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Transcript

FirstNet Board of Directors Committee Meetings Webcast, Reston, Virginia, September 16, 2014

Tuesday, September 16, 2014.

Governance and Personnel Committee

>>Sue Swenson: Great, thank you. Well, good afternoon everybody and welcome to our FirstNet headquarters location. The board meeting will occur tomorrow but today we're conducting our governance and personnel meeting. Before I start the meeting, you know, a day doesn't go by, unfortunately, in the public safety area that we don't recognize some anniversary, and unfortunately a year ago today we had the Washington Navy Yard shootings. Every day I think it continues to reinforce for us why we're here and the mission we're on. So like I said, it happens way too often but I wanted to acknowledge that because obviously it reinforces the need for what we're doing here, for interoperable communications for the public safety community.

It's a pleasure to have you here at the headquarters today. Probably I guess it was about 3 months ago that the staff actually moved in here. I would tell you that it's very much a start-up kind of environment. The organization, you know, obviously is just getting going. We have probably a little over 100 people today. But it's definitely a start-up environment with lots going on. And we're looking forward to actually spending some time with the staff here tomorrow after our board meeting. So we're looking forward to meeting with everybody who works here and get to know them a little bit better.

We're also happy that the meeting is open; it's great to have you here. Of course we had our first open meeting in Colorado, but we had a few more people there. We had about 600 people at that meeting. But it was obviously at the PSCR conference. It's good to see everybody traveling here. It shows the commitment everybody has to this initiative. So thanks for making the trip and being with us today.

We will continue to have these meetings open, and our board meetings open. I would tell you the governance meeting today will take care of a couple of items but we do need to go into private session. It will be the only meeting that closes today because we have a personnel matter to address. So we'll be stepping out as a board and come back in and report back to you on the matters that we discussed.

Actually, I think you're all aware that we announced our new board members last week. We're very excited to have new board members. And I'd like to welcome them - we have a couple new board members sitting at the table. Chief Chris Burbank from Salt Lake City, welcome. Mayor Annise Parker from Houston, glad you could join us. And we also have Frank Plastina in the audience; Frank, delighted to have you here. Frank is a telecommunications industry person. We're delighted to have you here to help us with strategic planning and organizational issues. Sheriff Stanek from Hennepin County, Minnesota was unable to be with us because of other commitments. The announcement was made rather late in the process so he was unable to attend. He'll be involved with us, though. I want to congratulate Ed Reynolds - our industry expert - for being reappointed. Glad to have you here as well. And I also want to take a moment to really show appreciation for the board members who were outgoing and also the existing board members. I don't want to overlook the work that our existing board members who have continued their term on the FirstNet board for the terrific work that they've done

over the last two years. It's been, as you know, a challenging couple of years, and I want to recognize them for the good work that they've done. But also I want to --

>>Stuart Kupinsky: Excuse me one second. My understanding is that we're having some technical difficulties. So if you wouldn't mind maybe you can finish your introduction of the board members and the governor and then we'll hold until we can get the simulcast up and running.

>>Sue Swenson: Do you want me to stop?

>>Stuart Kupinsky: You can continue introductions.

>>Sue Swenson: I also want to welcome Jim Douglas from Vermont. It's great to have an ex-governor on the board. I didn't lean over far enough, Jim, so I didn't see you. I want to recognize Jim for being on the board as well.

But I can now continue. Okay I'll hold.

>>Sue Swenson: They say we're good. I hope that's okay. As I was saying, I want to welcome the new board members, the experience and expertise they bring to the board is very welcomed. Also, the part of the country that they represent is really important to represent the communities they serve. I also want to thank our prior chairman, Sam Ginn, for his work and also Wellington Webb, former mayor of Denver. We were delighted to have him on board and gain his acquaintance and he continues to wish us well. I'm sure we'll be able to reach out to him for assistance when necessary. Chuck Dowd, the former assistant police chief of New York Police Department. We appreciate his work and I think we'll continue to see Chuck very involved in the effort to move it forward. We'd also like to thank Paul Fitzgerald for his service, who is the sheriff representing his community in the sheriff organization. So I think we'll continue to see Paul involved as well. And we'd also like to thank Craig Farrill for his early work - not only as a board member but serving as management in a couple of key capacities. I want to acknowledge the great work that they've done. At this time, I'd like to call on our board secretary to explain to our audience how this is going to work for those who haven't been at the sessions before. Just explain the order of events and how things are going to occur today. Mr. Secretary?

>>Uzoma Onyeije: Thank you. So we're going to have four sequential meetings of the FirstNet committee. And the meetings this afternoon are going to be different lengths, and obviously this is a public forum, so one of the things we want to ask you is if you have a mobile device, take a look at it right now. And if it can make any noise, change it so it won't make any noise. We'd also like you to try to minimize your movements during the meetings. There will be breaks between each meeting. This meeting will be approximately an hour in length. And we will be, during the governance committee, dealing with some personnel matters, so during that time, the governance committee will close the meeting for a very brief moment, they will exit the room, and then return. With that I think we're ready to get started.

>>Sue Swenson: Great. Could you please call the roll for today's meeting?

>>Sue Swenson.

>>Here.

>>Barry Boniface.

>>Here.

>>Tim Bryan.

>>Here.

>>Jeff Johnson.

>>Here.

>>Teri Takai.

>>Here.

>>Madam Chair, we have a quorum.

>>Sue Swenson: Great, thank you so much. I think that members of the committee have the minutes from the last meeting. So I don't know if anybody has any comments about those last minutes. And if you don't, then I would certainly welcome a motion to approve them.

>>Barry Boniface: So moved.

>>Sue Swenson: Thank you, Barry.

>>Tim Bryan: Second.

>>Sue Swenson: Thank you, Tim. Any further comments?

>>Jeffrey Johnson: I will abstain when called upon because I wasn't a member of the committee at that time.

>>Sue Swenson: Thank you. That's true. Welcome to the governance committee. All in favor of the minutes hearing the nomination and second? Aye?

>>Aye.

>> Sue Swenson: All those opposed? Same sign. And any abstentions?

>>Jeffrey Johnson: One abstention.

>> Sue Swenson: Thank you very much. The minutes are approved.

As is a normal process that we want to go through on an annual basis and get an update on the procedures that we follow for conflict of interest and the review process. We have Stuart Kupinsky, and I don't know your official title. When you introduce yourself, if you could go through the full title that would be great. But Art Warren is from the ethics office and here to assist Stuart with the review of this process for the governance committee.

>> Stuart Kupinsky: Thank you. So just as the governance committee and the finance committee share responsibilities on compliance matters and ethics, so does the staff of the Department of Commerce and FirstNet. And so we're going to do a little bit of a tag team here this morning to update the committee on how conflicts of interests are monitored and mitigated for FirstNet and its combined and shared responsibility. I'm going to first hand the baton over to Art and then I'll provide some comments also.

>>Art Warren: Thank you, Stuart. I actually am the senior counsel for ethics at the U.S. Department of

Commerce. And one of the reasons why I'm here, it almost sounds like the beginning of a bad joke. How many lawyers does it take to do ethics work for FirstNet? The answer is that it takes a few. I'm here because the Department of Commerce reserves to its office of general counsel the ability to provide advice on the federal ethics statute and regulations, to any Department of Commerce employees. So we have a worldwide constituency of more than 44,000 employees that we provide advice on the standards of conduct. We provide education, guidance, training, and advice to people on how to comply with the conflict of interest rules, the other ethics rules, and also the financial disclosure system that supports the response to those rules.

One of the things that has made this job possible for us is the close relationship we have with Stuart, with his staff, and with the other management at FirstNet. Because although we have some degree of expertise with respect to federal ethics rules, almost every ethics question has at least two components to it. One is the factual situation - the mission of the agency, the work of the agency. And so we depend heavily on Stuart and his team and other people at FirstNet to make sure that we understand what the work of the agency is, what's going on, and so we can apply the ethics rule to those situations.

Because of the rather complicated nature of your responsibilities, because of the fact that the board itself has served what's known in ethics parlance as special government employees - people whose full-time job is not as a federal employee but people who bring experience from their private or other parts of the public sector to these government responsibilities. We've built on the kind of regular processes that we have for people who are full-time federal employees to best serve you, to best serve FirstNet in terms of that.

So we're developing these processes. It's actually a dynamic process, because as your work evolves, as our understanding involves, we're continuing to, I think, enhance the procedures we have for your financial disclosure, for providing guidance, specifically with respect to conflict of interest issues, and to help you ensure compliance with the federal ethics regulations.

>>Stuart Kupinsky: So Art and his team are providing the core advice on federal ethics rules as he indicated. And for our part inside of FirstNet, we have implemented our own comprehensive compliance program that covers not just ethics, but all areas of legal compliance for FirstNet. And so because we have to work hand in hand with Art and his team, what we do is we try and implement customized policies internal to FirstNet that don't preempt, but basically facilitate the overarching Department of Commerce policy framework. And so later today, Jason Karp from my staff is going to brief the finance committee on an overall compliance program. So I won't get into the details of that. But it is that FirstNet specific compliance program where we implement the details of the conflict of interest rule, and we basically act as a programmatic counsel and facilitate Art and his team to understand what we're doing. So that's the framework.

Do you want to talk about board member training?

>>Art Warren: Yes. Any ethics program for federal employees includes several components, one of the most significant of which is training. Training on the ethics rules is not always intuitive to people so people need to know what the specifics of the rules are. And we have done that for FirstNet specifically in several ways. One is through live briefings for board members. We have briefings at least on an annual basis and I think if you look back at the history of the board meetings, some more frequently than that, we've provided live training to board members on the substance of the ethics rules. We've also developed materials, which are posted on our website, which I'll give a plug. www.commerce.gov/ethics. We have a number of materials including some that have been built specifically for FirstNet board members. Materials that deal with a summary of all the ethics rules that apply to you and also materials that deal with situations that you might face. Because we're drawing from sectors that are affected by the work of FirstNet. So information on what the conflict of interest

rules are, and how to avoid conflicts of interest. Beyond FirstNet, we have other materials that are relevant to anybody serving in government financial disclosure information, and information that has a great depth on specific topics - gift rules, political activities rules, and post employment rules. There's a wealth of information on the website. And in addition to this material, there's a relatively new procedure that Stuart is going to talk about.

>>Stuart Kupinsky: So what we've implemented is an analysis of the agenda items at every board meeting, and an expansion of the agenda, if you will, to describe in memo format the ramifications of those items and which parties could be affected, etc. We have put together that memo and distributed it with the counseling materials from Art and his group prior to each board and committee meeting. So that all the board members involved can see on paper our analysis from a programmatic standpoint of what matters are up for discussion. And then match that up with the advice that's given from Art and his group. And that is distributed before each meeting.

In addition to that, prior to that sort of final memo going to the board, we have now for a while been holding a series of meetings with Art and his group to discuss the matters at the board and to get their counsel on the types of potential conflicts of interest that could arise based on those matters. And that informs the memo.

In addition, we have Art or some of his crew attend each of our major management meetings during the week, of which right now we have two primary meetings a week. They're attending, listening in on the day-to-day sausage making at FirstNet so they get a real taste of what substantive matters we're discussing. Because of course the conflict of interest rules and other ethics laws don't just apply to the votes of the board members. They apply to the discussion and the like. And obviously it also applies to the management team.

>>Art Warren: I mentioned early on there are several components to an ethics program. Training is the first one we talked about. Beyond training and perhaps even more significant are the individual ethics counseling sessions that we provide for board members. I've had the pleasure of talking with, I think, almost every board member prior to appointment about the conflict of interest rules and other ethics rules and discuss them in the context of information provided by the prospective board member vis or vis his or her financial interest and affiliation do that we can drill down to understand whether there will be limitations on someone's service because of their financial interest or affiliation. Everyone goes into this knowing exactly what their participation is going to be. And then that's supplemented as people serve, as new information arises, and as a better understanding of kinds of issues they're going to deal with and how that affects their day job or financial interests. So we work with members regularly with respect to issues that they spot or issues that occur to us that might impact the ethics rules. We do this counseling throughout someone's tenure as the board member.

One of the innovations that we've worked with Stuart's office on in terms of providing notice to both employees and Board members of FirstNet is to develop a list of companies and organizations that may create a conflict of interest for a board member. Because the companies have expressed interest in participating in FirstNet activities. So we're better able to provide guidance to both staff and board members about situations where they need to be mindful. Recusal may be necessary if they have a financial interest or an affiliation with one of these organizations on the list. Management is primarily responsible for preparing an update to that list so that it reflects the issues that are currently active at FirstNet.

And FirstNet also periodically redistributes information that I've talked about. The ethics materials that we've developed for board members so that they have regular opportunities to refresh their recollection about what the rules are and how the rules apply to them and that's frequently a basis for people to come back to my office for individual counseling as they are more familiar with the rules and their

application.

Let me talk about some specific issues that we've done to address potential conflicts. And probably the first one is financial disclosure reports. We first have prospective board members file financial disclosure reports prior to appointment to make sure we understand fully what the potential limitations on their participation in FirstNet activities may be, and provide appropriate counseling to them.

We have those reports updated regularly, at least annually, and we encourage people to come to us with questions outside of the financial disclosure process.

If they acquire any assets or take on new affiliations, so that we can review with them what the potential consequences of those issues are going to be. But the ethics rules are not only the only issues that board members and staff have to be aware of in terms of compliance. Stuart is going to talk about the vendor interaction policy.

>>Stuart Kupinsky: Clearly, one of the primary process steps for FirstNet is the request for proposal process that the act lays out. And so in keeping with that process we're engaged and will be talking today and tomorrow about that procurement process, and federal procurement laws have very significant conflict of interest provisions. In addition, provisions that try and equalize the playing field and ensure there are no appearances of conflict or favoritism among the vendors participating in the process. What we've done is set up a system whereby the board members and management can communicate with advisers in the multiple camps that are required - Art's initial joke of how many lawyers does it take.

And this communication can take the form of an e-mail that just announces a board member's intentions to attend a particular event, for example, where vendors that may be interested in our procurement process would be present. The nature of the event, the types of communications anticipated, and that e-mail is spawned off to various counsel and the counsel are able to advise the board member on the steps to take that are appropriate given the stage of the procurement process we're in to avoid the appearance of impropriety. And because of sort of a mixed area of law with a number of different federal regulations applying, we have found that we can aggregate this advice and give a board member who is not a legal scholar, you know, hopefully meaningful and practical advice on how to navigate these waters.

It may result in our board members occasionally having to interact with vendors in a way that doesn't allow them to talk freely. But that's obviously to insulate the process and make it as ethical and objective as possible.

So that's the process that we've instituted and so far I think it's been working pretty well.

>>Art Warren: And the last point we want to make is something we exercise almost at every training session. We remind employees that ultimately the responsibility for complying with the federal ethics rules is a personal responsibility – an individual responsibility. That the systems and processes and procedures that we've developed to assist you with that – are just assistance – and that ultimately the responsibility for compliance is personal.

>>Stuart Kupinsky: With that, any questions?

>>Sue Swenson: I have a question, and maybe a comment. The last couple of years we dealt with a lot of general topics - we stood up the organization, we worked on the strategic road map, and it was all very organizationally focused. It really feels like we're moving into a new period of FirstNet history or future. And I think it's really important for those listening to recognize that while perhaps our ability to

interact was broader in the past, that I think there's probably going to be a change of that. And it's very important to communicate to the many people out there who want to interact with us that it's likely that we're going to have to say no, and I don't want it to be perceived as just being uninterested. I mean, we're really embarking on a new era. Can you comment on that?

>>Stuart Kupinsky: Sure. And obviously, it's a delicate balance. And you know, the federal procurement process, in particular, hinges on getting excellent feedback from industry. And so we most definitely do not want to cut off that line of feedback and the RFI that we'll discuss today and tomorrow is a piece of that. But so is market research and other avenues we've been pursuing and keeping with the process associated with the RFI, and procurement to come. We will continue to pursue.

That being said, again to maintain the integrity of process, we want to make sure that all potential vendors get information in the same way in accordance with applicable law. And so as a result of that, we're now taking steps to finalize our strategy and really honing in and we will be discussing the content of the RFI - but really honing in on some of the specific parameters of the RFP process. We're having to appropriately ratchet down on the communications because vendors can be impacted at these later stages. So while we're still at a RFI stage, I think this is the signal flare that you're talking about, where we're now a stage where things are going to get tighter in terms of our ability to communicate but it's not meant to inhibit the flow of helpful information back to us. It's meant to protect the integrity of the process so that it's not isolated information that we're conveying to one party and not the other.

>>Sue Swenson: I think it's signaling good news because we're actually moving ahead in terms of getting to a point where we have that conversation. But I think it's going to feel unnatural to people who maybe are not as familiar with it. I want to make sure everybody is aware that we haven't all of a sudden become unresponsive. And I want to make sure everybody is aware of it, because it's different than I think many of us are used to and I want to comment on that. We're getting a lot of help from the folks here, and Art, as you said, we have a lot of interaction about particular circumstances, and take a look at those to make sure we're following all the appropriate procedures and I for one have gotten to know Art quite well as a result of this. And I think it's really important that people know that we all take it pretty seriously. And it's really important that people know we have these mechanisms in place. Although, I'll tell you very candidly, they can be a bit cumbersome at times but obviously they're very necessary. I wanted to comment on that from a personal perspective.

>>Jeffrey Johnson: Madam Chair?

>>Sue Swenson: Yes, go ahead.

>>Jeffrey Johnson: Of course it doesn't mean we can't say hi to someone when we see them in the hallway and see how they're doing personally. I hear you that now we're moving into a phase where there's two pieces to our world. There's the "how are you doing Stuart" part of our world. And then there's you have something meaningful to say about our work here. And if you have something meaningful to say about our work here, then there's a structured formalized process that ensures that it's an even and fair process across the board.

>>Sue Swenson: Right.

>>Jeffrey Johnson: I think that's, as you said, what a great place to be. This is the beginning of the slope.

>>Sue Swenson: Let me just ask the question for clarification because I think we talk about this. Obviously, we have nonpublic and then we have public information about FirstNet. So if we happen to talk to somebody in the hallway today that we see is a vendor, and if they wanted to talk to us about things in general, is that an okay thing to do versus not talking to them at all? I want to make sure I

understand the demarcation point.

>>Stuart Kupinsky: Well, I'll try and play a federal procurement lawyer on television. But it is one of the specialties that doesn't come to me. And then I'll let Art articulate anything he'd like on the other applicable laws. The danger, generally speaking, is you communicating to a potential vendor, information that would give them an unfair advantage in the process.

>>Sue Swenson: Okay.

>>Stuart: So a "hello, how are you, etc." is obviously not communicating that kind of information.

>>Sue Swenson: Right, right.

>>Stuart Kupinsky: Although, the law is not blind to associative time, for example, if someone is spending an inordinate amount of time with one party over another. Even if information isn't being conveyed, it can have the appearance of impropriety or other troublesome appearances. And so there are these considerations that are made. But generally speaking, it's the information from a FirstNet board member, or a management team member to the individual involved. And so as a result of that, the e-mail clearance process is how we would want to address any known or expected interaction. You coming upon somebody in the hallway in the vendor community and the audience, etc., would be not unexpected here in this context. But that being said, it's very difficult to plan ahead for, you know, this type of vendor is going to confront me in the hallway.

