



# Broadband Technology Opportunities Program (BTOP) Quarterly Program Status Report

Submitted to the

Committee on Appropriations  
United States Senate

the

Committee on Appropriations  
United States House of Representatives

the

Committee on Commerce, Science and Transportation  
United States Senate

and the

Committee on Energy and Commerce  
United States House of Representatives

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National Telecommunications and Information Administration  
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## I. INTRODUCTION AND BACKGROUND

Pursuant to Section 6001(d)(4) of the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act) (Public Law No. 111-5), the National Telecommunications and Information Administration (NTIA) provides this Quarterly Report on the status of the Broadband Technology Opportunities Program (BTOP or Program). This Report focuses on the Program's activities from April 1 to June 30, 2012.

The Recovery Act appropriated \$4.7 billion for NTIA to establish BTOP to increase broadband access and adoption; provide broadband training and support to schools, libraries, healthcare providers, and other organizations; improve broadband access to public safety agencies; and stimulate demand for broadband.<sup>1</sup> The Recovery Act also provided funding for NTIA to develop and maintain a comprehensive nationwide map of broadband service capability and availability, and to implement the State Broadband Data and Development Act and the Broadband Data Improvement Act.

In 2009 and 2010, NTIA invested approximately \$4 billion in 233 BTOP projects benefitting every state, as well as five territories and the District of Columbia.<sup>2</sup> The portfolio of projects initially included:

- 123 infrastructure projects totaling \$3.5 billion in Federal grant funds to construct broadband networks;
- 66 Public Computer Center (PCC) projects totaling \$201 million in Federal grant funds to provide access to broadband, computer equipment, computer training, job training, and educational resources to the public and vulnerable populations; and
- 44 Sustainable Broadband Adoption (SBA) projects totaling nearly \$251 million in Federal grant funds to support innovative projects that promote broadband adoption, especially among vulnerable population groups where broadband technology traditionally has been underutilized.

Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately \$293 million to 56 recipients, which included one grant for each of the 50 states, five territories, and the District of Columbia. With this funding, states are collecting and validating data biannually on the availability, speed, type, and location of broadband services, as well as the broadband services used by community anchor institutions, such as schools, libraries, and hospitals. NTIA makes the data available in several formats and uses the data to update the publicly searchable, interactive National Broadband Map,<sup>3</sup> launched on February 17, 2011, in accordance with the Recovery Act's requirements.<sup>4</sup> These grants also support states' efforts to foster the efficient and creative use of broadband technology to better compete in the digital economy. These state-led efforts vary depending on local needs, but include programs to assist small businesses and community anchor institutions in using technology more effectively, investigate barriers to broadband adoption, develop innovative applications that increase access to government services and information, and establish state and local task forces to expand broadband access and adoption.

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<sup>1</sup> On August 10, 2010, Congress rescinded \$302 million from BTOP, reducing the Program's funding to approximately \$4.4 billion. See Pub. Law No. 111-226.

<sup>2</sup> The total number of BTOP awards announced by September 30, 2010 was 233. As of March 31, 2012, this number was 225, excluding awards to Leech Lake Band of Ojibwe, which ultimately did not accept its award; Education Networks of America, Inc. (approximately \$16 million), the State of Wisconsin Department of Administration (approximately \$22.9 million), the City of Tallahassee (approximately \$1.2 million), and DigitalBridge Communications (three separate awards totaling approximately \$4.2 million), each of which voluntarily terminated its project; and the Louisiana Board of Regents (approximately \$80.6 million), which NTIA terminated for material noncompliance with its grant terms and conditions on October 26, 2011. Funds from these projects have been returned to the U.S. Treasury.

<sup>3</sup> The National Broadband Map can be found at <http://broadbandmap.gov>.

<sup>4</sup> See American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009).

## II. SUMMARY

This Quarterly Report focuses on four areas of BTOP implementation and project oversight:

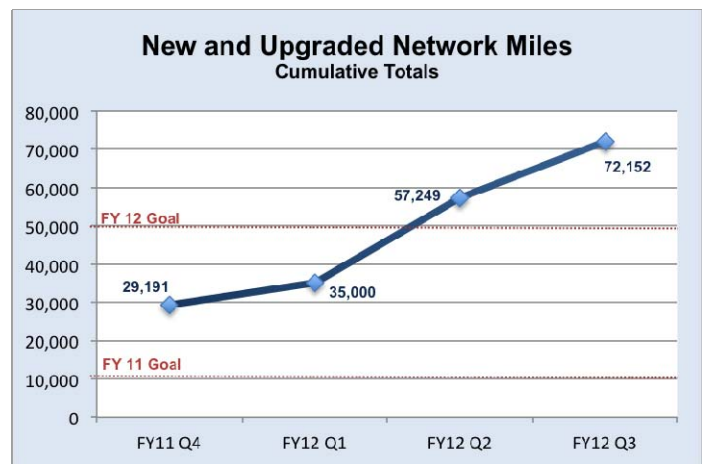
- **Status and Progress** of BTOP projects and Program expenditures.
- **Supporting Initiatives**, including the SBI mapping and capacity-building efforts and the Digital Literacy portal.
- **Monitoring and Grants Administration** for BTOP projects and the results of those efforts.
- **Program Communications** supporting outreach with and among BTOP stakeholders.

