



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

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Committee on Commerce, Science and Transportation
United States Senate

and the

Committee on Energy and Commerce
United States House of Representatives

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National Telecommunications and Information Administration
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I. Introduction and Background

Pursuant to Section 6001(d)(4) of the American Recovery and Reinvestment Act of 2009 (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, 2011, as well as overall accomplishments from Fiscal Year 2011 (FY11).

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, territory, and the District of Columbia.² 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 represent a head start on the Administration's commitment to support the development of a nationwide, interoperable public safety wireless broadband network.

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 September 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., which voluntarily terminated its project and whose awarded funds (approximately \$16 million) were returned to the U.S. Treasury; State of Wisconsin Department of Administration, which voluntarily terminated its project and whose awarded funds (approximately \$22.9 million) were returned to the U.S. Treasury; and City of Tallahassee, which voluntarily terminated its project and whose unspent funds are in the process of being returned to the U.S. Treasury. On October 26, 2011, the Department terminated an approximately \$80.6 million infrastructure award to the Louisiana Board of Regents for material noncompliance with its grant terms and conditions.

Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately \$293 million in BTOP funds to 56 recipients, one each to designated entities in 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 (CAI), such as schools, libraries, and hospitals. NTIA is using the data to update the publicly searchable, interactive National Broadband Map,³ launched earlier this year in accordance with the Recovery Act's requirements.⁴ 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

One year after NTIA met the congressionally mandated deadline to award all BTOP funds by September 30, 2010, grant recipients collectively exceeded goals set for FY11, delivering significant progress this quarter in areas, such as new fiber-optic infrastructure construction, the opening of new public computer centers, and thousands of new broadband adopters now experiencing the benefits of the high-speed Internet. This progress can be clearly seen in recipients' quarterly progress reports made public on or before December 6, 2011.⁵

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, and represent the increased ability of hard-to-serve

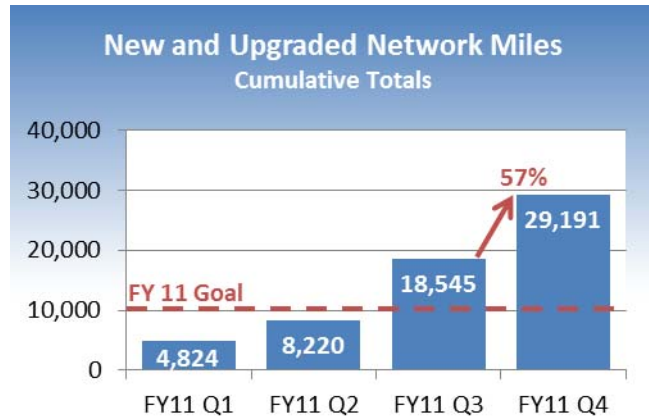
³ On February 17, 2011, NTIA, in collaboration with the Federal Communications Commission (FCC), launched the National Broadband Map to search, analyze, and map broadband availability across the United States. The map, which was updated in September 2011, can be found at <http://broadbandmap.gov>.

⁴ See American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009).

⁵ BTOP recipient quarterly reports can be found for each project at <http://www2.ntia.doc.gov/awards>.

communities to contribute to America’s global competitiveness, while establishing a stronger foundation for more affordable broadband services to homes and businesses.

The Program made considerable progress during this quarter, with a nearly 55 percent increase in the number of recipients delivering network miles. Recipients deployed 10,646 network miles during the past quarter, bringing the total number of miles to almost 29,200. This represents an increase of over 57 percent in the number of network miles deployed over the previous quarter, and significantly exceeds BTOP’s goal of 10,000 miles for the year.



NTIA expects the pace of delivered miles to remain strong in coming quarters now that most infrastructure recipients have completed their environmental and historic preservation work, though there may be slower growth in the near term as the winter season approaches.

Infrastructure projects, including the following recipients, continue to demonstrate substantial impacts in communities across their states. Below are highlights of two project successes.



