



# **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

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United States Senate

and the

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United States House of Representatives

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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 or Program). This Report focuses on the Program's activities from April 1 to June 30, 2011.

The Recovery Act provided NTIA with \$4.7 billion to establish BTOP to increase broadband access and adoption; provide broadband training and support to schools, libraries, healthcare providers, and other organizations; improve broadband access to public safety agencies; and stimulate demand for broadband.<sup>1</sup>

The Act also provided funding for NTIA to develop and maintain a comprehensive nationwide inventory map of broadband service capability and availability, and to implement the State Broadband Data and Development Act and the Broadband Data Improvement Act.

Following a rigorous application and review process documented in previous Quarterly Reports, NTIA invested approximately \$4 billion in 233 BTOP projects benefitting every state, territory, and the District of Columbia.<sup>2</sup> This BTOP 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.

The infrastructure projects include seven grants totaling approximately \$382 million for projects to deploy public safety wireless broadband networks. These awards will serve as a critical set of demonstration projects and a head start on the Administration's commitment to support the development of a nationwide, interoperable public safety wireless broadband network.<sup>3</sup>

Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately \$293 million in BTOP funds to 56 recipients, one each from the 50 states, five territories, and the District of Columbia, or their designees. With this funding, states are gathering data biannually

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 On August 10, 2010, Congress rescinded \$302 million from BTOP, reducing the program's funding to approximately \$4.4 billion.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

<sup>2</sup> The total number of BTOP awards announced by September 30, 2010 was 233. As of June 30, 2011, this number was 231, which excludes an award to the Leech Lake Band of Ojibwe, which ultimately did not accept its award, and an infrastructure project to Education Networks of America, Inc., which was terminated and whose awarded funds (approximately \$16 million combined) were returned to the U.S. Treasury. Additionally, NTIA is in the process of terminating a \$22.9 million award to the State of Wisconsin Department of Administration, and expects to return the remaining award funds to the U.S. Treasury in the third quarter of 2011.

<sup>3</sup> On February 10, 2011, the President announced the Wireless Innovation and Infrastructure Initiative (WI3) to spur innovation, expand economic growth and job creation, and provide our nation's first responders with modern, interoperable communications capabilities. See <http://www.whitehouse.gov/the-press-office/2011/02/10/presidentobama-details-plan-win-future-through-expanded-wireless-access>.

on the availability, speed, and location of broadband services, as well as the broadband services used by community institutions such as schools, libraries, and hospitals. NTIA is using the data to update the publicly searchable, interactive National Broadband Map,<sup>4</sup> launched earlier this year in accordance with the Recovery Act's requirements.<sup>5</sup> These grants also support state 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 institutions in using technology more effectively, research to investigate barriers to broadband adoption, innovative applications that increase access to government services and information, and 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 BTOP projects and program expenditures.
- **Supporting Initiatives**, including the SBI mapping and capacity building efforts and the Digital Literacy portal.
- **Monitoring and Grants Administration** of BTOP program activity and results from those efforts.
- **Program Communications** supporting outreach with BTOP stakeholders.

## III. Program Status and Progress

BTOP is on track to meet—and in most cases exceed—its program goals, delivering significant progress this quarter in areas such as the infrastructure construction, computer center launches, and delivery of training to new broadband users. This progress can be clearly seen in recipients' quarterly progress reports made public on September 7, 2011.<sup>6</sup>

### A. Program Measures of Performance

Pursuant to the Recovery Act, recipients are required to report their financial, project performance, and Recovery Act-related activities on a quarterly basis. NTIA utilizes these reports to monitor the progress of the Program in key areas including new network miles built or upgraded, the number of community anchor institutions connected to broadband, the number of PCC workstations deployed, and the number of new broadband subscribers resulting from sustainable broadband adoption projects, as well as BTOP funds expended. These key measures of program and project progress are strong indicators that BTOP is achieving the Act's objectives.

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<sup>4</sup> On February 17, 2011, NTIA, in collaboration with the FCC, launched the National Broadband Map to search, analyze, and map broadband availability across the United States. The map can be found at <http://broadbandmap.gov>.