## III. PROGRAM STATUS AND PROGRESS

From April to June 2012, BTOP grant recipients continued to demonstrate strong performance across the Program's FY12 goals. These positive results have helped the Program deliver significant progress in areas such as new fiber-optic infrastructure construction, the opening of new PCCs, and thousands of new broadband subscribers now experiencing the benefits of high-speed Internet service. Recipients' quarterly progress reports, which were made public at the beginning of September 2012, provide a more granular depiction of these results.<sup>5</sup>

### A. New and Upgraded Network Miles

BTOP infrastructure projects deploy new or significantly upgraded network miles, connect community anchor institutions, and facilitate enhanced access to broadband Internet services for households and businesses. Increased network miles are a direct indicator of the nation's growing broadband infrastructure. These expanded and enhanced networks serve as an important building block for more affordable broadband services to homes and businesses and contribute to America's global competitiveness.



The Program made considerable progress in deploying network miles during this quarter with widespread construction activity occurring during spring 2012. Recipients also continued to lease dark fiber and existing broadband facilities when available. BTOP recipients also exceeded NTIA's FY12 goal to deploy 50,000 new or upgraded network miles across the country. Recipients deployed nearly 15,000 network miles during the past quarter, bringing the total number of miles to more than 72,000. Through June 30, 2012, recipients were deploying facilities in 47 states and territories.

NTIA expects the pace of network construction to remain strong through the summer and fall of 2012 as most recipients are engaged in the implementation phase of their projects. Infrastructure projects continue to demonstrate substantial impacts in communities, including:

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<sup>5</sup> Quarterly reports for each BTOP and SBI recipient project can be found at <http://www2.ntia.doc.gov/awards>.



The **Oklahoma Office of State Finance** deployed 157 miles of fiber through June 2012, as well as signed an agreement for an additional 60 miles of existing fiber connections. This infrastructure will comprise part of the Oklahoma Community Anchor Network (OCAN), a collaborative effort to extend and complete an existing state network, OneNet, to bring affordable broadband service to community anchor institutions in rural communities across the state. OCAN plans to build or upgrade more than 1,000 miles of new and existing fiber, nearly doubling the OneNet network, and providing service to 59 Oklahoma counties, including some of the most economically distressed areas in the northwestern and southeastern portions of the state. Once completed, the network will improve broadband service at education, public safety, and healthcare institutions in the region, including Southeastern Oklahoma State University, Western Oklahoma State College, Lawton Indian Hospital's Indian Health Services Unit, and the state's Council on Law Enforcement Education and Training locations.



A construction crew in Warner, Okla., deploys new fiber that will bring broadband service to Connors State College.



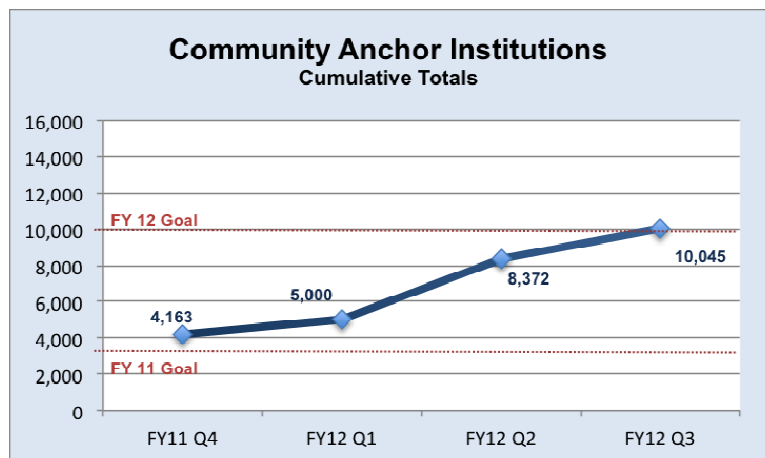
The **Maryland Department of Information Technology (DoIT)** deployed 160 miles of fiber during the last quarter as part of the One Maryland Broadband Network (OMBN) project. DoIT plans to deploy nearly 1,300 miles of fiber to provide affordable and abundant broadband services to each of Maryland's 24 counties, many of which lack reliable and readily available broadband service necessary for cutting-edge economic development, public safety, and distance education initiatives. The project will link and extend three independent networks: the state-run network Maryland; the Inter-County Broadband Network (ICBN), a 10-county consortium; and the Maryland Broadband Cooperative (MdBC), a rural non-profit carrier. Upon completion, the network will provide access to more than 1,000 community anchor institutions, including K-12 schools, public safety facilities, libraries, community colleges, and government facilities, offering speeds between 10 Mbps and 10 Gbps.



A member of Maryland DoIT drills a site in La Plata, Md., to deploy fiber as part of the One Maryland Broadband Network project.

## B. Community Anchor Institutions

BTOP infrastructure projects focus on connecting community anchor institutions, such as schools, libraries, hospitals, and public safety facilities, which require faster Internet speeds to provide important community services. Connecting these anchor institutions can have a multiplier effect throughout a community because people may adopt broadband at home after discovering the benefits of broadband access at a library or school.





