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 January 1 to March 31, 2013.

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.[1] 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. 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.

As of March 31, 2013, 182 BTOP projects remained in active status, and 42 BTOP projects had completed their project activities.[2]

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,[3] launched on February 17, 2011, in accordance with the Recovery Act's requirements.[4] 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

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[1] 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.

[2] The total number of BTOP awards announced by September 30, 2010 was 233. As of March 15, 2013, this number was 224, excluding awards to Leech Lake Band of Ojibwe (approximately $1.7 million), which ultimately did not accept its award; Education Networks of America, Inc. (approximately $14 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) and Trillion Communications, Inc. (approximately $59 million), which NTIA terminated for material noncompliance with their grant terms and conditions. Funds from these projects will be returned to the U.S. Treasury.

[3] The National Broadband Map can be found at http://broadbandmap.gov.

[4] *See* American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009).

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.

II. SUMMARY

This Quarterly Report focuses on four areas of BTOP implementation and project oversight:
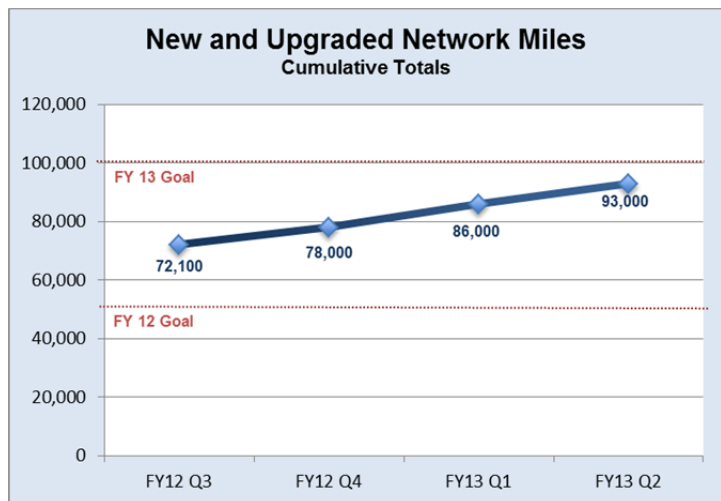
- **Status and Progress** of broadband projects and Program expenditures.
- **Supporting Initiatives**, including the SBI mapping and capacity-building efforts.
- **Monitoring, Grants Administration, and Closeout Efforts** for broadband projects and the results of those efforts.
- **Program Communications** supporting outreach with and among BTOP stakeholders.

III. PROGRAM STATUS AND PROGRESS

From January to March 2013, NTIA's broadband grant recipients continued to make strong progress toward meeting or exceeding the Program's FY13 goals. These positive results helped the Program deliver significant results in areas such as constructing new fiber-optic infrastructure, opening new PCCs, training to drive broadband adoption, and adding new broadband subscribers. Recipients' quarterly progress reports, which were made public at the beginning of June 2013, provide a more granular depiction of these results.[5]

A. New and Upgraded Network Miles

BTOP infrastructure projects deploy new or upgraded network miles, connect community anchor institutions, and facilitate enhanced access to broadband Internet services for households, businesses, and public facilities. Increasing broadband capacity significantly to more than 5,700 communities across the country—many to a gigabit or more—provides a platform for new and expanding innovations in many fields, such as healthcare and education. "Gigabit communities," for example, are offering students greater opportunities for distance education, customized learning and enhanced access to rich content. Educational institutions are also gaining greater access to training and resources to increase the knowledge of teachers and other education professionals.

New and Upgraded Network Miles
Cumulative Totals

This quarter, BTOP recipients deployed more than 6,500 network miles during the past quarter, bringing the total number of miles to more than 93,000. Through March 2013, recipients were deploying infrastructure in 47 states, four territories, and the District of Columbia. NTIA expects the pace of network construction to remain strong through summer 2013. Many recipients are in the final phases of construction and are currently conducting testing and provisioning activities as they prepare to move to the operational phases of their projects. Many infrastructure projects have already realized the initial benefits of their BTOP grants in their local and regional communities. Two examples of projects improving access for educational institutions are detailed below:

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[5] Quarterly reports for each BTOP and SBI project can be found at http://www2.ntia.doc.gov/awards.

