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
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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 January 1 to March 31, 2012.

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, as well as five territories and the District of Columbia.[2] The 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.

Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately $293 million in BTOP funds to 56 recipients, which included one grant for each of the 50 states, five territories, and the District of Columbia. With this funding, states are collecting and validating data biannually on the availability, speed, type, and location of broadband services, as well as the broadband services used by community anchor institutions, such as schools, libraries, and hospitals. NTIA makes the data available in several formats and uses the data to update the publicly searchable, interactive National Broadband Map,[3] launched on February 17, 2011, 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

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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 March 31, 2012, this number was 225, excluding awards to Leech Lake Band of Ojibwe, which ultimately did not accept its award; Education Networks of America, Inc. (approximately $16 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), which NTIA terminated for material noncompliance with its grant terms and conditions on October 26, 2011. Funds from these projects have been returned to the U.S. Treasury.

[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 and March 2012, 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).

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:
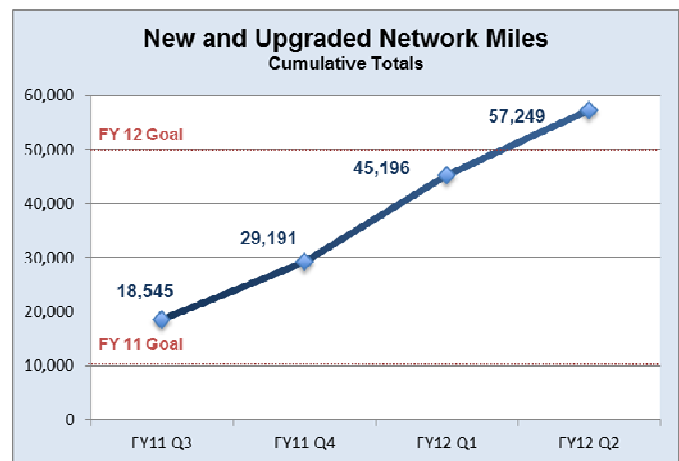
- **Status and Progress** of BTOP projects and Program expenditures.
- **Supporting Initiatives**, including the SBI mapping and capacity-building efforts, and the Digital Literacy portal.
- **Monitoring and Grants Administration** for BTOP projects and the results of those efforts.
- **Program Communications** supporting outreach with and among BTOP stakeholders.

III. PROGRAM STATUS AND PROGRESS

From January to March 2012, BTOP grant recipients continued to demonstrate strong performance across the Program's FY12 goals. These positive results have helped the Program deliver significant progress in areas such as new fiber-optic infrastructure construction, the opening of new PCCs, and thousands of new broadband subscribers now experiencing the benefits of high-speed Internet service. Recipients' quarterly progress reports, which were made public at the beginning of June 2012, provide a more granular depiction of these results.[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. These expanded and enhanced networks serve as an important building block for more affordable broadband services to homes and businesses and contribute to America's global competitiveness.

New and Upgraded Network Miles
Cumulative Totals

The Program made considerable progress in network miles during the last quarter. NTIA has exceeded its FY12 goal to deploy 50,000 new or upgraded network miles across the country. Recipients deployed more than 12,000 network miles during the past quarter, bringing the total number of miles to more than 57,000. Through March 31, 2012, grantees were deploying facilities in 48 states and territories.

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[5] Quarterly reports for each BTOP and SBI recipient project can be found at http://www2.ntia.doc.gov/awards.

BTOP recipients continued to benefit from unseasonably mild weather this quarter, allowing construction efforts to avoid significant weather-related delays. Recipients also continued to lease dark fiber and existing broadband facilities when available.

NTIA expects the pace of network construction to remain strong through the spring and summer as most recipients are engaged in the implementation phase of their projects. Infrastructure projects, including the following two recipients, also continue to demonstrate substantial impacts in communities across their states.

