



Corporation
for Public
Broadcasting

**2016 Television Community Service Grant
General Provisions and Eligibility Criteria**

October, 2015

Questions should be submitted to csq@cpb.org
(Include station's call letters and four-digit Grantee ID)

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2016 Television Community Service Grant General Provisions and Eligibility Criteria

The General Provisions and Eligibility Criteria (General Provisions) are divided into two parts. Part I sets forth the provisions applicable to Corporation for Public Broadcasting (CPB) Television Community Service Grant (CSG) recipients. Part II sets forth the provisions applicable to recipients of CPB's Supplemental CSG Programs. CSG recipients must also comply with the requirements in the documents identified in Exhibit A, which is attached hereto and incorporated herein by reference.

PART I. CSG PROGRAM

Section 1. Definitions

The following terms are defined as set forth below.

- A. Annual Financial Report (AFR):** The financial information that Grantees must annually report to CPB detailed in the FY 2015 [Financial Reporting Guidelines](#), which are incorporated herein by reference.
- B. Certification of Eligibility:** The certification each CSG applicant must submit to CPB electronically through the CPB software system referred to as CPBISIS (Integrated Station Information System) in order to certify compliance with the applicable Communications Act requirements and these General Provisions.
- C. Certification Requirements:** A document entitled [Certification Requirements for Community Service Grant Recipients](#), which explains certain Communications Act requirements applicable to CSG recipients, incorporated herein by reference.
- D. Children's Programming:** Programming targeted to children seventeen years of age and younger.
- E. Communications Act:** The Communications Act of 1934, as amended (47 U.S.C. § 396, *et seq.*).

- F. Community Advisory Board (CAB):** An advisory body most television stations are required to maintain pursuant to the Communications Act.
- G. Community Service Grant (CSG):** An FY 2016 Community Service Grant, unless otherwise identified, awarded to a television station by CPB.
- H. Coverage Area Population (CAP):** The population within a station's coverage area based on contours specified by CPB (consistent with the rules and policies of the Federal Communications Commission) and the most recent population data published by the U.S. Census Bureau.
- I. CPB:** The Corporation for Public Broadcasting.
- J. CPB-Qualified Programming:** General audience programming broadcast that serves a station's demonstrated community needs of an educational, informational, or cultural nature.

Programs that are not considered CPB-Qualified Programming include but are not limited to:

1. programming that furthers the principles of particular political or religious philosophies; and
 2. programming designed primarily for in-school or professional in-service audiences.
- K. Discrete Accounting Requirement:** The use of unique accounting codes by CSG recipients to identify CSG funds – both revenues and expenses, restricted and unrestricted – so that both CPB and an auditor can discretely track those funds within the recipient's accounting system.

CSG recipients are not required to segregate CSG funds in separate bank accounts; co-mingling funds is allowable as long as the accounting system easily identifies transactions associated with a major activity (*e.g.*, department, grant, contract, or other project).
 - L. Eligible Grantee:** A Grantee that is eligible to receive a CSG by meeting the requirements set forth herein.
 - M. Employment Statistical Report:** The Grantee report identifying:
 1. the race and sex, the number of employees in each of eight full-time and part-time job categories (officials and managers, professionals, technicians, office and clerical personnel, skilled craft persons, semi-skilled operatives, unskilled operatives, and service workers); and
 2. the number of job openings occurring during the course of the year.
 - N. FCC:** The Federal Communications Commission.
 - O. Financial Reporting Guidelines:** CPB's instructions on accounting for and reporting on a Grantee's use of CSG funds are set forth in the FY 2015 [Financial Reporting Guidelines](#), which are incorporated herein by reference.

- P. Flagship Station:** When a Licensee has multiple stations, it is the station that the Grantee designates in CPBISIS to receive the CSG.
- Q. Full-Time Employee (FT employee):** Permanent personnel of Grantee, employed by Licensee (or a parent company, subsidiary, affiliate, or third-party operator under contract with Licensee):
1. that possess the skills and expertise in the management, programming, production, promotion, development, or engineering areas of television station operations;
 2. that are paid no less than the minimum federal hourly wage plus all benefits that Licensee (or a parent company, subsidiary, affiliate, or third-party operator under contract with Licensee) routinely provides to its FT employees; and
 3. whose terms of employment require working the number of hours that constitute a normal work week at said institution.
- R. Full-Time-Equivalent Employees (FTE):** Two or more employees who, collectively, satisfy the criteria for a FT employee. However, an FTE need not receive all benefits that Licensee (or a parent company, subsidiary, affiliate, or third-party operator under contract with Licensee) provides to its FT employees.
- S. Fully Differentiated Stations:** Stations in Multi-Provider Markets that have at any time lost their CSG eligibility and are applying to the CSG program must broadcast content that is neither duplicated nor broadcast on any other station in its Multi-Provider Market. Content that is duplicated pursuant to a formal written contract between two or more stations in said market is excluded.
- T. Grantee:** The FCC station Licensee legally authorized to receive a CSG.
- U. Joint Licensees:** Licensees eligible to receive television and radio CSGs.
- V. Licensee:** The entity that operates a full-power noncommercial educational television station pursuant to a valid renewable license for that station issued by the United States government.¹
- W. Licensee Official:** The chair of the Licensee’s governing board, or a designated senior level representative of the Licensee, who is not a member of the station’s management and who has the authority to enter into binding contracts and agreements on behalf of the Licensee.
- X. Local Content and Service Report (LCSR):** The report that Grantee must provide annually to CPB describing the content created, acquired, and distributed to support of its community’s needs and interests. The report should include analysis on the reach and impact of online, on-air, and community engagement content and services. Grantees determine what qualifies as local content and service.²

¹ This definition of licensee is expected to be approved in November 2015 by the CPB Board of Directors.

² CPB Board of Directors’ resolution dated September 22, 2010.

- Y. Multi-Provider Markets:** Markets CPB designates as Multi-Provider Markets, which are identified in Exhibit B attached hereto and incorporated herein by reference.
- Z. Non-Federal Financial Support (NFFS):** The total cash and the fair market value of property and services Grantee received from sources other than the United States or any agency or instrumentality of the United States or any public broadcasting entity, as further defined in 47 U.S.C. § 397(9).

Additional details and definitions of what revenues qualify as NFFS are contained in the FY 2015 [Financial Reporting Guidelines](#), and in the [Application of Principles of Accounting and Financial Reporting to Public Telecommunications Entities](#), May 2005 Edition, including subsequent amendments thereto.

- AA. Primary Grantee:** The Grantee that received the largest NFFS in a Multi-Provider Market during Grantee's 2014 fiscal year.
- BB. Program Differentiation Incentive (PDI):** An incentive CPB provides to Secondary Grantees in Multi-Provider Markets. In order to be eligible for a PDI, stations must not broadcast duplicate programming on their primary channels on the same day, with the exception of:
1. children's programming;
 2. news programming;
 3. one-time programming of local or national importance (*e.g.*, emergency information or presidential speeches); and
 4. stations must annually certify the same to CPB.
- CC. Secondary Grantee:** A Grantee with NFFS that is lower than the NFFS of the Primary Grantee within a Multi-Provider Market.
- DD. Sole Service:** Stations that operate the only primary broadcast service (radio or television, commercial or non-commercial) within a 50-mile radius from the station's transmitter are sole service stations. A Licensee operating multiple services (television/television or television/radio) serving the same community may qualify as a single sole service station.
- Translators do not qualify as sole-service stations because of their secondary status. The presence of a secondary service licensed to another entity shall not preclude an applicant from qualifying for a CSG as a sole-service provider.
- EE. Spending Period:** The period of time within which CSG funds may be expended, which begins October 1, 2015, and ends September 30, 2017.
- FF. Station Activities Benchmarking Study (SABS):** The survey that CPB uses to collect standard financial and operational information from Grantees. The data is provided to public broadcasting stations and national organizations to support decision-making, understand performance issues, identify improvement opportunities, and achieve defined objectives.

