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 (Recovery Act or 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) established under the Recovery Act.

Title VI of the Recovery Act directs the Assistant Secretary for Communications and Information (Assistant Secretary), in consultation with the Federal Communications Commission (FCC), to establish a grant program designed to increase broadband penetration and adoption in unserved and underserved areas of the United States; 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 and economic growth. In addition, the $4.7 billion in funding provided under the Act is intended to create jobs and stimulate economic growth.

The Act establishes eligibility requirements for grantees and grant projects; allocates certain amounts of funding for specifically-identified broadband initiatives; imposes substantive and procedural requirements on the Assistant Secretary for the administration of the program as well as on grantees in their use of BTOP funding; and requires that all awards be made before the end of fiscal year 2010. The Act further requires NTIA to develop and maintain a comprehensive nationwide inventory map of broadband service capability and availability, and to make the map publicly available via the Internet.

Among other things, the Assistant Secretary is required to provide a status report every 90 days. NTIA will complement these reports with informal briefings for Congress as well as appearances at Congressional hearings when requested. This quarterly status report reviews developments since NTIA submitted its first report on May 18, 2009.[1]

II.   Summary

Since the passage of the Recovery Act, NTIA has worked expeditiously to ensure that BTOP funds are distributed quickly, efficiently, and fairly. In the report submitted to Congress on May 18, 2009, NTIA outlined the initial procedural and administrative steps taken to launch BTOP in accordance with the Act's requirements. More specifically, it covered program kickoff in cooperation with other Federal agencies and the States; public outreach and participation; and enhancing transparency and accountability. This report focuses on additional key steps NTIA has taken to effectively advance the directives established by Congress in the Recovery Act, including the release of the first *Notice of Funds Availability* (NOFA); public outreach to enhance participation by eligible entities; preparations to accept and evaluate applications; and other steps to improve NTIA's organizational readiness.

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[1] The first Quarterly Report is available at
http://www.ntia.doc.gov/broadbandgrants/BTOPQuarterlyReport_090518.pdf

III.   Notice of Funds Availability

On July 1, 2009 in Wattsburg, Pennsylvania, Vice President Biden, Secretary of Commerce Gary Locke, and Secretary of Agriculture Tom Vilsack announced the release of the first *Notice of Funds Availability* (NOFA) describing the availability of funds and application requirements for BTOP and the U.S. Department of Agriculture's Rural Utilities Service (RUS) Broadband Initiatives Program (BIP).[2]   The NOFA, published in the Federal Register on July 9, 2009, provides detailed information regarding eligibility, definitions, award terms, application submission, evaluation and selection, and award administration that will guide the disbursement of BTOP funding in the first round. NTIA and RUS also unveiled a shared website— http://www.broadbandusa.gov—to provide the public all of the relevant information regarding BTOP and BIP funds and to accept applications.

Up to $1.6 billion in BTOP funds will be available in the first grant round. Consistent with its appropriation, BTOP is divided into three categories of projects. Up to $1.2 billion is available through the Broadband Infrastructure category to fund projects that deliver broadband service through Last Mile or Middle Mile facilities to unserved and underserved areas. Up to $50 million is available through the Public Computer Center category to fund projects that expand computer center capacity at entities that permit the public to use these computer centers, such as community colleges and public libraries. Up to $150 million is available through the Sustainable Broadband Adoption category to fund innovative projects that promote broadband demand, such as projects focused on broadband education, awareness, training, access, equipment or support, particularly among vulnerable populations. An additional $200 million in reserve has been set aside if needed in the first grant round for meritorious applications in any of the three project categories, or to be used in later grant rounds.

NTIA anticipates subsequent rounds of BTOP funding before all awards are obligated by September 30, 2010. The current goal is to issue a second NOFA before the end of 2009 and a third in the spring of 2010, each preceded by a Request for Information (RFI) soliciting public comment on any suggested modifications to future NOFAs. This approach allows NTIA to quickly award funds to high-quality "shovel ready" projects, while also providing time for other applicants to prepare their proposals and for NTIA to adjust its program as appropriate based upon lessons learned from the earlier rounds.

