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Combined Committee and Board Meeting

August 13, 2018

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Finance Committee Update

Kim Farington | Chief Financial Officer

Fiscal Year 2018 Highlights to Date

- All 56 states and territories accepted **State Plans**
  - Enhances integration across the network
  - Sustainability payments to FirstNet; $5.5 billion in payments to AT&T for network deployment
- **Nationwide advocacy/outreach** with public safety and the FirstNet Public Safety Advisory Committee (PSAC)
- Launched **dedicated core**
  - Dedicated public safety network and Security Operations Center in place
- **Cleared all audits** and Inspector General (IG) reports
  - Fifth consecutive clean financial audit, annual legislative reports, three IG audits
- **Continued financial stewardship**, meeting financial requirements while running under budget
- Evolved organization to **oversight and partnership**

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FY 2019 Executive Summary

- FY 2019 Operational budget request is $81 million on an obligations basis
- FY 2019 Reserve Allocation request is $81 million
- FY 2019 Reinvestment in Network Enhancements for public safety request is $78 million on an obligations basis, plus any additional budgetary sources derived in FY2019
- FY 2019 Budget Priorities
  - Oversight of Nationwide Public Safety Network buildout
  - Introduction of Independent Validation and Verification of public safety network coverage
  - Continued resources necessary to achieve FY 2019 goals, meet FirstNet mission

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FY 2019 CEO Priorities

NETWORK

Continued oversight of build, operation and maintenance of the NPSBN

PUBLIC SAFETY ADVOCACY

Continued outreach and advocacy to federal, tribal, state and local public safety to ensure the network meets their needs

INNOVATION

Drive innovation and seek technologies to advance public safety communications

REINVESTMENT

In-depth analysis and recommendations for future reinvestment efforts on behalf of public safety

MISSION SUPPORT

Staff support for all network operations and FirstNet programs, audits and inspections; all public safety and board commitments