First Step Internet deployed 379 miles of fiber, completed construction on nine microwave towers, and completed 53 fixed microwave paths through March 2012. This infrastructure comprises part of the new 550-mile high-speed fiber network that will extend broadband Internet coverage across Idaho's rural counties of Latah, Idaho, Clearwater, Lewis, and Nez Perce. First Step Internet also activated a wireless area network that covers more than 150 miles and connected 28 community anchor institutions, including libraries, schools, health clinics, and government buildings. Once completed, the network will provide wireless Internet access to more than 20,000 households, 700 businesses, and 40 community anchor institutions. First Step Internet's network will also complement the Nez Perce Tribe's BTOP grant that is providing high-speed, affordable broadband services across 1,200 square miles of tribal land. When completed, these two grants will provide complete broadband coverage for members of the tribe.

Construction workers bolt together two sections of a wireless tower.

Public Utility District of Pend Oreille County (PUD) in Washington state deployed 250 miles of fiber optics through March 2012. These new miles of fiber are part of PUD's plans to deploy a 565-mile fiber network to bring affordable broadband access to rural areas of the county in northeastern Washington. Currently, the project employs more than 35 local construction crews that are laying fiber-optic cable. When complete, PUD's network will deliver broadband Internet services to several rural communities that border Idaho and Canada. This new network also will increase reliability and upgrade broadband speeds to 3,200 households, 360 businesses, and 24 community anchor institutions.
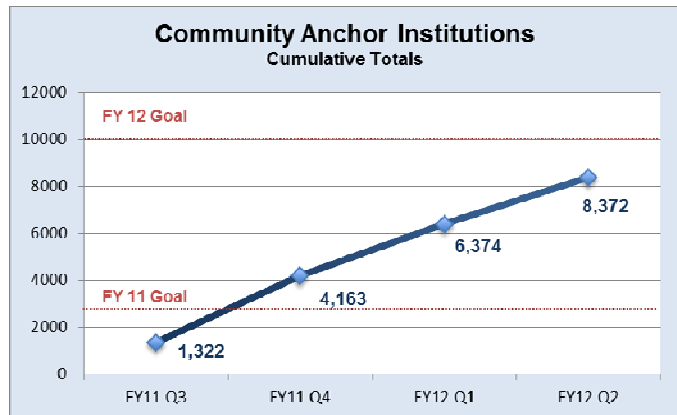

Pend Oreille held pre-bid construction meetings for local construction companies interested in leading the work.

B. Community Anchor Institutions

BTOP infrastructure projects focus on connecting anchor institutions, such as schools, libraries, hospitals, and public safety facilities, which require faster Internet speeds to provide important community services. Connecting these anchor institutions can have a multiplier effect throughout a community because people may adopt broadband at home after discovering the benefits of broadband access at a library or school.

Community Anchor Institutions
Cumulative Totals

FY 12 Goal

FY 11 Goal

1,322 — FY11 Q3
4,163 — FY11 Q4
6,374 — FY12 Q1
8,372 — FY12 Q2

Last quarter, BTOP recipients connected and/or improved service to nearly 2,000 anchor institutions within their project areas, bringing the total number of institutions to 8,300 across 40 states. The total number of anchors connected with BTOP funds increased by more than 30 percent from the previous quarter. With the activity this quarter, NTIA reached 83 percent of its FY12 goal to connect 10,000 institutions. As BTOP recipients deploy additional new network miles, they will continue to provide more institutions with faster and more reliable Internet access. Below are examples of BTOP projects working to connect anchor institutions:

Contact Network connected 104 community anchor institutions to its network through March 31, 2012, using funds from its two BTOP awards. Contact Network is deploying a 550-mile broadband network throughout 12 economically distressed counties in the Mississippi Delta region where anchor institutions currently lack the bandwidth necessary to enable distance learning, telemedicine, and enhanced public safety applications. In addition, the organization is working with key state agencies, including the Mississippi Department of Transportation and various public safety entities, in a public-private partnership to expand high-speed Internet access in 16 counties in southern and central Mississippi. The network in those counties will utilize 632 miles of new fiber-optic infrastructure and more than 220 miles of leased fiber. Upon completion, the network will connect more than 300 anchor institutions, bringing improved access and affordable service to these Mississippi counties.

A Contact Network employee and NTIA staff member inspect new fiber for the network in the Central and Delta regions of Mississippi.