Merit Network, Inc. deployed nearly 1,590 miles of fiber through March 2013 as part of its REACH-3MC project, a fiber-optic network funded by two BTOP grants that will provide rural Michigan communities with access to high-quality and high-speed Internet service. Part of this network includes fiber-optic cable crossing the Mackinaw Bridge that will connect Michigan's Lower Peninsula and its more remote Upper Peninsula. Michigan's public universities originally created Merit as a shared resource to help educational institutions meet their common need for state-of-the-art networking expertise and services. Merit has since implemented a 10 Gbps backbone to support the research and education needs of Michigan's public university campuses. Roger Rehm, chair of the Merit Board of Directors and Vice President for Information Technology and Chief Information Officer (CIO) at Central Michigan University, said,

Merit Network construction crew members feed fiber into the conduit at the project's groundbreaking ceremony in Manistee, Michigan.

"These are exciting times in higher education, and… Merit continues to position itself in the forefront of state research and educational networks and to underscore the competitiveness of higher education in the state of Michigan. These faster connections will more easily enable research partnerships and teaching collaborations… while the expanded bandwidth will provide the Michigan educational community with faster and more transparent access to educational programs and resources."
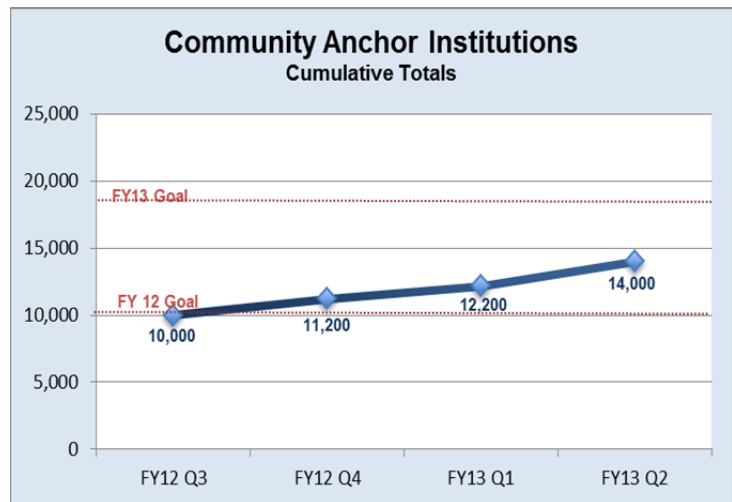
As of March 2013, **MCNC** deployed or upgraded approximately 2,550 total miles of fiber in rural areas across North Carolina. The Golden LEAF Rural Broadband Initiative, funded by two BTOP grants, is an expansion of MCNC's North Carolina Research and Education Network (NCREN) that serves the entire public University of North Carolina system, all public K-12 schools in the state, a majority of the independent colleges and universities, and 20 of the 58 institutions in the North Carolina Community College System. MCNC aims to build a broadband infrastructure network that can scale for the future. The network will initially deliver speeds of 10 Gbps, but will have the capacity to scale eventually to 100 Gbps, providing faster and more reliable connections for K-12 schools, colleges, and universities already on the network. The NCREN is

A plowing and trenching crew installs fiber along a route that runs from Rocky Mount to Greenville, North Carolina.

fulfilling growing bandwidth requirements of educational institutions, from faster speeds for students that need to download assignments to transporting large data between universities and research institutions. As a result of NTIA's broadband investments in North Carolina, MCNC is working to ensure that 100 percent of schools in the state have 100 Mbps or greater connections and receive Internet access at a savings of 60 percent over retail rates. Joe Freddoso, MCNC president and Chief Executive Officer (CEO), said, "MCNC has built a network that will scale to the future to help all North Carolinians become better educated, healthier, more innovative, and otherwise thrive in the digital age."

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 essential community services. Across the country, for example, only about 20 percent of K-12 schools have the bandwidth they need to provide digital education. According to the LEAD Commission, most schools require at least 100 Mbps of bandwidth or greater to optimize access to digital content. This quarter, BTOP recipients connected approximately 1,800 community anchor

Community Anchor Institutions
Cumulative Totals

- FY13 Goal
- FY 12 Goal
- FY12 Q3: 10,000
- FY12 Q4: 11,200
- FY13 Q1: 12,200
- FY13 Q2: 14,000

institutions, which is an increase of 15 percent from last quarter and brings the total number of institutions connected to more than 14,000 across 44 states, 3 territories, and the District of Columbia. Below are examples of how BTOP projects are working to connect community anchor institutions and improve access to tribal communities:

The **Nez Perce Tribe** has deployed 169 miles of wireless infrastructure across its 1,200 square mile Reservation located in north central Idaho as part of the Nez Perce Tribe Reservation Broadband Enhancement project. The project provides broadband capacity in previously underserved rural communities. The Nez Perce Tribe's reservation-wide broadband network has connected 11 community anchor institutions, including three libraries within the Prairie River Library District. "Enhanced telecommunications have increased access to e-government and learning resources that were previously unavailable due to insufficient bandwidth. Our ability to serve our public has significantly improved," stated the Library Director for the District. In addition to libraries, the Nez Perce Tribe has improved connections to city, county, and tribal government facilities across the region including Northwest Indian

The Nez Perce tribe provided 200 Mpbs broadband access to Culdesac, Idaho, a previously underserved rural community within the Nez Perce Reservation.

