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
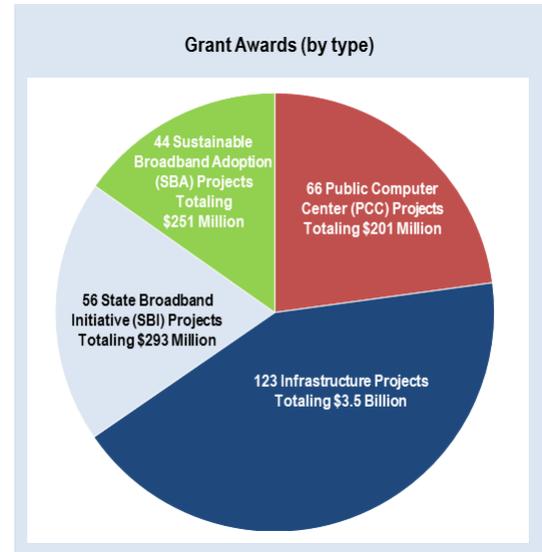United States House of Representatives

April 2016

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 July 1 to September 30, 2015.

The Recovery Act appropriated $4.7 billion for NTIA to establish BTOP to increase broadband access and adoption; provide broadband access, training and support to schools, libraries, healthcare providers, and other organizations; improve broadband access to public safety agencies; and stimulate demand for broadband.[1] In 2009 and 2010, NTIA invested approximately $4 billion in 233 BTOP projects and $293 million in 56 State Broadband Initiative (SBI) projects benefitting every state, as well as five territories and the District of Columbia.[2]

As of September 30, 2015, nine projects remained in active status, and 271 projects had completed their project activities.[3]

Grant Awards (by type)

44 Sustainable Broadband Adoption (SBA) Projects Totaling $251 Million

66 Public Computer Center (PCC) Projects Totaling $201 Million

56 State Broadband Initiative (SBI) Projects Totaling $293 Million

123 Infrastructure Projects Totaling $3.5 Billion

II. SUMMARY

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

- **Program status and progress** of broadband projects, including closeout efforts, extensions, and Program expenditures.
- **State Broadband Initiative,** including the National Broadband Map and recipient progress.
- **Monitoring and grants administration** for broadband projects and the results of those efforts.

III. PROGRAM STATUS AND PROGRESS

A. Program Progress

As of September 2015, NTIA's broadband grant recipients continued to make progress toward the Program's Fiscal Year (FY) 2015 goal of deploying new or upgraded network miles. They have already exceeded the Program's FY 2015 subscriber and community anchor institution goals. As NTIA continues to successfully close out BTOP grant projects, the rate of progress toward the Key Product Indicators (KPIs)

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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, 2014, this number was 224, excluding awards to Leech Lake Band of Ojibwe (approximately $1.7 million), which ultimately did not accept its award; Education Networks of America, Inc. (approximately $14 million), the State of Wisconsin Department of Administration (approximately $22.9 million), the City of Tallahassee (approximately $1.2 million), and DigitalBridge Communications (three separate awards totaling approximately $4.2 million), each of which voluntarily terminated its project; and the Louisiana Board of Regents (approximately $80.6 million) and Trillion Communications, Inc. (approximately $59 million), which NTIA terminated for material noncompliance with their grant terms and conditions.
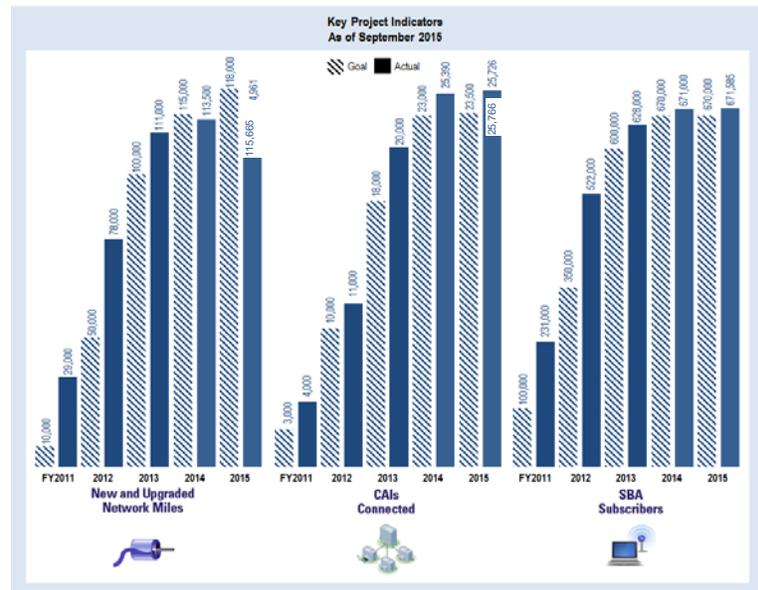
[3] Active awards are nine BTOP grants.