Last quarter, BTOP recipients connected and/or improved service to nearly 1,700 anchor institutions within their project areas, bringing the total number of institutions to more than 10,000 across 41 states and territories. The total number of anchors connected with BTOP funds increased by 20 percent from the previous quarter. With the activity this quarter, NTIA reached its FY12 goal to connect 10,000 institutions. As BTOP recipients deploy additional new network miles, they will continue to provide more institutions with faster and more reliable high-speed Internet access. Below are examples of BTOP projects working to connect anchor institutions:



**Troy Cablevision, Inc.** connected 49 community anchor institutions to its network through June 2012. Troy's Southeast Alabama SmartBand - Rural Broadband for Economic Development and Energy Management project is deploying a 130-mile fiber optic network to provide broadband infrastructure in six southeast Alabama counties: Pike, Crenshaw, Coffee, Dale, Montgomery, and Dothan. Community anchor institutions in the six counties, including public safety entities, K-12 schools, libraries, community colleges, healthcare facilities, and government buildings, typically lack Internet access at the speeds necessary to provide key services like Next Generation 911, distance learning, and telemedicine. Troy Cablevision also formed a public-private partnership with the South Alabama Electric Cooperative to enable advanced "smartgrid" energy management services for approximately 17,000 electricity consumers in Crenshaw, Pike, and Coffee counties, significantly improving energy efficiency in the region. Troy plans to support economic growth by providing redundant fiber rings, including two backhaul routes to Atlanta, enabling the high-capacity, reliable broadband capabilities required to attract businesses to the region.



**Workers for Troy Cablevision dig a trench to install a broadband cable in Ozark, Ala. The project has connected 49 community anchor institutions through June 2012.**



**Eventis Telecom** connected 13 community anchor institutions to its network through June 2012. Eventis' Greater Minnesota Broadband Collaborative project is deploying an open access network that will bring affordable high-capacity Ethernet services to rural areas of Minnesota. The project plans to expand distance learning and training opportunities throughout the state, while also building a modern healthcare network that will interconnect approximately 10 regional health clinics, enabling the use of telemedicine and electronic medical records. Upon completion, the network will utilize more than 420 miles of new fiber-optic infrastructure to connect more than 70 anchor institutions across a 23-county area of the state. The K-12 public schools, public safety entities, libraries, community colleges, higher education institutions, healthcare facilities, and government facilities will receive Internet at speeds of up to 10Gbps.



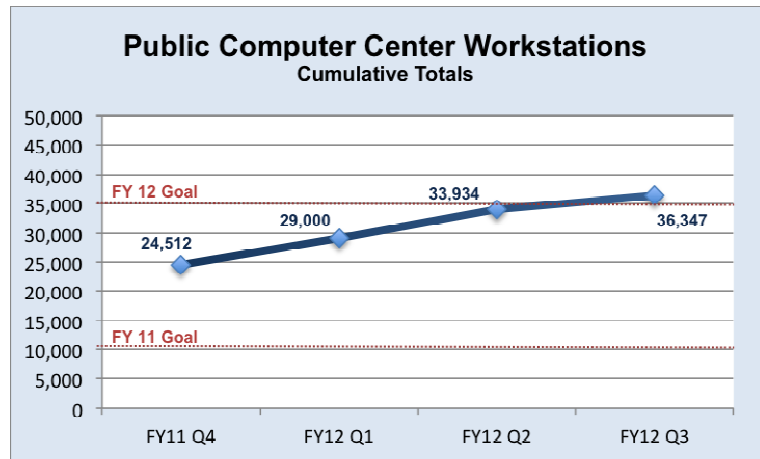
**Eventis Telecom formally launched construction at a groundbreaking ceremony in Duluth, Minn., on August 25, 2011.**

### **C. Public Computer Center Workstations**

BTOP's PCC grants fund the construction or upgrade of public computer facilities and important training initiatives. PCCs improve broadband access for the general public and vulnerable populations, such as low-income individuals, the unemployed, senior citizens, children, minorities, tribal communities, and people with disabilities, who may not be able to subscribe to broadband in their homes. PCCs also provide individuals with access to necessary technology, information, and training on topics such as online job searching, basic

computer and Internet skills (or “digital literacy”), advanced technology certification courses, and GED test and college preparatory courses. Through June 2012, 64 BTOP recipients installed more than 36,000 new workstations in PCCs across 40 states.

PCC recipients continued to make considerable progress last quarter, exceeding the FY12 goal to install 35,000 new or upgraded public workstations. Recipients installing workstations also continue to develop and implement training programs and educational courses, including much-needed job training. During the quarter, public computer centers provided 1.4 million hours of training to 371,000 users.



Below are examples of PCC recipients providing greater public access to high-speed Internet and training aimed at enhancing workforce skills and digital literacy:



**The City of Los Angeles** deployed 3,400 workstations at more than 130 public computer center sites throughout Los Angeles. Through the Los Angeles

Computer Access Network (LACAN) project, the city is working to increase digital literacy in the most at-risk neighborhoods in cooperation with the City’s Community Development Department, Parks & Recreation Department, and various libraries. In some cases, the new computers for the sites will replace systems that are over 10 years old. LACAN is opening new centers in areas with the highest levels of poverty and unemployment for maximum community impact. This quarter, LACAN has provided nearly 10,300 hours of computer skills instruction, Internet access for research, and job placement assistance to approximately 16,400 residents.



An instructor provides guidance to students in one of LACAN’s library locations in Los Angeles, Calif.



