Broadband Technology Opportunities Program (BTOP) Quarterly Program Status Report

Submitted to the

Committee on Appropriations
United States Senate

the

Committee on Appropriations
United States House of Representatives

the

Committee on Commerce, Science and Transportation
United States Senate

and the

Committee on Energy and Commerce
United States House of Representatives

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

I. INTRODUCTION AND BACKGROUND

Pursuant to Section 6001(d)(4) of the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act) (Public Law No. 111-5), the National Telecommunications and Information Administration (NTIA) provides this Quarterly Report on the status of the Broadband Technology Opportunities Program (BTOP or Program). This Report focuses on the Program's activities from October 1 to December 31, 2011.

The Recovery Act appropriated $4.7 billion for NTIA to establish BTOP to increase broadband access and adoption; provide broadband training and support to schools, libraries, healthcare providers, and other organizations; improve broadband access to public safety agencies; and stimulate demand for broadband.[1] The Recovery Act also provided funding for NTIA to develop and maintain a comprehensive nationwide map of broadband service capability and availability, and to implement the State Broadband Data and Development Act and the Broadband Data Improvement Act.

Following a rigorous application and review process, NTIA invested approximately $4 billion in 233 BTOP projects benefitting every state, as well as five territories and the District of Columbia.[2] The portfolio of projects initially included:

- 123 infrastructure projects totaling $3.5 billion in Federal grant funds to construct broadband networks;
- 66 Public Computer Center (PCC) projects totaling $201 million in Federal grant funds to provide access to broadband, computer equipment, computer training, job training, and educational resources to the public and vulnerable populations; and
- 44 Sustainable Broadband Adoption (SBA) projects totaling nearly $251 million in Federal grant funds to support innovative projects that promote broadband adoption, especially among vulnerable population groups where broadband technology traditionally has been underutilized.

The infrastructure projects also included seven grants totaling approximately $382 million for projects to deploy public safety wireless broadband networks. These awards were designed to serve as a critical set of demonstration projects to help guide the future nationwide, interoperable public safety wireless broadband network that was authorized by the Middle Class Tax Relief and Job Creation Act of 2012.[3]

Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately $293 million in BTOP funds to 56 recipients, which included one grant for each of the 50 states, five territories, and the District of Columbia. With this funding, states are collecting and verifying data biannually on the availability, speed, and location of broadband services, as well as the broadband services used by community anchor institutions, such as schools, libraries, and hospitals. NTIA is using the data to update the publicly searchable,

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[1] On August 10, 2010, Congress rescinded $302 million from BTOP, reducing the Program's funding to approximately $4.4 billion. *See* Pub. Law No. 111-226.

[2] The total number of BTOP awards announced by September 30, 2010 was 233. As of December 30, 2011, this number was 229, excluding awards to Leech Lake Band of Ojibwe, which ultimately did not accept its award; Education Networks of America, Inc. (approximately $16 million), the State of Wisconsin Department of Administration (approximately $22.9 million), and the City of Tallahassee (approximately $1.2 million), which voluntarily terminated their projects; and the Louisiana Board of Regents (approximately $80.6 million), which NTIA terminated for material noncompliance with its grant terms and conditions on October 26, 2011. Funds from these projects will be returned to the U.S. Treasury.

[3] Additional information on the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96) is available at http://www.gpo.gov/fdsys/pkg/BILLS-112hr3630enr/pdf/BILLS-112hr3630enr.pdf.

interactive National Broadband Map,[4] launched on February 17, 2011, in accordance with the Recovery Act's requirements.[5] These grants also support states' efforts to foster the efficient and creative use of broadband technology to better compete in the digital economy. These state-led efforts vary depending on local needs, but include programs to assist small businesses and community institutions in using technology more effectively, investigate barriers to broadband adoption, develop innovative applications that increase access to government services and information, and establish state and local task forces to expand broadband access and adoption.

II. SUMMARY

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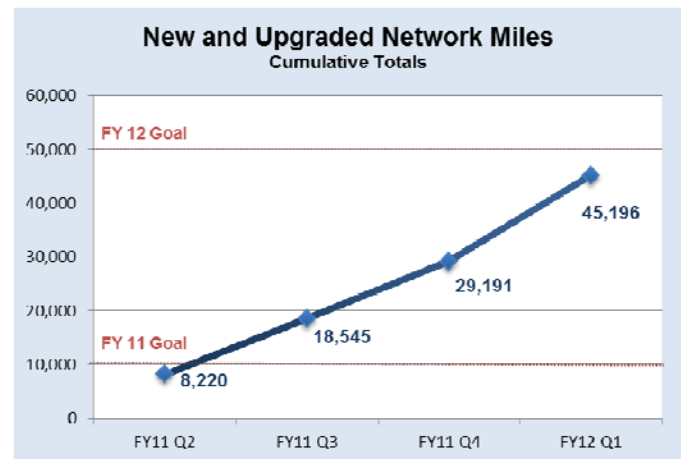
- **Status and Progress** of BTOP projects and Program expenditures.
- **Supporting Initiatives**, including the SBI mapping and capacity-building efforts and the Digital Literacy portal.
- **Monitoring and Grants Administration** for BTOP projects and the results of those efforts.
- **Program Communications**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