>>Sue Swenson: Right.

>>Stuart Kupinsky: So then it would be a case of you being careful not to disclose any information to them that could advantage them.

>> Sue Swenson: One last question. I think the vendor interaction is pretty clear, but there are a lot of lawyers, just in general, who represent companies, and they may request to meet with us and we may not know everybody that they may be representing. How do we deal with that situation? Do we say to them who are you representing before I go and meet with you? Would that be the proper thing to do?

I'm not going to meet with anybody for the next two years.

>>Stuart Kupinsky: No, we don't want to discourage the helpful information that is coming back to us.

>> Sue Swenson: Right.

>>Stuart Kupinsky: But the process that we've set up is, first of all, under the federal procurement process, traditionally what happens and what we are setting up is that the contracting officer that's assigned to our procurement and we are outsourcing that sort of strict procurement function to an organization within the federal government that does this day in and day out. That the contracting officer is sort of the hub for the interactions of board members and management with the vendor community going forward.

>>Sue Swenson: Right.

>>Stuart Kupinsky: And so it's that contracting officer's responsibility to maintain, you know, a sense of how much time we're spending with different vendors and what kind of information is being communicated to officiate over that stream of information.

>>Sue Swenson: Uh-huh.

>>Stuart Kupinsky: So the communication to you from a lawyer representing multiple parties should really be the communication redirected to the contracting officer, and then the contracting officer can explore which parties are of interest, you know, what information is proposed to be exchanged.

>>Sue Swenson: That will be a little more challenging.

>>Stuart Kupinsky: Yes.

>>Sue Swenson: Okay, I think I'm done asking questions, but you may have some.

>>Art Warren: I come at this from a slightly different perspective and additional perspective to the one Stuart articulated because there also could be some disqualification issues in terms of that. The approach that I would take if someone is requesting a meeting - is this someone who is representing someone for whom the FirstNet board member staff person is disqualified. Because he or she has a financial interest in that entity or has some kind of affiliation relationship, which creates a disqualification. So basically you've got two hurdles to overcome. One is on the procurement side with the rules, but the other is if there is a disqualification issue, you should not be the person at FirstNet having this meeting.

>>Sue Swenson: Can you say a little bit more when you say disqualification issue?

>>Art Warren: Disqualification goes back to the conflict of interest statute. Do you have a financial interest in the company that this lawyer is representing?

>>Sue Swenson: Okay, that I have a financial interest.

>>Art Warren: The meeting may be proper, it may be proper for that meeting to occur but you shouldn't be the person on the FirstNet side to take the meeting, or if you have an affiliation under the inherent bias regulations or employment interest that would mean that you're not the right person at FirstNet to be dealing with this issue. You're disqualified from the issue, therefore you shouldn't be participating in the meeting.

>>Sue Swenson: Okay, I do have one more question. So if we happen to have a friend who happens to be working for a vendor – I mean a real friend, a personal friend - how do you meet with that personal friend without having an appearance of conflict?

>>Art Warren: Well, if it's just a personal friend and there's no other disqualification issue, personal friendship is not one of the bases for disqualification under the appearance of bias regulation.

>>Sue Swenson: I'm happy to hear that.

>>Art Warren: How do you determine, you know, a close friend – it is an impossible line to draw. But there are some situations where we advise people that even though there's not a legal basis for disqualification, there may be an extra legal appearance problem that you need to take into consideration and decide whether that's appropriate for you to have that meeting. And again, it doesn't disqualify that person from meeting with FirstNet. It just means that perhaps there's someone else in the organization that would be better to handle that meeting.

>>Sue Swenson: So I think what you're suggesting is that I should take you to every dinner to make sure I have you as my witness? [Laughter]

>>Stuart Kupinsky: From a procurement perspective, and I've combed the audience and the procurement expert on my staff is conveniently not in the audience. That's the type of interaction where if you were meeting a friend who happens to be employed at a vendor who is interested, you'd want to pre-clear it. You'd just want to send an e-mail. That way the contracting officer is aware of what's going on, etc., and can advise further.

>>Sue Swenson: You know I've done that with you, right?

>>Stuart Kupinsky: Yep.

>>Sue Swenson: And it was at a completely non FirstNet event, but there were people there who might be interested. So I made you aware of that. Okay I want to make sure I'm following all the rules. Barry, anything on your mind?

>>Barry Boniface: I'll just have everybody meet with Art. [Laughter]

>>Sue Swenson: This is helpful. It is complex and we're moving into a new era, and I think we have to be particularly sensitive about it. Anything else?

>>Jeffrey Johnson: Finally an advantage to not having friends. [Laughter]

>>Sue Swenson: I know, really. Well, I mean, that's an important discussion, and I'm sure this is not the last time we'll have this discussion obviously. I think we've concluded the public portion of this meeting. So I would certainly entertain a motion to adjourn to closed session.

>>Teri Takai: So moved.

>>Sue Swenson: Thank you, Teri. Is there a second? All those in favor.

>>Aye.

>>Sue Swenson: Opposed? For the audience, we're going to adjourn for maybe 15 minutes or so, take care of a personnel matter and we'll be back.

>>Sue Swenson: Great, thank you, everybody. Appreciate your patience. In closed session we discussed several personnel matters. Some of you who are involved in the federal government performance process, we are in the cycle of doing performance reviews and so the governance committee took some time to talk about the process that FirstNet is going through and ensure that we conform to those rules and processes, and I'm pleased to tell that you the governance committee is ahead of schedule, compared to last year when it comes to this. And that we feel like we're in really good shape so that we can actually enter into the process with the Department of Commerce and input into that.

So we also, as you know, are in the process of doing an executive search, that you're aware of and we've hired an executive search firm and that process is moving along quite nicely and we don't have anything to report at this point. But I will tell you it's on track and we're pleased with the firm that we retained.

With that, I would move that we are prepared to adjourn the meeting, so I would entertain a motion to adjourn.

>>Jeffrey Johnson: So moved.

>>Sue Swenson: Thank you. Second?

>>Aye.

>>Sue Swenson: Opposed? Abstain? Meeting adjourned. Thank you.

And now we're moving on to the Technology Committee.

Technology Committee

>>Barry Boniface: Welcome again. It's been a long time since I saw the crowd here. But we really appreciate everyone coming to the technology committee meeting of FirstNet here, and also appreciate those who are participating on the webcast.

You know, it's great to be here in our new facility and also great to be having new additions to the team. So we're happy that Chief Burbank and Frank have decided to take on the cause of technology here. So we welcome Frank Plastina and Chief Burbank to the technology committee.

With that, I guess we should begin the process by calling the roll. Mr. Secretary, will you please call the roll?

>>Barry Boniface.

>>Here.

>>Chief Burbank.

>>Here.

>>Kevin McGinnis.

>>Here.

>>Frank Plastina.

>>Here.

>>Ed Reynolds.

>>Here.

>>Suzanne Spaulding.

>>Uzoma Onyeije: We have a quorum.

>>Barry Boniface: Terrific.

So I guess the next order of business is that the approval of the minutes from the last meeting. So for those of you who are in attendance and also have a copy of the minutes, is there any discussion about what's written up from the last meeting?

>>Barry Boniface: If not, I will take a motion to accept these minutes.

>>So moved.

>>Barry: Second?

>>Second.

>>Barry Boniface: So all of those in favor say aye.

>>Aye.

>>Barry Boniface: Any opposed? The minutes pass.

All right. So now we're down to Ali. We have Ali Afrashteh, our CTO, here today. He's going to give us an update on his organization over the last few months, as well as some forward-looking activities that they're engaged in. Ali, I'll turn it over to you.

>>Ali Afrashteh: Thank you, and good afternoon. My agenda is to tell you about the CTO focus areas and the support we're giving to the RFP and the technical portion of it. In addition, my organization, where we're going with it in terms of staffing it, and cover public safety updates. My deputy, Jeff Bratcher, will talk about public safety communications research activities that we have, and what they're doing for us, and public safety LTE deployments, which are the BTOP projects and Harris County activity in Texas.

Looking at the left-hand side, I listed the focus areas, and in the right middle is the key milestone and activities and on the far right is an indication of the level of effort that we have.

Starting with the comprehensive network solution RFP, we are responsible for the technical part of it. Almost all my team in Boulder, which is our technology headquarters, and some of them that I have brought here are involved in the RFP and providing all the documents that you see.

The RFI/SOO that we have been involved in is ready to go out, and once we get the response, we will be evaluating that response and in the meantime we will be involved in drafting the RFP. On the public safety LTE deployment support, Jeff will talk about it. We are supporting all the BTOP projects and now Harris County in term of making sure that we help them to be successful and also collect a lot of key learnings that we are going to get out of that and use in our national deployment. We work very closely with PSCR, Public Safety Communications Research, which is part of NIST and NTIA. They are very close to our headquarters. That's one of the reasons that our headquarters is in Boulder. And they are doing a lot of work on our behalf in terms of proof of concept testing with about 5 vendors, network simulation, and also standards. They send people to standards meetings on our behalf to make sure that the features we need in terms of different features like mission critical PTT, group communication, and direct mode are going to be in the standard and be approved in the future. My RAN team is supporting the state consultation and planning efforts and we'll continue to do that into next year. The pilot network is not approved but we're planning on it in terms of setting up a pilot network and doing some testing and demonstration of band 14 network services and application on a live network that later on we can use the result of for the nationwide network.

The next two activities or projects are also not approved as far as the budget is concerned but we're planning on it. One is the small deployable. The small deployable is a network, a cell site, or a micro cell site, in a core network all in a car – I should say a SUV with satellite antenna on top of it. This car with the satellite antenna and full network in it can be deployed almost anywhere you want it. And after about 15 minutes, it's working and operational, and we can have cell phones to public safety people, 20 or 30 of them, and they can be around that car by about half a mile. So it's something that we can test now and in the future we can use it in many places that we don't have coverage.

The next focus area is the experience center, training center, and lab. In our facility in Boulder, we have a warehouse, 8,000 square feet of warehouse, and also an empty place that we call a lab that we're hoping that we get funding to build an experience center for public safety to come and get training and also have hands on experiences and tests, and look at the features and get feedback so that we can use that learning in the RFP or in the negotiation with the partner. Later on, this can be a lab that does a lot of verification and testing for the network and interoperability.

Our contribution to the comprehensive RFP, as I mentioned, is market research. Obviously we have been talking to a lot of vendors, and we are putting a comprehensive report together of all the RFIs that we had before and all the market research that we have done in a comprehensive way of who we talked to, what we said, and what is the learning we can use for the future RFP.

Also, for the analysis of alternatives, we have a big report that is ready to go, which is a result of all the discussion that we had and how we're going to approach the comprehensive RFP and a different way to do it.

The RFI and SOO, which I talked about, is ready to go, and also we're working on the resourcing for the comprehensive RFP and also for my organization.

Focusing on the future, again, the market research report will be ready in October. There will also be the evaluation of the RFI and SOO once we get the responses back. We will be working on the operation and system architecture we have to put together, use cases, RAN, and core interface specifications, and support the development of the draft and final RFP and the source selection.

Starting in the CTO organization, all the 12 director positions are posted and we are in the process of interviewing and offering jobs. We have been successful to offer four positions already, and I'm hoping that all 4 of them will accept.

In terms of the public safety grade system, the PSAC, which is the Public Safety Advisory Committee, has provided us with a comprehensive set of recommendations for hardening and we have gone through it. We're actually working with them closely to figure out which ones are very important, and how we are going to actually implement them or select them. For example, which one has to go first and in what way, so we are seeking advice.

And actually, I want to thank Harlin McEwen and his group, the PSAC group, for supporting us.

Now Jeff will cover the other two focus areas.

>>Jeff Bratcher: Great, thank you, Ali. Thank you, Mr. Chairman. So I will cover the update from PSCR, and as previous board members know and new board members know, we have funding at the public safety communications research center out in Boulder, Colorado, to do some actual testing on the demo network that they have in place with Band 14 specific for FirstNet with a broad assortment of vendors in the lab.

So the key functions that they've been working on for the last 6-8 months have been the key features that FirstNet will need in our network, which is priority, preemption, and quality of service. And Chief Johnson and I actually attended a recent update last Friday at PSCR, and saw some results of the testing. The key message is that it is working at a base level now within current software releases within the vendors and the labs.

There are some things still to be worked out and especially they're on the bleeding edge of what the test vendors can actually test with regards to these features.

This is not a huge demand in the commercial wireless market at this point. I think FirstNet will lead the edge on providing this level of detail on these features for our users that we will need.

But it was positive and we were very happy to see the vendors supporting this, and they are working it into their product lines now. And we're able to start testing it and showing that within the testing of

PSCR.

I'll give a brief update on our current public safety LTE deployments. Four of these are Broadband Technology Opportunities Program grants, under NTIA, and one of them is the Harris County system in Texas. So they all have spectrum management lease agreements from FirstNet that have been signed. Most recently Harris County signed theirs, I believe, last month. So they are leveraging the FirstNet spectrum to deploy these systems in the different areas as listed on the map here. We have LA-RICS in Los Angeles, the state of New Mexico, the state of New Jersey, Adams County Communication Center, which is right in our backyard in Boulder, and the Harris County system. So in exchange for granting them use of our spectrum, we've developed what's called key learning condition plans, and those have been signed and are in progress for two of the final ones that we're working on now. What they will provide us in exchange for using that spectrum are some of the key learnings that we will then leverage into our RFP development and as we move to deploy a nationwide network moving forward. So it's been a very good relationship with NTIA, and the grants officers that are running each of these different projects and ensuring we're all on the same page and pushing and moving forward.

So with that I'll turn it back to you, Mr. Chairman.

>>Barry Boniface: Terrific. Well, you guys are obviously making some good progress. It might be useful just for the committee's purposes as well as for the general audience at large, just to give us a sense of some of the challenges that you face. Any new organization faces challenges as they develop their plans and build a resource course. What are some of the things that you guys have run into thus far in the project, and how do you see those things going forward?

>>Ali Afrashteh: Thank you. It's interesting that you will ask that. I think staffing is one of our challenges. At least for me, number one is going through the federal hiring process and procedures. And number two is that LTE is a relatively new technology. We are essentially competing with all the big carriers and all the vendors so it's a challenge to be able to get all the expertise we need in LTE in Boulder, Colorado. And actually, it's interesting, Barry was asking the same question. I was explaining to him that is my challenge. And besides, it's me and Jeff interviewing many, many people.

>>Barry Boniface: Terrific. And Jeff, anything on your side?

>>Jeff Bratcher: No, I would echo that as well, and also, you know, again back to the technology front. A lot of the key things we're pushing are really leading the way in the standards development, and some of the testing that's going on. So we're actually leveraging the investment to PSCR to help drive that forward with the testing and the test equipment manufacturers. It's a big challenge verifying it actually works.

>>Barry Boniface: That would be good. We appreciate your efforts, and obviously you're making some good progress and we'll look forward to continued progress as we move ahead.

I guess we'll switch gears now, and move to the legal environment to some extent here. We are going to go into the public notice and comment process in depth tomorrow at the board meeting. But one of the things we wanted to do in this committee meeting was to cover those areas of that process that are sort of relevant to us and have Stuart Kupinsky, the general counsel, give us an overview of those areas and we can have a discussion about those areas.

>>Stuart Kupinsky: Thank you, Barry. With respect to both the notice and the RFI, as you indicated, what we've done is we've broken up the substance for each of the three remaining committees today. So it's important for those viewing and here today to understand that we're only going to cover the portions of the notice and the portions of the RFI that pertain to the particular committees as we go

through it. And tomorrow we will have the plenary discussion of the entire document in each case.

So in March of 2014, we released our executive summary of our road map. And the road map contained a series of milestones that we wanted to achieve within roughly 12 months. The first of those milestones is the notice and comment process that we're going to talk about today. The second of those milestones is a draft RFP, and the RFI that we're going to talk about today and tomorrow is sort of a hybrid, somewhere in between a pure RFI and a draft RFP because it contains portions of a draft RFP.

And then the last of those milestones was to begin formal state consultation, which has also occurred. So just to frame the discussion, we're now going to talk about the notice and comment process.

The three streams, if you will, work streams that we're focused on, include the overarching obligation that we have to consult on a variety of matters with a variety of parties on all of our actions and how those consultations feed into the RFP process that is one of the primary steps under the enabling legislation.

This notice and comment process forms a third work stream and also provides critical inputs into the draft RFP. I'll get into the specific interpretations that we are proposing in the form of those interpretations in a moment. But just by way of background for those who may be unfamiliar with these types of processes, the notice and comment process is roughly analogous to a notice of proposed rule making from agencies that conduct full-blown rule making processes. In our case, because we're excluded from the APA, the Administrative Procedure Act, we have a more streamlined process but it's a document that contains our analysis of certain legislative terms and proposed interpretations of those terms and provisions. It seeks comment over the course of 30 days and we want as much feedback as possible on our proposed interpretations. These are management's interpretations, not the board's. And over the course of the next two days, the board is merely voting to release this document out for comment. I wanted to highlight the fact that these aren't board approved preliminary interpretations. And after we receive these comments, we will then formulate our final interpretation of these terms. The board will participate in that process, and will either issue a document that reflects those final interpretations and/or build them into the actual draft RFP that we ultimately issue. And that's the rough outline of the process.

As I mentioned, we're excluded from the Administrative Procedure Act, which means we technically do not have to perform any sort of notice and comment process along these lines. We feel that there are significant advantages in doing so, including having a very open and transparent process. Our enabling legislation is replete with provisions that indicate that this was Congress's intent with regard to FirstNet and we want to live up to that obligation.

We think that the matters that we've chosen for this notice and comment process, in particular, are critical inputs into the RFP process. And so at this stage when we're considering how to construct the acquisition and procurement process itself, we wanted to receive input on these critical interpretations that can substantially change the substance of the RFP process. And then finally, the RFP process is traditionally one that is populated by interactions with vendors and obviously potential suppliers to FirstNet.

The notice and comment process, which is going to be published in the Federal Register, reaches to a wider audience. And so we felt that going out with a notice and comment process, rather than trying to embed these proposed interpretations into the RFI, was a way of reaching a broader audience for that kind of input. So the sky is the limit for who can participate in the process. Anyone can file comments in response to our Federal Register Notice.

We will initially put an unofficial copy of the notice document on our website and then the Federal

Register publication will be the official start of the process.

It's important to point out that these are legal interpretations of the enabling legislation and not FirstNet's final policy on these areas. So first and foremost it's not even our final interpretation. We're seeking comment on a preliminary interpretation. But after we establish a final interpretation, FirstNet may issue policies that narrow the interpretations that the law would otherwise allow us to implement.

And that could be, you know, a range of issues that propel us in that direction. We could be consulting on, for example, the types of users that are permitted on to the network under the legislation and decide as a policy matter after consultation with PSAC, and other public safety organizations, and vendor community that we want to narrow that scope as a policy matter. And so we could implement that. It's important to understand that these are the outer boundaries and not the end policies of FirstNet.

