



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 April 1 to June 30, 2013.

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 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.

In 2009 and 2010, NTIA invested approximately \$4 billion in 233 BTOP projects benefitting every state, as well as five territories and the District of Columbia. 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.

As of June 30, 2013, 163 projects remained in active status, and 61 projects had completed their project activities.²

Additionally, through the State Broadband Initiative (SBI), NTIA granted approximately \$293 million to 56 grant 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

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 June 30, 2013, 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. Funds from these projects will be returned to the U.S. Treasury.

³ The National Broadband Map available 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 anchor 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 Program implementation and project oversight:

- **Status and progress** of broadband projects and Program expenditures.
- **Supporting initiatives**, including the SBI mapping and capacity-building efforts.
- **Monitoring, grants administration, and closeout efforts** for broadband projects and the results of those efforts.
- **Program communications** supporting outreach with and among BTOP stakeholders.

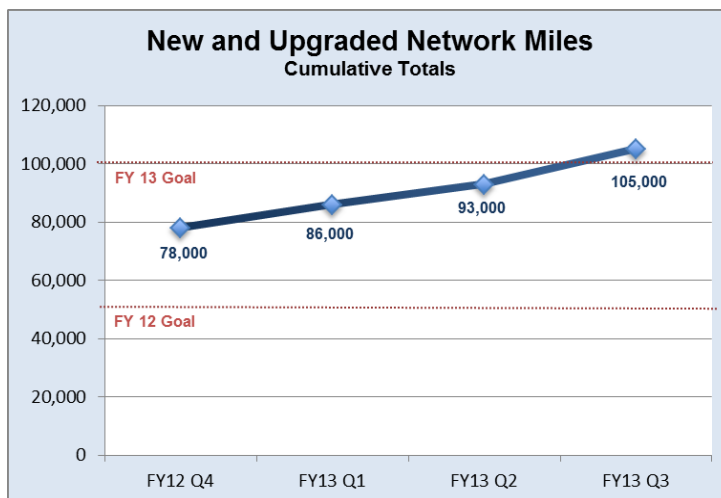
III. PROGRAM STATUS AND PROGRESS

From April through June 2013, NTIA's broadband grant recipients continued to make strong progress toward meeting or exceeding the Program's FY13 goals in areas such as building or expanding fiber-optic networks, opening new PCCs, training to drive broadband adoption, and adding new broadband subscribers. Grant recipients' quarterly progress reports, which were made public at the beginning of September 2013, provide a more granular depiction of these results.⁵

A. New and Upgraded Network Miles

BTOP infrastructure projects deploy new or upgraded network miles, connect community anchor institutions, and facilitate enhanced access to broadband Internet services for households, businesses, and public facilities. Increasing broadband capacity significantly to more than 5,700 communities across the country—many to a gigabit or more—provides a platform for new and expanding innovations in many fields, such as education.

This quarter, grant recipients deployed more than 12,200 network miles, bringing the total number of miles to more than 105,000 and exceeding the FY13 goal. Through June 2013, grant recipients have deployed or improved the infrastructure in 47 states, four territories, and the District of Columbia. NTIA expects the pace of network construction to remain strong through summer and early fall 2013. Many grant recipients are in the final phases of construction and are conducting testing and provisioning activities as they move to the operational phases of their projects. Other infrastructure projects have already realized the initial benefits of their BTOP grants in their local and regional communities. Two examples of projects improving access for educational institutions are detailed below:



⁵ Quarterly reports for each BTOP and SBI project available at <http://www2.ntia.doc.gov/awards>.



NebraskaLink, LLC has deployed more than 460 miles of fiber across most of Nebraska. A partnership among seven local telecommunications providers, this network offers service to local

households and businesses, and improves access to public safety entities, schools and community colleges, healthcare facilities, and libraries. Thus far, NebraskaLink has connected approximately 100 community anchor institutions, including 25 K-12 public schools. These connections enable distance learning and the use of new technology in even the most remote areas of the state. "We have a direct opportunity to facilitate delivery of the same services and products available in more densely populated states, throughout Nebraska, to all market segments, including government, telecom, education, healthcare, and enterprise," NebraskaLink CEO Paul Ludwick notes. "These are the same services that have been taken for granted for years in other parts of the country."



A NebraskaLink construction crew prepares to install fiber at a site in Imperial, Nebraska



As of June 2013, **Peoples Telephone Cooperative Inc.** has deployed 525 new miles of fiber for the East Texas Medical and Educational Fiber Optic Network. This network has connected more than