Through June 2012, **the Arizona State Library, Archives and Public Records division** deployed 1,000 computers at more than 80 public library computer centers across

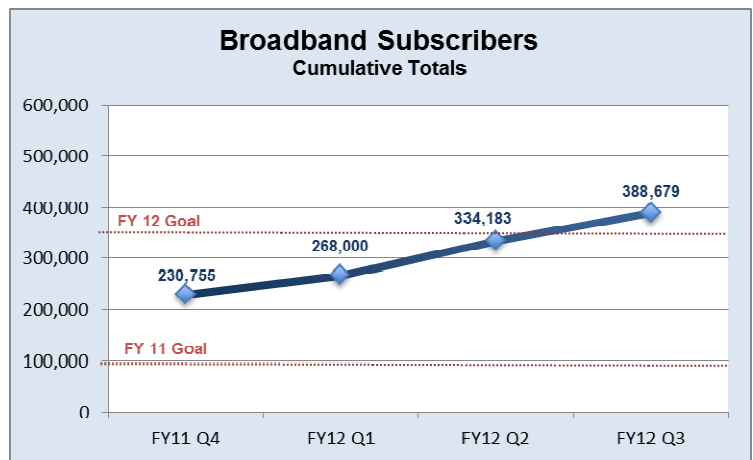
the state. The new workstations are helping the **Arizona Public Access Computer** (AzPAC) project increase access to e-resources and enable libraries to provide training in digital literacy and technology skills. In conjunction with government, non-profit, and tribal organizations, AzPAC is deploying the new computers to libraries serving 450,000 underserved citizens, many of whom do not have access to the Internet at home or work. Local members of the community use these computers for a variety of tasks, including completing online courses, filling out healthcare benefits, building resumes, and searching for jobs. AzPAC will also provide resume building and job search training to stimulate employment and economic growth throughout the state. Upon completion, the project will support approximately 75,000 computer users per week.



Library patrons in Douglas, Ariz., use new computers purchased under AzPAC.

## D. Broadband Subscribers

SBA projects increase broadband Internet usage and adoption by consumers, businesses, and institutions. SBA projects provide digital literacy and job training, often focusing on populations that traditionally underutilize broadband technology. Connecting America's households to broadband is essential to ensure that all citizens have access to critical job, educational, and health-related information to compete in the Internet-based economy.



Through June 2012, 34 BTOP recipients reported that more than 380,000 households and 8,000 businesses subscribed to broadband services after receiving digital literacy or job training. New subscribers for the past quarter totaled nearly 55,000, meaning that more Americans are now using the Internet to search and apply for jobs, advance their educational goals, and find health-related information. Nearly 79 percent of SBA grant recipients reported new broadband subscribers. NTIA expects the number of new subscribers to continue to increase as more households complete training programs, receive subsidized computer equipment or broadband service, and take advantage of workstations and discounted subscriptions provided by BTOP funds. BTOP recipients exceeded NTIA's FY12 goal of 350,000 planned new broadband subscribers.

NTIA will continue to monitor and provide guidance to SBA grant recipients through technical assistance on refining methodologies for collecting data on new subscribers, measuring changes in broadband adoption, and accurately reporting that information. The following projects demonstrate the effectiveness of using broadband awareness campaigns and training programs to generate new subscribers:



**The Mexican Institute of Greater Houston (MIGH)** is working to improve broadband adoption and digital literacy rates in the Greater Houston, Beaumont,

Dallas, and San Antonio, Texas areas through broadband outreach and training for Hispanic and minority communities. MIGH is utilizing its network of more than 100 existing community centers, many located at K-12 public schools in the region, to conduct basic computer technology training sessions in Spanish for students and their families. MIGH students can visit one of the computer labs for courses in basic computer skills, such as how to use word processing software, navigate the Internet, and open an e-mail account. Additionally, MIGH's computer labs allow visitors to gain additional computer practice and knowledge, helping many students find a job given their newly acquired skills. During this past quarter, MIGH began offering 15 additional classes, training more than 330 students in these classes alone. As of June 30, 2012, the program has enrolled more than 3,000 students and recorded nearly 1,700 new broadband subscribers.



**An instructor provides guidance to students at MIGH's computer lab in Houston, Texas.**





**The University of Massachusetts – Lowell** is boosting sustainable broadband adoption among low-income youth, the unemployed, adults without

college degrees, and senior citizens leveraging an intergenerational approach and diverse set of non-profit partners. Through the Lowell Internet, Networking and Knowledge: Sustaining Broadband Access Across the Generations project, UMass Lowell has 10 program sites and provided digital literacy and workforce development classes for over 8,000 seniors, unemployed young adults, and at-risk teens. Participants have received more than 14,600 hours of training in basic computer skills, video game development and digital media editing, and Internet entrepreneurship. In addition, UMass Lowell partners with Community Teamwork, Inc., a non-profit organization that is integrating digital literacy training into job readiness programs to help low-income individuals become self-sufficient. As of June 30, 2012, the program has recorded nearly 4,100 new broadband subscribers.



**Young adult searches for a job online at a computer center in Lowell, Mass., which is supported by the UMass Lowell project.**

### **E. Expenditures**

During the third quarter of FY12, BTOP recipients spent more than \$420 million in Federal grant funds. These funds were matched by recipient contributions of nearly \$125 million. Cumulatively, Federal outlays for the Program totaled \$2.1 billion, while total recipient matching contributions exceeded \$820 million.

## **IV. SUPPORTING INITIATIVES**

### **A. State Broadband Initiative**

SBI consists of the State Broadband Data and Development Program and the National Broadband Map. NTIA works with SBI grant recipients to help expand their data collection efforts and improve data accuracy and validation. SBI grants also play a critical role in helping states and territories identify and address obstacles to broadband deployment and adoption. SBI empowers states to tailor solutions to their unique broadband needs, supports state and local task forces and planning teams to expand broadband awareness and adoption, and enables government to be more responsive to citizens. By helping to coordinate this new network of state broadband activity, SBI facilitates collaboration among the states and enables the exchange of best practices and lessons learned.