The **Board of Regents of the University of Wisconsin System** connected 72 community anchor institutions to its network through March 2012. The Metropolitan Unified Fiber Network (MUFN) project plans to directly connect more than 90 community anchor institutions, including schools, public safety organizations, and a community college by deploying more than 100 miles of fiber-optic infrastructure. The new access will allow ambulances to send patient information to hospitals en route, clinics and hospitals to access electronic health records, and students to share information and resources between campuses. The network will provide high-capacity broadband Internet connections for community anchor institutions, and
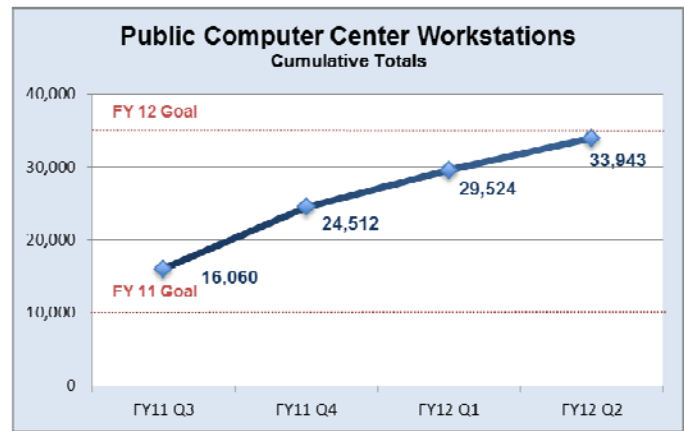

A member of an MUFN construction team drills a hole to install fiber.

enable broadband services throughout the Madison, Middleton, and Monona, Wisconsin regions. In addition, the University of Wisconsin System hopes to spur new or improved broadband Internet access for local residents and businesses, including as many as 47,000 households and 5,000 businesses, by enabling Internet service providers to connect to the project's open network.

C. Public Computer Center Workstations

BTOP's PCC grants fund new public computer 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, information, and training on topics such as online job searching, basic computer and Internet skills (or "digital literacy"), advanced technology certification courses, and GED test and college preparatory courses. Through March 2012, 62 BTOP recipients installed more than 33,000 new workstations in PCCs across 39 states.

Public Computer Center Workstations
Cumulative Totals

FY 12 Goal

FY 11 Goal

16,060

24,512

29,524

33,943

ΓY11 Q3   ΓY11 Q4   ΓY12 Q1   ΓY12 Q2

PCC recipients continued to make considerable progress last quarter, reaching nearly 97 percent of the total program goal to install 35,000 new or upgraded public workstations. Those recipients that have installed workstations also continue to develop and implement training programs and educational courses, including much-needed job training. During the quarter, public computer centers provided 1.4 million hours of training to 336,000 users.

Below are examples of PCC recipients providing workstations and training aimed at enhancing workforce skills and digital literacy:

The **City of El Paso**, Texas deployed 714 upgraded and 755 new computers in 89 public computer centers across the city. The city and the surrounding area face significant challenges because of poverty, sparse population distribution, and limited access to tools necessary for economic development. The Virtual Village: Digital El Paso's Pathway to Success project provides much-needed computer access and training to vulnerable populations, particularly at-risk youth, the elderly, the unemployed, and minorities. The city also uses a mobile computer training lab to bring digital literacy programs, workforce development training, and workstations to areas with limited broadband connectivity. Last quarter, more than 13,000 El Paso citizens participated in classes on topics including Microsoft Office basics, e-government, resume writing and job searches, financial literacy, citizenship, and social media. In addition, approximately 48,000 users per week on average visited the centers during the last quarter to use the computer stations.

El Paso's mobile lab, Tech Express, is equipped with 12 desktop computers, a large-screen television, and a smart board for instruction.

