon  
Budget Director  
Office of Grants and Training  
Department of Homeland Security  
810 7<sup>th</sup> Street, N.W.  
Washington, DC 20531  
Phone: (202) 786-9831  
Email: jon.lemon@dhs.gov

The parties agree that if there is a change regarding the information in this section, the party making the change will notify the other party in writing of such change.

## VIII. DURATION OF AGREEMENT, AMENDMENTS AND MODIFICATIONS

This agreement will become effective when signed by all parties. The agreement will terminate on September 30, 2010, but may be amended at any time by mutual consent of the parties. Either

party may terminate this agreement by providing six (6) months written notice to the other party. If NTIA cancels this order, DHS is authorized to collect costs incurred prior to cancellation of the order plus any termination costs. This agreement is subject to the availability of funds.

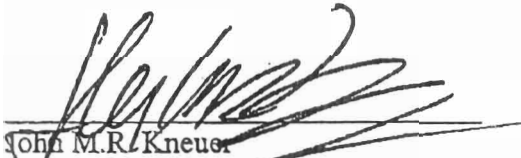
IX. RESOLUTION OF DISAGREEMENTS

Nothing herein is intended to conflict with current NTIA, DOC, Office of Grants and Training or DHS directives. If the terms of this agreement are inconsistent with existing directives of either of the agencies entering into this agreement, then those portions of this agreement which are determined to be inconsistent shall be invalid, but the remaining terms and conditions not affected by the inconsistency shall remain in full force and effect. At the first opportunity for review of the agreement, all necessary changes will be accomplished either by an amendment to this agreement or by entering into a new agreement, whichever is deemed expedient to the interest of both parties. Should disagreement arise on the interpretation of the provisions of this agreement, the dispute shall be resolved pursuant to the Business Rules for Intragovernmental Transactions delineated in the Treasury Financial Manual, Vol. I, Bulletin 2007-03, Section VII (Resolving Intragovernmental Disputes and Major Differences).

X. AUDIT ACCESS

For the purposes of audit and examination, representatives of the Office of the Inspector General, U.S. Department of Commerce, shall have access to the records of the Office of Grants and Training, DHS, and any DHS contractor employed by that Office, which relate to the work conducted under this agreement, and to the records and files of PSIC grant recipients.

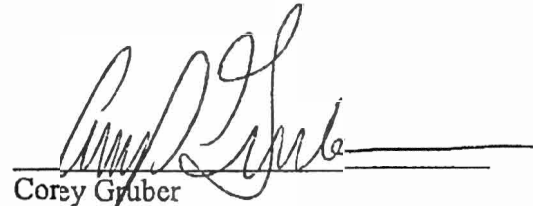
For the National Telecommunications and Information Administration:



John M.R. Kneuer  
Assistant Secretary for  
Communications and Information  
Department of Commerce

Date: FEB 16 2007

For the Office of Grants and Training:



Corey Gruber  
Acting Assistant Secretary, Office of  
Grants and Training  
Department of Homeland Security

Date: 2/16/07

Attachment I Program Plan  
Attachment II Budget Plan  
Attachment III Determinations and Findings

ATTACHMENT I  
**PROGRAM PLAN**  
**PUBLIC SAFETY INTEROPERABLE COMMUNICATION (PSIC) GRANT PROGRAM**

**I. PURPOSE**

The Public Safety Interoperable Communications (PSIC) grant program will provide funding to qualified State and local applicants starting in Fiscal Year (FY) 2007 to enable and enhance public safety agencies' interoperable communications capabilities. Section 3006 of the Deficit Reduction Act of 2005 directs the National Telecommunications and Information Administration (NTIA), in consultation with the Department of Homeland Security (DHS), to establish and implement a \$1 billion matching grant program in fiscal years 2007 to 2010 to assist public safety agencies in acquiring, deploying, or training for the use of interoperable communications systems that utilize -- or enable interoperability with communications systems that can utilize -- reallocated public safety spectrum in the 700 MHz band for radio communications. The Call Home Act subsequently directed the NTIA to award the \$1 billion no later than September 30, 2007.

