# 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 (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).

The Recovery Act provides NTIA and the U.S. Department of Agriculture's Rural Utilities Service (RUS) with $7.2 billion to expand access to broadband services in the United States. The Act provides $4.7 billion to NTIA to establish the Broadband Technology Opportunities Program (BTOP or Program) 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.  In addition, the $4.7 billion in funding provided under the Act is intended to create jobs and stimulate economic growth.  The Act also provided $2.5 billion to the RUS for the Broadband Initiatives Program (BIP).[1]

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 to Congress every 90 days.  NTIA will supplement these reports with informal briefings for Members of Congress as well as appearances at Congressional hearings when requested.  This quarterly status report reviews developments since NTIA submitted its third report on November 16, 2009.[2]

## 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 previous three reports submitted to Congress, NTIA outlined the following procedural and administrative steps taken to launch BTOP in accordance with the Recovery Act's requirements:

- Program kickoff in cooperation with other Federal agencies;
- Public outreach;
- Efforts to enhance transparency and accountability;
- Release of the first Notice of Funds Availability (NOFA);

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[1] The Agriculture Department established the BIP to extend loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas.
[2] Previous BTOP Quarterly Reports are available at http://www.ntia.doc.gov/broadbandgrants/index.html.

- Public workshops to enhance participation by eligible entities;
- Preparations to accept and evaluate applications;
- Steps to improve NTIA's organizational readiness;
- Application review, including independent expert review, State and Tribal consultation, and public notice filing comment period;
- Updated schedule for the first funding round;
- Preparations for the second NOFA, including issuance of a second Request for Information;
- Oversight and compliance; and
- Staffing and resources.

This report focuses on: first round application review; first round grant awards; issuance of the second NOFA, including changes from the first NOFA; steps taken to ensure sufficient oversight and compliance; and efforts to ensure sufficient staffing and resources. This report also provides an update on the State Broadband Data and Development Program (Broadband Mapping Program), including an update on awards made and other steps taken to develop a national broadband map.

## III. First Round Application Review

In the first round, NTIA and the Agriculture Department's RUS issued a joint BIP/BTOP NOFA to promote coordination between these programs. BTOP funds were made available through three categories of eligible projects: Broadband Infrastructure (including Last Mile and Middle Mile projects), Public Computer Centers, and Sustainable Broadband Adoption.

In response to the first NOFA, the two agencies received almost 2,200 applications requesting nearly $28 billion in funding for proposed broadband projects reaching all states, five territories, and the District of Columbia.

NTIA employed a multi-step review process for first round BTOP applications. It first conducted an initial screen of applications to determine whether an application met the eligibility requirements defined in the NOFA. Eligible applications then proceeded to the "Step One" review process, where they received at least three independent reviews against the eligibility factors and the evaluation criteria established in the NOFA.[3]

During the application review process, NTIA invited each state, tribe, territory, possession, and the District of Columbia to comment on BTOP applications that propose to serve areas within their jurisdiction. NTIA also provided existing service providers with a 30-day window to voluntarily submit information regarding the proposed funded service areas of BTOP Infrastructure applicants to help ensure that BTOP funds support projects in areas that meet the definition of unserved or underserved.

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[3] Evaluation criteria in the NOFA include: (1) Project Purpose; (2) Project Benefits; (3) Project Viability; and (4) Project Budget and Sustainability.

Based on reviewer scores, applications that were considered the most highly qualified advanced to "Step Two" or "due diligence" review for further consideration.  In Step Two, applicants were asked to submit additional information, as appropriate.  NTIA then undertook an extensive and thorough review of applications under consideration for award to ensure prudent use of taxpayer funds, which included:

- Performing detailed assessments of the application's proposed project benefits and service areas;
- Analyzing the project's technical viability;
- Analyzing the project's budget and financial sustainability;
- Reviewing audit findings and credit checks;
- Evaluating potential environmental and historic preservation impacts;
- Validating the proposal's feasibility, consistency, and accuracy;
- Reviewing information supplied by existing service providers to evaluate the unserved and underserved status of applications.

