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TO: All State Administrative Agency Heads
All State Administrative Agency Points of Contact
All State Homeland Security Directors
All Urban Area Core City/Core County Points of Contact

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SUBJECT: Public Safety Interoperable Communications (PSIC) Grant Program -
Program Changes based on the Improving Emergency Communications Act of 2007,
Public Law No. 110-53; Grant Guidance Clarification

The Department of Commerce's National Telecommunication and Information Administration (NTIA), in consultation with the Department of Homeland Security (DHS), announced the allocation of over $968 million to all 56 States and Territories for the PSIC Grant Program on Wednesday, July 18, 2007. The *Implementing Recommendations of the 9/11 Commission Act of 2007* (P.L. 110-53) signed on August 3, 2007, expands the requirements of the PSIC Grant Program to include:

- planning and coordination as eligible costs;
- funding for equipment and software;
- allowing investments in other public safety communications spectrum bands;
- and establishing and implementing a strategic technology reserve to pre-position or secure interoperable communications in advance for immediate deployment in an emergency or major disaster.

NTIA issued revised grant guidance to incorporate the requirements established by P.L. 110-53. **Because of these changes, the deadline for each State and Territory to submit its Statewide Communications Interoperability Plans and Investment Justification under the PSIC Grant Program has been extended from November 1, 2007 to December 3, 2007.** Other changes to the guidance include:

- excluding planning and coordination activities from the 20 percent match requirement;
- removing the restriction involving the 700 MHz frequency band;
- including pre-positioning activities as a program and selection priority;
- amending the Funding Availability section to set aside $75 million to fund pre-positioning activities which will be allocated to each State and Territory in proportion to its total allocation; and
- extending and refining guidance on allowable costs with respect to major funding categories.

August 22, 2007 remains the deadline for applications from each State and Territory. The Governor of each State and Territory has designated a State Administrative Agency (SAA), which can apply for and

administer the funds under the PSIC Grant Program. Accordingly, the relevant SAA is the only entity eligible to apply for PSIC funds. The SAA is responsible for the management and administration of all funds provided through this award and is accountable for all the deadlines, requirements, and limitations of this award. The SAA is responsible for obligating PSIC funds to eligible recipients, as well as for overseeing and monitoring their activity. A recipient must be a public safety agency that is a State, local or tribal government entity or nongovernmental organization authorized by such entity, whose sole or principal purpose is to protect safety of life, health, or property.[1]

Summary of Changes Based on PL 110-53

Allowable Activities

Public Law 110-53 broadens the scope of the PSIC allowable activities. First, it states that the planning and coordination with the use of interoperable communications equipment, software, and systems are now allowable, extending the list to four broad based categories for allowable costs. All eligible applicants (i.e., at the State/Territory and local, tribal, nongovernmental entity levels) may address planning and coordination needs related to the implementation phase of a PSIC Investment. Planning to incorporate PSIC requirements into the Statewide Communications Interoperability Plan (5 percent of the State or Territory's PSIC allocation) is separate from this allowable cost.

Second, P.L. 110-53 specifies that PSIC activities can support utilization of newly allocated 700 megahertz (MHz) spectrum, interoperability with 700 MHz, or interoperability improvements in any other public safety spectrum band. This change in scope alleviates the need to tie PSIC grant awards to the use or interoperability with 700 MHz systems. Now, any case for strengthening communications interoperability is eligible for PSIC funding.

Strategic Technology Reserve

A new requirement for the PSIC Grant Program under P.L. 110-53 is the establishment of a strategic technology reserve (STR) within each State/Territory for deployable communications equipment in the event of an emergency or major disaster. These reserves should be available with advanced communications technology in pre-determined regions for immediate deployment, including equipment and personnel. This Strategic Technology Reserve must also be addressed within the Statewide Communications Interoperability Plan, if not already considered. Options for States and Territories to consider in addressing these amendments include –

- Describe any existing communications technology reserve that can be deployed in emergencies or disasters
- Apply a pre-determined proportional amount of the risk based State/Territory PSIC allocation to develop a strategic communications technology reserve (see funding amounts listed below)
- Propose a multi-state STR as part of the Investment Justification
- Provide a justification why there are other pressing interoperability needs for which the State/Territory allocations are better suited.

If a State or Territory chooses not to submit an investment for the STR funding, it must provide a written justification with their investment justifications by December 3, 2007. This justification must describe: 1) other pressing interoperability needs within the State/Territory; or 2) that there is an existing communications technology reserve already in place for emergencies or major disasters.

