

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