# Report In Brief

## Why We Did this Review

The Broadband Technology Opportunities Program (BTOP) is the largest grant program that the National Telecommunications and Information Administration (NTIA) has managed to date. With BTOP, NTIA has had to confront a number of challenges, including staffing a program office, developing rules and regulations, coordinating development activities with other departments and agencies, awarding grants, and performing effective oversight of activities – all while limiting expenditures to 3 percent of the program appropriation.

We have been proactive in our oversight of BTOP, including providing guidance to NTIA on the importance of establishing appropriate internal controls. As part of our oversight, we initiated this review of BTOP in September 2009.

## Background

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 into law. The Recovery Act gives $7.2 billion, which must be awarded before September 30, 2010, to NTIA and the Department of Agriculture's Rural Utilities Service to expand broadband services in the United States.

Of the $7.2 billion to be awarded, $4.7 billion was provided to NTIA to establish BTOP, which is a competitive grant program intended to provide funds for deploying broadband infrastructure in unserved and underserved areas of the United States, enhance broadband capacity at public computer centers, improve access to broadband services for public safety agencies, and promote sustainable broadband adoption projects. The first round of grant awards is to be completed in April 2010; the second and final round has already begun.

## American Recovery and Reinvestment Act

## NTIA Must Continue to Improve its Program Management and Pre-Award Processes for BTOP (ARR-19842)

## What We Found

NTIA is entering its second round of funding broadband grant awards. While NTIA has made significant strides in implementing BTOP (developing a program office, issuing its first Notice of Funds Availability, reviewing more than 1,800 submitted applications, and announcing its initial awards) it is essential that NTIA apply the lessons it learned from the first funding round to promptly address any problems that may arise. We found that

1.  BTOP's size and complexity have presented NTIA with significant challenges. NTIA's program staffing levels appear to be insufficient to simultaneously perform the necessary first- and second-round award activities. The office must rely heavily on a few key individuals and personnel from other agencies to carry out the program's operations.

2.  NTIA's inconsistent documentation of important information such as policies, procedures, staff roles, and key management decisions could lead to inefficiency and miscommunication.

3.  The first round of BTOP grant application processing exposed several problems with the online grant intake system, which affected efficiency and users' experiences.

4.  A shortage of volunteer peer reviewers meant that application review for the first round was delayed. As NTIA manages the second-round process and handles post-award activities for first-round grant recipients, it must be careful to obtain enough reviewers for the workload.

5.  NTIA will need to closely monitor grantees during the post-award phase to ensure they are in compliance with the National Environmental Policy Act (NEPA).

## What We Recommended

We made several recommendations to NTIA with the intention of improving internal controls, promoting transparency, and increasing efficiency. We presented our observations and suggestions to NTIA in January, and they have begun to put many of our recommendations in place.

We recommended that NTIA

*   create a staffing plan that outlines the necessary resources to manage BTOP, and that makes provisions to adjust to the loss of key positions;

*   develop and implement policies and procedures that articulate key roles, responsibilities, and requirements for documentation;

*   have its in-house counsel document any program issues that arise and receive documented opinions from the Department of Commerce's Office of General Counsel;

*   supplement the existing pool of reviewers to address unforeseen delays or other impacts that could affect the application review timeline; and

*   continue to develop monitoring procedures to identify, track, and assist recipients at risk of experiencing delays in completing post-award NEPA requirements.