



# Report In Brief

U.S. Department of Commerce Office of Inspector General

March 2009



## Why We Did this Review

The Implementing Recommendations of the 9/11 Commission Act of 2007 requires the Commerce Office of Inspector General to annually assess NTIA's management of the program.

This is our first review in fulfillment of the act's requirement, for the year ended September 30, 2008. We focused on whether NTIA efficiently managed and met statutory requirements for the following grant administration activities: formula allocations, grant awards, statewide communications interoperability plans, and grantees' applications and investment justifications.

## Background

The Digital Television Transition and Public Safety Act of 2005 authorized NTIA, in consultation with the Department of Homeland Security (DHS), to implement the PSIC program—a \$1 billion one-time, formula-based matching grant program intended to enable public safety agencies to establish interoperable emergency communications systems. The Call Home Act of 2006 directed NTIA to award grants by September 30, 2007, and the Digital TV Act set a deadline of September 30, 2010, for grant funds to be expended. NTIA and DHS signed a memorandum of understanding to administer the PSIC program, with DHS' Federal Emergency Management Agency Grants Office responsible for issuing and overseeing the grants. Grants were issued for the period October 1, 2007, through September 30, 2010, to all 50 states, the District of Columbia, and the five U.S. territories (Puerto Rico, American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands).

Grant terms and conditions cap the federal share for program acquisition and deployment costs at 80 percent. Grantees must cover the remaining 20 percent.

View the full report at <http://www.oig.doc.gov/oig/reports/2009/DEN-19003.pdf>

## National Telecommunications & Information Administration

### ***Public Safety Interoperable Communications (PSIC) Grant Program: Grantees Appear Unlikely to Finish Projects Within Short Funding Time Frame (DEN-19003)***

#### What We Found

Overall, we found that NTIA's management of the PSIC program has complied with the statutory requirements of the Digital Television Transition and Public Safety Act and the Call Home Act. However, we identified an issue regarding the program's effectiveness that we believe warrants immediate attention from the Department and Congress: most grantees have made little progress in actually implementing their projects, and may not be able to meet the September 30, 2010, statutory deadline for completing them.

**Unique Award Process Shortened Time for Implementing Projects.** To meet the September 30, 2007, deadline for awarding grants, NTIA made awards before grantees had submitted their required interoperability plans and spending justifications. This process differed from many other Commerce grants programs, which award grants competitively based on the merit of an applicant's proposal. As a result, many PSIC recipients spent the first year of the grant period developing required plans and justifications, and awaiting approvals and subsequent release of funds. They therefore did not have the full 3-year award period for acquiring and deploying interoperable communications equipment.

As of February 28, 2009—17 months into the 36-month grant period—less than 7 percent (\$66.3 million) in PSIC grant funds had been drawn down. We surveyed grantees in the fall of 2008 regarding the status of their projects. Only 1 of the 22 grantees responding stated that it planned to acquire most of its interoperable communications equipment within the next 6 months. Eight others stated they are in the early stages of planning their acquisitions. The remaining 13 stated they will begin acquiring equipment in FY 2009 or early FY 2010.

Given all that must follow the purchase of equipment—installation, operational testing, and training, at a minimum—grantees who are still in the planning or acquisition stage as late as FY 2010 face the very real possibility of arriving at the program's September 30, 2010, deadline with partially completed projects but without funding to finish them.

#### What We Recommended

To assure that the benefits of the Public Safety Interoperable Communications Grant Program are achieved, we recommended that the Assistant Secretary for Communications and Information

- promptly identify those grantees at high risk of not meeting the statutory deadline for completing their projects, provide the technical assistance they need to accelerate the process, and carefully monitor their progress; and
- keep Congress informed of the PSIC program's status in achieving its objectives. If necessary, work with Congress to extend the deadline, on a case-by-case basis, for grantees to expend grant proceeds.