can be expected to slow. Grant recipients' quarterly progress reports, which were made public in December 2015, provide more granular details of these results.[4]

Between July and September 2015, the remaining BTOP grant recipients:

- Deployed or upgraded 968 additional network miles, bringing the cumulative totals for all BTOP recipients to more than 115,665 miles of new or upgraded network infrastructure; and

- Connected 88 additional community anchor institutions (CAIs), bringing the cumulative number for all BTOP recipients to about 25,766 CAIs.

Additionally, the Sustainable Broadband Adoption (SBA) projects generated a total of 671,585 new subscribers over the course of the program. Because all SBA projects are either closed or in closeout, the projects did not generate any new subscribers this quarter.

Key Project Indicators
As of September 2015

B. Public Safety Projects

The Middle Class Tax Relief and Job Creation Act of 2012 authorized and provided funding to the First Responder Network Authority (FirstNet) to implement a nationwide public safety broadband network. In 2010, prior to the Act, NTIA awarded seven grants for public safety projects. Following the Act's passage in 2012, NTIA partially suspended the grants to allow FirstNet to evaluate them. Four recipients, Adams County Communications Center Inc. (ADCOM) in Colorado, New Jersey, New Mexico, and the Los Angeles Regional Interoperable Communications System Authority (LA-RICS), executed spectrum lease agreements with FirstNet. NTIA lifted the partial suspensions, enabling them to restart their projects. In addition to coordinating with NTIA, these recipients also communicate with FirstNet on a regular basis to ensure their projects are consistent with FirstNet's approach to designing the nationwide public safety broadband network. NTIA also closely coordinates with FirstNet regarding these projects.

As a result of the Continuing Appropriations Act, 2016, which extended the availability of BTOP funding until 2020, four public safety projects will continue activities beyond September 30, 2015. The Continuing Resolution Act of 2016 allows active grants, including those currently in closeout, to extend their project periods through September 30, 2020.

During this quarter, **ADCOM** reported that it has completed nearly all significant work related to the project. The project now has 16 of 20 Long Term Evolution (LTE) sites on air. ADCOM has also installed three sites at Denver International Airport (DIA). The only remaining work to be completed is the installation of permanent electric power at the DIA sites, site configuration, and testing of broadband speed levels for those three sites. The ADCOM project team is working to identify and add public safety users to the project. There are currently 164 activated devices on the network, with over 25 devices in active daily use. FirstNet's technology team, based in Boulder, Colorado, continues to leverage its close proximity to the ADCOM project to facilitate real-world testing and hands-on experience with new devices and services.

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[4] Quarterly reports for each BTOP and SBI project are *available at* http://www2.ntia.doc.gov/awards. Reports from recipients in the closeout process sometimes take longer than 30 days to be approved and posted.

During this quarter, the **New Jersey Department of Treasury** reported making substantial progress toward completing project activities. In June, New Jersey completed the deployment of Cell on Wheels (COWs) in Atlantic City and began deploying COWs in the Route 21 corridor. A "COW" consists of a cellular antenna tower and electronic radio transceiver equipment on a truck or trailer, designed to be part of a cellular network typically on a temporary or short-term basis. In August, New Jersey completed deploying COWs in Camden. In August and September, the project team focused on the deployment of all trailers, which are fully equipped with LTE systems, and used its deployable assets to support four major special events: the Atlantic City Air Show, FirstNet State Consultation, the Miss America Pageant, and the Papal Visit. During the Papal visit, New Jersey coordinated with the Pennsylvania State Police and deployed COWs along the Pope's parade route in Philadelphia and provided voice, data, and video for law enforcement and first aid stations. New Jersey continues its ongoing outreach to the public safety community to demonstrate the LTE system's capabilities and build support for using these deployable assets among this key user group.

