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## Transcript

### **FirstNet Board of Directors Webcast, Salt Lake City, Utah, December 9-10, 2014** **Part 4 - Finance Committee**

TIM BRYAN: Okay, are we all set? All right, folks. Good afternoon. I'm always the last committee meeting of the day, as you know, so thank you for hanging in there with us during the whole day. We are starting a little bit early, so that's always good news.

Many, many thanks to the Salt Lake City Police Department for hosting us. Sue and I took a little tour during some off time. It's just a spectacular facility. It's really, really nice and we really enjoyed being and appreciate the 60 degree weather as well.

So, in any event, to get us going Uzoma is going to lead us in a little discussion or a little notification about potential conflicts, so Uzoma, if you'll do that and then we'll continue on with the business of the Finance Committee.

UZOMA ONYEIJE: In advance of FirstNet's December committee meetings, FirstNet's Office of Chief Counsel, in coordination with the Department's General Counsel, and specifically the Ethics, Law and Programs Division, provided each board member with a summary outlining each of the material agenda items that would be discussed and evaluated today, and has given each of the board members a reminder that they must be true to their obligations under the ethics laws. Providing this document in advance to the board members allows them to identify any potential conflicts of interest and/or seek advice of counsel regarding the identification of any potential conflicts of interest and recuse themselves from consideration of any relevant matters if required under the applicable laws. We note that each board member has been provided with the opportunity to review the agenda, and no board member, prior to this committee meeting, has indicated any recusals are necessary. At this time we would ask any board member that believes he or she should be recused from any matters planned to be addressed in the Finance Committee meeting to so note that for record right now.

Hearing no one indicate that, I think we are ready to proceed with the business of the day.

TIM BRYAN: Okay, Uzoma, thanks very much. We'll keep your microphone on. If you can call the role, we'll make sure we've got a quorum here.

UZOMA ONYEIJE: Tim Bryan?

TIM BRYAN: I am here.

UZOMA ONYEIJE: Brian Deese?

UZOMA ONYEIJE: James Douglas?

JAMES DOUGLAS: Here.

UZOMA ONYEIJE: Frank Plastina?

FRANK PLASTINA: Here.

UZOMA ONYEIJE: Ed Reynolds?

ED REYNOLDS: Here.

UZOMA ONYEIJE: Sue Swenson?

SUE SWENSON: Here.

UZOMA ONYEIJE: Mr. Chair, we have a quorum, and I'll remind you that every other Chair was able to get done faster than they were listed under.

TIM BRYAN: Very well, Uzoma. I have a brief opening statement that I'd like to make. Unbelievable. The kind of pressure that put us under.

Well, how about if we take care of a couple of administrative things, and then I do have a brief opening statement, but it's brief. Let's get some minutes approved. We have in front of us the minutes from the September board meeting. Finance Committee members, any comments? Has everybody seen the minutes? If not, I'd entertain a motion to approve them.

SUE SWENSON. So moved.

TIM BRYAN: Made by Sue.

FRANK PLASTINA: Second.

TIM BRYAN: Second by Frank. Any more discussion? Very well. All in favor of approving the September minutes please say aye.

ALL: Aye.

TIM BRYAN: Opposed? Abstentions? Minutes pass.

Separately distributed but not on the screen, but of course they will be made available to the public after and if we approve them, are the minutes from the November 17th special board meeting call that we had where we approved the Fiscal 2015 budget. You've got those minutes. Any questions on those minutes for the Finance Committee board members? Notice I'm saying board members and not directors. I've learned something from this morning.

Very well. I would entertain a motion to approve those minutes.

JAMES DOUGLAS: So moved.

TIM BRYAN: Moved.

FRANK PLASTINA: Second.

TIM BRYAN: Second. Competing seconds. All in favor say aye.

ALL: Aye.