Consistent with this authority, the primary program goal is to design the PSIC program as a one-time grant opportunity that will achieve a meaningful and measurable improvement in the state of public safety communications interoperability and provide the maximum amount of interoperable communications with a minimum impact to, or replacement of, existing State, tribal, and local radio communications assets. This program goal complements the Administration's overall objective of ensuring that all regions of the United States, including urban areas, defined geographical regions, and States, have achieved a minimum baseline of tactical, incident-response voice communications interoperability among on-scene response agencies. Additional program goals are to provide funding to enhance interoperability systems' capabilities with respect to voice, data, and/or video, encourage the use of innovative cost- and spectrum-efficient technology solutions, and promote the adoption of equipment interoperability standards.

**II. PSIC PROGRAM OVERVIEW**

NTIA and DHS signed the Memorandum of Understanding (MOU) to which this Program Plan is attached to make the most efficient use of the existing DHS grants infrastructure and to assist NTIA in implementing the program. Pursuant to the statutory requirements and the terms of the MOU, a PSIC grant will be awarded in FY 2007 to public safety agencies within all 56 States and territories, in coordination with urban/metropolitan areas therein.

Using current DHS risk methodology, at the time of award -- and no later than September 30, 2007 -- NTIA and DHS will award the total grant funds available for each of the eligible 56 States and territories. Up to five percent of the total available funds will be disbursed at award to grantees in FY 2007 to ensure that Statewide interoperable communications plans include



consideration of interoperable communications systems that utilize -- or enable interoperability with communications systems that can utilize -- the reallocated public safety spectrum.

Disbursement of additional funds under each award will be contingent upon submission of the statewide interoperability plan as required by DHS, and approval by NTIA of applications containing investment justifications from eligible States and territories. The program includes a statutory matching requirement. A qualitative peer evaluation will be utilized for review of the Statewide Plans and proposed investments to ensure consistency with the Statewide planning process.

### III. GRANT PROGRAM SCHEDULE OF MAJOR ACTIVITIES <sup>1</sup>

#### A. Year One (FY 2007) ending September 30, 2007

- **Quarter 1** (*October 1 – Dec 31, 2006*)
  - *DHS issues Tactical Interoperability Communications Scorecards, including gap analysis and recommendations, for 75 major urban/metropolitan areas.*
- **Quarter 2** (*January 1 – March 31, 2007*)
  - NTIA and DHS will sign an MOU; initial PSIC funding will be transferred from NTIA to DHS for PSIC program administrative and technical assistance costs.
  - NTIA and DHS will brief appropriate Congressional committees.
  - *DHS will publish Homeland Security Grant Program (HSGP) FY 2007 guidance, coupled with the SAFECOM Interoperability Program FY 2007 guidance. Coordination of HSGP grant applications addressing communications interoperability with PSIC criteria begins to ensure efficient use of funds for interoperability initiatives.*
  - *Develop updated statewide plan criteria. DHS SAFECOM releases revised Statewide Communications Interoperability Plan development guidance, to be released at a March 21-23, 2007 symposium in Los Angeles (each governor invited to send 5 representatives). The criteria set forth for statewide planning will serve as the basis for an eventual peer review process to approve the PSIC plans. The criteria should emphasize a regional approach to interoperability, inclusive of DHS/FEMA regional input and demonstrate integration of the Emergency Management Assistance Compact (EMAC) to ensure compatibility among EMAC participants.*
  - DHS will develop preliminary draft of PSIC grant guidance package, application kits, and eligibility requirements for NTIA review and preliminary approval.

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<sup>1</sup> Not all activities in this schedule are funded through the PSIC Program, but appear in the schedule to provide context to these activities within the greater scope of Administration activities to advance public safety interoperable communications. Those activities not covered by PSIC Funds appear in italics.