The **City of Chicago** deployed 1,139 workstations at 66 upgraded and 20 new public computer centers across the city. These centers are part of the SmartChicago Public Computer Centers project, intended to provide Internet access and training with a specific focus on low-income citizens, at-risk youth, senior citizens, people with disabilities, and the unemployed. A large number of city residents lack home broadband access and rely on libraries and other public computer centers for broadband access, and for employment training and educational opportunities. Each week, nearly 49,000 Chicagoans visit the centers, which provide a variety of classes covering topics such as introduction to Microsoft Office, graphic design, Internet basics, and computer security. When complete, the project will provide increased broadband capacity at more than 130 existing centerns and 20 new centers.
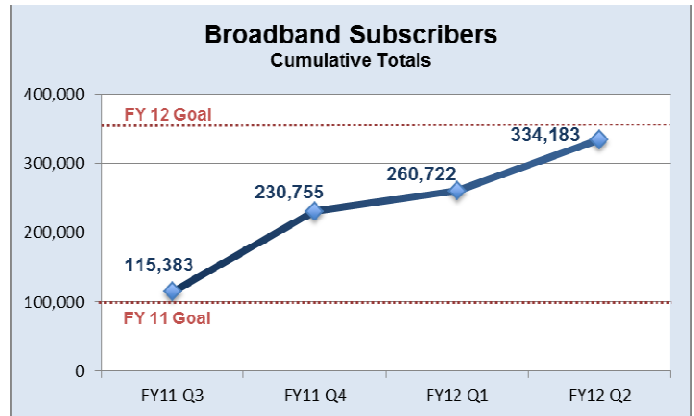

Students attend a digital literacy class in Chicago. High demand for classes has prompted other local agencies to offer the use of their computer labs.

D. Broadband Subscribers

SBA projects increase broadband Internet usage and adoption by consumers, businesses, and institutions. SBA projects provide digital literacy and job training, often focusing on populations that traditionally underutilize broadband technology. Connecting America's households to broadband is essential to ensure that all citizens have access to critical job, educational, and health-related information to compete in the Internet-based economy.

Through March 2012, 36 BTOP recipients reported that their training and adoption projects led over 326,000 households and 7,400 businesses to subscribe to broadband services. New subscribers for the past quarter totaled more than 63,000, meaning that more people are now using the Internet to search and apply for jobs, advance their educational goals, and find health-related information. Over 80 percent of SBA grant recipients reported new broadband subscribers. NTIA expects the number of new subscribers to continue to increase as more households complete training programs, receive subsidized computer equipment or broadband service, and take advantage of workstations and discounted subscriptions provided by BTOP funds. NTIA reached nearly 95 percent of its FY12 goal, attaining more than 330,000 of the 350,000 planned new broadband subscribers.

NTIA will continue to monitor and provide guidance to SBA grant recipients through technical assistance on refining methodologies for collecting data on new subscribers, measuring changes in broadband adoption, and accurately reporting that information. The following projects demonstrate the effectiveness of using broadband awareness campaigns and training programs to generate new subscribers:

Computers for Youth (CFY) has held Family Learning Workshops for more than 30,000 students and parents in high-poverty middle schools of the Los Angeles Unified School District. CFY's bilingual Family Learning Workshops teach low-income students and their parents about the educational uses of home technology and broadband. Parents and students are encouraged to work together and commit to an ongoing home learning effort. CFY provides participating families with a broadband-ready computer with pre-installed learning software, broadband enrollment guidance, and access to high-quality, online educational software focused on math, English, social studies, and science. CFY also provides training to teachers on leveraging educational

A young student and her mother attend a Family Learning Workshop.

software to extend learning into the home and drive student achievement. The program will ultimately reach more than 34,000 low-income individuals and 15,000 households in the school district. As of March 31, 2012, CFY has recorded nearly 5,000 new household broadband subscribers.

The **New York City Department of Information Technology and Telecommunications** (DoITT) and the New York City Department of Education (DOE) launched the NYC Connected Learning Program in 56 low-income middle schools across New York City. The program is a citywide initiative to boost sustainable broadband adoption and enhance educational outcomes among sixth grade students and their families. DoITT and DOE partner with a range of non- and for- profit organizations to promote broadband adoption by families and in schools, which includes providing free computers for academic purposes after attending a four-hour digital literacy training course, as well as offering discounted broadband service and technical support. As of March 2012, approximately 35,700 students and family members have participated in the program. NYC

A family picks up its free computer after attending a four-hour training session as part of the Connected Learning Program.

Connected Learning participants also receive discounted rates for high-speed Internet from Cablevision and Time Warner Cable. The program has resulted in nearly 7,000 families subscribing to broadband and trained more than 1,300 teachers on the program's resources and training curriculum. By the end of the project, the NYC Connected Learning program will be operational in 72 schools.