The topics that we have chosen for the notice are these critical inputs to the RFI process. We've listed them here briefly and we'll touch on each of these in the subsequent committee meetings. But I want to quickly in the time I have turn to the ones that are particular to the technology committee.

So the Act defines the architecture of the network that FirstNet is supposed to put in place. And in particular it has a definition for core network and radio access network. The definitions in the Act supply us with some guidance with respect to each of these terms. And in the notice document, we have a wider discussion of precisely what the dividing line is between the core network and the radio access network. And so what we are proposing in our interpretation is taking a strong lead from the terms of the Act itself, obviously, that the core network encompass not only what the standards bodies would call a LTE core network but also additional items that allow communications to go from the radio access network to either the Internet or the public switched telephone network.

And so we have a discussion about this in the notice document. And we reference the Interoperability Board report, which was forwarded on to us from the FCC that contains some of the technical details of the industry standards that we are to follow. And so our definition of core network and radio access network both referenced and are consistent with this Interoperability Board report.

One of the interesting facets about the process under our enabling legislation is the state opt-in/opt-out process. And in particular, the state opt-out process is specifically a state's ability to choose to implement its own radio access network. The enabling legislation also has provisions that permit FirstNet to charge a fee to opt-out states for use of FirstNet's core network. And so based on this and other discussions in the notice document, we reached a preliminary conclusion that opt-out states' RANs should be hooked up to and controlled by FirstNet's core network for purposes of serving public safety entities. We think this is the natural interpretation of the provisions in the Act.

This interpretation is also consistent with the Act's goal of providing an interoperable nationwide network because it is the core network that FirstNet would implement nationwide that would play a substantial role in ensuring the operability across all of the country not just the opt-in states but the opt-out states.

So we have a discussion about this in the notice. In addition to the definition of core and RAN and talking about the actual architecture, the Interoperability Board report that I mentioned that contains the industry standards that we are to follow is a snapshot in time with respect to those industry standards. And the enabling legislation allows us to make non-material changes and so we seek comment on what would constitute a non-material change versus a material change. The Interoperability Board report fortunately was constructed in a way that also allows for the technological evolution of these standards and so we're helped by the wording of that report in this regard.

The Act requires us to make an assessment with respect to existing infrastructure and existing carrier networks as to whether it's economically desirable to leverage that kind of infrastructure. Now there are a number of categories of this existing infrastructure. First off, because the standard of our evaluation is economic desirability, we seek comment on the appropriate methodology and factors to consider in making that determination.

For example, the balancing of cost versus speed of deployment is something that we are required to consider with regard to rural build outs. And so we're seeking comment on how and what factors should be considered in determining the economic desirability of leveraging existing infrastructure in rural areas to speed deployment.

We also seek comment on the various types of existing infrastructure that are named in the enabling legislation. And they range from both wireless infrastructure and plain vanilla infrastructure, if you will, so infrastructure that has nothing to do with communications or wireless technologies and commercial and noncommercial infrastructure and in particular federal, state, tribal, and local infrastructure.

And so these are broad terms and so we seek comment on the specifics of what those terms might mean. One example is, you know, a commercial mobile provider could include or exclude resellers or other non-facilities-based carriers. And so we want to get feedback on our interpretation of what infrastructure is included in these buckets.

We also have a series of provisions in the Act that specify where we are to make these assessments. And in some instances, the Act requires us to assess this in the context of a procurement process and in other instances it doesn't require us to be in a procurement process for us to have to make this assessment. We just have to enter into agreements where it is economically desirable. So that could be, for example, after we go through the procurement process.

So we seek comment about the interpretation of these provisions and when the appropriate times are for us to be making these assessments.

In addition, given the number of potential pieces of infrastructure, literally millions in this country, if you count federal, state, and local and tribal infrastructure, along with commercial infrastructure.

We seek comment about the transaction costs associated with trying to leverage all of this infrastructure. Both in terms of actual cost but also in terms of the timing of incorporating this kind of infrastructure into our network.

And this is coupled with our interpretation of provisions of the Act that deal with the speed of deployment, something that Congress took great pains in our enabling legislation to emphasize as a consideration for FirstNet.

And so the notice discusses these items.

Finally, with respect to the technology committee, we'll also address this in the finance committee. But with respect to the technology committee, the enabling legislation has a very particular vehicle through which FirstNet is to try and leverage the excess network capacity on the network during periods of time when public safety is not using the network or our spectrum. This vehicle is called a covered leasing agreement. And there's a very particular definition of what is entailed in a covered leasing agreement.

Among the parameters of this agreement, there are specified actions that our covered leasing agreement partner must take in terms of participating in this agreement with us. So we seek comment about our interpretation of what those actions are, including the extent to which the partners have to

construct, manage, or operate the network on our behalf. The definition of covered leasing agreement in the Act includes a series of permitted behaviors that are enabled by these agreements.

And we seek comment about whether these permitted behaviors are actually restrictions on the types of partners that we can enter into, or merely behaviors that these agreements must allow once we enter into them. So that is probably the most important fee item that is related to the technology committee.

The one remaining item is there's an additional type of fee that we can charge for sharing our equipment and infrastructure. And we interpret this largely as a static sharing of antennas and those types of pieces of equipment.

So with that, that is a quick overview of our notice document which with regard to the technological-related items.

>>Barry Boniface: That's great. Anybody on the committee have questions for Stuart with respect to this process?

>>Ed Reynolds: Not so much a question as a comment. When I was first exposed to this notion of public notice and comment, I was a bit skeptical about why do you do something that you don't have to do. But after thinking it through and seeing what you have presented here, if for no other reason, the last bullet on the slide about the benefits of doing so, where it broadens the avenues of input to all parties, as opposed to just those who would be likely vendors under our RFI/RFP process. To me, that notion alone makes this worth doing.

And beyond that, I think you successfully called out the key technology points that really need to be addressed in this and put out for comment, and I fully support this. Good work.

>>Stuart Kupinsky: Thank you.

>>Barry Boniface: I guess one thing I'd also ask, and Stuart you and I have talked briefly off line about this, and I think it's one thing that's good to know. In some cases as you read this document, you'll see that there's actually interpretation made in terms of our interpretation of the particular position and some cases it's just an open question of what should be the right interpretation. Could you talk a little bit about why those differences are there and the like?

>>Stuart Kupinsky: Sure. So where we felt that there were, you know, distinct benefits from receiving feedback on our interpretation, where there was a complicated provision, that we thought if we just opened up to comment without our taking a shot at our own interpretation, you know, we went ahead and tested out our interpretation of it. In certain instances, we felt that, you know, just going out for comment on the appropriate interpretation of something was adequate. Now, there is a facet to this that comes into play after we get through this initial notice and comment process, and that is where we've just gone out for comment. In most instances we've taken a shot at our own interpretation. But where, in those few instances where we've just gone out for comment and not proffered up our own interpretation, we may go back out again, depending on whether the board wants us to and what our timing is, with a proposed interpretation based on the comments we receive. So there may be an extra step involved at that point.

>>Barry Boniface: Terrific. Kevin, anything on your end?

>>Kevin McGinnis: I guess just a comment to affirm what you're telling us. In the bit about leveraging existing infrastructure, one of the things that has been something that we've all not given enough thought to, have assumed in a good natured, good-hearted way, is that we are not going to try and do a

greenfield build that we would indeed look for infrastructure, and in all of our presentations publicly, we've said, we're going to be looking for partners down the road. We don't know exactly how or what, but we're going to be doing that. That will significantly change our outlook. And you know, I agree with the way that you've worded that. There are literally millions of potential pieces out there. You would have to write MOAs, MOUs and endless financial arrangements, potentially, or in-kind arrangements. It's going to be a tough process. And so I'm going to be really anxious to hear what people have to say who have more experience with building something from a jigsaw puzzle set of pieces.

>>Stuart Kupinsky: Congress has given us a standard by which we are to measure whether to leverage that infrastructure where it's economically desirable. So that consideration will guide our assessments. And so presumably where there's a speed of deployment advantage for relative to cost, or whether there's a basic cost advantage, we'll make those determinations and leverage infrastructure. But you know, it's important to get the feedback on the criteria for that economic desirability determination, and some of the other questions we've asked on our interpretations of the existing infrastructure categories to facilitate the board's assessment.

>>Barry Boniface: Terrific. Thank you, Stuart. I appreciate it. I guess as a committee we now need to consider the operative portion of the resolution that relates to this. So I'd ask our secretary to read the relevant portion of the resolution.

>> Uzoma Onyeije: Now therefore be it resolved that the technology committee hereby recommends to the finance committee and the board that the board authorize management to take such reasonable actions as are necessary to publish a notice and substantially in the form presented to the board and seek public comment on management's preliminary interpretations of FirstNet's enabling legislation related to the topics within the subject matter jurisdiction.

>>Barry Boniface: Thank you, Mr. Secretary. Do I have a motion?

>>Ed Reynolds: I move we adopt the resolution.

>>Second.

>>Barry Boniface: All in favor?

>>Aye.

>>Barry Boniface: Opposed? Any abstentions? I didn't hear any. Motion is approved. Resolution is approved. So now we switch gears to our Acting GM, TJ Kennedy. The other document we're going to cover tomorrow at length is the RFI, and TJ will give us some perspectives on that as it relates to the committee. TJ?

>>TJ Kennedy: Thanks, Barry. Just to start off, I really want to thank the team that has worked on both the public notice and comment, as well as the RFI and the draft statement of objectives. A lot of work has gone into what we're going to discuss today and tomorrow, and a lot of not just strong effort, but tremendous insight and hard work to both bring forward all the facts as well as to encourage the transparency of bringing this out to the public safety community, bring it out to everyone to be able to comment on. And in the case of the public notice and comment, to get that feedback so that we can provide not just our insights, but industry's insights, public safety's insights. I think it's going to be a tremendous value to the entire team as well as to the board. So I just want to thank the team that has worked on this. Not all are sitting around the table here. A few are here in the audience and some are upstairs working. But they've all really have put a tremendous amount of effort in bringing this forward to the board. And I couldn't be more proud of the hard work they've done.

On the RFI specifically, in the past we've talked about how we've had a number of RFIs and what I want to do is go specifically into the penultimate RFI, as we kind of get into our steps leading into an RFP. And I think it's really important that we kind of talk through what are the key milestones and objectives and purpose of this RFI and we'll talk about the structure and timing and I think the key elements that the technology committee should really focus on.

This RFI will seek input from all the interested parties. These could be vendors, these could be telecommunications firms, these could be all different types of contractors who will add value to the RFP process for FirstNet.

And one of the goals that we really hope to get out of this is getting a key understanding of being able to wrap up market research and making sure that we have covered all the possibilities that could bring value to FirstNet and do a great job of implementation and building out this network as we move forward.

We also want to make sure that we take into consideration any factors that may affect our request for proposal, whether they be specific requirements or objectives that we want to make sure that we take into consideration. And we want to have this chance for input with industry to be able to take this more detailed approach now that we've learned from the initial RFIs, going back last year we had 12 different RFIs that were done, that really brought in a number of key elements related to specifics and piece parts. Some were very specific like devices, and some were larger such as network partners. And really what we're doing now is we've gone through and read all of those particular RFIs. We've documented all the data that's been brought in and suggestions. And we've also had a number of market research meetings to lead up to this point so that we can really focus on the key questions that are left to be answered. Some of the very difficult points that we've looked at and difficult questions that we think are important for industry to weigh in on, and most importantly, to be able to talk about our draft statement of objectives. And we think that is a major point that we'll be bringing forward here today to the committees as well as to the board tomorrow.

Specifically, in this approach that we've taken, the statement of objectives that we put together is really the heart and soul of what's going to go into the RFP as we move forward. The statement of objectives has large big picture elements related to the network itself. It notes a number of key technical and operational provisions that are going to be important for us to consider, and it also helps us, you know, present this to both industry and vendors and others who would be weighing in on that and allows them to bring forward any other ideas that may have not been broached yet so we're not missing out on anything and also signals the approach we're going forward towards in a RFP.

And the key with a RFI is that we still have the ability to take feedback. Once we get to the final RFP stage, it's a time for folks to respond with proposals. What we're trying to do now with this RFI and draft statement of objective, and also as we move toward the draft RFP, is really hone down the objectives and make sure we've taken everything into consideration and get quite specific so that we get detailed proposals that can be evaluated and can be looked at both on the technical competence of what's the response, as well as the cost factors that come into that as we move forward.

The other thing is we think it's very important before we move into some of the more definitive phases to be very open about the approaches that we're either leaning towards or suggesting and making sure we get that feedback from the community so that everything is really evaluated before we lock down and don't have the ability to communicate on the actual RFP process.

One of the things that we really want to do is kind of lay out a bit of a schedule and I think it's important as you see here, we've been drafting the request for information and the statement of objectives over

the last month and a half, and really are going to move forward now with presenting this to the board, getting good feedback and discussion today and tomorrow, and our goal is to be able to go out to industry immediately with that request for information and the statement of objectives and have a quick response. And by quick response, we're looking currently at a 30-day response. The goal is we want thoughtful responses and give companies the ability to have internal reviews and evaluations that they may have. But we also want them to be succinct and very direct in those communications with us.

As we move through that, we will obviously review all those responses that come into the RFI, and not just the questions of the RFI, but any comments on the draft statement of objectives, evaluate those and be able to turn those around so we can start incorporating that into our draft RFP. Industry, I'm sure, is quite eager for us to move forward on the RFP itself, and we consider these kind of two key steps to get us to that draft RFP and final RFP. So it's really important for us to be able to close out the market research which many of those in the room today have been interested in what FirstNet has been doing have been providing good insights. This gives us a way to gather all those insights that are left to gather in this next element and also with some feedback and direction on where we're going with the statement of objectives. And I think that's a really important point for FirstNet to be laying that out and getting feedback on that and making sure we have a chance to incorporate it.

As far as what the RFI looks like in detail, there's a bit of introduction, which for most who have been following FirstNet won't be too much big news, a bit of background as we lay out the acquisition approach, and most importantly what information we're looking for. We have some very detailed questions. I think when folks look at these questions they will understand the complexity and the importance of them. We expect there might be some competing views out in industry on how to respond to them and we're looking for all of those views. And that's part of the reason to put that out. We also want to make sure we have some key elements around the draft statement of objectives so that people are responding to the specific objectives that we put forward, which will allow us to incorporate those type of comments as we move out. You'll see there is a glossary attached to this. There are a lot of acronyms both in this industry as well as the marketplace, and we want to make sure that we define those. And the key attachment is the statement of objectives.

As far as the technically related questions that I think the technical committee should be looking at, there's a number of either questions or objectives that relate to deploying, operating, and maintaining the nationwide public safety broadband network - much like you would expect. And one of our goals was going down the path of having a statement of objectives was to be broad enough to allow innovation and new ideas to come forward on how to approach this but also make sure that they are meeting the operational needs of both public safety and a solid implementation that will work in the timeframe that they've put forward. We also have a number of elements related to hardening. You heard Ali mention some of the work that's been going on with the PSAC as well as the industry related to the hardening requirements and goals of public safety. Priority and preemption, we ask some key questions around that in the RFI itself.

You've heard about the technology work on standards and some of the testing going on at PSCR, but now we're going to also dig into implementation and get responses from industry on how they would plan to implement these key features that are so important to public safety. Key questions around opt-out RAN integration. You heard Stuart in the public notice talk a bit about some of the key elements around users and around opt-in and opt-out and also from the technological point of integration there are some key features as we move towards the RFP. Reliability and restoration as well as lifecycle innovation. One of the things that is very important about the approach that FirstNet has been taking is we're looking at making sure that not just building a network that will work for public safety on day one but making sure that we recapitalize that network and that we have the appropriate sustainable business plan that will allow us to upgrade with future key upgrades to LTE as we move forward and have the ability for a network that is maintained and upgraded with the latest software upgrades across the

nation so that we have that operability that we all are looking for in public safety.

As far as key outcomes we hope to get out of the RFI, we want to make sure that the responses are well evaluated and looked at, and that our final RFP will be responsive to both what the needs are of public safety but also the capabilities of industry to meet those needs and we want to make sure that that's very realistic as we look at that going forward.

We also will have some industry days, one or more, that will allow us as we get closer to the actual draft RFP to come out with more details based upon the input we receive during the RFI and the draft statement of objectives phase to give feedback to industry on the key elements that we've accepted and incorporated into that draft RFP. And also to be able to answer key questions around the RFP before it goes to a final state.

We also believe that when we go out with the RFI, we may learn some new things and surface key questions that we had not thought of. We don't expect that the hard working team here at FirstNet has thought of everything and we are sure there will be some good ideas and elements, especially with how quickly technology changes and key innovation going on in industry right now that there are a lot of very smart people who could add great value to what we're doing. We want to make sure we incorporate that into everything we do.

We also want to be transparent, and part of that is going out for comment not just on our public notices but also on the actual implementation of the RFP. There's a very large swath of public safety across the country, police, fire and EMS in small departments, medium-size departments, large departments, all different levels of government that are involved in public safety, as well as key technology vendors that are big and small. Everybody from system integrators to carriers to different folks who have key implementation expertise, and we want to make sure that they respond and give us that feedback. And so this is a way for us to be able to lean forward with where we're headed with an RFP in the future and make sure that we get all that input incorporated into the draft RFP that's going to be coming out.

With that, I'm open to questions and any dialogue with the committee.

>>Barry Boniface: I guess the one question I have is just, you know, I'm pretty familiar with it, and I think most people are familiar with the RFI process in terms of benefits associated with it. When you think about putting out for comment the draft statement of objectives, what are the key advantages associated with that for us at FirstNet?

>>TJ Kennedy: I think one of the key advantages to a statement of objectives versus just a statement of work is allowing for innovation to come in with different ways to solve the problems and come forward with solutions. And so we could be very prescriptive in what we're requiring. And then there's a number of key elements in the technical requirements from the technical advisory board. But also we want to make sure we allow different approaches of that to make sure that's the most cost effective. And also the unique situation where we're looking for an RFP that will help us leverage the excess capacity to help pay for parts of the network. It's very important to make sure that we're looking for different solutions that could be brought forward for that.

>>Barry Boniface: And are we making any final conclusions in the RFI and/or statement of objectives? I don't know, you or Stuart?

>>TJ Kennedy: I don't think there's necessarily conclusions, but there are a lot of elements like the statement of objectives that are starting to lay out a framework. And I think the key for us is we want to make sure we get input on that framework and comments on whether the framework is going the right direction, if there's other directions we should consider. And then the RFI questions, there's a lot of

open-ended questions, trying to make sure that we're asking the hard questions in solving some of the key chicken and the egg questions as we move through the building of the draft RFP.

>>Barry Boniface: And I assume the statement of objectives is more of a framework type structure versus having all the answers to all the elements of what we're trying to do here?

>>TJ Kennedy: That's correct.

>>Stuart Kupinsky: The RFI questions are structured around the statement of objectives and so there's a 15 objectives list and the RFI questions correspond to one or more objectives. And the purpose, as TJ explained, the purpose of using such a short list - now each one is pretty meaty - is to allow vendors to come in with innovative solutions that we may not think of. And it's a bit of a hybrid. You can go with just an objectives list, but because we have the technical requirements from the Interoperability Board report, we incorporate those as a defined term into the statement of objectives and so we're not purely just high-level objectives but nor are we prescriptive in, you know, every nut and bolt of the network. We err on the side of objectives so that we can allow innovation.