The Keystone Initiative for Network Based Education and Research (KINBER) deployed 265 miles of new fiber this quarter. It’s Pennsylvania Research and Education Network (PennREN) project is a partnership of leading universities, healthcare providers, library associations, and other key institutions. PennREN plans to deploy a

nearly 1,700-mile fiber network to expand broadband in 39 counties across south and central Pennsylvania. In addition, PennREN will improve connection speeds for 60 critical CAIs, including public and private universities, K-12 schools, public libraries, public broadcasting facilities, and medical facilities. The network will enhance healthcare delivery, research, education, workforce development, and public safety and facilitate affordable broadband access, through wholesale offerings, for more than two million households, more than 200,000 businesses, and nearly 1,700 additional CAIs.



A KINBER crew works with a fiber spool as it prepares to string fiber from poles.



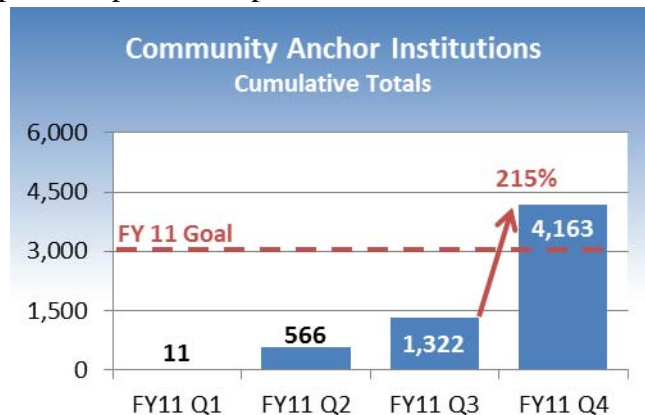
This quarter, **Sho-Me Technologies, LLC** began construction on the first segment of its Sho-Me MO middle-mile project, upgrading a total of 457 miles of existing fiber this quarter. When complete, the project will deploy a total of 500 miles of new fiber to complete a 1,380-mile network across 30 counties in south and central Missouri. Sixty workers are constructing the network to bring high-speed broadband access to 100 CAIs, including K-12 schools, community colleges, public libraries, health institutions, and various local governments. One planned use of the network is to promote agricultural efficiencies by using smart energy meters to monitor crops.



Sho-Me MO contractors use special instruments to carefully locate, measure, and mark directional boring action to place underground fiber conduits.

B. Community Anchor Institutions

BTOP projects focus on connecting CAIs, including schools, libraries, hospitals, and public safety facilities, that require faster Internet speeds to provide important services to the communities they serve. In addition to enabling these local institutions to provide enhanced services, CAIs often have a multiplier effect throughout a community because residents that 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.



Last quarter, BTOP recipients connected and/or improved service to more than 2,800 CAIs within their project areas. The total number of anchors connected via BTOP-funded infrastructure almost tripled from the previous quarter and included a 41 percent increase in the number of grant recipients connecting to CAIs. The Program connected a total of 4,163 anchors in FY11, exceeding the goal of 3,000 CAIs. 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 CAIs throughout the United States.



OneCommunity’s Transforming NE Ohio project connected 144 CAIs to its network this quarter. When complete, the 2,900-mile network (900 new miles of fiber and 2,000 miles of upgraded network) will provide enhanced services for nearly 800 CAIs, including public safety entities, healthcare centers, K-12 schools, and higher education institutions at speeds between 100 Mbps and 40 Gbps. The improved speeds will allow

the CAIs to better provide necessary services to consumers in economically distressed parts of the region. In addition, the network will provide the region’s last-mile providers with access to the expanded network, enabling them to offer a broader range of affordable broadband services to individuals and businesses across 20 counties in northeast Ohio.



A member of OneCommunity’s crew works on the network in northeast Ohio.



This quarter, **Island Telephone and Engineering’s (IT&E) Next Generation Network** project connected 82 CAIs in the Territory of Guam and the Commonwealth of the Northern Mariana Islands. IT&E plans to expand high-

