



Corporation
for Public
Broadcasting

FY07-01
Digital Radio Conversion Fund
Program Guidelines & Application Materials
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I. Introduction

CPB allocated up to \$7 million to fund FY07 Digital Radio Conversion Grants. CPB is opening a grant round to distribute this \$7 million during the FY07-01 Digital Radio Conversion Grant Round. As described in more detail below, CPB-qualified stations are eligible to apply for a digital conversion grant of up to \$75,000 per transmitter to be

converted (\$85,000 for minority and rural stations). Licensees unable to complete a digital conversion project at the standard funding levels may request consideration for Hardship Status. With Hardship Status granted, CPB-qualified stations are eligible for a digital conversion grant of up to \$110,000. The application deadline is Friday November 23, 2007.

To date, CPB has successfully completed six rounds of digital radio conversion grant funding. In these six rounds, CPB has awarded funds for the digital conversion of 644 public radio transmitters, which represents 72% of all public radio transmitters. Over 300 public radio stations are now transmitting digital signals, and over 50 additional stations will begin digital transmission by January 2008. Many of these stations offer additional channels of programming through multicasting. Digital radios are readily available through retailers and on-line vendors.

II. FY07-01 CPB Digital Radio Conversion Funding Objectives

The FY07-01 Digital Radio Conversion Grant Round continues the same funding objectives that CPB has pursued in prior rounds. The program objectives are to:

- Convert as many station transmitters to digital radio as possible;
- Provide digital service to as many Americans as possible;
- Maintain public radio's technical parity of transmission with commercial broadcasters;
- Address the particular needs of entities converting multiple transmitters;
- Distribute digital conversion funds across a diverse geographic area; and
- Give certain, larger-scale projects more time to complete, including the time necessary to secure matching funds.

III. Digital Radio Conversion Grant Amounts

3.1 Standard Funding Levels

The standard funding levels for individual grants under the program are unchanged from previous grant rounds, and, as in prior funding rounds, only CPB-qualified stations are eligible to receive a grant.

Licensees may apply for a grant of up to **\$75,000 per transmitter to be converted**, but the total grant cannot exceed 70 percent of the total eligible digital conversion cost (see below for a description of eligible cost categories).

Licenses that qualify as minority and/or rural grantees under the CPB Radio CSG program may apply for a grant of up to **\$85,000 per transmitter to be converted**, but the total grant cannot exceed 80 percent of the total eligible digital conversion cost.

3.2 Hardship Status

A licensee that is unable to undertake and complete its digital conversion project with a grant funded by CPB at the standard funding level described above may apply to CPB for “Hardship Status”. If CPB grants Hardship Status, CPB would provide additional funds beyond the standard funding level for the licensee’s conversion project. However, CPB will grant Hardship Status only sparingly and the status is only intended for the licensee whose financial contribution to the total eligible digital conversion cost, as calculated under the standard program funding levels, represents a disproportionately high percentage of the licensee’s total station revenues.

The additional CPB support for hardship stations may take the form of an increase in the CPB-funded portion of the total eligible digital conversion costs (*i.e.*, a greater than 70 or 80 percent CPB match rate) and/or (ii) relief from the relevant \$75,000 or \$85,000 funding cap. CPB will tailor any additional CPB support for individual hardship cases to the circumstances presented in the licensee’s hardship showing on a case-by-case basis. CPB will determine the nature and extent of hardship relief in CPB’s sole discretion. However, CPB does not expect to fund any hardship grant where the CPB-funded portion of the project is in excess of (a) 85% of the total eligible project costs or (b) \$110,000.

The application process for hardship status is described in more detail in Section 4.12 below.

IV. Digital Radio Conversion Fund Guidelines

4.1 Who May Apply

All CPB-qualified stations are eligible to apply.

4.2 How Many Applications May Be Submitted

A CPB CSG grantee may submit multiple grant applications for converting multiple transmitters. However, if a grantee submits applications for more than one transmitter conversion, the applicant must assign a priority ranking to the

applications and state the priority ranking in the project narrative. CPB may defer or deny lower priority applications if total grant requests exceed available FY07 funding.

4.3 Translators

Translator conversion projects are not eligible for funding in this round.

4.4 Retroactive Funding

Retroactive funding is not available. Project expenditures made prior to submission of the application are not to be included and are considered “retroactive” for the purpose of this funding program.