- GG. Station Activity Survey (SAS):** The survey that CPB uses to collect information on station operations to enable CPB to advocate the interests of public broadcasting, assist stations and other public broadcasting organizations with planning and evaluation, and to anticipate industry trends.
- HH. Supplemental CSG Programs:** The following programs: Television Merger and Consolidation Program, Television Collaborative Bandwidth Program, Television Local Service Grant Program, and Television Distance Service Grant Program.
- II. Television Interconnection Grant (TV-ICG):** A grant CPB provides to Grantees to cover a portion of their interconnection costs.

Section 2. Eligibility Criteria

- A. Eligible Grantee:** An eligible Grantee is a Licensee that:
- operates one or more full-power UHF or VHF television broadcast stations, at least one of which meets the eligibility criteria herein and is designated as the Licensee's Flagship Station in CPBISIS;
 - received a CSG in FY 2015; and
 - is determined by CPB to be a qualified CSG recipient.
- B. Ineligible Stations:** The following television stations are not eligible to receive a CSG:
- closed-circuit stations;
 - stations that are managed and operated by and for students;
 - stations that primarily provide training programming to Licensee employees, clients, and/or representatives; and
 - stations licensed to political organizations.
- C. Additional Eligibility Criteria:** Grantees in the categories below are subject to the following additional eligibility criteria:
- Joint Licensees:** Joint Licensees must individually meet the requirements set forth herein and the applicable General Provisions governing their radio CSG. Resources (including but not limited to NFFS, FT employees, and FTEs) designated to meet the requirements of one CSG may not be used to meet the requirements for any other CSG.
 - PDI Eligibility:** Secondary grantees qualifying for a PDI in a Multi-Provider Market must annually certify that its previous year's programming schedule met the PDI requirements.

CPB will periodically review a Secondary Grantee's compliance with the PDI requirements. If CPB finds Secondary Grantee has falsely certified its PDI eligibility, it may lose its PDI for up to three years.³

- D. Maintaining Eligibility:** A Licensee is responsible for ensuring its Grantee is in compliance with the General Provisions at all times during the Spending Period and must promptly notify CPB if Grantee fails to maintain the same, by email to Kate Arno, Director of TV CSG Policy and Review, at karno@cpb.org (or the individuals CPB subsequently designates).

CPB reserves the right to reduce or eliminate a Grantee's CSG if CPB determines said Grantee is not in compliance with the General Provisions.

E. TV CSG Re-Qualification:

Beginning October 1, 2012, a previously CSG-qualified Grantee will be allowed to apply for a CSG if it is in compliance with the General Provisions, if

1. its Licensee does not receive a CSG for any other station that the Licensee owns; and
2. Grantees in a Multi-Provider Market must be Fully Differentiated Stations. However, CPB, in its sole discretion, may permit Grantees to participate in the Collaborative Bandwidth Program⁴ without being Fully Differentiated Stations.⁵

- F. CPB Waiver:** CPB may, in its sole discretion and in exceptional circumstances, waive a non-statutory eligibility criterion listed in Section 2, Eligibility Criteria, for example, when a station demonstrates that it provides the sole broadcast service in its community or that its public broadcast services primarily serve underserved or unserved audiences.

Section 3. Communications Act Requirements

Grantees must certify annually to CPB through the Certification of Eligibility that they are in compliance with the relevant provisions of the Communications Act, representing and warranting to CPB that they shall remain at all times in compliance with the same during the Spending Period.

Grantees may not receive a CSG unless they comply with the Communications Act requirements, certain of which are summarized below. The list does not supersede other provisions of the Act or other laws and regulations applicable to Grantees:

- A. Open Meetings:** Grantee's board meetings, board committee meetings, and CAB meetings must be open to the public (47 U.S.C. § 396(k)(4));

³ CPB Board of Directors' resolution dated August 6, 2007.

⁴ The Collaboration Bandwidth Program is set forth in Part II.

⁵ CPB Board of Directors' resolution dated September 22, 2010.

- B. Closed Meetings:** When closing a board meeting, board committee meeting, or CAB meeting, Grantee must document the reasons for closing the meeting and make them available to the public within a reasonable time (47 U.S.C. § 396(k)(4));
- C. Open Financial Records:** Grantee’s annual financial and audit reports they are required to submit to CPB (47 U.S.C. § 396(l)(3)(b)) that must be available for public inspection (47 U.S.C. § 396(k)(5));
- D. Employment Statistical Report:** Each Grantee must:
1. file annually with CPB its Employment Statistical Report through CPBISIS⁶;
 2. make its Employment Statistical Report available for review by the public at its central office and each location where there are six or more FTEs (47 U.S.C. § 396(k)(11)).
- E. CAB:** Grantees, if required, must maintain a CAB (47 U.S.C. § 396(k)(8)); and
- F. Donor Information:** As required by 47 U.S.C. § 396(k)(12):
1. Stations are barred from renting contributor names, donor names, or other personally identifiable information (collectively Personal Information) to or from, or exchanging Personal Information with, any federal, state, or local candidate, political party, or political committee.
 2. Stations are barred, unless required by law, from disclosing a contributor or donor’s Personal Information to any Nonaffiliated Third Party⁷, unless the station:
 - a. clearly and conspicuously notifies the contributor or donor in writing that the station may disclose its Personal Information to Nonaffiliated Third Parties;
 - b. advises the contributor or donor in writing and before any disclosure, that they have the right not to have their Personal Information disclosed; and
 - c. informs the contributor or donor of how to prevent disclosure of their personal information.

⁶ The Communications Act requirements are different than the FCC’s Equal Employment Opportunity requirements, See Section 20, Equal Employment Opportunity.

⁷ Nonaffiliated Third Party is defined in the Certification Requirements, May 2015, Section V.

For contributors and donors who provide ongoing station support and have consented to have their Personal Information disclosed, the station should periodically advise them in writing that they have the right to withdraw their consent, unless such information is conspicuously posted on the station's website.

Section 4. Recordkeeping Requirements

Grantees must comply with recordkeeping requirements set forth below.

- A. Recordkeeping, Certification, and Audit Requirements:** The Communications Act mandates recordkeeping and auditing and provides CPB and its representatives access to all records concerning a CSG (47 U.S.C. 396(1)(3)(B), (C), & (D)). Grantees must maintain such records as CPB may in its discretion require to facilitate an effective audit.

Additional information related to recordkeeping is found in the [Application of Principles of Accounting and Financial Reporting to Public Telecommunications Entities](#), May 2005 Edition, including subsequent amendments thereto.

- B. Operational Records and Documentation:** Grantee's CSG operational records and documentation sufficient to substantiate its Certification of Eligibility.

Grantees must retain all CSG records for no less than three years after the end of the Spending Period. However, CSG records must be retained for no less than 10 years after commencement of any of the events below.

1. When litigation or an audit begins before the expiration of the three-year period;
2. When real property or equipment are acquired with federal funds;
3. When CSG-funded activities involve program income transactions;
4. When indirect cost proposals and cost allocation plans are involved; and
5. When the federal awarding agency requests otherwise in writing.⁸

- C. Certification of Eligibility:** Grantees must certify annually their compliance with the General Provisions by submitting a Certification of Eligibility to CPB. Compliance is subject to audit by CPB's Inspector General and others, and improper certification may result in penalties under the Federal False Claims Act.

- D. Discrete Accounting Requirement:** During the Spending Period, Grantees must be in compliance with the Discrete Accounting Requirement, not later than the end of each Grantee's fiscal year.

⁸ CPB revised its records retention requirements effective FY 2015 pursuant to correspondence from Ted Krichels, Senior Vice President, System Development and Media Strategy, dated July 10, 2014; and a memo from Mary Mitchelson, CPB Inspector General, dated June 10, 2014.

- E. Expenditures and Discrepancies:** Grantee's CSG expenditures must comply with the General Provisions. Failure to comply may result in CPB requiring Grantee to repay to CPB a portion or all of the CSG funds it received.

In the event of an improper expenditure or any discrepancies or inaccuracies in CSG expenditures, whether reported by the Grantee, discovered during the course of an audit, or otherwise, CPB may, in its discretion, reduce Grantee's CSG. In the event of a CSG reduction, CPB may decide whether to recover the overpayment immediately or by reducing the current or future CSG awards. If CPB requires Grantee to return all or part of the overpayment, CPB will notify the Grantee in writing of the action it intends to take.

