



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 July 1 to September 30, 2016.

The Recovery Act appropriated \$4.7 billion for NTIA to establish BTOP to increase broadband access and adoption; provide broadband access, training and support to schools, libraries, healthcare providers, and other organizations; improve broadband access to public safety agencies; and stimulate demand for broadband.¹ In 2009 and 2010, NTIA invested approximately \$4 billion in 233 BTOP projects and \$293 million in 56 State Broadband Initiative (SBI) projects benefitting every state, as well as five territories and the District of Columbia.²

Grant Type	Number	Amount
Infrastructure Projects	123	\$3.5 billion
State Broadband Initiative (SBI) Projects	56	\$293 million
Sustainable Broadband Adoption (SBA) Projects	44	\$251 million
Public Computer Center (PCC) Projects	66	\$201 million

As of September 30, 2016, three projects remained in active status, and 277 projects had completed their project activities.³

II. SUMMARY

This Quarterly Report focuses on the following areas of Program implementation and project oversight:

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

¹ On August 10, 2010, Congress rescinded \$302 million from BTOP, reducing the Program's funding to approximately \$4.4 billion. See Pub. Law No. 111-226.

² The total number of BTOP awards announced by September 30, 2010 was 233. As of December 30, 2014, this number was 224, excluding awards to Leech Lake Band of Ojibwe (approximately \$1.7 million), which ultimately did not accept its award; Education Networks of America, Inc. (approximately \$14 million), the State of Wisconsin Department of Administration (approximately \$22.9 million), the City of Tallahassee (approximately \$1.2 million), and DigitalBridge Communications (three separate awards totaling approximately \$4.2 million), each of which voluntarily terminated its project; and the Louisiana Board of Regents (approximately \$80.6 million) and Trillion Communications, Inc. (approximately \$59 million), which NTIA terminated for material noncompliance with their grant terms and conditions.

³ The three active BTOP grants are all public safety awards (New Jersey Department of the Treasury, Executive Office of the State of Mississippi, and Los Angeles Regional Interoperable Communications System).

III. PROGRAM STATUS AND PROGRESS

A. Program Progress

NTIA established key project indicators to track the success of the Programs. Sustainable Broadband Adoption (SBA) projects tracked the number of households subscribing to broadband, or “SBA Subscribers.” Comprehensive Community Infrastructure (CCI) projects tracked the number of “New and Upgraded Network Miles” and the number of “Community Anchor Institutions (CAIs) Connected.”⁴

Between July 1 and September 30, 2016, the one remaining BTOP CCI recipient, GovNet LLC (GovNet), closed out and deployed or upgraded no additional network miles. Therefore, the cumulative total for all BTOP recipients is the same as reported in the last report: 117,072 miles of new or upgraded network infrastructure. CCI recipients exceeded the Program’s FY 2016 goal of deploying 116,000 network miles of new or upgraded broadband infrastructure.

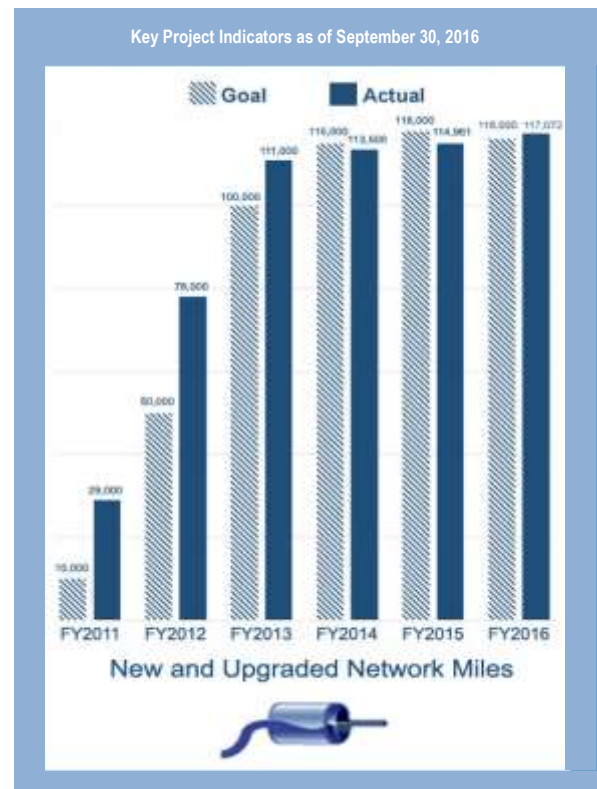
Grant recipients’ quarterly progress reports provide more granular details of these results. NTIA makes these reports public as they are approved for distribution.