College, Lewis-Clark State College Orofino Outreach Center, Culdesac, and rural first-responder public-safety organizations. Silas Whitman, Chairman of the Nez Perce Tribal Executive Committee stated, "It has been wonderful to see how successful this effort has been under this grant as it has opened up access to the internet that was not previously available. The hope is that this expanded capacity will promote economic development on the reservation as well as raise the standard of living for both tribal and non-tribal members in this area."

The **Ute Indian Tribe** of the Uintah and Ouray Reservation has connected 43 community anchor institutions to its network as part of the Ute Indian Tribe Fiber Optic Infrastructure Project. The Tribe has deployed nine miles of fiber-optic cable and connected 10 Wi-Fi hotspots on the reservation. Service provided throughout the reservation is substantially upgrading services to community anchor institutions, including two schools, three healthcare institutions, 27 government facilities, and five public safety entities. The Tribe will also currently provides Internet service to approximately 150 underserved households in the Fort Duchesne Tribal community. The grant also allows the Ute Indian Tribe to implement technology that will provide its people with resources necessary for education, jobs, and citizen engagement.
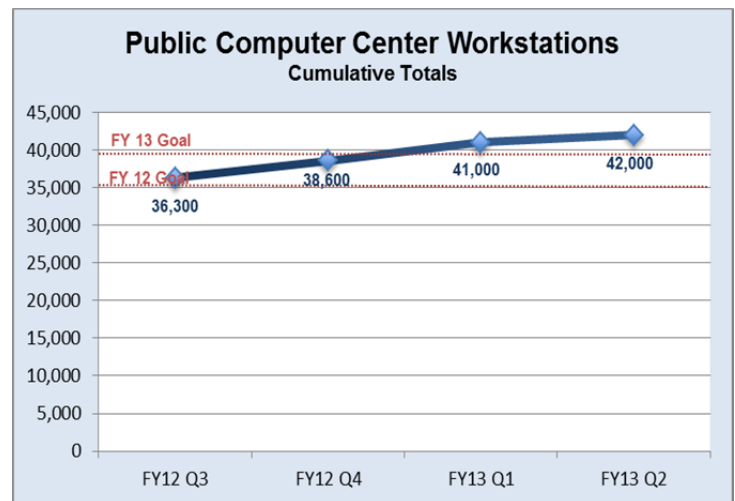
Ute Indian Tribe staff visit a construction site along Highway 40 in Fort Duchesne, Utah where fiber is being installed to provide broadband access to the reservation.

C. Public Computer Center Workstations

Public Computer Centers (PCCs) serve as access points for individuals who may not subscribe to broadband in their homes. Through March 2013, 65 BTOP recipients installed more than 42,000 new workstations in PCCs across 38 states, one territory, and the District of Columbia. Recipients installing workstations also continue to develop and implement training programs and educational courses. During the quarter, PCCs provided 1.13 million hours of training to 340,000 users.

Public Computer Center Workstations
Cumulative Totals

FY 13 Goal
FY 12 Goal

	FY12 Q3	FY12 Q4	FY13 Q1	FY13 Q2
	36,300	38,600	41,000	42,000

NTIA's PCC projects enable people with disabilities to participate more broadly in activities, from work to home. For example, BTOP recipients are providing more accessible PCC sites and offering assistive technology, including modified workstations, voice-to-text software, and specialized keyboards. Below are examples of PCC recipients providing greater public access to high-speed Internet and training for adults and youths with disabilities:

The **City of New York's Connected Communities** project is upgrading and expanding computer centers in libraries, public housing facilities, recreation centers, senior centers, and community support organizations across the city. The project provides digital literacy and multimedia training, access to after-school programs, test preparation, and workforce education. Each of the computer centers provides access to computers with software that enhances the experience for users with hearing, vision, and mobility disabilities through assistive technology. These functions include on-screen keyboard, screen magnifier, and text-to-speech applications that read text on the screen and allow for use of text or visual alternatives to sounds. The computer operating platforms also allow customization, such as adjustable keyboard and mouse settings, to accommodate individual needs. Through March 2013, the New

A user demonstrates the assistive technology and enhanced features of a BTOP workstation at the Andrew Jackson Senior Center in Bronx, New York.

York City Connected Communities project has deployed more than 1,660 workstations and provided more than 310,000 training hours. New York City Mayor Michael Bloomberg said that the access provided by the Connected Communities project "is essential for individuals to succeed academically and economically."