- F. Penalty for Late Filing:** If Grantee files any of the following beyond the required deadline, its next CSG will be subject to a penalty. The penalty is up to 1/365th of the next CSG for each day any of the following reports are late:

1. Certified Annual Financial Report;
2. Audited Financial Statements;
3. Annual Station Activities Benchmarking Study; and
4. Annual Station Activities Survey.

Section 5. Operational Requirements

Grantees must comply with the operational requirements below.

- A. FCC Operating Requirements:** Grantees must comply with FCC requirements for the operation of a full-power, noncommercial educational television station throughout the Spending Period. Failure to comply with FCC requirements and the terms of the station's broadcast license may, at CPB's discretion, result in the loss or return of CSG funding.
- B. Broadcast Schedule:** The substantial majority of each station's daily total programming hours broadcast on all of its channels, including its primary and multicast channels, must be devoted to CPB-Qualified Programming. The station must broadcast on a schedule of seven days per week, 52 weeks per year, for a total of at least 3,000 hours or 58 hours per week.
- C. Employment Requirement:** Grantee's staff must be managed by an executive or equivalent whose primary responsibility is to oversee the day-to-day operations of the station, including the responsibility and authority to:
1. determine when and what material the station broadcasts; and
 2. administer disbursements under a budget authorized by the Grantee's governing board.

- D. Minimum NFFS:** Beginning September 30, 2012, each Grantee must have a minimum NFFS of \$800,000, determined by averaging Grantee’s NFFS from its three most recent fiscal years. CPB, at its sole discretion, may waive the minimum NFFS requirement for a Grantee.⁹
- F. Channel Sharing Agreement:** Two TV CSG Grantees in a channel sharing agreement will continue to qualify for a CSG as long as they meet all other eligibility requirements. When one Grantee has the right to use less than half of the capacity of the shared channel, CPB may adjust its CSG.

In a channel sharing agreement between a CSG-eligible station and a commercial station, the CSG-eligible station must have the right to use at least one-half of the total capacity of the shared station.

In both cases, the channel-sharing agreements may provide flexibility to allow stations to use more or less bandwidth at a given time, depending on the content being aired – a process called dynamic multiplexing – to optimize technical quality of all transmissions over the shared channel.¹⁰

Section 6. Diversity Statement

The Communications Act requires CPB to support diverse non-commercial educational content for unserved and underserved audiences. CPB’s goal, therefore, is to support stations in providing a wide variety of educational, informational, and cultural content that addresses the following elements of diversity: gender, age, race, ethnicity, culture, religion, national origin, and economic status. It is appropriate that Grantees engage in practices designed to reflect such diversity of the populations they serve. In support of these objectives, Grantees must comply with the following:¹¹

- A. Annual Review:** Annually review and make any necessary revisions to Grantee’s established diversity goal for its workforce, management, and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations.
- B. Diversity Statement:** Undertake the following to achieve Grantee’s diversity goal:
1. Annually review with the station’s governing board or Licensee Official:
 - a. the diversity goal and any revisions thereto; and
 - b. practices designed to fulfill the station’s commitment to diversity and to meet the applicable FCC guidelines (47 C.F.R. § 73.2080).
 2. Maintain on its website a diversity statement (approximately 500 words) that reflects on the following points, reviewing and updating the same annually with station management:

⁹ CPB Board of Directors’ resolution dated September 22, 2010.

¹⁰ CPB Board of Directors’ resolution dated April 14, 2015.

¹¹ CPB Board of Directors’ resolution dated September 22, 2010, for television stations and April 22, 2012, for radio stations.

- a. the elements of diversity that Grantee finds important to its public media work;
- b. the extent to which Grantee’s staff and governance reflect such diversity;
- c. the progress Grantee has made to increase its diversity in the last two to three years; and
- d. Grantee’s diversity plans for the coming year.

C. Annual Initiative: Undertake one of the following initiatives on an annual basis:

- 1. Include individuals representing the diverse groups served by Grantee for internships or work-study programs, which must be designed to provide meaningful professional-level experience and further public broadcasting’s commitment to education;
- 2. Include qualified diverse candidates in any slate of individuals considered for positions on elected governing boards that Grantee controls;
- 3. Provide diversity training for members of Licensee’s governing body or board of directors;
- 4. Participate in minority or other diversity job fairs; or
- 5. Provide diversity training for management and appropriate staff.

D. Recruiting: Grantees are strongly encouraged to interview at least one qualified diversity candidate for each senior leadership position hire. The term “senior leadership position” includes: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Content Officer, General Manager, and other equivalent positions.

Section 7. Transparency

Grantee must maintain the following on its Website, if it has one, or make the following available through another affiliated station’s Website (public media related or Licensee related) if it does not have a standalone website:¹²

- A. Station Management:** A list of station senior/executive management (names and titles) and contact information;
- B. Board of Directors:** A list of the members of its Board of Directors. (Stations not governed by a Board of Directors must list the names of the members of its governing body.)
- C. CAB Members:** A list of its CAB members (for stations that maintain a CAB pursuant to the Communications Act or voluntarily);
- D. Open Meetings:** The date, time, and place of all open meetings as required by the

¹² CPB Board of Directors’ resolution dated September 22, 2010.

Communications Act (47 U.S.C. § 396(k)(4));

- E. Audited Financial Statements:** The Station's most recent Audited Financial Statements;
- F. Copies of Financial Reports:** Instructions for obtaining a copy of Grantee's annual financial reports.
- G. IRS Form 990 or Equivalent:** If Grantee files an IRS Form 990, the most current IRS Form 990. (The information that university, state, and local authority Licensees post may be limited to their station operations – see Compensation Information below.)
- H. Compensation Information:** If Grantee does not file an IRS Form 990, compensation information, unless prohibited by law, which is:
 - 1. comparable to the information outlined in the IRS Form 990, Part VII (A); and
 - 2. comparable to contractor compensation in IRS Form 990, Part VII (B);
- I. Local Content and Services Report:** Grantee's annual LCSR; and
- J. Diversity Statement:** Grantee's diversity statement, specified in Section 6, Diversity Statement.

Section 8. Spectrum Incentive Auction Transparency

Public media Licensees have an ethical obligation to their communities to conduct their activities in a transparent and accountable manner, consistent with legal and confidentiality obligations. Because public media licensees hold their broadcast spectrum in trust for the public, Grantees whose participation in the Spectrum Auction would significantly reduce or terminate service to their communities should be as transparent as possible and solicit public comment as appropriate.¹³

Section 9. Donor Privacy

Grantees must comply with all applicable federal and state laws and regulations regarding donor privacy and data security.¹⁴

¹³ CPB Board of Directors' resolution dated April 14, 2015.

¹⁴ CPB Board of Directors' resolution dated September 22, 2010.

Section 10. Use of CSG Funds

- A. Overview:** Pursuant to the Communications Act, CSG funds distributed “. . . may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming” (47 U.S.C. § 396(k)(3)(A)(iii)).

CSG funds must be used to support Grantee’s ability to expand the quality and scope of services it provides to the communities it serves. CSG expenditures must fall into one of the following seven categories, which include salaries and benefits for personnel engaged in those activities.

1. Programming, Production, and Services
 - a. Programming and Production
 - b. Educational Programs
 - c. Educational Outreach Activities
2. Broadcasting, Transmission, and Distribution
3. Program Information and Promotion
4. Fundraising and Membership Development
5. Underwriting and Grant Solicitation
6. Management and General
7. Purchase, Rehabilitation, or Improvement of Capital Assets

The expenditures allowed for each of the seven categories are described in greater detail below.

1. Programming, Production, and Services

Programming, Production, and Services includes Programming and Production, Educational Programs, and Educational Outreach Activities as set forth below.

- a. **Programming and Production:** The acquisition of programming, program operations, program development, program planning, production operations, editing, and the following:
 - fees or dues to acquire broadcast rights for programs or series, or rights to use or adapt published materials;
 - program or web content planning and research (script writing, printing, and consulting) in support of programming or production;
 - directors, producers, cast, stagehands, engineers, technicians, and other personnel involved in programming or production;
 - rental of facilities to support programming or production;
 - rental of production equipment;
 - space, supplies, and other station resources used in programming or production;
 - repair and maintenance of programming and production equipment;

and

- depreciation and amortization of station equipment and leasehold improvements used for programming or production purposes.

b. Educational Programs: The creation, production, or purchase of programs with educational intent or instructional design as defined below. Grantees must clearly identify the percentage of CSG funds used for the same.