III. PROGRAM STATUS AND PROGRESS

BTOP grant recipients collectively exceeded all performance goals established for FY11. Based on these positive results, NTIA established strong targets for FY12, taking into account progress made through FY11 and expected grant recipient performance through September 2012. Through December 2011, the Program has delivered significant progress in areas, such as new fiber-optic infrastructure construction, the opening of new PCCs, and thousands of new broadband subscribers now experiencing the benefits of the high-speed Internet service. Recipients' quarterly progress reports, which were made public at the beginning of March 2012, provide a more granular depiction of these results.[6]

A. New and Upgraded Network Miles

BTOP infrastructure projects deploy new or significantly upgraded network miles, connect community anchor institutions, and facilitate enhanced access to broadband Internet services for households and businesses. Increased network miles are a direct indicator of the nation's growing broadband infrastructure. They represent the increased ability of hard-to-serve communities to contribute to America's global competitiveness, while establishing a stronger foundation for more affordable broadband services to homes and businesses.

New and Upgraded Network Miles
Cumulative Totals

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[4] On February 17, 2011, NTIA, in collaboration with the Federal Communications Commission (FCC), launched the National Broadband Map to search, analyze, and map broadband availability across the United States. The map, which was updated in September 2011, can be found at http://broadbandmap.gov.
[5] *See* American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009).
[6] Quarterly reports for each BTOP and SBI recipient project can be found at http://www2.ntia.doc.gov/awards.

The Program made considerable progress during the last quarter. NTIA has reached 90 percent of its FY12 goal to deploy 50,000 new or upgraded network miles across the country. Recipients deployed more than 16,000 network miles during the past quarter, bringing the total number of miles to 45,196. Through December 31, 2011, network deployment was underway in 47 states and territories.

BTOP recipients benefitted from unseasonably mild winter weather, which accelerated construction efforts. In some instances, contractors deployed additional crews to speed up the placement of fiber and underground conduit or the installation of microwave links on towers. Recipients continued to lease dark fiber and, where available, to connect and light previously unused, existing broadband facilities. When recipients pursue these opportunities, they bring affordable broadband service to communities more rapidly, reduce expenditures associated with construction of new networks, and increase the number of deployed network miles.

NTIA expects the pace of network construction to remain strong in coming quarters as most recipients are fully submersed in the implementation phase of the project. NTIA anticipates that recipients will increase the pace of deployment activities as they receive regular shipments of fiber from manufacturers and finalize make-ready work with utility pole owners.

Infrastructure projects, including the following two successful recipients, continue to demonstrate substantial impacts in communities across their states.

The **Northwest Open Access Network (NoaNet)** deployed 120 miles of new fiber through December 2011. These new miles are part of NoaNet's plans to spur local business development, support better health care, and enhance educational opportunities through an expansion of its existing high-speed network in Washington state. NoaNet will deploy a total of 830 new miles of fiber to bring broadband connectivity to schools and community institutions in rural areas currently hampered by slow Internet and data connections. In 2011, the project broke ground on 19 project sites, including one in the rural community of Deming, where NoaNet connected several schools and other community facilities to high-speed Internet service for the first time. Once the network is complete, NoaNet's expansion is expected to promote more affordable broadband access across the state for approximately 380,000 households, 18,000 businesses, and 1,300 anchor institutions, including government offices, public safety and medical centers, and schools.