The **Deaf Action Center of Louisiana** is installing new videoconferencing stations and enhancing the user experience in Northwes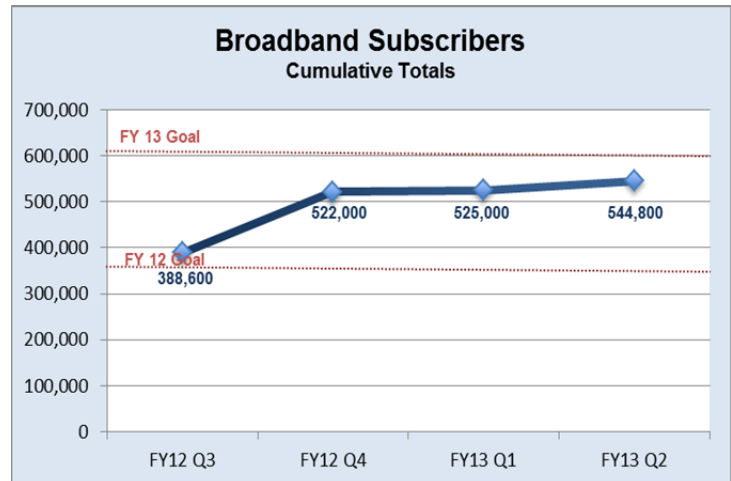t Louisiana, as well as communities in Alabama, California, and Texas. Serving individuals that are deaf or hard-of-hearing, the project has deployed 92 workstations and provided more than 5,700 hours of training through March 2013. Remote video interpreting enables individuals that are deaf or hard-of-hearing to access sign language interpreting services. The state-of-the-art videoconferencing units are installed in courts, hospitals, and libraries, and the units link to American Sign Language interpreters, who are located at Deaf Action Center's offices. Using these interpreters to facilitate communication remotely saves the cost of mileage and travel time. The workstations are available 24 hours per day, and individuals can use them to access eductional, legal, and business resources. The Deaf

An interpreter signs in the studio at the Deaf Action Center headquarters in Shreveport, Louisiana.

Action Center also provides job skills training for people with hearing impairments and training for employers of workers who are deaf or hard-of-hearing. Continuing education instruction is also available live and on demand for sign-language interpreters. Louisiana Senator Mary Landrieu stated, "Enhancing these services will allow the Deaf Action Center to improve delivery of health care information, legal services, job training, and education to people who are deaf by offering low-cost interpretation services. The funds will provide our hearing disabled citizens with job opportunities that might not have previously been available to them."

D. Broadband Subscribers

Sustainable Broadband Adoption (SBA) projects increase broadband Internet usage and adoption by consumers, businesses, and institutions. In addition to basic digital literacy classes, many recipients are offering specialized courses aimed at increasing the economic viability of small businesses and entrepreneurs. Classroom instruction and technical assistance activities focus on increasing website and business network security, improving marketing through websites and social media, and reducing operating costs by using online applications and business applications software. SBA recipients

Broadband Subscribers
Cumulative Totals

FY12 Q3	FY12 Q4	FY13 Q1	FY13 Q2
388,600	522,000	525,000	544,800

FY 13 Goal
FY 12 Goal

are also supporting incubators where small business owners can share office space and videoconferencing equipment or interact with others in the same industry.

Through March 2013, SBA grant recipients reported that nearly 540,000 households and 4,800 businesses subscribed to broadband services, many of whom received digital literacy or job training. The following projects further demonstrate how BTOP recipients are driving broadband adoption and increasing the use of broadband tools in small businesses:

Axiom Technologies is offering sustainable broadband adoption programs to increase the utilization of technology in the fishing and farming industries in Washington County, Maine. Washington County is a major blueberry crop producer and is home to 23 percent of Maine's small and medium-sized commercial fishing and marine harvesting operations, many of which are small, socio-economically disadvantaged businesses. Some of the farmers and fishermen who attend Axiom's training classes have never used a computer, but are now learning to design websites, develop spreadsheets, and use office productivity software to improve operations and sales. Axiom has also provided an entrepreneurship coach to help these small business owners identify skills and software to solve their business needs and acquire appropriate training. Additionally, Axiom developed and introduced MAPOnline, a data entry program that will help farmers and fishermen record statistical data from their business activities. Through March 2013, Axiom Techologies has recorded more than 380 new household subscribers and more than 60 business or community anchor institution subscribers. Axiom's CEO Susan Corbett, a past Women Impacting Public Policy (WIPP) AT&T Technology Innovator of the Year award recipient, noted that, "What we figured out is that through technology and education we will change the economic status of a region."