TIM BRYAN: Opposed? Abstentions? Okay. Those meeting minutes are going to pass as well. In a minute we're going to take an update from Randy, who is going to give us an update on the budget 2014 results. I will make just a short opening comment on the Inspector General report. As you know it got released this morning. Our committee members for the most part have read and analyzed the report and its findings, not, obviously, completely in its entirety. As you know, this committee was set up late in 2013. That's well after the matters that were discussed in the IG report, but I think it's really worth talking about addressing some of the findings in the report and what we've been doing as a Finance Committee.

So our goals are really, if you think about it, threefold, and you've seen this play out in the public context. Number one. We've been working with a FirstNet management team on focusing capital on roadmap activities. Getting deliverables for expending that capital, all with the goal to get a network built and to use resources in the wisest way possible. You've seen that through the workings of the committee, and frankly we've spent a lot of time on analysis and review inside of FirstNet.

Our second goal, we work with the FirstNet management team on developing this RFP and this RFI for this public-private partnership to really ensure we have sustainability of FirstNet. You've heard me say that a thousand times. That's a critical goal of the Finance Committee.

And the third thing is to develop programs, practices, policies to ensure transparency and to ensure that we remain in compliance with federal guidelines. So we have a lot of – so our purview is fairly large at the Finance Committee. In the less than a year that we've been up and running, I think we've taken many, many, many steps along these lines. Let me just give you a couple of examples. Once again you've seen in our public meetings, but we spend a huge amount of time making sure that we spend money wisely. That we get the deliverables we want. That they advance the roadmap of FirstNet to get a network built. That's the only reason we're here, and so we're really focused on that. And we're very pleased with how we work with Randy and the whole team in being able to do that.

The second thing is we have expanded, with Stuart and Jason and others, some internal programs at FirstNet that really go to supplement the programs that already exist around compliance with federal guidelines and insuring transparency and openness. And, of course, I think we've worked with TJ, I think you would say, and the procurement team about how to structure this RFI and hopefully eventually the RFP to gain these partners. The bottom line is this, folks, for the Finance Committee, and I know I speak for the whole board, we're supposed to get this network built for public safety and we're supposed to do it right. And in this committee, we're going to do it in accordance with the very best models of corporate and federal governance. Period. End of story.

That's my opening statement, and with that, Randy, I'll turn it over to you and you get to discuss some of the numbers from '14, '15 and perhaps even '16.

RANDY LYON: Thank you very much, Tim.

This is an interesting time to be here, and I'm very glad to be here because we actually get to talk about three different years' budgets all in one presentation. So we are just finishing up our FY14 closeout process. The fiscal year ended September 30th, so we're going to talk a little bit about that. Then I'm going to update people on where we stand on 2015 budget execution. And then finally explain where we're going in terms of FY16 formulation.

As Tim said, we are overwhelmingly focused on our two top priorities, which is comprehensive RFP, finishing that up and getting it out and getting it working, and also consultation, which feeds directly into the RFP process. When we look at what we did in FY14, nearly two-thirds of our spending was directly tied to those activities. About 44 percent was tied to the RFP and 18 percent was tied to consultation. And the remainder was foundational activities, and those were indirectly supporting those same two top priorities with HR activities, contracting, legal activities in support of those two main thrusts.

The key message on 2014 is both our obligations which actually gate our spending from a federal perspective. We're under our budget. And in turn expenses were. And the reason for that was both our hiring and our contracting took longer than we expected. As, again, consistent with what Tim has articulated, this reflects our high standards in both. We did not rush to hire people, and had been looking, for example, for direct hiring authority so we get the right people in place in some of our key positions which are somewhat atypical for federal activities. And same with contracting, that we're going about that very systematically and that takes a long time to do, to do those evaluations and to get those procurements out.

So in terms of the shortfall in spending, more than half of it was in the RFP area, and that reflects the challenges of bringing particularly technical contractors on board and some of those activities, and about a quarter of it was in the consultation area.

In terms of our balance sheet, we have approximately \$12 million of assets, and those are mostly accounted for by capital receivables which will cover our liabilities. So FirstNet doesn't keep a cash balance. We have \$7.6 million of mostly accounts payables, about \$6.6 million of accounts payable, and so we expect to get capital from the Public Safety Trust Fund to cover those. And those are our primary assets.