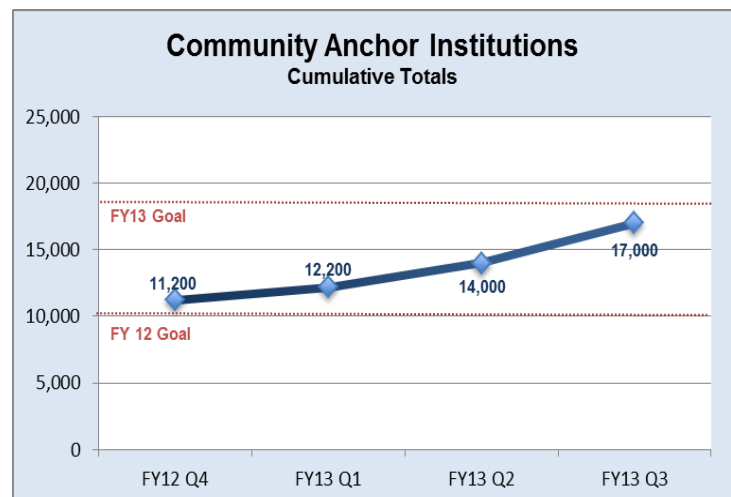
150 educational, healthcare, and government organizations to high-speed Internet across 13 economically distressed counties in eastern Texas. Once complete, the network plans to provide direct connections to more than 50 K-12 schools. High schools that are already connected to the network use the high-speed access to form partnerships with local colleges to offer higher education courses to their students. Peoples Telephone Cooperative Marketing Director Lisa Webber says that she's "seen this benefit first-hand, as a parent of a high school senior." Offering the courses online "allows the students to meet course requirements without ever leaving the city limits or the farm." As a result of the partnership, Webber's daughter graduated with 30 college credit hours and was able to start college as a sophomore.



A member of a Peoples Telephone Cooperative construction crew installs fiber in Canton, Texas.

B. Community Anchor Institutions

Infrastructure projects focus on connecting community anchor institutions, such as schools, libraries, hospitals, and public safety facilities, which require faster Internet speeds to provide essential community services. Across the country, for example, only about 20 percent of K-12 schools have the bandwidth they need to provide digital education.⁶ Many grant recipients are working to address such needs in their communities, connecting local schools and other educational institutions to high-speed broadband. This quarter, grant recipients have connected more than 3,600



⁶ See the ConnectED Fact Sheet for more information available at http://www.whitehouse.gov/sites/default/files/docs/connected_fact_sheet.pdf.

community anchor institutions, which is an increase of 26 percent from last quarter and brings the total number of institutions connected to more than 17,000 across 44 states, three territories, and the District of Columbia. Below are examples of how grant recipients are working to connect community anchor institutions and improve access to K-12 schools:



As of June 2013, the **Illinois Department of Central Management Services** has deployed more than 1,000 network miles across a 55-county region of northeastern, central, and eastern Illinois. A

partnership among the Illinois state government, Illinois State University, and more than 40 local organizations, this network provides improved broadband access to community anchor institutions in many of the region's rural and economically distressed counties. Thus far, the network has connected more than 220 community anchor institutions, including 86 K-12 schools, to high-speed Internet. Schools, like Township High School District 214, use the new high-speed access to enable cloud-based applications that complement the daily activities of teachers and students. As a result of the cost savings from the upgraded service, Township High School has been able to purchase an additional 2,300 devices, including computers and smart boards, for classroom use. In the Mount Olive Hill School District, teachers and students can stream video, participate in virtual classes, and use multiple devices at the same time. District Superintendent Patrick Murphy says the network "gives the students a chance to be connected to the world."

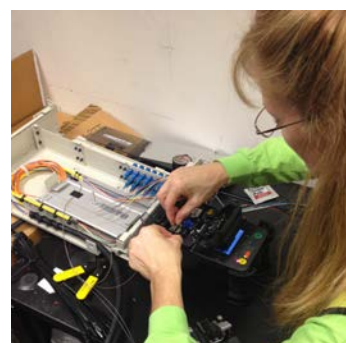


Students within the Mount Olive School District take advantage of their new high-speed broadband capabilities.



The **Connecticut Department of Administration Services Bureau of Enterprise Systems & Technology** has deployed more than 1,000 miles of fiber through June 2013 as part of the Access

Connecticut project. The project is improving access to broadband infrastructure to public safety and educational organizations across the state, and links together two independent networks: the Public Safety Data Network (PSDN) and the Connecticut Education Network (CEN). CEN offers broadband service to educational institutions and libraries at speeds up to 1 Gbps and helps deliver on the promise of equality in education by providing access to technology that schools and libraries would not be able to afford on their own. Local schools are using the increased broadband speeds to leverage cloud and web-based applications. For example, Glastonbury Public Schools use the upgraded access to stream video and enable students to perform all knowledge assessments online. In addition, freshmen at Glastonbury High School receive tablets to allow teachers to incorporate web-based applications into classroom learning. In his blog, Brian Czapla, the Director of Education Technology for Glastonbury Public Schools, noted the importance of using technology in the classroom saying, "one component of this transformation to a 21st century learning environment is providing the most effective resources to our students, including the devices. The use of a personal computing device has great potential [to] increase student engagement in learning [and] provide a meaningful learning environment that meets the learning styles of today's students."