Farmers and fishermen take online computer classes to learn digital literacy skills that will help advance their businesses in Washington County, Maine.

The **C.K. Blandin Foundation** is promoting public access and use of high-speed networks through the Minnesota Intelligent Rural Communities (MIRC) project, a statewide collaboration. With project partners, the Blandin Foundation is supporting individuals and communities in rural Minnesota, especially the unemployed, small businesses, local leaders, and coalitions of government entities. Through March 2013, the Blandin Foundation estimates that it has encouraged more than 56,000 households to subscribe to broadband services. The Blandin Foundation partnered with the University of Minnesota Extension (UME) to provide technical assistance and training to small businesses in rural areas. UME held training and outreach events and provided technical assistance to small businesses with fewer than 10 employees in the retail, food, and tourism industries. The organization was also able to provide outreach to approximately 6,000 small businesses with a primary focus on minority and women-owned businesses. Another project partner, the Minnesota Renewable Energy Marketplace (MNREM), provided technical assistance and training to renewable energy businesses in rural areas, delivering at least 1,500 hours of training and technical assistance. MNREM resources focused on industry-specific, customer relationship management, and e-commerce applications designed to produce efficiencies and promote business growth. Jim Hoolihan, former president and current trustee of the Blandin Foundation, stated, "In this incredibly fast-paced world of the Internet, one thing is clear: communities that invest in broadband connectivity, a robust knowledge workforce, digital inclusion, innovation and marketing, and advocacy will harness the power of the Internet and overcome barriers of distance. That's the goal, and the critical work, of this statewide coalition."

Students in Winona, Minnesota, participate in a digital literacy class offered by Project FINE, one of the Blandin Foundation's partners.

E. Expenditures

During the second quarter of FY13, BTOP recipients spent more than $194 million in federal grant funds. These funds were matched by recipient contributions of nearly $85 million. Cumulatively, federal outlays for the Program totaled $2.8 billion through March 31, 2013, while total recipient matching contributions exceeded $1.1 billion.

IV. SUPPORTING INITIATIVES

A. State Broadband Initiative

The State Broadband Initiative (SBI) consists of the State Broadband Data and Development Program and the National Broadband Map. SBI grants play a critical role in helping states and territories identify and address obstacles to broadband deployment and adoption. SBI supports state and local task forces and planning teams to expand broadband awareness and adoption and implements innovative applications to increase access to government services and information, including job resources. To coordinate this network of state broadband activity, SBI facilitates collaboration among the states and enables the exchange of best practices and lessons learned.

This quarter, SBI recipients collected and verified the most recent broadband availability data from December 31, 2012. This work resulted in approximately 20 million new records from more than 3,900 broadband providers and 1,900 distinct holding companies across all 50 states, five territories, and the District of Columbia. In addition, on January 31, 2013, NTIA updated Broadbandmap.gov to display data from June 30, 2012, including Census block-level information about the availability of broadband, the providers offering service, the technology used to provide service, and the maximum advertised speeds available. The data also include broadband adoption statistics for schools, libraries, hospitals, and other community anchor institutions. Broadband availability data are available in a number of different formats, including Application Programming Interfaces (APIs) and as files for download. Website users can compare availability and speeds across different geographic regions and can view the service area, speeds, technology, and demographic information for any broadband provider. Since its launch in 2011, the National Broadband Map has attracted more than 940,000 users.

Below are two examples of SBI projects increasing citizen engagement and telehealth:

Connect Arkansas is working with 17 underserved counties in the state to help them develop an engaging and informational website to increase the efficiency of local governments and access to citizen services. As of early 2013, six counties had launched Gov 2.0 sites with Connect Arkansas' support. These websites allow elected officials and government employees to communicate important information to citizens and help increase transparency. Citizens can also use these sites to communicate with officials, make online tax payments, or apply for permits. The savings created by the websites often offset the costs of creation and maintenance, and more importantly, county and city employees spend fewer of their limited resources on transactions better handled electronically. For example, since the launch of the property tax feature on its

A tax collector in Sharp County, Arkansas, meets with staff from the Arkansas Commissioner of State Lands and Connect Arkansas regarding digital tax management.

new e-government website, Sharp County has collected $360,000 dollars in property taxes online. As a result, County Collector Charlotte Ratliff estimates that her staff has saved nearly a full week in time as well as postage and stationery fees.