This quarter, NTIA reviewed data submitted in April 2012 in preparation for the update of the National Broadband Map in July 2012. The map is powered by data from 1,865 broadband providers nationwide with more than 20 million records and displays where broadband is available, the name of the provider, the technology used to provide the service, and the maximum advertised speeds of the service. Since its launch last year, the National Broadband Map has attracted more than 650,000 users who are utilizing the map to meet a variety of needs. Below are two examples of SBI projects using the mapping data to help businesses find broadband in their area:



The **State of Kansas Department of Commerce** has already used the map and its data to promote economic development by working with a customer service company to identify communities with the broadband necessary to support home-based workers. As a result, the customer service company hired about 200 workers in the state, providing much-needed jobs in small towns that may have otherwise been overlooked for this work.





The **Utah Broadband Project** utilized its mapping data to provide broadband service options to a Utah-based medical record and health information technology firm. The firm had previously been considering moving its call center out of the state because of poor broadband connectivity, which resulted in work interruptions and lost productivity. By using the mapping data to help the firm identify other broadband providers in the region, the Utah Broadband Project was able to help the firm stay in the state and obtain the necessary level of connectivity and redundancy.

## **B. Digital Literacy**

In May 2011, former U.S. Commerce Secretary Gary Locke launched the online portal [DigitalLiteracy.gov](http://DigitalLiteracy.gov) to prepare more Americans for today's jobs by capitalizing on BTOP investments. In collaboration with the Department of Education and other Federal agencies, NTIA created [DigitalLiteracy.gov](http://DigitalLiteracy.gov) to provide librarians, teachers, workforce trainers, and others access to resources and tools to teach computer and online skills necessary for success in today's economy. NTIA led the effort to design the site and incorporated feedback from more than 50 practitioners throughout the development phase. BTOP recipients, in particular, played a significant role in the creation of [DigitalLiteracy.gov](http://DigitalLiteracy.gov).

The portal now contains 550 resources (*e.g.*, videos, tutorials, and lesson plans) and received more than 2,000 unique visitors per month this quarter. NTIA also uses the portal to highlight the progress of BTOP recipients. For example, the Vermont Council on Rural Development shared tutorials on topics such as building a business plan and searching the Internet.<sup>6</sup> In the coming year, NTIA will continue to collaborate with partners to promote the use of the portal and acquire more resources to help users search for jobs, create resumes, and locate career-enhancing training.

## **C. Evaluation Study**

In September 2010, NTIA contracted with ASR Analytics, LLC (ASR) to conduct an evaluation of BTOP's economic and social impacts. This study will assess the degree to which NTIA's implementation of BTOP has met the Recovery Act goals by measuring the short- and long-term economic gains in grant-funded communities. This past quarter, ASR completed the case study reports for PCC and SBA recipients and submitted a draft Interim Report. Executive Summaries of each of the 15 PCC and SBA case studies will be available to the public soon, and ASR will complete follow-up visits in 2013. Evaluation studies for 12 infrastructure grant recipients are in the planning stages and will begin in fall 2013.

## **V. MONITORING AND GRANTS ADMINISTRATION EFFORTS**

NTIA continues to execute against its FY12 BTOP Monitoring and Assessment Plan, which includes individual grant monitoring, day-to-day portfolio management, technical assistance, and corrective action support as part of a comprehensive oversight strategy for BTOP awards.<sup>7</sup> These activities are designed to protect taxpayer investments, offer strong stewardship over the grant funds, and monitor recipients' progress and performance against project schedules and budgets.

NTIA proactively engages BTOP recipients to monitor project and compliance efforts, regularly communicating with recipients to ensure successful oversight of grant funds, identifying potential risks affecting recipients and their projects, and providing corrective action guidance to resolve issues promptly.

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<sup>6</sup> A full list of Vermont Council on Rural Development's featured resources can be found at <http://www.digitalliteracy.gov/vermont-council-rural-development>.

<sup>7</sup> The FY12 BTOP Monitoring and Assessment Plan is available at [http://www2.ntia.doc.gov/files/BTOPFY12MonitoringandAssessmentPlan\\_111611.pdf](http://www2.ntia.doc.gov/files/BTOPFY12MonitoringandAssessmentPlan_111611.pdf).

As outlined in the Monitoring Plan, NTIA assesses each grant to review potential risks affecting the recipient and assigns one of three levels for monitoring – standard, intermediate, or advanced – based on the total award amount, number of subrecipients, project complexity and duration, as well as the organizational type (e.g., for-profit; nonprofit; and state, local, or tribal government). BTOP Federal Program Officers (FPO) then carry out appropriate escalating oversight activities based on these three levels in cooperation with the National Institute of Standards and Technology (NIST) and National Oceanic and Atmospheric Administration (NOAA). NTIA also works closely with the Department of Commerce’s Office of Inspector General (OIG) to improve Program monitoring of recipients’ compliance with applicable statutes, regulations, and guidance. While outside the timeframe of this quarter’s report, in August 2012, the OIG finalized its review of how NTIA manages and provides oversight of its external contractor that assists with the grants administration and provides technical expertise to BTOP recipients.<sup>8</sup> The memorandum states that NTIA has reasonable controls in place to manage the contract effectively.