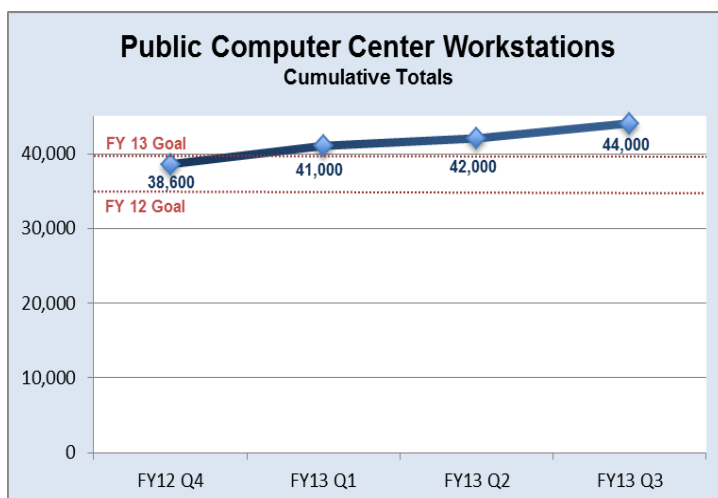


A Connecticut Department of Administration Services Bureau of Enterprise Systems & Technology worker splices fiber to provide upgraded service in Wallingford, Connecticut.

C. Public Computer Center Workstations

Public Computer Centers (PCCs) serve as access points for individuals who may not subscribe to broadband in their homes. Through June 2013, 65 BTOP grant recipients have installed more than 44,000 new workstations, exceeding the FY13 goal, in PCCs across 38 states, one territory, and the District of Columbia. Grant recipients installing workstations also continue to develop and implement training programs and educational courses. During the quarter, PCCs provided 1.5 million hours of training to 350,000 users.

Throughout the country, organizations leverage their knowledge of and longstanding ties with their communities to support development where it is needed most. Over the past few years, computer and broadband access have become critical to K-12 education. NTIA's PCC recipients recognize the need for improved access in their local educational institutions and use their projects to enhance educational opportunities. For example, recipients partner with K-12 schools to create locations where students can access the equipment and online content that will help them improve educational outcomes. Below are examples of PCC recipients from the nonprofit sector that provide access to high-speed Internet and training for K-12 students:



The **Neighborhood Learning Alliance's** Pittsburgh CONNECTS project has established public computer centers in four of Pittsburgh's economically disadvantaged

neighborhoods to provide the communities with access to approximately 150 workstations, high-speed Internet, and online tools. The centers are open seven days a week and offer a variety of free classes on topics including computer skills, job search and resume building, and computer repair. The project is changing the way Pittsburgh's students use technology. For example, Neighborhood Learning Alliance and Pittsburgh CONNECTS partner with Pittsburgh Public Schools to provide a free program to local students, where students use a licensed and approved online K-12

curriculum program to help make sure they do not fall behind other students in their grade level. During the summer, Pittsburgh CONNECTS staff help more than 100 students from local schools take the web-based classes to earn credits in classes that they did not successfully complete during the school year. A Pittsburgh CONNECTS staff tutor captured the importance of the classes, saying, "It's really great to see a kid put his hands in the air and cheer once [he passes] a quiz or test [he was] struggling with."



Students use an online system at a Pittsburgh CONNECTS center to conduct coursework.



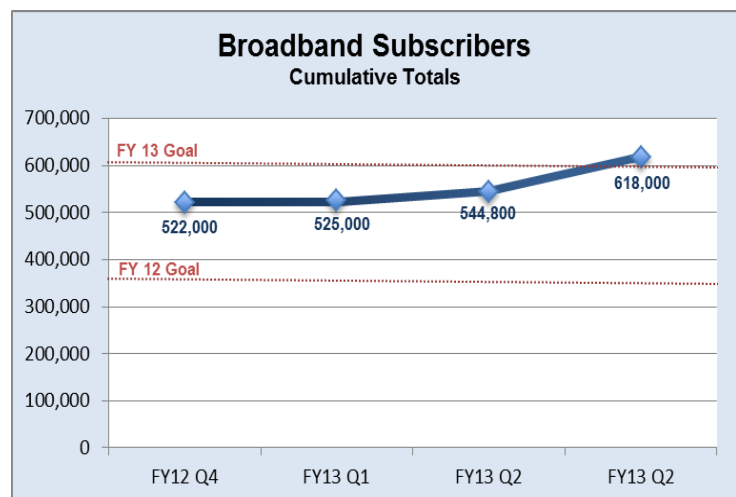
The Youth Policy Institute (YPI) is a non-profit organization dedicated to serving economically vulnerable youth and their families in the greater Los Angeles region by providing education, training, and technology services. YPI and its partners, including the Los Angeles Unified School District, have installed and upgraded 85 PCCs to provide broadband and computer access to low-income residents. These PCCs, including 45 centers in public and charter schools, are used as an instructional resource for students, teachers, and parents. YPI employs technology as a tool to facilitate and enhance different types of learning through class offerings that focus on a student's individual interests. Courses include a web-based fashion design class for elementary and middle school students, a photography editing class for middle school students, and a class on video game coding and design techniques. Gardner Street Elementary School, in Hollywood, California, opened the Michael Jackson Music Lab with support from YPI. The Michael Jackson Music Lab is a computer lab with keyboards and music curriculum installed at each workstation. A supporter remarked that the music lab is changing the way music has traditionally been taught. "It allows us to broaden training to a classroom of students and even to a whole school of students, but with each student having a personal experience and progressing at her or his own rate." Through June 2013, YPI has deployed more than 1,700 workstations and has provided more than 800,000 training hours.