We have some smaller tangible assets. We have software, some PCs, geodata, and then we received a donation from the city of Charlotte for some BTOP equipment.

In terms of our Statement of Operations, again, the 26-and-a-half million of expenses, that's the \$27 million that was on the earlier slide. We have a tiny amount of revenues. That's because we had an employee, a FirstNet employee, who was on detail to another department and that was actually a transitional thing, so they were compensating FirstNet for her time. So that was the only nominal inflow of revenue that we had.

And in terms of our Statement of Cash Flows, the key message here is we have a zero cash balance because we don't keep cash.

Now getting into some larger-dollar items, we can talk about the borrowing, and there was some significant activity here since the June meeting. In June 2014, with the great help of Larry and Steve Fletcher and their team at NTIA, FirstNet completed the remainder of the borrowing to bring us up to the \$2 billion authorized in our statute. And shortly after that, the FCC transferred funds that were available from the H Block Spectrum auction. They transferred \$1.22 billion to us, which then NTIA used to repay – those immediately went to Treasury to repay for at least a portion of the \$2 billion of borrowing.

We have other good news that – now we're kind of transitioning into FY15, and there's other good news that's happening right now. The AWS-3 auction, which is one of the major auctions that's in the statute is intended to help fund FirstNet. The current bidding in that auction is over \$42 billion. And once the FCC takes care of putting funds in for federal relocation, which is a little over \$5 billion, then the remainder of those funds get distributed to other uses. And so a portion will reimburse Treasury for the outstanding borrowing that's still there on the \$2 billion, which is about \$780 million. Then there's going to be funds that are going to be used by the State and Local Implementation Grant Program, so there'll be a deposit there of \$135 million. And then \$5 billion will come to the Public Safety Trust Fund which will then be available for FirstNet and some of the allied NTIA activities.

So that's very good news, and with just the two auctions, FirstNet is now going to be fully funded. A recap from what we discussed with the committee in the public telephone call in November. The committee approved obligations of \$86.2 million and about three-quarters of that is directly tied to our two top priorities, which are the comprehensive RFP and consultation, and the remaining quarter is for this organizational infrastructure, which, again, is indirectly overwhelmingly supporting those same activities.

And expenses are expected to be roughly the same as obligations. They may be a little bit higher because we had certain contracts that were obligated in FY14 and those will expense out during the course of FY15.

And similarly we see the same pattern. This is now actual data coming in for October. Obligations a little bit under \$5 million and expenses roughly comparable to that. And again, overwhelmingly we're spending on comprehensive RFP and consultation and supporting activities.

In terms of the 2016 process, the President's budget is released in February, and one of our requirements is to put an estimate in for the President's budget. We've briefed the committee on what our thinking is in this area, and management proposes to work some more on that proposal and to brief the committee further and then to submit a recommendation for the President's budget. And the board would then not be bound by that and in fact we will be engaging with the board on a much more detailed FY16 process in the March timeframe so to have an approved budget by the June meeting. We're gearing up for that process right now, conducting careful resource loading for what we're going to be doing in FY16, and again, very tied to progress on the RFP and the pace that we can move there. So that actually concludes what I planned to talk about today, and I'm happy to take any questions.

TIM BRYAN: Just – you might want to remind the public – we separately audit FirstNet, and when do you expect to get the audit underway for Fiscal Year '14?

RANDY LYON: Sure. That's an excellent question. So the audit is actually – by statute – is actually the responsibility of the Secretary. It's not literally the responsibility of FirstNet to procure its own auditor. And the Secretary has delegated that responsibility to NTIA, and in turn NTIA works with NIST, which does contracting for NTIA. So the request to line up the auditors was just released by NIST on Monday, and so they are seeking a response to their request for proposals for auditing firms. Those are going to be due in about three weeks from Monday, then there will be an evaluation period, so the audit itself will start in the January timeframe. So the Commerce budget system is just closing up now, so we're just polishing our figures. We have a trial balance. So we'll be ready to hit the ground running once the auditor is brought on board.