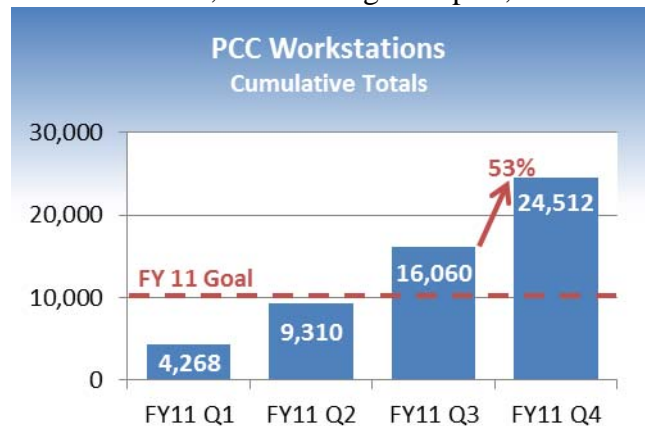
capacity broadband services by upgrading its existing network serving remote and underserved areas and replacing the existing inter-island transmission system utilizing a combination of fiber, 3G wireless, and WiMax technologies. When complete, the project expects to enhance services for 403 CAIs, including community colleges, K-12 schools, libraries, healthcare facilities, and public-safety organizations. The network will allow CAIs in these remote island locations to benefit from video conferencing and other advanced broadband capabilities.



The IT&E team outside the Rota Youth Community Center, one of the newly connected CAIs.

C. Public Computer Center Workstations

BTOP’s PCC grants fund new public computing 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 and college preparatory courses. Through September 2011, 56 BTOP recipients installed more than 24,500 new workstations in PCCs. This represents a 53 percent increase in the number of workstations from the previous quarter, more than doubling NTIA’s FY11 goal of 10,000 workstations.



Overall, PCC recipients made considerable progress, reaching 69 percent of total workstations planned for installation. Those recipients that have installed workstations are now focusing on developing and implementing training programs and educational courses, including much-needed job training. Notably, many of this quarter's workstations come from recipients just beginning to bring their PCC online: five of the 65 PCC recipients delivered their first workstations during the quarter, and collectively they added more than 700 workstations.

Below are examples of PCC recipients providing workstations and training aimed at transforming the lives of people in their local communities.



The **Texas State Library & Archives Commission** upgraded 17 PCCs throughout the state. Known as the Technology Expertise, Access, and Learning for all Texans (TEAL) project, these new resources are part of a statewide initiative to provide computer access and training opportunities for the state's most underserved populations across 38 partnering library systems. As of September 30, 2011, TEAL has deployed approximately 350 new workstations, serving an average of 620,811 users per week. As of July 2011, TEAL also created 10 professional development webinars for library staff members, providing them tools and techniques to manage and promote computer resources. For example, TEAL offers a webinar series on how to promote and teach computer technology to seniors and people with disabilities. In addition, TEAL partnered with the Texas Workforce Commission to create a series of workforce skills webinars to teach librarians how to help library patrons with their job searches and career development. By July 2011, TEAL also established more than four full- and part-time jobs to conduct webinars and manage the PCC resources.



A group of visitors use computers at the Smithville Public Library for email, employment searches, social networking, games, and school-related activities.



OSHEAN Inc. is using its \$1.2 million grant to improve PCCs in Rhode Island's public libraries. This statewide initiative, known as the Beacon 2.0 Library Computers Center project, provides affordable computer training and access to underserved and geographically dispersed communities with high rates of unemployment. This quarter, OSHEAN completed its goal of deploying 727 computers to 72 libraries. These new computers serve an average of 18,703 visitors per week.



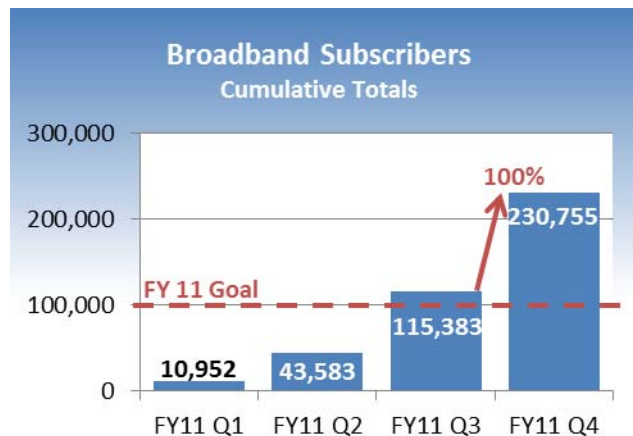
Rhode Island Governor Lincoln D. Chafee joined representatives from OSHEAN, Ocean State Libraries, and Broadband Rhode Island at the League of Cities and Towns Day on January 27, 2011.