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

<sup>6</sup> BTOP recipient quarterly reports can be found for each project at <http://www2.ntia.doc.gov/awards>.

## 1. New or Upgraded Network Miles

BTOP projects focused on deploying new or significantly upgraded network miles are connecting community anchor institutions and facilitating enhanced access to broadband Internet services for households and businesses. Network miles are a direct indicator of the nation's growing broadband infrastructure, and represent increased ability of underserved communities to contribute to America's global competitiveness, while establishing a firmer foundation for more affordable broadband services to homes and businesses.

The Program experienced considerable progress during this quarter in the form of a nearly 110 percent increase in the number of recipients delivering network miles from the previous quarter. Network miles deployed for the Program include newly constructed miles, new leased miles, existing miles upgraded, and existing miles leased. Forty-four BTOP recipients deployed more than 10,000 network miles, bringing the total number of miles to date to more than 18,500. This represents a 200 percent increase in the number of network miles deployed over the last quarter. Over the first nine months of the fiscal year, the Program has already surpassed its 2011 goal of 10,000 network miles.

NTIA expects the pace of delivered miles to continue to increase in coming quarters now that most infrastructure recipients have completed environmental and historic preservation requirements and are taking advantage of the summer/fall construction season. Infrastructure projects, including the following recipients, continue to demonstrate substantial impact in communities across their states:



In March 2011, the **University Corporation for Advanced Internet Development (UCAID)**, also known as Internet2, activated 4,828 miles of leased dark fiber for its 16,000 mile network of advanced middle-mile fiber-optic backbone network as part of its U.S. Unified Community Anchor Network (U.S.

UCAN) project. U.S. UCAN is a large-scale, public-private partnership that will interconnect more than 30 existing research and education networks, including those of several BTOP recipients, creating a dedicated fiber-optic backbone that will enable advanced broadband capabilities, such as telemedicine, distance learning, video multicasting, and other life-changing Internet-based applications.



Technicians install optical and routing equipment for the project's showcase display at UCAID's annual Spring Member Meeting in April 2011.



The **Mid-Atlantic Broadband Cooperative (MBC)** began construction on a 465-mile fiber addition to an existing 800-mile fiber network in unserved and underserved areas of southern Virginia. This quarter, MBC deployed 158 new fiber miles. Covering 12 counties in southern Virginia, the \$16 million BTOP-

funded project plans to directly connect 121 K-12 schools to the network, improving access for more than 58,000 students. MBC's network will improve connection speeds for these schools from 1.5 Mbps to at least 10 Mbps, with a goal of connecting at 100 Mbps. The new fiber connections also are expected to enable these schools to take advantage of distance learning and virtual classroom opportunities.



MBC using a vibrating plow to lay a fiber-optic network in southern Virginia.

## 2. Community Anchor Institutions

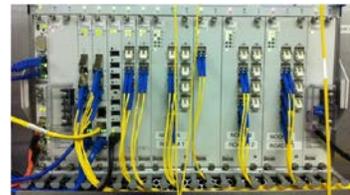
Projects focused on connecting anchor institutions, including schools, libraries, hospitals, and public safety facilities, are providing broadband access to critical entities that require faster Internet speeds to improve service delivery. In addition to enabling these local institutions to provide enhanced service to their employees, students, and customers, anchor institutions often have a multiplier effect throughout a community, since residents that use high-speed Internet at anchor institutions are generally more likely to adopt broadband at home. As a result, connecting community anchor institutions is a key indicator of grant recipients' progress in meeting their milestones and in providing much needed benefits to communities.

As of June 30, 2011, recipients have connected and/or improved service to 1,322 community anchor institutions within their project areas. This number of institutions more than doubled from the previous quarter and included three times as many recipients reporting anchor institution connections. The BTOP goal for connected and/or improved services for community anchor institutions for fiscal year 2011 is 3,000. As BTOP's infrastructure recipients continue to deploy new network miles, they will accelerate the connection of more institutions to faster Internet connections. NTIA expects to see a rise in network miles and the number of connected community anchor institutions performance indicators over the final quarter of the fiscal year. Below are examples of BTOP projects working to connect community anchor institutions across America.



