

**Digital Distribution Fund (DDF)
Round 9 Guidelines**

Application Period: June 19 through July 17, 2006

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Application Announcement for Digital Distribution Fund Round 9

The Corporation for Public Broadcasting will be accepting applications for Digital Distribution Fund grants from CPB-qualified, non-commercial educational (NCE) television licensees for digital television transmission equipment required to meet the FCC July 1, 2006 “use it or lose it” deadline, the December 31, 2006 digital Emergency Alert System (EAS) deadline and any other pending deadlines to secure compliance with the FCC requirements and deadlines as described in the FCC Second DTV Periodic Review Report and Order (MB Docket No. 03-15, FCC 04-192) and/or other pending FCC DTV requirements and deadlines that must be implemented on or prior to December 31, 2006.

CPB anticipates announcement in the near future of a specific grant round to address the needs of the final DTV conversion deadline of February 17, 2009. Applications for transmission projects designed to address the needs of the February 17, 2009 deadline will not be accepted during Round 9.

All applications will be reviewed and ranked based on priority, application qualifications, financial qualifications, and project qualifications.

It is anticipated that notification of awards will take place during October, 2006 or sooner.

Digital Transmission Equipment

DDF funding will assist stations in the purchase and installation of the digital television transmission equipment necessary for a station to comply with the FCC requirements and deadlines as described in the FCC Second DTV Periodic Review Report and Order (MB Docket No. 03-15, FCC 04-192) or other existing FCC requirements and deadlines for Emergency Alert System (EAS), Closed Captioning equipment and/or other equipment required to meet FCC DTV deadlines on or prior to December 31st, 2006.

FUNDING

Grants of up to **\$500,000.00 per transmitter** will be awarded for Transmission applications on a 25% station matching basis.

MULTI-STATION GRANT APPLICATIONS NOT ACCEPTED

Applications for multi-station projects will not be accepted during DDF Round 9. All applications that meet the requirements of the Round 9 guidelines to satisfy the applicable FCC deadlines will be considered to be of the highest priority and will be eligible for up to \$500,000.00 per transmitter.

APPLICATION PERIOD

Applications are accepted beginning June 19 (pending electronic application availability) through July 17, 2006.

Applicants will be notified of award status following vetting of applications, status of funds confirmation, and CPB Executive concurrence.

APPLICANT QUALIFICATIONS

Applications for grant awards will be accepted from CPB-qualified, non-commercial educational (NCE) television licensees only.

Applicants must be current with all pertinent FCC filings that are due by the application deadline, and, for those applicants that are awarded Round 9 DDF grants, all pertinent FCC filings that are due at the time of contract execution. Applicants must be on the air with a DTV signal or have a FCC DTV Construction Permit, with appropriate extension requests on file. Stations

delayed by border issues must have made application for construction permits for “checklist facilities.” Applicants must provide a copy of the first and any subsequent FCC extension notification(s) upon request.

Applicants are required to provide the FCC construction permit number or, if licensed or license application on file, provide a copy of the license or license application. Stations that are experiencing FCC related construction permit delays are urged to discuss their specific circumstances with Michelle Ranger, TV Digital Fund Grant Manager, CPB, 202-879-9737, mranger@cpb.org.

Important note: Applicants who will not be on the air at full power by the FCC’s July 1, 2006 deadline must submit an explanation of the status of the transmitter construction or plans. The explanation must be accompanied by current applicable FCC documents. It is strongly recommended that the applicant also include a letter of explanation from the applicant’s communications attorney explaining the legal position regarding the station’s inability or failure to meet the July 1, 2006 deadline and expected or actual impact on the station’s obligations, forfeitures or understandings with the FCC regarding FCC requirements for the “use it or lose it” deadline.

Eligible equipment purchased no earlier than twelve months prior to the date the application is submitted will be reviewed for in-kind consideration during contract negotiation, as appropriate.

FINANCIAL QUALIFICATIONS

The Digital Distribution Fund seeks to support the greatest number of station applicants while recognizing that the financial resources to which stations have access may differ substantially in relation to the communities they serve.

Funding from state, corporate, private donors and other sources should be leveraged to the greatest extent possible. However, Digital Distribution Fund grant money may not be used as matching dollars for existing federally-funded programs, such as the Department of Commerce’s PTFP program. Stations with projects already underway and supported by CPB, PBS, APTS, NPR or other public broadcast entities may apply, provided the project objectives are consistent with goals of the Digital Distribution Fund as described in this document, and any new funds requested are matched by non-federal sources. Equipment included in any other federally-funded grant contract may not also be used as an in-kind match for a Digital Distribution Fund grant.

Funding requests for operating costs or buildings, including leases of all forms, are not eligible for consideration.

TRANSMISSION MATCH REQUIREMENTS

Individual station applicants may request matching grants of up to \$500,000.00. Applicants must provide local matching funds totaling at least 25% of the cost of the proposed project.

In-kind services or equipment submitted as match must be verified by the fund administrator and approved by CPB prior to contract execution. In-kind services or equipment must have been purchased no earlier than 12 months prior to the date the application is submitted to be eligible for inclusion in the DDF Round 9 application.