Parties who expect to receive CPB funds may from time to time elect to begin work on a project prior to the completion of the process of negotiating a grant or contract. Notwithstanding anything to the contrary herein or in any other communication, all work that an applicant elects to undertake prior to the full execution of a grant agreement will be solely at the applicant’s option and solely at applicant’s financial risk. CPB makes no promise or commitment of any kind to reimburse any applicant (including the recipient of project approval notification) for any costs or expenses of any kind incurred after an application is filed with CPB if, for any reason, a grant agreement is not executed in connection with the project

4.5 Priority Criteria

If the total system funding requests exceed the amount of available funding for this round, CPB will apply the following priorities in evaluating and awarding grants for digital radio conversion funding

- First service to areas not currently served by a public radio HD transmitter;
- Dispersion of grant funds to as many grantees as possible;
- Conversion of multiple transmitter operations where economically feasible;
- Transmitters with the greatest audience impact;
- CSG-qualified minority grantees;
- CSG-qualified rural grantees;
- Projects that significantly advance the broad goals of public radio’s digital transition, where the applicants demonstrate a robust technical and financial readiness for implementation of unique digital services;
- Furthermore, CPB will use its discretion to give priority to conversion projects that significantly advance public radio’s public service.

4.6 Application Deadline

Applications are due at CPB by Friday November 23, 2007.

CPB reserves the right to alter or withdraw this application window at any time with no financial, legal, or other obligation to any applicant responding or planning to respond to this application window.

4.7 Project Timeline

CPB typically expects a grant awardee to commence its digital conversion project promptly and complete the project within 12 months after full execution of the grant contract. Applicants should expect to execute grant contracts for this funding round in February-March 2008. However, CPB will consider unavoidable delays in a conversion project.

Applicants wishing to propose a project timeline in excess of one year, such as those proposing multi-transmitter projects, must provide additional justification.

4.8 iBiquity License Agreement

Successful applicants will be required to enter into an iBiquity license agreement and provide CPB with a copy of the fully executed contract with the award acceptance agreement.

4.9 Required Certifications

Successful applicants for funding will be required to make certain representations, warranties and certifications as a part of a grant contract, including the following:

- The grantee is the licensee of a CPB-supported FM or AM radio station that currently qualifies for a CPB Community Service Grant.
- The grantee will have available, and will commit and use, sufficient funding from non-federal sources to complete the project within the required project timeline.
- The grantee will have adequate financial support to sustain the operation of any facilities obtained by the grantee through the grant project for a period of at least twelve (12) months.
- Stations must have obtained all necessary permits, permissions or licenses in order to proceed rapidly.
- After the conversion project is complete, stations will commence broadcasting in IBOC HD Radio and will continue to maintain an ongoing digital radio service.

- Stations must time-align their analog and digital broadcasts.

Specific terms and provisions will be set forth in the document provided to each applicant that successfully completes the selection process.

4.10 Items Eligible under the CPB Digital Radio Conversion Fund

The following categories describe the eligible digital conversion project costs under FY07 Digital Radio Conversion grants:

- HD Radio Transmitters:
- HD Radio Conversion Kits: These kits convert existing HD ready transmitters
- HD Radio Digital Exciters: Must be FCC type-approved
- HD Radio Importers/Exporters: As necessary to implement HD Multicast function
- HD Radio Compatible STL units: This includes both the R.F., T1 and spread spectrum options.
- HD Radio Audio Processors: Such processors must be certified for HD digital operation
- Digital Audio Wire: Wire must be designed for transmission of digital data. (Routers are ineligible)
- Analog to Digital or Digital to Analog converters: When necessary
- Combiners: To provide a nominal ~7 to 10 dB coupling level for digital IBOC or approximately ~3 to 9 dB for split level configurations
- Reject Loads
- Test Equipment: Digital audio analyzers or spectrum analyzers as required by good engineering practice
- Rack Panels: For use of grant acquired equipment at studio and/or transmitter
- HD Radio Receiving Equipment. HD audio demodulator, as required by good engineering practice for monitoring the off-air transmission of R.F. signals
- Transmitter Spare Parts Kit: A transmitter spare parts kit and one set of final and driver tubes or semi-conductors for a transmitter(s) awarded in the grant
- Antennas, as necessary to implement a space-combining IBOC installation or to replace existing antenna unable to deliver IBOC signal. Narrative must provide detailed explanation of why the existing antenna is incapable of delivering an IBOC signal.
- Transmission Lines, elbows, spring hangers, gas fittings, coaxial switching
- Analog Transmitters: Eligible only in cases of no head-room where high-level combining at or near existing transmitter's maximum rated output results in less than the applicant station's licensed ERP and when accompanied by an explanation of why mid-level combining is not appropriate
- iBiquity Main Channel License Fee
- Shipping and delivery charges for the eligible equipment acquired with the award

