



# **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

May 2017

National Telecommunications and Information Administration  
U.S. Department of Commerce

## 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 October 1 to December 31, 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.<sup>1</sup> 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.<sup>2</sup>

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 December 31, 2016, two projects remained in active status, and 278 projects had completed their project activities.<sup>3</sup>

## 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.

<sup>1</sup> On August 10, 2010, Congress rescinded \$302 million from BTOP, reducing the Program's funding to approximately \$4.4 billion.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.

<sup>2</sup> 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.

<sup>3</sup> The two active BTOP grants are public safety awards (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.”<sup>4</sup>

BTOP CCI projects were closed prior to the period covered by this report and, accordingly, recipients deployed or upgraded no additional network miles during this period. 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.

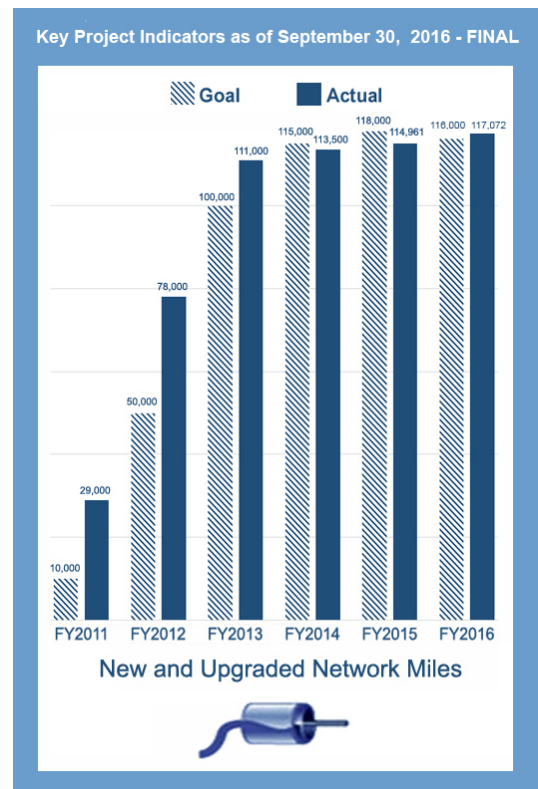
Grant recipients’ quarterly progress reports provide more granular details of these results. NTIA makes these reports public as they are approved for distribution.

#### 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. During this quarter, only the Executive Office of the State of Mississippi (Mississippi) and LA-RICS remain active. The Continuing Resolution Act of 2016 allows active grants, including those currently in closeout, to extend their project periods through September 30, 2020.



<sup>4</sup> 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, **Mississippi** was in the process of formalizing the necessary contract modifications with its vendors on the Mission Critical Data for Public Safety project. This contract will include the addition of both new microwave links and data channels to the state-wide, wireless network.

During this period, **LA-RICS** focused on closing out the construction phase the first 75 sites of the Long Term Evolution (LTE) program with its prime vendor, testing the operational functionality of the network and preparing processes and procedures for the onboarding of subscribers. As the project pivots further toward operationalizing the network, the project team meets regularly to cover the topics of adequately training of the employees who will have the responsibility of monitoring the system and trouble-shooting service disruptions and developing sound network management policies.

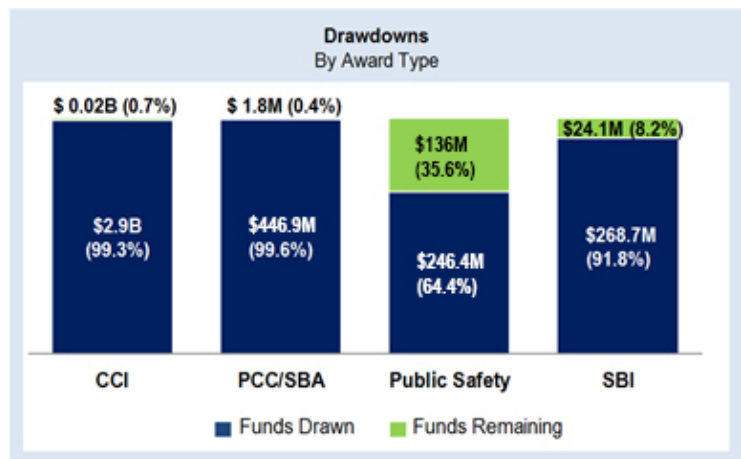
### C. Program Status

#### 1. Closeout

As of December 31, 2016, NTIA assisted 278 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 December 31, 2016, BTOP recipients for CCI, PCC, SBA, and Public Safety projects drew down \$3.579 billion (or about 96 percent). As of December 31, 2016, SBI recipients drew down \$268.7 million (or about 92 percent). As a result, a total of \$3.848 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 two active grants. NTIA continues to proactively engage with these grant recipients to monitor project activities and compliance efforts and to protect taxpayer investments.<sup>5</sup> 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 December 31, 2016, 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 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

<sup>5</sup> 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.

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, the Continuing Resolution Act of 2016 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 January 1 to March 31, 2017.

## **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.