E. Expenditures

During the second quarter of FY12, BTOP recipients spent more than $377 million in Federal grant funds. These funds were matched by recipient contributions of more than $127 million. Cumulatively, Federal outlays for the Program totaled $1.5 billion, while total recipient matching contributions exceeded $660 million.

IV. SUPPORTING INITIATIVES

A. State Broadband Initiative

SBI consists of the State Broadband Data and Development 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 tailor solutions 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. 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.

On March 2, 2012, NTIA released an updated National Broadband Map with data (current as of June 2011) submitted by SBI recipients in October 2011. SBI recipients will continue collecting new data every six months from nearly 1,800 broadband providers nationwide. As SBI recipients collect data, they use a variety of best practices to validate the data. For example, the Missouri Office of Administration uses a combination of techniques and compares information supplied by broadband providers to third-party data sets, public data, and surveys. The Utah Public Service Commission uses similar methods, conducting more than 9,300 miles of drive tests to assess and validate mobile broadband availability and performance.

Below are two examples of projects using SBI funds to advance state initiatives:

The **Alabama Department of Economic and Community Affairs** (ADECA) worked with its regional and local stakeholders to develop and publish 12 Regional Broadband Investment Plans.[6] The regional plans will help promote broadband investment based on the needs of each region, facilitate efforts to promote awareness and adoption, and identify sustainability strategies for broadband investments. Each region is in the process of implementing its plans that aim to advance economic development in some of the more underserved regions of the state.

The **Arizona Government Information Technology Agency** (GITA) and its partners used input they gathered from 10 task group meetings held between January and March 2012 to help draft the Digital Arizona Highway bill, which became law on April 5, 2012. This bill allows the Arizona's Department of Transportation to install broadband conduit in the Right-of-Way areas near highways and other areas of public domain, substantially reducing the costs for service providers to install conduit that can be used to expand broadband in rural areas of the state.

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.

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[6] The 12 Regional Broadband Investment Plans can be found at
http://www.connectingalabama.gov/ca/default.aspx?page=2 by clicking on each individual region.

The portal now contains more than 500 resources (*e.g.*, videos, tutorials, and lesson plans) and received more than 2,500 unique visitors per month this quarter. NTIA also uses the portal to highlight the progress of BTOP recipients and provide a peer-to-peer information sharing tool that promotes digital literacy in communities across the country. In the coming year, NTIA will continue to collaborate with partners to promote the use of the portal and acquire more resources to help users search for jobs, create resumes, and locate career-enhancing training.

C. Evaluation Study

In September 2010, NTIA contracted with ASR Analytics, LLC (ASR) to conduct an evaluation of BTOP's economic and social impacts. This 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 grant-funded communities. This past quarter, ASR completed its site visits for PCC and SBA recipients. Its interim reports on each of the 15 PCC and SBA case study sites will be available to the public soon, and ASR will complete follow-up reports in 2013. Evaluation studies for 12 infrastructure grant recipients are in the planning stages and will begin in the summer of 2012.

V. MONITORING AND GRANTS ADMINISTRATION EFFORTS

NTIA continues to execute against its FY12 BTOP Monitoring and Assessment Plan, which includes individual grant monitoring, day-to-day portfolio management, technical assistance, and corrective action support as part of a comprehensive oversight strategy for BTOP awards.[7] These activities are designed to protect taxpayer investments, offer strong stewardship over the grant funds, and monitor recipients' progress and performance against project schedules and budgets.

NTIA proactively engages BTOP recipients to monitor project and compliance efforts, regularly communicating with recipients to ensure successful oversight of grant funds, identifying potential risks affecting recipients and their projects, and providing corrective action guidance to resolve issues promptly. As outlined in the Monitoring Plan, NTIA assesses each grant to review potential risks affecting the recipient and assigns one of three levels for monitoring – standard, intermediate, and advanced – based on the total award amount, number of subrecipients, project complexity and duration, as well as the organizational type (*e.g.*, for-profit, nonprofit, and state, local or tribal government). BTOP Federal Program Officers (FPOs) then carry out appropriate escalating oversight activities based on these three levels in cooperation with the National Institute of Standards and Technology (NIST) and National Oceanic and Atmospheric Administration (NOAA). NTIA also works closely with the Department of Commerce's Office of Inspector General (OIG) to improve Program monitoring of recipients' compliance with applicable statutes, regulations, and guidance.