During due diligence review, NTIA staff has engaged directly with applicants to resolve concerns or questions, requested supplemental information in order to support the in-depth application review, and analyzed any requests for waivers from programmatic or statutory requirements.  After the rigorous, multi-faceted review of an application in due diligence, the NTIA staff performing the due diligence review provided grant award recommendations to the BTOP Director for his consideration.  NTIA believes this level of review is warranted and consistent with the Government Accountability Office (GAO) recommendation that NTIA provide review time comparable with other broadband grant and loan programs. A graphical representation of NTIA's round one application review process, including the components of due diligence review, is attached in Appendix II of this report.

Thereafter, the BTOP Director prepared and presented packages of recommended grant awards for NTIA's Assistant Secretary for Communications and Information.  The BTOP Director's recommendations took into account selection factors established in the NOFA, including: reviewer scores; due diligence review; satisfaction of the program's purpose; geographic distribution and diversity of populations served; the range of technologies; avoidance of redundancy; conflicts with initiatives of other federal agencies; avoidance of unjust enrichment; availability of funds; and the recommendations of states and tribal entities.

After the BTOP Director presented the recommendations, the Assistant Secretary selected the applications for grant awards, taking into consideration the BTOP Director's recommendations and the degree to which the application satisfied the selection factors and the program's purposes and priorities.


## IV.    First Round BTOP Awards

On December 17, 2009, NTIA announced the first set of awards out of the $1.6 billion that was allocated for the first round of funding.  As of February 16, 2010, NTIA had announced

approximately $228 million for investments in 19 broadband projects benefiting 15 states.[4] Of these awards, NTIA awarded $202 million for Infrastructure projects that deploy Middle Mile broadband capabilities in underserved areas; $22.8 million for Public Computer Center projects; and $3.2 million for Sustainable Broadband Adoption projects. Additional awards in round one will be announced on a rolling basis. NTIA anticipates announcing the vast majority of round one BTOP awards by the end of February and all round one awards by the end of March. A summary of the BTOP awards made by NTIA to date is included in Appendix I of this report. For detailed descriptions of each award, including the expected benefits, communities impacted, and information about the grant recipients, please visit http://www.ntia.doc.gov/broadbandgrants/projects.html.

## V.    Second Notice of Funds Availability

On January 15, 2010, NTIA and RUS issued two NOFAs to announce the availability of $4.8 billion in second round funding for the agencies' broadband programs as well as the rules for applying in the second round, which have been modified to make the application process easier for applicants and better target program resources.

In its second NOFA, NTIA has allocated approximately $2.6 billion, of which approximately $2.35 billion will be made available for infrastructure projects. NTIA is adopting a "comprehensive communities" approach as its top priority in awarding infrastructure grants in this round, focusing on middle mile broadband projects that connect key community anchor institutions – such as libraries, hospitals, community colleges, universities, and public safety institutions. Comprehensive Community Infrastructure (CCI) projects maximize the benefits of BTOP by leveraging resources, promoting sustainable community growth, and ultimately laying the foundation for the expansion of last mile broadband service to households and businesses.

In addition, NTIA plans to award at least $150 million of the second round funding for Public Computer Center projects and at least $100 million for Sustainable Broadband Adoption projects. NTIA will accept applications via an online portal from February 16, 2010 to March 15, 2010 for Public Computer Center and Sustainable Broadband Adoption projects. Applications for Comprehensive Community Infrastructure projects will be accepted until March 26, 2010.

NTIA and RUS have taken a number of steps to assist applicants to develop and submit successful applications in the second funding round. On January 7, 2010, the agencies launched BroadbandMatch, a new online tool to facilitate partnerships among prospective applicants. BroadbandMatch, available at http://match.broadbandusa.gov, allows potential applicants to find partners for broadband projects, helping them to combine expertise and create stronger proposals.