>>Barry Boniface: Terrific. Anybody have any questions?

>>Frank Plastina: Quick question for both TJ and Stuart. Given that building this network - this fast, reliable, secure network - will also give the public safety community a platform to do more than just connectivity or what they're used to doing today. On that vein, are you encouraging people at this early stage in the process to define what applications could look like in this very, very robust network and get that commentary at an early stage so that you can prepare and plan for it?

>>TJ Kennedy: We are. And a number of elements that we started early on is everything from getting college students who are very much focused on bringing new ideas to public safety that are a bit outside the box; industry and the vendor community, both in public safety and just the technology community in general, has been bringing forward a number of advances with wearable technology and key technology that we think will really be game-changers for public safety. And there's all those that are used today, I'll give an example, Chief Burbank and his police department uses police officers with cameras, and that's technology they carry with them. There's pieces of that when you look at applications when you have a public safety LTE network that there would be other things you could do that are much more real-time with some of that key technology. So I think the industry is moving and leading forward. We've seen some great implementations of real-time crime centers, we've seen some great implementations related to emergency medical services and how they could leverage having a network like this. And also in the fire community. And there's everything in the applications world that is quite wide open for what will happen in the future.

>>Stuart Kupinsky: I'll just add that the objective that precisely hits on this we call an application ecosystem. And so this objective Number 5, for the record, this objective is designed to get to the types of environments that would allow third parties to create applications in addition to FirstNet directly procuring applications. So the entire range of possibilities that we can bring to bear for public safety.

>>Chris Burbank: Given the potential scope of this, is the 30 days a prescribed federal timeframe or is that enough time to get back the responses that we want?

>>Stuart Kupinsky: Good question. We wrestled with this a little bit. We're trying to balance the opportunity to give meaningful feedback with, you know, moving on to drafting the RFP. And so if this were, for example, the draft RFP itself, we probably would give further time because it's really the last opportunity for somebody to come in and give us feedback. Because this is a precursor to the draft RFP and our current intent is to present to the board a draft RFP following this, we felt that 30 days balanced

the considerations that I just recited adequately.

I think we can also mention that while we're trying to stick to the 30 days and trying to encourage parties to do so, if we see that, you know, the vast majority of parties are having trouble with that timeframe, obviously we would adjust it. But I think we chose 30 days for those reasons.

>>Barry Boniface: Anything else? Terrific. Thank you. TJ, I appreciate that brief. So I guess we now have another resolution to consider. Mr. Secretary, would you read the relevant portion?

>>Uzoma Onyeije: Thank you, Mr. Chair. Now therefore be it resolved that based on its review of those portions of the comprehensive network solution request for information and statement of objectives within its subject matter and responsibilities, the technology committee hereby recommends to the finance committee and the board authorization for management to seek public comment on management's proposed comprehensive network solution request for information and statement of objectives in substantially the form presented to the board.

>>Barry Boniface: So can we get a motion on that?

>>So moved.

>>Barry Boniface: Second?

>>Second.

>>Barry Boniface: All in favor?

>>Aye.

>>Barry Boniface: Opposed? Any abstentions? Resolution passes.

Okay. So now I guess it's time to call this meeting to a close. We appreciate all of your insights and input, and certainly the efforts you guys have done a terrific job in moving this forward. I think it's going to be a really productive process. I think there's a lot we can learn from what we're putting out in the marketplace and I think as a result of it, we're going to have a much better RFP process and ultimate end product as we look to move forward. So thank you to all of those here.

So I would like a motion to adjourn. Do I have one?

>>Motion.

>>Second.

>>Barry Boniface: All in favor?

>>Aye.

>>Barry Boniface: Any opposed? Any abstentions? Thank you.

>> Uzoma Onyeije: I just wanted to note for everyone that we're running a little bit ahead of schedule, but we're going to be moving right into the next meeting.

Outreach Committee

>>Jeffrey Johnson: Good afternoon, everyone. I want to thank you for tuning in and for those people that showed up in person for joining the Outreach Committee meeting of the First Responders Network Authority. It's a pleasure to finally be here, in FirstNet world headquarters, or at least our small corner of the building. We're excited today. We have seated new board members, and it's always good to see our committee members return. Got a lot of experience here, contributing to our output. And Mr. Secretary, would you do me the pleasure of calling the roll, please.

>>Uzoma Onyeije: Absolutely. Jeff Johnson.

>>Here.

>>Ron Davis.

>>James Douglas.

>>Here.

>>Kevin McGinnis.

>>Here.

>>Annise Parker.

>>Here.

>>Suzanne Spaulding.

>>Here.

>>Richard Stanek.

>>Here.

>>Teri Takai.

>>Uzoma Onyeije: We have a quorum.

>>Jeffrey Johnson: Thank you, Mr. Secretary. I think our first order of business today is consideration of the minutes. The chair would entertain a motion to approve or amend the minutes.

>>So move.

>>I move that we adopt the minutes.

>>Jeffrey Johnson: We have a motion. And a second by Ms. Takai.

>>Second. Any discussion on the motion? Hearing none, all those in favor of the motion signify by saying aye.

>>(Chorus of ayes).

>>Jeffrey Johnson: Opposed? Same sign. Any abstentions? Noted. Governor Douglas and Mayor Parker.

At this point I'd like to turn over our discussion on state consultation to Dave Buchanan, Director of State Outreach.

>>Dave Buchanan: Great. Thank you, Mr. Chairman. And today I'm going to give you an overview of our state consultation program, talk to you about what we did in the first meeting in Maryland, talk to you about the consultation process, the lessons we've learned to date, the lessons we've learned from Maryland, and some important takeaways we have from there, talk about the next steps.

So I briefed you in June, at our last meeting I talked to you about how we're going to beta test these consultation meetings to make sure that we've got the process correct and that we're efficiently and effectively using our time and resources before we go and take these meetings across the country and we have some important lessons that I'm going to share with you that we took away from the first meeting.

Again, we were in Maryland, in Annapolis on July 29th. Ray Lehr the SPOC was our host and he assembled a very good team of representatives from across the state. Most notably the governor, Governor O'Malley, and his team were able to participate and provide some inputs and dialogue in the discussion. He brought with him his leadership team including the director and superintendent of state police for the State of Maryland. He has an accomplished broadband team that was able to bring their experiences to the meeting. There were state agency officials, there were representatives from the CIO's office, the communications systems and their cyber security office and most importantly representatives from local public safety who were able to participate in the meeting.

The FirstNet team, again, was TJ Kennedy, myself, Rich Reed, Amanda Hilliard, Ed Parkinson, Corey Ray, and our respective teams to represent FirstNet and provide the information we shared with Maryland. We had a very good exchange and dialogue, questions and answers and exchange of information with Maryland. You can see here on this slide the agenda that we brought to that meeting. It was a good clarification, resetting of expectations with Maryland. When we gave the FirstNet updates and description of the consultation process, and what the roles and responsibilities were for the state going forward, we obtained some very good information, key information about their public safety operations when we had discussions around users, around coverage and about how they are conducting outreach in their state, and we facilitated discussion so that we can help them complement their efforts in informing and educating public safety stakeholders in the State of Maryland.

As you heard me describe, we've got -- we're using these first four meetings that I'll talk about which ones those are in a minute, but we're using these first four meetings of beta tests of the process. Again, we want to make sure before we take this out 56 times over that we've got an efficient process that best takes advantage of the resources we're investing, doesn't waste anybody's time, not least of which is the state's. And we've learned a lot of important new logistical aspects and substantive aspects that we're going to take to the meetings going forward.

I would say most notably from a substantive perspective is how critically important it was for Maryland and states going forward to have local public safety officials in the room. That particular dialogue was particularly fruitful and so going forward, we're going to be working with the states to ensure that they have diversity of public safety discipline, seeing that there's fire, EMS, police and other public safety personnel that are invited to participate. There's geographic diversity in those public safety personnel, they're not coming from one part of the state but they represent the rural areas, the major metro areas and suburban areas. Those are different perspectives that those public safety personnel can bring in discussing their unique perspectives about operations in their state. And that there's jurisdictional

diversity, not just local but we also get state public safety officials and, where appropriate, tribal public safety officials.

In Maryland specifically, we learned a lot of critical information around Maryland. We think it will be helpful in informing our business plan, our RFP planning and our system planning. You can see some of the topics here, coverage and events, users, operations, unique aspects of their state that they needed us to take into account and other topics that they wanted us to be aware of. The eight hours went by very quickly to cover these topics, and I would call out specifically the dialogue we had with the state around how they plan for special events, notably the Preakness horse race they have each spring, the battalion chief of the Baltimore City fire department was able to describe for FirstNet what challenges they currently have with communications and planning for those kind of special events and what kind of opportunities they see going forward with the use of the FirstNet network in responding to and planning for those kind of events. It was very, again, very fruitful dialogue. We took away a lot of important, key aspects that will help us with our planning across the board for FirstNet.

And lastly I wanted to show you where we're headed next with our consultation process. You can see on this map we have finished one state. There are seven others who have sent in their readiness checklist who are going to have meetings later this year. Minnesota next week, Oregon, Washington, Montana, Utah, Iowa, Florida in that order between now and the first of December. And we're in the process of planning for those and working with the states to implement these changes and, again, make them as fruitful and as efficient as we possibly can. Twenty-five states in total have sent in their readiness checklist and we are going to continue to work with the remainder to prepare for those meetings in the coming year. So Mr. Chairman, if you have any questions, I'm happy to answer them.

>>Jeffrey Johnson: Mayor?

>>Mayor Parker: Quickly. Who is responsible for making sure that there is a range of diversity in those meetings? Is that the SPOC or is that your team?

>> There's a single point of contact to be responsible for inviting attendees to the meetings. But we work closely with the single point of contact and their team to plan for the meetings. Right now we're having weekly conference calls since the middle of August with Minnesota team, for example, to help them prepare for that and to make sure that both the FirstNet's objectives and Minnesota's objectives are going to be met at that meeting. And we've been helping them think about who else they can invite and who they should invite to make sure that that meeting is, again, most fruitful.

>>Mayor Parker: Diplomatically suggest?

>>Dave Buchanan: Absolutely.

>>Jeffrey Johnson: Governor?

>>Jim Douglas: Speaking of diplomacy, for those states where you haven't got the return checklist, I assume you're gently following up, or perhaps not so gently?

>>Dave Buchanan: So every state has received a conference phone call with us to help prepare them to fill out the checklist. We've made customer service one of our top priorities and so there's a lot of touch points between FirstNet and the states. There are a number of states that are almost ready to send the checklist in and they are waiting for their quarterly board meeting to approve at the local/state level to approve sending it in. Some other states are a little farther behind, and we continue to work with them and provide them with the technical assistance they need to complete the materials and send them in. We're not going to leave anybody behind, but we know somebody's going to be last.

>>Jeffrey Johnson: Kevin, to Mayor Parker's question about involvement in the state process, what have been your experiences in working with the tribal nations to involve them in the state process?

>>Kevin McGinnis: It's a very mixed bag. In my experience in my visits around the country, there have been tribes that have been intertwined with the state process, when it was interoperability, emergency coordination process and that sort of fell into the FirstNet SPOC, etc. process, and those are going really well. I think there's the other end of the spectrum are the tribes that simply do not recognize state government as an entity and as a sovereign nation they want to deal with the federal government if they really have to, and that means us directly. And so that obviously sets up the paradox of how we have to treat and do our outreach versus how they want us to treat and do our outreach. And in the middle there are those that we are having good conversations with and trying to kind of marry up with the SPOC in that process, to the degree that we can. And then mind you, that's my anecdotal experience. I completely defer to Carl Rebstock and staff. I've met with Carl, in fact, yesterday for a few hours to talk about this exactly. We seemed to have fairly similar experiences.

>>TJ Kennedy: Recently I just did a trip to a number of states out West, and I have to say anecdotally there was some great work being done in the Northwest, Washington State and Oregon both had a great cross-section of diversity from tribal communities involved. A number of events drew in public safety and it was definitely positive. At the same point I've seen just like Kevin, there's a disparity across the country, and it's not all being addressed the same way.

>>Stuart Kupinsky: Just to put a fine point on it, you know, it's a balancing act for us because we are constrained by the legislation that is with respect to an itemized list of matters under the state and local planning provisions. We are required to go through the single point of contact. So we have to go through that SPOC, you know, to arrange these types of consultations. That being said, we also have more generalized consultation obligations under the act. But we can fulfill in a different manner, so to speak, than going through the SPOC.

For those itemized pieces of the state planning, we have to go through the SPOC.

>>Jeffrey Johnson: That's an excellent point. Kevin, I just want to thank you and recognize the contribution you've made. We've pulled you out of your comfortable nest on the Eastern seaboard and sent you to the far reaches of Alaska. And you have -- you've done an outstanding job of outreach and in making an effort to deliver the message and to listen. I just want to personally thank you.

Also, you know, this is the Outreach Committee for a reason. It isn't the marketing committee. That's because our message is, our purpose is to communicate outward but also to have a very keen listening ear. It's our stakeholders and our future customers that are going to have tremendous input into the decisions we make and how we engineer this, our approach to a single nationwide network.

To that end, we've got three gentlemen with us today that represent the public safety advisory committee. It is FirstNet's only committee. It is chaired by Chief Harlin McEwen and he's joined by Tom Sorely and Paul Patrick who are members of the executive committee. I want to thank you three gentlemen for coming to Herndon and for all the work you do on the PSAC. I know that you have timely, in a timely fashion, completed the work so far. And I don't know if you can feel it yet, but there's a mountain of work headed your way. So thank you in advance for the misery we're about to heap upon you, but we couldn't be putting it in better hands. Thank you to the three of you and the remainder of the PSAC.

TJ, thank you for your team and, Dave, for your work. You've done an outstanding job, and you continue to push information out to our stakeholders and to bring that listening back.

I'm looking forward to how the next wave of consultation goes. It feels like that this soapbox car is out of the blocks and headed down the slope, and from here on we're going to do nothing more than gain speed.

I think now would be appropriate to turn the discussion over to Stuart Kupinsky, our Chief Counsel, to provide an update on public notice and comment process that is applicable to our committee. Stuart?

>>Stuart: Thanks very much. So I'm going to do the same thing we did for the Technology Committee and highlight the items in our notice and comment process document that pertains to the jurisdiction, if you will, of the Outreach Committee. And so for completeness, we included in the board's materials the same introductory slides that I went over in the Technology Committee and so unless -- if anyone would like me to repeat that, I'm happy to skip ahead to the meat of the discussion. We don't have a lot of lawyers on the board, so there's appreciation.

So while I'm skipping ahead, I do want to point out, again, that the topics that we have included in the notice and comment document are designed to be the primary inputs into the RFI process. And then subsequently the RFP. And I'll pause on one preparatory slide and that is to emphasize that these are preliminary conclusions that are the outside boundaries of our legal interpretations, and they are not the policy implementations that FirstNet may choose ultimately with regard to these matters. And particularly with regard to the matters in your committee, Chief. I wanted to point this out.

So the notice hits upon several items that are within the jurisdiction of the Outreach Committee. The first and probably most important is the topic of which users are permitted to be on the FirstNet network. The act doesn't spell out precisely the entire universe of users that are permitted on the network. We gleaned from the list of users that we can charge fees to, what the intent is for the network. Obviously the primary users of the network are public safety entities and that's a defined term in the legislation. We'll get to that in a moment.

But the act also talks about secondary users. And then based on this provision that spells out to whom we can charge fees, we've gleaned that there is a third basket potentially of other users. And we talk about in the notice and comment document the alternative readings of this provision and how we might fit in, for example, opt-out states, who are going to use our core network into the categories of users. And then some of the other types of users that would not be the primary users of the system.

But turning to probably the main event, which is the definition of public safety entity, the act contains a two-pronged definition structure for public safety entity. A public safety entity is at first defined as an entity that performs public safety services. And then public safety services is defined using two other statutes. One is a Communications Act definition and the other is a Homeland Security Act definition. So initially our interpretation is that if you meet either of these other statutory definitions, you qualify under our definition. That is to say, it's the equivalent of saying 'or' between these two prongs. So that's step number one in our interpretation.

Step number two is to look at each of these prongs to determine what the basket of potential users are that would qualify as a public safety entity. And again, this is the outer boundary, not the policy implementation of FirstNet.

So with respect to the Communications Act definition, we have the benefit of the FCC having interpreted this portion of the Communications Act at least with respect to government users. The FCC has not taken a position with respect to non-governmental users. So we have guidance from the Commission that we give deference to in our notice and comment document as to how to interpret this prong of their definition. It's up on the screen, and obviously contained within our notice and comment document.

But the thing I want to highlight about this definition is that the interpretation that the Commission has provided with respect to at least government services, if you will, because remember this is a definition of public safety services that feeds into our definition of public safety entity -- is probably a little wider than the colloquial understanding of what a quote/unquote First Responder would be, you know, a badged or credentialed First Responder. And so the Commission's interpretation included services provided by, you know, entities such as airport operations entities, the transportation department activities that affect the safety of motorists, sort of a wider basket, if you will, of potential users than the traditional public safety entity.

The Homeland Security Act prong -- this is the second prong -- actually by our interpretation, at least initial interpretation, expands even further the net of captured potential users. And this is because the Homeland Security Act definition, which has not been interpreted officially by the Department of Homeland Security, includes two facets that the Communications Act prong does not. One is it applies expressly to personnel in addition to entities. Our preliminary interpretation of this is that the implication is that an individual, a human, if you will, in addition to the entities involved, could qualify as a public safety entity under this definition. So that would mean that a, for example, a volunteer firefighter could qualify as a potential user on the network, in addition to the firefighting organization to which they are volunteering.

The second aspect that's unique about the Homeland Security Act definition is that in addition to a laundry list of applicable services that drives the definition, the definition includes this idea of 'related personnel' and entities. And so we took a look at this provision and interpreted this term "related" as effectively meaning those individuals or entities that are supporting public safety entities would also be included in the definition. And so we obviously go through at great length and over many pages, that we've tortured you with, this analysis in our notice and comment documents. And again, these are our preliminary conclusions, and we're seeking comment on them. But this would expand, you know, well beyond the traditional First Responders, you know, a larger basket of potential users.

Now, as I mentioned, this would be the outer legal boundary of what theoretically FirstNet could do in terms of addressing users. This isn't what FirstNet necessarily would choose to do. And then secondly, regardless of the circle of users, FirstNet ultimately chooses to address, the priority and preemption schemes that we put in place would adjudicate, if you will, between these groups of users. And so, for example, I know there's been a good deal of discussion in the industry about the place of utilities and other types of third-party support organizations to First Responders and how they would play into the FirstNet network. And so under our preliminary interpretation, those utilities, because they would satisfy, for example, this second prong under the Homeland Security Act, they would be deemed public safety entities. But they may only be deemed that for certain purposes, certain individuals, or certain organizations within the utilities. Or if the entire utility is a public safety entity, they may be subject to local control under priority and preemption regimentation that we implement on the network. So this is a very complicated interpretation, and we're really looking forward to getting feedback for this.