Students participate in digital learning classes at the Michael Jackson Music Lab at Gardner Street Elementary School in Hollywood, California.

D. Broadband Subscribers

Sustainable Broadband Adoption (SBA) projects increase broadband Internet usage and adoption among individuals, families, and entire communities. As schools increasingly incorporate technology into the learning environment, there is growing importance to ensure all those who support students outside of the classroom also have the skills to use these new tools. For this reason, many school districts are using their grants to reach parents by hosting digital literacy training, providing reduced cost or free devices, and offering discounted broadband service.



Through June 2013, SBA grant recipients have reported more than 613,000 households and 5,000 businesses subscribed to broadband services, exceeding the FY 13 goal. Many of the individuals received digital literacy training through local educational institutions. The following projects demonstrate how BTOP recipients are driving broadband adoption and increasing the use of broadband tools in households with school-aged children:



The **School Board of Miami-Dade County** provides digital literacy training, computers, and broadband services to students in 35 low-income elementary, middle, and high schools across the Miami-Dade

County Public Schools district. The school board works with partners as part of the Learn Ideas, Navigate Knowledge (LINK) program. LINK offers multilingual digital literacy training in English, Spanish, and Haitian-Creole. Upon completion of this training, students and their families receive a computer pre-loaded with software, including a trilingual tutorial video. Training participants also gain access to the District's Parent Portal, which allows parents to monitor academic progress and communicate with teachers. The Student Portal provides students with free individualized tutorials to improve learning. One South Miami high school parent expressed that the LINK program improved her son's educational experience. Previously, her son relied on the local library for the computer and Internet access needed to complete homework assignments, but was unable to complete some assignments in the two-hour time limit that the library had placed on the computers. Since receiving a computer through the LINK program, he has the access he needs to complete his homework and is able to use online educational tools through the Student Portal. Through June 2013, the School Board of Miami-Dade County has reported 7,400 new household subscribers.



For successfully completing digital training, LINK provides a family from the Miami-Dade School District with a free desktop computer. Superintendent Alberto Carvalho, pictured on the right, participated in the ceremony.



The City of Boston partners with OpenAirBoston (OAB) to provide low-income residents with digital literacy training through the Technology Goes Home (TGH) program. Additional OAB partners include

Boston Public Schools, Boston Centers for Youth & Families, and Boston Public Library. TGH is a school-based education program that provides training and computers to students and families from 52 public middle and high schools. Each family is required to attend 15 hours of classroom training and receives a netbook computer upon completion. TGH encourages and promotes parents' engagement in their children's educational experience, and offers classes in eight different languages. In a pre-training survey, 64 percent of parents said they had never participated in their child's education. After completing the program, 98 percent of parents responded that they planned to become more involved with their child's education. As of June 2013, the City of Boston has reported more than 1,700 new household subscribers. "Tech Goes Home makes a real difference in the lives of our residents every day," Boston's Mayor Thomas Menino said. "Access to the Internet is so important for people looking for work, young people looking to take advantage of educational opportunities, and really anyone who needs to communicate in today's digital age."



Technology Goes Homes partners with Boston Public Schools to provide families of Boston school children with computer training.

E. Expenditures

During the third quarter of FY13, grant recipients spent more than \$229 million in federal grant funds. These funds were matched by grant recipient contributions of more than \$55 million. Cumulatively, federal outlays for the Program totaled \$3 billion through June 30, 2013, representing 80 percent of total obligated federal funds, while total grant recipient matching contributions exceeded \$1.1 billion.

IV. SUPPORTING INITIATIVES

A. State Broadband Initiative

The State Broadband Initiative (SBI) consists of the State Broadband Data and Development Program and the National Broadband Map.⁷ These grants have two components. First, SBI collects and verifies broadband availability data states collect from broadband providers, public data and third-party datasets.⁸ These data show that as of the end of 2012, nearly 99 percent of Americans had access to basic broadband speeds of 3 Mbps downstream and 768 Kbps upstream through either wired or wireless service. And 96 percent had access to broadband speeds of 6 Mbps downstream and 1.5 Mbps upstream – speeds that will soon be considered a basic requirement for accessing many online services. Moreover, nearly 90 percent of Americans had access to 4G wireless broadband, defined as service with download speeds of at least 6 Mbps, as of the end of 2012, up from 81 percent in June 2012.

Second, SBI grants play a critical role in helping states and territories identify and address obstacles to broadband deployment and adoption. SBI supports state and local task forces and planning teams to expand broadband awareness and adoption and implements innovative applications to increase access to government services and information, including job resources. To coordinate this network of state broadband activity, SBI facilitates collaboration among the states and enables the exchange of best practices and lessons learned.

