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

July 2017

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 January 1 to March 31, 2017.

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.\(^1\) The chart above shows how NTIA allocated the funds among the four grant types.\(^2\)

As of March 31, 2017, two BTOP projects remained in active status, and 278 projects had completed their project activities.\(^3\)

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 (SBI)**, includes the State Broadband Data and Development Program and recipient progress.
- **Monitoring and grants administration** for broadband projects and the results of those efforts.

\(^1\) On August 10, 2010, Congress rescinded $302 million from BTOP, reducing the Program’s funding to approximately $4.4 billion.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.

\(^2\) 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. 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.

\(^3\) The two active BTOP grants are public safety awards (Executive Office of the State of Mississippi and Los Angeles Regional Interoperable Communications System). NTIA plans to remove the background section and focus on updates regarding the two open awards in its next report.
III. PROGRAM STATUS AND PROGRESS

A. Program Progress

NTIA established key project indicators (KPIs) to track the success of the Programs. Sustainable Broadband Adoption (SBA) projects tracked the number of households subscribing to broadband, or “SBA Subscribers.” Comprehensive Community Infrastructure (CCI) projects tracked the number of “New and Upgraded Network Miles” and the number of “Community Anchor Institutions (CAIs) Connected.”

As of March 31, 2017, all BTOP CCI recipients were closed out and deployed or upgraded no additional network miles. Of the two active BTOP projects, Mississippi engaged primarily in planning activities and LA-RICS tested its LTE network during this period. NTIA does not track these activities as part of the KPIs. Therefore, the cumulative total for all BTOP recipients is the same as reported in the last report: 117,072 miles of new or upgraded network infrastructure.

Grant recipients’ quarterly progress reports provide more granular details of these results. NTIA makes these reports public as they are approved for distribution. On April 20, 2017, NTIA published last quarters’ reports.

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 Department of Treasury (New Jersey), New Mexico Department of Information Technology (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. FirstNet provides on-site technical support to these projects. NTIA also closely coordinates with FirstNet regarding these projects. NTIA and FirstNet hold weekly technical meetings to discuss project status, flag any issues, and coordinate risk escalation with their respective management teams. Moreover, NTIA leadership works closely with FirstNet management to ensure that the key learning conditions expected from each project will benefit FirstNet and its planning for the nationwide network.

As a result of the Continuing Resolution Act of 2016, which extended the availability of BTOP funding until 2020, four public safety projects continued activities beyond September 30, 2016. The Continuing

---

4 Since the BTOP appropriation originally expired on September 30, 2015, NTIA discontinued updates for the KPIs. NTIA noted this in the FY 2016 budget submitted to Congress. However, 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. As a result, NTIA reinstated the key project indicator for the number of “New and Upgraded Network Miles.” However, due to the limited number and type of projects remaining, NTIA did not reinstate the key project indicator “CAIs Connected.” As of FY 2018, NTIA will no longer track KPIs for BTOP and will discontinue this chart and section for future updates.
Resolution Act of 2016 allows active grants, including those currently in closeout, to extend their project periods through September 30, 2020.

During this period, Executive Office of the State of Mississippi (Mississippi) completed the detailed design review for the additional wireless, middle-mile component of the project, accepted delivery of the required microwave equipment, and added two new Community Anchor Institutions (CAIs) to the existing BTOP-funded network. The recipient selected the architectural and engineering contractor for the Integrated Public Safety Communications Center, and a preliminary site plan for the structure is expected in the subsequent quarter. Med-Com continued logistical planning discussions and collaborations with key partners on the expansion of the Mississippi Tele-Assist System, which will have a number of different field deployment options with departments and agencies.

During this period, LA-RICS continued the Radio Access Network (RAN) and Core Upgrades, performed additional Acceptance Test Plan (ATP) procedures on the LTE network, feature and system functionality and received final documentation delivery from its prime vendor. Nine Cell on Wheels (COWs) are awaiting final power and fiber connectivity to one final site before integrating the sites into the network, which is planned for the subsequent quarter. The recipient completed construction of Network Operations Centers (NOCs) at the Fire Command and Control Facility (FCCF) and the LA-RICS office. Recipient provisioned and installed 136 additional routers in the Los Angeles County Sheriff vehicles (LACSD), of which 120 are actively utilizing the Public Safety Broadband Network (PSBN). Additionally, the LACSD now has 99 handheld devices using the PSBN. The Los Angeles County Fire Department (LACFD) now has installed and provisioned more than 100 devices in its vehicles. On March 19, 2017, LA-RICS partnered with the Los Angeles County Department of Public Health (OHS) to provide emergency medical services for the Los Angeles Marathon. LA-RICS provided access to the PSBN for health services workers to access and manage medical-related data.

C. Program Status

1. Closeout

As of March 31, 2017, NTIA assisted 278 BTOP recipients in completing project activities. To date, the SBI program recipients, which consists of the State Broadband Data and Development Program and the National Broadband Map, have successfully closed out all 56 projects.

2. Drawdowns

As of March 31, 2017, BTOP recipients for CCI, PCC, SBA, and Public Safety projects drew down $3.585 billion (or about 96 percent). As of March 31, 2017, SBI recipients drew down $268.7 million (or about 92 percent). As a result, a total of $3.854 billion of grant funds have been disbursed.
IV. MONITORING AND GRANTS ADMINISTRATION

A. Monitoring Activities

NTIA is managing only two active grants. NTIA continues to proactively engage with these grant recipients to monitor project activities and compliance efforts and to protect taxpayer investments.\(^5\) 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.

Each quarter, the 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 Annual Report – to monitor project progress against established baselines, expenditures of grant funds, and the contribution of non-federal cost share.

As of March 31, 2017, a total of two grants were in the process of administrative closeout. For grants in closeout, 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.

Finally, on September 30, 2015, the Continuing Resolution Act of 2016 extended the availability of BTOP funding for both active grants and those in closeout until 2020. NTIA will continue to work with recipients requesting extensions of their awards pursuant to this 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. No site visits were conducted during this period.

V. NEXT REPORT

The next quarterly report to Congress will cover April 1 to June 30, 2017.

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.

---

\(^5\) Since 2009, the Department of Commerce’s Office of Inspector General (OIG) has initiated 27 programmatic audits. Recommendations from these reports include minor process improvements that NTIA has incorporated into its oversight and monitoring activities.