- Installation charges for services of non-staff engineers
- Sales tax when required by state or local governments

4.11 Items and Applications *Ineligible* under the CPB Digital Radio Conversion Fund

The following the items and projects are not eligible for funding:

- Transmitters that have already received Digital Radio Conversion funding.
- Buildings and modifications to buildings including the renovation of space for transmitters intended to house eligible equipment; costs associated with removing old equipment.
- Land and land improvements. Site preparation necessary to construct tower and guy anchors for transmission and interconnection equipment. Purchase or lease of land.
- Moving costs required by relocation of facilities. (Shipping and delivery charges for the eligible equipment acquired with the award are eligible).
- Tower Modifications. Strengthening or modifying a tower to accommodate a public broadcasting antenna, except in cases where an auxiliary antenna is to be used for IBOC. Modifying or strengthening the applicant's tower to accommodate a commercial entity.
- Production and Control Room Equipment. Production equipment, studio and control room equipment including consumer-type mixers, tape recorders, turntables, CD players, etc; ancillary production devices such as stopwatches and stop-clocks, building lights, sound effects, scenery and props, cycloramas, sound insulation devices and materials, draperies and related equipment for production use, film and still photography processing, film sound synchronization editing.
- Furniture and Office Equipment. Such items as office furniture, office equipment, studio clocks and systems, blackboards, office intercoms, equipment inventory labels and label-makers, office productivity software, telephone systems, and printing and duplication equipment.
- Expendable Items and Spare Parts. Spare circuit components, spare parts kits for studio equipment, recording tape, cartridge tapes, records, compact discs, and record or tape cleaning equipment; art and graphics supplies; maintenance supplies.
- Backup Equipment. Spare transmitters to be used as backups, spare exciters, microwave equipment for the main studio-to-transmitter link or other STL relays; other redundant equipment.
- Electric Power. Costs of installing primary power to the facility, including transformers, power lines, gasoline or diesel powered generators, and related equipment.
- Test and Maintenance Equipment. Maintenance equipment such as hand and power tools, storage cabinets, and maintenance services.

- Air Conditioning and Ventilation. Air conditioning for control rooms, equipment rooms, studios, mobile units, and other operational rooms and offices.
- Vehicles. Items to equip a remote van for audio production.
- Construction Applications: Salary expenses, including staff installation costs, and pre-application legal and engineering fees.
- Audit Costs. Final report audit costs. Applicants are reminded that audits may be conducted by the Office of Inspector General.
- Staff planning and preparation and preparation costs
- Administrative costs and overhead.

4.12 Hardship Eligibility

CPB intends the hardship status only for those licensees that are unable to complete the digital conversion process at the standard CPB funding level.

Applicants seeking hardship status must check the “Hardship Status” box on the application form and submit a detailed narrative statement, supported by data, which makes the case for hardship. The narrative statement must explain why the applicant is unable to complete the digital conversion process at the standard CPB funding level and must support that explanation with data, including the licensee’s total station revenue for the previous three years.

Licensees with a parent institution, such as a university or state entity, must report on the level of financial support that the licensee receives from the parent institution and must explain why the parent institution is unable to provide the licensee with additional capital funds for digital conversion.

In reviewing a licensee’s hardship showing, CPB will consider the eligible equipment costs set forth in the licensee’s grant application, but if the licensee wishes CPB to consider extraordinary costs for ineligible equipment and expenses that are nonetheless necessary for the conversion project, the licensee should detail the costs for the ineligible equipment and expenses in the hardship showing.

CPB will evaluate requests for hardship status on a case-by-case basis, and CPB will grant hardship status, if at all, at CPB’s sole discretion. Additionally, CPB may elect to cancel or defer the hardship status program for any reason, including to increase the number of grants funded at the standard funding level.