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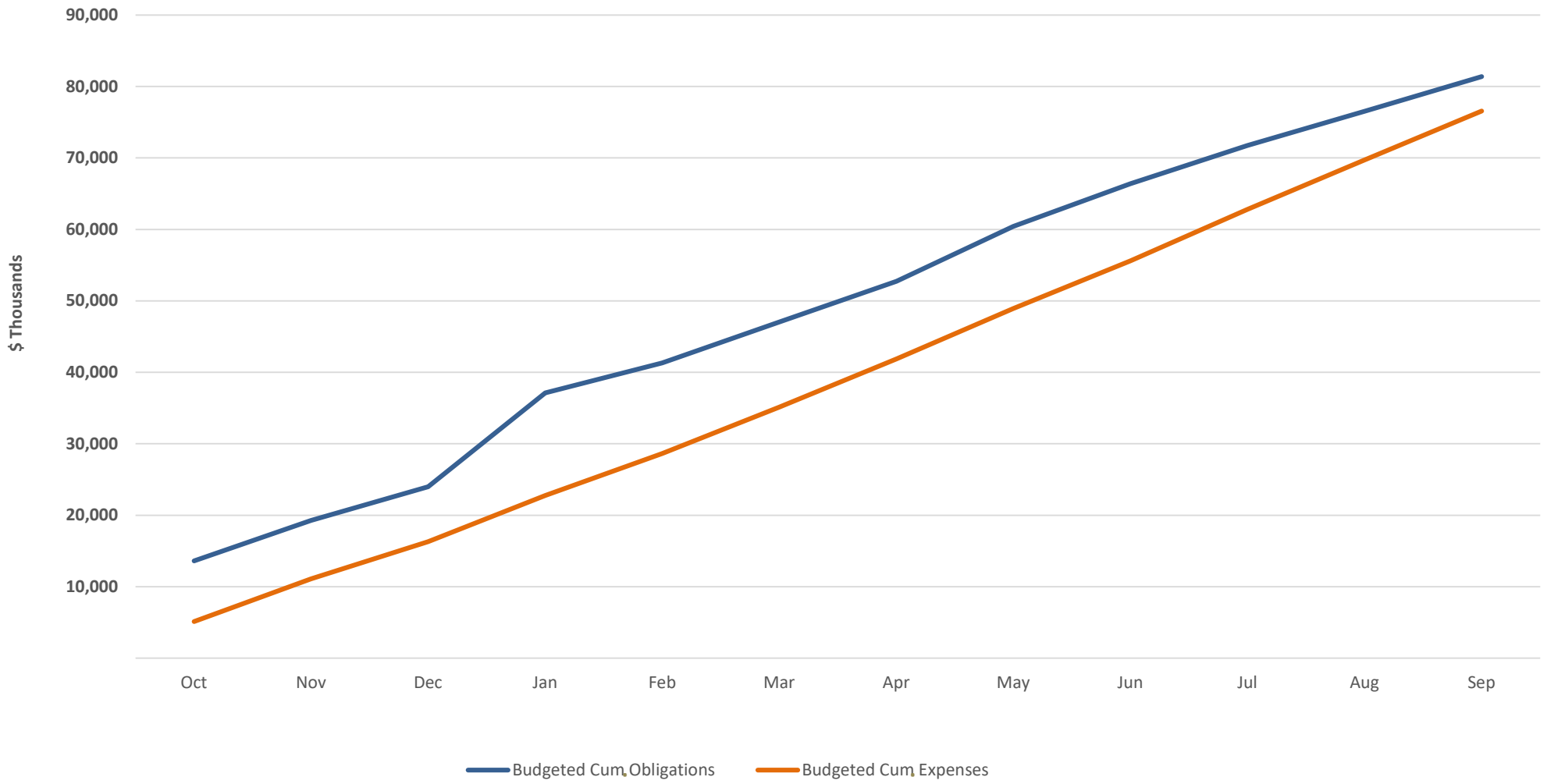
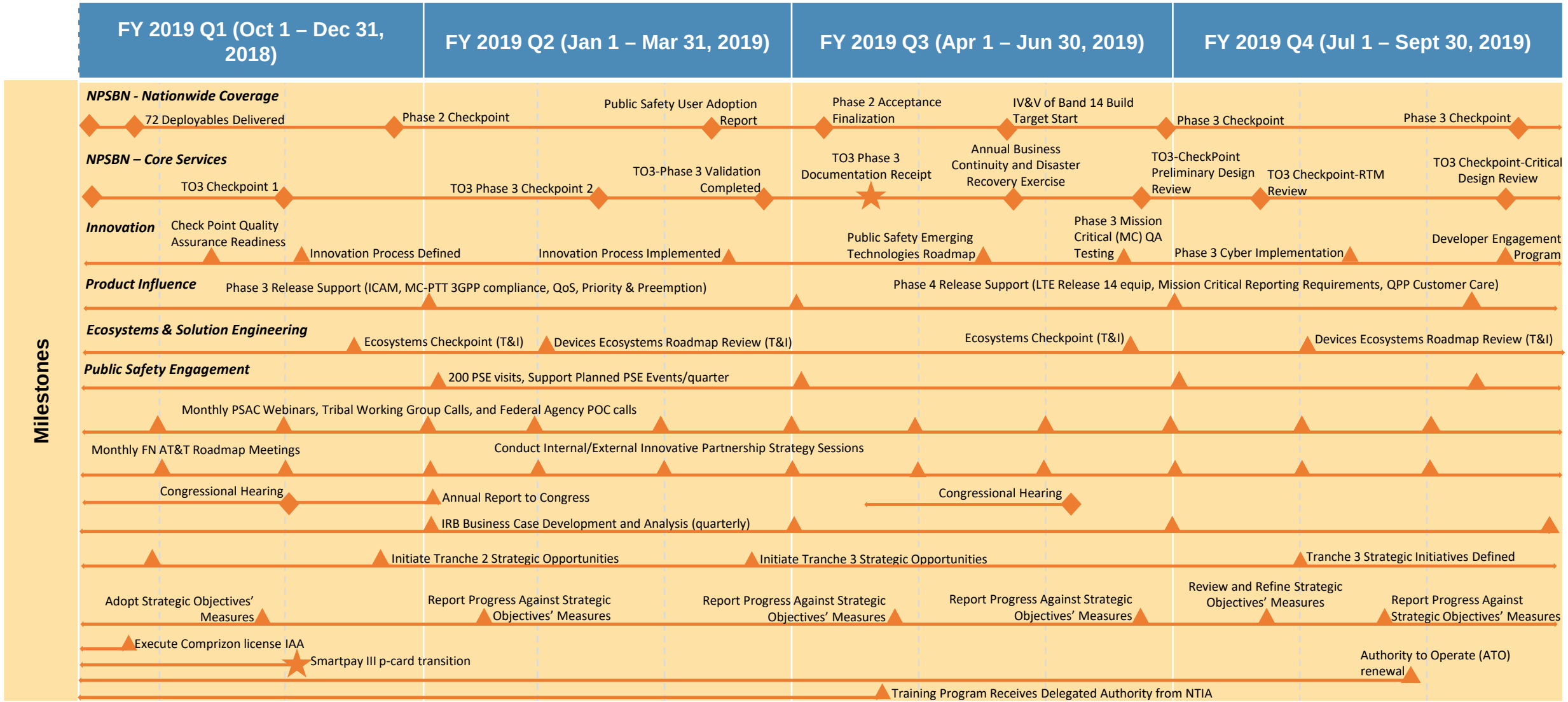
FY 2019 Operations Budget Monthly Forecast