- “Educational intent” is defined as content designed to address specific educational interests of a target audience.
- “Instructional design” is defined as content having an educational intent and substantially involving educators in program development. This content includes ancillary materials to support or supplement the same. It also includes the costs of obtaining rights at the time of production for institutional off-air recording, audio visual, re-versioning, and other similar costs.

c. Educational Outreach Activities: Community outreach activities related to local or national programs and the following:

- local or national services that enable viewers and listeners to follow up on programs through computer, video, and audio conferencing;
- town meetings;
- local call-in shows;
- public service announcements;
- telephone hot lines; and
- the dissemination of related information and materials related to the items set forth above.

2. Broadcasting, Transmission, and Distribution: Broadcasting, transmission, distribution, and the following:

- a. scheduling programs for airing;
- b. repair and maintenance of broadcasting equipment;
- c. depreciation of antennae, transmission, and other broadcasting equipment;
- d. distribution and interconnection fees;
- e. engineering; and
- f. web hosting and streaming fees.

3. Program Information and Promotion: Informing the viewing or listening public of available program services and the following:

- a. producing or acquiring “spots” designed for the promotion of specific programs;
- b. advertising in newspapers or other media;
- c. preparing, reproducing, and distributing program guides;
- d. travel and related expenses of promotion;
- e. dues or fees related to this function; and

- f. supporting services.
4. **Fundraising and Membership Development:** Activities to persuade others to contribute money, securities, time, materials, or facilities to the station, such as:
 - a. solicitation of underwriting funds and grants;
 - b. membership development;
 - c. acquiring and distributing fundraising material;
 - d. designing, printing, and distributing leaflets or posters for fundraising;
 - e. meetings for improving fundraising techniques;
 - f. services of fundraising consultants and talent;
 - g. developing and maintaining contributor records;
 - h. committee meetings dealing with fundraising policies and issues, including the preparation of minutes and reports of such meetings;
 - i. program and production costs of broadcast appeals for funds;
 - j. mailing costs related to fundraising; and
 - k. direct costs of special fundraising activities and auctions.
 5. **Underwriting and Grant Solicitation:** Soliciting program underwriting funds and general support grants from foundations, corporations, and governments.
 6. **Management and General:** Supervising and controlling overall day-to-day operations, accounting, and office service activities, as well as:
 - a. human resource administration, including recruiting, retention, and benefit programs;
 - b. accounting, auditing, and budgeting;
 - c. information technology systems and support services, where not specifically devoted to other functions;
 - d. legal services of a general (non-program) nature;
 - e. all occupancy costs not specifically identifiable with other functions;
 - f. office functions that provide general support throughout the organization (*e.g.*, corporate receptionists and telephone attendants, central mail services, and maintenance of corporate archives);
 - g. maintenance of operations manuals, directors' committee lists, and expenses related to governing board, CAB, or administrative committee meetings;
 - h. depreciation of buildings, furnishings, and equipment used in management and general functions; and
 - i. dues for public broadcasting station membership organizations.

This category also includes indirect costs:

- a. not directly identified with another function, that are indispensable to the conduct of those functions and to an organization's existence; and
 - b. associated with the overall direction of the entity's general board activities, business management, general recordkeeping, budgeting, and related purposes.
7. **Purchase, Rehabilitation, or Improvement of Capital Assets:** Purchase, rehabilitation, or improvement of capital assets, as well as:

- a. expenditures to purchase, rehabilitate, or improve tangible capital assets, such as studio and station equipment, vehicles, buildings, and other structures; and
- b. other capital assets funded with the CSG.

Section 11. CSG Spending Restrictions

Grantee's use of CSG funds is restricted as follows:

- A. **Entertainment:** Grantee shall not use any CSG funds for any reception or entertainment for any officer or employee of the federal government, or any state or local government (47 U.S.C. § 396 (k)(2)(A)).
- B. **Influencing Legislation:** Grantee shall not use any CSG funds to pay the salary or expenses of Grantee's staff, or its agents, related to any activity designed to support, defeat, or influence legislation or appropriations before Congress, or any state legislature (26 U.S.C. § 501(c)(3)).

Grantee shall not use any CSG funds for activities designed to support, defeat, or influence legislation or appropriations pending before the Congress or any state legislature. This also refers to activities including, but not limited to:

1. publicity or propaganda; and
2. the creation, distribution, or use of any kit, pamphlet, booklet, social media communications, publication, and radio, television, or video presentation.

However, if these activities support a presentation Grantee makes to or at the request of the Congress, any state legislature, or in support of recognized executive-legislative relationships, they may be exempt (26 U.S.C. § 501(c)(3)).

- C. **CPB-Qualified Programming:** Grantee shall not use any CSG funds to cover the cost of producing, acquiring, or distributing programs, unless they are for CPB-Qualified Programming.¹⁵
- D. **Restricting CSG Funds:** The Grantee may not impound or otherwise withhold or inappropriately restrict the station's use of CSG funds. CSG funds may not be used to supplant funds or reduce budgets for other support already being provided to the station(s) by the Grantee.¹⁶
- E. **Overhead Expenses:** Grantee shall not use CSG funds to offset a Licensee's overhead or for any other expenses not directly related to the operation of the station, unless such overhead and expenses are enumerated in Section 5, Operational Requirements.
- F. **Sale of Assets:** Grantee shall use CSG funds and the proceeds from the sale of assets acquired with CSG funds solely for the benefit of the public broadcast television station.
- G. **Staffing Costs:** FT employees whose salaries are paid using CSG funds must exercise full-time

¹⁵ CPB Board of Director's resolution dated May 20, 2008.

¹⁶ CPB Board of Director's resolution dated September 15, 1998.

responsibilities over the public broadcast television station's operations. Grantee shall not require said personnel to perform duties unrelated to the public broadcast television station's operation. For FT employees whose salaries are partially paid using CSG funds, Grantee shall ensure that the portion of their salary paid with CSG funds shall not exceed the percentage of said employees' time spent on the public broadcast television station's operations.

- H. Standard Pricing:** Grantee shall not use CSG funds for personnel services, programming (production and acquisition) expenses, or the cost of technical facilities in excess of the standard amounts Grantee usually pays for the same under similar circumstances.

Section 12. Payment Schedule and Reporting Requirements

- A. Payment Schedule:** CSGs will be disbursed to Grantee in two installments. However, each CSG payment is contingent upon Grantee submitting all of the required forms, reports, and/or other documents required by CPB.
- B. CSG Offer Expiration:** Grantee must execute its CSG Agreement and Certification of Eligibility by June 30, 2016, or risk forfeiting its CSG in such amount as may be determined by CPB in its sole discretion. If Grantee prefers to receive the CSG payment at a different date, Grantee must notify CPB in writing at csg@cpb.org.
- C. Reporting Requirements:** To avoid delayed disbursement of CSG payments and penalties, including CSG reductions, Grantees must submit all required documents and reports to CPB on time. The financial forms (AFR and audited financial statement or the FSR) are due within five months after the close of Grantee's fiscal year. As a condition of receiving the CSG, each Grantee must also complete and submit the annual LCSR, SABS, and SAS by February 15. If Grantee submits its financial form, SABS, or SAS beyond their filing deadlines, as determined by CPB, Grantee will be subject to a financial penalty set forth in Section 4 (F), Recordkeeping Requirements.

Section 13. Expenditure of CSG Funds

- A. Spending Period:** CSG funds must be expended during the Spending Period.
- B. Unauthorized Expenditures:** Grantee must expend CSG funds in accordance with the purposes and restrictions set forth in the General Provisions.

Section 14. Documenting CSG Expenditures

All CSG expenditures must be supported by appropriate documentation (invoices, contracts, bills of sale, check stubs, etc.). Grantee must keep documentation pertaining to CSG expenditures in its files for three years following the Spending Period as set forth in Section 4, Recordkeeping Requirements, and must make it available to CPB upon request. CPB requires this documentation to audit Grantee's CSG expenditures.