B. Public Safety Projects

The Middle Class Tax Relief and Job Creation Act of 2012 authorized and provided funding to the First Responder Network Authority (FirstNet) to implement a nationwide public safety broadband network. In 2010, prior to the Act, NTIA awarded seven grants for public safety projects. Following the Act’s passage in 2012, NTIA partially suspended the grants to allow FirstNet to evaluate them. Four recipients, Adams County Communications Center Inc. (ADCOM) in Colorado, New Jersey Department of Treasury (New Jersey), New Mexico Department of Information Technology (New Mexico), and the Los Angeles Regional Interoperable Communications System Authority (LA-RICS), executed spectrum lease agreements with FirstNet. NTIA lifted the partial suspensions, enabling them to restart their projects.

In addition to coordinating with NTIA, these recipients also communicate with FirstNet on a regular basis to ensure their projects are consistent with FirstNet’s approach to designing the nationwide public safety broadband network. NTIA also closely coordinates with FirstNet regarding these projects.

As a result of the Continuing Resolution Act of 2016, which extended the availability of BTOP funding until 2020, four public safety projects continued activities beyond September 30, 2016. The Continuing Resolution Act of 2016 allows active grants, including those currently in closeout, to extend their project periods through September 30, 2020.



⁴ Since the BTOP appropriation originally expired on September 30, 2015, NTIA discontinued updates for the key project indicators. NTIA noted this in the FY 2016 budget submitted to Congress. However, on September 30, 2015, President Obama signed the Continuing Appropriations Act, 2016, which extended the availability of BTOP funding for both active grants and those in closeout until September 30, 2020. As a result, NTIA reinstated the key project indicator for the number of “New and Upgraded Network Miles.” However, due to the limited number and type of projects remaining, NTIA did not reinstate the key project indicator “CAIs Connected.”

During this period, **New Jersey** continued to focus its efforts on further operationalizing the public safety broadband network in the three service areas of Atlantic City, Camden and the Rt. 21 corridor/Newark by finalizing the network operation centers and associated testing, deploying additional devices, training prospective users and on-boarding subscribers from state and local first responder groups. Additionally, via its deployable LTE assets, the State Office of Homeland Security and Preparedness provided operational support and wireless broadband services to law enforcement agencies at special events, including the PGA Championship in Springfield Township, the Beach Concert Series in Atlantic City and Wildwood, and the Atlantic City Airshow.

NTIA worked closely with the **Executive Office of the State of Mississippi (Mississippi)** as it explored options to use its remaining BTOP funds to improve public safety communications in the state. NTIA will continue to provide guidance to Mississippi as it modifies its project plan consistent with BTOP’s program purpose and statutory requirements.

During this period, **LA-RICS** entered into the closeout stage of its initial LTE deployment, which included the activation of an evolved packet core/home subscriber server and the integration of 63 static sites and four Cell-on-Wheels or COWs into the wireless broadband network. LA-RICS also focused on other aspects of operationalizing the network, including preliminary testing, monitoring of network performance via network operation centers, training of subscribers, device deployment, and application evaluation and testing. LA-RICS plans to complete operational testing of the network in the following quarter, along with the software upgrades to the core and the integration of an additional 11 COWs. Finally in this period, LA-RICS commenced work on a proposal to NTIA for the second phase of its LTE deployment, including a request to deploy an additional 25-30 fixed sites to improve coverage and capacity of the public safety broadband network in underserved areas of LA County.