On June 19, 2009, the Secretary of Commerce granted a limited waiver of section 1605 of the Recovery Act with respect to certain broadband equipment that will be used in projects funded under BTOP.[3] In granting the limited waiver, Secretary Locke made a public interest determination, pursuant to section 1605(b)(1) of the Recovery Act, that application of the Buy American provision for certain equipment would be inconsistent with the public interest. The Secretary determined that a targeted and limited waiver of the Buy American requirement would encourage participation in the program, facilitate the construction of modern broadband networks, stimulate job growth, and generally fulfill the objectives of Congress in establishing the BTOP program in the Recovery Act.

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[2] The NOFA is available at http://broadbandusa.sc.egov.usda.gov/files/BB%20NOFA%20FINAL%2007092009.pdf
[3] The waiver is available at http://www.ntia.doc.gov/frnotices/2009/FR_BroadbandBuyAmericanNotice_090701.pdf

On July 1, 2009, NTIA released a separate NOFA for the State Broadband Data and Development Program (Mapping Program), which was published in the Federal Register on July 8, 2009. The Mapping Program is a competitive, merit-based matching grant program to fund projects that collect comprehensive and accurate state-level broadband mapping data, develop state-level broadband maps, aid in the development and maintenance of a national broadband map, and fund statewide initiatives directed at broadband planning.[4] NTIA expects to make up to approximately $240 million in Recovery Act resources available to states or state-designated entities through this NOFA for mapping activities. Up to $500,000 may be awarded for the planning portion of each project.

On August 7, 2009, NTIA issued a clarification of the information requirements for the Mapping Program.[5] After considering feedback from states, public interest groups, and industry regarding the scope and detail of data collection and mapping requirements in the NOFA, NTIA clarified reporting requirements for address-level broadband data, average revenue per user, last-mile connection points, and broadband speeds, and took other steps to appropriately protect confidential data consistent with applicable law. Additionally, NTIA indicated that it intends to identify all broadband providers by name on the broadband map rather than leaving such identification to the discretion of the provider. These clarifications will help enable NTIA to build a robust, accurate broadband map for the benefit of consumers and policymakers.

IV.   Collaboration

In order to implement the Recovery Act's broadband provisions, NTIA has coordinated closely with the other Federal agencies directed to lead these efforts, including the USDA's RUS, which was appropriated $2.5 billion by the Recovery Act for broadband loans and grants, and the FCC, which the Recovery Act directed to develop a national broadband plan. NTIA, RUS, and the FCC are working together closely to leverage authorities and resources to develop and implement a coordinated Federal government approach to address the challenge of expanding the access and quality of broadband services across the country.

As described in the first quarterly report to Congress, the coordinated efforts began on March 10 of this year with a public meeting that NTIA, RUS and the FCC co-sponsored to initiate public outreach about the Recovery Act's broadband initiatives. NTIA and RUS followed the March 10 meeting with the release of a *Request for Information* (RFI) and six additional public meetings and field hearings. In response, RUS and NTIA received over 1,500 written comments from institutions and individuals. These comments, along with more than five months of close collaboration among the agencies' staff, and a concerted effort to leverage the collective experience within the two agencies, played a crucial role in formulating the structure of the NTIA and RUS broadband programs and the development of the NOFA. The development of coordinated grant and loan programs that make up the Federal broadband initiatives reflect a unique and significant level of coordination between two cabinet-level agencies and an

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[4] The NOFA is available at http://www.ntia.doc.gov/frnotices/2009/FR_BroadbandMappingNOFA_090708.pdf
[5] The clarification is available at http://www.ntia.doc.gov/frnotices/2009/FR_mappingclarification_090807.pdf

independent Federal agency. NTIA intends for consumers to be the ultimate beneficiaries of these efforts.