FY 2019 Milestones



Milestones/Decision Points Planned Meetings Major Milestone Completion

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Finance Committee Resolution 20 – FY 2019 Budget

1. Recommends the Board authorize senior leadership to **allocate the FY 2019 Budget of $240M in revenues into 3 categories**:

    1) Operational budget of $81 million on an obligations basis (plus a 10% re-allocation allowance),

    2) Reserve of $81 million (equal to 1 year of Operations budget), and

    3) Future reinvestment option in Network Enhancements of $78 million on an obligations basis, plus any additional budgetary sources derived in FY2019.

2. Recommends the Board authorize senior leadership to **enter into the necessary agreements** to meet FY 2019 milestones.

3. Recommends the Board **approve the proposed FY 2019 Operational budget** of $81 million on an obligations basis.

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Board Resolution 91 – FY 2019 Budget

1. Authorizes senior leadership to **allocate the FY 2019 Budget of $240M revenues into 3 categories**:

    1) Operational budget of $81 million on an obligations basis (plus a 10% reallocation allowance),

    2) Reserve of $81 million (equal to 1 year of Operations budget), and

    3) Future reinvestment option in Network Enhancements of $78 million on an obligations basis, plus any additional budgetary sources derived in FY2019.

2. Authorizes senior leadership to enter into **necessary agreements to meet FY 2019 milestones**.

3. **Approves the proposed FY 2019 Operational budget** of $81 million on an obligations basis.

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Technology Committee Update

Jeff Bratcher | Chief Technology and Operations Officer

Band 14 Spectrum Management Program – All Spectrum Cleared

- Band 14 Spectrum Relocation Federal Grant Program
  - $40M budget initially established in 2015
  - Ultimately, awards to 4 state and 7 municipal public safety entities totaled $27M; grants covered all costs related to relocating from Band 14
  - Band 14 spectrum clearance was finished on 31 July 2018, under budget with total grants funds used of $23M
  - The $4M in recouped grant funds will be available for NPSBN prioritized initiatives
  - DOC Office of Inspector General audit of grant program was completed with no stated issues
- Collaboration with the FCC
  - Assessment and disposition of FCC commercial entity applications to use Band 14 on not-to-interfere basis for research, testing, and development
- Collaboration with NTIA Office of Spectrum Management (OSM) and other federal agencies
  - Assessment and disposition of 40+ legacy federal Band 14 use cases