CPB reserves the right to disallow any expenditures Grantee cannot support with appropriate documentation. Once the Spending Period expires, Grantee may not reallocate disallowed expenditures. All disallowed expenditures must be returned to CPB pursuant to Section 17, Return of Funds.

Section 15. Extent of CPB Commitment

CPB makes no commitment or representation, expressed or implied, to provide Grantee funds in excess of the CSG that Grantee qualifies for and CPB determines is appropriate.

Section 16. Termination

CPB reserves the right to terminate a Grantee's CSG if it fails to comply with the General Provisions, or provides inaccurate information to CPB in any certification required by the General Provisions or any CSG-related document. Upon termination, CPB may, in its sole discretion, require the Grantee to return CSG funds pursuant to Section 17, Return of Funds.

Section 17. Return of Funds

- A. **Unused Funds:** All FY 2016 CSG funds that are not expended by September 30, 2017, must be returned to CPB on or before November 3, 2017.
- B. **Unauthorized Expenditures:** All unauthorized CSG expenditures shall be repaid by Grantee to CPB immediately upon CPB's request.
- C. **Loss of CSG Eligibility:** When a CSG recipient is no longer eligible to receive a CSG, CPB, in its sole discretion, may require any recipient of a CSG to return CSG funds, as set forth below.
 1. In any of the situations described in paragraphs (2), (4), or (5) below, CPB may require a recipient of a CSG to return the greater of:
 - a. all unexpended CSG funds from grant periods that have not yet expired; or
 - b. the amount equal to the *pro rata* monthly share of the total CSG for all grant periods that have not yet expired, multiplied by the number of full months remaining in the grant period(s).
 2. In addition to the amount that CPB may require a CSG recipient to return under paragraph (1) above:
 - a. If any recipient of a CSG effectuates a transfer of control, assignment, or lease of its broadcast license to a non-CSG-qualified organization, whether or not effectuated in accordance with Section 18, Assignment, CPB may require the recipient to return an amount not to exceed the greater of: (a) twenty percent of the sale price in the event of a sale, (b) twenty percent of the amount to be paid under the lease over the course of its term in the event of a lease, or (c) twenty percent of all CSG funds that have been provided, as calculated on a *pro rata* monthly basis,

during the 24-month period preceding the effective date of the Grantee's agreement for transfer of control, assignment, or lease; or

- b.** If any recipient of a CSG ceases to operate a qualified public television service due to the relinquishment or loss of its broadcast license, CPB may require the recipient to return an amount not to exceed fifteen percent of all CSG funds that have been provided, as calculated on a *pro rata* monthly basis, during the 24-month period preceding the date on which the relinquishment or revocation becomes final (*i.e.*, no longer subject to administrative or judicial review), provided, however, that if the relinquishment of a broadcast license is related to a merger or consolidation with another CSG-qualified organization, then CPB's ability to require the return of funds shall be governed by paragraph (C) below rather than this paragraph; or
- c.** If CPB determines that any recipient of a CSG, for any reason other than those set forth in paragraphs (1) and (2) above, is no longer qualified to receive CSG funds (including but not limited to as a result of a failure to comply with any requirement of these General Provisions or the imposition by the FCC of limits upon its operations), CPB may require the recipient to return an amount not to exceed fifteen percent of all CSG funds that have been provided, as calculated on a *pro rata* monthly basis, during the 24-month period preceding the date on which CPB determines that the recipient was no longer qualified.

3. If a Grantee:

- a.** effectuates a transfer of control, assignment, or lease of its broadcast license to a non-CSG-qualified organization that, as a result of the transfer of control, assignment, or lease desires to become a CSG-qualified organization and is otherwise qualified, or
- b.** relinquishes its broadcast license pursuant to a merger or consolidation with another CSG-qualified organization, or
- c.** complies with the requirements of Section 18 Assignment, CPB may, in its sole discretion, permit the recipient to assign any of the funds that CPB might otherwise require the recipient to return pursuant to paragraph (1) above to the organization with which the recipient's operations were or are to be merged or consolidated, provided that the recipient demonstrates to CPB's satisfaction that such funds will be used in accordance with these General Provisions.

4. If any recipient of a CSG effectuates a transfer of control, assignment, or lease of its broadcast license to another CSG-qualified organization and complies with the requirements of this Section, CPB may, in its sole discretion, permit the recipient to assign any of the funds that CPB might otherwise require the recipient to return pursuant to paragraph (1) above to the CSG-qualified transferee or lessee, provided that the recipient demonstrates to CPB's satisfaction that such funds will be used in accordance with these General Provisions.

5. A Grantee that relinquishes its license in the Spectrum Auction and ceases broadcast operations entirely will be required to return all CSG funds to CPB from any open grant period.¹⁷

D. Procedures for Return of Funds: In all cases in which funds must be returned, checks shall be made payable to the Corporation for Public Broadcasting. If Grantee fails to return funds due to CPB, CPB reserves the right to offset said amount due against Grantee's future CSG payment(s).

Section 18. Consolidation

Consolidation: The management and operational control of all noncommercial television stations licensed to the same entity are consolidated when calculating CSG amounts. The following types of television stations may not be consolidated:

1. closed-circuit stations;
2. stations managed and operated by and for students;
3. stations that primarily provide training programming to Grantee employees, clients, and/or representatives; and
4. stations licensed to political organizations.

Section 19. Assignment

Grantee may not assign any of its rights or obligations hereunder in whole or in part (even if a third-party becomes responsible for providing programming for all or part of a station's broadcast schedule or some other aspect of Licensee's broadcast operations) without CPB's prior written consent. Any entity to which the rights and obligations under a CSG are assigned must comply with the General Provisions and certify the same.

Section 20. Nondiscrimination

Grantees must comply with the nondiscrimination provisions set forth below.

- A. Discrimination:** Grantee shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, or physical or mental handicap. Grantee will take affirmative action to ensure that applicants are considered for employment without regard to their race, color, religion, age, sex, national origin, or physical or mental handicap.
- B. Laws and Regulations:** Grantee shall comply with all laws and regulations prohibiting discrimination¹⁸ on the basis of race, color, religion, age, sex, national origin, or physical or mental handicap that may be applicable to the Grantee, including but not limited to the following:

¹⁷ CPB Board of Directors' resolution dated April 14, 2015.

¹⁸ CPB Board of Directors' resolution dated February 17, 1974.

1. Title III of the Public Telecommunications Financing Act of 1978 (47 U.S.C. § 398);
2. Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2002e);
3. Equal Pay Act of 1963 (29 U.S.C. § 206);
4. Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621-634);
5. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2002d);
6. Title IX of the Education Amendment of 1972 (20 U.S.C. § 1681);
7. Title V of the Rehabilitation Act of 1973 (29 U.S.C. § 790-794); and
8. FCC's regulations concerning equal employment opportunity (47 C.F.R. § 73.2080).

- C. Subcontracts:** Grantee must include the provisions of this Section in all subcontracts and delegations it enters into in connection with the CSG.

Section 21. Equal Employment Opportunity

Grantee must certify in its Certification of Eligibility to CPB that it complies with the FCC Rules concerning equal employment opportunity (47 C.F.R. § 73.2080) and the requirements in the Communications Act concerning equal employment opportunity (47 C.F.R. § 396 (k)(11) (A)).¹⁹

Section 22. Other Nondiscrimination Requirements

- A. Discrimination Claims:** Grantee acknowledges that CPB is a private, nonprofit corporation and does not have the legal authority to investigate and adjudicate complaints alleging discriminatory practices by Grantee. CPB will, therefore, refer all such complaints it receives to a government agency with jurisdiction to conduct any proceedings that may be appropriate. Further, CPB will cooperate fully with every such agency with jurisdiction to inquire into alleged discriminatory practices by a Grantee.
- B. Applicable Laws and Regulations:** Grantee acknowledges that the laws and regulations prohibiting discrimination against persons on the basis of race, color, religion, national origin, age, sex, or physical or mental handicap may be federal, state, or local and may vary from jurisdiction to jurisdiction.

Grantee represents and warrants that it knows and understands the laws and regulations regarding discrimination and acknowledges that CPB is under no obligation to advise the Grantee of the same unless required by law or regulation.