NTIA and RUS also conducted a series of public workshops to review the application process and answer questions from prospective applicants. The workshops were held between January

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[4] These totals do not include an additional 51 grants totaling approximately $97 million awarded under the Broadband Mapping Program, as discussed in Section IX of this report.

26, 2010 and February 12, 2010 in Portland, Ore.; Reno, Nev.; Denver, Colo.; San Antonio, Tex.; Eureka, Mo.; Sioux Falls, S.D.; Detroit, Mich.; Fayetteville, N.C.; and Atlanta, Ga. Workshop materials are being made available at www.broadbandusa.gov.


## VI.    Changes from the First NOFA

Prior to developing the rules for the second round of funding, on November 10, 2009, RUS and NTIA released a second joint request for information seeking public comment on ways to enhance the applicant experience through targeted revisions to the first NOFA.   RUS and NTIA received approximately 225 comments from institutions and individuals on a wide range of topics, and these comments played an important role in developing the second NOFA.

Based on the comments received in response to the second RFI and the experience gained from administering the first round of funding, NTIA made a number of changes to the program.  The goals of these changes are to increase efficiency, sharpen the program's funding focus, and improve the applicant experience.  Major changes and improvements include:

- **Separate BTOP and BIP Applications for Increased Efficiency.**  In the first round, RUS and NTIA issued a joint NOFA, giving applicants the option to file applications with both programs jointly. For the second round of funding, RUS and NTIA issued separate but coordinated NOFAs to better promote each agency's distinct objectives. RUS and NTIA have, therefore, eliminated the option of filing joint BIP/BTOP applications, as the joint application process was burdensome for some applicants. Eliminating this option will also help NTIA review applications in a timely manner. RUS and NTIA will continue to collaborate to maximize the impact of available federal funding, to best leverage the experience and expertise of each agency, and to avoid geographic overlap in projects funded by the two agencies.

- **Focus on "Comprehensive Community" Infrastructure Projects for Maximum Investment Impact.**  With respect to infrastructure projects, NTIA's top priority is to fund "comprehensive communities" projects, focusing on middle mile broadband projects and the connection of key community anchor institutions as a way of maximizing the benefits of BTOP funds. In adopting this approach, NTIA restructured the Broadband Infrastructure category of the first NOFA into the Comprehensive Community Infrastructure (CCI) category.

- **Unserved and Underserved Areas.**  NTIA removed the requirement that infrastructure projects connecting community anchor institutions, including community colleges, must be located in unserved or underserved areas, though projects in unserved and underserved areas will receive additional consideration.

- **Improved Online Application Process.**  NTIA made numerous adjustments to the online application system to streamline the intake of information and make the process more user-friendly. These include reducing the number of attachments to be uploaded with the application, eliminating the proposed funded service area mapping tool, and

modifying the service area delineations from Census blocks to Census tracts and block groups.

- **Clarifying NOFA Provisions.** NTIA clarified a number of NOFA provisions. For example, NTIA revised BTOP's eligibility factors and will use just three criteria – eligible entities, fully completed application, and matching – as the gating factors to determine whether an application is eligible for consideration. NTIA has also removed some factors from the eligibility requirements that are more effectively evaluated during the expert review and due diligence phases of application consideration. Additionally, NTIA clarified the process for requesting waivers from several statutory and programmatic obligations.

## VII. Oversight and Compliance

NTIA is committed to ensuring that taxpayers' money is spent wisely and efficiently. Since the inception of BTOP, the agency has been working with the Department of Commerce's Inspector General to design BTOP in a manner that minimizes the risk of waste, fraud, and abuse. One of NTIA's very first actions was the transfer of $10 million to the Inspector General to ensure vigorous oversight of Recovery Act funds.

NTIA has been working to develop comprehensive monitoring, reporting, and oversight systems to ensure that BTOP funds fulfill the purposes of the Recovery Act. NTIA is developing a risk assessment model that will be used to determine the level of monitoring associated with each project, including site visits to grant recipients as needed.