The **Iowa Communications Network (ICN)** project, known as Bridging the Digital Divide for Iowa's Communities, will bring enhanced broadband capabilities to all 99 of the state's counties and provide 10 Gbps-capable points of presence in each county. During this quarter, ICN upgraded 210 miles of fiber and

connected 303 anchor institutions (266 improved and 37 new). Ultimately, the project will enable speeds of 1 Gbps for community anchor institutions statewide, including more than 50 libraries, 800 educational institutions, and 1,000 government facilities. ICN's partnership with non-profit Iowa Health System, which is another BTOP recipient, will allow for a comprehensive statewide fiber-optic network that serves public sector, private sector, and non-profit entities.



ICN uses the lab equipment above to test the configuration environment for the network prior to the deployment of equipment into the field.



The **Connecticut Department of Information Technology** upgraded 747 miles of its existing 5,500 mile fiber network, and connected 59 new anchor institutions this quarter. Eventually, the project will deploy more than 800 miles of new fiber infrastructure. The department, through a partnership with

the Connecticut Education Network, will enable broadband service at speeds up to 1 Gbps at more than 228 K-12 schools, two community colleges, and 181 libraries across the state. The recipient also is working with the Connecticut Public Safety Services Data Network to integrate a statewide data network at more than 540 public safety facilities that serve more than 25,000 first responders.



Connecticut Department of Information Technology upgrading its network with new fiber-optic lines.

### 3. Public Computer Center Workstations

BTOP's PCC grants fund the development of new public computing facilities and the upgrade of existing facilities to improve broadband access for the general public as well as vulnerable populations, such as low-income individuals, the unemployed, senior citizens, children, minorities, tribal communities, and people with disabilities. These PCCs provide individuals with access to necessary technology and information, and provide training on topics, such as online job searching, basic computer and Internet skills (or "digital literacy"), advanced technology certification courses, and GED and college preparatory courses.

Through June 30, 2011, 51 BTOP recipients had installed more than 16,000 new workstations, which represents more than a 30 percent increase in the number of workstations from the previous quarter and surpasses NTIA's fiscal year 2011 goal of 10,000 workstations. Seventeen of the 65 PCC recipients had not previously delivered workstations but provided more than 2,300 workstations during the quarter. More than 75 percent of PCC recipients have now installed new or upgraded workstations. NTIA expects the deployment of new workstations and upgrades of existing workstations to accelerate in coming quarters as recipients order, configure, and install computers at their PCC sites. Below are examples of BTOP PCC recipients providing workstations and training aimed at transforming the lives of people in their local communities.



**Thomas Edison State College** deployed 845 workstations and hosted workforce development training in 124 libraries this quarter. This statewide initiative provides new computer resources and workforce skills training for New Jersey's most economically vulnerable residents. More than 2,500 individuals have participated in 270 workshops to learn computer

fundamentals, resume and cover letter techniques, job search skills, and email basics. The project also conducted 34 professional development workshops for library staff members, teaching them how to manage the computer resources. Additionally, the project used BTOP funds to provide residents with free access to the Learning Express Job & Career Accelerator, an online interactive system that allows individuals to search 5 million job listings, learn to prepare resumes and cover letters, and track their progress online. As of May 31, 2011, the project has registered more than 4,000 new users to the Job & Career Accelerator.



Laurie Steidle, a workforce skills workshop instructor, teaches online job search techniques at a public library in Burlington County.



**Auburn University**, in partnership with Alabama Public Library Services and the Tuskegee Institute, is upgrading and adding PCCs in rural libraries and public schools throughout Alabama. These centers support a statewide initiative to provide affordable computer resources and career development courses to job seekers,

students, and senior citizens. This quarter, the recipient delivered 615 new workstations to 62 PCCs, bringing the total new workstations to 1,170. These new computers serve an average of 29,300 students and library patrons per week. By the end of the project, Auburn will install \$3.5 million in new computers and equipment at 139 locations in 55 counties.



Steve Thigpen, a librarian at the Fort Deposit Library and visitors pose in front of the library's new computers.