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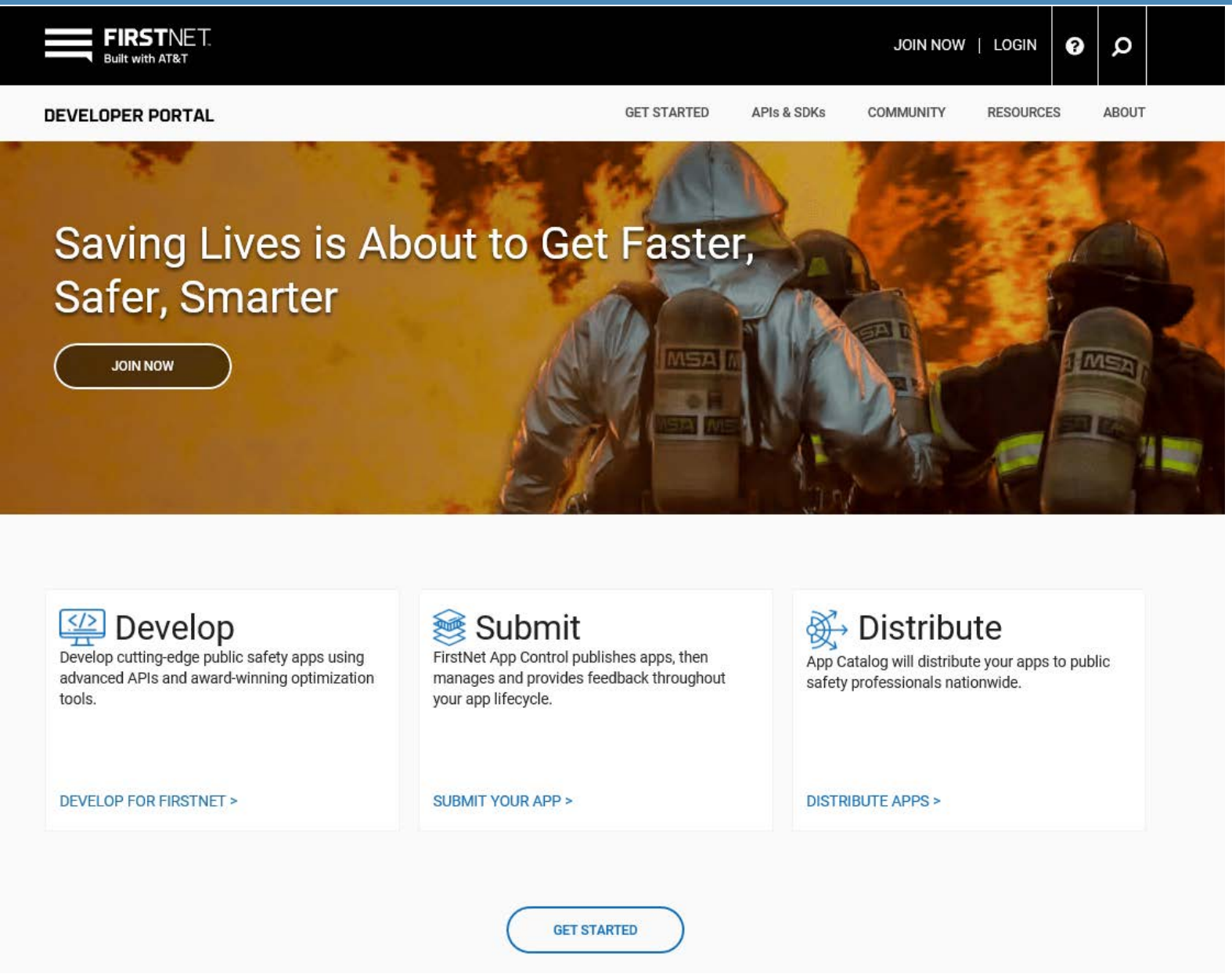
Device and Applications Ecosystems



Device Ecosystem

- Established working cadence with AT&T to stimulate availability of purpose-built public safety smartphones and accessories, including devices that will support MC-PTT
- 41 devices on NIST List
  - 26 smartphones
  - 8 tablets
  - 3 rugged handhelds
  - 1 hotspot
  - 2 in-vehicle routers
  - 1 modem

Applications Ecosystem

- Considering changes to app review/certification processes to accelerate app population
- Developer Portal updated March 2018
  - Added blogs/forums
  - Simplified registration
  - Added API catalog

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Network Management and Operations Update

