



# 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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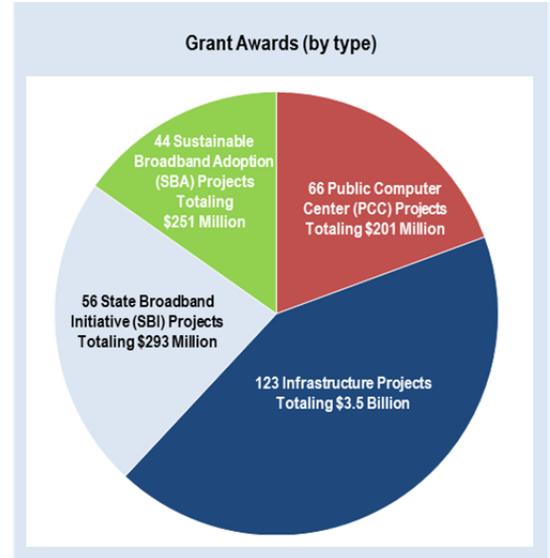
National Telecommunications and Information Administration  
U.S. Department of Commerce

## 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, 2014.

The Recovery Act appropriated \$4.7 billion for NTIA to establish BTOP to increase broadband access and adoption; provide broadband access, 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> In 2009 and 2010, NTIA invested approximately \$4 billion in 233 BTOP projects and \$239 million in 56 State Broadband Initiative (SBI) projects benefitting every state, as well as five territories and the District of Columbia.

As of March 31, 2014, 82 projects remained in active status, and 198 projects had completed their project activities.<sup>2</sup>



## II. SUMMARY

This Quarterly Report focuses on the following areas of Program implementation and project oversight:

- **Program status and progress** of broadband projects, including closeout efforts, extensions, and Program expenditures.
- **Supporting initiatives**, including the SBI and Public Safety 700 MHz grants.
- **Monitoring and grants administration** for broadband projects and the results of those efforts.

## III. PROGRAM STATUS AND PROGRESS

### A. Program Progress

From January through March 2014, NTIA's broadband grant recipients made progress toward the Program's FY14 goals. Grant recipients' quarterly progress reports, which were made public at the beginning of July 2014, provide more granular details of these results.<sup>3</sup>

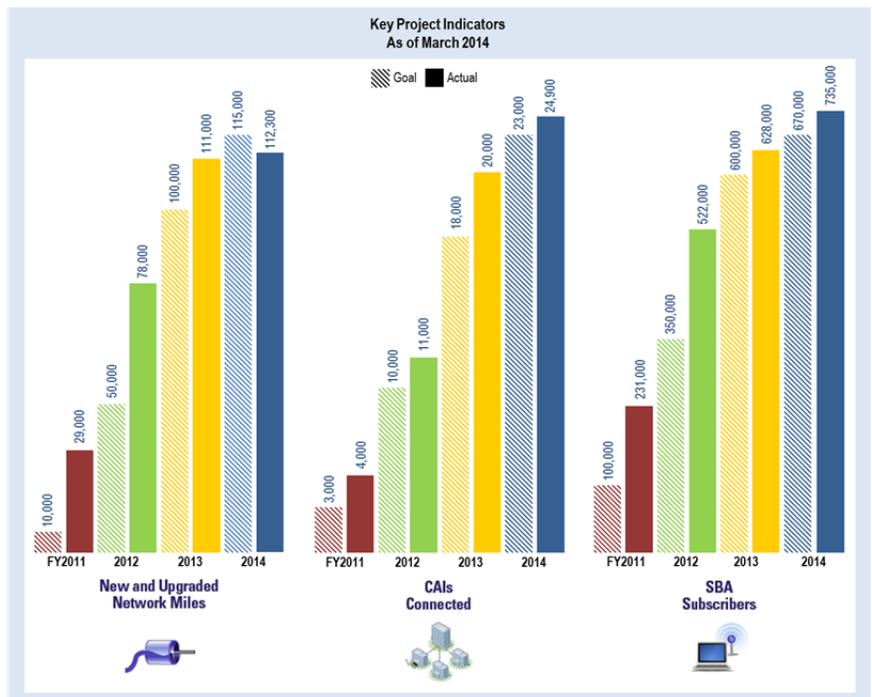
<sup>1</sup> On August 10, 2010, Congress rescinded \$302 million from BTOP, reducing the Program's funding to approximately \$4.4 billion. See Pub. Law No. 111-226.

<sup>2</sup> Active awards include 55 SBI grants and 27 BTOP grants.

<sup>3</sup> Quarterly reports for each BTOP and SBI project are available at <http://www2.ntia.doc.gov/awards>.

