



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic And Atmospheric Administration
Office of Acquisition and Grants

October 19, 2011

Chairman Stephen Fulford
North Florida Broadband Authority, NFBA
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308-5177

Re: Broadband Technology Opportunities Program (BTOP) NFBA Comprehensive
Community Infrastructure (CCI) Program, Grant Award # NT10BIX5570023

Dear Chairman Fulford:

Thank you for your October 10, 2011 response to the September 21, 2011 corrective action plan (CAP) suspension letter. I am writing to inform you that we are in receipt of your submission and it is currently under review. Based on our initial review of the contents of your response, we have confirmed that you have met the requirements of the CAP response submission by providing a response to all points of inquiry. Therefore, NTIA has recommended that the National Oceanic and Atmospheric Administration Grants Office (NOAA) to lift the suspension of your award, which means that NFBA may resume work on its award effective immediately.

In addition, NTIA has recommended that NOAA lift the Automatic System for Payment (ASAP) suspension; however, NFBA's ASAP account will remain under agency review. As an initial matter, NTIA has recommended that NOAA approve a partial draw down of your initial request of \$7,682,813.22 (NFBA's draw request 28) in the amount of \$1,659,683.83 in order to immediately satisfy the credit demands of certain small vendors. The attached spreadsheet indicates that approved payments. The remaining payments are under review. Prior to considering any further request for funds as set forth in NFBA's draw request 28, NFBA must satisfactorily address the following questions and/or concerns:

1. Provide a written transition plan (outlining the hiring of key employees and change in key vendors) setting forth the steps that will be take beginning on October 19, 2011 and extending over the next 30 days (transition period) to transition from the current organization structure to the one set forth in your October 10, 2011, CAP response.
2. Provide a detailed list of which vendors, in addition to the vendors noted in your October 10, 2011 CAP response (e.g., Capital Solutions and Government Services Group (GSG)), that will no longer be associated with the project at the conclusion of the transition period.

3. Please clarify as to whom the Project Manager will report; NTIA anticipates that this position will report directly to the Executive Director.
4. Clarify whether any contractors leaving as a result of the transition (*e.g.*, GSG and Capital Solutions) will be paid any form of termination fee. If a termination fee is to be paid, does NFBA anticipate requesting BTOP funds to pay such fees? If so, provide *an* explanation about how NFBA believes such costs would be allowable.
5. Provide a project plan setting forth the steps NFBA will set forth to ensure the project is two-thirds complete by the end of two years and full complete by the end of the award period.
6. Please calculate the amount of profit paid to GSG since the date of the award. In the event that an OIG audit concludes that GSG acted as a sub-recipient on the award, please provide a plan for recovering potentially disallowed costs associated with such a finding.

We require a response to the above questions and/or concerns no later than October 31, 2011. As noted above, costs incurred for work conducted under NFBA's grant award will remain under agency review. This means that all payments under this award must be submitted to NTIA for agency review and approval before funds will be released to ASAP. *See* 15 CFR § 24.12(b). Additional draw down requests beyond that set forth in NFBA's draw request 28, will be considered only after NTIA conducts a site visit at the end of the transition period.

Please note that your response will remain under review during the transition period, and NTIA and NOAA may submit follow-up questions to you to clarify several of your CAP responses over the next 30 days.

Your Federal Program Office Chris Holt will be contacting you to schedule a site visit that will correspond with the conclusion of the 30-day transition period. Please do not hesitate to contact Chris Holt if you have any questions or require any additional information

Sincerely,



Arlene Simpson Porter, Director
NOAA Grants Management Division

cc: Anthony Wilhelm, NTIA
Doug Kinkoph, NTIA
Chris Holt, NTIA

Aimee Meacham, NTIA
Larry Jenkins, NOAA