Grant recipients will be required to report quarterly and annually on the progress of their project, on their use of grant funds and their contribution towards their non-federal match, and in meeting project milestones. Infrastructure awardees will be required to demonstrate progress in achieving important programmatic goals such as broadband availability, adoption, transmission speeds, and prices associated with their BTOP projects. Recipients of Public Computer Center (PCC) funding will be required to provide information on the expansion of their facilities and training provided to their users, and Sustainable Broadband Adoption (SBA) recipients will report information on their success in stimulating demand and adoption. In addition to these BTOP-specific reporting requirements, grant recipients must comply with Recovery Act reporting requirements that include detailed information regarding the use of funds and jobs created.

BTOP recipients that expend $500,000 or more of federal funds during their fiscal year will be required to submit an organization-wide financial and compliance audit report. For-profit awardees will be required to comply with the program-specific audit requirements set forth in OMB Circular A-133, Subpart B, Section 235.

NTIA is committed to ensuring that BTOP funds are used in the most efficient and responsible manner possible, and reserves the right to deobligate awards to grant recipients that demonstrate

an insufficient level of performance, or wasteful or fraudulent spending, and to award these funds competitively to new or existing applicants.

## VIII.   Staffing and Resources

NTIA is authorized to spend up to $141 million for BTOP administrative expenses through September 30, 2010.  Effective implementation of a program of this size, scope, and tight timeframe required NTIA to rapidly increase staffing levels.  To address staffing needs, NTIA has filled 44 positions with new employees for the BTOP program and has also utilized staff detailed from other bureaus and agencies.  NTIA entered into a contract with Booz Allen Hamilton (BAH) to assist NTIA staff in the grants administration process.  Additionally, the Grants Offices of the National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Standards and Technology (NIST) are providing Grants Office support for BTOP grants.

The Recovery Act does not provide authority or funding for administration and oversight of BTOP-funded projects beyond the end of Fiscal Year 2010.  In its Fiscal Year 2011 Budget to the Congress, the Department of Commerce requested approximately $24 million for administration and oversight of BTOP.  NTIA intends to work with Congress in the coming months to ensure enactment of this proposed authority and funding to effectively administer and monitor BTOP grants beyond September 30, 2010, and to ensure that taxpayer dollars are spent consistent with the Recovery Act's purposes.

## IX.    State Broadband Data and Development Program (Broadband Mapping Program)

Section 6001(l) of the Recovery Act requires the Assistant Secretary to develop and maintain a comprehensive, interactive, and searchable nationwide inventory map of existing broadband service capability and availability in the United States that depicts the geographic extent to which broadband service capability is deployed and available from a commercial or public provider throughout each state.   The statute further provides that the Assistant Secretary will make the National Broadband Map (Map) accessible by the public on an NTIA web site no later than February 17, 2011.   The Recovery Act authorized NTIA to expend up to $350 million pursuant to the Broadband Data Improvement Act (BDIA), Title I of Public Law No. 110-385, 122 Stat. 4096 (Oct. 10, 2008), and for the purposes of developing and maintaining the Map.

On July 8, 2009, NTIA issued the NOFA for the State Broadband Data and Development (SBDD) Grant Program, which set forth the requirements for this grant program.   The SBDD Grant Program provides grants to states or their designees for the purpose of semi-annually gathering and verifying state-specific data on the availability, speed, location, and technology type of broadband services.  In addition, the program also funds state-led broadband planning activities.

As of February 16, 2010, NTIA has announced 51 grant awards for broadband mapping and planning activities to nearly every State and territory, and expects to announce the remaining

award in the next several weeks.  Total awards are expected to equal approximately $78 million for two-year mapping grants and $26 million for up to five years of planning activities.