>>(Inaudible).

>>Stuart Kupinsky: Sure, please. There's enough of a delay in the slide transition.

>>Annise Parker: So even if you're a public safety entity or emergency response provider, in an incident management scenario, you may be completely –

>>Stuart Kupinsky: Preempted.

>>Annise Parker: - preempted, stuck in a parking lot someplace and because as the incident

commander, I need to get to the utility provider or someone else. And that's all, they would be in the broader net, but when the system was in operation, there would be a prioritization within that as well, even if you're in the highest priority, you wouldn't be in that circumstance.

>>Stuart Kupinsky: That's right. I'll take an initial shot and then I'll let TJ follow up because I know he'll want to have a comment or two. So what we're trying to do is purely on the basis of the enabling legislation, compartmentalize and basketize the users. So the exercise in the legal interpretation of the Act is where would these types of entities go? And our preliminary view is that they would be swallowed up in the definition of public safety entity because the Act provides this fairly broad definition once you go through all the steps that I mentioned.

>>Annise Parker: I have a big basket of apples but I can pick out the apples that I want?

>>Stuart Kupinsky: Exactly. And so the ultimate goal, though, is to provide an incident commander in your example with the ability to decide, you know, on the ground, who should be getting priority, given whatever incident is involved. And so be they a public safety entity under the definition of the act or otherwise, right, that's the operational goal of the network. And this is how we're fitting the rubric of the legislation into that scheme.

>>TJ Kennedy: And I think it's a great question because it's complex in that we're really going for the outer boundaries of the basket in your example. And as we move forward, there's a couple of major things we want to do. One is working with the public safety advisory committee, and the second is through consultation is to be able to get feedback even in this notice process, as well as the consultation process on how people want to work within that basket now to operationalize both the priority and the preemption element. There's a technical element. You heard Ali and the technical team talk about what's being tested on priority and preemption, and that's a big piece as well. But the key is there's going to be a whole concept of operations or con ops to how we utilize priorities in real life when it's up and running. And I think that's going to be a real key part of how you get down to the incident commander and what's dynamic and what's static.

>>Stuart Kupinsky: So the next basket of potential user, and the only other basket that the act actually expressly identifies, is this basket of secondary users. The only time it really appears in the act is in connection with the covered leasing agreements that I mentioned in the Technology Committee. And so the way the act characterizes secondary users is a user that's on the network for purposes of providing nonpublic safety-oriented services. And so the way we've initially viewed the combination of the structure of the fees under the enabling legislation and the definition of covered leasing agreement, is that these secondary users would be our partners in the covered leasing agreement arrangement. And so if we entered into an agreement with a carrier or a utility or any third party where they are paying us a fee under a covered leasing agreement, that partner would be the secondary user. They would have commercial customers paying off of their network using potentially our spectrum in the arrangement. But those commercial customers wouldn't be what we would call secondary users under the act. It seems to be that the secondary user is our partner that we've entered into this covered leasing agreement with. This is at least our preliminary interpretation. And again, we're seeking comment on this because this is not entirely clear, but this is our preliminary interpretation. And again, this is basketizing the users.

We also gleaned, as I mentioned earlier, this third basket of other users. And we go through potential other users in the notice and comment document and ask whether they are appropriately in this sort of third catchall basket or whether they should be placed into one of the other two baskets, either public safety entities or secondary users. And I think that section of the document is fairly self-explanatory in terms of that exploration.

The Act also doesn't specify affirmatively which services FirstNet is supposed to offer. What it has is a preclusion against offering certain services. So we've taken a look at this provision and tried to interpret the preclusion and draw a boundary around those services that we would not be permitted to provide. And in particular, this preclusion is one against offering either telecommunications or information services. Those are terms of art -- directly to consumers. And so the term "consumer" is nowhere defined in our act and so we seek comment about an appropriate definition of "consumer." And the boundary that this would create for purposes of what services we could offer in general. We know that the primary services that FirstNet is going to offer are obviously information and telecommunications services to public safety entities. But we also want to know where not to venture and so we want to be able to draw our playing field accurately and that's the purpose of seeking comment in these areas.

With regard to rural coverage, as I mentioned in the Technology Committee meeting, the act has very specific provisions about trying to leverage existing infrastructure to speed deployment in rural areas. And so we have sought comment about both the definition of rural and perhaps even more importantly the term "substantial rural milestones," which is contained in the act and is required of FirstNet in each phase of its deployment. And so we have proffered up a definition of "rural" and we talk about the other definitions that we've explored and why we think the Rural Electrification Act definition is perhaps one we could use. And then we ask questions about how we would define "substantial rural milestones" and how that would play into each phase of our deployment and then how that is connected to the RFI that TJ's going to talk about in a moment with respect to this item.

We talked a bit about existing infrastructure in the last meeting and so I won't belabor the point here other than to point out that the Outreach Committee has as its province, if you will, outreach to many of the providers of potential infrastructure that we would leverage, and so we've included it here for that reason.

And I'll be happy to take any questions.

>>Jeffrey Johnson: Any questions for members of the committee?

>>Governor Douglas: I'm noticing Stuart, that how legislation, this act and others have some definitional deficiencies and that's what we seek to amplify through this process. But is there any legislative intent, history in the committee deliberation phase, further guidance you can get from Congress?

>>Stuart Kupinsky: Unfortunately, there's no official legislative history for our act that sheds light on the topics that we've discussed today. And this is a really controversial question. So without delving into the details, there is some controversy as to whether we should be using such a legislative history to guide us, but we would obviously look at it, if it existed, to help us in this regard.

The other way to look at the definitional deficiencies, as you say, is, you know, often Congress will leave to an expert agency the job of elucidating further the rough objectives that they have set out. In FirstNet's case, because we have a board that unusually has identified expertise that is required, and all of you fit into one of these baskets, you know, you could see where Congress would make the decision to allow experts such as yourselves cross-pollinated with different expertise, right, to make some judgment calls in this regard.

>>Jeffrey Johnson: Excellent. Stuart, how does this public notice relate to state consultation and then the single points of contact?

>> Stuart Kupinsky: So as I mentioned earlier, our consultation requirements are multifaceted. The most important of which is this express provision in the enabling legislation that requires us to go through a single point of contact for an itemized list of matters. And the matters contain -- the matters pertain to,

you know, the development of the state plan, some of the most essential pieces of how we run the network, et cetera, for the individual states.

This notice is not designed to circumvent that process at all. This notice is, first of all, a SPOC in a particular state is certainly able to respond to this notice directly as part of the process.

In addition, our PSAC, which is one of the most important advisory bodies we have, can also file a response to this, although we consult with them on a more formal basis on a lot of these matters in detail and intend to, going forward.

But we are trying, in this process, to effectively treat some of our more generalized consultations through an efficient process and so rather than consult with 60,000 public safety entities across the country in addition to numerous other entities that ostensibly we should be talking to, this is an efficient process for seeking guidance from these parties. And it's a tried-and-true process, you know, for administrative agencies to seek input.

>>Jeffrey Johnson: Excellent. Any further questions from the committee?

Hearing none, the committee has before it today a public notice and comment resolution. Mr. Secretary, could you read the operative portion of the resolution for committee consideration, please.

>>Uzoma Onyeije: Now therefore be it resolved that the Outreach Committee hereby recommends to the Finance Committee and the board that the board authorize management to take such reasonable actions as are necessary to publish a notice in substantially the form presented to the board and seek public comment on management's preliminary interpretations of FirstNet's enabling legislation related to the topics within its subject matter responsibilities.

>>Jeffrey Johnson: Thank you, Mr. Secretary. Is there a motion from the committee to effect resolution?

>>So moved.

>>We have a motion.

>>Second.

>>And a second. Discussion on the motion?

>>(Inaudible).

>> Further discussion? Hearing none, all those in favor of the resolution signify by saying aye.

>>(Chorus of ayes.)

>>Jeffrey Johnson: Opposed, same sign. Any abstentions? The resolution passes.

At this point I'd like to ask, our Acting General Manager, TJ Kennedy, to update the group on the RFI. This document, like the public notice and comment process, will be discussed at tomorrow's board meeting. But we wanted to make sure that this committee heard the relevant portions of that report while in committee. TJ, welcome.

>>TJ Kennedy: Thanks, Jeff. One of the things I'd like to do as we kind of walk through the request for information and the draft statement of objectives is gloss over a little bit of the same information that

was in the previous committee meeting on what an RFI is and why we're doing it, but move ahead and go into the key outreach-related questions if that's okay with you as chairmen.

So what we'll do is go to the summary about Outreach Committee related RFI questions. And one of the key questions that we asked in the request for information is about compelling and competitive pricing packages. And one of the things that we're trying to do as we work through this is to be able to get ideas from industry that are a little bit innovative or outside the box in ways that we can keep costs down for user fees for public safety by making sure we deploy in a manner and have an RFP that will get responses in a manner to drive not necessarily just low cost but a quality solution at a very reasonable and rational price for public safety so that the user fees can remain low for good adoption of the services. And so we asked some key questions around that in the request for information.

We also see in the statement of objectives that a number of things we look for are trying to balance cost and the capabilities for delivering that along with any revenues that could be supported to help keep costs down for public safety at the end of the day.

As we talked about in the public notice side, we also asked some questions in the request for information related to substantial rural milestones, and this is a key issue for rural public safety and we want to make sure that we're getting not just responses in the public notice but also in the request for information from vendors on how best that we can meet those rural milestones and deploy not just in the urban and suburban areas but also in rural areas as we move forward.

Speed to market, one of the things that is quite prevalent as we look at the act and the legislation is trying to make sure we incorporate the need to get this deployed as quickly as practical while at the same point meeting the objectives of the public safety network. Some of the key objectives like priority and preemption that we talked about in the technical committee, we're also looking for responses from industry on how they would expect to meet those priority/preemption capability needs of public safety in their solution. And so it's a great opportunity for us to get some detailed responses on where people are at today and what they think they will be able to do in the future as well.

Integration of infrastructure, you heard some earlier discussion earlier today on when and how we would be able to integrate federal, state, tribal or local infrastructure. And some of the key questions you'll see in the request for information is really how to do that. So now this is a difficult question in how you would incorporate those millions of pieces of infrastructure, and we are really looking for industry to help respond in how they would do that or how they would not do that, if that is infeasible, but we want to make sure that people respond and give us ideas and we're incorporating and looking at all the possibilities.

Provisioning, one of the difficult things as you know is making sure that devices are in the appropriate hands and both in the vehicles and the key infrastructure of public safety and how to switch them out in a 24/7 public safety environment and how to make sure that we have control from a security perspective, as well as we have the ability to deal with the 24/7 nature of public safety and so we ask in the RFI some key questions around how people would provision for that.

We ask some questions around service level agreements, something we're quite used to in government procurement as well as in the private sector is making sure we have good SLAs for all of our services. And some of the key questions we ask are suggestions on how best to shape some of those SLAs to get the best value for public safety

We also talk about some of the more mundane backoffice but important issues that are related to customer care and billing and how to implement these key issues. And as you know in public safety we have to have very, I'll call it stringent customer care is the case of we need to make sure we're dealing

with and providing the kinds of needs, of public safety needs when things are at their worst, often during natural disasters and major events and they need to have the key customer service that they have come to expect in the reliability and resiliency. So we ask some questions around that that I think are quite important.

As we move into the future draft RFP and final RFP process, one of the goals of the RFI is to make sure that we're very responsive to good ideas and we're also very realistic about what's doable. And one of the things that we want to make sure as we start sharing key elements to get comments on in the draft statement of objectives, it's also that it's very realistic, both in matter of time frames and costs and build-out capabilities. These kinds of responses will really help us as we get closer to a draft RFP and an industry day to know what our concerns on possible bidders into the process. And having that kind of input I think will help us shape a very detailed industry day and a draft and final RFP in the future.

One of the other things is we know we're not necessarily all as smart as all of us getting good input, and by putting this RFI out and getting input from industry on the draft statement of objectives, we're also looking for ideas we haven't thought of and we're looking for key elements that we may have missed or new ideas because technology changes very quickly and there is better ideas in what we've come up with in the past. And this is another chance for us to get that kind of input from a very broad audience who can respond to that.

And lastly, we want to make sure that we're listening to all of public safety throughout this process in our consultation but also to the vendor and technology community in that we're transparent in the ideas that we have going forward and that we're open to feedback on that before they become locked-down ideas or key and stringent RFP objectives in the future.

So with that, I do believe that there's a number of key elements of the RFI and the statement of objectives that I think are very pertinent to the Outreach Committee. I ran through them fairly quickly but very much open to questions that the committee may have.

>>Jeffrey Johnson: Chairman Swenson?

>>Sue Swenson: I just have a quick question. You know, obviously we've been talking about this for a while, but it kind of jumped off the page on the key question. You talk about customer care, billing and marketing. And, you know, as I think about the customer process, there's marketing. But before you get to customer care, there's an interaction with the customer, before you provision them and before you take care of them. It just feels like maybe that's missing in there in terms of a key question. Is it subsumed in one of the other categories?

>>TJ Kennedy: No, the question is more detailed than this.

>>Okay.

>>TJ Kennedy: But the reality is we're looking for solutions and how best to procure them. And by solutions, it's really hitting on all of the elements that industry can bring to bear that will help FirstNet do all the things you just mentioned. So really working with agencies and how do they procure and what kind of expectations do they have today, how will that be serviced by us through this agreement and how will we make sure that we're meeting those kind of key demands.

Stuart, I don't know if you have a key question or provision there that I can have you pull up.

>>Stuart Kupinsky: Sure. So it's Objective 14, for the record.

>>Sue Swenson: Okay.

>>Stuart Kupinsky: But I'll read it to you and you can tell us whether you think we've captured it. Market NPSBN products to all states and territories, tribal lands and users throughout FirstNet's service area, provide responsive and timely service and customer care including a pipeline of new devices in an ecosystem that meets the needs of FirstNet and FirstNet users, provide lifecycle service and support to all users. So I think we can make an addition.

>>Sue Swenson: I don't know what you call it. You market to them but then you acquire the customer before you service them. It feels like that customer acquisition component may not be so... (inaudible).

>>Stuart Kupinsky: I mean, the beauty of an RFI and asking questions is we can add and ask questions at our leisure. So we'll add it.

>>Sue Swenson: Thank you.

>>Jeffrey Johnson: Great suggestion. Thank you.

>>Jeffrey Johnson: Further questions. Thanks, TJ. I have one, TJ. How does the RFI address priority preemption in opt-out states?

>>TJ Kennedy.: One of the keys is we ask questions about how this will be implemented. And I think that -- I think the key for us in implementing this is making sure that we have the questions asked on how a provider would actually come and provide that service in the opt-out state and how would that interact with our core. And this gets into a lot of the operability and interoperability elements. I don't know if you want to comment, Stuart, at all on that or not.

>>Stuart Kupinsky: So we've structured the inquiry in both the RFI and the notice to sort of dovetail this issue. And so because we've preliminarily concluded in the notice document that it's FirstNet's core that's operating for at least public service entities opt-out state RANs, the interaction between the core network and many of the devices in the core that would control priority and preemption would take place on a national basis. Our core would have a consistent implementation of that priority and preemption scheme. Keeping in mind that we're enabling local control through the technology in the core.

On top of that, you know, under the enabling legislation, we have to issue network policies, and there's an express provision that talks about the plenary policies that we have to put out over time as to how the network is to work. And within those policies, we would likely endeavor to put out requirements for how priority and preemption would work both in opt-out states and in opt-in states in our section of the network so that the interoperability goals of the act would be effectuated across the network architecture regardless of whether you're an opt-in or an opt-out state.

So I think the combination of those two facets will allow us to ensure a continuum that's consistent across the country. And, you know, beyond that technical explanation, I would refer to Ali and Jeff.

>>Sue Swenson: Just one more question. The public notice and comment is a fairly broad reach in terms of who can respond. I mean, anybody can respond to that. Is there some limitation as to who can respond to the RFI?

>>Stuart Kupinsky: No, there's no actual limitation. I think it's on experience that because the RFI is traditionally listed on Fedbizopps, and is more of a document geared towards potential suppliers, but we're asking questions about the types of solutions people can provide and feedback on the statement

of objectives that they would ostensibly have to meet, we think we will probably have a wider audience responding to the notice and comment documents than the RFI.

That being said, there's no preclusion against, you know, anyone responding to the RFI.

>>Sue Swenson: Now just one final question if I could. We did RFIs before, but will these be public, or will we summarize them? What's the output?

>>Stuart Kupinsky: So the plan is that responses to the RFI with the drafts SOO would not be made public to encourage disclosure of potentially, you know, sensitive information to the respondents; whereas, the responses to the notice and comment document will be public for everyone else to see.

>>Sue Swenson: Great. Thank you.

>>Jeffrey Johnson: Stuart, I really appreciate your comments about the confidentiality. I heard lots of feedback after the first RFIs that the respondents were reluctant to put their secret sauce, as it were, or their plan for addressing FirstNet into the RFI. So I think that's a pretty prudent approach.

>> Stuart Kupinsky: I do want to caveat my response, however, now that you've complimented me on it, with the fact that because we're in the government structure of procurement, we're outsourcing, you know, the specific machinery of the procurement to experts in this area and in particular the contracting officer involved in the procurement will make all the judgment calls along these lines. But our plan right now is that those would be confidential filings under that process.

>>Jeffrey Johnson: That makes sense. Oh, one last question I had: How are devices going to be handled under the RFI?

>>Stuart Kupinsky: I can take a quick shot at it and then you can follow up. So as I just write in one of the objectives; in several objectives we talk about how devices and an ecosystem for the device, we talked about the ecosystem for application. But in this context an ecosystem for the devices would be a critical portion of the objectives that each of the respondents would have to meet. And so we seek comment about how devices factor into the solution.

>>TJ Kennedy: One of the things we're certainly trying to encourage is what kind of ways will respondents bring forward to make sure the Band 14 ecosystem for different devices is quite robust and that we can try to have good competition and a good volume of devices that will help keep costs down for public safety. So we're really looking for feedback and ideas, and this is another one of those that will be a great element where somebody might have some secret sauce, like you mentioned, where they have some good ideas on how they can parlay their other business to help make sure that that Band 14 devices will be very much available for public safety.

>>Jeffrey Johnson: Makes sense. Further questions or comments from the committee.

Mr. Secretary, we've asked that we prepare a resolution for the committee's consideration. Would you please read the operative phrase.

>>Uzoma Onyeije: Yes, Mr. Chair. Now therefore be it resolved that based on its review of those portions of the comprehensive network solutions request for information and statement of objectives within its subject matter responsibility, the Outreach Committee hereby recommends to the Finance Committee and the board authorization for management to seek public comment on management's proposed comprehensive network solution request for information and statement of objectives, in substantially the form presented to the board.

>>Jeffrey Johnson: Thank you, Mr. Secretary. The chair will entertain a motion on the resolution before the committee.

>>So move.

>>Jeffrey Johnson: There is a motion. Do we have a second?

>>Second.

>>Jeffrey Johnson: Second. From Ms. Takai. A discussion on the motion?

Hearing none, all those in favor of the resolution signify by saying aye.

>>(Chorus of ayes.)