A construction worker strings fiber-optic cable for the NoaNet project.
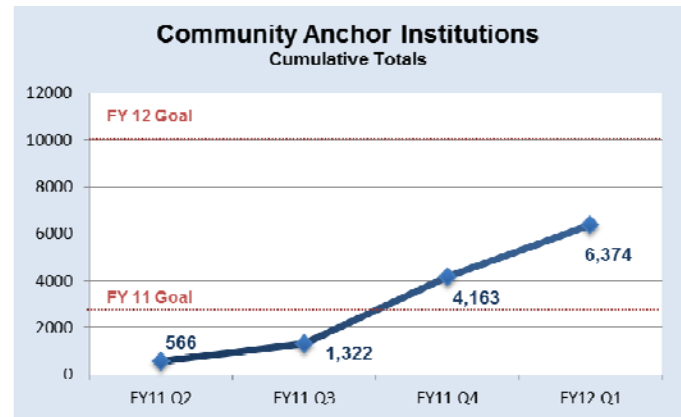
Com Net's GigE PLUS Availability Coalition project deployed 140 miles of new fiber through December 2011. These new miles are part of Com Net's plans to install approximately 700 miles of high-capacity fiber-optic cable across 28 counties in western Ohio. Thirty workers are constructing the network that is expected to spur more affordable high-speed broadband access for approximately 737,000 households, 165,000 businesses, and 2,900 institutions. Com Net's network will also enable more than 300 public safety agencies to upgrade their radio towers and public safety answering points from T-1 lines to speeds of up to 10 gigabits per second (Gbps), so they can deploy next-generation devices and enhanced 911 capabilities.

A Com Net crew member helps lay new fiber-optic cable lines in rural Ohio.

B. Community Anchor Institutions

BTOP projects focus on connecting anchor institutions, such as schools, libraries, hospitals, and public safety facilities, which require faster Internet speeds to provide important services to the communities they serve. In addition to enabling these local institutions to provide enhanced services, anchor institutions often have a multiplier effect on economic and social benefits throughout a community because residents who use high-speed Internet at anchors are generally more likely to adopt broadband at home. As a result, connecting anchors is an important indicator of a BTOP project's impact on its community and downstream economic benefits.

Community Anchor Institutions
Cumulative Totals

FY 12 Goal

FY 11 Goal

566 — 1,322 — 4,163 — 6,374

FY11 Q2 — FY11 Q3 — FY11 Q4 — FY12 Q1

Last quarter, BTOP recipients connected and/or improved service to more than 2,211 anchor institutions within their project areas, bringing the total number of institutions to 6,374 across 35 states. The total number of anchors connected via BTOP-funded infrastructure increased by more than 50 percent from the previous quarter and included a 65 percent increase in the number of grant recipients connecting to anchor institutions. NTIA has reached 64 percent of its FY12 goal to connect 10,000 institutions. As BTOP recipients deploy additional new network miles, they will continue to provide more institutions with faster Internet access. Below are examples of BTOP projects working to connect anchor institutions:

The **University of Utah** connected 95 community anchor institutions to its network through December 31, 2011. The university is working to connect 130 anchor institutions, including elementary schools, public libraries, and charter schools, to the Utah Education Network (UEN), allowing these facilities to move from slower Internet connections to fiber-based broadband connections capable of speeds up to 100 megabits per second (Mbps). The university also plans to enhance broadband services at a Head Start center on the Ute Indian Reservation, promoting school readiness and cognitive development of young tribal members.

Red Mountain Elementary School is one of the sites that the Utah Education Network recently connected as part of its project.
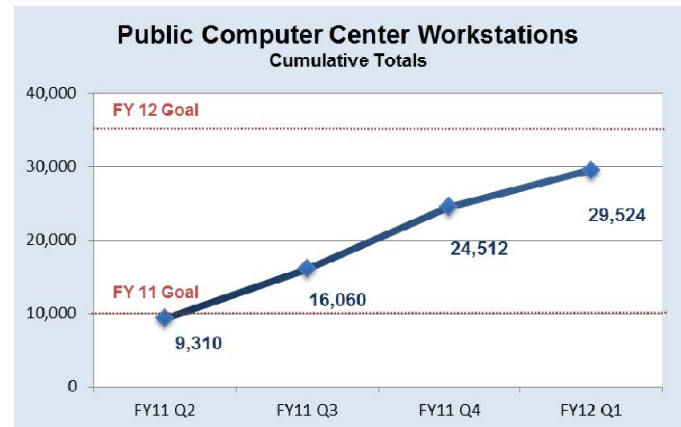
This past quarter, the **ENMR Telephone Cooperative (ENMR)** connected 23 community anchor institutions to its network in eastern New Mexico and west Texas. ENMR plans to enhance broadband capabilities for more than 200 underserved anchor institutions by establishing a 1,600-mile ring of fiber and constructing 74 miles of new fiber in five communities. In all five markets, ENMR will provide new broadband fiber and connectivity service, delivering Internet at discounted rates to local rural schools, state agencies, and other anchor facilities. This new network will also expand distance learning opportunities for students at schools and libraries in rural areas. When complete, the network will increase Internet access speeds to 1 Gbps at educational institutions, public safety organizations, healthcare facilities, and government agencies.

ENMR crews drill a hole to install fiber at the project's second market site.

