



UNITED STATES DEPARTMENT OF COMMERCE
National Telecommunications and
Information Administration
Washington, D.C. 20230

November 17, 2020

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Reallocation of 470-512 MHz (T-Band) Spectrum (PS Docket No. 13-42)

Dear Chairman Pai:

I am writing to share with you the views of the National Telecommunications and Information Administration (NTIA) about its obligations under section 6103 of the Middle Class Tax Relief and Job Creation Act of 2012 (Act).¹ In NTIA's view, the Act provides clearly differentiated responsibilities for the Federal Communications Commission (Commission) and NTIA with respect to the reallocation of the 417-512 MHz (T-Band) spectrum - - the Commission is to reallocate and auction the spectrum and NTIA is to administer a grant program with the auction proceeds to cover the affected public safety entities' relocation costs.

Specifically, the Act requires the Commission to reallocate the T-Band spectrum and begin a system of competitive bidding to award initial licenses for the spectrum by February 22, 2021.² The Act further directs the Commission to make these auction proceeds available to NTIA and NTIA is charged "to make grants in such sums as necessary to cover the relocation costs for the relocation of the public safety entities from the T-Band spectrum."³

The Notice of Proposed Rulemaking (NPRM) in this proceeding, however, seems to suggest that the Commission believes the statute provides it with the authority to determine certain elements of the NTIA grant program. The NPRM provides in pertinent part:

The statute refers solely to NTIA's responsibility for the issuance of grants, appearing to leave responsibility with the Commission to determine reimbursable amounts with respect to costs of relocation, including the provision of comparable facilities. We seek comment on whether Congress intended for the Commission to rely on its expertise to determine the appropriate grant amounts based on both the provision of comparable facilities as well as on other individual licensee relocation costs. Alternatively, we seek comment on whether Congress intended NTIA to issue rules regarding eligible entities and eligible costs in accordance

¹ 47 U.S.C. §1413.

² 47 U.S.C. §1413(a).

³ 47 U.S.C. §1413(b).

with the statute. Under this alternative reading, we seek comment on how the Commission's expertise could be leveraged to inform the NTIA grant program.

This language does not fully acknowledge the Act's distinction between our respective agencies' roles of reallocating and auctioning the spectrum and administering a full-fledged Federal financial assistance program.

If auction proceeds become available to NTIA after a T-Band auction, NTIA intends to develop a Federal financial assistance program, including the development of reasonable, allocable, and allowable costs consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, and the Department of Commerce grants policies.⁴ During the development of the program, NTIA would work closely with the Commission to ensure that the grant program would fulfill the statutory purpose and ensure a successful transition for affected public safety entities.

If you have any questions regarding NTIA's views on this issue, please do not hesitate to let me know.

Sincerely,

Adam Candeb

Adam Candeb
Deputy Assistant Secretary performing the
nonexclusive functions and duties of the
Assistant Secretary of Commerce for
Communications and Information

cc: Lisa Fowlkes, Chief
Public Safety and Homeland Security Bureau

⁴ See e.g., 2 C.F.R. Part 200, Department of Commerce Grants and Cooperative Agreement Manual (Oct. 24, 2016), available at: https://www.osec.doc.gov/oam/grants_management/policy/documents/Grants%20Manual%20-%2024%20October%202016.pdf.