## **A. Monitoring Activities**

NTIA engages BTOP recipients on a regular basis to monitor project performance and compliance with Program requirements. NTIA collects regular reports detailing projects’ performance; performs case reviews evaluating projects’ successes and challenges in meeting milestones; and conducts site visits assessing the recipients’ compliance with Federal grant rules and requirements. These activities help NTIA understand the progress made by recipients and inform the provision of appropriate corrective actions and enforcement measures, if needed. NTIA also conducts status meetings with recipients and key project members to review project milestones, gather additional information, and provide guidance on Federal grant requirements. These monitoring efforts help ensure that taxpayer dollars are used in an appropriate and responsible manner.

### **1. Financial, Project Performance, and ARRA Reporting**

On a quarterly basis, BTOP recipients must report their financial, project performance, and ARRA-related activities. NTIA reviews these three reports – the Federal Financial Report (FFR), BTOP Performance Progress Report (PPR), and ARRA report – to monitor project progress against established baselines, expenditures of grant funds, and contribution of non-Federal cost share. FPOs provide feedback and additional guidance, as necessary, to ensure that each recipient is providing sufficient detail to allow NTIA to determine that the projects are meeting programmatic objectives and delivering promised project benefits. From these reviews, NTIA analyzes data to identify emerging trends and better measure individual project and overall programmatic progress.

### **2. Site Visits**

NTIA uses site visits as a tool to closely monitor recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. During these two- and three-day site visits, NTIA observes facilities and equipment procured with Federal grant funds, visits computer centers, observes training classes, reviews recipients’ project activities and fiscal management practices, identifies and addresses any challenges or areas of concern, and pinpoints best practices that could benefit other projects.

This past quarter, NTIA visited 31 recipients that are responsible for \$925 million in grant funds. To date, NTIA has conducted site visits for nearly 65 percent of BTOP grants and 32 percent of SBI awards, representing more than 88 percent of the total BTOP funds and more than 30 percent of total SBI funds

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<sup>8</sup> See *Review of NTIA's Oversight of the Booz Allen Hamilton Contract Supporting the Broadband Technology Opportunities Program*, available at <http://www.oig.doc.gov/OIGPublications/OIG-12-031-M.pdf>.

provided by NTIA. NTIA has visited all BTOP projects initially assigned an “advanced” monitoring level, and revisited 18 of those projects to provide additional technical assistance.

These site visits also helped NTIA identify and address performance issues and other potential areas of concern. Following each site visit, NTIA documents any findings in a summary report. Some issues also are corrected immediately onsite, while others are addressed through the development of a Performance Improvement Plan (PIP) or by working with the Grants Office to create a Corrective Action Plan (CAP). These tools direct recipients to take specific actions in a defined timeframe to improve project management or compliance with their award terms.



**A NTIA Federal Program Officer visits a Sho-Me MO Middle Mile Project equipment shelter in Jefferson City, Mo.**

### **3. Environmental and Historic Preservation Assistance**

Nearly all BTOP infrastructure awards, as well as some PCC projects, are subject to applicable Federal, state, local, tribal, and other environmental and historic preservation (EHP) policies, most notably the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and the Endangered Species Act (ESA). NTIA works with recipients to achieve and maintain compliance with applicable EHP policies by reviewing EHP documentation produced by recipients before project implementation (including Environmental Assessments [EA] under NEPA); writing decision documents based on the EHP documentation; clearing applicable EHP Special Award Conditions (SAC), thereby authorizing the start of project implementation; and monitoring ongoing compliance with applicable EHP requirements during project implementation. NTIA also works with recipients through an established EHP review process when project or route modifications become necessary due to field conditions, changing engineering requirements, or other factors.

NTIA has successfully completed EHP clearance for 117 of 118 recipients (99 percent), and is continuing to work with the remaining recipient on its EA requirements.

#### **B. Grants Administration Activities**

NTIA provides guidance and support to projects needing assistance in addressing potential risks or issues delaying their progress. These support measures help maintain the performance of BTOP recipients and minimize the risk of waste, fraud, and abuse. NTIA performs a variety of program support activities based on the project’s identified issues and risks, including identifying a course of action to improve a project’s performance; providing customized guidance; and working with the appropriate Grants Office to develop a CAP to mitigate unresolved project setbacks. These support efforts help ensure that recipients meet their commitments and comply with programmatic and Federal grants administration rules and requirements.

#### **1. Cost Share Monitoring and Review**

BTOP recipients must contribute a minimum 20 percent of the cost for the project in funds or in-kind assets, also known as “match,” toward the total cost of a project. This translates into a total of \$1.5 billion in match across all BTOP projects. As of June 2012, recipients have contributed approximately \$822 million in match.

NTIA instituted a program review of the match requirement to ensure that grant recipients are compliant with this important condition of their grant awards and to address potential issues regarding the allowability, consideration, source, consistency, and valuation of each recipient’s proposed cash and in-kind matches. Through June 2012, NTIA and recipients worked together to finalize 91 percent of all match reviews. Reviews are not completed until recipients obtain valuation data on specific portions of their matches. In

some cases, reviews may be ongoing due to the complex process for certain types of valuation (e.g., real estate and telecommunications infrastructure). FPOs also continue to work with recipients to assist in resolving any new cost share issues that arise over the life of the awards.