From January through March 2014, BTOP grant recipients:

- Connected more than 3,900 community anchor institutions. Thus far, recipients have connected approximately 24,900 total community anchor institutions, already surpassing FY14 goals.
- Generated approximately 134,000 new broadband adoption subscribers, bringing the total number of new subscribers to approximately 735,000, already surpassing FY14 goals.
- Deployed or upgraded more than 100 network miles. Since the program began, recipients have deployed more than 112,300 miles of new or upgraded network miles.



### Recipient Highlight: Foundation for California Community Colleges (FCCC)

The FCCC project showcases many of the ingredients necessary to improve broadband adoption. FCCC used BTOP funding to provide training in digital literacy, work force development, and lifelong learning, resulting in decreased dropout rates, 9,000 household broadband subscribers, and students earning more than 1,100 certifications in Microsoft Office programs. FCCC, a nonprofit that works with two-year colleges throughout California, provided computer training, laptops, and wireless cards for low-income and minority students enrolled in the Math, Engineering, and Science Achievement (MESA) program. Each participating student was required to teach a computer skill, such as how to send emails or use Skype, to at least seven people from his or her home community. Students used their laptops to apply for jobs, internships, and admission to four-year colleges. Results show that the programming helped boost student retention rates. For example, East Los Angeles College (ELAC) measured only a 12 percent dropout rate among its MESA students, compared to an 80 percent dropout rate among the entire student population. In early 2014, NTIA published the full evaluation report on the FCCC project.<sup>4</sup>

*“With their own laptops, they can do their homework anytime. And then, all of a sudden, you see the homework, you see the projects being done, and the scientific research symposiums that they’re applying to. You see them taking it a little bit further with the scholarship applications.” – MESA Director, Skyline Community College, CA*



### Recipient Highlight: Connect Arkansas

Connect Arkansas offers another prime example of a project using multiple tools to expand broadband adoption in targeted communities. It used BTOP funding to offer classes in 144 high schools and train more than 6,000 people, including 2,000 students

<sup>4</sup> ASR Analytics, “Case Study Report – Foundation for California Community Colleges,” NTIA BTOP (Sept. 12, 2013) available at [http://www2.ntia.doc.gov/files/fccc\\_case\\_study\\_report\\_round\\_2.pdf](http://www2.ntia.doc.gov/files/fccc_case_study_report_round_2.pdf).

and 4,000 healthcare professionals. Connect Arkansas seeks to be a catalyst for success in communities by providing the necessary tools to create equal opportunities for all Arkansans regardless of socioeconomic distinction. The project performed outreach in high-schools to connect with low-income families, providing free computers and training to more than 1,000 students, along with their parents or guardians. The students used those computers for homework, job searches, and college applications. Connect Arkansas originally proposed to train 2,600 people, but it eventually trained more than 6,100. In collaboration with the University of Arkansas for Medical Sciences, the project provided a broadband-based health awareness campaign and hands-on training to more than 4,000 healthcare professionals. The project also offered classes in 144 high schools that taught 2,108 students how to leverage the Internet to support entrepreneurial activities. For example, one student obtained the funding necessary to launch a bamboo fiber t-shirt company using a crowdsourcing website. NTIA recently published the full evaluation report on Connect Arkansas’s project.<sup>5</sup>

*“A lot of the rural areas have seen a decrease in population. There is less of a local market to buy their products or services. Being able to have a product or service that they can market and sell online to customers and consumers outside of their local geographic area is key to them being able to stay in business in their local communities.” - Program Staffer, Connect Arkansas*