The libraries hold computer training classes on a variety of topics, including Internet fundamentals, emailing basics, job search techniques, and an introduction to Microsoft Office® products. OSHEAN is also creating mobile labs that enable the libraries to free up their main public computer stations for training and other uses. OSHEAN is currently working to deploy video teleconferencing equipment in the libraries and mobile labs to simulcast programming and provide distance learning at other branches.

D. *Broadband Subscribers*

SBA projects intend to 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. NTIA measures the number of households subscribing to broadband through SBA efforts because it correlates to broadband access, use of critical e-resources, and job creation.

Through September 2011, 31 BTOP recipients reported that their training and adoption projects led 229,178 households and 1,577 businesses to subscribe to broadband services. The Program exceeded its goal of 100,000 new households or business subscribers for FY11. New subscribers for this quarter totaled almost 115,400, an increase of nearly 100 percent from the previous quarter, which means more people are now using the Internet to do things like search for and apply for jobs, advance their educational goals, and find useful health-related information. Nearly 73 percent of SBA grant recipients reported new broadband subscribers, and NTIA expects the number of new subscribers to continue to increase substantially in FY12 as more households 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:



Connect Arkansas launched a variety of digital literacy and workforce development workshops across the state. These workshops were created to boost sustainable broadband adoption through a three-prong approach, which targets low-income youth, student businesses, and healthcare providers. Connect Arkansas partners with several organizations to provide comprehensive training courses centered on computer basics, online entrepreneurship, and telehealth communication services.

To develop computer skills at an early age, Connect Arkansas and the University of Arkansas at Monticello conducts a three-day technology course at local schools for students between kindergarten and the eighth grade. This course teaches students basic computer skills, Internet fundamentals, and productivity software. As an added incentive, participating students who complete the course receive a free refurbished computer through Connect Arkansas.

To boost broadband adoption among teenagers, Connect Arkansas hosts an entrepreneurship training class where students learn business basics, ecommerce, website development skills, and how to market a business online. Participating students also create a prototype business website as their final project, allowing them to practice their newly acquired business techniques and web design skills.

Connect Arkansas is also working to increase broadband usage among healthcare professionals. Through the University of Arkansas Medical Sciences (UAMS), Connect Arkansas educates medical professionals on using broadband and video conferencing equipment to conduct distance learning and patient visits. These classes complement UAMS' BTOP project, which is increasing broadband capacities and installing video conferencing equipment at 474 healthcare, medical offices, and research facilities in Arkansas.

As of September 30, 2011, BTOP funds have allowed Connect Arkansas to distribute approximately 130 personal computers and record 408 new sustainable broadband subscribers.



An instructor teaches a local student how to use the Internet during a computer basics course.



The School Board of Miami-Dade County launched the Learn Ideas, Navigate Knowledge (LINK) program in 38 low-income elementary, middle, and high schools across the Miami-Dade County Public Schools District. The program promotes broadband adoption among economically-distressed populations by providing the necessary training and equipment to students and their families. The school board partners with non- and for-profit organizations to provide computers, Internet service, and multilingual digital literacy training to participating families. For example, with The Parent Academy, the LINK program created an Introduction to Computers class. Participants learn computer basics, Internet fundamentals, and how to use LINK's Parent Portal, an online tool that allows parents to view students' grades and keep in contact with teachers. Once they



A family picks up its free desktop computer provided by LINK with Superintendent of Schools Alberto M. Carvalho on the far right.

have completed the program, participating families receive a free personal computer and access to the Parent Portal. As of September 30, 2011, BTOP funds have allowed the LINK program to distribute computers to more than 2,400 families, and record 2,000 new sustainable broadband adopters.

E. Expenditures

BTOP recipients reported spending more than \$281 million of outlayed Federal grant funds this quarter, matched by recipient funds of more than \$150 million. Cumulatively, Federal outlays for the Program total \$765 million, while total recipient matching contributions exceeded \$391 million. Federal outlays increased more than 58 percent from last quarter, and matching funds contributed increased by more than 62 percent. NTIA anticipates that outlays will occur faster in FY 2012 as the BTOP program works toward the completion of all projects by the end of FY 2013.

