

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](http://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