## B. Program Status

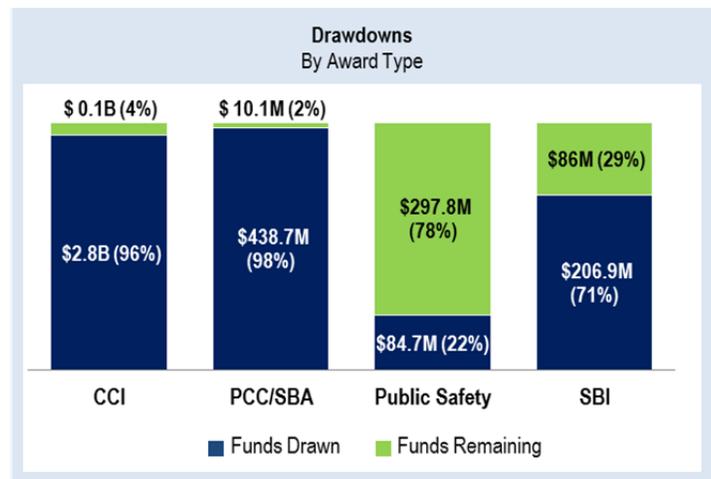
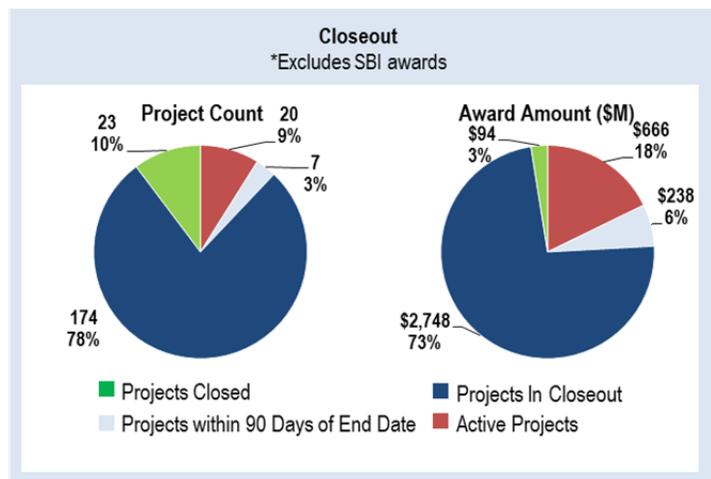
### 1. Closeout

As of March 31, 2014, NTIA helped 198 recipients (88 percent of the total) complete project activities. NTIA will continue to work with the remaining 27 recipients to verify that they have met their grant requirements and formally close out these awards in the coming months. SBI awards remain active until at least January 31, 2015.

Some grant recipients have faced factors beyond their control, which have caused project delays and hindered BTOP project deployment. NTIA extended the award period beyond September 30, 2013 for 32 grant recipients after reviewing their circumstances to ensure they can complete their projects and deliver promised benefits.

### 2. Drawdowns

As of March 31, 2014, grant recipients drew down \$3.55 billion, or 88 percent, of federal grant funds. Recipients will use the remaining \$497 million to complete their projects. The majority of the remaining funds, 77 percent or \$384 million, are allocated to the Public Safety and SBI programs.

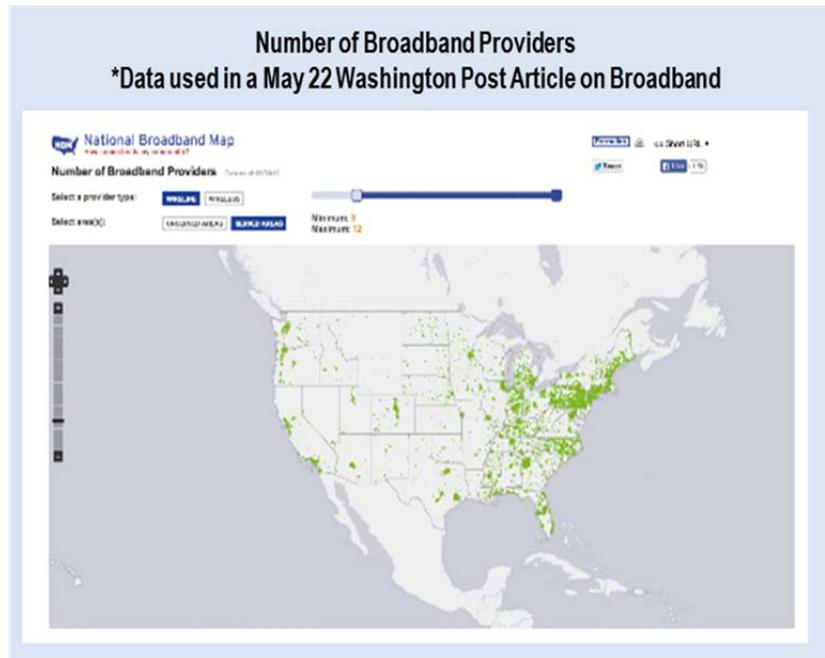


<sup>5</sup> ASR Analytics, “Case Study Report – Connect Arkansas,” NTIA BTOP (Sept. 10, 2013) available at [http://www2.ntia.doc.gov/files/connect\\_arkansas\\_case\\_study\\_report\\_round\\_2.pdf](http://www2.ntia.doc.gov/files/connect_arkansas_case_study_report_round_2.pdf).

## 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.<sup>6</sup> These grants have two components. First, SBI collects and verifies broadband availability data that states collect from broadband providers, public data, and third-party datasets.<sup>7</sup> Second, 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.