#### 4. New Broadband Subscribers

SBA projects help increase broadband Internet usage and adoption by consumers, businesses, and institutions, usually focusing on populations that traditionally underutilize broadband technology. These SBA projects can provide digital literacy and job training that, in addition to helping people locate and apply for jobs, should lead to new broadband subscribers. NTIA measures the number of households that obtain broadband subscriptions through SBA efforts because it correlates to broadband access, use of critical e-resources, and job creation.

As of June 30, 2011, 31 BTOP recipients reported that their training and adoption projects had encouraged more than 110,000 households and 500 businesses to subscribe to broadband services. This surpasses the goal of 100,000 new households or business subscribers for fiscal year 2011. New subscribers for this quarter totaled over 68,000, an increase of over 100 percent from the previous quarter. Nearly 70 percent of SBA grant recipients have reported new broadband subscribers, and NTIA expects the number of new subscribers to increase significantly over the balance of 2011 as more households are reached by awareness campaigns, receive subsidized computer equipment or broadband service, complete training programs, and take advantage of workstations and discounted subscriptions provided by BTOP funds.

The following projects demonstrate the effectiveness of using broadband awareness campaigns and training programs to generate new subscribers:



**California Emerging Technology Fund (CETF)** is administering two BTOP awards that support targeted regions of California, including Los Angeles and Orange County, Central Valley, San Francisco Bay area, and Sacramento Valley. With 19 partners, CETF launched a multilingual public awareness campaign, including television, radio, and newspaper public service announcements, which has made more than 32 million impressions (the number of individuals who could see an ad based on its placement). CETF partners have reached more than 52,000 adults and youth through direct outreach activities and close to 20,000 individuals have received training ranging from basic digital literacy skills to advanced technology certification courses. In addition, low income individuals and many English-language learners completed training, which earns them computers and broadband subscriptions, along with skills for better careers, through CETF's Access to Careers in Technology (ACT) program. More than 140 individuals have secured technology jobs after completing ACT. The combination of awareness campaign activities, training, and number of partners engaged in the project has helped to generate more than 50,000 new broadband subscribers.



City of Los Angeles Mayor Antonio Villaraigosa and CETF President Sunne Wright McPeak present a free PC to a member of its Club Digital program.



**Future Generations Graduate School** in West Virginia is using a two-pronged approach to increase broadband adoption. The project launched an extensive public awareness campaign, utilizing multiple media outlets to promote the benefits of broadband. This quarter, Future Generations reached more than 311,000 residents and 1,500 local community

organizations and businesses through newspapers and direct mail campaigns. The project also created and displayed posters promoting technology training in community centers, grocery stores, post offices, schools, gas stations, and senior citizen centers throughout the 18-county service area. More than 2,000 households have become new broadband subscribers through this broad-based awareness campaign. Future Generations also is using the community presence of fire stations across the state to increase broadband usage, opening 30 computer centers in fire stations, particularly in low-income counties, as of June 30, 2011. Each center is working with educational partner organizations to host training classes on a variety of topics including basic computer fundamentals, e-commerce, chronic disease self-management and substance abuse prevention, and community-based emergency response and awareness. This quarter, more than 3,500 community residents participated in these training classes, generating more than 100 new broadband subscribers.



Children from the community come to the Future Generations labs to complete homework or other school projects.

## 5. Expenditures

BTOP recipients reported spending over \$200 million of Federal grant funds this quarter, which was matched by recipient funds of almost \$110 million. Cumulatively, total Federal expenditures were \$480 million – approximately 12 percent of the total funds awarded – while total recipient matching contributions exceeded \$240 million. The amount of Federal expenditures also increased by over 70 percent from the previous quarter’s totals, and the amount of matching funds contributed increased by over 80 percent.