The grantees will collect and verify data on broadband services that will be used in the National Broadband Map.  The Map will publicly display, at a minimum, the geographic areas where broadband service is available; the technology used to provide the service; the speeds of the service; and broadband service availability at public schools, libraries, hospitals, colleges, universities, and public buildings. The Map will also be searchable by address and show the broadband providers offering service in the corresponding census block or street segment.  NTIA anticipates offering analytical tools to help consumers, businesses, policymakers and researchers make further use of this data.

In an effort to ensure that grantees have sufficient time to collect and verify the first set of broadband availability data, NTIA has extended the due date to submit the first set of complete data from March 1, 2010 to March 31, 2010 and eliminated the requirement to submit an initial data set on February 1, 2010.  Once grantees submit their data, NTIA and the FCC will analyze and build upon this information to create the Map.  The FCC has entered into an agreement to assist NTIA with the management and development of the National Broadband Map.

As required by the Recovery Act, NTIA will develop the Map and make it accessible to the public no later than February 17, 2011.

## X.      Program Milestones

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

| *Milestone* | *Date* |
| --- | --- |
| Initial consultation with Federal agencies, states, and other governmental entities | February 2009 – June 2009 |
| Publication of First Request for Information | March 12, 2009 |
| Public Comment Period | March 12, 2009 – April 13, 2009 |
| Public Meetings and Field Hearings | March 10, 2009 – March 24, 2009 |
| Release of First BTOP Notice of Funds Availability | July 1, 2009 |
| Release of State Broadband Data and Development Program (Broadband Mapping Program) Notice of Funds Availability | July 1, 2009 |
| BTOP Public Workshops | July 7, 2009 –  July 24, 2009 |
| Broadband Mapping Program Online Workshop | July 24, 2009 |
| Online Portal Opened to Accept BTOP/BIP Applications | July 31, 2009 |

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| Contract Issued to Booz Allen Hamilton for Program Development and Administrative Services | August 3, 2009 |
| Clarification Issued Regarding Broadband Mapping Program Data Delivery Requirements. | August 12, 2009 |
| Announcement of Extension of BTOP Application Closing Deadline for Electronic Applications Pending as of 5 p.m. ET on August 14, 2009 | August 13, 2009 |
| Original Deadline for Applications for BTOP and Broadband Mapping Program | August 14, 2009 |
| Deadline for Electronic BTOP Applications Pending as of 5 p.m. ET on August 14, 2009 | August 20, 2009 |
| Clarification Issued Regarding Period of Performance for Awards Under Broadband Mapping Program | September 9, 2009 |
| BTOP Initial Public Notice Filing Comment Period | September 28, 2009 – October 28, 2009 |
| BTOP State Consultation Comments Due | October 14, 2009 |
| BTOP Tribal Consultation Comments Due | October 28, 2009 |
| Broadband Mapping Program Grants Awarded | October 2009 – March 2010 |
| Broadband Mapping Program Grantees Begin Providing Broadband Availability Data | November 2009 |
| Second BTOP Request for Information (RFI) | November 10, 2009 |
| Vice President Biden and Commerce Secretary Gary Locke Announce First BTOP Awards | December 17, 2009 |
| Additional First Round BTOP Award Announcements Continue on Rolling Basis | December 2009 – March 2010 |
| BroadbandMatch.com launched | January 7, 2010 |
| Second BTOP Notice of Funds Availability Released | January 15, 2010 |
| Second Round BTOP Public Workshops | January 26, 2010 – February 12, 2010 |
| Second Round BTOP Online Application Portal Opens | February 16, 2010 |
| Second Round BTOP Applications Due | March 15, 2010 (PCC and SBA); March 26, 2010 (CCI) |
| Complete Set of Broadband Mapping Data Due | March 31, 2010 |
| Begin Announcing Second Round BTOP Awards on a Rolling Basis | June 2010 |
| All BTOP Funds Awarded | September 30, 2010* |

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|---|---|
| Broadband Map Posted to Website | February 17, 2011* |
| BTOP Projects Substantially Complete | September 30, 2012* |
| BTOP Projects Fully Complete | September 30, 2013 |
| | *statutory deadlines* |

## XI.  Next Report

NTIA will provide its next quarterly report to Congress no later than May 17, 2010.