A. Monitoring Activities

NTIA engages BTOP recipients on a regular basis to monitor project performance and compliance with Program requirements. NTIA collects regular reports detailing a project's performance; performs case reviews evaluating each project's successes and challenges in meeting milestones; and conducts site visits assessing the recipient's ability to comply with Federal grant rules and requirements. These activities help NTIA understand the progress of a recipient and inform the provision of appropriate corrective actions and enforcement measures, if needed. NTIA also conducts status meetings with recipients and key project members to review project milestones, gather additional information, and provide guidance on Federal grant

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[7] The FY12 BTOP Monitoring and Assessment Plan is available at
http://www2.ntia.doc.gov/files/BTOPFY12MonitoringandAssessmentPlan_111611.pdf.

requirements. These monitoring efforts help ensure that taxpayer dollars are used in an appropriate and responsible manner.

1. Financial, Project Performance, and ARRA Reporting

On a quarterly basis, BTOP recipients must report their financial, project performance, and ARRA-related activities. NTIA reviews these three reports – the Federal Financial Report (FFR), BTOP 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. 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. From these reviews, NTIA analyzes data to identify emerging trends and better measure individual project and overall programmatic progress.

At the end of each calendar year, BTOP recipients also must submit Annual Performance Reports (APR). This year, in addition to the standard APR form, NTIA worked with the Office of Management and Budget to obtain Paperwork Reduction Act approval for a supplemental APR addendum, so recipients could provide more detailed information (*e.g.*, locational data, names of anchor institutions, and speed tiers for points of presence) on their actual and planned project contributions. By collecting this supplemental information, NTIA has improved its project oversight capability.

2. Site Visits

NTIA uses site visits as a tool to closely monitor recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. During these two- and three-day site visits, NTIA observes facilities and equipment paid with Federal grant funds, visits computer centers, observes training classes, reviews recipients' project activities and fiscal management practices, identifies and addresses any challenges or areas of concern, and pinpoints best practices that could benefit other projects.

This past quarter, NTIA visited 33 recipients, representing $592 million in grant funds. To date, NTIA has conducted site visits for nearly 60 percent of BTOP grants and 21 percent of SBI awards, representing more than 85 percent of the total BTOP funds and 21 percent of total SBI funds provided by NTIA. NTIA has visited all BTOP projects initially assigned an "advanced" monitoring level, and revisited a small number of those projects to provide additional assistance. NTIA has visited additional projects this past quarter, consistent with the FY12 BTOP Monitoring and Assessment Plan.

These site visits also helped NTIA identify and address performance issues and other potential areas of concern. Following each site visit, NTIA documented any findings in a summary report or memo. Some issues also were corrected immediately onsite, while others were addressed through the development of a Performance Improvement Plan (PIP) or by working with the Grants Office to create a Corrective Action Plan (CAP). These tools direct recipients to take specific actions in a defined timeframe to improve project management or compliance with their award terms.

3. 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 historic preservation (EHP) policies, most notably the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and the Endangered Species Act (ESA). NTIA works with recipients to achieve and maintain compliance with applicable EHP policies by reviewing EHP documentation produced by recipients before project implementation (including Environmental Assessments [EAs] under NEPA); writing decision documents based on the EHP documentation; clearing applicable EHP Special Award Conditions (SACs), thereby

authorizing the start of project implementation; and monitoring ongoing compliance with applicable EHP requirements during project implementation. NTIA also works with recipients through an established EHP review process when project or route modifications become necessary due to field conditions, changing engineering requirements, or other factors. Approximately a quarter of infrastructure projects have requested project or route modifications, and NTIA expects more projects will request modifications in upcoming quarters.

This past quarter, NTIA cleared four additional EAs, bringing the total of BTOP recipients with EHP clearance to 117 (99 percent). NTIA is working with the remaining recipient on its EA requirements.

