



Report in Brief

November 28, 2022

Background

The Middle Class Tax Relief and Job Creation Act of 2012 (the Act) established the First Responder Network Authority (FirstNet Authority) as an independent authority within the National Telecommunications and Information Administration (NTIA) to ensure the building, deployment, and operation of the Nationwide Public Safety Broadband Network (NPSBN) dedicated to first responders. On March 28, 2017, FirstNet Authority entered into a 25-year contract with AT&T for the construction and operation of the NPSBN. FirstNet Authority's arrangement with AT&T involves (a) the initial obligation of up to \$6.5 billion in funds to AT&T to deploy, construct, and operate the NPSBN; (b) AT&T's use of dedicated broadband spectrum; and (c) annual payments from AT&T to FirstNet Authority over the life of the contract for use of the dedicated spectrum. Per the Act, FirstNet Authority must reinvest a portion of the annual payments into the network to construct, maintain, operate, and improve the NPSBN.

In June 2020, the FirstNet Authority Board approved its first two reinvestment opportunities. They include expanded deployable capabilities and services and an initial investment in Phase I of the 5G technology upgrade to the NPSBN core. We audited FirstNet Authority's reinvestment process due to its importance to the nation's first responders and the substantial dollars to be reinvested over the next several years.

Why We Did This Review

Our audit objective was to determine whether FirstNet Authority's process for reinvesting fee payments is effective and consistent with established practices, procedures, and regulations.

FIRST RESPONDER NETWORK AUTHORITY

FirstNet Authority Could Not Demonstrate Investment Decisions Were the Best Use of Reinvestment Funds or Maximized the Benefits to Public Safety

OIG-23-005-A

WHAT WE FOUND

We found that FirstNet Authority has not established a sound process for selecting reinvestment opportunities. FirstNet Authority could not demonstrate that these investment opportunities were the most appropriate or efficient use of resources for (1) reducing performance gaps of the network and (2) meeting first responders' priorities of evolving operational needs. Specifically, we found the following:

- I. FirstNet Authority did not conduct a needs analysis.
- II. FirstNet Authority did not conduct an analysis of alternatives or sufficiently justify the need in the business case analysis.
- III. FirstNet Authority relied on information from AT&T that appeared to influence the process of identifying and selecting reinvestment opportunities.

WHAT WE RECOMMEND

We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator, in conjunction with the Senior Procurement Executive and Director of Acquisition Management, do the following:

- I. Sufficiently define roles and responsibilities of NTIA and the Office of Acquisition Management regarding specific control activities to provide effective monitoring and oversight of the investment process to mitigate deficiencies identified within this report.

We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator do the following:

2. Establish oversight procedures to ensure FirstNet Authority (a) follows established U.S. Department of Commerce and FirstNet Authority policies and procedures and (b) maintains an appropriate arms-length relationship with contractors.
3. Require FirstNet Authority to develop and implement updated reinvestment policies and procedures prior to awarding and executing future network reinvestment task orders.

We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator direct FirstNet Authority's Chief Executive Officer to do the following:

4. Develop, implement, and execute sufficient policies and procedures to identify, select, manage, and oversee the selection of the investment opportunities to address performance gaps of the network and stakeholder needs so that the \$296,299,098 in potential monetary benefits can be used more efficiently.
5. Conduct formal needs analysis to help guide current and future reinvestment task orders and update FirstNet Authority's analysis periodically.
6. Conduct an analysis of alternatives, once a capability gap is identified, and determine possible solutions for achieving the required capability.
7. Develop an engagement methodology to appropriately gather and document public safety and Public Safety Advisory Committee needs.
8. Ensure that all policies are approved at the appropriate level and that documentation used in decision-making includes authoritative signatures and dates.
9. Ensure all reinvestment opportunity decisions made by the Senior Management Council are documented.