- C. Suspension or Cancellation of CSG:** Whenever a court or government agency with jurisdiction shall make a determination that Grantee is in violation of federal, state, or local laws and regulations prohibiting discrimination on the basis of race, color, religion, age, national origin, sex, or physical or mental handicap, and notice of such determination is provided to CPB, CPB shall promptly notify Grantee that, unless Grantee demonstrates to CPB's satisfaction, within 30

¹⁹ FCC requirements are different from CPB's Employment Statistical Report requirements, which are detailed in Section 3, Communications Act Requirements.

days, that the violation has been corrected or that Grantee is in compliance with all provisions of such determination, CPB may suspend or cancel all CSG or other CPB funding.

Whenever such determination is appealed or otherwise challenged in an appropriate forum, whether or not the effect of such determination is stayed pending appeal, CPB shall notify Grantee that, unless Grantee can show cause to the contrary within 30 days, CPB shall suspend or cancel CPB assistance. If CPB decides to suspend or cancel such funding, all sums that would have been payable to the Grantee shall be held by CPB pending completion of the appellate process, and CPB shall not suspend or cancel its non-financial and/or indirect assistance during the appeal.

Section 23. Governing Law and Jurisdiction

Except as otherwise required by law, Grantee agrees that the General Provisions and all instruments between Grantee and CPB related thereto shall be construed in accordance with the laws of the District of Columbia. Notwithstanding the jurisdiction of any other court, Grantee expressly submits and consents in advance to the jurisdiction of the Superior Court of the District of Columbia and the U.S. District Court for the District of Columbia for all claims or disputes pertaining directly or indirectly to any CSG or Interconnection Grant, or any program set forth in the General Provisions, or any matter related thereto. Grantee further agrees that in any action or proceeding commenced in any court in the District of Columbia, Grantee shall be deemed to have been duly served with process of such court when process is delivered to Grantee personally or by certified or registered mail (return receipt requested) within or outside of the District of Columbia.

Section 24. Amendment to General Provisions

CPB reserves the right, in its sole discretion, to amend the General Provisions and will notify Grantee of the same. Grantee will be deemed to comply with the amendments unless it notifies CPB otherwise in writing within 30 days of receipt of CPB's notification.

Upon receiving Grantee's notification, Grantee will be disqualified from the CSG program and Grantee shall immediately repay CPB any amounts due CPB under Section 17, Return of Funds.

Section 25. Headings

The headings contained herein are for convenience only and shall not be interpreted to limit or otherwise affect the provisions herein.

PART II. TV-ICG AND SUPPLEMENTAL CSG PROGRAMS

This Part II sets forth the provisions that govern the TV-ICG and the following Supplemental CSG Programs, including the:

- Television Local Service Grant Program (TV Local Program);
- Television Distance Service Grant Program (TV Distance Program);
- Television Merger and Consolidation Program (TV Merger Program);
 - Universal Service Program;
 - Operating Efficiencies Program (OE Program); and
- Television Collaborative Bandwidth Program (Bandwidth Program).

These programs are subject to the provisions set forth in Part I of these General Provisions. In the event of a conflict between Part I and Part II, Part II shall govern. The terms defined in Part I, Section 1, of the General Provisions are incorporated herein by reference, unless otherwise defined below.

Section 1. TV Local Program

The TV Local Program provides supplemental CSG funding to stations in small and rural communities.

Grantee's TV Local Program award is calculated as a share of a total pool of \$3 million. Each eligible Grantee's share is inversely proportional to its share of the aggregate NFFS of all Grantees eligible to receive TV Local Program funds. However, the share for Grantees (excluding Sole Service TV stations) with NFFS below \$800,000 is calculated based on an NFFS of \$800,000. Sole Service TV station calculations are based on actual reported NFFS.

- A. Eligibility:** Only Grantees meeting the following requirements are eligible to receive TV Local Program funding:
1. eligible to receive a CSG;
 2. has either an FY 2014 NFFS that is less than \$2 million or a three-year average (FY 2012, FY 2013, and FY 2014) NFFS less than \$2 million;
 3. a CAP less than 2.5 million people; and
 4. deemed qualified by CPB to receive TV Local Program funds.

B. Distribution and Use of Funds:

1. TV Local Program funds will be disbursed to Grantees in one payment and will be included in Grantees' first CSG payment.
2. Grantees must use TV Local Program funds to support local services, including:
 - a. educational outreach activities;
 - b. educational programs;
 - c. local content and production;
 - d. operational efficiencies;
 - e. implementation of best development practices;
 - f. financial planning; and
 - g. professional development.

Section 2. TV Distance Program

The TV Distance Program provides supplemental CSG funding to Grantees that operate multiple digital repeater transmitters or translators that serve distant communities.

TV Distance Program funding is calculated based on a percentage of the annual standard CSG base grant (which is the same for all Grantees). The percentage for each station increases when its total number of transmitters increases, as set forth below. The total amount available for the standard CSG base grant equals 0.11 percent of CPB's FY 2016 federal appropriation.

TV DISTANCE PROGRAM	
# of Digital Transmitters	Percentage of standard CSG base grant
3	5%
4	7.5%
5	10%
6	20%
7	30%
8	40%
9	50%
10	60%
11	70%
12 or more	80%

A. Eligibility: Only Grantees meeting the following criteria are eligible to receive TV Distance Program funding:

1. eligible to receive a CSG;

2. operate three or more digital transmitters or transmitter-equivalents (10 translators are considered the equivalent of one transmitter); and
3. deemed qualified by CPB to receive TV Distance Program funding.

B. Distribution and Use of Funds: TV Distance Program funds will be disbursed to Grantees in one payment and included in Grantees' first CSG payment.

Grantees must use TV Distance Program funds to support local services, including Educational Outreach Activities, Educational Programs, and local content and production.

Section 3. TV Merger Program

The TV Merger Program is available to stations receiving a television CSG that have entered into a comprehensive operating agreement (Operating Agreement) with one or more other television CSG recipients, which will result in a number of advantages, including the following:

1. to the extent possible, ensuring that everyone currently receiving over-the-air public television service will continue to receive over-the-air public television service; and
2. facilitating station collaboration to implement an approach they have not previously undertaken to share operations and increase the efficient and effective use of their resources.

This program was created pursuant to a resolution of CPB's Board of Directors in May 2009. The resolution authorized CPB to assist television stations at risk of closing that provide the only public television service in their coverage area, and to assist television stations that undertake efforts to more efficiently and effectively use their resources collaboratively.

Accordingly, this program provides television CSG recipients participating in an Operating Agreement the opportunity to apply for funding from either the Universal Service Program or the Operational Efficiency Program (OE Program), depending on the results and impact of their Operating Agreement. Stations may only receive funding from one of these programs each year the TV Merger Program is in effect.

A. UNIVERSAL SERVICE PROGRAM

In order to obtain Universal Service Program funding, at least one of the Operating Agreement participants must:

1. provide the only public television service to 80 percent or more of its signal coverage area; and
2. be at risk of imminent closure or loss of CSG for failure to meet minimum NFFS (Universal Service Station).

Stations participating in an Operating Agreement are eligible to receive Universal Service Program funding up to an amount equivalent to the Universal Service Station's FY 2016 CSG, not to exceed \$3 million annually. The Operating Agreement participants must divide equally any Universal Service Program funding received. If the Operating Agreement results in a new entity, the new entity will receive the funding. It is within CPB's sole discretion to determine the amount of funding to set aside for the Universal Service Program, and the amount, if any, to award to eligible stations.

1. **Eligibility:** In order to be eligible to participate in the Universal Service Program, applicants must meet the following criteria:
 - a. **Operating Agreement:** Stations participating in the Operating Agreement must submit a joint application substantiating the need for, expected results of, and sustainability of the Operating Agreement as described in the paragraph below entitled "Application."

The Operating Agreement may result in the creation of a new entity or a collaborative arrangement.

The Operating Agreement must have come into effect on or after July 1, 2011, and extend for a period of at least 10 years.