In addition to the quarterly financial reports detailing expenditures, NTIA also closely monitors recipient drawdown progress using weekly reports from the Automated Standard Application for Payment (ASAP) system. NTIA utilizes the drawdown report to obtain a portfolio-wide view of recipient progress on a more regular basis. Program staff compare drawdown information against the Federal Financial Report (FFR) and ARRA data to ensure financial alignment among reports and that recipients are drawing down money appropriately given their reported Federal spending. Although drawdowns serve as a valuable tool to gauge progress within the quarter, they sometimes lag behind actual project expenditures and do not provide a complete picture of progress. Recipients have demonstrated improvement over the last two quarters in completing timely drawdowns, increasing drawdowns as a percentage of expenditures each of the last three quarters. Through June 30, 2011, recipients drew down more than \$462 million.<sup>7</sup>

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<sup>7</sup> As of September 9, 2011, the total drawdowns have increased over 30 percent to \$609 million.

## IV. Supporting Initiatives

### A. *State Broadband Initiative*

NTIA's State Broadband Initiative consists of the State Broadband Data and Development Grant Program and the National Broadband Map. Since the launch of the National Broadband Map in February 2011, NTIA has supported State Broadband Initiative (SBI) grant recipients to help expand their data collection efforts, and improve data accuracy and validation. SBI grants also play a critical role in helping states and territories identify and address obstacles to broadband deployment and adoption. SBI empowers states to fashion solutions tailored to their unique broadband needs, supports state and local task forces and planning teams to expand broadband awareness and adoption, and enables government to be more responsive to citizens in the new digital economy. By helping to coordinate this new network of state broadband activity, SBI facilitates collaboration among the states and enables the exchange of best practices and lessons learned.

This quarter, NTIA met with each SBI recipient to review data submitted in April 2011, which will be used to update the National Broadband Map in September 2011. The data enhancement efforts continue to improve the National Broadband Map and each individual state dataset. Below are examples of states using their SBI funds to support various state initiatives.



The **New Mexico Department of Information Technology's** (DoIT) project has used creative approaches to increase the benefits of its online broadband mapping functions with the help of the University of New Mexico's Earth Data Analysis Center.<sup>8</sup> For example, the New Mexico Watch Demonstration project leverages the existing DoIT map to improve statewide wildfire reporting and improve public safety in the state. The interactive website is updated daily and allows users with broadband access in the field, home, or office to rapidly analyze data on wildfires and display the locations of emergency operations centers, fire stations, law enforcement stations, hospitals, community centers and schools.



The **Missouri Office of Administration's** MoBroadbandNow initiative helps 19 regional planning commissions conduct broadband needs assessments and develop specific broadband plans for every area of the state. Each planning commission is creating a Regional Technical Planning Team (RTPT) to identify issues and gaps, and develop a tailored broadband plan, including citizens, policy-makers, businesses, industry experts, educational institutions, and investors. MoBroadbandNow will provide technical assistance and information during the process. All of the regional plans will be used to develop a statewide plan and policies to advance broadband availability and adoption.

### B. *Digital Literacy*

On May 13, 2011, former U.S. Commerce Secretary Gary Locke launched the online portal DigitalLiteracy.gov to prepare more Americans for today's jobs by capitalizing on BTOP investments made to date. In collaboration with the Department of Education and other Federal agencies, NTIA created DigitalLiteracy.gov to help librarians, teachers, workforce trainers, and

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<sup>8</sup> New Mexico's online broadband map tool is available at <http://nmbbmapping.org/mapping/>.

others aggregate resources and tools to teach computer and online skills necessary for success in today's economy. NTIA led the effort to design the site and incorporated feedback from more than 50 practitioners throughout the development phase. BTOP recipients in particular played a significant role in the creation of DigitalLiteracy.gov.

Since the launch of DigitalLiteracy.gov, NTIA has bolstered its partnership with the American Library Association (ALA) and the Institute of Museum and Library Services (IMLS) to promote the use of the portal and identify additional content resources for the site. With the help of its partners, NTIA has added more than 132 resources to the existing tools on the portal, including tutorials on using handheld devices and mobile data applications, information on how technology is empowering the disabled community, and new resource topics, such as child online protection. NTIA also uses the portal to highlight BTOP recipients and their progress in promoting digital literacy in communities across the country. NTIA continues to collaborate with its partners to promote the use of the portal helping to drive, on average, more than 1,000 visitors to the site each week.