Below are two examples of SBI projects improving broadband access for small business and community anchor institutions:



The **Public Utility Commission of Oregon** (PUC) collaborates with the Oregon Small Business Development Center Network (OSBDCN) to provide Oregon small businesses

with counseling and training on how to use broadband to improve business operations, as well as free website and search engine optimization services. As of June 30, 2013, the PUC and OSBDCN have encouraged approximately 200 business owners to use broadband technology and tools to make their businesses more competitive and profitable. In addition, the initiative has helped businesses create or retain nearly 400 jobs and assisted with the start-up of nearly 50 new businesses. The program has trained approximately 2,300 business owners and employees via more than 300 online training events, using video-conferencing, webinars, and online postings. Before contacting the local Small Business Development Center, Miriah Stuart, owner of Equine Thermography Oregon, was struggling with website issues. The site had been hacked, crashed, and was missing from search results on major search engines. An OSBDCN Technology Business Advisor helped Ms. Stuart restore a virus-free website. The new site became Ms. Stuart's primary marketing tool and contributed to a 62 percent increase in revenue from 2012 to 2013. "A toxic website made me look very unprepared and unprofessional. I am deeply grateful for the help received from the Technology Assistance Program," said Ms. Stuart.



Miriah Stuart, owner of Equine Thermography Oregon, saw significant revenue gains in her small business as a result of working with the OSBDCN technology advisors.

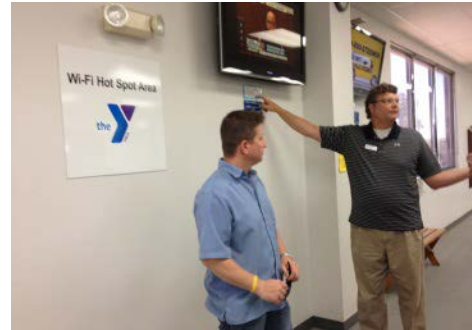
⁷ The National Broadband Map is available at <http://www.broadbandmap.gov>.

⁸ Broadband availability data are available in a number of different formats, including Application Programming Interfaces (APIs) and as files for download. Website users can compare availability and speeds across different geographic regions and can view the service area, speeds, technology, and demographic information for any broadband provider. Since its launch in 2011, the National Broadband Map has attracted more than 940,000 users and more than 100,000,000 API calls.



The **State of South Dakota's Bureau of Information and Telecommunications (BIT)** facilitates the deployment of technology planning teams to provide network assessments across

South Dakota. The team assesses community organizations including schools and local government institutions, and helps them to pinpoint specific opportunities for infrastructure improvements that would improve broadband speeds, usage, and adoption. The team uses assessment results to develop a technology strategy that the organization uses to plan for current and future needs. Broadband Technology Planning Services program participants are eligible to receive mini-awards to help them implement some of the needs identified in the plan. Thus far, BIT has assisted approximately 60 organizations, including 14 schools or school districts, 17 libraries, four healthcare facilities, one public safety office, one institution of higher education, 13 local and regional governments, and nine community organizations. The Oahe YMCA of Pierre has benefited from BIT assistance to improve its broadband services. As a staple in the community, the YMCA provides a safe space for many of the local and rural students to come after school and during the summer months. Through program assistance, the YMCA has installed wireless hot spots throughout its building, enabling students to work on homework and staff to utilize web-based applications for day-to-day operations.



The YMCA of Pierre, South Dakota now offers wireless Internet hot spots throughout its building, providing students of the community a safe place to work on homework after school.

B. 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 quarter, ASR has been developing reports from the visits to 15 PCC and SBA sites and began site visits for 12 infrastructure grant recipients.⁹

V. MONITORING, GRANTS ADMINISTRATION, AND CLOSEOUT EFFORTS

NTIA continues to execute its 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 awards.¹⁰ These activities are designed to protect taxpayer investments and monitor grant recipients' progress and performance against project schedules and budgets. NTIA proactively engages grant recipients to monitor project and compliance efforts, regularly communicating with grant recipients to ensure successful oversight of grant funds, identifying potential risks affecting grant recipients and their projects, and providing corrective action guidance to resolve issues promptly.

As grant recipients complete their projects, NTIA continues to work with the NIST and NOAA Grants Offices to verify that each recipient has completed all applicable administrative actions and required work. This process occurs over several months and includes a review of the technical obligations, financial accounting,

⁹ More information about the ASR Evaluation Study and the Interim Report is available at <http://www2.ntia.doc.gov/BTOP-Reports#evaluation>.

¹⁰ The BTOP Monitoring and Assessment Plan is available at http://www2.ntia.doc.gov/files/BTOPFY12MonitoringandAssessmentPlan_111611.pdf.

and administrative requirements before concluding the grant agreements between NTIA and grant recipients.

A. Monitoring Activities

NTIA engages grant recipients regularly to monitor project performance and compliance with Program requirements. NTIA collects regular reports; performs case reviews evaluating projects' successes and challenges in meeting milestones; and conducts site visits assessing grant recipients' compliance with federal grant rules and requirements. These activities help NTIA understand grant recipients' progress, devise proactive interventions to keep projects on track, and recommend appropriate corrective actions and enforcement measures, if needed. NTIA also conducts status meetings with grant recipients and key project partners to review project milestones, gather additional information, and provide guidance on federal grant requirements. These monitoring efforts help ensure that taxpayer dollars are used in an appropriate and responsible manner.

1. Financial, Project Performance, and ARRA Reporting

Quarterly, 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 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.