- b. **Ratification:** The Operating Agreement must have been ratified by the governing body of each participating station prior to submitting the application for Universal Service Program funding.
- c. **Imminent Closure/Loss of CSG:** At least one station participating in the Operating Agreement must be a Universal Service Station, and the Operating Agreement must mitigate that station's risk of closure and/or loss of CSG eligibility.
- d. **Financial and Operational Analysis:** Each Universal Service Station must have completed a financial and operational analysis on or before the date the Operating Agreement is ratified by all participating stations. The financial and operational analysis must be carried out by a reputable, qualified third party experienced in providing such services.
- e. **Unduplicated CAP:** The CAP of the stations participating in the Operating Agreement may not overlap by more than 20 percent.

2. Joint Application:

- a. **Application Period:** Eligible stations may submit one joint application for Universal Service Program funding during an open application round. Open rounds will be announced on CPB's website. Review the [TV Merger and Consolidation Program](#) agreement for current information.
- b. **Application Submission:** Stations must submit applications via email to TVMerger@cpb.org and six print and bound copies via mail to:

Ms. Djinni Field, Project Officer
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004

- c. **Application:** The application materials must include the following information in the order specified:
- **Cover Sheet:** A completed application cover sheet can be found at: [Television Merger and Consolidation Program](#).
 - **Needs Statement:** A description of the circumstances facing each Universal Service Station and how they are addressed by the Operating Agreement.
 - **Financial and Operational Analysis:** A complete copy of the final third-party financial and operational analysis and a detailed description explaining how the issues raised in the analysis were addressed by the Operating Agreement.
 - **Operating Agreement:** A copy of the executed Operating Agreement and evidence of its ratification by each participating station's governing body.
 - **Organizational and Governing Structure:** An organization chart for each participating station's staff and governing body prior to and after ratification of the Operating Agreement. If the new structure is planned but not yet implemented, please provide the plan and timeline for adopting the same.
 - **Local Content and Services:** A detailed description and implementation timeline of the efforts each station participating in the Operating Agreement will employ to ensure locally produced content and services are provided to serve the needs and interests of the stations' respective communities. In addition, a matrix displaying the content and services provided by each participating station prior to adopting the Operating Agreement, and projections of the content and service to be provided by each station during the three-year period following the ratification of the Operating Agreement.

- **CAP:** A contour map and analysis of each participating station's CAP, including the unduplicated population served by each.
- **Financial Projections:** Detailed financial information including current financial statements from each station participating in the Operating Agreement, and five years of projected budgets, cash flow statements, statements of activities (income statements), and other relevant financial statements demonstrating the projected financial benefits of the collaboration resulting from the Operating Agreement. The projections must be presented to show the current financial situation and the percentage change expected annually.
- **FCC Approvals:** Evidence that all necessary FCC approvals have been obtained (or a certification signed by each participating station's chief financial officer that no such approval is required) and a copy of all applications, agreements, or other documents filed with the FCC related to the Operating Agreement.

Each station participating in the Operating Agreement must notify Djinni Field at dfield@cpb.org and Greg Schnirring at gschnirring@cpb.org (or the individuals CPB subsequently designates) within five business days of the FCC's grant or denial of any pending application.

If the FCC denies any application necessary to implement the Operating Agreement, the station's application for Universal Service Program funding will be disqualified, and each station involved in the Operating Agreement must promptly return to CPB any funds disbursed to it under the Universal Service Program at any time, in accordance with Part I, Section 17, Return of Funds.

3. **Participant Removal:** Each station participating in the Operating Agreement must immediately notify Greg Schnirring at gschnirring@cpb.org (or the individual CPB subsequently designates) in writing if any station is removed as a party to the Operating Agreement at any time within 10 years of its ratification. In the event of a removal, each station participating in the Operating Agreement must immediately return to CPB all funds the station received through the Universal Service Program, in accordance with Part I, Section 17, Return of Funds.

B. OE PROGRAM

Stations participating in an Operating Agreement may apply for OE Program funding equal to 25 percent of each television station's FY 2016 CSG. However, the total amount of OE Program funding payable to any group of stations participating in an Operating Agreement may not exceed \$1.5 million. Any OE Program funding awarded must be divided equally among the stations participating in the Operating Agreement. If the Operating Agreement results in the creation of a new entity, the new entity will receive the funding. It is within CPB's sole discretion to determine the amount of funding set aside for the OE Program and the amount, if any, to award to eligible stations.

1. Eligibility: In order to be eligible to participate in the OE Program, applicants must meet the following criteria:

- a. Operating Agreement:** Stations participating in the Operating Agreement must submit a joint application substantiating the need for, expected results of, and sustainability of the Operating Agreement as described in the paragraph below entitled "Application."

The Operating Agreement may result in the creation of a new entity or a collaborative arrangement.

The Operating Agreement must have come into effect on or after July 1, 2011, and extend for a period of at least 10 years.

- b. Ratification:** The Operating Agreement must have been ratified by the governing body of each participating station prior to submitting an application for OE Program funding.
- c. Local Content and Service:** Stations participating in an Operating Agreement must be able to increase within three years, following ratification of the Operating Agreement, their combined total expenditures for local content and service by at least 25 percent.

2. Application:

- a. Application Period:** Eligible stations may submit a joint application for OE Program funding during an open application round. Open rounds will be announced on CPB's website. Review the [TV Merger and Consolidation Program](#) for current information.
- b. Application Submission:** Stations must submit applications via email to TVMerger@cpb.org and six print and bound copies via mail to:

Ms. Djinni Field, Project Officer
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004

- c. **Application:** The application materials must include the following information in the order specified:
- **Cover Sheet:** Provide a completed application cover sheet which can be found at: [Television Merger and Consolidation Program](#) on CPB's website.
 - **Operating Agreement:** A copy of the executed Operating Agreement, along with evidence of its ratification by each participating station's governing body.
 - **Organizational and Governing Structure:** An organization chart for each station's staff and governing body prior to and after ratification of the Operating Agreement. If the new structure is planned but not yet implemented, please identify the plan and timeline for adopting the same.
 - **Local Content and Service:** A detailed description and implementation timeline of the efforts each station participating in the Operating Agreement will employ to ensure their combined expenditures for local content and service increase by at least 25 percent within three years following ratification of the Operating Agreement. The plan must include a timeline and milestones. The plan must also include a matrix displaying the local content and services provided by each station prior to adopting the Operating Agreement, and projections of the local content and services to be provided by each station during the three-year period following ratification of the Operating Agreement.
- Financial Projections:** Detailed financial information including current financial statements from each station participating in the Operating Agreement, and five years of projected budgets, cash flow statements, statements of activities (income statements), and other relevant financial statements demonstrating the projected financial benefits of the collaboration resulting from the Operating Agreement. The projections must be presented to show the current financial situation and the percentage change expected annually. The financial information must also be combined for each station and shown as a total to demonstrate the minimum 25 percent increase in expenditures on local content and service. Applicants may not include OE Program funding to meet said increase.
- **FCC Approvals:** Evidence that all necessary FCC approvals have been obtained (or a certification that no such approval is required, signed by each participating station's chief financial officer) and a copy of all applications, agreements, or other documents filed with the FCC related to the Operating Agreement.

Each station participating in the Operating Agreement must notify Djinni Field at dfield@cpb.org and Greg Schnirring at gschnirring@cpb.org (or the individual CPB designates) within five business days of the FCC's grant or denial of any pending application.

If the FCC denies any application necessary to implement the Operating Agreement, the application for OE Program funding will be disqualified, and each station involved in the Operating Agreement must immediately return to CPB any funds disbursed to it under the OE Program at any time, in accordance with Part I, Section 17, Return of Funds.

3. **Return of Funds:** Each station participating in the Operating Agreement must immediately notify Greg Schnirring at gschnirring@cpb.org (or the individual CPB subsequently designates) in writing if any station is removed as a party to the Operating Agreement at any time within 10 years from its ratification. In the event of a removal, each station participating in the Operating Agreement must immediately return to CPB all funds the station received through the OE Program, in accordance with Part I, Section 17, Return of Funds.

Section 4. Bandwidth Program

The Bandwidth Program is designed to encourage television stations receiving a CSG in overlapping coverage markets to cooperatively use their bandwidth in a more creative and efficient manner, by coordinating their broadcast services. The collaboration is expected to result in more cost effective use of public television bandwidth, reduced station expenses, improved public service, and new sources of revenue. CPB will provide applicants in Multi-Provider Markets first preference when allocating Bandwidth Program funds. Stations receiving Bandwidth Program funding are not eligible to receive a Program Differentiation Incentive grant.