C. Public Computer Center Workstations

BTOP's PCC grants fund new public computer facilities, the upgrade of existing facilities, and important training initiatives. PCCs improve broadband access for the general public and vulnerable populations, such as low-income individuals, the unemployed, senior citizens, children, minorities, tribal communities, and people with disabilities. PCCs also provide individuals with access to necessary technology and information, and training on topics such as online job searching, basic computer and Internet skills (or "digital literacy"), advanced technology certification courses, and GED test and college preparatory courses. Through December 2011, 59 BTOP recipients installed more than 29,500 new workstations in PCCs across 36 states.

Public Computer Center Workstations
Cumulative Totals

FY 12 Goal

FY 11 Goal

9,310 — FY11 Q2
16,060 — FY11 Q3
24,512 — FY11 Q4
29,524 — FY12 Q1

Overall, PCC recipients made considerable progress last quarter, reaching nearly 84 percent of the total program goal to install 35,000 new or upgraded public workstations. Those recipients that have installed workstations also continue to develop and implement training programs and educational courses, including much-needed job training.

Below are examples of PCC recipients providing workstations and training aimed at enhancing workforce skills and digital literacy to increase economic competitiveness:

The **Nebraska Library Commission** upgraded 126 PCCs at libraries throughout the state. These new resources provide computer access, employment resources, and assistance with government services for communities with low broadband penetration and median incomes below the national average. As of December 31, 2011, the commission deployed 515 new workstations at 126 libraries. Fifty libraries upgraded their broadband speeds as a result of equipment and assistance provided by the commission. At these upgraded facilities, the average speed increased from 1.8 to 7.4 Mbps. Along with these new computer resources, the commission also used BTOP funds to conduct new digital literacy and workforce training, providing a wide

Library customers attend computer classes at Wayne Public Library.

variety of classes and support including computer basics, job searching, and resume creation. Through December 2011, more than 27,000 users on average visited the 147 libraries each week, and more than 7,400 residents participated in training.

The **City of Milwaukee's** Connecting Milwaukee Communities project opened a new public computer center and upgraded eight centers across the city. These centers are part of an effort to increase broadband capacity and availability at sites that have historically been unable to adequately serve local residents. These upgraded centers now offer new computers, training, and technology specialists to help patrons develop their digital literacy skills. As of December 31, 2011, the city deployed more than 259 laptops, serving an average of 5,523 users per week. Along with these computers, the centers provide a variety of classes covering topics such as computer basics, Internet fundamentals, word processing and spreadsheet skills, Internet search techniques, and online safety. The centers also offer career-building assistance with resume creation, job searches, and interview preparation. By the end of the project, the City of Milwaukee will distribute approximately 270 new workstations and train as many as 10,000 city residents.
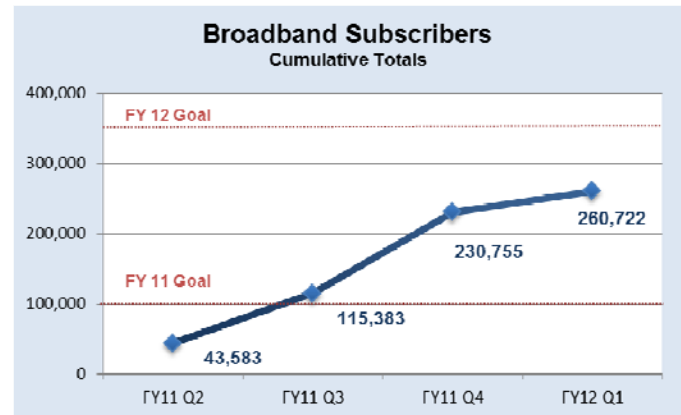

Two students use loaner laptops at one of the City of Milwaukee's upgraded centers. The laptops feature the project's signature logo.

D. Broadband Subscribers

SBA projects increase broadband Internet usage and adoption by consumers, businesses, and institutions. SBA projects provide digital literacy and job training that often focus on populations that traditionally underutilize broadband technology. Connecting America's households to broadband is essential to ensure that all citizens have access to critical job, educational, and health-related information to compete in the Internet-based economy.

Through December 2011, 36 BTOP recipients reported that their training and adoption projects led 259,446 households and 1,276 businesses to subscribe to broadband services. New subscribers for the past quarter totaled over 50,000, which means more people are now using the Internet to search and apply for jobs, advance their educational goals, and find useful health-related information. Nearly 70 percent of SBA grant recipients reported new broadband subscribers. NTIA expects the number of new subscribers to continue to increase substantially across all 50 states as more households complete training programs, receive subsidized computer equipment or broadband service, and take advantage of workstations and discounted subscriptions provided by BTOP funds. NTIA has reached 74 percent of its FY12 goal to attain 350,000 new broadband subscribers.