[1] See Pub. L. No. 109-171, § 3006(d)(1), 120 Stat. at 24 (2006). As defined in the OMB Circular A-87, local government means a "county, municipality, city, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a non-profit corporation under State law) any other regional or interstate government entity, or any agency or instrumentality of a local government."

PSIC Allocations Breakdown

Based on the new PSIC strategic technology reserve requirement (apportioned $75 million), each State and Territory's proportionate strategic technology reserve funding amount has been determined from its original allocation amount using the same "all hazards" risk formula. Each State and Territory's original allocation and proportionate strategic technology reserve amount are included below –

State/Territory	PSIC Funding	STR Funding
Alabama	$ 13,585,399.00	$ 1,052,169.00
Alaska	$ 7,250,345.00	$ 561,529.00
American Samoa	$ 691,948.00	$ 53,590.00
Arizona	$ 17,713,050.00	$ 1,371,850.00
Arkansas	$ 11,169,402.00	$ 865,054.00
California	$ 94,034,510.00	$ 7,282,835.00
Colorado	$ 14,336,638.00	$ 1,110,352.00
Connecticut	$ 12,999,879.00	$ 1,006,822.00
Delaware	$ 8,196,842.00	$ 634,833.00
District of Columbia	$ 11,857,972.00	$ 918,383.00
Florida	$ 42,888,266.00	$ 3,321,633.00
Georgia	$ 25,311,354.00	$ 1,960,327.00
Guam	$ 2,600,678.00	$ 201,419.00
Hawaii	$ 8,069,879.00	$ 625,000.00
Idaho	$ 7,289,795.00	$ 564,584.00
Illinois	$ 36,414,263.00	$ 2,820,231.00
Indiana	$ 18,291,735.00	$ 1,416,668.00
Iowa	$ 10,935,974.00	$ 846,975.00
Kansas	$ 10,667,169.00	$ 826,157.00
Kentucky	$ 15,405,625.00	$ 1,193,143.00
Louisiana	$ 19,672,287.00	$ 1,523,590.00
Maine	$ 7,567,579.00	$ 586,098.00
Maryland	$ 22,934,593.00	$ 1,776,251.00
Massachusetts	$ 21,191,988.00	$ 1,641,288.00
Michigan	$ 25,039,781.00	$ 1,939,294.00
Minnesota	$ 14,262,071.00	$ 1,104,577.00
Mississippi	$ 10,989,345.00	$ 851,109.00
Missouri	$ 17,465,576.00	$ 1,352,683.00
Montana	$ 6,549,685.00	$ 507,263.00
Nebraska	$ 8,582,108.00	$ 664,672.00
Nevada	$ 12,042,417.00	$ 932,668.00
New Hampshire	$ 5,966,760.00	$ 462,117.00
New Jersey	$ 30,806,646.00	$ 2,385,930.00
New Mexico	$ 8,288,725.00	$ 641,950.00
New York	$ 60,734,783.00	$ 4,703,820.00
North Carolina	$ 22,130,199.00	$ 1,713,952.00
North Dakota	$ 7,052,490.00	$ 546,205.00
Northern Mariana Islands	$ 719,236.00	$ 55,704.00
Ohio	$ 29,377,337.00	$ 2,275,232.00
Oklahoma	$ 11,684,183.00	$ 904,923.00
Oregon	$ 12,182,532.00	$ 943,519.00
Pennsylvania	$ 34,190,555.00	$ 2,648,008.00
Puerto Rico	$ 9,590,025.00	$ 742,733.00
Rhode Island	$ 7,365,694.00	$ 570,462.00
South Carolina	$ 13,499,308.00	$ 1,045,502.00
South Dakota	$ 6,549,691.00	$ 507,264.00
Tennessee	$ 17,540,752.00	$ 1,358,506.00

State/Territory	PSIC Funding	STR Funding
Texas	$ 65,069,247.00	$ 5,039,518.00
U.S. Virgin Islands	$ 856,907.00	$ 66,366.00
Utah	$ 10,353,261.00	$ 801,845.00
Vermont	$ 4,476,761.00	$ 346,719.00
Virginia	$ 25,012,521.00	$ 1,937,183.00
Washington	$ 19,180,347.00	$ 1,485,490.00
West Virginia	$ 8,429,484.00	$ 652,851.00
Wisconsin	$ 15,367,216.00	$ 1,190,168.00
Wyoming	$ 5,952,187.00	$ 460,988.00
Total	$ 968,385,000.00	$ 75,000,002.00