In May 2013, the **Partnership for a Connected Illinois** convened the inaugural Broadband Telemedicine Summit, bringing together 200 healthcare leaders, government officials, and broadband leaders from three states to discuss how high-speed Internet is revolutionizing the medical industry and what actions stakeholders can implement to take advantage of telemedicine. As a result of the summit, participants identified potential solutions and action steps for inpatient, outpatient, mental health, and home telehealth activities. The event helped the telehealth community by connecting top professionals with stakeholders and broadband experts, and attendees left with goals and action plans to further the quality and availability of telemedicine in their respective fields. Missouri Governor Jay Nixon attended the event and said that telemedicine is essential to provide high-quality, affordable care to people of all demographics. Telehealth leaders and physicians at the summit repeatedly echoed the sentiment that patients appreciate when they can receive medical examinations and consultations from their own homes.

InTouch Health demonstrates how doctors can examine patients and interact with medical staff through high-speed Internet at the Broadband Telemedicine Summit in St. Louis.

B. 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 quarter, ASR began follow-up visits to PCC and SBA sites and continued preparing for site visits for 12 infrastructure recipients. A pilot site visit for infrastructure projects will be conducted in the third quarter of 2013, with the majority of the infrastructure site visits occurring in the fourth quarter.[6]

V. MONITORING, GRANTS ADMINISTRATION, AND CLOSEOUT EFFORTS

NTIA continues to execute its 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.[7] These activities are designed to protect taxpayer investments, offer strong stewardship over grant funds, and monitor recipients' progress and performance against project schedules and budgets. NTIA proactively engages grant 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.

In addition, NTIA continues to assess 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 (FPOs) carry out appropriate oversight and intervention activities based on these monitoring levels in cooperation with the Grants Offices at 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

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[6] More information about the ASR Evaluation Study and the Interim Report is available at http://www2.ntia.doc.gov/BTOP-Reports#evaluation.
[7] The BTOP Monitoring and Assessment Plan is available at http://www2.ntia.doc.gov/files/BTOPFY12MonitoringandAssessmentPlan_111611.pdf.

Inspector General (OIG) to improve Program monitoring of recipients' compliance with applicable statutes, regulations, and guidance.

As recipients complete their projects, NTIA continues to work with the NIST and NOAA Grants Offices to verify that each recipient has completed all applicable administrative actions and required work. This process occurs over several months and includes a review of the technical obligations, financial accounting, and administrative requirements before concluding the grant agreements between NTIA and BTOP recipients.

A. Monitoring Activities

NTIA engages grant recipients regularly to monitor project performance and compliance with Program requirements. NTIA collects regular reports; performs case reviews evaluating projects' successes and challenges in meeting milestones; and conducts site visits assessing recipients' compliance with federal grant rules and requirements. These activities help NTIA understand recipients' progress, devise proactive interventions to get projects on track, and recommend appropriate corrective actions and enforcement measures, if needed. NTIA also conducts status meetings with recipients and key project partners 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

Quarterly, BTOP recipients must report their financial, project performance, and ARRA-related activities. NTIA reviews these 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 to closely monitor recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. During site visits, NTIA observes facilities and equipment procured with federal funds, visits computer centers, observes training classes, reviews project activities and fiscal management practices, identifies and addresses any areas of concern, and pinpoints best practices.

Following each site visit, NTIA documents its findings in a summary report. Some issues are corrected immediately, while others are addressed through a Performance Improvement Plan (PIP) or by working with the Grants Offices to create a Corrective Action Plan (CAP). These tools require recipients to take specific actions in a defined timeframe to improve project management or compliance with award terms.

NTIA staff visit and speak with Oconee County staff and the construction crew about planned work at a site in Oconee County, South Carolina.

Over the past two quarters, NTIA has focused site visits on larger projects, as well as projects finalizing construction and beginning operational activities. Additionally, NTIA has revisited projects initially assigned

an "advanced monitoring" level to provide technical assistance. This quarter, NTIA visited a total of six BTOP recipients responsible for $294 million in grant funds. To date, NTIA has conducted more than 150 site visits representing more than 95 percent of the total BTOP funds, including all of the projects initially assigned an "advanced" monitoring level. NTIA also has conducted site visits to projects accounting for more than 31 percent of all SBI funds.

3. Environmental and Historic Preservation Assistance

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, including active monitoring of project-specific EHP requirements. NTIA also works with recipients to maintain compliance 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 all grants, and is analyzing and documenting additional compliance requirements for public safety projects, as necessary.[8]

B. Grants Administration Activities

NTIA provides guidance and support to projects needing assistance in addressing potential risks or issues delaying their progress. NTIA also performs a variety of support and intervention activities based on a 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. In addition, NTIA is continuing match reviews to assist recipients in resolving any new cost share issues that arise over the life of the award. NTIA is also continuing to validate that BTOP projects do not duplicate other federally funded projects, including broadband networks funded by the U.S. Department of Agriculture's Broadband Initiatives Program (BIP) and the Federal Communications Commission's (FCC) Telehealth/Telemedicine and E-rate programs, and continuing negotiations with recipients seeking ways to leverage the respective investments, such as joint-build solutions. As a result of NTIA's grants administration and proactive intervention activities, BTOP projects are stronger, more successful, and more responsible stewards of taxpayer dollars.