NTIA will continue to monitor and provide guidance to SBA grant recipients through technical assistance on the most effective methodologies for reporting and accounting for new broadband subscribers. The following projects demonstrate the effectiveness of using broadband awareness campaigns and training programs to generate new subscribers:

The Foundation for California Community Colleges launched the California Connects program across an 18-county region in the Central Valley. The program promotes digital literacy and broadband adoption among low-income residents by providing computer training and equipment. The organization is partnering with 33 community colleges and other learning centers to implement the Mathematics, Engineering, and Science Achievement (MESA) program, a comprehensive training workshop helping students become digital literacy trainers for their communities. Students participating in the program will receive free access to Microsoft® IT Academy training and on-campus certification exams. Students completing the coursework will also receive a free new laptop to help them teach computer skills to local community members. As of December 31, 2011, the program has enrolled more than 5,800 students, distributed 4,400 laptops, and recorded 5,305 new broadband subscribers.

MESA students with their project evaluator, Dr. Blanca Gordo, at the launch event on March 23, 2011

Georgia Partnership for TeleHealth (GPT) launched the TeleConnect Georgia for Better Health project, a training and outreach program using telemedicine to address poor health and a lack of high-quality healthcare in 91 of the state's counties. The project is connecting 64 additional health care sites to GPT's existing open access telehealth network, providing free access to videoconferencing and telemedicine equipment for more than 300 medical facilities, including hospitals, clinics, nursing homes, and public health departments. GPT also initiated a variety of outreach and awareness-building activities to demonstrate how state residents will benefit from this new network. For example, the program offers free online education to rural Georgia physician office employees. The courses cover areas such as health information technology, computer skills, and physician practice education. Additionally, TeleConnect Georgia created Peachy, a mascot to help raise awareness about this new broadband network among young students and their families. During school visits, Peachy teaches kids how to log on to the teleconnectga.com website to play games that promote healthy choices and habits. As of December 2011, approximately 13,332 people have participated in GPT's training classes.

Peachy, the mascot of TeleConnect Georgia for Better Health, during a visit to an elementary school in Ware County. Peachy teaches children about broadband and online games that promote healthy choices and habits.

E. Expenditures

BTOP recipients reached a significant milestone in late December 2011, surpassing $1 billion in total drawdowns. The first quarter of FY12 also featured a significant increase in overall project spending as BTOP recipients approached the midpoint of their period of performance. During the past quarter, recipients spent more than $415 million of Federal grant funds, matched by recipient funds of more than $145 million. Cumulatively, Federal outlays for the Program totaled $1.2 billion, while total recipient matching contributions exceeded $537 million. Federal outlays increased nearly 55 percent from the previous quarter, and matching funds contributed increased by more than 37 percent.

IV. SUPPORTING INITIATIVES

A. State Broadband Initiative

SBI consists of the State Broadband Data and Development Program and the National Broadband Map. NTIA works with 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 tailor solutions 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. 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.

In October 2011, NTIA received new broadband availability data from each SBI recipient and reviewed the data to ensure consistency, identified areas for continued improvement, and prepared data for publication on the National Broadband Map. In addition, NTIA, along with the FCC, launched a mobile version of the National Broadband Map on January 20, 2012. The application provides users with the ability to search and view broadband availability across every neighborhood in the United States through their mobile devices. It also helps users find information about broadband service providers and connected community anchor institutions in their local areas.

Below is an example of one state's use of SBI funds to support various state initiatives:

The **State of Colorado**'s three Local Technology Planning Teams are implementing diverse approaches to improve and increase broadband service in their regions, including attracting or planning for additional middle mile capacity into their areas. Additionally, new Local Technology Planning Teams are now under way in five other areas of the state, applying best practices from the first Local Technology Planning Teams. To support metrics for the governor's *Colorado Blueprint* on economic development, the state also is using speed test data from more than 3,000 anchor institutions; a complete set of broadband availability data; and results from a residential and business survey on evaluating the barriers to broadband adoption.

B. Digital Literacy

In May 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 provide librarians, teachers, workforce trainers, and others access to 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.

The portal now contains more than 500 resources (e.g., videos, tutorials, and lesson plans) and receives more than 3,000 unique visitors per month. NTIA also uses the portal to highlight the progress of BTOP recipients and provide a peer-to-peer information sharing tool that promotes digital literacy in communities across the country. In the coming year, NTIA will continue to collaborate with partners to promote the use of the portal and acquire more resources to help users search for jobs, create resumes, and locate career-enhancing training.