- **Quarter 3** (*April 1 – June 30, 2007*)
  - DHS will solicit comments on the PSIC grant guidance documents from a focus group of potential applicants and funding recipients. DHS will revise the guidance documents based on the comments received and submit to NTIA for final approval.
  - Deploy DHS grantee technical assistance to help States draft their statewide plans to ensure consideration of communications systems that can utilize -- or enable interoperability with systems that can utilize -- the reallocated public safety spectrum. Regional coordinators will be assigned in each FEMA region to coordinate support among State and urban area efforts.
  - *DHS grantee assistance teams continue to assist with statewide plan development.*
  - *Criteria developed to validate and exercise statewide plans.*
  
- **Quarter 4** (*July 1– September 30, 2007*)
  - PSIC grant awards will be made by mid-July, 2007 and jointly announced by NTIA and DHS. PSIC grant guidance, application kits, and eligibility requirements will also be released on this date.
  - Funding (up to five percent of total program grant funds) to ensure that Statewide interoperable communications plans include consideration of interoperable communications systems that utilize -- or enable interoperability with communications systems that can utilize -- the reallocated public safety spectrum. Target distribution date: no later than September 1, 2007.
  - *States/territories submit preliminary statewide plans by September 30, 2007; plans must show how urban/metropolitan areas addressed their previous interoperability scorecard recommendations.*

## **B. Year Two (FY 2008) ending September 30, 2008**

- **Quarters 1 and 2** (*October 1, 2007 – March 31, 2008*)
  - No later than November 1, 2007, States and territories submit final investment justification in conjunction with the submission of their Statewide Plans outlining how PSIC funds will be used to meet PSIC requirements consistent with their Statewide Plans. (States or territories that submit final applications prior to the November 1, 2007 deadline will be peer reviewed and funds will be disbursed as applications are received and approved by NTIA.)
  - *Peer review of Statewide Plans completed and plans approved by DHS.*
  - PSIC Funds disbursed to States and territories. States pass through funds to local agencies consistent with the PSIC requirements and their Statewide Plans and in a manner to ensure effectiveness.
  - Program implementation and monitoring begins.
  - *Begin validation and exercise activities in support of States, territories, and urban areas.*

- *Exercises re-test tactical response in urban areas and expand to test subsequent coordination with regional and State agencies.*
- **Quarters 3 and 4 (April 1 – September 30, 2008)**
  - *Complete validation and exercise activities in support of States, territories and urban areas.*
    - *Exercises re-test tactical response in urban areas and expand to test subsequent coordination with regional and State agencies.*
  - Program implementation and monitoring continues.
  - *After Action Reports and Improvement Plans are developed.*
  - *Scorecards developed for States and territories; urban/metropolitan scorecards updated.*

**C. Year Three (FY 2009) ending September 30, 2009**

- **Quarter 1 (October 1, 2008 – December 31, 2008)**
  - Program implementation and monitoring.
  - *DHS releases report verifying whether all 56 States and territories have achieved a minimum baseline of interoperable communications.*
- **Quarters 2-4 (January 1, 2009 – September 30, 2009)**
  - Grant closeout begins.
  - *Update of urban/metropolitan scorecards.*

**D. Year Four (FY 2010) ending September 30, 2010**

- **Quarters 1-4 (October 1, 2009 – September 30, 2010)**
  - Program implementation and monitoring.
  - Grant closeout ends by September 30, 2010.

**E. Year Five (Fiscal Year 2011) ending September 30, 2011**

- **Quarters 1-4 (October 1, 2010 – September 30, 2011)**
  - Program closeout completed

ATTACHMENT II  
**BUDGET PLAN**  
**PUBLIC SAFETY INTEROPERABLE COMMUNICATION (PSIC) GRANT PROGRAM**

<b>Summary</b>	
	Yearly Costs
FY 2007	\$ 970,535,000
FY 2008	\$ 6,600,000
FY 2009	\$ 7,450,000
FY 2010	\$ 3,900,000
FY 2011	\$ 500,000
<b>Total</b>	<b>\$ 988,985,000</b>