During this quarter, the **Los Angeles Regional Interoperable Communications System Authority** (LA-RICS) reported that it had completed construction on nearly all 63 fixed sites. Additionally, the project received the concurrence of the State Historic Preservation Officer (SHPO) for each of the sites where LA-RICS proposed to locate 14 COWs. LA-RICS equipped and deployed 13 COWS during this quarter. While LA-RICS has continued to make steady progress toward project completion, it asked NTIA to give it until December 31, 2015 to complete activities on its revised project plan, which NTIA approved. Several of LA-RICS' member agencies are taking steps to prepare for the use of the LTE network. Los Angeles County Fire (LACF) has installed a vehicular modem into a mobile video truck and successfully used its surveillance technology. It has also installed three more vehicular modems into pilot vehicles. LA-RICS began installing Network Operation Centers (NOC) equipment at the Los Angeles County Fire Control and Command (FCC), the Los Angeles Sheriff's Department Sheriff's Communication Center (SCC), and LA-RICS headquarters. LA-RICS has continued to conduct outreach to potential users of the network and to meet with state, local, and federal public safety agency representatives to demonstrate the benefits of the LTE network.
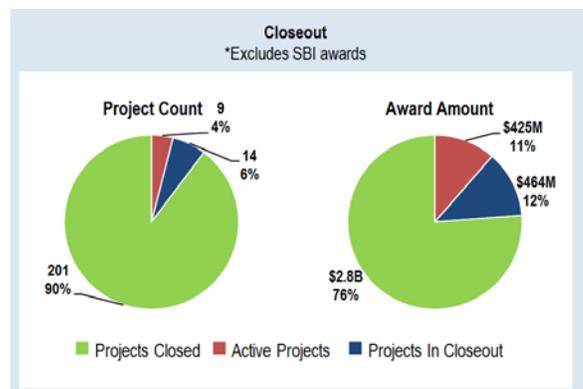
During this quarter, the **State of New Mexico Department of Information Technology** completed all 24 digital microwave construction sites. New Mexico initiated its Phase I deployment of LTE services by establishing a virtual core network at its Simms facility. In addition, New Mexico will establish remote core connectivity between its Simms building in Santa Fe and the ADCOM, Colorado facility. New Mexico has now installed all LTE equipment and has scheduled final turn up and testing of the LTE system in late November 2015. New Mexico's efforts to address cross-border interference challenges at the U.S.-Mexico border will be a key learning opportunity for FirstNet.

During this quarter, the **City of Charlotte** deployed network improvements at all 60 CAIs, 800 police vehicles, and 148 of 150 fire vehicles. Over the course of the project, the grantee has replaced slower end-of-life equipment with higher speed network gear in police divisions and fire stations and implemented dual band mobile gateways, laptops, and tablets in police and fire vehicles. These improvements now utilize 4G LTE broadband speeds currently provided by commercial networks and have helped prepare Charlotte public safety for FirstNet's future nationwide public safety broadband network. As a result of these improvements, Charlotte has a network capable of transporting real-time video, location-based information, and critical public safety applications across a wireless network and Wi-Fi. The network has allowed access to previously non-accessible critical criminal and public safety applications in the field.

C. Program Status

1. Closeout

As of September 30, 2015, NTIA helped 215 BTOP recipients complete project activities. NTIA will continue to work with the remaining nine recipients to verify that they have met their grant requirements and formally close out these awards or to prepare extension requests. The SBI awards began closing out on January 31, 2015.
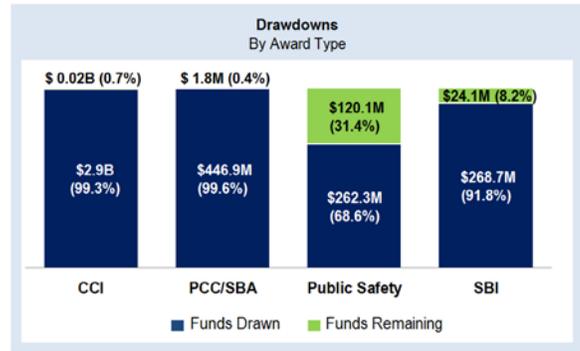