2. Site Visits

NTIA uses site visits to closely monitor grant recipients and provide technical assistance through in-person meetings with project leadership and grant and financial management teams. During site visits, NTIA observes facilities and equipment procured with federal funds, visits computer centers, observes training classes, reviews project activities and fiscal management practices, identifies and addresses any areas of concern, and pinpoints best practices.

Following each site visit, NTIA documents its findings in a summary report. Some issues are corrected immediately, while others are addressed through a Performance Improvement Plan (PIP) or by working with the Grants Offices to create a Corrective Action Plan (CAP). These tools require grant recipients to take specific actions in a defined timeframe to improve project management or compliance with award terms.

NTIA continues to focus site visits on larger projects, as well as projects finalizing construction and beginning operational activities. Additionally, NTIA has revisited projects initially assigned an “advanced” monitoring level to provide technical assistance. This quarter, NTIA visited a total of five grant recipients responsible for \$205 million in grant funds. To date, NTIA has conducted more than 150 site visits representing more than 95 percent of the total BTOP funds, including all of the projects initially assigned an “advanced” monitoring level. NTIA also has conducted site visits to projects accounting for nearly 40 percent of all SBI funds.



NTIA staff met with the crew at a California Broadband Cooperative construction site in Inyo County, California.

3. Environmental and Historic Preservation Assistance

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 grant recipients to achieve and maintain compliance with applicable EHP policies, including active monitoring of project-specific EHP requirements. NTIA also works with grant recipients to maintain compliance through an established EHP review process when project or route modifications become necessary due to field conditions, changing engineering requirements, or other factors. NTIA has successfully completed EHP clearance for all grants, and is analyzing and documenting additional compliance requirements for public safety projects, as necessary.¹¹

B. Grants Administration Activities

NTIA provides guidance and support to grant recipients needing assistance in addressing potential risks or issues delaying their progress. NTIA also performs a variety of support and intervention activities based on a 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 appropriate Grants Office to develop a CAP to mitigate unresolved project setbacks. In addition, NTIA is continuing match reviews to assist grant recipients in resolving any new cost share issues that arise over the life of the award. NTIA is also continuing to validate that BTOP projects do not duplicate other federally funded projects, including broadband networks funded by the U.S. Department of Agriculture's Broadband Initiatives Program (BIP) and the Federal Communications Commission's (FCC) Telehealth/Telemedicine and E-rate programs, and continuing negotiations with grant recipients seeking ways to leverage the respective investments, such as joint-build solutions. As a result of NTIA's grants administration and proactive intervention activities, BTOP projects are stronger, more successful, and more responsible stewards of taxpayer dollars.

1. Subrecipient Monitoring

In January 2013, the OIG finalized a report assessing NTIA's efforts to verify that grant recipients have properly classified subrecipients and established effective controls to monitor subrecipients' compliance with all award terms and conditions. The OIG report acknowledged that NTIA and grant recipients have taken steps to oversee subrecipients, but recommended that NTIA take additional steps to verify that grant recipients understand their responsibilities for monitoring subrecipients and vendors under their awards. NTIA worked closely with the OIG and the NIST and NOAA Grants Offices to finish implementing these recommendations in April 2013.

2. Technical Assistance

NTIA provides a wide range of technical assistance to help grant recipients successfully implement 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 grant 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.

NTIA continues to provide customized technical assistance focused on high-priority recipient needs. This quarter, NTIA engaged with grant recipients nearing closeout of their awards to provide guidance on testing, provisioning, and establishing sustainable operations of federally funded networks. Through June 2013,

¹¹ Public Safety 700 MHz recipients may have outstanding EHP requirements. See the "Public Safety 700 MHz Projects" section of this Report for more information about the partial suspension of public safety grants.

NTIA has provided technical assistance to 95 infrastructure grant recipients to help address specific project obstacles, such as overcoming implementation and schedule challenges. NTIA also provided feedback and recommendations related to project management approaches and technological choices so grant recipients could more rapidly implement their objectives. Grant recipients have incorporated this feedback to reassess network requirements and deployment approaches.

In addition, NTIA provided technical assistance to PCC, SBA, and infrastructure grant recipients through regular webinars on topics of broad interest and conference calls for thematic affinity groups of grant recipients serving a specific demographic group or focusing on similar interest areas (e.g., entrepreneurship and workforce development). From April through June 2013, the Program conducted nine webinars on subjects such as ways to leverage network capabilities to spur economic development, strategies for designing and implementing broadband adoption programs, and preparing for award closeout. NTIA also organized a conference call for a group of grant recipients in rural areas and held the third session of an evaluation webinar series. More than 1,100 individuals participated in these events, taking advantage of opportunities to learn strategies for successful program implementation and share information with other grant recipients. For example, one of the events highlighted planning tools created through BTOP and SBI projects. These tools can enhance broadband infrastructure planning and promote adoption and use of public computing centers in rural communities. The event has spurred greater collaboration among Infrastructure, PCC, SBA, and SBI recipients as they seek to sustain program operations.

For SBI recipients, NTIA provided technical assistance as needed to its 56 grant recipients on topics such as project management, reporting, data gathering, and mapping issues. NTIA also maintains an online team collaboration tool utilized by NTIA, the FCC, grant recipients, and project partners to share information and documents on project management, mapping and data gathering, and best practices.