C. Evaluation Study

In September 2010, NTIA contracted with ASR Analytics, LLC (ASR) to conduct an evaluation of BTOP's economic and social impacts. This study will assess the degree to which NTIA's implementation of BTOP has met the Recovery Act goals by measuring the short- and long-term economic gains in grant-funded communities. This past quarter, ASR continued its field work, conducting site visits at nine PCC and SBA recipient locations. Site visits to six more grant recipients are planned in the coming months. Interim reports on each of the 15 PCC and SBA case study sites will be available to the public beginning Spring 2012, and ASR will complete follow-up reports in 2013. Evaluation studies for 12 infrastructure grant recipients are currently being planned and will begin in summer 2012.

V. MONITORING AND GRANTS ADMINISTRATION EFFORTS

NTIA follows its FY12 BTOP Monitoring and Assessment Plan, which includes individual grants monitoring, day-to-day portfolio management, and corrective action support as part of a comprehensive oversight strategy for BTOP awards.[7] These activities are designed to protect taxpayer investments, offer strong stewardship over the grant funds, and monitor recipients' progress and performance against project schedules and budgets outlined in their applications.

NTIA proactively engages BTOP recipients to monitor project and compliance efforts. NTIA regularly communicates with recipients to ensure successful oversight of grant funds, identifies potential risks affecting the recipient and the project, and provides corrective guidance to resolve issues promptly. As outlined in the Monitoring Plan, NTIA assesses each grant to review potential risks affecting the recipient and assigns one of three levels for monitoring – Standard, Intermediate, and Advanced – based on the total award amount, number of subrecipients, project complexity and duration, as well as the organizational type (e.g., for-profit, nonprofit, and state, local or tribal government). BTOP Federal Program Officers (FPOs) then carry out appropriate escalating oversight activities based on these three levels in cooperation with the National Institute of Standards and Technology (NIST) and National Oceanic and Atmospheric Administration (NOAA).

NTIA also works with the Department of Commerce's Office of Inspector General (OIG) to ensure that recipients and the Program follow applicable statutes, regulations, and guidance to maintain compliance with their award agreements. On November 17, 2011, the OIG released its final audit report[8] on the effectiveness of NTIA's post-award monitoring efforts of BTOP recipients. On January 17, 2012, NTIA released its action plan to address the OIG's findings. This plan outlined methods to strengthen BTOP monitoring activities, including bolstering internal controls and tracking projects that risk missing the three-year completion deadline. On January 19, 2012, the OIG acknowledged that NTIA's action plan had sufficiently addressed its recommendations and closed its audit report.

A. Monitoring Activities

NTIA engages BTOP recipients on a regular basis to monitor project performance and compliance with Program requirements. NTIA collects regular reports detailing the project's performance; performs case reviews evaluating the project's success and challenges to meet milestones; and conducts site visits

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[7] The FY12 BTOP Monitoring and Assessment Plan is available at
http://www2.ntia.doc.gov/files/BTOPFY12MonitoringandAssessmentPlan_111611.pdf.
[8] The Department of Commerce OIG Audit Report, *NTIA Has an Established Foundation to Oversee BTOP Awards, But Better Execution of Monitoring Is Needed*, is available at http://www.oig.doc.gov/Pages/NTIA-Has-Established-Foundation-to-Oversee-BTOP-Awards,-But-Better-Execution-of-Monitoring-Needed-.aspx.

assessing the recipient's ability to comply with Federal grant rules and requirements. These reports help NTIA understand the progress of recipients and inform the provision of appropriate corrective actions and enforcement measures if needed. NTIA also conducts status meetings with recipient and key project members to review project milestones, gather additional information, and provide guidance on Federal grant requirements. These monitoring efforts help ensure that taxpayer dollars are used in an appropriate and responsible manner.

1. Financial, Project Performance, and ARRA Reporting

BTOP recipients are required to report their financial, project performance, and ARRA-related activities on a quarterly basis. NTIA reviews these three reports – the Federal Financial Report (FFR), BTOP Performance Progress Report (PPR), and ARRA report – to monitor project progress against established baselines, expenditures of grant funds, and contribution of non-Federal cost-share. FPOs provide feedback and additional guidance, as necessary, to ensure that each recipient is providing sufficient detail to allow NTIA to determine that the projects are meeting programmatic objectives and delivering promised project benefits. From these reviews, NTIA has also been able to utilize data to identify emerging trends and better measure individual project and overall programmatic progress.

2. Site Visits

Site visits are an effective tool to closely monitor recipients and provide technical assistance and support through in-person meetings and discussions with project leadership and grant and financial management teams. NTIA staff inspect facilities and equipment for which Federal grant funds pay, 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 past quarter, BTOP staff visited 33 recipients, representing $571.6 million in grants. To date, NTIA has conducted site visits for 53 percent of awards across the Program, representing more than 80 percent of the total BTOP funds. Although the majority of site visits conducted have focused on NTIA's largest and most complex projects and awards, NTIA staff also visited lower-risk projects this past quarter to deepen its oversight of the Program as a whole. 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 inspected towers and other infrastructure being built.