## XII.  Additional Program Materials

Additional program materials are available on www.broadbandusa.gov, including Notices of Funds Availability, Requests for Information, Federal Register Notices, fact sheets, answers to frequently-asked-questions, application information and guidelines, and an online database of BTOP applications. Congressional testimony and press releases related to BTOP are also available on the NTIA website at www.ntia.doc.gov.


## XIII.  Appendix I

BTOP awards announced to date:

- **Arizona, Arizona State Library, Archives and Public Records**: $1.3 million grant with matching funds of $320,000 to enhance existing facilities in more than 80 public libraries throughout the state.

- **California, Los Angeles' Computer Access Network (L.A.-CAN)**: $7.5 million grant with an additional $2.8 million in matching funds to upgrade and expand 188 computer centers in libraries, workforce centers and youth and family centers in low-income and non-English speaking communities throughout the city.

- **Georgia, North Georgia Network Cooperative, Inc.**: $33.5 million grant with an additional $8.8 million in matching funds to deploy a 260-mile regional fiber-optic ring to deliver gigabit broadband speeds, reliability, affordability, and abundant interconnection points for last mile service in the North Georgia foothills.

- **Maine, Biddeford Internet Corp. (d.b.a. GWI)**: $25.4 million grant with an additional $6.4 million in matching funds to build a 1,100-mile open access fiber-optic network extending to the most rural and disadvantaged areas of the state of Maine, from the Saint John Valley in the north, to the rocky coastline of downeast Maine, to the mountainous regions of western Maine.

- **Massachusetts, City of Boston**: $1.9 million grant with matching funds of $477,000 to expand computer and Internet capacity at the city's main library and 25 branches, 16 community centers, and 11 public housing sites.

- **Massachusetts, University of Massachusetts-Lowell**: $780,000 broadband adoption grant with an additional $196,000 in applicant-provided matching funds to promote broadband awareness and computer literacy among vulnerable populations in Lowell and Merrimack Valley.

- **Michigan, Merit Network, Inc.**: $33.3 million infrastructure grant with an additional $8.3 million in matching funds to build a 955-mile advanced fiber-optic network through 32 counties in Michigan's Lower Peninsula.

- **Michigan, Michigan State University**: $895,000 public computer center grant with an additional $235,000 in matching funds to expand 84 existing library computer centers and establish four new computer centers.

- **Minnesota, Regents of the University of Minnesota**: $2.9 million grant with matching funds of $741,000 to enhance broadband awareness and use for residents in four federally-designated poverty zones in Minneapolis and St. Paul.

- **New Mexico, New Mexico State Library**: $1.5 million grant with an additional $591,000 in matching funds to increase broadband adoption and promote computer literacy and Internet use among vulnerable populations statewide.

- **New York, ION Hold Co., LLC**: $39.7 million grant with an additional $9.9 million in matching funds to build 10 new segments of fiber-optic, middle mile broadband infrastructure, serving more than 70 rural communities in upstate New York and parts of Pennsylvania and Vermont.

- **North Carolina, MCNC**: $28.2 million infrastructure grant with an additional $11.7 million in matching funds and in-kind contributions to build a 494-mile middle-mile broadband network serving almost half the population of North Carolina in 37 counties.

- **Rhode Island, OSHEAN Inc.**: $1.25 million public computer center grant with an additional $355,000 in applicant-provided matching funds to expand computer capacity at all 71 Rhode Island public libraries across the state and create 10 mobile computer centers.

- **South Carolina, South Carolina State Board for Technical and Comprehensive Education**: $5.9 million public computer center grant, with an additional $1.6 million in applicant-provided matching funds to expand the capacity of 51 public computer centers and create 19 new computer labs at the South Carolina Technical College System's 16 member community colleges.