>> Jeffrey Johnson: Opposed, same sign. Abstentions? None noted. The resolution passes. Thank both of you for your presentations.

The third and final item I have to bring before this committee is not a decision point, but an advisory point. I want to reflect on Victoria Garcia and General Wong from the State of Hawaii reached out to FirstNet in late May and asked for interaction. They wanted to meet with us and they wanted to talk about their issues.

Further, General Wong and Ms. Garcia assembled a group of folks that had very similar questions to the State of Hawaii. And the people they assembled were the State of Alaska, CNMI, or the Commonwealth of Northern Mariana Islands, Guam, U.S. Virgin Islands and Puerto Rico. They assembled that group on their own and asked us to come and meet with them. And their logic for assembling that group was quite simple: That group has problems that are very unique to them. Because they are discontinuous, they have challenges that are very different than the contiguous states, with the core. They have issues with backhaul. They have issues with mutual aid. You can't simply jump in your fire engine and drive to the neighboring island. They have large masses of water surrounding their land masses that need coverage as well. They have, in Alaska's case, enormous portions of the state that are impractical to deploy terrestrial solutions for what we're considering.

So with all that said, FirstNet went and we met with them and conjunction with your office and -- which, by the way, they were spectacular. Chris did an excellent job and so did your team. So my compliments.

So we met with them, and one of the major outputs of that meeting was that *en masse* that group requested that FirstNet address them differently in terms of our 10 outreach zones, that we actually create an 11th outreach zone. And part of the rationale I thought was pretty thoughtful. These discontinuous states, territories and commonwealths are actually covered today by FEMA Regions 2, 9 and 10 and therefore, by default, because we've adopted the same regions, we would be splitting those into three separate outreach and communication venues.

So to that end, my assessment is it would require no additional people because the total number hasn't changed, to communicate with them as an eleventh vertical. I think they make a persuasive case that their challenges are unique. And if we could take part of our capacity, we had plans for the 10 zones and allocate some of that capacity for an eleventh zone, I think it would be more efficient. And I think that message was heard by us, and I guess I would like feedback from this committee because I think we can just direct management as a result of your observations. So I open the floor.

>> (Inaudible).

>>Kevin McGinnis: I have talked with you a bit about this before. Having had a brief exposure to public safety in Alaska and some of the more remote villages and though it is a little bit different from the islands. And the fact that not only do they have difficulty with terrestrial solutions and satellite antennas aimed at about 1 degree off the horizon, which is a very interesting thing to see. I would endorse that. I really think you do need a special eye to the needs of these folks.

>>Jeffrey Johnson: Thank you, Kevin. Further? TJ?

>>TJ Kennedy: Just the reactions from staff that were with you on that visit. They definitely heard loud and clear some of the very unique issues that the islands and the territories and some of the more remote parts outside the continental United States are dealing with that I think we can work with our staffing that we currently are planning to make sure that we give the unique attention to this group that has a number of additional issues and we'll go ahead and move forward and make sure that we look at how best to address that.

>>Jeffrey Johnson: Thank you. Teri?

>>Teri Takai: Chairman, excuse me. It's not meant to be a naysayer at all, but I think if you are planning to do that, we need to be very clear about what the criteria are because I think, you know, you've been there and you've heard them. You don't want to have the 12th and the 13th. I mean, I think everyone has, you know, specific uniquenesses. And I just would encourage you if we're going to do it -- again, I'm not negative on it. I don't know enough of the details to be one way or the other. But I would suggest that we're very specific about it so that we understand where we're going to treat a uniqueness and where, in fact, we are going to have to have some uniformity because if we grow too much in terms of what the different areas are, we're just going to stretch the outreach team and TJ's capability to be able to respond. So that would be my suggestion.

>>Jeffrey Johnson: Excellent comments. Actually when we were contemplating copying the FEMA regions, the logic was very pure. It was this simple: we work together every day. We have so much in common. And when you put the fact that they work together and the commonality in place, it made sense to make the decision we made. You know, it would take a profoundly persuasive argument, I think, at least for me, to move beyond just this simple addition of a single vertical. Because we went through so much consideration to arrive at that decision originally. I thought it made sense then, and I still do. So I think your point's well made but, you know, I think to the extent we can do it today, I would discourage an attempt to add another because, you know, this was well thought out, but I think the uniqueness in this one exception is probably persuasive. Excellent comment. Thank you very much.

Further comment by the committee? All right. Thank you very much. At this point the chair would entertain a motion to adjourn the committee meeting.

>>So move.

>> Got a motion. Mayor, can you make that a second, please? We have a motion and a second. All those in favor of the motion signify by saying aye.

(Chorus of ayes.)

>> Thank you. The motion carries. Meeting adjourned. Thank you very much.

(Recess.)

Finance Committee

>>Tim Bryan: Well, good evening, Finance Committee members and members of the public. Welcome. I was going to say to the Today Show but that would have been the Governance Committee and then there's the Tonight Show and the late show. We're actually the Late Late show. So anyhow, thanks, everybody, not just for your service on the committee but for your perseverance, if nothing else. So in any event, welcome to the Finance Committee call. In particular, welcome to two new Finance Committee members, Jim and Frank who joined the board at, I guess yesterday, or today. But in any event, thank you very much for your service on the Finance Committee. I really appreciate your time and attention and, of course, to all of our returning Finance Committee members. Don't want to leave anybody out.

So in any event, it's great to be here in Reston. It's just great to be in a headquarters building. I've been here several times. Brought over some cookies and brownies. If nothing else, the crew is hungry and so that's always a positive, positive development.

In any event, Mr. Secretary, would you call the roll for the Finance Committee so we can start our meeting.

>>Uzoma Onyeije: Absolutely. Tim Bryan.

>>I am here.

>>Brian Deese.

>> Here.

>>Governor Douglas.

>>Here.

>>Frank Plastina

>>Here.

>>Ed Reynolds.

>>Here.

>>Sue Swenson

>>Here.

>>Uzoma Onyeije: Mr. Chair, we have a quorum.

>>Tim Bryan: Okay, great. I know Brian is likely to be joining via telephone. So he may be beeping in at any moment. So in any event, just to let folks know that he's coming.

In any event, our first order of business today, we have actually four orders of business. We're going to take a presentation on compliance from Jason Karp and after that we're going to take some presentations from the management team, Stuart and TJ, on some of the topics that you've already heard about, in particular the RFI and the public notice. And then Randy's going to talk to us a little bit

about the very beginning of the 2015 budget process. So we'll go through that a little bit. And in the end we'll look for some resolutions to move these things along to the board if the committee so determines.

So with that, I think we're going to do the compliance program update and approach. So Jason, I think you get to go on first. Welcome.

>>Jason Karp: Technical difficulties. Thank you. I appreciate the opportunity to address the committee and brief, on for the first formal time, the efforts that FirstNet is undertaking to implement a compliance program. I know y'all have been waiting all day to get to this part of the committee meetings, and we finally made it. But, you know, we're really engaged in putting together a robust compliance program and really to echo what Stuart and Art were talking about, in the Governance Committee meeting. And just to remind folks, we kind of have a dual structure within in the department. And the department reserves for itself certain rights to assess legal advice on compliance. Art's office on ethics, for example. Whereas we focus on our program, on the FirstNet program, and we are in the process of developing a significant compliance program with a number of steps and initiatives I want to take you through briefly, really to recognize the unique differences that FirstNet kind of brings to the table and, you know, recognizes the challenges we face as an organization that are different in a lot of ways than a traditional government agency.

So I really break it down into four areas that really differentiate us. As a matter of the statute, we really have characteristics of both a government organization and a commercial organization. We are, by all senses, a government agency and subject to all of the rules and regulations applicable to federal agencies with a couple of explicit exceptions that Stuart has mentioned. By the same token, we look a lot like a commercial enterprise. We are going to be going to market, we're going to be competing against commercial entities, we can contract with the public and very importantly, we're ultimately going to be self-funded and have to earn our keep, as opposed to relying on appropriations from Congress.

The other thing we've got going for us, or a challenge we have is we have a new statute, and we've gone over a number of the items today as to the holes that we need to fill there, and it's untested. And so we're facing a lot of matters of first impression. The bottom line of all this is it creates risk. It creates risk that we have to address and make sure we address and so it's important to us to implement a rigorous compliance program that really supplements what the department already has in place.

So, on the screen I kind of lay out three high tenets or principles of our program. They're really basic. And I don't necessarily want to go through them, but I do want to talk a little bit about why we're doing this and our approach. I look at compliance, and I think the approach we're taking at FirstNet is compliance is really about a strategic imperative. Very often organizations look at compliance defensively, how to stay out of trouble. And that's obviously an important tenet of any compliance program. We want to protect our people; we want to protect our organization. But just as we're different in so many other areas, I think we're going to really be, you know, leading the call on the compliance front in that we're going to approach it from a strategy perspective and use it as a competitive differentiator. Our mission is all about the public trust. Public safety is about the public trust, and we're going to be supporting public safety throughout the country. In order to do that, we have to earn the trust, you know, and confidence of public safety and quite frankly the public at large. Having a robust compliance program to ensure that we're following the rules, doing what we need to do, that we're acting with integrity is going to be a big step in that direction.

The other piece of that is customers want to do business with compliant organizations. And, you know, that can really be a differentiator for us. Unlike other federal agencies, we're going to be out selling. We are going to have to market our services. We're going to have to compete in the industry. And just as we talked and TJ talked and Ali about technical innovation and hardening and capabilities, the integrity of our people and our operations is paramount and that's really going to differentiate I think on another

level the services that we're going to offer.

So, getting kind of the specifics of how we plan on implementing a program, to supplement what the department already offers, we're really kind of focusing on what the U.S. Sentencing Guidelines really has already established for an effective compliance program. And this is established by the U.S. Sentencing Commission and it's quite frankly followed by most commercial entities today. And so commercial folks will have some familiarity with it. It is really the gold standard of an effective compliance program and one that for example, the Department of Justice looks to when they are doing an investigation, and it's promulgated by the government. So it sets the standards by which we all should be operating.

There are, under the Federal Sentencing Guidelines, seven standards that they have allocated, or I call seven plus one, the one being a risk assessment. We've kind of compacted this down to the four you see on your screen. And just briefly I'll take you through those, starting with program leadership. And that really starts with all of us here and this board and the opportunity to do this is evidence of a commitment that we have to acting compliantly. It's that tone from the top. It's the need for the board to be knowledgeable about our program and to have oversight over our program, as well as our senior most management and to ensure that we have sufficient resources within the organization in order to ensure our compliance.

Standards and procedures are pretty straightforward. These are your written policies, your written rules, code of conduct. As Stuart mentioned and we went over earlier, you know, we've put some very specific policies in place, for example, regarding vendor interactions and these supplement what the department has already put in place to ensure we're not violating the conflict of interest rules, that we're not violating the procurement rules.

Communications and training: Similar there. The requirements are there that we have to communicate pertinent information to our employees about our program. It's no good if they don't know about it. So we're going to be implementing a number of different communications mechanisms. We've already started some. Newsletters, emails from our senior management, these types of things, and, of course, training. The government already has a fairly robust training, but it's very generic to the federal government, to the department. So we're starting to implement very specific FirstNet training. And you-all will be familiar, for example, with the government procurement training that all of you have taken and that all of us within FirstNet have taken and that's something that we're going to do annually and we're going to be looking at building out that training program even more as we face all these unique issues that TJ and Stuart and Art quite frankly, raised earlier today.

And then finally what I like to call MARR, the monitor, audit, report, and respond piece. So we need to be able to verify what we are doing. We need to be able to ensure that it is effective.

So implementing desk reviews and internal audits, ensuring that there are operable channels for people to report concerns, both directly to the department where warranted, directly to the ethics office, and directly quite frankly to FirstNet management, and in some cases directly to the board and having those channels is a critical part of the effective compliance programs.

And then finally, you know the response. So we need to have effective disciplinary action when there are issues and respond accordingly.

Finally, I just want to mention, you know, as I mentioned the four plus one or the seven plus one, and this is the risk assessment. So one thing we have done in order to help aid us in implementing our compliance program is engage in a formal risk assessment process. And this flowchart on the screen demonstrates at a very high level how risk assessment works. And it gives you a sense of where we are,

which is kind of right in the middle, and we've taken a stab at kind of identifying the areas we need to look at and we developed certain risk criteria and we're actually going to score these risks based on the severity and the frequency of occurrence. Once we do that, we're going to analyze the data; we're going to create a report that's going to identify where we see the biggest risk and where we need to take action. We'll obviously be coming back to this committee to discuss those when we're ready and eventually we'll be implementing new recommendations. So I just want to take a couple of minutes and kind of give you that overview. This has really been the first opportunity to formally kind of give you insight into what we've been doing, where we're going.

I'm not going to take you through the back, which is the appendix, but this will kind of demonstrate a little bit about our governance process that we have in place already and that we've developed, as well as give some high-level updates as to where we are with specific initiatives related to policy development, training and the like.

So with that, I open it up to any questions.

>>Stuart Kupinsky: I'll just make one additional comment. The preexisting board members may recall in December of '13 prior to Jason coming on board also, I took the board through this sort of virtuous cycle of how we were going to build out the compliance program. And so this presentation is sort of a checkpoint. And the Finance Committee, just to be clear about it, you know, has province over this sort of compliance program aspects. And so we'll report back to the Finance Committee and assuming that's OK with the board we will let the Finance Committee continue to have jurisdiction over that. And then we'll have periodic reports, you know, to the board writ large.

>>TJ Kennedy: I think one important comment just for the team. I really want to thank Jason and all that he and the team have done to implement the compliance policies and also for all the management team that is part of the compliance committee. They have definitely engaged in the key day-to-day issues that need to be done, the policies and procedures that had to be put into place. And I think we've seen a lot of important rigor that has been placed on compliance and the time and effort that's needed to make sure it's done right. I'm very proud of the team for pulling that together, and I appreciate all the hard work.

>>Tim Bryan: Questions, one is how did you work with Art, for example, in putting this compliance program together; that is, just give us a sense of sort of how that works and that, you know, feels like a comprehensive program that addresses some of their concerns as well.

>>Stuart Kupinsky: I can take an initial shot and then you want to follow through. So the Department of Commerce has a set of policies and procedures and training and their own compliance program for the entire department. And as Jason said, those policies and procedures are designed to apply for the most part to all the bureaus of the department. The department does customize some of those policies for individual bureaus and so, for example, when I came on board in November, one of the first things I did was start working with Art and his crew on a policy that would be customized just for FirstNet on conflicts of interest and those kinds of things. So each bureau within the Department of Commerce also has sets of policies and so analogously if you look at us as sort of a bureau within the Department of Commerce, we have set out to create our own policies. We weigh at each instance the relationship between how departmental policies apply to us and then what we're implementing at the policy level. And so in those areas where the department reserves to itself, if you will, jurisdiction over particular issues such as the conflicts of interest advice that Art talked about earlier. Instead of just running off and deciding how we're going to implement that compliance program internally, we work with the Office of General Counsel for the department and make sure we're coordinating with them. And ultimately because it is their province and not ours, you know, we coordinate with them. But our job is to facilitate compliance. We're both interested in facilitating compliance and so we try and customize it to our

needs. And then we ultimately run it through them and we jointly come up with the approach. And so that takes place not just with Art but, you know, on other areas such as procurement and employment law, other areas the department reserves to itself. And so that's the way we're working with these departments.

>>Jason Karp: I was just going to add, that sums it up very well. And I think Art alluded to this earlier. Part of it is like anything else, is good relationships and forging good relationships and communication. We have a terrific relationship quite frankly with all of OGC as well as the chief counsel's office within NTIA and we consult with them regularly. We mentioned, for example, the financial disclosure policy and the vendor interaction policy earlier today. And all of those were created and coordinated with the review of respective members of OGC and we got their sign-off because we think it's important that we're on the same page in how we are approaching these issues.

>>Tim Bryan: One other question, I'm looking up and down the committee here with the exception of Governor Douglas, those of us from the private sector have a pretty, you know, good understanding of the basic private sector avoidance of conflicts of interest, the basic concepts of recusing yourself in the conflicts of interest, just at a very high level, maybe Stuart or Jason, you know, we certainly have gone through the ethics training but why don't you just -- you know, what about the heart of this policy makes it different from the private sector policies that we're all used to, that we have as board policies and as sort of a basic understanding of how to avoid conflicts, how to recuse yourself from conflicts to avoid the situation?

>>Stuart Kupinsky: Well, first of all, and I know you're not asking this question, but the compliance program that we're putting in place covers innumerable laws and regulations well beyond your conflicts of interest. So, conflict of interest is one small notch in a wide breadth of applicable federal law. The issue of conflicts of interest in particular happens to span a number of different statutes in our walk through; you know a few of those this morning.

I think that the fundamental difference between FirstNet and the commercial enterprise is that government employees in particular and board members are deemed these special government employees. Government employees are subject to a series of federal regulations and federal laws to ensure the integrity of how the public's business is done and how taxpayer funds are used. And as a result of that, there are, you know, layer upon layer of safeguards applied to federal employees that are not applied to commercial organizations and employees in commercial enterprises.

That being said, the framework that Jason and I are setting out for FirstNet and have been following frankly since December, is a framework that's independent of the actual laws that are applicable to an organization. So this a virtuous cycle of doing risk assessment, understanding the risks, generating policies and training to address those risks, enforcing the policies and training, taking action, doing another risk assessment, you know, modifying the policies. This constant cycle that we go through is one that, as Jason mentioned while it sounds scary is the U.S. Sentencing Guidelines prescriptions.

>>Tim Bryan: That sounds scary.

>> Stuart Kupinsky: It does sound scary. Well, maybe it's supposed to but it's actually, it just so happens that over a period of time the U.S. Sentencing Guidelines set out a methodology that has been adopted by the commercial sector for how to deal with civil regulations and laws, in addition to criminal. And it's just a very cogent and well-worn methodology and so we're going to take these customized federal laws that apply to just federal employees, we're going to take commercial laws that would apply to us in our program in competing, et cetera, we're going to put them into this process and that's the compliance program that we've been implementing.

>>Tim Bryan: Great.

>>Sue Swenson: I have a question. And I think it follows on your question a little bit. It sounds great, right? I've seen evidence of, you know, some of the things you've put in place. Who determines whether or not we have an effective risk program? Risk assessment and compliance program. Because in other entities, you know, you have an external entity that will determine effectiveness and give feedback to the company.

>>Jason Karp: It's a great question because we are in a bit of a unique circumstance given where we sit. And I think there are various levels of that determination. According to the guidelines, ultimately the governing board has the ultimate determination of whether their program is effective now. How that gets borne out in practice is when the Department of Justice comes knocking at your door and they tell you whether your program is effective or not. But that's what the guidelines are essentially intended to do is to give you that roadmap. And to, you know, lead you down the path of what at least kind of the expert agency, so to speak, has determined are the critical elements for effective compliance. You know, we in addition are going to be undertaking internal reviews and audits ourselves as part of reviewing the program. And reporting it not only within our compliance committee but to this committee to determine how effective we are being.