## **V. Monitoring and Grants Administration Efforts**

NTIA continues to follow the FY11 BTOP Monitoring and Assessment Plan, which includes multiple monitoring techniques – active engagement, early detection, and program support – as part of its oversight strategy for BTOP awards.<sup>9</sup> These activities are designed to protect taxpayers' investments, offer strong stewardship over the funds, and monitor recipients' progress and performance against project benefits outlined in their applications.

In addition, NTIA assesses each grant on an annual basis to review potential risks affecting the recipient and the project to make the most efficient use of NTIA's available resources, while ensuring a standard and appropriate level of monitoring for each grant. As outlined in the FY10 BTOP Monitoring Plan, NTIA has assigned each recipient to one of three levels for monitoring – Standard, Intermediate, and Advanced – based on total award amount, number of subrecipients, project complexity and duration, as well as the organizational type of the recipient.

BTOP Federal Program Officers (FPOs) carry out appropriate escalating monitoring activities based on these three levels with support from the National Institute of Standards and Technology (NIST) and National Oceanic and Atmospheric Administration (NOAA) Grants Offices. NTIA also works with the Department of Commerce's Office of the Inspector General (OIG) to ensure that recipients and the program follow applicable statutes, regulations, and guidance to maintain compliance with their award agreements.

### **A. Active Engagement**

NTIA engages BTOP recipients on a regular basis to proactively monitor project and compliance efforts. A key monitoring activity implemented by NTIA is regularly scheduled grantee status meetings with the recipient and key project members. BTOP FPOs typically conduct these meetings via teleconference on a weekly or bi-weekly basis. The frequency is based on the complexity and size of each project and the issues currently faced by the recipients. These calls are in addition to any ad-hoc communications via phone or email that may occur as a part of

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<sup>9</sup> The FY11 BTOP Monitoring and Assessment Plan was originally published in July 2010. The Plan received a minor update, resulting in an updated version being published on June 29, 2011. For more information on the Plan, please visit [http://www2.ntia.doc.gov/files/btop\\_fy11\\_monitoring\\_and\\_assessment\\_plan.pdf](http://www2.ntia.doc.gov/files/btop_fy11_monitoring_and_assessment_plan.pdf).

NTIA's monitoring and support of BTOP recipients. During these calls, FPOs review project milestones, adherence to Federal grant requirements, and any additional issues or concerns that may arise. In addition to regular teleconferences, NTIA also requires recipients to provide regular reports on their performance and financials, and continues to conduct site visits.

If a recipient's performance is seriously off track, NTIA can recommend that the Grants Office stop payment, suspend, or terminate an award to protect taxpayer funds. The Grants Office also may suspend an award that is consistently out of compliance with the grant terms and conditions, and may terminate awards in the most serious instances. NTIA is committed to ensuring that recipients meet their commitments, comply with program and Federal grants administration rules and requirements, and use taxpayer dollars appropriately and responsibly. NTIA is prepared to use these tools and return funds to the Treasury if it determines that a recipient cannot responsibly deliver on its project.

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

Recipients are required to report their financial, project performance, and ARRA-related activities on a quarterly basis. NTIA reviews these three reports – the FFR, BTOP Performance Progress Report (PPR), and ARRA report to monitor project progress against established baselines, expenditure of grant funds, and contribution of non-Federal cost share. Within 10 business days of receipt of the PPR, FPOs provide feedback and additional guidance, as necessary, to ensure that the recipient is providing sufficient detail to allow NTIA to determine that the projects are meeting programmatic objectives and delivering promised project benefits.

In addition, the Program strives to continuously improve the consistency and accuracy of recipient reporting. For example, NTIA provided additional guidance documents to all recipients, and held several drop-in calls to walk recipients through the documents and address any questions. To improve monitoring of recipient progress, the Program Office identified instances of discrepancies and/or mistakes in recipient baseline reports, prioritized them, and initiated a process to correct the data.

Collectively, these monitoring activities provide NTIA with an in-depth and accurate understanding of each grant recipient's progress, overall performance, and ability to comply with the award requirements.