- **South Dakota, South Dakota Network, LLC**: $20.6 million grant with an additional $5.1 million in matching funds to add 140 miles of backbone network and 219 miles of middle mile spurs to serve more than 220 existing anchor institutions in rural and underserved areas of the state.

- **Virginia, Mid-Atlantic Broadband Cooperative**: $16 million grant with an additional $4 million in matching funds to add 465 miles of new fiber to directly connect 121 K-12 schools in Southern Virginia.

- **Virginia, Virginia Tech Foundation, Inc.**: $5.5 million grant with an additional $1.3 million in matching funds to construct a 110-mile open access fiber-optic network between six counties in Virginia's Appalachian region.

- **Washington, The Inland Northwest Community Access Network (Tincan)**: $1.3 million grant with matching funds of $753,000 to establish three new public computer centers and expand 14 existing centers throughout Spokane's poorest neighborhoods to serve more than 5,000 additional users per week.

- **Washington, The Inland Northwest Community Access Network (Tincan)**: $981,000 grant with an additional $728,000 in matching funds to increase broadband adoption through basic and advanced computer skill training, as well as community-based outreach campaigns to highlight the benefits of broadband for vulnerable populations in Spokane.


## XIV.  Appendix II

Round one application review process (attached)

# Broadband Technology Opportunities Program
# Round 1 Application Review Process
## January 2010

### ✔ Eligibility

- ▸ Ensured application was filed properly
- ▸ More than 1,800 applications received
- ▸ Reviewed for meeting basic application requirements
- ▸ Analyzed to make sure applications are complete

### Merit Review

- ▸ More than 1,500 applications reviewed by over 600 independent expert reviewers
- ▸ Focused on alignment with NOFA evaluation criteria

### 🔍 Due Diligence

- ▸ Based on their scores, more than 400 applications moved into due diligence, which is a comprehensive review to ensure prudent investments of tax payer dollars
- ▸ Applications were initially reviewed to conform with BTOP funding priorities

### Sample Infrastructure Review Factors

- ☑ Check level of need in the area
- ☑ Gauge network capacity
- ☑ Validate affordability of services offered
- ☑ Review nondiscrimination, Interconnection, and Choice of Provider
- ☑ Analyze technical feasibility of the proposed project
- ☑ Assess applicant's organizational capacity
- ☑ Ascertain level of community involvement in the project
- ☑ Examine project schedule
- ☑ Test budget for reasonableness ("No Gold Plating")
- ☑ Measure sustainability of the project (cash flow analysis)
- ☑ Validate matching funds and other financial commitments
- ☑ Gauge financial need ("But For")

## Due Diligence Components

### 💲 Technical and Financial Due Diligence

**Technical and Financial Emphases**

- ▸ Technical Viability
- ▸ Budget Reasonableness
- ▸ Project Benefits

**Timeframe**

- ▸ 30-day applicant window to submit data
- ▸ NTIA back-and-forth correspondence, validation, and negotiation

### 🏛 State and Tribal Consultation

**State Inputs**

- ▸ All states and territories submitted input addressing applications impacting their jurisdictions

**Tribal Consultation**

- ▸ Approximately 200 tribal consultation packages provided for applications that may impact tribal interests

### Public Notice Filing Analysis

**Public Notice Filings**

- ▸ Over 80% of all infrastructure applications received public comments, which are reviewed during due diligence
- ▸ Validated underserved and unserved service provisions with incumbent information

### Environmental and Historic Preservation

**Assessment of potential impact**

- ▸ Request and receive questionnaire
- ▸ Confirm alignment with categorical exclusions
- ▸ Assess compliance with applicable regulations
- ▸ Work with applicants to collect additional data as needed

### 💲 Deterring Waste, Fraud, and Abuse

- ▸ Suspension and Debarment Check
- ▸ Federal Debt and Applicant Check
- ▸ Credit Check
- ▸ Indirect Cost Rate Review
- ▸ Budget and Cost Analysis
- ▸ Audit Check
- ▸ Financial Viability Review
- ▸ Accounting System Verification