TIM BRYAN: Committee members, any other questions for Randy about the brief review of '14 and '15?

SUE SWENSON: Just a clarification. On the '16 process, the budget release is February and then the detailed budget resolution – is that relative to the '16 budget, is that what you're referencing?

RANDY LYON: So –

SUE SWENSON: Versus our budget for – our operating budget?

RANDY LYON: So our budget for '16 feeds into the Treasury's cash management planning and kind of the overall – you know, OMB wants to have a general sense of what's likely to happen government wide, and so they want to collect from all the various departments what is – we're a little bit unusual because we don't go through the appropriations process. Mostly this is a transmission to Congress for appropriations. But even for programs that don't require Congressional action, they still want to know what those programs plan to do. So this is for planning purposes. However, what really binds FirstNet is what the board approves. And so we will have a detailed proposal for the committee and the board to approve certainly by the June timeframe, and that would then be what FirstNet operates on in FY16. And so the submission for the President's budget is more of a placeholder so that budgeteers have a general sense of what's coming down the pike.

SUE SWENSON: So from a timing perspective, the Finance Committee would start seeing plans for next year's budget in the summer –

RANDY LYON: Yes.

SUE SWENSON: And to be then completed before the fiscal year begins –

RANDY LYON: Typically agencies right now are starting to think about 2017.

SUE SWENSON: Okay.

RANDY LYON: So they submit their budgets to OMB just after Labor Day.

SUE SWENSON: Um hmm.

RANDY LYON: For 2017. So ideally we'll be more on that type of timeframe. Of course we have very big moving pieces with the RFP –

SUE SWENSON: Sure.

RANDY LYON: And so on. So that's one reason that the longer we have to really put the clay in the kiln, the better off we are. And of course the board can always change it even as the year goes on.

SUE SWENSON: But the Finance Committee will start to see information from management probably in the summer –

RANDY LYON: Yes. I think that would be very good to do. I think we want to –

TJ KENNEDY: I think our current plan –

RANDY LYON: To be gradually accelerating what we're doing as we –

SUE SWENSON: Okay.

RANDY LYON: As we enter a more normal cadence.

SUE SWENSON: Okay.

TJ KENNEDY: Yeah. Bring it to the June board meeting, talk through it through the summer, and try to close it out by the September board meeting. And the more we can get ahead of that the better.

SUE SWENSON: Right.

TJ KENNEDY: But to Randy's point, with so many big moving parts, sometimes time is your friend to make sure that we're more accurate.

SUE SWENSON: Okay. Great.

TIM BRYAN: Any other questions for Randy? Okay. Well, thank you, Randy. Thank you very much. Appreciate it. Eli Veenendaal is going to give us a little bit of a Finance Committee centric view on the notice and comment, and so Eli, good thing I lived in the Netherlands, I didn't botch up your last name too badly, and look forward to your presentation.

ELI VEENENDAAL: Thank you, Mr. Chairman, and I wouldn't have faulted you if you had. It's a very common thing.

So the topics that we're going to discuss today, as the Chairman pointed out, are focused on issues that are really key to the Finance Committee. And I think one of the first of these is there is a requirement in the Act that FirstNet issue RFPs in an open, transparent and competitive manner. Now the Act didn't actually lay out the requirements or the procedures for us to issue the RFPs. And conversely it didn't exempt us from the Federal Acquisition Regulations, commonly known as the FAR. I'll just give you some background. The FAR is the acquisition procedure that's typically used by federal agencies when they're procuring any kind of supply with the use of appropriated funds.

So with that in mind, we were looking at how to balance and meet this requirement. And thus we concluded in the notice that, and assuming the application of the FAR to FirstNet, complying with the

procedures in the FAR would also meet our open, transparent and competitive requirements in the Act. So, as you see, overwhelmingly the comments agreed with that, and I think it's interesting to point out, though, there was one comment that disagreed stating that FirstNet is not subject to the FAR and that we should look for a different requirement.