Consistent with this coordinated approach, NTIA and RUS have strived to streamline the Federal broadband programs to the maximum extent possible by sharing definitions as permitted by their different statutes, minimizing redundancy, and providing applicants with one portal—http://www.broadbandusa.gov—through which they can apply for funds and access information about the programs. In the first NOFA, applications to fund broadband infrastructure projects in areas that are at least 75 percent rural must be submitted to RUS for consideration under BIP. If an applicant intends to serve such rural areas and chooses also to have its application considered for BTOP funding, the applicant must complete the additional elements required of BTOP infrastructure applicants. NTIA may determine such applications to be meritorious and make grant awards if RUS reviews the application and determines not to fund it. All other Broadband Infrastructure applications—*i.e.*, those projects with proposed service areas that are less than 75 percent rural—will be submitted to NTIA for consideration under BTOP. This approach reflects Congress' intent that RUS focus its activities on rural areas and that NTIA funding could not be applied in the same area funded by RUS under the Recovery Act. It will also help stretch taxpayer dollars and enhance broadband service for a greater number of unserved and underserved areas.

V.   Public Outreach

In July 2009, NTIA and RUS jointly conducted 10 public outreach workshops in locations throughout the country, including: Washington, DC area; Boston, MA area; Charleston, WV; Birmingham, AL; Memphis, TN; Lonoke, AR; Billings, MT; Minneapolis-St. Paul, MN; Albuquerque, NM; and Los Angeles, CA. NTIA also sponsored special pre-workshop meetings in Birmingham, AL; Billings, MT; and Albuquerque, NM to facilitate participation in BTOP by minorities and small and economically disadvantaged businesses. The workshops were attended by more than 2,500 individuals and included participation by numerous federal agencies (including the FCC, the U.S. Department of Housing and Urban Development, and the Delta Regional Authority), members of Congress, governors, and mayors. To further assist potential applicants who were unable to attend these workshops, the workshop presentations, application guidelines, fact sheets, and answers to frequently-asked-questions are available on the website http://www.broadbandusa.gov.

Additionally, on July 24, 2009, NTIA hosted an online workshop for parties interested in the State Broadband Data and Development Program. More than 400 individuals attended the online workshop. NTIA believes the attendance and general interest expressed by stakeholders and the public at large during these events reflects a high level of demand for the Federal broadband assistance made available by Congress in the Recovery Act.

VI.   Application Intake and Evaluation

The NOFA published in the Federal Register on July 9, 2009 established an application window for BTOP and BIP applications from July 14, 2009, at 8 a.m. ET through August 14, 2009, at 5 p.m. ET. RUS and NTIA encouraged all applicants to submit their applications electronically and required that certain applications be filed electronically through an online application system which became available July 31, 2009 at http://www.broadbandusa.gov. In the days leading up to the application deadline, the online application system (Easygrants® System) experienced service delays due to the volume of activity from potential applicants. The agencies have added additional servers to address these capacity issues. In addition, on August 13, 2009, RUS and NTIA announced a modification to the filing deadline such that an applicant with an application pending in the Easygrants® System as of 5 p.m. ET on August 14, 2009, will be given until 5 p.m. ET on August 20, 2009, to complete the electronic submission of its application. All other requirements for electronic submissions set forth in the NOFA remained unchanged, and there were no changes to the filing instructions, requirements, or application deadline for paper submissions.

Applications received by the established deadlines will be evaluated by at least three expert reviewers against established criteria.   NTIA has been working expeditiously to recruit, select, and prepare reviewers to handle the anticipated volume and complexity of BTOP applications. Expert reviewer scores will be averaged and applications considered to be the most highly qualified will advance for further consideration. Results of this initial review phase will be announced no earlier than September 14, 2009.   NTIA will then request applicants to submit additional information as necessary to substantiate representations made in their applications. NTIA staff will review and analyze supplemental information and assign a rating to applications.

As outlined in the NOFA, states and territories will play an important role in NTIA's selection of BTOP grants. During the second step of the BTOP application review process, the Governor's office of each state will receive a list of the applications under consideration. States may prioritize recommended projects and explain why the selected proposals meet the greatest needs of the state. Also, states participating in the State Broadband Data and Development Grant Program may rely on their submissions under that program to indicate their investment priorities. Before NTIA makes final award decisions, it will consider, among other factors, the information and recommendations provided by each state.

Applications for the Mapping Program were due to NTIA by August 14, 2009. In light of the clarification to the Mapping Program announced on August 7, 2009, NTIA has indicated that it will consider waiver requests by applicants seeking a short extension of the filing deadline.