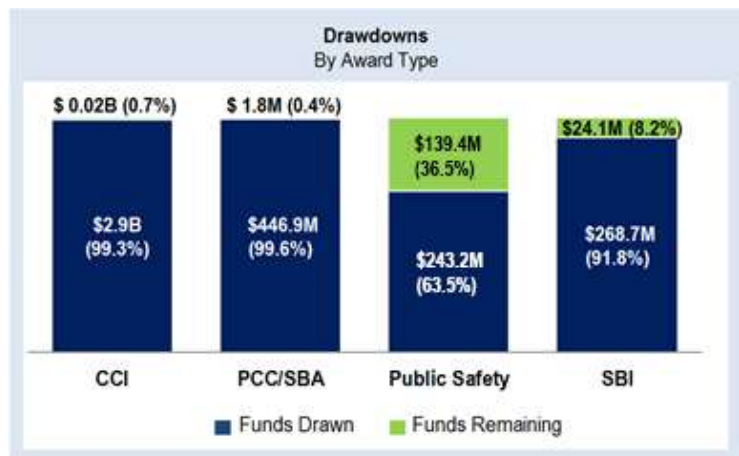
C. Program Status

1. Closeout

As of September 30, 2016, NTIA assisted 277 BTOP recipients in completing project activities. The State Broadband Initiative (SBI) consists of the State Broadband Data and Development Program and the National Broadband Map. As of June 30, 2016, grant recipients closed out all 56 projects.

2. Drawdowns

As of September 30, 2016, BTOP recipients for CCI, PCC, SBA, and Public Safety projects drew down \$3.575 billion (or about 95 percent). As of September 30, 2016, SBI recipients drew down \$268.7 million (or about 92 percent). As a result, a total of \$3.833 billion of grant funds have been disbursed.



IV. MONITORING AND GRANTS ADMINISTRATION

A. Monitoring Activities

At this late stage of the program, NTIA is managing only a small number of active grants. NTIA continues to proactively engage with these grant recipients to monitor project activities and compliance efforts and to

protect taxpayer investments.⁵ This engagement includes regularly communicating with recipients to ensure proper use of grant funds, identifying potential risks affecting projects, and offering guidance to resolve issues promptly.

Each quarter, the active BTOP grant recipients must report their financial, project performance, and ARRA-related activities. NTIA reviews these reports – the Federal Financial Report (FFR), Performance Progress Report (PPR), and Annual Report – to monitor project progress against established baselines, expenditures of grant funds, and the contribution of non-federal cost share.

As of September 30, a total of seven grants were in the process of administrative close-out. For grants in close-out, NTIA works closely with each recipient during the multi-month close-out process to review all applicable administrative actions and required documentation, including a review of the technical obligations, financial accounting, and grant administrative requirements before concluding the grant agreements between NTIA and grant recipients. For example, NTIA guides infrastructure recipients through the process of properly completing and filing Uniform Commercial Code (UCC-1) documentation to ensure that the Federal interest in grant-funded equipment is protected.

Finally, on September 30, 2015, President Obama signed the Continuing Resolution Act of 2016, which extended the availability of BTOP funding for both active grants and those in closeout until 2020. NTIA will continue to work with recipients requesting extensions of their awards pursuant to this law.

B. Site Visits

NTIA uses site visits to monitor grant recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. No site visits were conducted during this period.

V. NEXT REPORT

The next quarterly report to Congress will cover October 1 to December 31, 2016.

VI. ADDITIONAL PROGRAM MATERIALS

Additional BTOP materials are available at <http://www2.ntia.doc.gov/>, including press releases, Congressional testimony, information on grants awarded, and quarterly performance progress reports for each funded project.

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