Another issue that's very important that we talk about throughout the notice is fees. And in the notice we identify three different types of fees that FirstNet may assess. A network user fee. A lease fee related to network capacity. And the network equipment and infrastructure fee. So one of the questions we asked is whether we could assess these fees either individually or cumulatively. And again the overwhelming response was yes, you can do it either individually or cumulatively, and let me give you an example. So, for instance, we could have someone who is a network user, and thus we could assess them a network user fee. And that person may still also qualify and be able to enter into a covered leasing agreement with FirstNet. They could also be assessed a fee for, under the lease fees related to network capacity. Or, conversely, if they needed to have access to existing infrastructure that FirstNet had, they could be assessed a fee under that. So the comments agreed that whether we looked at and assessed the fee individually or cumulatively, that we could do that.

So the next few slides talk specifically about the lease fees related to network capacity, specifically in the context of covered leasing agreements. These are important to FirstNet for a few reasons, but one of the key ones is that it helps set the parameters of how we can leverage the excess network capacity to provide flexibility for us to be able to generate revenues and ensure sustainability of the network. So in the provision that describes what a covered leasing agreement is, which is defined as a public-private partnership to construct, operate and manage the network, it doesn't define whether under a covered leasing agreement a partner would have to construct all or part, right. It doesn't say whether you're all in or all out or whether they could do at least one of these actions and still enter into a leasing agreement.

In addition it didn't identify – excuse me. So based on that fact we concluded that no partner would be required to enter into a covered leasing agreement and construct or manage or operate the entire network, either from a coverage perspective or within a specific geography. So let me give an example. We could have one partner that we entered into an agreement with to construct in the states of California, Oregon and Washington, and then have another partner, conversely, that we entered into within Texas, Oklahoma and Colorado, as an example. And commenters unanimously agreed with that as well, that we should have that flexibility.

Along these same lines and under this same rubric of covered leasing agreement, we asked whether there could be – whether it could have overlapping partners within a specific geography. So to provide another example of how that would work, we proposed it would be feasible to have a partner in Akron, Ohio, for instance, and having them building, constructing and operating the network in a portion of that while simultaneously having FirstNet or another network partner building, constructing in conjunction with that same build within Akron. So even with that same geography you could have multiple covered leasing agreement partners. Again, responses overwhelmingly agreed to that conclusion.

The final topic that I'll discuss is we asked the question of whether, under a covered leasing agreement, the Act was actually silent on whether we could allocate all or only part of Band 14 as part of this agreement in the sense of the excess capacity that might be available. And based on the lack of language in the Act, we concluded that we could do that. And again you'll see that the responders

agreed with this generally, although there were some concerns with the definition of the term “all” and how that would affect priority and preemption and the things of that nature. But I think, based on discussions we’ve had earlier today, and pointing out that traditional public safety and those public safety entities that would be on the network are a priority, that they would have that priority regardless and that that shouldn’t be an issue overall, that this would be excess capacity and not in any way affect their usage or coverage.

So with that I’ll open it up to any questions.

TIM BRYAN: Committee, any questions on this update on the public notice and comment? And I think in general I was generally pleased with the number of commenters, both – frankly, I don’t want to look too far ahead – but both on this and the RFP. I think that the more good, conscientious comments we get, the better we’re going to be able to create this public-private partnership model that’s so important to FirstNet. And so I was very pleased with the number of responses we got, particularly given the amount of time.

STUART KUPINSKY: I’ll just point out that these pie charts that we’ve included throughout the day were an approximation, a rough stab at trying to basketize the responses. Obviously the responses to our benefit and to public safety’s benefit were quite nuanced. In many cases we made some arbitrary decisions about whether to throw them in the agree, disagree, neutral baskets, and as we talked about earlier, it’s not a numbers game. Even where we got overwhelming support in certain interpretations, we took to heart minority views in each instance such as APCO’s views on public safety entity definition. You know, they gave us food for thought and we’re digesting it.