In April 2011, the OIG initiated an audit to determine whether NTIA had processes in place to ensure that BTOP recipients' match contributions meet Federal administrative requirements and the OMB cost principles included in the terms and conditions of each award. As part of the audit, the OIG selected 25 BTOP awards to examine. The OIG analyzed each of the selected recipient's proposed and expended match. For those awards in the sample, the OIG also reviewed the results of NTIA's review. The OIG finalized its report in June 2012, recognizing one of NTIA's monitoring tools as a best practice. In addition, the OIG recommended expanding the use of the monitoring tool to a greater percentage of the portfolio. The OIG also suggested NTIA communicate other improvements to recipients regarding recordkeeping and internal controls for cash distribution. NTIA will finish implementing these recommendations by December 2012.<sup>9</sup>

## **2. Non-Duplication of Federal Funds**

Since the Program's inception, NTIA has worked to prevent duplication between BTOP projects and broadband projects funded by other Federal agencies. NTIA has conducted in-depth reviews of infrastructure awards to validate that BTOP projects do not duplicate Federally-funded projects, including broadband networks funded by BIP and the Federal Communications Commission's (FCC) Telehealth/Telemedicine and e-Rate programs. As of June 2012, NTIA has resolved 97 percent of the instances of potential overlap between a BTOP award and another BTOP, BIP, or FCC award. The remaining three percent will be resolved through ongoing negotiations with recipients seeking ways to leverage the respective investments, such as joint-build solutions.

## **3. Subrecipient Monitoring**

In January 2012, the OIG initiated an audit to assess NTIA's efforts to verify that BTOP recipients' have properly classified subrecipients and established effective controls to monitor subrecipients' compliance with all BTOP award terms and conditions. As part of the audit, the OIG selected 26 BTOP awards to review. NTIA and recipients continue to work cooperatively with the OIG on this matter.

## **4. Technical Assistance**

NTIA provides a wide range of technical assistance to support recipients in successfully implementing their projects, including producing guidance documents on common topics of interest; assessing projects relative to schedule, budget, or sustainability; and providing customized assistance to specific BTOP recipients based on need. NTIA developed a set of diagnostic frameworks and tools to help BTOP management evaluate and address common challenges that may delay a project's success, including schedule, financial information, organizational constraints, and other project-specific issues.

This past quarter, NTIA conducted schedule and budget assessments on a select number of infrastructure grants, which helped to identify the most common causes of schedule delays. NTIA found that EHP compliance documentation; local permitting; agreements for rights-of-way and other land easements; utility pole agreements and make-ready work; and other pre-deployment activities have affected implementation schedules for a number of grant awards. NTIA also found that sampled recipients are generally on budget during project implementation and are planning for project sustainability after the grant award period.

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<sup>9</sup> See *NTIA Needs Stronger Monitoring of BTOP Grant Recipients' Match* (OIG-12-029-A) available at <http://www.oig.doc.gov/OIGPublications/OIG-12-029-A.pdf>.



Through June 2012, NTIA actively engaged approximately 60 infrastructure recipients to provide technical assistance on specific project implementation challenges. NTIA has already helped several projects overcome implementation and schedule challenges by using diagnostic tools to review the project timeline. Using these tools, NTIA also provided recommendations related to tasks and project management approaches that recipients could take to more rapidly implement their objectives. These recipients are now implementing the remaining project tasks more efficiently, focusing on points of integration, and actively addressing identified schedule concerns.

In addition, NTIA provided technical assistance to PCC and SBA recipients, which included regular webinars on topics of broad interest and conference calls for thematic affinity groups. From April through June 2012, the program conducted seven webinars on subjects such as making services more accessible to individuals with disabilities, overcoming challenges in measuring broadband adoption, and complying with program income requirements. NTIA also organized two conference calls for an affinity group of recipients working to increase broadband adoption among seniors. More than 410 individuals participated in these events, taking advantage of these opportunities to learn strategies for successful program implementation, and to network and share information with other recipients. Recipients have expressed that the webinars and affinity group calls have provided valuable information and increased their awareness of resources available for their programs.

For the SBI recipients, NTIA has provided technical assistance as needed to its 56 recipients on topics such as project management, reporting, data gathering, and mapping issues. In addition, three webinars were conducted during this quarter on project reporting and monitoring, as well as data gathering and submission requirements. NTIA also maintains an online team collaboration tool utilized by NTIA, the FCC, recipients, and project partners to share information and documents on project management, mapping and data gathering, and best practices.

## **5. Public Safety 700 MHz Projects**

On February 22, 2012, the President signed H.R. 3630: The Middle Class Tax Relief and Job Creation Act of 2012,<sup>10</sup> which among other things, authorized and provided funding for a nationwide public safety broadband network. Title VI of the Act specifically establishes the First Responder Network Authority or "FirstNet" as an independent authority within NTIA, and charges FirstNet with taking all actions necessary to ensure the building, deployment, and operation of the network. The Department of Commerce and NTIA are working to implement the Act's directives as expeditiously as possible with the same rigor and dedication we have applied to BTOP.<sup>11</sup>

On May 11, 2012, NTIA partially suspended the seven public safety projects to avoid activities that may lead to added costs in the future or stranded investments, while continuing to invest in broadband-related activities that will be potentially complementary to the nationwide network.<sup>12</sup> NTIA is working to ensure that its seven BTOP 700 MHz public safety grants proceed in a manner that supports the nationwide public safety broadband network. The goal in this effort is to keep these much-needed investments in their communities and avoid investments that might have to be replaced if they are incompatible with the ultimate nationwide architecture of the new public safety broadband network. Each of the seven public safety

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<sup>10</sup> See the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96) available at <http://www.gpo.gov/fdsys/pkg/BILLS-112hr3630enr/pdf/BILLS-112hr3630enr.pdf>.

<sup>11</sup> NTIA appointed the FirstNet Board of Directors on August 20, 2012, and released the requirements for the State and Local Implementation Grant Program on August 21, 2012. See NTIA's website for more details: <http://www.ntia.doc.gov/category/public-safety>.