VII.   Environmental Compliance

NTIA has taken a number of steps to ensure that BTOP complies with all relevant environmental and historic preservation requirements. NTIA is working with RUS and the Advisory Council on Historic Preservation to ensure that projects comply with the National Historic preservation

Act (NHPA) and to streamline and expedite the NHPA Section 106 consultation process with State and/or Tribal Historic Preservation Officers as it relates to tower construction and fiber-optic cable installation. NTIA also worked in close collaboration with RUS and the Council of Environmental Quality to create a more uniform, efficient, and streamlined environmental review process for BTOP and BIP applicants.

To assist with compliance under the National Environmental Policy Act (NEPA), on July 1, 2009 NTIA published a list of Categorical Exclusions (CEs) and the Administrative Record for the CEs covering the BTOP program (74 FR 32876).[6] The CE list is consistent with the CEs offered by RUS to its BIP applicants. To fulfill the requirements of NEPA, the Endangered Species Act (ESA), NHPA, and other applicable environmental statutes, NTIA, in close coordination with RUS, the White House's Council on Environmental Quality, and other Department of Commerce divisions responsible for environmental compliance, developed an environmental questionnaire for BTOP and BIP infrastructure funding projects, which is incorporated into the joint BTOP/BIP Infrastructure application. For the Public Computer Center and Sustainable Broadband Adoption Programs, NTIA developed a more streamlined and user-friendly Environmental Checklist, which is incorporated into those respective applications. The Environmental Checklist and Questionnaire are designed to allow NTIA to determine which of the Categorical Exclusions published in the Federal Register apply to the projects, or whether additional environmental review and documentation in compliance with NEPA may be required. NTIA anticipates that most of the projects funded under BTOP will be eligible for Categorical Exclusions under NEPA.

VIII.   Organizational Readiness

NTIA is authorized to spend up to $141 million for administrative expenses through September 30, 2010. NTIA has hired approximately 80 percent of the federal staff planned for these programs. To assist with acquisition support, NTIA entered into an Interagency Agreement with the Acquisition Services Directorate of the National Business Center, U.S. Department of Interior. On August 3, 2009, NTIA issued a contract to Booz Allen Hamilton (BAH) for program development and administrative services. The contractor will play an important role in assisting NTIA staff in awarding Recovery Act funds in the most effective, efficient, equitable and accountable manner possible. BAH will assist NTIA with a number of important tasks and responsibilities, including program administration, application processing, communications and outreach, grants administration and post-award monitoring, technical assistance, and management support. All grant award decisions shall be made exclusively by NTIA.

IX.   Program Milestones

Below is a chart depicting past and upcoming tentative milestones for the BTOP program. Dates and activities may change based upon future developments or circumstances.

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[6] The exclusions are available at http://www.nepa.noaa.gov/NTIA_BTOP_CEs_FRN_7-9-2009.pdf

Phase 1: Program Design

Action	Date
Action	*Date*
Initial consultation with Federal agencies, States, and other governmental entities	February – June 2009
Publication of Request for Information	March 12, 2009
Public Comment Period	March 12 – April 13, 2009
Public Meetings and Field Hearings	
Kickoff meeting/Washington, DC	March 10, 2009
Washington, DC	March 16, 2009
Las Vegas, NV	March 17, 2009
Flagstaff, AZ	March 18, 2009
Washington, DC	March 19, 2009
Washington, DC	March 23, 2009
Washington, DC	March 24, 2009
Interagency Agreement Between NTIA and Department of Interior Executed	May 1, 2009

Phase 2: Program Implementation

Action	Date
Action	*Date*
Release of BTOP Notice of Funds Availability	July 1, 2009
Release of State Broadband Data and Development Grant Program Notice of Funds Availability	July 1, 2009
Public Workshops	
National Harbor, MD (Washington, DC area)	July 7, 2009
Dedham, MA (Boston, MA area)	July 8, 2009
Charleston, WV	July 10, 2009
Birmingham, AL Minority Outreach Forum	July 13, 2009
Birmingham, AL	July 14, 2009
Memphis, TN	July 15, 2009
Lonoke, AR	July 16, 2009
Billings, MT Minority Outreach Forum	July 16, 2009
Billings, MT	July 17, 2009