Following each site visit, BTOP staff documented findings in a summary report. To date, NTIA has visited the majority of projects initially assigned an "advanced" monitoring level and revisited a small number of those projects. During repeat visits, NTIA provided onsite assistance to recipients, as well as resolved outstanding issues or action items that resulted from initial visits.

Site visit reviews allow BTOP staff to identify and address performance issues and other potential areas of concern that can be corrected immediately on-site or through the development of a Performance Improvement Plan (PIP) or Corrective Action Plan (CAP). Each type of plan helps ensure that recipients are compliant with BTOP reporting and grants management requirements, and making sufficient progress against their project plans each quarter by laying out specific actions that the recipients need to take in a defined timeframe.

3. 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 historic preservation (EHP) policies, most notably the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and the Endangered Species Act (ESA). NTIA works with recipients to achieve and maintain compliance with applicable EHP policies by reviewing EHP documentation produced by recipients before project

implementation (including Environmental Assessments [EAs] under NEPA); writing decision documents based on the EHP documentation; clearing applicable EHP Special Award Conditions (SACs), thereby authorizing the start of project implementation; and monitoring ongoing compliance with applicable EHP requirements during project implementation.

This past quarter, NTIA cleared seven additional approvals, bringing the total of BTOP recipients with EHP clearance to 113 (96 percent). NTIA is working with recipients to clear the remaining five projects, most of which are expected to be cleared within three to six months.[9] With most of the remaining projects, 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. These additional factors and the resulting delays may require grantees to implement mitigation strategies to comply with the requirement to be fully complete within three years. If mitigation strategies are needed, NTIA will help the affected recipients develop such strategies for continued EHP compliance and review proposed project modifications.

B. Grants Administration Activities

NTIA provides guidance and support to projects needing assistance in addressing potential risks or issues delaying their progress. These support measures help maintain the performance of BTOP recipients and minimize the risk of waste, fraud, and abuse. NTIA performs a variety of program support activities based on the project's identified issues and risks, including identifying a course of action to improve a project's performance; providing customized guidance and administrative help; and developing a corrective action plan to mitigate unresolved project setbacks. These support efforts help ensure that recipients meet their commitments and comply with programmatic and Federal grants administration rules and requirements.

1. Cost-Share Monitoring and Review

BTOP recipients must contribute a minimum 20 percent cost share, or "match" toward the total cost of a project. This translates into a total of $1.4 billion in matching funds across BTOP projects. As of December 2011, recipients have contributed approximately $537 million of matching BTOP funds.

NTIA instituted a program review of the cost share to address potential match issues regarding the allowability, consideration, source, consistency, and valuation of each recipient's proposed cash and in-kind matches to ensure that grant recipients are compliant with an important condition of their grant awards. FPOs continue to work with recipients to assist in resolving any remaining cost-share issues. Through December 2011, NTIA and recipients worked together to finalize 83 percent of all "match reviews." Match reviews are not completed until recipients obtain valuation data on specific portions of their matches. In some cases, reviews may not be finalized until the first quarter of FY12 due to the complex process for certain types of valuation (e.g., real estate, equipment).

In April 2011, the OIG initiated an audit to determine whether NTIA had processes in place to ensure that BTOP recipients' matching shares meet Federal administrative requirements and the cost principles included in the terms and conditions of the award. As part of the audit, the OIG selected 25 BTOP awards to examine each of the selected recipient's proposed and expended matching cost shares. For those awards in the sample, OIG also reviewed the results of NTIA's cost-share review. The OIG's audit remains pending, and NTIA and recipients continue to work cooperatively with the OIG.

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[9] As of February 17, 2012, NTIA successfully cleared an additional three projects, reducing the total number of pending projects to two.

2. Non-Duplication of Federal Funds

Since the start of the Program, BTOP has conducted in-depth reviews of infrastructure awards to validate that there is no duplication among BTOP projects and broadband networks funded by other Federal agencies, including recipients of loans and grants from the U.S. Department of Agriculture's (USDA) Broadband Initiatives Program (BIP) and FCC's Telehealth/Telemedicine and e-Rate programs. As of December 31, 2011, 92 percent of the instances of potential overlap between a BTOP award and another BTOP, BIP, or FCC award were resolved or determined to be not applicable. In addition to this process, FPOs continuously work with recipients to ensure that any route modifications do not result in duplication of Federal funding.

