

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

INTRODUCTION AND BACKGROUND

The National Telecommunications and Information Administration (NTIA) provides this quarterly report on the status of the Broadband Technology Opportunities Program (BTOP) established under the American Recovery and Reinvestment Act (Recovery Act or Act), (Public Law No. 111-5).

The Act directs the Assistant Secretary for Communications and Information (Assistant Secretary), in consultation with the Federal Communications Commission (FCC), to establish a grant program designed to increase broadband penetration and adoption in unserved and underserved areas of the United States; 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 and economic growth. In addition to fostering greater availability and use of broadband technology, the \$4.7 billion in funding provided under the Act is also intended to create jobs and stimulate economic growth.

The Act establishes eligibility requirements for grantees and grant projects; allocates certain amounts of funding for specifically-identified broadband initiatives; imposes substantive and procedural requirements on the Assistant Secretary in the administration of the program as well as on grantees in their use of BTOP funding; and requires that all awards be made before the end of fiscal year 2010. The Act further requires NTIA to develop and maintain a comprehensive nationwide inventory map of broadband service capability and availability and to make the map publicly available via the Internet. NTIA anticipates the use of grants to entities capable of providing data and other support in the development of the broadband map.

Among other things, the Assistant Secretary is required to provide status reports every 90 days. Informal briefings of Congress, as well as appearances at Congressional hearings, will complement these reports. This initial status report reviews developments since President Obama signed the Act into law on February 17, 2009.

SUMMARY

In light of the BTOP's nascence, this report focuses on initial procedural and administrative steps taken by NTIA to launch BTOP in accordance with the Act's requirements. In addition to a tentative timeline, this report sets forth NTIA's key activities over the past 90 days aimed at ensuring a prompt and effective implementation of the grant program: (i) program kickoff in cooperation with other Federal agencies and the States; (ii) public outreach and participation; and (iii) enhancing transparency and accountability. The content and format of subsequent reports may differ to reflect new developments and phases in the program, particularly once NTIA begins to receive and act on grant applications.

NTIA currently intends to conduct three rounds of grants. NTIA's goal is to open the first grant application window in the summer of 2009, following publication of a Notice of Funds Availability (NOFA) that will establish more specific eligibility criteria and funding conditions in accordance with the Act's requirements. After its review of the initial grant applications, NTIA anticipates making grant awards beginning in the final quarter of calendar year 2009. Two

more rounds of grants will follow, each commencing with its own NOFA that will allow NTIA to make any appropriate changes to the program based on its previous experience. In addition, NTIA intends to release a separate NOFA with respect to the broadband map.

GRANT PROGRAM PHASES AND ANTICIPATED MILESTONES

Statutory deadlines are in *italics*

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| Phase 1: Program Design | February – June 2009 |
| Initial consultation with Federal agencies, States, and other governmental entities | February – June 2009 |
| Publication of Request for Information | March 12, 2009 |
| Public Comment Period | March 12 – April 13, 2009 |
| Public Meetings and Field Hearings | |
| Kickoff meeting/Washington, DC | March 10, 2009 |
| Washington, DC | March 16, 2009 |
| Las Vegas, NV | March 17, 2009 |
| Flagstaff, AZ | March 18, 2009 |
| Washington, DC | March 19, 2009 |
| Washington, DC | March 23, 2009 |
| Washington, DC | March 24, 2009 |
| Execution of Interagency Agreements for Administrative Support | March – June 2009 |
| Phase 2: Program Implementation | June 2009 – September 2012 |
| Issuance of Notice of Funds Availability --Mapping | Early Summer 2009 |
| Issuance of Notice of Funds Availability --General | Early Summer 2009 |
| Outreach and Grant Guidance Workshops | Summer 2009 |
| Submission of Grant Applications | July 2009 – September 2009 |
| Initial Grant Awards | Fourth Quarter 2009 |
| Second and Third Notices of Funds Availability --General | 2010 |
| Completion of Grant Awards | <i>September 30, 2010</i> |
| Broadband Map Posted to Website | <i>February 17, 2011</i> |
| Substantial Completion of all Grant Projects | <i>September 30, 2012</i> |
| Phase 3: Final Program Audits and Shut-down | September 30, 2014 |

KICKOFF: INTERACTION WITH FEDERAL AGENCIES AND STATES

As contemplated by the Act, NTIA has been coordinating its activities with the Department of Agriculture's Rural Utilities Service (RUS), which was separately allocated \$2.5 billion in broadband Recovery Act funding for loans and grants. The two agencies – along with the FCC – hosted a public kickoff meeting in Washington, D.C., on March 10, 2009, to announce their initial implementation activities and respond to public inquiries. U.S. Department of Agriculture Secretary Tom Vilsack, Acting Federal Communications Commission Chairman Michael Copps and U.S. Department of Commerce Senior Advisor and Acting Chief of Staff Rick Wade announced the release of a joint Request for Information (RFI) and described a series of public meetings and field hearings to follow. A copy of the RFI is attached as Appendix A.

The RFI invited public comment on a range of criteria and conditions that the Act requires NTIA to consider and follow in implementing the program and assessing BTOP grant applications. Following release of the RFI, NTIA and RUS also co-hosted six days of public meetings and field hearings in Washington, D.C.; Flagstaff, Arizona; and Las Vegas, Nevada. NTIA is collaborating with RUS to create a common grant application form to make it easier for entities to file applications with both agencies.