<b>FY' 2007</b>	
Task	Total Cost
<b><u>Management &amp; Administration</u></b>	<b>\$ 3,750,000</b>
Program Management	\$ 1,500,000
Grant Planning / Development	\$ 750,000
IT Development	\$ 1,500,000
<b><u>Technical Assistance</u></b>	<b>\$ 6,500,000</b>
Program Management	\$ 500,000
Direct Technical Assistance	\$ 6,000,000
<b><u>Other</u></b>	<b>\$ 1,300,000</b>
Direct Costs (Travel)	\$ 1,000,000
Direct Costs (Non-Travel)	\$ 300,000
<b><u>Grants</u></b>	<b>\$ 958,985,000</b>
Grants to 56 States (pass through requirement to UA and Locals)	\$ 958,985,000
<b>TOTAL</b>	<b>\$ 970,535,000</b>

FY' 2008	
Task	Total Cost
<b>Management &amp; Administration</b>	<b>\$ 2,500,000</b>
Program Management/Development	\$ 1,000,000
Grant Administration / Grant Techs	\$ 1,000,000
IT Development	\$ 500,000
<b>Technical Assistance</b>	<b>\$ 3,000,000</b>
Program Management	\$ 500,000
Direct Technical Assistance	\$ 2,500,000
<b>Other</b>	<b>\$ 1,100,000</b>
Direct Costs (Travel)	\$ 800,000
Direct Costs (Non-Travel)	\$ 300,000
<b>TOTAL</b>	<b>\$ 6,600,000</b>

\* this estimate does not include Exercise Planning or Execution

FY' 2009	
Task	Total Cost
<b>Management &amp; Administration</b>	<b>\$ 2,000,000</b>
Program Management	\$ 500,000
Grant Administration / Grant Techs	\$ 1,000,000
IT Development (Reporting)	\$ 500,000
<b>Technical Assistance</b>	<b>\$ 4,750,000</b>
Program Management	\$ 250,000
Direct Technical Assistance	\$ 4,500,000
<b>Other</b>	<b>\$ 700,000</b>
Direct Costs (Travel)	\$ 500,000
Direct Costs (Non-Travel)	\$ 200,000
<b>TOTAL</b>	<b>\$ 7,450,000</b>

<b>FY' 2010</b>	
<b>Task</b>	<b>Total Cost</b>
<b>Management &amp; Administration</b>	<b>\$ 2,000,000</b>
Program Management	\$ 500,000
Grant Administration / Grant Techs	\$ 1,000,000
IT Development (Reporting)	\$ 500,000
<b>Technical Assistance</b>	<b>\$ 1,500,000</b>
Program Management	\$ -
Direct Technical Assistance	\$ 1,500,000
<b>Other</b>	<b>\$ 400,000</b>
Direct Costs (Travel)	\$ 300,000
Direct Costs (Non-Travel)	\$ 100,000
<b>TOTAL</b>	<b>\$ 3,900,000</b>

<b>FY' 2011</b>	
<b>Task</b>	<b>Total Cost</b>
<b>Management &amp; Administration</b>	<b>\$ 500,000</b>
Program Management	\$ 300,000
Grant Administration / Grant Techs	\$ 200,000
<b>TOTAL</b>	<b>\$ 500,000</b>

DETERMINATIONS AND FINDINGS PURSUANT TO 48 CFR 17.503

NTIA warrants:

that sufficient funding amounts are available (funds certification provided by NTIA);

that this agreement is in the best interest of the United States Government (identified in Section II of MOU); and

that the services requested cannot be provided by contract as conveniently or cheaply by a commercial enterprise (issuance of grants is an inherently governmental function).

It has been determined that this Economy Act order:

does not require contracting action by the servicing agency; or

does require <sup>granting</sup> ~~contracting~~ action by the servicing agency and that one of the following circumstances exists:

the acquisition will appropriately be made under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services;

the servicing agency has capabilities or expertise to enter into grants for such supplies or services which is not available within the requesting agency; or

the servicing agency is specifically authorized by law or regulation, i.e., to purchase such supplies or services on behalf of other agencies.

Helen Hurcombe  
Name: HELEN HURCOMBE  
Contracting Officer, NOAA  
For the National Telecommunications and  
Information Administration

Date: 2/16/07