1. Subrecipient Monitoring

In January 2013, the OIG finalized a report assessing 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. The OIG report acknowledged that NTIA and the recipients of BTOP awards have taken steps to oversee subrecipients, but recommended that NTIA take additional steps to verify that recipients understand their responsibilities for monitoring subrecipients and vendors under their BTOP awards. NTIA is working closely with the OIG and the NIST and NOAA Grants Offices to implement these recommendations.

2. Technical Assistance

NTIA provides a wide range of technical assistance to help recipients successfully implement 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

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[8] Public Safety 700 MHz recipients may have outstanding EHP requirements. *See* the "Public Safety 700 MHz Projects" section of this Report for more information about the partial suspension of public safety grants.

address common challenges that may delay a project's success, including schedule, financial information, organizational constraints, and other project-specific issues.

Based on previous schedule and budget assessments of a select number of infrastructure grants, which helped to identify the most common causes of schedule delays, NTIA prioritized recipients' needs and focused on providing customized technical assistance this quarter. NTIA assisted recipients with developing solutions to address 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 that have affected implementation schedules for a number of grant awards. NTIA also engaged with BTOP recipients nearing closeout of their awards to provide guidance on testing, provisioning, and establishing sustainable operations of the BTOP networks. Through March 2013, NTIA provided technical assistance to 85 infrastructure recipients to help address specific project obstacles, such as overcoming implementation and schedule challenges. NTIA also provided feedback and recommendations related to project management approaches and technological choices so recipients could more rapidly implement their objectives. Recipients have incorporated this feedback to reassess network requirements and deployment approaches.

In addition, NTIA provided technical assistance to PCC, SBA, and infrastructure recipients through regular webinars on topics of broad interest and conference calls for thematic affinity groups of recipients serving a specific demographic group or focusing on similar interest areas (e.g., entrepreneurship and workforce development). From January through March 2013, the program conducted 10 webinars on subjects such as developing training materials to serve individuals with limited-English proficiency, sustainability best practices, and preparing for the next grants audit. NTIA also organized a conference call for an affinity group of recipients supporting tribal areas and held two sessions of an evaluation webinar series. More than 700 individuals participated in these events, taking advantage of opportunities to learn strategies for successful program implementation and share information with other recipients. For example, one of the events focused on how to use innovative locator tools to help the public find local computer centers and training facilities. After the event, a few recipients began exploring how to leverage their city's existing non-emergency hotlines to provide citizens with access to training locations and information.

For SBI recipients, NTIA provided technical assistance as needed to its 56 recipients on topics such as project management, reporting, data gathering, and mapping issues. In addition, NTIA conducted four webinars during this quarter on 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.

3. Public Safety 700 MHz Projects

NTIA's seven public safety recipients continued negotiations with the First Responder Network Authority (FirstNet) for spectrum leases required for their BTOP projects to move forward. After passage of H.R. 3630, The Middle Class Tax Relief and Job Creation Act of 2012,[9] which authorized and provided funding to FirstNet to implement a nationwide public safety broadband network, NTIA partially suspended the public safety awards in May 2012. NTIA continues to monitor the progress of the discussions between the BTOP recipients and FirstNet to reach spectrum lease agreements that may allow NTIA to lift the partial suspension of BTOP funding so projects can resume activities in furtherance of building a nationwide network.

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[9] *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.

4. Equipment Acquisition Monitoring and Assessment

In December 2012, the OIG initiated an audit to evaluate NTIA's processes for monitoring and assessing BTOP recipients' equipment acquisitions. As part of the audit, the OIG will be reviewing BTOP projects to determine whether: (1) NTIA has the personnel and processes in place to effectively monitor recipients' equipment acquisitions, including security, inventory control, and report submittals; (2) recipients have appropriately acquired, tested, and implemented the most effective equipment; and (3) recipients are on track to complete their projects on schedule and achieve project goals.

C. Grant Closeout Activities

NTIA provides guidance to recipients to facilitate the closeout of their grants. NTIA also continues to refine the closeout guidance and process with the Grants Offices and OIG based on lessons learned from recipients that have completed all activities according to their award requirements. For example, NTIA updated the closeout procedures in the BTOP Recipient Handbook to include more specific details for submitting closeout documentation.[10] NTIA also monitors project statuses and conducts analyses to gauge when projects are likely to close out. Based on these analyses, NTIA has identified recipients that have faced challenges beyond their control and has granted reasonable extensions to allow recipients to achieve the full benefits of their projects.