B. Grants Administration Activities

NTIA provides guidance and support to projects needing assistance in addressing potential risks or issues delaying their progress. These support measures help maintain the performance of BTOP recipients and minimize the risk of waste, fraud, and abuse. NTIA performs a variety of program support activities based on the project's identified issues and risks, including identifying a course of action to improve a project's performance; providing customized guidance; and working with the Grants Office to develop a CAP to mitigate unresolved project setbacks. These support efforts help ensure that recipients meet their commitments and comply with programmatic and Federal grants administration rules and requirements.

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 March 2012, recipients have contributed approximately $660 million of matching BTOP funds.

NTIA instituted a program review of the cost share requirement to ensure that grant recipients are compliant with this important condition of their grant awards and to address potential match issues regarding the allowability, consideration, source, consistency, and valuation of each recipient's proposed cash and in-kind matches. Through March 2012, NTIA and recipients worked together to finalize 87 percent of all match reviews. Match reviews are not completed until recipients obtain valuation data on specific portions of their matches. In some cases, reviews may be ongoing due to the complex process for certain types of valuation (*e.g.*, real estate and telecommunications infrastructure). FPOs also continue to work with recipients to assist in resolving any new cost share issues that arise over the life of the award.

In April 2011, the OIG initiated an audit to determine whether NTIA had processes in place to ensure that BTOP recipients' matching shares meet Federal administrative requirements and the OMB cost principles included in the terms and conditions of each award. As part of the audit, the OIG selected 25 BTOP awards to examine each of the selected recipient's proposed and expended matching cost shares. For those awards in the sample, the OIG also reviewed the results of NTIA's cost share review. NTIA and recipients continue to work cooperatively with the OIG on this matter.

2. Non-Duplication of Federal Funds

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 U.S. Department of Agriculture's (USDA) Broadband Initiatives Program (BIP) and the Federal Communications Commission's (FCC) Telehealth/Telemedicine and e-Rate programs. As of March 2012, 96 percent of the instances of potential overlap between a BTOP award and another BTOP, BIP, or FCC award were resolved or determined to be not applicable. The remaining four percent will be resolved through ongoing negotiations between recipients seeking ways to leverage the respective investments, such as joint-build solutions.

3. Technical Assistance

NTIA provides a wide range of technical assistance to support recipients in successfully implementing their projects, including producing guidance documents on common topics of interest; assessing projects relative to schedule, budget, or sustainability; and providing customized assistance to specific BTOP recipients based on need. NTIA developed a set of diagnostic frameworks and tools to help BTOP management evaluate and address common challenges that may delay a project's success, including schedule, financial information, organizational constraints, and other project-specific issues.

This past quarter, NTIA conducted schedule and budget assessments on a select number of infrastructure grants, which helped to identify the most common causes of schedule delays. NTIA found that EHP compliance documentation; local permitting; agreements for rights-of-way and other land easements; utility pole agreements and make-ready work; and other pre-deployment activities have affected implementation schedules for a number of grant awards. NTIA also found that sampled recipients are generally on budget during project implementation and are planning for project sustainability after the grant award period.

Through March 2012, NTIA actively engaged with 50 infrastructure recipients to provide technical assistance on specific project implementation challenges. NTIA has already helped several projects overcome project implementation and schedule challenges by using diagnostic tools to review the integration of project components. The tools specifically helped NTIA recommend tasks that each of the 50 recipients could take to address schedule variances, such as working on project components in parallel rather than sequentially in a given timeline, and detecting new points of integration between technical project components. These recipients are now implementing the remaining project components more efficiently, focusing on points of integration, and actively addressing identified schedule concerns.

In addition, NTIA provided technical assistance to PCC and SBA recipients, which included regular webinars on topics of broad interest, and conference calls for thematic affinity groups. From January through March 2012, the program conducted seven webinars on subjects, such as measuring broadband adoption, evaluating project outcomes, obtaining discounted broadband subscriptions, supporting rural economic development, and reporting accurately on Annual Progress Reports. NTIA also organized two conference calls for affinity groups of recipients working in educational settings and recipients that provide technical assistance to other organizations. More than 640 individuals participated in these events, taking advantage of these opportunities to learn strategies for successful program implementation, and to network and share information with other recipients.