3. Public Safety 700 MHz Projects

After passage of the Middle Class Tax Relief and Job Creation Act of 2012, which authorized and provided funding to the First Responder Network Authority (FirstNet) to implement a nationwide public safety broadband network, NTIA partially suspended the public safety awards in May 2012.¹² NTIA's seven public safety recipients continued negotiations with FirstNet for spectrum leases required for their BTOP projects to move forward. One public safety recipient, the Los Angeles Regional Interoperable Communications System (LA-RICS), successfully reached an agreement with FirstNet on terms and conditions of a spectrum lease in June 2013. All of the public safety recipients filed requests for short-term extensions until September 30, 2013 to allow time to conclude negotiations with FirstNet and to complete the administrative grant process. NTIA continues to monitor the progress of the discussions between the remaining public safety recipients and FirstNet to reach spectrum lease agreements that may allow NTIA to recommend lifting the partial suspension of BTOP funding so projects can resume activities in furtherance of building a nationwide public safety broadband network.

4. Equipment Acquisition Monitoring and Assessment

In December 2012, the OIG initiated an audit to evaluate NTIA's processes for monitoring and assessing grant recipients' equipment acquisitions. As part of the audit, the OIG will be reviewing projects to determine whether: (1) NTIA has the personnel and processes in place to effectively monitor grant recipients' equipment acquisitions, including security, inventory control, and report submittals; (2) grant recipients have

¹² See the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96) *available at* <http://www.gpo.gov/fdsys/pkg/BILLS-112hr3630enr/pdf/BILLS-112hr3630enr.pdf>.

appropriately acquired, tested, and implemented the most effective equipment; and (3) grant recipients are on track to complete their projects on schedule and achieve project goals.

C. Grant Closeout Activities

NTIA provides guidance to grant recipients to facilitate the closeout of their grants. NTIA also continues to refine the closeout guidance and process with the Grants Offices and OIG based on lessons learned from grant recipients that have completed all activities according to their award requirements. For example, in April 2013, NTIA began to hold regular recipient closeout webinars to discuss the timing of closeout activities and recipient closeout requirements.¹³ NTIA also monitors project statuses and conducts analyses to gauge when projects are likely to close out. Based on these analyses, NTIA has identified grant recipients that have faced challenges beyond their control and granted reasonable extensions to allow grant recipients time to complete their projects.

In February 2013, the OIG initiated an audit of grant closeout procedures.¹⁴ The specific audit objectives will be to determine whether NTIA has established adequate closeout policies and procedures to effectively close out the 224 BTOP awards and assess whether closeout procedures are being followed. NTIA, the Grants Offices, and grant recipients continue to work cooperatively with the OIG on this matter.

1. Project Closeout

As of June 30, 2013, 163 BTOP projects remained in active status. Sixty-one projects have completed their project activities. Of these 61, 48 projects are in the process of closing out their grants and 13, representing approximately \$60.2 million in federal funding, have formally closed out.¹⁵

NTIA will continue to work with these projects and the Grants Offices to verify that the grant recipients have met their requirements and formally close out these grants in the coming months.

2. Project Extensions

Some grant recipients have faced factors beyond their control and unanticipated in their project plans, which have caused project delays and hindered BTOP project deployment. Some of these factors include issues securing necessary capital to meet match requirements, issues with adherence to complex EHP requirements, global fiber supply shortages, and unpredictable weather events. In March 2013, the Office of Management and Budget (OMB) also granted the Department of Commerce a limited waiver of OMB's accelerated Recovery Act spending requirements, allowing for an extension of BTOP award periods beyond September 30, 2013.¹⁶ Consistent with the Recovery Act, the DOC Uniform Administrative Requirements, and guidance from OMB, NTIA plans to extend the award period for a select number of grant recipients beyond September 30, 2013, only after significant review of their compelling circumstances to ensure they

¹³ The Award Closeout Notification Package is available at <http://www2.ntia.doc.gov/compliance#closeout>.

¹⁴ See notification of BTOP Award Closeout Audit available at <http://www.oig.doc.gov/OIGPublications/Notification-NTIA-BTOP-Closeout.pdf>.

¹⁵ Closeout is the process by which NTIA and the Grants Offices determine that a recipient has completed all applicable administrative actions and all required work. Formal closeout can be completed only when all parties are satisfied with the final project, all costs have been accepted as eligible, all terms and conditions (T&Cs) and special award conditions (SACs) have been met, all required documentation has been submitted, and no other impediments exist.

¹⁶ In accordance with OMB Memorandum M-11-34, released in September 2011, NTIA was granted a waiver of OMB's initial Recovery Act spending acceleration guidelines on March 25, 2013.

can maximize taxpayer investment in the project and further the Recovery Act's goals.¹⁷ As of June 30, 2013, NTIA has provided extensions until no later than September 30, 2013 to 51 grant recipients to allow for the successful completion of their projects. In addition, as of June 30, 2013, NTIA has provided extensions until no later than August 31, 2014 to four grant recipients.