* Please refer to the NTIA website for revised grant guidance: http://www.ntia.doc.gov/psic/index.html

Grant Guidance Clarification

Key Deadlines

August 22, 2007	The PSIC Grant Program Guidance and Application Kit, found on both the NTIA and DHS websites, confirms this date as being the deadline for each SAA to submit their application and narrative on www.grants.gov.
September 30, 2007	**PSIC Grants will be awarded.**
September 30, 2007 (*Optional*)	Submit preliminary Statewide Communications Interoperability Plan to the NPD Secure Portal, which can be accessed at https://odp.esportals.com.
December 3, 2007	Submit final Statewide Communications Interoperability Plans to the NPD Secure Portal, which can be accessed at https://odp.esportals.com. Submit Investment Justification to the NPD Secure Portal, which can be accessed at https://odp.esportals.com.
September 30, 2010	All PSIC funds expended or returned to the US Department of Commerce/NTIA.

Application Requirements

Applications due on August 22, 2007 must include a brief narrative outlining the following three elements:

- A description of how the SAAs plan to solicit, review, and select investments from State, local, and tribal government public safety agencies and authorized nongovernmental organizations;
- A high-level overview of the planning process and how PSIC criteria is being incorporated into the Statewide Plan; and
- A description and budget detail of the specific statewide planning activities to be accomplished with the up to 5 percent of the State or Territory total allocated PSIC funds.
    - Standard Form 424A, Budget Information, should be used to capture the financial budget detail required above for any costs incurred for statewide planning activities.

Pass-Through Clarification

Each State or Territory receiving grant funds is required to pass through not less than 80 percent of the total award amount, less the STR allocation. To receive a portion of the 80 percent funding, a recipient must be a public safety agency that is a local or tribal governmental entity or a nongovernmental

organization authorized by such an entity, whose sole or principal purpose is to protect safety of life, health, or property. The State may use the remaining 20 percent of their PSIC award, less up to 5 percent for Statewide Planning Funds and less up to 3 percent for management and administrative costs, towards state agency or statewide projects.

Match Requirement

Each eligible applicant receiving PSIC funds is required to meet and document the 20 percent statutory match requirement for each project – or Investment – during the period of performance of the grant program[2] that is related to acquisition and deployment. This documentation must demonstrate that match funds are from non-federal sources (e.g., not from other federal grants). The match requirements can be met through cash or in-kind sources consistent with 15 C.F.R. §§ 24.3, 24.24. As provided in 48 U.S.C. § 1469a, the matching requirement for local funding under $200,000 (including in-kind contributions) is waived for Territorial governments in Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

Applicants are also required to meet and document the 20 percent match for any PSIC funds used for expenses related to M&A expenses incurred at the state level. *Activities to incorporate PSIC requirements into Statewide Plans, planning and coordination, and training are exempt from the match requirement.*

Although costs for training activities are excluded from this match requirement, training activities can make up no more than 20 percent of a State's or Territory's total federal allocation.[3]

Each State and Territory will be required to prepare an individual Investment for its Strategic Technology Reserve. These Investments will be subject to the above match requirements.

Deadline for Expending PSIC Funds

The project period begins on October 1, 2007 and ends on September 30, 2010. All funds must be **expended** by September 30, 2010. Given the statutory deadline for the program, **no extensions can be granted for this PSIC Grant Program.** Note that the expenditure of PSIC funds is a unique requirement to PSIC grants, different than the Homeland Security Grant Program requirement to obligate funds.

Should you need additional information, please visit the NTIA website at http://www.ntia.doc.gov/psic/index.html. If you have further questions regarding the PSIC Grant Program, please contact your Preparedness Officer or the Centralized Scheduling and Information Desk (CSID) at 1-800-368-6498 or askcsid@dhs.gov.

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[2] See Pub. L. No. 109-171, § 3006(c), 120 Stat. at 24 (providing "[i]n order to obtain a grant under the grant program, a public safety agency shall agree to provide, from non-Federal sources, not less than 20 percent of the costs of acquiring and deploying the interoperable communications systems funded under the grant program").

[3] The training category and requirements include any interoperable communications-specific exercises and drills.