### **2. Site Visits**

Site visits are a standard tool used by grant-making organizations to closely monitor recipients through on-site meetings and discussions with project leadership and grant and financial management teams. On site visits, NTIA staff observe recipients' project activities and fiscal management practices, identify and address any challenges or areas of concern, and pinpoint best practices that could be beneficial to other projects. This quarter, BTOP staff visited 42 recipients, representing 18 percent of the 231 awards and \$1.23 billion in grants. To date, BTOP staff conducted site visits for 33 percent of awards across the program, representing \$2.17 billion in grants or more than 55 percent of the total BTOP grant funds. These site visits focused on NTIA's largest and most complex projects and awards. Site visits will continue next quarter with the goal of visiting the remaining awards designated for advanced monitoring.

As part of two- and three-day meetings, NTIA staff visited computer centers, observed training classes, discussed how projects are tracking and validating broadband subscribership numbers, as

well as observed towers and other infrastructure being built. Following each site visit, BTOP staff documented findings in a summary report that was shared with the NIST/NOAA Grants Office.

These reviews allow BTOP staff to identify and address performance issues and other potential areas of concern that can be corrected immediately onsite or through the development of a Technical Assistance Plan (TAP), Performance Improvement Plan (PIP), or Corrective Action Plan (CAP). Each type of plan helps ensure that recipients are compliant with BTOP reporting and grant management standards, and make sufficient progress against their project plans each quarter by laying out specific actions that the recipient needs to take in a defined timeframe.

## ***B. Early Detection***

NTIA works closely with the OIG, as well as the NIST/NOAA Grants Offices, to ensure the effectiveness of all post-award monitoring and verification activities, and that the program is implemented and administered in a manner that minimizes the risk of waste, fraud, and abuse. Since April, the OIG has reviewed NTIA's processes that ensure BTOP recipients' matching project funds meet Federal administrative requirements and the cost principles included in the terms and conditions of their awards. The OIG also continuously audits NTIA recipient monitoring activities and has travelled to recipients to observe the effectiveness of BTOP site visit procedures.

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

BTOP recipients must contribute a minimum 20 percent cost share, or "match" for their projects. This translates into a total of \$1.4 billion in matching funds across BTOP projects.

NTIA initiated a "match review" to address common match issues regarding the allowability, consideration, source, consistency, and valuation of each recipient's proposed cash and in-kind matches. BTOP FPOs are working with recipients to analyze proposed matches to obtain greater confidence that the matches are free of material weaknesses and allowable.

NTIA's cost share review was used by the OIG to support its cost share audit that was launched in April 2011. The OIG stated that the objective of the audit would be to determine whether NTIA had processes in place to ensure BTOP recipients' matching shares meet Federal administrative requirements and the cost principles included in the terms and conditions of the award. The OIG's audit remains pending.

## ***C. Program Support***

NTIA offers an array of support activities to help recipients address policy, legal, organizational, financial, and technical hurdles that arise during performance of their awards. This quarter, NTIA focused its support efforts on helping recipients to clear their environmental Special Award Conditions (SAC) and provide additional guidance related to audits of recipients.

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

Nearly all BTOP infrastructure awards, as well as some PCC projects, are subject to applicable Federal, state, local, tribal, and other environmental and cultural or historic policies, most notably the National Environmental Policy Act (NEPA), the National Historic Preservation Act

(NHPA), and the Endangered Species Act (ESA). Timely completion of environmental documentation is critical to the success of these projects. NTIA provides training and technical assistance to recipients to clarify requirements and to support environmental compliance; coordinates compliance efforts between recipients and outside Federal, state, local, and/or tribal agencies; and monitors recipients' progress in meeting specific milestones. NTIA also reviews submitted documentation and works with recipients to finalize environmental requirements so that projects can proceed as rapidly as possible.

As of June 30, 2011, NTIA cleared 96 of 118 (81 percent) of awardees' environmental SACs. NTIA is working with recipients to clear the remaining 22 environmental SACs, nearly all of which are expected to be cleared in August and September 2011.<sup>10</sup> In most of these remaining cases, the clearance process has been prolonged by required consultations with other Federal agencies, state and local governments, and/or tribal entities that directly affect NEPA or NHPA compliance.