One other element which, you know, I'm still struggling with how that's going to apply here is the guidelines that require you to look at industry practice and to look at "comparables". I'm still trying to find one. So, of course, you know, other things that do transpire, is we do have external audit, as you know. And while their primary responsibility is not all legal compliance, they do look at compliance as well as internal control. So that provides external validation as well.

>>Stuart Kupinsky: A couple things. Number one, just as the Sentencing Guidelines are adopted for commercial entities, there are actually federal guidelines for compliance of federal entities and so we've looked at those and we're working with those. And they largely reflect very, very similar methodologies. You know, number two, as Jason mentioned, you know, traditionally in a commercial organization, your internal audit function would periodically be testing portions of your program and the results of that testing would come up into the audit committee, you know, ostensibly the Finance Committee. And we're talking about those kinds of functions internally.

>>Tim Bryan: Right.

>>Stuart Kupinsky: And then lastly, you know, unique to the government versus a commercial enterprise, we have the Inspector General that can be brought to bear in a number of contexts, to test, you know, on an ongoing basis. But you hope that between your internal function's reporting up to the Finance Committee and ultimately the board, the compliance committee that we set up internally will report out. And then a record of, you know, either full compliance or enforcement of policies for any noncompliance, et cetera, et cetera will demonstrate for the Finance Committee and the board an effective program.

>>Sue Swenson: So if we do our best, with an internal assessment, we will only know if we were doing well through some sort of inspection by either the IG or Department of Commerce. I know that other organizations tend to conduct reviews. I was just wondering if there was any external ongoing review that would give us that feedback versus our own assessment.

>>Stuart Kupinsky: I would say this, that I think there's a discussion about the federal framework for how this works in agencies is a little bit lengthier a conversation. But just as in a commercial organization, we would want to bring in third parties to periodically, objectively test our compliance program. And so, you know, in commercial organizations, that both Jason and I have been in, we bring in periodically

outside entities, you know, at the behest of the Finance Committee and to test our program.

>>Jason Karp: And finally, the coordination with the department supplements that and gives an outside view of whether we're complying with federal standards and engaging them in both the development process and the review process really helps that regard as well.

>>Tim Bryan: Any questions for Jason? Okay. Thank you very much, Jason.

I noticed in my effort to move the Finance Committee agenda pace that I just blew right past the approval of the minutes from the last meeting. So I'm going to go backwards. I know that the members have gotten a copy of these minutes and have likely reviewed them. Are there any comments on the minutes from our last meeting out in Westminster?

I've got a motion already for approval. I've got a second; any further discussion on the previous minutes? If not, all in favor of approval say aye?

>> Chorus of ayes.

>> Tim Bryan: Opposed say nay. Are there any abstentions? We have two abstentions for the folks who weren't on the Finance Committee in Colorado. So we'll let you guys out this time, but next time, no way.

>>Jim Douglas: The minutes are excellent; but we weren't there.

>> Tim Bryan: Very well. Okay, so Stuart, sorry for running things out of order, but we're now right back where we were supposed to be at 6:10. So now Stuart's going to lead a discussion on the public notice and comment update. I know you've done this for a few other committees. You're probably getting this down pat, but we're looking forward to hearing an update on this really critical..

>>Stuart Kupinsky: It would seem like I should.

>> Tim Bryan: Well, let's just say that the expectation was –

>> Stuart Kupinsky: I understand. I understand. So as with the outreach committee, my proposal would be to step through the introductory slide if that's okay.

>>Tim Bryan: That would be good. Just hit the parts that are most relevant. I know that the Finance Committee acts in some ways as sort of a catchall for some of the recommendations from the other committees and we've sat through those in some cases and looked at some of those things. So I think we can catch up on that reasonably well too, Stuart.

>>Stuart Kupinsky: That was actually my first point. So just to be very specific about it, the charter of the Finance Committee specifies, particularly with regard to procurements, that the other committees actually make recommendations into the Finance Committee and the Finance Committee makes the recommendations to the board. This isn't -- the notice at least is not actually a procurement but it is obviously related to our primary procurement and so the resolutions that we formulated follow this cadence. As does the resolutions for the RFI.

So with respect to many of the topics that we've talked about already today in these other committees, if you change your hat to a financial or economic lens or viewpoint, you could address the identical issues that we've talked about in these other contexts.

But I wanted to highlight a couple of them that were particular to the Finance Committee. Number one is the fees and the fee structures that we have under the enabling legislation and so the notice goes

through and provides an initial interpretation of this basket of fees that are provided in the enabling legislation. We asked the fundamental question up front, which is at least under the act, are these the only fees that we would be able to charge. And there may be fees under other federal provisions that we would be able to assess, but focusing just on our enabling legislation, we go through each of the potential fee baskets and try and interpret the potential fees individually. Then we try and assess the relationship between the fees. So, for example, there is a provision, a general provision on user fee that says FirstNet can assess user fees to secondary users for access to or use of the network. Secondary users as we talked about are also provided in the definition of covered leasing agreements. And so we ask questions about the compare and contrast between these two provisions because ostensibly the act seems to provide the ability for us to assess a fee against a secondary user in addition to that which we're assessing in the context of a covered leasing agreement and so we're trying to reconcile these provisions appropriately and we ask questions about these, these provisions.

In addition, the act sets FirstNet up to be self-funded going forward after the initial up to \$7 billion made available to us through a combination of borrowing and auction proceeds. And we ask some questions about how that self-funding requirement interoperates with the fee structures that we have put in place. And because we have to cover our costs on an annualized basis under one of the provisions in the act, we marry that provision up with questions about how we're assessing fees to cover those costs and where those apply. So that's an important aspect of the notice that applies to this committee's jurisdiction.

We talked at length about the specific covered leasing agreements definition, and here again putting a financial hat on, if you will, this is the vehicle through which we can acquire revenue for use of our spectrum and excess network capacity. And there is an inherent potential tradeoff between the amount of network capacity we have under this type of agreement and the definition of public safety entity that we talked about earlier. The more users you have on the network theoretically -- and we'll put an asterisk there for a second -- the less excess capacity you have to sell off. And there's a tradeoff between those two, revenue from existing users and revenue from secondary use.

Now, as we discussed in the earlier committee, what we're doing in this notice is defining the outer boundary and we're not addressing at this stage any policies that we would implement for narrowing the scope of users, and we're not addressing at this stage how priority and preemption would work within that potentially narrowed scope.

Those two steps would obviously free up excess capacity for use by a third party under a covered leasing agreement. These tradeoffs between the interpretations are something that, you know, the charter of the Finance Committee's designed to address, right? It's the consolidation of these concerns and these items so that the Finance Committee makes the recommendation to the full board.

So I wanted to highlight the aspects of what we had discussed earlier that might play into some of the considerations, and you obviously have both sets of documents, the RFI and the notice, and you have reviewed those aspects.

Lastly, we talked very, very briefly earlier about this additional fee for network equipment and infrastructure. And this is different from, just to clarify, this is different from our leveraging of third-party infrastructure. This is where we do the reverse. We take our infrastructure and we potentially allow somebody else to leverage it for a fee. And we seek comment about the parameters under which we can do this, and in particular one of the items that we test is the provision says that the infrastructure is constructed or otherwise owned by FirstNet, constructed or otherwise owned by FirstNet, and it's resulting from some sort of public/private arrangement. And so depending on how you interpret these provisions, we may have wide latitude to leverage a lot of the network that is ultimately FirstNet.

Or, if it's only pieces of the network that we actually own, right, and/or that are arrived at through a public/private partnership, such as a covered leasing agreement or otherwise, and then it could be a narrower scope. So we ask a bunch of questions surrounding the interpretations of this provision, to see what the appropriate boundaries are for us acting as a provider of infrastructure to third parties.

So I wanted to highlight those items for the Finance Committee. And you've obviously reviewed all the other items in the notice. And so I'd be happy to open it up for questions.

>>Sue Swenson: I just have one question. On the previous slide, it talks about the covered lease agreement and, they do not require the lessee to construct, manage, or operate the entire network either from a coverage perspective or exclusively within a specific region. That has to do with the requirements for build out, correct?

>>Stuart Kupinsky: Yes.

>>Sue Swenson: Is that the issue?

>>Stuart Kupinsky: Yeah, so the definition of covered leasing agreement has two sections that we're addressing. One section in the preamble of the definition says that the very nature of a covered leasing agreement is one that is entered into in connection with a public/private partnership to construct, et cetera, et cetera. And so we're exploring to what extent does the party that we enter into the covered leasing agreement have to construct, manage, et cetera, the network.

>> Sue Swenson: Similar to what we would be expected to do.

>>Stuart Kupinsky: Similar to what we would be expected to do.

>>Okay.

>> Stuart Kupinsky: If you will, to what extent does a covered leasing agreement partner have to have skin in the game of FirstNet?

And then the second meaty part of the definition has to do with what the arrangement enables, or under the wording of the legislation, permits. So these covered leasing agreements have to permit under the definition these two line items, access to network capacity on a secondary basis and then the spectrum allocated to such entity used for commercial transmissions, et cetera, et cetera. And so we're exploring the extent to which that is truly a permit or whether it's a requirement, if you will. And so those are the two aspects that we're exploring.

>>Tim Bryan: Stuart, I actually, as you know, read this a couple of times in some degree of detail. I won't speak for the whole Finance Committee.

>>Stuart Kupinsky: We've incorporated your comments.

>>Tim Bryan: Yeah. But, you know, the heart of the proposition that is FirstNet is to reach sustainability and to do so at a rate at which public safety will consume our services and at a cost that enables us to build the network. So nothing can be more at the heart of how this might work than these types of topics. So I think certainly we've discussed that the Finance Committee in the past from time to time and in reading this obviously, how important it is to have these kinds of concepts well understood, which will only lead to a better RFI process, which will only lead to a better RFP process which hopefully will lead us to the path to sustainability that we have to have.

So certainly, I mean, I don't want to just think that the Finance Committee is focused on all the different kinds of fees we can earn. It's a good topic, and it's interesting topic for finance committees, but really it just runs to the heart of sustainability, which is what we're really interested in when push comes to shove.

>>Stuart Kupinsky: Yeah. And, you know, the primary objective of going through the process is to get these interpretations right up front before we waste resources and time for public safety and have to deal with the ramifications further down the road.

>>Tim Bryan: Are there more questions for Stuart on the public notice and comment document? Do you have any others? I know if you didn't also, some folks are on other committees.

Okay. Then I think what we should do is have Uzoma read the operative part of a resolution with respect to this topic and then we'll see if we have any further discussion and whether the committee would like to recommend this to the board.

>>Uzoma Onyeije: Now therefore be it resolved that the Finance Committee hereby recommends to the board that the board authorize management to take such reasonable actions as are necessary to publish a notice in substantially the form presented to the board and seek public comment on management's preliminary interpretations of FirstNet's enabling legislation related to the topics within its subject matter responsibilities.

>>Tim Bryan: Okay. Hearing that resolution, would anybody care to make that motion that we approve that resolution?

>>Tim Bryan: Sue moves it.

>> Second.

>>Tim Bryan: Got competing seconds. We'll give this one to Frank. Are there any further comments on the public notice? Okay. All in favor of the resolution say aye.

>>Chorus of ayes.

>> Tim Bryan: Opposed, nay? Abstentions? That resolution passes. Thanks very much, Stuart, and TJ, for that.

Okay. We are now going to be talking a little bit more about the RFI update. We're also going to therefore be considering another committee level resolution. This also has gone through a few of the other committees, but there are parts that are germane to the Finance Committee. So I think in this case I'm going to turn it over to TJ, and he's going to walk us through a presentation on the RFI. So TJ, you're up.

>>TJ Kennedy: Thank you, Tim. And with your concurrence, I will breeze over some of the topics that we've covered already and try to focus on a bit of a higher level element that the Finance Committee's going to pull together as a group.

>>Tim Bryan: Sounds good. Breeze over.

>> One of the things that I think is important as we walk through this is looking at the purposes and objectives of what we're doing. And with the RFI and the draft statement of objectives, you know, we

really want to make sure that we're allowing innovation and getting people to bring unique ideas that are going to help us keep costs down and at the same point being innovative with the solutions that come forward. And so as we walk through the objectives that you've seen in the RFI, we also want to get help, so to speak. We want input from industry on how best to tackle and approach these. And that's really important as we get down to locking down the RFP.

We talked a little bit earlier about the timeframe. I think it's really important after we release from the board meeting on the RFI and the SOO to understand that we will need some time to digest what comes back in the RFI. We've put in a proposal for 30 days for that response. I certainly would expect to hear some feedback on it if that's sufficient. But we think it's an important thing to make sure that we're pretty timely and show urgency as we move forward on the statement of objectives to drive a draft RFP and that we can then incorporate that and then get the draft RFP out.

A number of key elements as we move forward. We've talked about the outline. So I'm not going to go into that. The key issue that you hit on a moment ago, Tim, I think is the money question, so to speak. And so it's about sustainability, and I think you summed it up very nicely in that all these efforts to drive towards fees are not about getting fees. It's about making sure that this network is sustainable for public safety. And I often, with the team as we talk about this, we try to talk about keeping user fees low while at the same time providing a network that meets the requirements of public safety. And that's a difficult balance. It's one of those things when we look at things like hardening as an example, we could harden so much that it's not cost effective. At the same point we know that a resilient network is very important to public safety. And so part of our approach in going out with the RFI and the statement of objectives is trying to balance that and to get feedback to that as we move forward. And we're balancing that need for being very cost effective and sustainable with things like, you know, speed to market and getting this built in a fairly quick amount of time so that we can provide this capability to public safety. And so as we do that, there will be times we'll be looking at the best value of solutions that comes forward, which will include that speed to market as part of that but also the capabilities of the network.

We also have some unique elements in the legislation related to opt-in and opt-out RANs and how that will come in as well as, you know, leveraging infrastructure, whether it's commercial infrastructure, whether it's rural telecom infrastructure, whether it's infrastructure from the government side. And so all these present some unique challenges to the team in drafting an RFP that will highlight the most important parts of this while at the same point moving us to a definitive evaluation that we can compare the bidders that come in. So I think there are a number of challenges, but most importantly I think you hit on it is our goal at the end of the day is financial sustainability of the network, which means providing a network that public safety wants to use at a price that they can afford.

As far as key outcomes, you know, really it's driving to that draft RFP and having that input in the process. We know that some things may be surfaced during this that may cause us some need to go back and relook at some key elements. We expect that we haven't necessarily covered every possible consideration as we move forward, and we want to have the great minds in industry, as well as from public safety give us additional ideas to make sure that we've incorporated that as we move ahead.

So with that, I think we've covered at a high level what's going to happen with the statement of objectives, and also with the RFI and we're really looking forward to getting this out and getting the feedback from everyone on the key work that's been done this summer to pull this together.

>> Tim Bryan: You may be surprised to learn that I have a few comments and questions. I think the first one was actually covered in the outreach meeting which I was in the cheap seats for, but there are those of us in the private sector on the board who would want to get into these discussions much quicker, obviously, on sort of a one-on-one basis. And then we also realize that there's an acquisition process that has to be followed and that we're following it and this is the right path forward, positively. But I

think as much as possible need to emphasize the confidentiality of these responses, the sort of privacy of these responses because we have to develop some theories about how this program is going to play itself out.

So I would encourage you to continue to take the steps necessary to be able to do those sorts of things so that instead of getting some generalized comments, "Look, we think this is a great idea and we might be able to trade you a little of this for a little of that" that we actually get into the meat of the topic because, you know, sooner rather than later it would be good to start developing the theories on sustainability that we have developed internally and performed financial analysis around to sort of continue to de-risk that analysis and to sort of prove those points.

I guess I should get off my soapbox, but I encourage you to comment on how you think the RFI will address those kinds of issues.

>> TJ Kennedy: No, I think that's a great point, Tim. And I think that the goal, the place in the program where we're at now is we're looking for concrete ideas. We're not looking for generic information from vendors. And part of the reason why the discussions with the contracting officer about making these responses confidential is so that we can get the real ideas that are coming from industry to be able to implement the solution.

Also as we move into the RFP, the chance for that kind of direct input is going to come to a close and so I think we're at the point in the program where we're not putting out generic RFIs. I think the specificity that you have seen in this RFI is greatly different than past RFIs. We're not asking generic questions. We're really driving down to the heart of sustainability, the heart of building the network, the heart of how to deploy in a fairly quick fashion. And when we look at the objectives that we've laid out, it's really trying to make sure that we deploy that to make it happen. I agree with you wholeheartedly that the goal here is to get specific responses that are really going to drive us to real solutions.

Stuart, do you have anything you wanted to add?

>> Stuart Kupinsky: No. I agree.

>> Tim Bryan: And I would say my second comment -- and this will also surprise you greatly in as much as we've talked about it a little bit: I think that encouraging people to respond to the RFI, who believe they have an economic model to provide FirstNet is good policy, it's good transparency and you know, just from a purely mercenary sense, it's just good business. And I wouldn't suggest that there are a huge amount of preconceived notions that only Plan A or Plan B might work. I really think that there are a number of creative players in this industry, there are a number of creative folks in the nation, there are a number of people who have infrastructure and services and making sure that they have an opportunity to participate, I think you've done a good job in the RFI of enabling that because I think in the end we'll be better off for it.

>> TJ Kennedy: I absolutely think the competition will help public safety get the best solution and at the best price and so that's really our goal here is to drive competition. Part of the reason with going down a statement of objectives route versus a statement of work was also to leave open the opportunity for how people approach it. We're not being overly prescriptive. We're being very detailed about the objectives we're trying to meet and I think that allows exactly what you've mentioned.

>> Stuart Kupinsky: So I'll just add that, you know, the first few items in the RFI in terms of questions are designed to elicit, sort of, the optimum competitive model, if you will, to the benefit of public safety. So that's really what we're seeking out as an overarching goal in the RFI. So we've constructed what we think is a stack of objectives. How we go through the procurement process and how we leverage that

process to get the best outcome for public safety, we obviously have some ideas internally. But what we're seeking in the RFI is these, you know, competing ideas that we can choose from to maximize the results for public safety, lower fees, et cetera.

>> Tim Bryan: That's great. Sue?

>>Sue Swenson: Tim, just one thing, and TJ and Stuart. You know, obviously we're going to go out and, like you said, very competitively get input into how people believe this can be done. One of the factors that has to be considered is opt-out. And I'm just wondering how that gets factored into this-- and if I'm responding, I mean that's a consideration, right, if I'm responding in terms of the network? So I'm just trying to figure how that figures in.

>> Stuart Kupinsky: So I'll take a shot. So this is what we affectionately call the 'chicken or the egg' problem with this procurement. And so in the RFI, we very specifically ask about how the potential for states to opt out could be factored into the process of procuring the network. So the act -- just to back up for a second, the act spells out this process where we go through the RFP process, then we go to states and the states make this choice. And so ostensibly if you just read the act at a high level you would think that you have this finite stopping point before you go to the states. And so at that stopping point you don't know which states are going to opt in and which states are going to opt out. And so whoever is responding to your RFP process has to build in the risk associated with opt outs. And so what we're looking for in the RFI is suggestions and ideas on how to de-risk the opt-out process, both in terms of making sure that we're effectively not getting the economies of scale associated with states that may ultimately opt in, but people fear would opt out, but also in terms of the process itself. So we have, you know, some choices in front of us as to how to conduct the procurement in a way that solves the chicken or the egg process such as, for example, you know, it's possible to make a multiple award that would allow us to go to states, present them with plans and then once we know the outcome of the opt-in/opt-out process, then go back and compete the task orders for the states that have opted in. And that would be a definite build out.

