

noncommercial educational broadcast station and which is owned and operated by a public agency or nonprofit private foundation, corporation, or association, or (B) is owned and operated by a municipality and which transmits only noncommercial programs for education purposes, and which (2) qualifies for Federal funding under section 396(k) of the Public Broadcasting Act of 1967. Public television station facilities, for the purposes of this Notice, include associated television translators and studio-to-transmitter/translator communications links.

*Rural area* means any area of the United States that is not in an urban area.

*Rural Utilities Service, or RUS*, is an agency of the United States Department of Agriculture which will administer the Public Television Station Digital Transition Grant Program.

*Total project cost* means the estimated sum of expenditures necessary for a public television station to perform the digital transition for all of the rural population in its digital television coverage area. This would include RUS grant funds requested, and funding contributions for this purpose from other organizations, including the Federal government.

*Urban area* means any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 20,000 inhabitants.

### Applicant Eligibility

Eligibility for grants is limited to public television stations that serve a rural area, and consortia of public television stations, where each public television station in the consortium serves a rural area. Public television stations which serve urban areas in addition to a rural area are eligible to apply for grants under this Notice.

### Eligible Projects

Grants shall be made to enable applicants to perform digital transitions of television broadcasting serving rural areas. Grant funds may be used to acquire, by purchase or lease, and install, facilities and software necessary to the digital transition. Grant funds may also be used for associated engineering and environmental studies necessary to this implementation. When facilities are acquired by lease, up to three years' lease costs shall be eligible for grant funding.

### Maximum Amounts of Grants

Grants shall be limited in amount to \$2 million where the applicant is an individual public television station. Where the applicant is a consortium of public television stations, the grant limit is the total of \$2 million for the first station plus \$1 million for each additional public television station in the consortium, up to a maximum of \$5 million. Only one grant will be made to a public television station or consortium.

### Eligible Purposes of Grants

(a) Digital transmitters and translators, including all facilities required to initiate DTV broadcasting. All broadcast facilities acquired with grant funds shall be capable of delivering DTV programming and HDTV programming, at both the interim and final channel and power authorizations.

(b) To be an eligible grant purpose, an expenditure must be made after the application deadline specified elsewhere in this Notice. Expenditures made prior to this deadline are not eligible for funding.

(c) Facilities for which other grant funding has been approved are not eligible for funding under this program.

### Ineligible Purposes

Grant funds shall not be used to fund ongoing operations or for facilities that will not be owned by the applicant, except for leased facilities as provided above. Costs of salaries, wages, and employee benefits of public television station personnel are not eligible for funding under this program.

### Scoring Criteria for the Grant Competition

Grants will be tested for applicant and project eligibility, and all applications found to be eligible will be scored. Each grant will be scored in three categories: the *rurality* of the applicant's digital television coverage area, the average *per capita income* of the applicant's digital television coverage area, and *critical need*.

(a) Rurality is a measure of the rural character of the applicant's digital television coverage area. Points are scored through a two-step evaluation, as follows:

(1) If the total population in the applicant's digital television coverage area is less than 100,000, the application receives 50 points;

(2) If the total population in the applicant's digital television coverage area is 100,000 or more, points are scored based on the applicant's rural ratio. The rural ratio is the ratio of the rural population covered by a public

television station's digital television coverage area to the total population covered by the station's digital television coverage area. Applicants shall calculate the rural ratio by subtracting the populations of all urban areas within the digital television coverage area from the total population of the digital television coverage area, and dividing the total covered population into the covered rural population. The result is rounded to the nearest whole percentage point. The score is computed as follows:

(A) If the rural ratio is 50% or less, the application receives zero (0) points.

(B) If the rural ratio is 51% to 57%, the application receives ten (10) points.

(C) If the rural ratio is 58% to 65%, the application receives twenty (20) points.

(D) If the rural ratio is 66% to 74%, the application receives thirty-five (35) points.

(E) If the rural ratio is over 74%, the application receives fifty (50) points.

(b) Per capita income (PCI) is a measure of the relative average earnings of the population in the applicant's digital television coverage area.

Applicants must use the per capita personal income by county, as determined by the Bureau of Economic Analysis, U.S. Department of Commerce, at <http://www.bea.doc.gov/bea/regional/reis/>. The applicant shall compute the weighted average PCI for its digital television coverage area by averaging the PCIs for all counties within its digital television coverage area. The ratio of the applicant's average PCI to the National Average Per Capita Income (NAPCI) is scored as follows:

(1) If the PCI/NAPCI ratio is 80% or greater, the application receives zero (0) points.

(2) If the PCI/NAPCI ratio is 70% to 79%, the application receives ten (10) points.

(3) If the PCI/NAPCI ratio is 60% to 69%, the application receives twenty (20) points.

(4) If the PCI/NAPCI ratio is less than 60%, the application receives thirty-five (35) points.

(c) Critical need is a measure of the special difficulty an applicant may experience performing the digital transition, and the dependence the applicant's rural communities have on its services. This scoring category is intended to account for factors not covered by other categories. Up to fifteen (15) points may be scored where an applicant demonstrates, to the satisfaction of the RUS, that it cannot make the digital transition without a grant from RUS, and that rural education and other community service