TJ KENNEDY: Okay. Just a related note on that, Tim, to your point. I think it’s really important. I believe the public notice process and the RFI process, which we’re going to talk about in a minute, both have added a lot of value, I think not just to transparency but also to input. And what’s great is we got input from such a cross section of responders, both states, local entities, associations and industry. And I think that’s what’s been somewhat unique and I think very positive is you’ve got a great cross section of responses. And having really read through the details myself and been briefed by the team as we’ve kind of taken a cross section look at both public notice and the RFI responses, I think that FirstNet’s in a much better position as we move forward and we’ll continue to be able to build this into our final RFP. And it’s really been a very fruitful process, I think, for the team.

TIM BRYAN: Yeah. I would agree based on what I’ve read.

TIM BRYAN: Okay. Well, thank you for that, Eli. Michael Landry is going to do similar bidding for us, but this time on the comprehensive solution RFI. So, Michael, this is the third time you’ve talked about this, but now focused on the Finance Committee. So thanks for joining us.

MICHAEL LANDRY: Thank you, Mr. Chairman. Exactly. A little bit different flavor. This one the responses to the RFI that were directed at the SOO objectives and also the questions we laid out in the RFI.

Okay. So we had a little bit of discussion about this slide during the last committee meeting. In a nutshell it is a – industry understands, recognizes that changes to user adoption affects cost and what’s available for sustainment. Again there’s no prioritization from the responders, you know, pricing, features or coverage. But it is recognized that there is somewhat of a balancing act that has to happen

here in order to ensure that we have a sustainable network at the end of the day. Plus drive user adoption. Plus keep costs reasonable so that first responders can afford the system. Again there was quite a bit of conversation over the last committee meeting. Do you have anything to add?

TJ KENNEDY: No, I think the thing that's most important here is these were comments that were received. It's not necessarily that they were referring to a certain price point that we put forward. And what we've heard from this is that we just need to look at both sides of the equation. Obviously we need to keep costs low for public safety for adoption. And at the same point we have some very critical components that are a higher grade of service when it comes to, say, hardening, or to priority and preemption. And so I think what we saw out there is you heard kind of both camps just weighing in with the things that were most important to them and that it's a complex balancing act that the FirstNet team needs to take.

TIM BRYAN: I mean it certainly – certainly you see here and in comments that, you know, public safety is going to be a very shrewd and hard-nosed consumer of these kinds of services. So really we have to compete, first and foremost, with a better product, better price, better coverage, those sorts of things. I think we've gotten that impression in a lot of different ways, but certainly through this as well.

TJ KENNEDY: And I think what's really important about this is this is a requirement to discuss through consultation and through a state plan, and so this is not a one-and-done kind of conversation. The data that we're trying to get in is trying to help us do a better job with consultation and to make sure that we build that into the RFP and we build that into a state plan. So as Rich and Amanda and Dave and the team are out doing consultations, this is an important factor that comes up often, and will really come out of the RFP process. But we want to make sure we're getting inputs every step of the way.

FRANK PLASTINA: Yeah, just a comment on the point about the sustainability of FirstNet. That's really driven by margins and cash flow and not necessarily prices. It's an important distinction because as you discuss the offering with a particular customer, you can point out the costs incurred to actually make that happen, so focusing on margins and the cash flow that FirstNet generates is much better than low prices. Low prices has a connotation of very consumer-oriented, you know, this is what I pay for this service versus that service, and that's not the business you're in.

TJ KENNEDY: Agreed.

SUE SWENSON: No, and just to reinforce what we discussed in the Outreach is the sustainability is not just driven by fees. It's driven a lot by the partnership. So I think that's just important to reiterate that that's where the sustainability issue really gets reflected. And that's why this RFP process is so important.

TIM BRYAN: Yeah.

SUE SWENSON: I know I'm repeating what you would normally say, but I thought I would do it for a change instead of you.

TIM BRYAN: Okay, so I'm not going to repeat it again. I almost did, but I caught myself – I turned my mic.