4. Public Safety 700 MHz Projects

On February 22, 2012, the President signed H.R. 3630: The Middle Class Tax Relief and Job Creation Act of 2012,[8] which among other things, authorized and provided funding for a nationwide public safety broadband network. Title VI of the Act specifically establishes the First Responder Network Authority or "FirstNet" as an independent authority within NTIA, and charges FirstNet with taking all actions necessary to ensure the building, deployment, and operation of the network. The Department of Commerce and NTIA are working to implement the Act's directives as expeditiously as possible with the same rigor and dedication we have applied to BTOP.

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[8] Additional information on the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96) is available at http://www.gpo.gov/fdsys/pkg/BILLS-112hr3630enr/pdf/BILLS-112hr3630enr.pdf.

Toward that end, NTIA is working to ensure that its seven BTOP 700 MHz public safety grants proceed in a manner that supports the nationwide public safety broadband network. Our goal in this effort is to ensure that these much-needed investments remain in their communities and NTIA avoids investments that might have to be replaced if they are incompatible with the ultimate nationwide architecture of the new public safety broadband network.[9] NTIA is committed to working with all stakeholders toward a shared goal of meeting the communications needs of America's first responders.

5. Grant Closeout

Occurring over several months, closeout is a systematic method of ensuring that all technical obligations, financial accounting, and administrative requirements are finalized before concluding the grant agreement between NTIA and BTOP recipients. During closeout, recipients submit all final documentation regarding their projects and receive final review by NTIA and the NIST and NOAA Grant Offices. Formal closeout will be completed only when all parties are satisfied with the final project and have accepted all eligible costs; grantees have met all terms and conditions and special award conditions; and grantees have submitted all required documentation. NTIA continues to analyze recipient progress and performance against project schedules and to identify projects that will be ending in the near future. This past quarter, NTIA refined the closeout process with the Grants Offices and began developing materials for the FPOs and recipients to assist grant recipients. In addition, NTIA distributed closeout preparation materials to several additional recipients that anticipate closing out their awards during the next six months.

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.

NTIA is committed to transparency and sharing the impact of BTOP projects on the nation. With this goal in mind, NTIA developed the BTOP "Connecting America's Communities Map," a visual display of how BTOP investments across all 50 States, U.S. Territories, and the District of Columbia are connecting people, communities, and institutions.[10] The Map allows users to locate infrastructure investments and community institutions connected in their region, find new and improved public computer centers, and identify those locations where efforts to stimulate demand and usage of broadband services (*e.g.*, digital literacy and job skills training, and discount laptop programs) are taking place.

To support stakeholder communications about BTOP project accomplishments and community benefits, NTIA also developed 95 *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 and community members benefiting from the projects. NTIA, recipients, and others also provide first-person reports on BTOP's progress in postings on the Program's blog.

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[9] Although it did not occur during the period of January 1 to March 31, 2012, NTIA partially suspended its seven public safety projects on May 11, 2012, to ensure that these grants proceed in a manner that supports the nationwide public safety broadband network and avoids investments that might have to be replaced if they are incompatible with the ultimate nationwide architecture of the new public safety broadband network. For additional information, *see, e.g.*, Letter from NTIA Assistant Secretary Strickling to Adams County Communications Center, May 11, 2011: http://www2.ntia.doc.gov/files/grantees/20120511095538760.pdf.
[10] The BTOP Map is available in beta version online at http://www2.ntia.doc.gov/BTOPmap/, and will be updated annually.

VII. PROGRAM MILESTONES

The following list includes upcoming broadband grant milestones. Future dates and activities may change based upon developments or circumstances.

Milestone	Date
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
Update of National Broadband Map	September 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
Recipient Quarterly ARRA Reports Due	January 10, 2013
Recipient Quarterly ARRA Reports Posted to Web	January 31, 2013
Recipient Quarterly PPRs and Financial Reports Due	January 31, 2013
Recipient Annual PPRs Due	January 31, 2013
Recipient Quarterly PPRs Posted to Web	February 28, 2013

VIII. NEXT REPORT

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