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

September 2016

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, 2015.

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.\(^2\)

As of December 31, 2015, seven projects remained in active status, and 273 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**, including the National Broadband Map and recipient progress.
- **Monitoring and grants administration** for broadband projects and the results of those efforts.

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\(^1\) On August 10, 2010, Congress rescinded $302 million from BTOP, reducing the Program’s funding to approximately $4.4 billion.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 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 seven active BTOP grants include one Comprehensive Community Infrastructure (CCI) award and six public safety awards.
III. PROGRAM STATUS AND PROGRESS

A. Program Progress

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

Since the BTOP appropriation originally expired on September 30, 2015, NTIA retired 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.”

As of December 2015, NTIA’s CCI grant recipients continued to make progress toward the Program’s FY 2016 goal of deploying new or upgraded network miles. Grant recipients’ quarterly progress reports provide more granular details of these results. These reports were made public in March 2016, except for those closeout reports not yet approved by NTIA.

Between October 1 and December 31, 2015, the remaining BTOP grant recipients deployed or upgraded 1,037 additional network miles. This brings the cumulative total for all BTOP recipients to more than 116,702 miles of new or upgraded network infrastructure.

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, 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, six public safety projects will continue activities beyond December 31, 2015. The Continuing Resolution Act of 2016 allows active grants, including those currently in closeout, to extend their project periods through September 30, 2020.

The City of Charlotte’s award period expired on September 30, 2015. The City of Charlotte was in the process of administratively closing out its grant as of December 31, 2015.

In the second quarter of FY 2016, NTIA approved the Executive Office of the State of Mississippi’s request for a no-cost extension of the project through June 30, 2016.

During this quarter, Adams County Communications Center (ADCOM) continued to deploy devices to its public safety users and completed all site preparations, with the exception of permanent power at all three Denver International Airport sites. This project is expected to be completed in the next quarter.

During this quarter, the Los Angeles Regional Interoperable Communications System completed construction of all 63 fixed Public Safety Broadband Network (PSBN) sites. In October, 2015, Los Angeles County Fire Department conducted a test of the LTE system during the West Hollywood Carnival. A Homeland Security vehicle was deployed to stream live video via band 14 PSBN to the West Hollywood Sheriff and Los Angeles Police Department (LAPD) Hollywood Stations. During the testing, the incident commanders noticed no degradation to the video feed. In comparison, the number of cell phone users in the large crowd greatly diminished the commercial wireless carrier services.

During this quarter, the New Jersey Department of Treasury team focused on testing, optimization, application integration training, maintenance processes and device rollout. The New Jersey Department of Treasury completed testing and optimization for the Atlantic City and Camden sites. The grant recipient completed significant preliminary work to operationalize the Network Operations Center (NOC). The New Jersey Department of Treasury placed approximately 150 vehicular routers and 63 handheld devices in use. In December, FirstNet technical staff, the CEO and Board members visited New Jersey to observe a demonstration of the Long-Term Evolution (LTE) network.

During this quarter, the State of New Mexico Department of Information Technology (DoIT) completed construction of all 24 digital microwave (DMW) sites. The New Mexico DoIT installed and tested all LTE equipment at the Regional Emergency Dispatch Authority (REDA) of the Federal Law Enforcement Training Center (FLETC). The New Mexico DoIT established a system demonstration at the Albuquerque International Balloon Fiesta (AIBF) with 30 public safety units using the system. The New Mexico DoIT made available a total of 70 user devices with up to 50 devices in simultaneous use at any given time. The secure nature of the LTE network provided, for the first time, the ability for the FBI to share secure information with other law enforcement agencies. The New Mexico DoIT activated WiFi services that allowed law enforcement agencies to submit web-based reports in real time. The New Mexico DoIT also established a command center at the site to enable public safety coordination.

C. Program Status

1. Closeout

As of December 31, 2015, NTIA assisted 217 BTOP recipients in completing project activities. NTIA will continue to work with the remaining seven recipients to verify that they have met their grant requirements and formally close out these awards in the coming months.

The State Broadband Initiative (SBI) consists of the State Broadband Data and Development Program and the National Broadband Map. As of December 31, 2015, grant recipients closed out all 56 projects.

2. Drawdowns

As of December 31, 2015, BTOP recipients for CCI, PCC, SBA, and Public Safety projects drew down $3.595 billion (or 96 percent.) SBI grantees have drawn down $268 million (or 91.8 percent.) As a result, a total of $3.863 billion of grant funds have been disbursed.

The remaining $144.2 million will be used by the current active recipients to complete their projects and to cover the administrative costs associated with close-out activities.

IV. MONITORING AND GRANTS ADMINISTRATION

A. Monitoring Activities

At this stage of the program, NTIA is primarily managing the closing out of grants and a small number of active grants. Throughout the award period, NTIA proactively engages grant recipients to monitor project activities and compliance efforts and to protect taxpayer investments. 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 contribution of non-federal cost share.

For grants in close out, NTIA works closely with each recipient during the multi-month closeout 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. During the next quarter, NTIA will begin creating processes to manage requests to extend awards consistent with the 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.

V. NEXT REPORT

The next quarterly report to Congress will cover January 1 to March 31, 2016.

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5 Since 2009, the Department of Commerce’s Office of Inspector General (OIG) initiated 25 programmatic audits. Recommendations from these reports include minor process improvements that NTIA has incorporated into its oversight and monitoring activities.
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.