Closeout
*Excludes SBI awards

Project Count 9 4%
14 6%
201 90%

Award Amount $425M 11%
$464M 12%
$2.8B 76%

■ Projects Closed ■ Active Projects ■ Projects In Closeout

2. Drawdowns

As of September 30, 2015, recipients have drawn down $3.88 billion or 96 percent of federal grant funds. The currently active recipients will use $144.2 million of the remaining federal grant funds to complete their projects.

3. State Broadband Initiative

The State Broadband Initiative (SBI) consists of the State Broadband Data and Development Program and the National Broadband Map.[5] These grants had two components. First, SBI collected and verified broadband availability data that states collected from broadband providers, public data, and third-party datasets.[6] Second, SBI grants played a critical role in helping states and territories identify and address obstacles to broadband deployment and adoption. SBI supported state and local task forces and planning teams to expand broadband awareness and adoption and implements innovative applications to increase access to government services and information, including job resources. On January 31, 2015, SBI recipients began closeout activities for their grant projects. As of September 30, 2015, 33 projects are closed and 22 recipients are working toward completing closeout activities. NTIA works with the recipients to review and validate all required documentation. As of September 30, 2015, only one project remained active.

IV. MONITORING AND GRANTS ADMINISTRATION

A. Monitoring Activities

At this stage of the program, NTIA is primarily managing the closing out of grants and a small number of active grants. Throughout the award period, NTIA proactively engages grant recipients to monitor project activities and compliance efforts and to protect taxpayer investments.[7] This engagement includes regularly communicating with recipients to ensure proper use of grant funds, identifying potential risks affecting projects, and offering guidance to resolve issues promptly. Quarterly, the currently active BTOP grant recipients must report their financial, project performance, and ARRA-related activities. NTIA reviews these reports – the Federal Financial Report (FFR), Performance Progress Report (PPR), and ARRA Report – to monitor project progress against established baselines, expenditures of grant funds, and contribution of non-federal cost share.

For grants in close out, NTIA works closely with each recipient during the multi-month closeout process to review all applicable administrative actions and required documentation, including a review of the technical obligations, financial accounting, and grant administrative requirements before concluding the grant agreements between NTIA and grant recipients. For example, NTIA guides infrastructure recipients through the process of properly completing and filing Uniform Commercial Code (UCC-1) documentation to ensure that the Federal interest in grant-funded equipment is protected.

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[5] The National Broadband Map is *available at* http://www.broadbandmap.gov.

[6] Broadband availability data are available in a number of different formats, including Application Programming Interfaces (APIs) and as files for download. Website users can compare availability and speeds across different geographic regions and can view the service area, speeds, technology, and demographic information for any broadband provider. Since its launch in 2011, the National Broadband Map has attracted more than 1,100,000 users and more than 100,000,000 API calls.

[7] Since 2009, the Department of Commerce's Office of Inspector General (OIG) initiated 17 programmatic audits. Recommendations from these reports include minor process improvements that NTIA has incorporated into its oversight and monitoring activities.

Finally, on September 30, 2015, President Obama signed the Continuing Appropriations Act, 2016, which extended the availability of BTOP funding for both active grants and those in closeout until September 30, 2020. During the next quarter, NTIA will begin creating processes to manage requests to extend awards consistent with the law.

B. Site Visits

NTIA uses site visits to monitor grant recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. This quarter, NTIA visited the New Jersey Department of Treasury. The Federal Program Officer for NTIA spent two days in New Jersey touring sites and reviewing site documentation.

V. NEXT REPORT

The next quarterly report to Congress will cover October 1 to December 31, 2015.

VI. ADDITIONAL PROGRAM MATERIALS

Additional BTOP materials are available at http://www2.ntia.doc.gov/, including press releases, Congressional testimony, information on grants awarded, and quarterly performance progress reports for each funded project.