<sup>12</sup> See, e.g., Letter from NTIA Assistant Secretary Strickling to Adams County Communications Center, (May 11, 2011), available at <http://www2.ntia.doc.gov/files/grantees/20120511095538760.pdf>.

recipients responded to the partial suspension deadline with the required documentation. NTIA continues to work with all stakeholders toward a shared goal of meeting the communications needs of America's first responders.

## **6. Project Completion and Grant Closeout**

Occurring over several months, the closeout process verifies that all technical obligations, financial accounting, and administrative requirements are finalized before concluding the grant agreement between NTIA and BTOP recipients. During closeout, recipients are required to submit final documentation regarding their projects and these documents receive final review by NTIA and the NIST or NOAA Grants Offices. Once all parties are satisfied with the final project and have agreed to all eligible costs, formal closeout will be completed. This process includes confirming that recipients have met all terms and conditions, as well as special award conditions. NTIA continues to analyze recipient progress and performance against project schedules and identify projects that will be ending in the near future.

This past quarter, NTIA refined the closeout process with the Grants Offices and began closing out recipients, such as the City of Williamstown and Santa Fe Civic Housing Authority, which have completed all activities under their awards. NTIA is providing guidance to recipients to facilitate the closeout of their grants. For example, NTIA hosted a grant closeout breakout session at the Schools, Health & Libraries Broadband (SHLB) Coalition - NTIA Conference in Arlington, Va., on May 24, 2012. NTIA plans to conduct additional grant closeout guidance with recipients in the coming months.

## **VI. PROGRAM COMMUNICATIONS**

NTIA maintains ongoing communications and outreach efforts to share BTOP progress and accomplishments with interested stakeholders and to assist grant recipients in achieving project success.

To support stakeholder communications about BTOP project accomplishments and community benefits, NTIA also developed 105 *BTOP in Action* articles that are posted to the BTOP website. Visitors to the site can access these articles as well as photos that highlight project milestones and community members benefiting from the projects. NTIA, recipients, and others also provide first-person reports on BTOP's progress in postings on the Program's blog.

In May 2012, NTIA co-hosted the Creating Sustainable Broadband Solutions for Communities and Anchor Institutions workshop with the SHLB Coalition. The workshop provided an opportunity for recipients to meet with NTIA and discuss sustainable broadband solutions with more than 500 other recipients, government and industry leaders, and community anchor institutions. Recipients that attended the workshop also were able to attend more than 15 different breakout sessions on topics, such as outreach to anchor institutions, measuring broadband adoption, and digital literacy programs, to learn more about best practices in their area of interest. NTIA and the OIG hosted special compliance sessions as well for BTOP recipients on topics such as sub-recipient monitoring and preventing waste, fraud, and abuse of grant funds.

Prior to the co-hosted conference, NTIA sponsored a one-day SBI workshop at the conference site. The recipient-driven workshop focused on several main topics, including capacity planning and sustainability. Nearly 90 attendees representing 42 recipient organizations and project partners participated in 21 separate sessions, providing a valuable opportunity for project leaders to share lessons learned.

In addition, NTIA drew key stakeholders together for a symposium on May 21, 2012. The Multiplying Economic and Social Impact through Technology: An Interagency and Funder Symposium brought together 61 representatives from the Federal government (*i.e.*, the White House Office of Science and Technology Policy, U.S. Departments of Agriculture, Education, Health and Human Services, and Labor), private foundations (*e.g.*, Bill and Melinda Gates Foundation and Ford Foundation), national associations, and BTOP recipients to discuss how broadband benefits the fields of workforce development, education, and

health. Participants discussed needs, challenges, and successful strategies for expanding broadband’s use in these fields, and brainstormed “next steps” to continue to promote increased broadband access and adoption. For example, NTIA has committed as a next step to developing a toolkit to share promising lessons and successful practices with the broader community that is working to increase broadband adoption across the country.

## VII. PROGRAM MILESTONES

The following list includes upcoming broadband grant milestones. Future dates and activities may change based upon developments or circumstances.

<b>Milestone</b>	<b>Date</b>
Recipient Quarterly ARRA Reports Due	October 10, 2012
Recipient Quarterly ARRA Reports Posted to Web	October 30, 2012
Recipient Quarterly PPRs and Financial Reports Due	October 30, 2012
Recipient Quarterly PPRs Posted to Web	November 29, 2012
Recipient Quarterly ARRA Reports Due	January 10, 2013
Recipient Quarterly ARRA Reports Posted to Web	January 31, 2013
Recipient Quarterly PPRs and Financial Reports Due	January 31, 2013
Recipient Annual PPRs Due	January 31, 2013
Update of the National Broadband Map	January 31, 2013
Recipient Quarterly PPRs Posted to Web	February 28, 2013
Recipient Quarterly ARRA Reports Due	March 10, 2013
Recipient Quarterly Reports Posted to Web	March 31, 2013
Recipient Quarterly PPRs and Financial Reports Due	March 31, 2013
Recipient Quarterly PPRs Posted to Web	April 30, 2013

## VIII. NEXT REPORT

The next quarterly report to Congress will cover July 1 to September 30, 2012.

## IX. ADDITIONAL PROGRAM MATERIALS

Additional BTOP materials are available at <http://www2.ntia.doc.gov/>, including prior quarterly reports, press releases, Congressional testimony, information on grants awarded, and quarterly performance progress reports for each funded project.