Public comments received at the public meetings, as well as those provided in response to the RFI, will inform the policy decisions in the Notice of Funds Availability (NOFA). Among other things, the NOFA will open the window for grant applications; define the applicable statutory terms, including “broadband,” “unserved,” and “underserved;” establish additional eligibility and selection criteria in accordance with the Act; and specify the progress and reporting obligations of grantees as well as the monitoring and audit role of NTIA. At the same time, NTIA will issue the non-discrimination and interconnection obligations that will be conditions of the broadband grants. NTIA has been consulting with the States and the FCC to ensure that the criteria and conditions set forth in the NOFA will further the purposes of BTOP as set forth in the Act.

Apart from the BTOP grant program, the Act directs NTIA to develop and maintain a nationwide broadband map for use by policymakers and consumers. NTIA is working with the FCC and RUS on the mapping initiative. The Act sets aside up to \$350 million to fund the Broadband Data Improvement Act's State Broadband Data and Development Grant Program and the development of the map, which will depict the geographic extent to which broadband service capability is deployed and available throughout each State. NTIA intends to actively engage the States in fulfilling the mapping initiative and currently intends to release a separate NOFA dedicated to the mapping initiative.

Indeed, further consultation with RUS, the FCC, and the States, as well as territories, possessions and other agencies of government, will guide NTIA's implementation of substantially all aspects of the Act from start to finish. The Act specifically allows NTIA to transfer funds to the FCC to support its obligation to produce a national broadband plan.

NTIA is also seeking close coordination with other Federal agencies responsible for implementing related Recovery Act initiatives, such as the Department of Housing and Urban

Development, the Department of Health and Human Services, the Department of Transportation, the Department of Energy and the Small Business Administration. Through constructive coordination, funds and expertise can be leveraged where appropriate—and duplication and redundancy will be avoided to maximize the utility of taxpayer dollars.

Critical to the successful administration of BTOP will be an efficient yet thorough process for reviewing grant applications. While the substantive review of grant applications will remain within NTIA, the outsourcing of some administrative aspects of the grant process will expedite the award of BTOP grants while maximizing efficiency. NTIA currently is preparing an appropriate Request for Proposal for those services.

Along with significant consultation with other governmental entities, NTIA has increased its staff as well as its technical capabilities to accommodate the high level of public interest and the tremendous volume of public comment and grant applications that are anticipated.

PUBLIC OUTREACH AND PARTICIPATION

As noted above, NTIA's first broad public outreach initiative was the March 10 kickoff meeting, co-sponsored by RUS and the FCC, which also served to announce the release of the RFI. The March 10 meeting was followed by six days of additional public meetings and field hearings held throughout March. Those meetings and hearings included nearly 120 panelists—including representatives from consumer and public interest groups, State and local governments, tribal governments, minority and vulnerable populations, industry, academia and other institutions—who provided invaluable insights about how to make BTOP effective, equitable and efficient. The meetings all were publicly accessible via webcast and teleconference, and those participating through those means were able to offer comments and pose questions to the panelists.

In response to the RFI, more than 1,600 institutions and individuals filed comments. NTIA is now reviewing those comments to help inform the grant requirements and conditions that will be included in the NOFA to be released in early Summer 2009.

Following release of the NOFA, NTIA and RUS will conduct a series of regional grant workshops across the nation to encourage applicants to participate, provide further guidance regarding the NOFA requirements and programmatic processes and provide a forum for potential applicants to partner with each other and to learn of other Recovery Act funding sources. NTIA will actively promote these grant workshops, including announcing dates and venues for these workshops as such information becomes available.

ENHANCING TRANSPARENCY AND ACCOUNTABILITY

In addition to the public meetings and the release of the RFI, NTIA has launched its BTOP website to provide the public a window into how the Government intends to invest these funds - <http://www.ntia.doc.gov/broadbandgrants>. Information and updates about the broadband grants initiative are made available via the website. Currently, the public can access archived videos and transcripts from all seven public meetings and field hearings. NTIA has also posted

the written comments submitted in response to the joint RFI. The website also discloses and summarizes all *ex parte* communications between NTIA and third parties.

Moving forward, in accordance with the Act, NTIA will post critical funding information, including recipient and fund use data to accurately track, monitor and report on taxpayer funds. In addition, and as mandated by the Act, the broadband inventory map will be accessible on the Internet no later than February 2011, in a form that is interactive and searchable. A link to the BTOP website will also be posted on the administration's comprehensive public website for details on recovery efforts under the Act, www.recovery.gov.

Further, the Act provides \$10 million for the Inspector General (IG) of the Commerce Department to ensure vigorous oversight of all grant funds. One of the very first actions accomplished by NTIA was the transfer of that money to the IG. NTIA has been meeting with the IG and his staff to ensure that the program design incorporates appropriate safeguards from the outset to protect the taxpayers' investment against fraud, waste and abuse.

NTIA has also begun to design monitoring and evaluation activities to assess whether the grant funds are meeting the intended objectives of the program, are reaching the intended populations and are making a difference in deploying broadband services to unserved and underserved areas of the United States and in spurring economic growth. BTOP's Program Office, led by its Compliance Officer, will work closely with the Grants Office to develop formal guidance to standardize procedures for conducting quarterly desk reviews and onsite monitoring visits. Program staff will also explore ways to compile and maintain documentation electronically to facilitate more consistent information collection, more accessible management oversight and sound performance measurements.

Evaluations of individual grant projects as well as of the overall program are being designed to assess the impact of the grant-funded projects by comparing outcomes to an established baseline. Underlying metrics will include the extent to which the grant funds expanded broadband availability, increased the number of broadband connections and extended the availability of broadband in unserved and underserved areas of the United States. Also to be evaluated will be the economic indicators on key stimulus initiatives, such as economic growth and job creation.

NEXT REPORT

The next quarterly report will be submitted on or before August 17, 2009.