3. Technical Assistance

NTIA provides a wide range of Technical Assistance (TA) to assist recipients in successfully implementing their projects, including producing guidance documents on common topics of interest; assessing projects relative to schedule or budget; and providing customized assistance to specific BTOP recipients based on need. NTIA developed a set of diagnostic frameworks and tools to help BTOP management evaluate and address common challenges that may delay project success, including schedule, financial information, organizational constraints, and other project-specific issues.

This past quarter, NTIA conducted schedule, budget, and sustainability assessments on select number of grants, which helped to identify the most common causes of schedule delays. NTIA found that EHP compliance documentation, local permitting and agreements for rights-of-way and other land easements, pole make-ready, and other pre-deployment activities have affected implementation schedules for some grant awards. Additionally due to the complexity of Public Safety infrastructure projects, there is an increased likelihood that they will not be completed by September 30, 2013. Based on these findings, NTIA provided recommendations to specific recipients to address schedule variance and provided targeted technical assistance to recipients to address project-specific schedule and budgeting challenges. For example, NTIA found instances where schedule variances were increasing due to difficulties with integrating multiple technologies (e.g., fiber, microwave, and long term evolution (LTE)). Through its assessment, NTIA identified opportunities for integration between the implementation of the technology components, and engaged with recipients to revise their project plans. In some cases, NTIA examined project implementation schedules to identify and recommend activities to implement fiber, tower, microwave, and LTE components simultaneously in a manner that would support future system testing and smooth operation between the technology components.

Through December 2011, NTIA actively engaged with more than 40 infrastructure recipients to provide technical assistance on specific project implementation challenges. NTIA has already helped several projects overcome project implementation and schedule challenges by using the diagnostic tools to review the integration of project components. The diagnostic tools specifically helped NTIA recommend tasks that each of the 40 recipients could take to address schedule variances, such as working on project components in parallel rather than sequentially in a given timeline, and detecting new points of integration between technical project components, as noted above. These recipients are now implementing the remaining project components more efficiently, focusing on points of integration, and actively addressing identified schedule concerns.

4. Closeout

Closeout is a systematic method of ensuring that all technical obligations, financial accounting, and administrative requirements are finalized before concluding the grant agreement between NTIA and BTOP recipients. During closeout, recipients submit all final documentation regarding their projects and receive final review by NTIA and the NIST and NOAA Grant Offices. Formal closeout will be completed only when parties are satisfied with the final project and have accepted all eligible costs; met all terms and conditions and special award conditions; and submitted all required documentation. This past quarter, NTIA analyzed recipient progress and performance against project schedules and identified projects that will be ending in the near future. NTIA has begun collaborating with NIST and NOAA grant officers to establish effective closeout processes and documentation in anticipation of the early closeout of these projects.

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 November 2011, NTIA initiated a new conference call series for recipient "affinity groups" to encourage sharing of information and best practices among recipients with similar project goals. These calls focus on the impact and use of broadband in housing, local government, and rural communities. NTIA also gathered project impact information from recipient-submitted annual reports as part of an ongoing effort to capture, understand, and communicate community-level stakeholder impact. This information will help NTIA communicate progress against key metrics and Program goals with key stakeholders.

To support stakeholder communications about BTOP project accomplishments and community benefits, NTIA also developed 87 *BTOP in Action* articles that are posted to the BTOP website. Visitors to the site can access these articles as well as photos that highlight project milestones and community members benefiting from the projects. NTIA 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.

Milestone	Date
Recipient Quarterly ARRA Reports Due	April 10, 2012
Recipient Quarterly ARRA 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
Recipient Quarterly ARRA Reports Due	July 10, 2012
Recipient Quarterly ARRA Reports Posted to Web	July 30, 2012
Recipient Quarterly PPRs and Financial Reports Due	July 30, 2012
Recipient Quarterly PPRs Posted to Web	August 29, 2012

Milestone	Date
Update of National Broadband Map	September 2012
Recipient Quarterly ARRA Reports Due	October 10, 2012
Recipient Quarterly ARRA Reports Posted to Web	October 30, 2012
Recipient Quarterly PPRs and Financial Reports Due	October 30, 2012
Recipient Quarterly PPRs Posted to Web	November 29, 2012
Recipient Quarterly ARRA Reports Due	January 10, 2013
Recipient Quarterly ARRA Reports Posted to Web	January 31, 2013
Recipient Quarterly PPRs and Financial Reports Due	January 31, 2013
Recipient Annual PPRs Due	January 31, 2013
Recipient Quarterly PPRs Posted to Web	February 28, 2013

VIII. NEXT REPORT

NTIA will provide its next quarterly report to Congress no later than June 2012.

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.