In February 2013, the OIG initiated an audit of grant closeout procedures.[11] The specific audit objectives will be to determine whether adequate closeout policies and procedures have been established to effectively close out the approximately 230 BTOP awards and assess whether closeout procedures are being followed as BTOP projects are completed and closed. NTIA, the Grants Offices, and BTOP recipients continue to work cooperatively with the OIG on this matter.

1. Project Closeout

As of March 31, 2013, 182 BTOP projects remained in active status. Forty-two BTOP projects have completed their project activities. Of these 42, 37 projects are in the process of closing out their grants and five, worth approximately $4.6 million, have formally closed out.[12]

NTIA will continue to work with these projects and the Grants Offices to verify that the recipients have met their requirements and formally close out these grants in the coming months.

2. Project Extensions

Some recipients have faced factors beyond their control and unanticipated in their project plans, which have caused project delays and hindered BTOP project deployment. Some of these factors include issues securing necessary capital to meet match requirements, issues with adherence to complex EHP requirements, global fiber supply shortages, and unpredictable weather events. As of March 31, 2013, NTIA has provided extensions to 39 recipients until no later than September 30, 2013 to allow for the successful completion of their BTOP projects.

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[10] The Award Closeout Notification Package is available at http://www2.ntia.doc.gov/compliance#closeout.
[11] *See* notification of BTOP Award Closeout Audit available at http://www.oig.doc.gov/OIGPublications/Notification-NTIA-BTOP-Closeout.pdf.
[12] Closeout is the process by which NTIA and the Grants Offices determine that a recipient has completed all applicable administrative actions and all required work. Formal closeout can be completed only when all parties are satisfied with the final project, all costs have been accepted as eligible, all terms and conditions (T&Cs) and special award conditions (SACs) have been met, all required documentation has been submitted, and no other impediments exist.

In March 2013, the Office of Management and Budget (OMB) also granted the Department of Commerce (DOC) a limited waiver of OMB's accelerated Recovery Act spending requirements, allowing for an extension of BTOP awards beyond September 30, 2013.[13] Consistent with the Recovery Act, the DOC Uniform Administrative Requirements, and guidance from OMB, NTIA plans to extend the award period for a select number of recipients beyond September 30, 2013, only after significant review of their compelling circumstances to ensure they can maximize taxpayer investment in the project and further the Recovery Act's goals.[14]

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 project accomplishments and community benefits, NTIA developed more than 100 "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 March, two BTOP recipients, MCNC and Merit Network, were recognized as 2013 Computerworld Honors Laureates for contributions to their communities.[15] The Computerworld Honors Program celebrates individuals and organizations that create and use information technology to promote positive social, economic, and educational change.

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[13] In accordance with OMB Memorandum M-11-34, released in September 2011, NTIA was granted a waiver of OMB's initial Recovery Act spending acceleration guidelines on March 25, 2013.
[14] *See* Pub. L. No. 111-5, 123 Stat. 115, 128, 512 (Feb. 17, 2009); 15 C.F.R. § 14.28; 15 C.F.R. § 24.23 (allowing recipients to carry over funds from the initial award period upon approval of the Grants Office).
[15] A full list of 2013 Computerworld Honors Laureates can be viewed online at https://www.eiseverywhere.com/ehome/49069/83917/.

VII. PROGRAM MILESTONES

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

Milestone	Date
Recipient Quarterly ARRA Reports Due	July 10, 2013
Recipient Quarterly ARRA Reports Posted to Web	July 30, 2013
Recipient Quarterly PPRs and Financial Reports Due	July 30, 2013
Recipient Quarterly PPRs Posted to Web	August 30, 2013
Recipient Quarterly ARRA Reports Due	October 10, 2013
Recipient Quarterly ARRA Reports Posted to Web	October 30, 2013
Recipient Quarterly PPRs and Financial Reports Due	October 30, 2013
Recipient Quarterly PPRs Posted to Web	November 30, 2013
Recipient Quarterly ARRA Reports Due	January 10, 2014
Recipient Quarterly ARRA Reports Posted to Web	January 30, 2014
Recipient Quarterly PPRs and Financial Reports Due	January 30, 2014
Recipient Quarterly PPRs Posted to Web	February 28, 2014
Recipient Quarterly ARRA Reports Due	April 10, 2014

VIII. NEXT REPORT

The next quarterly report to Congress will cover April 1 to June 30, 2013.

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.