St. Paul, MN	July 21, 2009
Albuquerque, NM Minority Outreach Forum	July 22, 2009
Albuquerque, NM	July 23, 2009
Los Angeles, CA	July 24, 2009
State Broadband Data and Development Program Online Workshop	July 24, 2009
Online Portal Opened to Accept BTOP/BIP Applications	July 31, 2009
Contract Issued to Booz Allen Hamilton for Program Development and Administrative Services	August 3, 2009
Announcement of Extension of Application Closing Deadline for Electronic Applications Pending as of 5 p.m. ET on August 14, 2009	August 13, 2009
Application Window Closes for BTOP Paper Applications and State Broadband Data and Development Grant Program (SBDDP)	August 14, 2009
Deadline for Electronic Applications Pending as of 5 p.m. ET on August 14, 2009	August 20, 2009
Due Diligence Review and State Consultation	September 14, 2009 - October 15, 2009
Substantially Complete Set of Broadband Availability Data Due for State Broadband Data and Development Grant Program (SBDDP)	November 1, 2009
Begin Announcing First Round of BTOP Awards	November 2009
Round Two BTOP Request for Information (RFI)	Fall 2009
Round Two BTOP NOFA Released	Winter 2009
All Awards for First BTOP Round Announced	December 31, 2009
Substantially Complete Set of All Broadband Mapping Data Due for SBDDP	February 1, 2010
Complete Set of All Broadband Mapping Data Due for SBDDP	March 1, 2010
Round Three BTOP RFI Released	Winter/Spring 2010
Round Three BTOP NOFA Released	Spring 2010
All BTOP Funds Awarded	September 30, 2010*
Broadband Map Posted to Website	February 17, 2011*
Substantial Completion of All Grant Projects	September 30, 2012*
Phase 3: Final Program Audits and Shut-down	September 30, 2014

* *statutory deadlines*

X.   Next Report

NTIA will provide its next quarterly report to Congress no later than November 16, 2009.

XI.   Additional Program Materials

- Federal Register Notice: Notice of Funds Availability (NOFA) and solicitation of applications for the Broadband Initiatives Program and Broadband Technology Opportunities Program. Available: http://www.ntia.doc.gov/frnotices/2009/FR_BBNOFA_090709.pdf.

- Broadband Technology Opportunities Program Fact Sheet. Available: http://www.ntia.doc.gov/broadbandgrants/BTOP_NOFAfactsheet_090702.pdf

- Federal Register Notice: Notice of Funding Availability (NOFA) for the State Broadband Data and Development Grant Program. Available: http://www.ntia.doc.gov/frnotices/2009/FR_BroadbandMappingNOFA_090708.pdf

- State Broadband Data and Development Grant Program Fact Sheet. Available: http://www.ntia.doc.gov/broadbandgrants/MAPPINGNOFA_FactSheet_090702.pdf

- Grant Guidelines for the Recovery Act Broadband Technology Opportunities Program (BTOP). Available: http://broadbandusa.sc.egov.usda.gov/files/BTOP%20Grant%20Guidelines%20v2_0%20 July%2031.pdf

- BTOP/BIP Frequently Asked Questions. Available: http://broadbandusa.sc.egov.usda.gov/files/BIP_BTOP_FAQ_I-III.pdf

- Federal Register Notice: Buy American Exemption under the American Recovery and Reinvestment Act of 2009. Available: http://www.ntia.doc.gov/frnotices/2009/FR_BroadbandBuyAmericanNotice_090701.pdf

- Federal Register Notice: State Broadband Data and Development Grant Program Clarification. Available: http://www.ntia.doc.gov/frnotices/2009/FR_mappingclarification_090807.pdf

- Federal Register Notice: Broadband Initiatives Program (BIP) and Broadband Technology Opportunities Program (BTOP) Extension of Application Closing Deadline for Pending Electronic Applications. Available: http://www.ntia.doc.gov/frnotices/2009/FR_BroadbandExtension_090813.pdf

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