Bandwidth Program Funding will be awarded in the amounts set forth below.

- collaborations involving three or fewer stations: each station in the collaboration will be eligible to receive up to \$250,000 per year; and
- collaborations involving four or more stations: the collaboration as a whole will be eligible to receive up to \$750,000 per year.

Funding must be divided equally among the stations within the collaboration. Funding will be paid out annually over the course of three years.

In order to receive Bandwidth Program funding, stations must meet the eligibility criteria and submit an application as detailed herein. Bandwidth Program funding will be awarded if CPB determines such funds are available.

- A. **Eligibility:** In order to obtain funding under the Bandwidth Program, the collaborating public television stations must meet the following eligibility requirements:

1. **Collaboration:** The collaboration must consist of two or more CSG stations;
2. **CAP:** If there are two collaborating CSG stations, their coverage areas must overlap by at least 80 percent. If there are more than two collaborating CSG stations, at least two of said stations' coverage areas must overlap by at least 80 percent;
3. **Collaborative Agreement:** The collaboration must be memorialized in writing and detail the specific terms of the station's agreement (Collaboration Agreement). A copy of the Collaboration Agreement signed by each party must be submitted with the application. The Collaboration Agreement must have come into effect on or after July 1, 2011, and extend for a period of at least five years;
4. **Ratification:** The Collaboration Agreement must have been ratified by the governing body of each participating station prior to submitting the application for Bandwidth Program funding; and
5. **Term:** Any funds awarded under the Bandwidth Program will be distributed over three years. To receive funding beyond the first year, each station in the collaboration must recertify annually that it meets all eligibility requirements for the Bandwidth Program. If a station loses CSG eligibility, it is not eligible to receive Bandwidth Program funding.

B. Application:

1. **Application Deadline:** Stations must submit a joint application for Bandwidth Program funding during an open application round. Open rounds will be announced on CPB's website. Review the [Television Collaboration Bandwidth Optimization Program](#) agreement, which can be found on CPB's website, for current information.
2. **Application Process:** Stations' application must be provided via email to TVBandwidth@cpb.org with "Bandwidth Program" in the subject line, and provide six print and bound copies via mail to:

Ms. Djinni Field, Project Officer
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004

3. **Application:** Application materials must include the following information in the order specified.
 - **Form Cover Sheet:** An application cover sheet, found on CPB's website at: [Television Collaborative Bandwidth Optimization Program](#).
 - **CAP Map and Analysis:** A contour map and analysis of the combined CAP, including the unduplicated population, served by each station in the collaboration.

- **Collaboration Agreement:** A copy of the Collaboration Agreement executed by each participating station and evidence of its ratification by each participating station's governing body.
- **Program Details and Revenue Plan:** Explain in detail the plan for implementing the Collaboration Agreement, which must include, but is not limited to, the following components:
 - **Spectrum Utilization Plan:** A detailed explanation of how the collaboration participants' spectrum will be allocated by each participating station, including broadcast and other services. Illustrate how the collaboration will increase efficiency and/or improve public service to the community, providing a matrix showing service changes before and after implementation of the collaboration at each station.
 - **Programming Plan:** A comprehensive program plan and broadcasting schedule for the initial 12-month term, which consolidates each station's spectrum and identifies any anticipated unused spectrum.
 - **Promotional Plan:** A comprehensive promotion plan for the initial 12-month period, setting forth how each of the collaboration's channels and spectrum will be promoted and marketed (across all media platforms) to the community and stakeholders and the efforts each station will undertake to support the same.
 - **Financial Statements and Projections:** Detailed financial information including current financial statements, and five years of projected cash flow statements, statements of activities, and other relevant financial information demonstrating the projected financial benefits of the collaboration. The projections must be presented to show the current financial situation and the percentage change expected annually.
 - **Organizational and Governing Structure:** Identify the specific organizational and governance changes necessary to facilitate the collaboration, including a timeline and the responsibilities of each participant.

- C. **FCC Approvals:** Evidence that all necessary FCC approvals have been obtained (or a certification that no such approval is required, signed by each participating station's chief financial officer), and a copy of all applications, agreements, or other documents filed with the FCC related to the Collaboration Agreement.

If the FCC denies an application necessary to implement the Collaboration Agreement, the application for Bandwidth Program funding will be disqualified, and each station must immediately return to CPB any funds disbursed to it under the Bandwidth Program at any time, in accordance with Part I, Section 17, Return of Funds.

- D. Sale or Lease of Bandwidth:** Each station awarded Bandwidth Program funding agrees not to sell or lease bandwidth to stations that are not CSG recipients within the first five years of the Agreement. In the event a station fails to comply with this requirement, each station within the collaboration must immediately return to CPB the lesser of: (i) all funds provided under the Bandwidth Program; or (ii) the gross revenue generated from the sale or lease of such bandwidth.
- E. Participant Removal:** Each station participating in the Collaboration Agreement must immediately notify Greg Schnirring at gschnirring@cpb.org (or the individuals CPB subsequently designates) in writing if any station is removed as a party to the Collaboration Agreement at any time within five years from the date of its ratification. In the event of a removal, each station participating in the Collaboration Agreement must promptly return to CPB all Bandwidth Program funds it received, in accordance with Part I, Section 17, Return of Funds.

Section 5. TV-ICG

The Communications Act authorizes CPB to assist in the establishment and development of one or more interconnection systems to be used for the distribution of public telecommunications services. CPB will support the public television interconnection expenses in FY 2016 through TV-ICG grants to TV stations qualified to receive a CSG. TV-ICG awards are calculated as a share of \$4 million. Grantee's share is proportional to its share of the total CSG amount awarded to Grantees.

- A. Eligibility:** Grantees of stations receiving a CSG are eligible to receive a TV-ICG.
- B. TV-ICG Awards:** CPB automatically calculates station's TV-ICG awards, and stations are not required to apply for the same.
- C. Use of Funds:** Stations receiving a TV-ICG must expend the same during the period October 1, 2015, through September 30, 2017. Stations may only use TV-ICG funds to pay for interconnection and/or program distribution costs. Grantees must return immediately to CPB any TV-ICG funds not expended in accordance with these provisions.

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Exhibit A
Documents Governing Grantees

Below is a list of documents that also govern Grantee's CSG.

1. Fiscal Year 2016 Television Community Service Grant Agreement and Certification of Eligibility
2. Fiscal Year 2015 Financial Reporting Guidelines for AFR and FSR
3. Application of Principles of Accounting and Financial Reporting
4. Communications Act Certification Requirements for Community Service Grant Recipients
5. Request for Television Community Service Grant Qualified Licensee Approval
6. CPB Consent to Assign
7. Adding or Removing Transmitters & Translators Form

Exhibit B
Stations in Multi-Provider Markets and
Stations Receiving PDI Funding

The stations set forth below are designated by CPB as stations in Multi-Provider Markets. Secondary stations receiving PDI funding are identified with an asterisk. The remaining stations are Primary Grantees.

<u>Atlanta</u> Georgia Public Broadcasting WPBA*	<u>Chicago</u> WTTW WYCC* WYIN*	<u>Denver</u> KBDI* KRMA	<u>Lincoln</u> KUON NETV
<u>Los Angeles</u> KCET KLCS* KOCE* KVCR*	<u>Madison</u> WHA WPTV	<u>Miami</u> WLRN* WPBT	<u>New Orleans</u> WLAE* WYES
<u>New York City</u> WNET WNYE*	<u>Orlando</u> ²⁰ WDSC* WEFS* WUCF	<u>Philadelphia</u> WHYY WYBE*	<u>Salt Lake City</u> KBYU KUED* KUEN*
<u>San Francisco</u> KCSM* KQED KRCB*	<u>San Juan</u> WIPR WMTJ*	<u>Seattle/Tacoma</u> KBTC* KCTS	<u>Tampa</u> WEDU WUSF*
<u>Washington, DC</u> WETA WHUT*			

²⁰ Florida station's call letters were revised in 2013; WDSC was formally known as WCEU, WEFS as WBCC, and WUCF as WMFE.