## **2. Audit Guidance**

NTIA's Compliance Supplement for Office of Management and Budget (OMB) Circular A-133 audits was released this quarter. It provides BTOP-specific guidance for the annual audits of non-profit, state and local government, and education recipients. NTIA also independently released BTOP-specific audit guidelines applicable to for-profit recipients not otherwise covered under OMB Circular A-133. NTIA worked closely with the Department of Commerce OIG, the American Institute of Certified Public Accountants, and other Federal agencies to ensure that these audit guidelines reflected best practices used by auditors and met the OIG's standard for audit activities to monitor and prevent waste, fraud, and abuse.

This guidance will be used by independent third-party auditors employed by recipients to audit organizational and program specific activities, including financial controls and accounting, Federal grant administration compliance requirements, and internal controls. NTIA and the NIST/NOAA Grants Offices will use the results of these audits to monitor recipients' compliance with the DOC's implementation of the Uniform Administrative Requirements, Cost Principles, grant award and ARRA requirements, and programmatic requirements set forth in applicable Notices of Funds Availability (NOFAs).

## **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.

In May 2011, in response to recipients' requests for a forum to share best practices and other useful resources, NTIA launched BTOPdiscuss, an internal collaboration tool to facilitate dialogue among recipients and their partners across BTOP. More than 200 recipients are actively using the collaboration tool discussing nearly 70 topics related to BTOP projects and compliance. FPOs monitor content posted on the site for emerging issues that require further guidance or need clarification, and to identify best practices that can be shared more broadly.

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<sup>10</sup> As of the date of this publication, NTIA has successfully cleared an additional 10 environmental SACs, bringing the total number of pending cases to 12.

The information better positions NTIA to provide technical assistance and other support to address challenges quickly and effectively. In October 2011, NTIA will convene its recipients in Cleveland, Ohio, to provide assistance in ensuring that the projects comply with grant terms and conditions and will be completed on time and within budget.

The technical assistance, oversight, and outreach activities that NTIA has conducted this quarter include the following:

- Held two multi-day grantee conferences on key project implementation topics;
- Hosted more than 50 webinars and drop-in conference calls to provide guidance on project implementation and key compliance topics;
- Conducted weekly, biweekly, and as needed conference calls with each grant recipient;
- Created more than 17 fact sheets;
- Published and updated the Recipient Handbooks;
- Provided an online workspace and collaboration tool for grantees to share best practices;
- Delivered monthly recipient newsletters; and
- Provided ongoing support through regular phone, email and in-person communications, regarding training, lessons learned, and answers to frequently asked questions as needed.

To support stakeholder communications about BTOP project accomplishments and community impacts, NTIA has developed 63 “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 benefitting from the projects. NTIA staff, recipients, and others also provide first-person reports on BTOP’s progress in postings on the Program’s blog.

## **VII. Program Milestones**

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

<u>Milestone</u>	<u>Date</u>
Recipient Quarterly ARRA Reports Due	October 10, 2011
Recipient ARRA Quarterly Reports Posted to Web	October 30, 2011
Recipient Quarterly PPRs and Financial Reports Due	October 30, 2011
Broadband Map Update	September 2011
Recipient Quarterly PPRs Posted to Web	November 29, 2011
Recipient Quarterly ARRA Reports Due	January 10, 2012
Recipient ARRA Quarterly Reports Posted to Web	January 30, 2012
Recipient Quarterly PPRs and Financial Reports Due	January 30, 2012
Recipient Annual PPRs Due	January 30, 2012
Recipient Quarterly PPRs Posted to Web	February 29, 2012
Recipient Annual PPRs Posted to Web	February 29, 2012
Recipient Quarterly ARRA Reports Due	April 10, 2012
Recipient ARRA Quarterly Reports Posted to Web	April 30, 2012
Recipient Quarterly PPRs and Financial Reports Due	April 30, 2012
Recipient Quarterly PPRs Posted to Web	May 29, 2012

## **VIII. Next Report**

NTIA will provide its next quarterly report to Congress no later than mid-December 2011.

## **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.