



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
ACQUISITION AND GRANTS OFFICE

April 28, 2014

Ms. Susy Orrelana-Curtiss
Los Angeles Regional Interoperable Communications Systems Authority
2525 Corporate Place, Suite 200
Monterey Park, CA 91754-7672

RE: BTOP Grand Award No. NT10BIX5570158

Dear Ms. Orrelana-Curtiss:

The purpose of this letter is to formally notify the Los Angeles Regional Interoperable Communications Systems Authority (LA-RICS) that the National Oceanic and Atmospheric Administration (NOAA) and the National Telecommunications and Information Administration (NTIA) require you to respond to this Corrective Action Plan (CAP).

During the site visit held between April 1 and April 3, 2014, NTIA identified several issues that raised significant concerns. Matters relating to program management, compliance with environmental regulations, and financial management have raised questions about the ability of LA-RICS to complete the project by the September 30, 2015 end date. Resolving the issues identified below is essential to ensuring the project will be able to deliver on all of the benefits as described in the award agreement, while complying with the grant terms and conditions.

To comply with this CAP, please provide a comprehensive and timely response to NTIA regarding the following topics:

1. Program Management

Since the partial suspension prohibiting activities on Long Term Evolution (LTE) deployment was lifted on August 9, 2013, extensive project delays have raised concerns about LA-RICS's ability to complete the full scope of its project by September 30, 2015. With 231 LTE towers scheduled to be built under the grant, further delays will significantly compromise the ability of LA-RICS and its contractors to complete the installation of the planned towers within the project's period of performance. As a result, NTIA requires that LA-RICS provide a deployment schedule showing how it will complete the project by the end of September 2015.

To satisfy this CAP action item, LA-RICS must develop and provide a credible and detailed Project Implementation Plan that shows how it will group, segment and sequence the deployment of all 231 sites. The implementation plan should be comprehensive and as detailed as possible. Please provide this information to NTIA no later than May 9, 2014.

2. Environmental Assessment

During the April 2014 site visit, it was revealed that the Environmental Assessment submitted to NTIA did not contain the most up to date documents and exhibits, forcing LA-RICS to withdraw the EA and revise the assessment for submission at a later date. This withdrawal comes after a series of delays in submitting the Biological Assessment which was itself withdrawn after LA-RICS discovered out-of-date and conflicting information. The lack of quality and version control on these critical documents has stalled the required review process and has delayed the construction start date for the project.

To satisfy this CAP action item, LA-RICS must submit its Biological Assessment to the United States Fish and Wildlife Service no later than May 9, 2014, and its final Environmental Assessment to NTIA no later than May 16, 2014. Please confirm with NTIA once the documents have been submitted to the appropriate agencies.

3. Financial Management

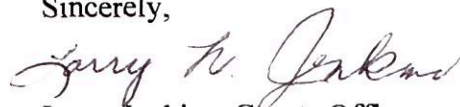
During its March 6, 2014 meeting, LA-RICS Board of Directors approved funding for only the network planning phase of the vendor agreement. In order to move beyond network planning and into equipment procurement and construction, LA-RICS's full funding plan for the LTE project must be approved.

To satisfy this action item, LA-RICS must confirm that the funding plan for the LTE system has been fully approved by the Board of Directors on or before the June 5, 2014 Board of Directors meeting.

Failure to provide a sufficient and adequate response to this CAP may result in additional enforcement action, including suspension and eventual termination of the award. If you have any questions, please contact your Federal Program Officer Max Fainberg at (202) 482-0021 or your Grants Management Specialist Andrea Mack at 301-628-1312.

Thank you for your cooperation and assistance.

Sincerely,



Larry Jenkins, Grants Officer
NOAA Grants Management Division

cc: Arlene Simpson Porter, NOAA
Douglas Kinkoph, NTIA
Alan Conway, NOAA
Andrea Mack, NOAA
Laura Spining, NTIA
Max Fainberg, NTIA
Aimee Meacham, NTIA
Andrew Spurgeon, NTIA