Stations that cannot meet the matching requirements are urged to contact CPB directly. Inquiries should be directed to Michelle Ranger, 202-879-9737, mranger@cpb.org.

PROJECT QUALIFICATIONS

Transmission:

Equipment that is necessary for a station to comply with the FCC requirements and deadlines as described in the FCC Second DTV Periodic Review Report and Order (MB Docket No. 03-15, FCC 04-192) or other existing FCC DTV requirements and deadlines for EAS and Closed Captioning and/or other equipment required to meet FCC DTV deadlines on or prior to December 31, 2006.

Applicants will be notified of any ineligible equipment deemed not to be necessary or critical for an applicant to meet the FCC replication or other requirements to meet the eligible deadlines. Applicants with questions about eligible equipment for their project should contact Lewis Zager, PBS DTV Strategic Services Group, 703-739-3988 / lzager@pbs.org

PROJECT EVALUATION

Applications will be evaluated based on their merits in three categories: (1) Applicant Qualifications; (2) Financial Qualifications; and (3) Project Qualifications.

A review of applicant and financial eligibility for DDF grants will be made prior to the ranking of applications. Only those applicants that meet the minimum qualifications for both applicant and financial eligibility will be considered. At minimum, applicants must meet the eligibility requirements outlined in this document, and be able to meet the relevant matching requirement.

Project proposals will be evaluated on the degree to which they meet or exceed fund objectives. An applicant's project narrative should present a compelling justification of the ways in which the proposed project will address the following objective:

Demonstration of need to comply with FCC requirements, including, if applicable, those set forth in the FCC Second DTV Periodic Review Report and Order (MB Docket No. 03-15, FCC 04-192) or other existing FCC requirements and deadlines for DTV transmission, such as EAS and Closed Captioning services, that must be met by December 31, 2006.

Applicants will be accorded additional consideration for projects that demonstrate partnership with a public or private entity in which the partner organization is investing substantial funds and/or resources essential to the completion of the project and the delivery of service(s).

Project proposals will also be evaluated on the proposed project schedule submitted by the applicant in the Proposed Schedule tab on the electronic application. Proposals should demonstrate a realistic, concrete and expeditious schedule. Additionally, in all but extraordinary cases, proposed projects are expected to begin promptly after contract execution and to be completed within fifteen (15) months thereafter. Applicants proposing project schedules with a delayed start date or with a project period longer than fifteen months should include an explanation in their application project narrative. *Applicants' proposed schedules must indicate compliance with FCC deadlines and/or include explanations of legal basis for failure to meet the FCC deadlines provided in the FCC Second DTV Periodic Review Report and Order (MB Docket No. 03-15, FCC 04-192) or other existing FCC requirements and deadlines for DTV transmission, such as EAS and Closed Captioning services.*

An applicant's project narrative should indicate the relevant priorities, outline a thorough project description, and present a compelling case for funding based on one or more of the cited fund objectives. Applicants should also state how

the project will be implemented, if funded, and applicants must provide a specific schedule or timetable for project implementation. If appropriate or applicable, applicants should include evidence of community needs assessment or description of objective evaluation procedures used to determine the desirability and value of the proposed services to the community that will be served.

The project narrative should also provide an explanation of how the equipment and/or professional services requested will be used to meet the proposed project's objectives. The narrative must tie the project goals specifically to the proposed equipment list.

The narrative should refrain from hyperbole or project descriptions that are not or cannot be supported by objective supporting documentation, such as, but not limited to, coverage maps, information about population served and specifications of equipment or services requested.

General Application and Contract Requirements

Applications for the Digital Distribution Fund, Round 9, will be accepted from Monday, June 19 until 5:00 p.m. EDT on Monday, July 17, 2006.

Applicants must use the electronic application form that will be posted on PBS Connect to file their applications. In addition to completing the electronic form, applicants must also submit three (3) signed hard copy originals of their application, along with three hard copy sets of all necessary attachments and/or exhibits.

Applications must be received at the offices of the Public Broadcasting Service, CPB's designated fund administrator, by no later than 5:00 pm EST on the above referenced date. Both the electronically completed form and the three (3) required hard copies of the application materials and attachments are due on or before Monday, July 17, 2006 at 5pm EDT. It is recommended that hard copies of applications be sent by registered or certified mail, or by other forms of delivery that provide a written record of receipt. All deliveries of application materials must be scheduled to arrive on or by the deadline shown above.

The address for both mail and hand delivery of signed applications is:

Public Broadcasting Service
DTV Strategic Services Group
2100 Crystal Drive
Arlington, VA 22202
Attention: Digital Distribution Fund - Round 9

Questions regarding the electronic application should be directed to Dana Golub, PBS, Senior Manager, DTV Strategic Services Group, 919-834-2259 or dgolub@pbs.org.

SIGNATURES

Signatures are required on the application form. The “Authorized Representative” who signs the application form must be an official of the applicant’s organization and must be empowered to sign contracts on behalf of the organization.