IV. Supporting Initiatives

A. State Broadband Initiative

SBI consists of the State Broadband Data and Development Grant 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 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 continued to meet with each SBI recipient to review broadband availability data submitted in April 2011, which was used to update the National Broadband Map in September 2011. The updated map has new data, current as of December 31, 2010, and the number of broadband providers supplying that data increased to 1,731, up from 1,650 at launch. The data enhancement efforts continue to improve the National Broadband Map by adding new broadband service providers and offering a new research tool that produces snapshots on broadband availability and speeds for individual broadband service providers. Below are examples of states using their SBI funds to support various state initiatives:



The **State of Mississippi Office of the Governor** created the Mississippi Broadband Connect Coalition, which focuses on developing a comprehensive statewide strategic plan for improving digital literacy, increasing access to broadband, and enabling greater adoption of broadband in the state. As part of the forthcoming statewide broadband plan, the Office of the Governor, in partnership with the Mississippi State University Extension Service, announced the development of a digital literacy program to increase broadband adoption across the state. The digital literacy program will be called the Extension Broadband Education and Adoption Team (e-BEAT) and will help assess broadband

use and educate the public on the benefits of broadband Internet access for communities.



The **Oklahoma Office of State Finance** project began collecting consumer data concerning the use of broadband in underserved and unserved areas. For example, Oklahoma engaged CAIs and all state employees located across the state to complete broadband surveys and perform speed tests. Through this effort, Oklahoma collected information from 257 CAIs, 1,208 public surveys, and 4,292 speed tests. This effort helped to improve Oklahoma's broadband availability data set submitted to NTIA.

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. This quarter, DigitalLiteracy.gov added 276 resources (a total of 488 since its launch), including those that provide college preparation information and resources for veterans. 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.

C. Evaluation Study

In September 2010, NTIA contracted with ASR Analytics, LLC (ASR) to conduct an evaluation of BTOP's economic and social impacts. The 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 the grant-funded communities. During the last quarter, ASR submitted the final study design for the project. In addition, the team held a conference with faculty and subject-matter experts from the academic community to validate the study design. The project team also began its field work, conducting site visits at nine PCC and SBA recipients with site visits to six more grant recipients planned in the coming months. A report covering the 15 PCC and SBA case study sites will be completed in early 2012. Similar site visits are currently being planned for 12 infrastructure grant recipients, slated to begin summer 2012.

V. Monitoring and Grants Administration Efforts

NTIA continues to follow its 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.⁶ These activities are designed to protect taxpayer

⁶ The FY11BTOP Monitoring and Assessment Plan is available at http://www2.ntia.doc.gov/files/btop_fy11_monitoring_and_assessment_plan.pdf.

investments, offer strong stewardship over the funds, and monitor recipients' progress and performance against project schedules and budgets 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 FY11 BTOP Monitoring Plan, NTIA assigned each grant 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. Frequent communication between the Program team and grant recipients is a critical element to ensure successful oversight of grant funds. A key monitoring activity implemented by NTIA is regularly scheduled status meetings (typically via teleconference) with the recipient and key project members. The frequency of status meetings is based on the complexity and size of each project and the issues currently faced by the recipients. These calls are in addition to ad hoc communications via phone or email that may occur as a part of 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. 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.

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. 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.

This quarter, 100 percent of recipients submitted their ARRA reports prior to the deadline. Ninety-nine percent submitted their PPRs and FFRs by the deadline, with the remaining one percent submitting one day after the deadline. 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 an effective tool to closely monitor recipients through in-person meetings and discussions with project leadership and grant and financial management teams. On site visits, NTIA staff inspect facilities and equipment paid for by Federal grant funds, 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 15 recipients, representing \$312 million in grants. To date, NTIA has conducted site visits for 39 percent of awards across the Program, representing \$2.48 billion in grants or more than 63 percent of the total BTOP grant funds. These site visits focused on NTIA's largest and most complex projects and awards. As part of two- and three-day meetings, NTIA staff visited computer centers, observed training classes, discussed how projects are tracking and validated 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.