V. Application Procedure for Digital Radio Conversion Fund

- 5.1 Download Application: Download the application spreadsheet file and fill out the application spreadsheet electronically. The application spreadsheet file includes separate tabs for instructions and worksheets. Please read the instructions before completing the application.
- 5.2 Project Narrative: In addition to the application, complete a separate project narrative document (in MS Word or readable with Adobe Acrobat) in accordance with the application instructions.

The narrative should be submitted in MS Word or readable with Adobe Acrobat, and should be limited to four pages. The following points should be addressed in the project narrative:

- Briefly describe your proposal for adding IBOC.
- Describe your proposed method of combining (high level, low level, mid-level, other)
- If the addition of IBOC will impact your power output, describe how the proposed system will function to maintain your transmitter's FCC licensed analog power.
- Explain why each major piece of the proposed equipment for the project is necessary for the project.
- Specify your proposed timetable, including an explanation of the start and end dates that you entered in the application.
- Provide any additional information that will clarify your project.
- For both AM conversion projects and requests for Hardship Status; please attach the additional requested material to the project narrative. These materials may exceed the four-page limit on the project narrative.
- **AM digital conversion applicants only:** Attach to your narrative a description of the results and recommendations of the CPB sponsored *AMTAP study* for your station. Also discuss how the study is incorporated (if at all) into the proposed digital conversion project for the AM transmitter.

The *AMTAP study* covered 54 CPB-qualified AM transmitters. For each station the study provided measurement results and analysis on the suitability

of each existing AM antenna system for IBOC transmission and recommendations for improving each installation if necessary for acceptable IBOC performance.

If you do not have a copy of the *AMTAP study* for your AM transmitter, contact Brian Gibbons at CPB at (202) 879-9753 or bgibbons@cpb.org for a copy of the report for your transmitter.

- 5.3 **Save Files:** Save the completed application spreadsheet file and narrative document using the naming convention in the following example. “WXYZ-FM_application” and “WXYZ-FM_narrative”, where “WXYZ-FM” is your station’s call letters and AM or FM the extension for your station.
- 5.4 **Submit Files by E-Mail:** Submit the two electronic files together by e-mail to digitalradiogrants@cpb.org. Faxed proposals will not be accepted. Applications will not be considered complete without a completed application spreadsheet (including electronic signature or **X**), project narrative (see application instructions), and, if applicable, a hardship showing.

While CPB will consider each application complete as submitted, CPB may, at its discretion, initiate discussion with any applicant to clarify points in a proposal and/or request additional information.

Proposals must be received by *Friday November 23, 2007*.

VI Funding Timeline

CPB expects an expedient process that will result in contract disbursements as early as February, 2008, contingent on the execution of a grant contract.

As a condition of the grant or contract, grantees and contractors must agree to the standard terms and conditions in CPB’s grant agreements. CPB will not entertain changes to the form of the grant agreement.

CPB may rescind offers to recipients who receive a grant contract and fail to return it (signed) to CPB within 60 days of receipt, together with all of the following:

- Two signed originals of the grant contract;
- One copy of the iBiquity Station License Agreement executed by iBiquity and the Grantee;
- One completed IRS form W-9;
- One completed Conversion Project Schedule;

- One completed Certification Regarding Matching Funds.

VII. Use of Submitted Proposals

By submitting a proposal to the Digital Radio Conversion Fund, each applicant grants to CPB the right to duplicate, use, disclose, and distribute all of the materials submitted to CPB for purposes of evaluation, review, and research.

CPB is not responsible for loss or damage to the materials submitted to CPB or for any unauthorized use or misuse of the submitted materials by any third party.

Applicants may withdraw a proposal at any time by written notice to CPB. CPB does not extend any binding unconditional commitments to provide funds prior to the execution of a grant or contract containing terms acceptable to CPB. Any notification to an applicant that CPB has approved a project is only an expression of CPB's then-present intention to offer to enter into a grant or contract with that applicant, and that offer is expressly subject to the condition that the applicant agrees to grant or contract terms acceptable to CPB.

VIII. Contact Information

At any time, during the application process, applicants are invited to contact CPB staff with questions, concerns, or comments about the FY07 Digital Radio Conversion Fund. Assistance is available for stations with application or engineering questions as follows:

Application questions to CPB's Director, Media Technologies:

Brian Gibbons (202) 879-9753 or bgibbons@cpb.org

Engineering questions to CPB's Engineering Consultant:

Doug Vernier (319) 266-8402 or dvernier@v-soft.com

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