ED REYNOLDS: It seems to me that this is an area we probably need to do a little deeper dive into. If you take a very high-level question and say are you willing to pay more for – and before you get the rest of the sentence out the answer is no. And I think, you know, maybe we need to explore this a bit more, communicate a bit more in the outreach side as to what – premium services, yeah, if you said we're going to pay more for premium service, I would probably say no even though you said premium services because I'm thinking premium services is some Cadillac thing I don't need. But if what you're talking about in premium services is something that is more reliable than the commercial product that you depend on today from one of the carriers that you subscribe to, if it is more guaranteed access to bandwidth when you need it than you can depend on today, then to me that's – I wouldn't call that premium service. I would say that's genuine value added that's valuable to public safety users. I think. Maybe I'm wrong. But I just think that this is an area that we need to do some more digging and some more communicating of exactly what we're talking about here because it just, you know, my gut feeling is that there is probably some premium that would be worthwhile for public safety to pay, small, but some premium, certainly not a discount to the commercial rates that they have today, if they're going to have a network that is absolutely guaranteed for reliability and access to capacity whenever they need it.

TJ KENNEDY: I think all three of you have hit on key elements to it, and I think you're right on, Ed. I think to Frank's point we have to break even, obviously, in what we're doing. We have to provide the key services like hardening and others. And then lastly it comes down to also leveraging the excess capacity, to Sue's point. And our discussions were very similar on the management team and staff as we looked at this as you're having right now because it was just one question, and you kind of got just the reaction to that one question. And I think we'll continue to push this as we build into a draft RFP and an RFP. There's a lot of different pieces of this that are going to drive the actual output of that proposal. And I think that's why it is so critical. And it's a complex problem.

TIM BRYAN: Thank you. All right, Michael.

MICHAEL LANDRY: Program and business management. This was – we only had 12 responses on this one question. I think what's interesting here is the – you know, we asked the question about managing the program. And at the end of the day, you know, 12 responses. Limited data that came back. The biggest response was set up a PEO, Program Executive Office. Again, not a lot of response on this one.

TIM BRYAN: Yeah.

MICHAEL LANDRY: And the last slide we have that's relative to the Finance Committee is they received a good many responses, 39 out of 122, regarding consistency with the Act. No real consensus, but two general themes came from the responses. FirstNet, we need to be specific about our legal requirements so that responders to the RFP understand their obligations. And the second point being we need to be specific about the legal requirements to the new RFP, so that responders to the RFP, so that they know how to respond. But I think to summarize throughout the rest of the day, we went through this effort to release the RFI, the draft statement of objectives, the questions, and the overall sense that we got back from the responder community, you know, states, industry, trade associations, even a county here and there, were on the right track. They validated what we're saying we're going to be looking for. So, again, it recognized that a lot of time and effort went into preparing these responses, and I want to say that we really appreciate the response of the public to this effort.

TIM BRYAN: You know, Michael, on the first bullet point, that's going to be the hardest thing about the program, is that we're not buying a widget which can be defined in shape and mass and size and quantity, but rather we're wanting to enter into a partnership. And everyone may have a slightly different view of what that means and how that can be carried out, and what kind of things they can bring to a partnership, what kind of things we bring to the partnership. So it will be a work of art as well as procurement magic to be able to be entirely specific about our requirements other than we know what our goal is, which is to have a public-private partnership that makes sure that we have a long-term sustainable operation at FirstNet. So we can say that for sure. But then the granularity with it, I think, will prove to be a good challenge for the procurement team as we go through this process.

STUART KUPINSKY: With respect to this topic in particular, we asked, because it's a very challenging concept, unlike a typical federal procurement where we're just seeking widgets, and the widgets are delivered, and there are federal laws that apply to delivering those widgets to the federal government, this small "p" partnership that we're talking about, in addition to the objective-based strategy that we're following in the RFP so far, in terms of complying with both the Act and applicable federal law, this partner or partners will be acting, to some extent, on our behalf in the marketplace in certain respects. And so I think what we found in some of the comments was the difficulty in understanding the dividing lines in between our responsibilities and the respondents' responsibilities, and their plea to be as specific as possible so that they can obviously quantify the costs of doing so and the operational behaviors that they're going to have to build into their responses.