Jeff Bratcher | Chief Technology and Operations Officer

Network Operations Highlights

Highlights

- As of July, nearly 1,500 public safety entities in 52 states/territories adopted FirstNet
  - These FirstNet User accounts include 110,000+ connections using FirstNet-branded public safety services
- All FY18 deliverables required by contract have been submitted to date
- Subscriber-paid offering launched in May
  - FirstNet services available to public safety volunteers/career public safety individuals who don’t get agency-issued devices/services
- Task Order 3 Core Design Review finalized late May
- First Task Order 4 RAN Requirements Traceability Matrix (RTM) finalized in June

Next steps

- Ongoing validation and verification of the Core and network and security operations

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Task Order 3 Overview

About the Task Order

Requires AT&T to deploy, operate and maintain the NPSBN to include:

- Nationwide core
- Products and architecture
- Business management

Key Elements

FirstNet Core

Apps Ecosystem

Devices Ecosystem

Mission-Critical Services

Cybersecurity Capabilities

Customer Service

Progress

- Performed mid-year review of Device Approval Program
- Held Results Traceability Matrix (RTM) discussions
- Worked cross-functionally with AT&T on MCPTT
- Reviewed 2018 devices roadmap

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Task Order 4 Overview

About the Task Order

Requires AT&T to execute state/territory Radio Access Networks (RANs), including:

- Build, operate, maintain, improve RAN execution for each state/territory's Plan of Record (POR)
- Provide Band 14 and non-Band 14 coverage and capacity that meets or exceeds targets in the state/territory POR and each IOC
- Report on any state-specific commitments as identified in state consultation letters
- Evolve network as features/technologies become available to better serve public safety

Progress

- Accelerated deployment milestones under IOC-2
- Validating Band 14 site build-out
- Accepted 11,207 National Environmental Protection Act requests
  - Required before Band 14 site installation
- Establishing coverage verification approach and methodology

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Public Safety Advocacy Committee Update

Jeff Bratcher | Chief Technology and Operations Officer

Public Safety Advocacy Engagement Impacts

Public Safety Agency Engagements

- Fire departments of Mesa, AZ; Phoenix, AZ; Hartford, CT
- April – May 2018

Outcome: Provided suggested next steps and possible configurations to incorporate FirstNet in their technology

Special Events

- Washington DC July 4 celebration
- Major League Baseball Homerun Derby and All-Star Game

Outcome: Received overwhelmingly positive feedback from city and federal participants

Association Engagements

- APCO (Aug. 5–8)
- IAFC Fire-Rescue International (Aug. 8–11)

Outcome: Increased knowledge of/positive sentiment about FirstNet offering

Reports from the Field

- Signal Mountain TN – first police department in TN to subscribe (July 19)
- New cell site ribbon cutting (July 20)

Outcome: Increased public awareness of FirstNet deployment and adoption

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Public Safety Advisory Committee Update

Paul Patrick | Interim PSAC Chair

PSAC Summer 2018 Activities

Network Status Tool Webinar

June 26

Priority Assignment Overview Webinar

July 24

TWG In-Person Meeting

Aug. 15-16

EC In-Person Meeting and AT&T GNOC tour

Aug. 29-30

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Governance and Personnel Committee Update

Sue Swenson | Committee Chair

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CEO Update

Mike Poth | Chief Executive Officer

FY 2019 CEO Priorities

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Board Resolution 92 – Expression of Thanks to Sue Swenson

The FirstNet Board extends its formal appreciation to Sue Swenson for her extraordinary expertise, experience, commitment and leadership as the Board Chair:

1) Chair Swenson has served with great diligence, skill, and enthusiasm, and her exemplary leadership and expertise as a telecommunications and technology executive have been invaluable to the Board;

2) Chair Swenson's efforts helped guide the Board and the organization as it evolved from a small start-up to a high-functioning government agency and her insights and experience helped to navigate the complex challenges of standing up a nationwide wireless broadband network;

3) Chair Swenson has shown tireless commitment and drive for public safety, and played a critical role — from initial implementation of a Strategic Program Roadmap to the development and award of a comprehensive network contract;

5) Chair Swenson has demonstrated her deep personal commitment to public safety, the FirstNet Authority, and the NPSBN time and time again;

6) Chair Swenson has been recognized by several organizations for her work on behalf of public safety, the FirstNet Authority, and the NPSBN

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