



DECEMBER 18, 2013

Memorandum for: Lawrence E. Strickling
Assistant Secretary for Communications and Information

From: Anthony G. Wilhelm, Ph.D.
Associate Administrator for the
Office of Telecommunications and Information Applications

Subject: Extension of the BTOP Award Period through June 30, 2014 for Horizon
Telecom, Inc. (NT10BIX5570119)

ISSUE FOR DECISION: Whether Horizon Telecom, Inc. (the “Recipient”) should be allowed to extend the period of performance of its BTOP project for a second time until June 30, 2014.

BACKGROUND: The Recipient received a BTOP Round Two award in August 2010 to implement a Comprehensive Community Infrastructure (CCI) project in southern and eastern Ohio. The purpose of the award is to expand fiber-based broadband services throughout the region and connect community colleges, universities, K-12 schools, healthcare facilities, and industrial parks, in addition to other community anchor institutions (CAIs). The project is nearly 100% complete.¹ The initial award period ended July 31, 2013. On July 18, 2013, NTIA and the National Oceanic and Atmospheric Administration (NOAA) Grants Office granted an extension of the award period through December 31, 2013. The Recipient submitted a request for a second extension of its three-year award period to June 30, 2014 to complete the implementation of its BTOP award.

STANDARD OF REVIEW: Although the financial assistance award sets forth specific award periods for each award, the Department of Commerce Uniform Administrative Requirements of 15 C.F.R. Parts 14 and 24 allow for extensions beyond the initial award period.² The Department’s requirements do not limit the number of no-cost extensions a grant recipient may receive.

ANALYSIS: As previously stated, NTIA may recommend approval of a Recipient’s no-cost extension request, and such extensions are consistent with the American Recovery and Reinvestment Act of 2009 (Recovery Act), which does not mandate a maximum three-year award period for BTOP projects.³ In granting prior extensions, NTIA has judiciously reviewed

¹ See Horizon Telecom, Third Quarter 2013 Performance Progress Report (PPR). Project completion is based primarily on the expenditure of a project’s budget, and the Recipient’s Third Quarter PPR covers a period that ended September 30, 2013. While all Federal funds have been drawn down, project construction activity is continuing; the cost of such construction is entirely supported by the Recipient.

² See 15 C.F.R. § 24.23 (allowing recipients to carry over funds from the initial award period upon approval of the grants office); 15 C.F.R. § 14.28.

³ See Pub. L. No. 111-5, 123 Stat. 115, 128, 512 (Feb. 17, 2009) (“Recovery Act”).

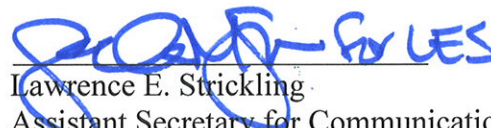
Recipient documentation and sought to minimize additional extensions of the award period. However, as is the case here, there are circumstances beyond both NTIA's and the Recipient's control that may necessitate a further extension.

While the Recipient made significant progress toward project completion, deploying approximately 1,250 miles of fiber, it faced delays in completing certain project activities. Specifically, make-ready delays and issues related to acquiring proper permitting and necessary easements drove back project timelines. The project faced further delays during the extension period by adverse weather conditions and significant rock in areas where underground crews needed access. Accordingly, extending the award period would allow the Recipient to complete the project, ensuring the maximum impact throughout the community. During the extended award period, the Recipient will complete construction, splicing, and testing on the final 12 miles of its network. Additionally, during the extension period, the Recipient will not be using any federal funds and will support the project with additional non-federal resources; however, an extension will allow NTIA to continue to rigorously monitor the Recipient's progress and ensure the completion of all project goals. The Recipient provided NTIA a detailed project plan and is confident that it will be able to complete all project activities by June 30, 2014. Thus, a second extension of the award period will allow the Recipient to fully deliver project benefits for the taxpayer and the impacted communities.

Extending the award project period until June 30, 2014 promotes BTOP's statutory purposes and advances the interests of the federal government by ensuring prudent expenditure of taxpayer funds and the delivery of the benefits to the communities served by the project. Barring additional external obstacles to completion, NTIA fully anticipates that the Recipient will complete the project by the new award end date. To ensure project completion, NTIA will continue to monitor the Recipient's progress and provide proactive technical assistance if needed.

RECOMMENDATION: For the reasons discussed above, I recommend you approve this recommendation to allow the Recipient to extend its project period through a no-cost extension until June 30, 2014. If you concur with this recommendation, please indicate by signing and dating this memorandum below.

Signature: _____


Lawrence E. Strickling
Assistant Secretary for Communications
and Information

Date: _____