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 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 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

A key goal of NTIA's oversight program is to identify issues early in the process, then work closely with the grantee to resolve issues promptly. NTIA works closely with the OIG, as well as the NIST and 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. The OIG has continuously audited NTIA recipient post-award monitoring activities since October 2010 and travelled to recipient locations to observe the effectiveness of BTOP site visit procedures. Since April 2011, 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. NTIA has also proactively worked with the OIG and Grants Offices since July 2011 on specific awards identified through audits and other activities as having potential issues, bringing them to successful resolution and getting projects back on track.⁷

⁷ For example, the Grants Offices (NIST and NOAA), in conjunction with NTIA, issued a corrective action plan (CAP) for the U.S. Virgin Islands Public Finance Authority's (PFA) three awards for infrastructure, PCC, and SBA based on the findings from a monitoring site visit in June 2011. The CAP required the PFA to provide documentation and plans to demonstrate its ability to address management challenges and to improve financial

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 September 30, 2011, recipients have contributed approximately \$391 million of matching BTOP funds.

BTOP management 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 their recipients to assist in resolving any remaining cost-share issues. Through September 2011, NTIA and recipients worked together to finalize 68 percent of all “match reviews.”

In April 2011, the OIG initiated an audit 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. As part of the audit, the OIG selected 25 BTOP awards in order 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.

2. Non-Duplication of Federal Funds Analysis

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 USDA’s Broadband Initiatives Program (BIP) and FCC’s Telehealth/Telemedicine and e-Rate programs. In June 2011, the U.S. Government Accountability Office (GAO) opened an engagement to assess the potential duplication of broadband deployment activities among Federal agency programs. On July 19, 2011, NTIA met with GAO representatives to demonstrate the significant coordination efforts made between NTIA, the USDA, and the FCC during the “pre-award” application review phase as well as the grant implementation phase to prevent the duplication of broadband funding. GAO closed this engagement on August 31, 2011, after determining that the extent of unnecessary duplication between ongoing Federal programs is likely to be small or nonexistent at this time.

3. Technical Assistance

In August 2011, NTIA implemented a more proactive technical assistance strategy, focused on helping BTOP management diagnose and address potential issues facing recipients as early as

controls. In response to the CAP, the PFA substantially restructured its organization and established stronger internal controls, processes, and procedures. NTIA will perform another site visit soon to ensure the award recipient is implementing the agreed-upon improvements.

possible. NTIA developed diagnostic frameworks and tools to examine the most common causes of schedule delays for these types of projects. These tools address common challenges that may delay project success, including schedule, financial information, organizational constraints, and other project-specific issues. NTIA completed analysis of an initial sample of projects examined using the new framework, provided recommendations to address schedule variances, and participated in two technical assistance site visits. NTIA is now applying the same schedule diagnostic framework to a wider sample of grants for the next quarter to ensure BTOP projects meet our tight deadlines.

4. 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). As of September 30, 2011, 106 of 118 (90 percent) of affected BTOP recipients obtained environmental and historic preservation clearance for their projects. This represents 10 additional approvals since the last report. NTIA is working with recipients to clear the remaining 12 projects, most of which are expected to be cleared by the end of December 2011.⁸ 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 complicating factors and the resulting delays may require grantees to implement mitigation strategies to comply with the requirement to be substantially complete after two years.

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 October 2011, NTIA and OneCommunity held a workshop in Cleveland, Ohio, called “The Mid-Course Workshop for Broadband Awardees.” The 533 attendees, including representatives from more than 150 BTOP grants, participated in discussions covering key topics pertaining to broadband infrastructure deployment, tools for program evaluation, and strategies to drive broadband adoption. Nearly 77 percent of attendees who completed the online survey indicated they left the workshop with “specific action items” to help them achieve greater success. In addition, NTIA staff members provided assistance in compliance with the grant terms and conditions and other strategies to ensure that projects will be completed on time and on budget.

To support stakeholder communications about BTOP project accomplishments and community impacts, NTIA 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

⁸ As of December 2, 2011, NTIA successfully cleared an additional five projects, reducing the total number of pending projects to seven.

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.

<i>Milestone</i>	<i>Date</i>
Recipient Quarterly ARRA Reports Due	January 10, 2012
Recipient Quarterly ARRA 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 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
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

VIII. Next Report

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