VI. PROGRAM COMMUNICATIONS

NTIA maintains ongoing communications and outreach efforts to share Program progress and accomplishments with interested stakeholders and to assist grant recipients in achieving project success. To support stakeholder communications about project accomplishments and community benefits, NTIA developed more than 100 "BTOP in Action" articles that are posted online. Visitors to the site can access these articles as well as photos that highlight project milestones and show community members benefiting from the projects. NTIA, grant recipients, and others also provide first-person reports on BTOP's progress through postings on the Program's blog.

In early 2012, NTIA's PCC and SBA team began to brainstorm ways to share lessons learned from grant recipients. In response to these sessions and requests for examples of promising practices, NTIA developed the Broadband Adoption Toolkit.¹⁸ The Toolkit provides organizations across the country with replicable and proven practices to increase broadband adoption. Illustrative examples of activities implemented by grant recipients demonstrate how they overcame common barriers to adoption and reached vulnerable populations, such as seniors, unemployed professionals, and people with limited proficiency in English. The Toolkit was released at the Schools, Health and Libraries Broadband (SHLB) Coalition "Getting to Gigabit: The Future of Broadband for Anchor Institutions and their Communities" conference on May 2, 2013.

NTIA also released two Broadband Briefs that use data collected by the Department of Commerce to examine broadband availability in greater detail. The "U.S. Broadband Availability Report June 2010 – June 2012," was released on May 13, 2013.¹⁹ The report is based on data from the June 30, 2012 SBI dataset, as well as historical data from June 2010 and June 2011. This report examines broadband availability, including basic speed levels that allow a user to access several basic web tools, to the fastest speeds, for which developers are now beginning to design applications. Additionally, on June 5, 2013, NTIA released "Breaking Down the Urban-Rural Broadband Divide."²⁰ The brief provides detailed analysis of the differences in broadband availability between and within rural and urban areas.

To further support the Administration's broadband agenda, on June 7, 2013, the U. S. Department of Commerce released a report titled "Exploring the Digital Nation: America's Emerging Online Experience" about Internet and computer adoption nationally. NTIA and the Economics and Statistics Administration based the report on data from the Census Bureau's July 2011 Current Population Survey ("CPS") Computer and Internet Use Supplement and analyzed the data by demographic factors, such as race, ethnicity, income, education, urban or rural residence, and disability. The report updates and substantially expands on the previous study in this series by presenting for the first time in eight years data on Americans' online activities – what they do once connected to the Internet. Data collected from more than 53,000 households in 2011 reveal that American Internet users go online for entertainment, communicating with friends, job searching and training, and researching health conditions and care, among other activities. Overall, the survey results show that the Internet has become integral to American life, and the study documents the

¹⁷ See Pub. L. No. 111-5, 123 Stat. 115, 128, 512 (Feb. 17, 2009); 15 C.F.R. § 14.28; 15 C.F.R. § 24.23 (allowing recipients to carry over funds from the initial award period upon approval of the Grants Office).

¹⁸ The NTIA Broadband Adoption Toolkit is available at <http://www2.ntia.doc.gov/BTOP-Reports#toolkit>.

¹⁹ The U.S. Broadband Availability Report is available at <http://www2.ntia.doc.gov/BTOP-Reports#availability>.

²⁰ The Brief is available at <http://www.ntia.doc.gov/report/2013/broadband-availability-beyond-ruralurban-divide>

rising incidence of mobility in communications. The report also examines the main reasons why some Americans, particularly vulnerable populations, do not adopt broadband at home. These reasons (i.e., lack of need or interest in going online, expense, and inadequate or no computer at all) are among the challenges BTOP's PCC and SBA projects are addressing to help increase broadband adoption in the United States. As of October 2012, 72.4 percent of American households have high-speed Internet at home, a 3.8 percentage point increase over the July 2011 figures.

VII. PROGRAM MILESTONES

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

Milestone	Date
Recipient Quarterly ARRA Reports Due	October 10, 2013
Recipient Quarterly ARRA Reports Posted to Web	October 30, 2013
Recipient Quarterly PPRs and Financial Reports Due	October 30, 2013
Recipient Quarterly PPRs Posted to Web	November 30, 2013
Recipient Quarterly ARRA Reports Due	January 10, 2014
Recipient Quarterly ARRA Reports Posted to Web	January 30, 2014
Recipient Quarterly PPRs and Financial Reports Due	January 30, 2014
Recipient Quarterly PPRs Posted to Web	February 28, 2014
Recipient Quarterly ARRA Reports Due	April 10, 2014
Recipient Quarterly PPRs and Financial Reports Due	April 30, 2014
Recipient Quarterly PPRs Posted to Web	May 31, 2014
Recipient Quarterly ARRA Reports Due	July 10, 2014
Recipient Quarterly PPRs and Financial Reports Due	July 31, 2014
Recipient Quarterly PPRs Posted to Web	August 30, 2014
Recipient Quarterly ARRA Reports Due	September 10, 2014
Recipient Quarterly PPRs and Financial Reports Due	September 30, 2014
Recipient Quarterly PPRs Posted to Web	October 31, 2014

VIII. NEXT REPORT

The next quarterly report to Congress will cover July 1 to September 30, 2013.

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.