AMENDMENTS AND EXCEPTIONS TO APPLICATIONS

While CPB will consider each application complete as submitted by the applicant prior to the application deadline, CPB may, at its discretion and either through CPB or PBS personnel, initiate discussion with any applicant to clarify points in a proposal and/or request additional information. If CPB or PBS request clarification or additional information, applicants will be notified by telephone or by email and will be expected to provide the requested information within three (3) business days of the request.

Requests for exceptions to any of the administrative requirements or procedures stated in these guidelines are strongly discouraged. If, however, requests for exceptions are made, applicants must detail and justify proposed exceptions in writing prior to the deadline for application submissions. Waiver of any requirement should not be presumed. If granted, exceptions will be conveyed by specific written authorization only. Oral authorization will not be considered valid.

Applicants may withdraw a proposal at any time by written notice to CPB and a copy to PBS.

CPB's solicitation of proposals pursuant to these guidelines does not constitute an agreement by CPB to extend funding to pay any party under these obligations. CPB reserves the right, to be exercised at CPB’s sole discretion, to alter, withdraw, or terminate this program at any time with no financial, legal or other obligation to any applicant, party, or any other entity responding or planning to respond.

Neither CPB nor PBS is responsible for loss or damage to the materials submitted, or for any unauthorized use or misuse of the submitted materials by any third party. Materials submitted for fund consideration are not considered confidential in nature and may be made public at the discretion of CPB or PBS.

By submitting a proposal, each applicant:

- (1) grants to CPB and PBS the right to duplicate, use, disclose and distribute all of the materials submitted for purposes of evaluation, review and research;
- (2) guarantees that the applicant has full and complete rights to all of the information and materials included in the proposal; and
- (3) guarantees that all such materials are not defamatory and do not infringe upon or violate the privacy rights, copyrights or other proprietary rights of any third party.

CONDITIONS OF AGREEMENT

Once a project is selected for funding, the applicant will be required to sign a binding agreement to receive grant funds. Until both the applicant and CPB have executed the grant agreement, CPB shall not be deemed to have made any express or implied commitment to support the project financially. Applicants are not authorized to commence work on a project, nor commit Digital Distribution Fund monies, until the grant agreement is fully executed. If applicants opt to commence work with expenditure of non-federal funds for transmission projects in order to meet FCC deadlines, they do so at their own risk.

CPB may, however, consider these non-federal funds expenditures as applicable to the project if and when the grant agreement is fully executed so long as the applicant makes those expenditures after the application has been formally submitted to PBS via the PBS Connect electronic application process, and the equipment otherwise qualifies for this DDF grant.

No oral or written statement other than the signed, written agreement will govern or modify the relationship between CPB and an applicant.

As a condition of the agreement, applicants must guarantee that, among other things, the project is not defamatory and will not violate or infringe upon the privacy rights, copyrights or other proprietary rights of any third party. Grant recipients must also agree to indemnify CPB against any loss resulting from breach of any of the guarantees contained in the agreement.

Those receiving funds from the Digital Distribution Fund must be able to comply with a number of requirements that will be included in the written grant agreement. These requirements include, but are not limited to:

- (1) A demonstration of adequate financial support to complete the project and to deliver reports and/or other intellectual property created for it;

- (2) A demonstration of adequate financial support to sustain the operation of any facilities and/or services provided as a result of the award of grant;
- (3) Maintenance, for three years following receipt of relevant funds, of all financial records related to the project, which records shall be accessible to CPB and its agent, PBS, and to the U.S. Comptroller General or other representatives for examination and audit purposes; *(Recipients will additionally ensure that any subcontractors or consultants under the agreement shall also maintain such records for the period specified and under the same terms);*
- (4) Maintenance, for three years after approval of a final financial report, of a complete file of all subcontracts and other agreements, licenses, clearances and other documents related to the project, copies of which shall be made available to CPB or its agent, PBS, on request;
- (5) Submission to CPB and its agent, PBS, of a copy of any U.S. Comptroller General final audit report concerning the grant award;
- (6) Acquisition of all necessary authorizations from the Federal Communications Commission to commence and complete the grant project prior to contract execution;
- (7) Compliance with equal employment opportunity and nondiscrimination laws and policies;
- (8) Competitive bids for equipment and professional services: applicants will be expected to obtain competitive bids, and to provide assurances that the prices obtained for any such equipment and services are fair and reasonable. Sole source justifications may be submitted, but CPB retains the right to make final determination regarding substitution of sole source justifications in lieu of competitive bids; and
- (9) Documentation of actual project costs: applicants will be required to provide documentation as to actual project costs, and provide supporting detail demonstrating that all project costs are reasonable, necessary and allocable to the project requirements and objectives.

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

Appendix A - Eligible Equipment

Digital Distribution Fund Round 9

Transmission

Proposed equipment should ensure station ability to meet FCC requirements and deadlines through December 31st, 2006.

Project May Include:

- Transmitter power upgrades to meet “use it or lose it” deadline.
- EAS encode/decode equipment.
- Closed Caption inserters. (Equipment for the creation of closed captions is not eligible equipment.)
- Other eligible equipment required to meet applicable FCC DTV deadlines through December 31, 2006.