On February 20, 2014, NTIA made the seventh update to the National Broadband Map containing broadband availability and speed data collected from more than 2,100 providers as of June 30, 2013. Many organizations analyze and publish data from the National Broadband Map, such as the above example published in the Washington Post.

### B. Public Safety 700 MHz Projects

The Middle Class Tax Relief and Job Creation Act of 2012 authorized and provided funding to the First Responder Network Authority (FirstNet) to implement a nationwide public safety broadband network. Prior to enactment of the Act, NTIA had awarded seven grants for public safety projects. The Act changed the assumptions on which the grants had been awarded such that, after passage, NTIA partially suspended the grants to allow FirstNet to evaluate them.<sup>8</sup> Subsequently, four recipients, Adams County, Colorado; New Jersey; New Mexico; and Los Angeles (LA-RICS), executed spectrum lease agreements with FirstNet. NTIA lifted their partial suspensions, enabling them to restart their projects to deploy broadband networks for public safety using Long-Term Evolution (LTE) technology, and extended their grant award periods to September 30, 2015 to allow them to complete their projects. In addition to coordinating with NTIA staff, these recipients also communicate with FirstNet on a regular basis to ensure they deploy their projects consistent with FirstNet's approach to designing the nationwide public safety broadband network. NTIA also closely coordinates with FirstNet staff regarding these projects. As of March 31, 2014, all four recipients have resumed LTE network design and construction activities.

<sup>6</sup> The National Broadband Map is available at <http://www.broadbandmap.gov>.

<sup>7</sup> Broadband availability data are available in numerous 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 1,100,000 users and more than 100,000,000 API calls.

<sup>8</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>.

As of March 31, 2014, the FirstNet pilot projects completed a number of activities. Adams County signed contracts for the completion of its LTE network, as well as fiber optic backhaul construction. LA-RICS executed a contract for the design and build out of the LTE system and the LA-RICS board issued a notice to proceed with Phase 1 of the contract, which includes system design. New Jersey is developing site sharing agreements for state, local, and private organizations for use in negotiating the placement of deployables. The New Jersey project also began developing statements of work for LTE, microwave, trailers, satellite, and integration services for the Deployable Network Project. Finally, New Mexico continued development of Requests for Proposals (RFP) for LTE equipment, professional services, and project implementation.

While the City of Charlotte did not reach agreement with FirstNet on a spectrum lease, the project remains active. Charlotte is moving forward with a modified public safety broadband project that does not require access to FirstNet's spectrum. NTIA extended the grant award period to September 30, 2015 to give Charlotte adequate time to complete its modified project. Two recipients, Mississippi and Motorola, did not reach agreement with FirstNet on the terms of a spectrum lease and are in the process of closing out their awards.

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

### **A. Monitoring Activities**

NTIA is currently managing a number of active grants and a large quantity of grants in the process of close out. Throughout the award period, NTIA proactively engages grant recipients to monitor project activities and compliance efforts and to protect taxpayer investments.<sup>9</sup> This engagement includes regularly communicating with recipients to ensure proper use of grant funds, identifying potential risks affecting projects, and offering guidance to resolve issues promptly. Quarterly, grant recipients must report their financial, project performance, and ARRA-related activities. NTIA reviews these reports – the Federal Financial Report (FFR), 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. These initiatives continue as grant recipients transition their efforts to closeout activities and prepare for post-closeout obligations.

In addition, NTIA works closely with each recipient during the multi-month closeout process to review all applicable administrative actions and required documentation, including a review of the technical obligations, financial accounting, and grant administrative requirements. For example, Federal Program Officers guide infrastructure recipients through the process of properly completing and filing Uniformed Commercial Code documentation to ensure that all Federal interest in grant funded equipment is protected.

### **B. Site Visits**

NTIA uses site visits to monitor grant recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. This quarter, NTIA visited two SBI grant recipients responsible for \$16.9 million in grant funds and two infrastructure grant recipients responsible for \$58.9 million in grant funds. To date, NTIA has conducted site visits for 179 recipients representing more than \$3.9 billion of the BTOP and SBI portfolios.

During the remaining two quarters of FY14, NTIA plans to visit a number of recipients to monitor ongoing project activities and provide guidance regarding closeout procedures and compliance measures.

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<sup>9</sup> Since 2009, the Department of Commerce's Office of Inspector General (OIG) initiated 17 programmatic audits. Recommendations from these reports include small process improvements that NTIA has incorporated into its oversight and monitoring activities.

## **VI. NEXT REPORT**

The next quarterly report to Congress will cover April 1 to June 30, 2014.

## **VII. 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.