

**Department of Commerce  
National Telecommunications and Information Administration  
Fiscal Year 2012 Budget  
As Presented to Congress**

**Executive Summary**

The 2012 budget request for National Telecommunications and Information Administration (NTIA) Salaries and Expenses is \$55.8 million, an increase of \$14.4 million from the annualized FY 2011 Continuing Resolution level. Most of the increase is attributable to support for broadband programs. This Budget request reflects the significant expansion of NTIA's responsibilities caused by a number of recent events. There are four initiatives in this budget, each of which responds directly to the Department's goals and stewardship role, as well as one program termination. They are:

- Support of the Wireless Innovation and Infrastructure Initiative (WI3)
- Build a Public Safety Broadband Network (subject to proposed legislation)
- Internet Innovation
- Broadband Programs
- Termination of the Public Telecommunications Facilities, Planning and Construction Program

The requested increase for WI3 totals \$1.7 million and addresses a cross-section of issues in the broadband area. These are detailed in the justification but some of the highlights are:

- The development and advocacy of policies, on behalf of the Administration on issues such as competition, open Internet, commercial spectrum and support mechanisms; and
- The continued search for 500 MHz for wireless broadband to support WI3.

Funding is required to support WI3 and implement the President's Executive Memorandum of June 28, 2010, charging NTIA with finding over the next 10 years 500 MHz of Federal and nonfederal spectrum suitable for both mobile and fixed wireless broadband use. The spectrum must be available to be licensed by the Federal Communications Commission for exclusive use or made available for shared access by commercial and Government users to enable licensed or unlicensed wireless broadband technologies to be deployed. NTIA will analyze, identify, monitor, and report on making the 500 MHz available, develop new spectrum access approaches and technologies, and use its test-bed to test devices that could promote spectrum sharing.

For FY 2012, NTIA is requesting \$1.4 billion and 50 FTE to begin developing a nationwide interoperable Public Safety Broadband Network in the 700 MHz band. The program would be administered over several years and would be offset by new spectrum auctions. A total of \$7.0 billion in mandatory funding over a period of 10 years will be required. In this endeavor, NTIA

will collaborate with the Departments of Homeland Security and Justice. The program will be fully funded from the proceeds of anticipated spectrum auctions to be conducted by the Federal Communications Commission (FCC) and will be addressed in proposed legislation.

NTIA proposes an initiative entitled Internet 3.0 – Internet Innovation, totaling \$1.0 million. The Internet has the ability to act as a key driver for the creation of enterprises and communities. Online commerce amounted to over \$3.7 trillion in shipments, sales, and revenue for the U.S. economy in 2008. There are so many wide-ranging issues to be addressed in order to maintain this dynamic economic engine and the United States' leadership role. These issues span through policies such as on-line privacy, cyber security, online copyright protection, and privacy of the users. If not addressed well within the United States and throughout world, the legitimate uses of the Internet could be curtailed. A global Internet economy will empower consumers and users in online transactions and will create opportunities for new economic activities. This is why Secretary Gary Locke created the Internet Policy Task Force. This initiative will further support the Secretary's goals through establishing ways to set "rules of the road" and providing the assurance that the Internet is a trusted, reliable marketplace.

NTIA's budget also includes an increase of \$12.2 million to support the administration and monitoring of broadband grants. This is not an increase in program, but it is a result of a contract of \$15.9 million that was funded in 2010 with Recovery Act funds for performance in 2011. This request recognizes that impact and represents the full-year cost of the broadband administrative program, which will be \$32.3 million in FY 2012. This increase will also contribute to meeting one of the Department's High Priority Performance Goals: "Efficiently and effectively implement the Broadband Technology Opportunities Program, to expand service to communities in a cost-effective manner that maximizes impacts on economic growth, education, health care, and public safety."

NTIA also is proposing the termination of the Public Telecommunications Facilities Planning and Construction Program. However, under this proposal, recoveries and unobligated balances of funds previously appropriated would be available for the administration of all open grants until their expiration.

The Department of Commerce, along with its operating units, supports and is an active participant in the Government-wide e-Government initiatives and lines of business. Each initiative or line of business is managed by another federal agency, such as the General Services Administration, and was implemented in part to avoid redundancy and duplication of government-wide activities such as rulemaking, human resource servicing, financial management, grants management, etc. The e-government initiatives and lines of business play a key role in Commerce's enterprise architecture, particularly for Department-wide administrative systems. These initiatives and lines of business promote internal Commerce efficiency in acquisition and other administrative activities. Commerce external customers benefit from a single source for grant postings, grant application submission, and applying for Commerce benefit programs. Commerce e-government participation provides better services to

the citizen, promotes transparency, and actively supports our stakeholders in the business community. For FY 2012, NTIA has committed \$20,000 to e-government.

The Department of Commerce and NTIA have great responsibility in FY 2012 and beyond: management of a \$6.0 billion grant portfolio, the creation of economic potential through astute management of the Nation's spectrum resources, and the leadership role in the fast-growing broadband and Internet world. This budget is a large step in supporting achieving the goals that are laid out in the DOC Strategic Plan. Considering the technologies that NTIA/DOC fosters and supports, NTIA's budget request represents a very sound investment for the Nation's people and its economy.

As part of WI3 to make spectrum available, NTIA will continue to support Federal spectrum reallocation for commercial use and, in consultation with the Office of Management and Budget, to enhance flexibility in the utilization of the Spectrum Relocation Fund. Under WI3, NTIA will commence work in conjunction with the FCC in recovering and reallocating spectrum, updating 20th century spectrum policies, and providing adequate incentives and assistance to enable federal agencies or affected entities to make up to 500 MHz (in bandwidth) available. In addition, under WI3, NTIA will help support efforts to build a public safety broadband network. While \$1.4 billion is required in FY 2012, a total of \$7.0 billion from expected spectrum auction receipts over the next several years will be provided for modern communications capabilities for the Nation's first responders, allowing the network to benefit from commercial innovation and to use additional spectrum in the 700 MHz band. NTIA will work with the Departments of Homeland Security and Justice along with the Federal Communications Commission to implement this program in a way that ensures a secure, interoperable, and efficient network.