Those are the types of creative ideas that we're soliciting in the RFI, and ultimately, you know, we -- it's our goal to foster competition on behalf of public safety and so we believe that there will be enough of these unique parties in interest that will come up with competing ideas that will favor them, versus another party, that we'll be able to pick and choose and arrive at a final solution. But we have obviously some ideas on how to solve the puzzle. But that's one of the primary questions that we're asking in the RFI.

>> Sue Swenson. Good. Thank you.

>> Tim Bryan: Any other questions on the RFI process for TJ or Stuart?

>> Tim Bryan: OK. Well um, Uzoma, I'm going to let you read the operative few sentences.

>> Uzoma Onyeije: Now therefore be it resolved that based on its review of the comprehensive network solution request for information and statement of objectives, the Finance Committee hereby recommends to the board that the board authorize management to seek public comment on management's proposed comprehensive network solution request for information and statement of objectives in substantially the form presented to the board.

>> Tim Bryan: We have a motion to move the resolution?

>> (Inaudible)

>> Sue Swanson): I'll move it.

>>Tim Bryan: Seconded?

>> Tim Bryan: Thank you. So moved. Any further discussion?

>> Tim Bryan: All in favor of the resolution say aye.
(Chorus of ayes).

>>Opposed, nay. Abstentions? No?

>> Sue Swenson: I just have a comment. We've gone through this all day today and we've seen a couple people who have obviously been working on this. I for one would really like to thank the entire team that's been working on this. It is required. I think everybody's good thinking and, you know, questioning things and, as I think TJ said, arguing about things late at night on the whiteboard and, you know, I just, I think this is a monumental effort. And frankly a monumental outcome. We'll see how the board comes out tomorrow on it, but I just think it represents an incredible amount of work on a very complex issue, and I want to commend the entire FirstNet team for delivering this.

>> Tim Bryan: I would second that, Sue, and I also thank them for putting up with me to some extent and my sort of semi-skilled redline capabilities within Microsoft Word. But appreciate your ability to go back and forth a bit. So thank you very much.

>> Tim Bryan: Okay. We have one other item, which is a budget update. And Randy and I are going to ham-and-egg this. I'm going to take the first few pages and then turn it over to the expert.

If you'll go to the next page, please. I really want to focus on two things on this page as a short introduction. Every good Finance Committee looks backwards as well as forwards. In my own company, in our Finance Committee, if you tell the board something last year and then you tell them something this year, you need to compare it to what you told them last year. And that's just generally good governance. And sometimes it works out for you and sometimes it doesn't. But nonetheless, it's a good process, and this page does a little bit of that. And so I want to talk just briefly to these numbers and the impressions that they may leave or may not leave.

And then the second thing I want to address very, very quickly is just the process. How we actually did this budget, what is the process, why did we do it the way we did it, and why are we likely to do it the exact same way this year.

So if you look at the center section there and you look at these figures, you'll note that in a very preliminary form in March of 2013, not too soon after we got formed and got ourselves up and running, we were asked to come up with a number to put in the President's budget, which was \$257 million. And when we actually passed the board resolution for obligations, we approved \$194 million. And then when that went back around through the Finance Committee and we looked at a variety of ways where we could stage spending and then increase spending based upon milestones, that was a revised obligation of \$98 million, which got a little bit further revised in April based on the roadmap that the management team put forward and how we could spend to improve our prospects to get the roadmap done and to achieve those items with \$72 million. And it looks like we'll actually come out around \$64 million. This is all on an obligation basis. I'm learning obligations and expenses reasonably well at this point.

And our actual expenses are likely to be \$29 million. So I want to comment on the impression that might leave with folks, and then comment on the process. Depending on what lens you look through, you could think that we did a great job of managing our expenses in a very careful and cautious way while

achieving all the great work the management team achieved in expending \$29 million versus an original estimate of \$257 million and think we did a great job.

Other folks might think we did not such a great job because we should be proceeding faster and if we had spent more money, we'd be making more progress and achieving greater items. And then someone else might say, "I don't know whether you did a great job or not so great job. But you didn't do such a great job of at least budgeting, because the numbers are obviously considerably different."

I'd just like to leave you my impression after a year of serving as the chairman of the Finance Committee, which is I see FirstNet as an organization that really wants to move quickly to develop this network for public safety, that wants to get into the RFI and RFP process, that wants to get the network built, that wants to develop these relationships. And is doing so in a way that meets all of the requirements of both our independent authority and as well as the FAR. And so I would look at the perhaps overestimation of what we thought we could accomplish as our goals because that's what we want to accomplish. And I would look at what we did accomplish as being somewhat constrained by the process we had to go through, but also just by good management, by stepping through the items that we needed to step through in order to satisfy the most critical of our objectives.

If you look at that roadmap and you look at the prioritization of that roadmap, we are really focused on achieving that RFI, that RFP, that consultation both with the states and public safety. So the impression I would like to leave you on the numbers is, while you may look at it through a different lens, I think this is the lens the Finance Committee looks through it. I think this is the lens the management team looks through it. And we're satisfied with the progress that we've made on the numbers.

The second thing now to switch gears is how the heck did we do all of this, and what I think we're attempting to do is establish a budget within the parameters of the OMB and within the parameters of the FirstNet board and then go back through the Finance Committee and do the same kind of careful prioritization and milestone setting so that we make sure we're focused on the things that we want to be focused on, and that further spending is contingent upon achieving a particular result in the roadmap and in the milestones. And if you turn to the next page, you will notice that we're in that process right now. We're going to discuss, Randy in a moment, the expert will get up and discuss, the FirstNet board authorization we're seeking today for obligations and expenses, and we're going to go through the exact same process. So if you like the Finance Committee at 6:40, you're going to love it a few weeks from now because you're going to get another shot at us, where we're going to go through the budget memo in a public forum, we're going to lay out the priorities, we're going to lay out the milestones just as we did last year to tell you how we're going to stage this expenditure, why it's important and where it will be focused. So why don't I open up the table for a little conversation before, Randy-- we promise we'll give you a chance to speak to the real numbers, but if anybody else would like to comment on that process.

>>Sue Swenson: Yeah, Tim, you know, having served with you, you know, and sharing the same view you have about what we're trying to do here, I think it's really important to understand that the goal here is not to keep expenses to a minimum. I mean, that's not really the goal. The goal is to match expenses to milestones and achievement. And so I think that's another lens that I would look through because it may look to people like we're really hunkering down here and as a result, we're constraining the ability to execute. So I would just add to that, our goal I think as a finance committee is not to have the sort of, the least cost, least budget. The goal is to have the right budget to accomplish what we need to successfully achieve the longer term vision here. So I just want to add that comment that, you know, it's not about, you know, nickel-and-diming things, so, just an observation.

>> James Douglas: I guess the only thing more mysterious than federal ethics rules is federal budgeting, a little confusing. The fiscal year begins at the end of this month and yet we're talking about making an approval of this some time before the end of the calendar year. So I'm curious as to how that works.

And secondly, is an obligation an accumulation of authorizations over previous years? Is that what this reflects?

>> Randy Lyon: So, well, the first question was about the calendar? So right now we're about ready to enter fiscal year '15, and ideally we would have done this process several months earlier. We really were shooting for it in June. One of the challenges is we brought aboard a new CTO, which is a critical part of our organization. And Ali has done an extremely conscientious job in right-sizing his organization; looking at the work that needs to be done and so he really just started in about the May time frame so to come in with a recommendation in June would have been too fast. And we've been working all summer refining it with him and then lately in August with Sue and with Tim.

So we need to have something in place when the new fiscal year starts to at least be operating, you know, say like a continuing resolution would be for many other federal programs to at least be able to keep operating. And then eventually the President's budget will be published. That gets finalized in the December timeframe. That will be for the following fiscal year, but we ought to at least have a very good sense at that point of what we're doing for the current fiscal year, which would be 2015. So right now what we're talking about is getting a very good estimate in place for 2015 which could go -- it could be, the spend plan could end up being somewhat less. Or there are some options that we have considered that eventually the board may want to consider and see whether there are some opportunities to do some more things.

So that's in terms of the calendar.

The obligation is a commitment. And it's what kind of commitment are we signing the federal taxpayer, or the federal government up to. And in some cases it's kind of a forward accruing some costs that we would be spending. So, for example, consultant costs, we obligate that full amount for the year even though we spend on consultants say over, you know, month by month over the next 12 months. And we do that differently than federal employees. So our internal labor cost, we obligate and expense basically simultaneously, basically pay period by pay period.

In theory, you know, federal employees, there could be a reduction in force, and you could be gone in 60 or 90 days. There are also differences in terms of how we treat capital expenses. We've had very small capital spending so far. Eventually we'll have some information technology purchases and so we would obligate all that money, we're buying a piece of equipment now. But then in terms of expending, we would depreciate that equipment over its useful life. So the idea is that we, the traditional federal budget doesn't want to overcommit the government beyond its means, and that's why they want to govern things through obligations.

>> James Douglas: That's never happened. (Laughing).

>> Tim Bryan: Well, also, Governor, so I think what we are going to look through is whether we're comfortable with making this estimate for our budget obligations and expenses and then over the next few weeks but prior to October 1st, we're going to look through a more detailed actual spend plan which we will then come back in public session and review and debate and decide, you know, which of these and in what priority and which order they will actually be undertaken.

>> James Douglas: That's very helpful. I appreciate it. Just want to clear that it doesn't have to be any specific congressional authorization before the end of this month.

>> Randy Lyon: We have what's called mandatory funding. So we have our statute basically gives the board a great deal of latitude within the funds we have available so far, which is the roughly \$2 billion of

borrowing authority. So within that, you know, we're well within that. And there may be auction revenues that will presumably be coming in.

>>This is Brian Deese. Can you hear me?

>>Tim Bryan: Yeah, we got you, Brian.

>> Brian Deese: I just wanted to add on that point that, to the questions and to the descriptions of the federal budgeting which Randy very helpfully just answered, you know, I think that the right way to think about the \$820 million is as an estimate. It plays an important role for transparency in the federal budgeting process in terms of giving an estimate of what the commitments to the taxpayer may be. But because FirstNet operates, it's subject to a mandatory appropriation; it's not -- it is exactly that. It is an estimate. And so the subsequent decisions to actually approve spending associated with the milestones are the ones that really will drive both the operational, what the operational cadence but also the actual expenditure of federal funds. So I think that the process that you laid out, Tim, is one that it's not -- it's not easy to get your head around but it is operating, I agree with your basic assessment that it is operating in a way that is, you know, is helpful to the enterprise while also providing the kind of transparency that is important in this context.

>>Tim Bryan: Okay. Thank you, Brian.

>> Randy Lyons: Yes, thank you. And I'd like to say from management's perspective it's been a very constructive process both last year and this year. I think, you know the focus on deliverables and matching resources to deliverables and prioritizing deliverables has been essential and valuable to all the stakeholders of FirstNet.

So what we are looking at and what management is recommending is a budget of approximately \$120 million of obligations for fiscal year '15 and a slightly lower level of expenses, about \$115 million. And it falls into four or five major areas. And we have some slides that follow that will go into these areas in more detail.

We're also requesting access to obligational authority that we do not use in the tail end of the current fiscal year and that helps us in our ability to plan. So some things that we have underway right now, if they don't happen by September 30th, we can still keep on going with them and we don't have to keep juggling the numbers to reflect how those procurements and interagency agreements develop.

So the first major bucket that we're looking at is the comprehensive RFP and related activities. And as you heard over the course of the afternoon, that is far and away our essential focus over this coming year, it's essential to develop partnerships and see what the opportunities are there to get the network built. And then within this kind of capstone area, there are several subcomponents. And about, so roughly half of the work in this capstone is literally direct work on the RFP and that includes work with our procurement team who are going to have procurement experts -- from the Defense Information Systems Agency. We are going to have support contractors that will be helping them. We've got technical contractors working on that as well. And then we have a FirstNet staff team as well.

We also have a much smaller component that's looking at our business strategy and that's validating our modeling which has helped support the roadmap, looking at pricing issues, looking at strategic options and how the best practices on the commercial side for developing these partnerships. And also thinking about how partners view us, kind of the mirror image of what we're going to look like from across the table, is one of the other things that the business strategy team is working on.

Then there's also a very small piece of this overall item that's the public notice and comment that's

several attorneys working on Stuart's staff and the possibility of outside counsel, depending on the level of response. And we may or may not need outside counsel to comb through responses.

Then the other kind of measurably significant chunk is the work that the Public Safety Communications Research program, or PSCR is doing, which is headquartered out in Boulder and is very synergistic with our program. Experts at NIST and at NTIA that are looking at quality of service, looking at excess capacity and capacity modeling on our network, how much public safety is likely to use versus how much would be available for the secondary users. So, really some very important and creative work there.

And then technology development has some outstanding federal and contracting staff that can kind of, can provide across-the-board guidance on technical issues. So that's a very nice package of activities there.

The next major set of activities that we're working on is the state consultation, the closely related state plan issue and then also outreach and related activities. And this is important so that the states are prepared when the RFP responses come back that the states can respond and also that the states can start giving us input so they can effect the kinds of things that we're looking for in a partnership or in a network. So again, it's a very interactive process, and it's one that's going to have a very broad geographic reach, 50 states and six territories, with a lot of different geographies, population densities. There are a lot of really important things to look at there. So that involves a certain amount of federal staff, it will involve some interagency agreements we expect. There will also be a CTO, a support role there because there will be radio access engineer experts and transport engineer experts so that we can understand how networks can work together. There's also an outreach component, which is very important to our user base because the adoption issue by public safety is different than the consultation and the planning issue. That's a whole separate set of decisions, and decision makers there. We have a relatively modest sized communication staff that supports responses to, you know, the regular press, to trade press, communicating from FirstNet in terms of the website and blog and all types to highly leverage events like this, for example, so we can have a nationwide impact.

Government Affairs includes state and local coordination as well because we have obviously state legislatures and governor's offices that we need to coordinate with.

And finally there may be an element of counsel support because we're dealing with multiple different state laws and we want to have a good understanding of that. And that's a relatively small investment just to make sure that everything gets done right.

Finally the next big kind of substantive element of what we're doing, and it's qualitatively smaller than the other two is some activities that facilitate efficient rollout of the network. So as we talked about in the June board meeting, one important piece is doing NEPA studies because the federal government needs to guarantee that when it starts doing major projects it doesn't have an adverse effect on the environment. We think the NEPA studies can be done and have a highly leveraged effect. We think we're going to have a very minimal effect on the environment and this kind of study will help show that. That if you're using existing footprints and existing sites the impact is relatively modest. But nevertheless the work needs to be done very systematically and responsibly, needs to consider historical sites and national parks and things like that that obviously raise challenging kinds of issues.

The spectrum relocation issue is that we do have some public safety entities in jurisdictions that are using our Band 14 that had waivers to use that, and we would like to set up a grant program during this fiscal year that would facilitate relocation so that we have a free and clear band when we enter into a partnership.

The BTOP projects involves work to coordinate and leverage the investment that NTIA is making in the

Broadband Technology Opportunities Program so that there are a handful of projects there and a related program that's not literally BTOP, but Harris County has also gotten an early start and we want to make sure that those integrate with FirstNet in a successful way and provide a good demonstration and give us key learning that we can use so that it's a really great opportunity for us to have a sense of technologies and what works and local governance procedures. There are all kinds of things that are very useful from those projects.

And finally there's a very small amount of money set aside for starting to think about an experience center, so public safety can see this technology in action.

Finally, we have administrative and support activities, and we've got them, they are shown in two buckets here. There's actually a third bucket which was blended in with the first. And so the first bucket considers administrative activities that are central and somewhat more difficult to allocate out or directly correlate with activities in the program areas. Those are things like operations within the finance office, operations of our records management and things like that, that are relatively small, some executive direction like the board's mainstream time. And some of our core information technology and NHR types of work and our inner audits. The audits are one of the things that are in this third bucket of ensuring that we prevent waste, fraud and abuse.

Then the next large bucket is this program support, which is administrative-like activities but they are in direct support of programmatic. So when you have HR activities or IT activities that are directly in support of our CTO's activities or our outreach activities, those are considered program support activities. And we're keeping a strong eye on these things. I think we'll be able to keep those expenses somewhat lower than they actually show up here because in some cases we have interagency agreements that ask us to obligate a high-water mark but I think we'll be able to operate at a lower level than that.

So with that we're recommending a board resolution and, you know, probably an appropriate time for me to turn it over, back to you.

>> Tim Bryan: Okay, Randy. Thanks very much, only a couple of very brief comments, one, some comments to my fellow board members. As you know, this budget memo is going to come to all board members. We expect all board members to provide feedback to either Randy, TJ, Stuart, myself, any Finance Committee member. And once again, I'll remind all board members that they are welcome to attend any committee presentation and any committee meeting and can participate fully. So the docket is wide open for the maximum amount of participation in this.

And then my second comment is to the public. As you were aware, we are going to be having another meeting on this in the next few weeks. You're going to be getting greater detail on the spending and on the milestones. So this is sort of Part 1 of our two-part process. I just wanted to remind folks of that.

Any questions for Randy on the estimate that we're going to be submitting to OMB and that we're going to use as an estimate and a guide for FirstNet this year?

>>James Douglas: I'm just curious as to what happens to the proceeds from either the borrowing or the auctions? Are there resources that can be invested and/or accredited to our accounts?

>>Randy Lyons: They stay in an account that's a noninterest-earning account. And similarly we don't pay interest on the borrowing. So...

>>James Douglas: At these rates --

>>Randy Lyon: It would be tempting to invest, I agree. No. It stays in the Treasury.

>>Tim Bryan: Any other questions for Randy. Okay Uzoma. Why don't you take a read please of the proposed resolution that we'll be recommending to the board for tomorrow, please.

>>Uzoma Onyeije: Now therefore be it resolved that the Finance Committee hereby recommends to the board the approval of management's fiscal year 2015 budget of \$120 million plus an additional amount to fund remaining fiscal year 2014 authorized obligations in substantially the form presented to the board and recommends that the board delegate to the Finance Committee oversight of specific budget expenditures within guidelines to be developed and approved by the Finance Committee.

>>Tim Bryan: Any comments or questions on that resolution? Sue moves approval? Ed seconds? Any further comments? All in favor of the resolution please say aye.

>>(Chorus of ayes.)

>>Tim Bryan: Opposed, nay. Abstentions? Okay. That resolution passes.

>> Tim Bryan: I'm looking at the clock. It's 5 after 7:00 and that would, I suspect, garner a motion to adjourn.

>> Ed Reynolds: Chairman I move we adjourn.

>> Tim Bryan: I was going to ask if there were any other comments but why don't we act on this motion first. Do we have a second?

>>Second.

>>Tim Bryan: We have a second. All in favor of adjourning say aye?

>> Chorus of ayes.

>>Tim Bryan: We are adjourned. Thank you very much, folks. Thank you.