SUSAN SWENSON: You know, Tim, this issue of NEPA, I think, you know, while it seems pretty evident on its face – I think we were talking about this today, you know, really understanding the requirements of running this network vis-à-vis something that people may have done before, and understanding those specific requirements is going to be really important so people don't get surprised. Because that was a surprise, I think, to us that it was required for existing infrastructure. So I think that's an example of something that people really need to be clear about. And so what are the other things that I may not take for granted or based on my experience assume, and so I think that probably is why people are looking for that kind of guidance. I know I would.

UZOMA ONYEIJE: If I could just add something on that, Sue. In looking at the responses, NEPA and NHPA, which are both legal requirements that are relevant here, were the two specific laws that we called out when we sent out the RFI. And those were the two that got specific comments back, so the legal team understands that this is a challenge for folks who are responding, and we're going to be really thinking hard about how we help in this regard.

TJ KENNEDY: And I think also to Tim's point. It's a balancing act. We want to be specific if we know one of us or another owns a particular requirement so that people bid it correctly and we can compare apples to apples. I think on the flip side of that we also want to do it in the most efficient manner, and this is why we've driven down a performance-based objective-driven RFP to date. And we want to make sure that we don't constrain it so much that it costs more. And so the goal there, too, is how to make sure that we're doing it in the most cost-efficient manner when it comes to how to respond to and address these.

SUSAN SWENSON: You know, you made me think about as we think about this RFP, and we think about what we're trying to deliver to the states and a state plan, it's going to be a little bit challenging for us. We're going to have to really think through how specific we are versus how not specific we are to make

sure that we don't exclude an option. I don't know if I'm saying it right, but I – it's going to be, I think, very, very difficult so we don't predetermine an outcome that could be better.

TJ KENNEDY: Correct.

SUSAN SWENSON: And we don't assume something. It's kind of – we're having to leave it more open – I don't know, I mean, it's a difficult one.

TJ KENNEDY: It is. I mean, and when we looked at the objectives, as a good example, I mean, we put these objectives out to the marketplace, and they're very large, very broad in a number of senses. And we did that to not preclude innovative solutions. And as we moved to draft RFP, our goal was to keep them as broad as we can while at the same point being specific where we have to be but not specific where we don't so that people can respond back to that. And I think the goal is to make sure that we're leaving the options on the table that can be most cost effective for the best solution for public safety and individually for states and state plans as well. And it's hard. It's actually sometimes easier to define ABCDE than it is to keep it to where you can get multiple responses to solve the problem.

SUSAN SWENSON: Hmm. More work to be done.

TIM BRYAN: Yeah.

TIM BYRAN: Anything else, Michael?

MICHAEL LANDRY: No sir, that's all.

TIM BRYAN: Any other questions for Michael on the RFI – on the comprehensive solution RFI? I think I saw what a tremendous amount of work went into producing both of those documents, getting it out, getting the comments in, processing them. My hat's off to you, you know, during a period of time where you didn't have probably as much staff or as many helpers as you thought you'd have. I think, at least what I've heard sort of anecdotally, was that this was really appreciated by the community of responders who responded to both of these. That they appreciated the openness, they appreciated the fact that we were soliciting this kind of information before we set off on a path, so gentlemen, thank you very much.

MICHAEL LANDRY: Thanks.

TIM BRYAN: Should I keep going or do you want to wrap this up because I can go for another half hour if you want.

UZOMA ONYEIJE: I think we're ready to end.

TIM BRYAN: All right. He's looking at me. All right. Well then I think we're probably prepared to adjourn, and if someone will make a motion, Uzoma, we can keep this thing moving forward.

TIM BRYAN: Frank's willing to move it.

ED REYNOLDS: Second.

TIM BRYAN: Ed's willing to second it. All in favor say aye.

ALL: Aye.

TIM BRYAN: Any opposed? We are adjourned. Thanks very much everybody. Appreciate your time.