



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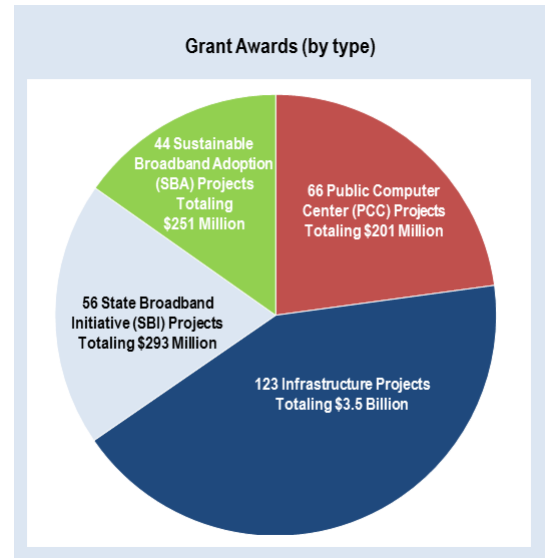
National Telecommunications and Information Administration
U.S. Department of Commerce

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 January 1 to March 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 March 31, 2015, 17 projects remained in active status, and 263 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.

III. PROGRAM STATUS AND PROGRESS

A. Program Progress

From January through March 2015, NTIA's broadband grant recipients already exceeded the Program's FY15 subscriber and community anchor institution goals, and continued to make progress toward the miles goal. As NTIA continues to successfully close BTOP grant projects, the rate of progress towards the Key Product Indicators (KPIs) can be reasonably expected to slow. Grant recipients' quarterly progress reports, which were made public in May 2015, provide more granular details of these results.⁴

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.

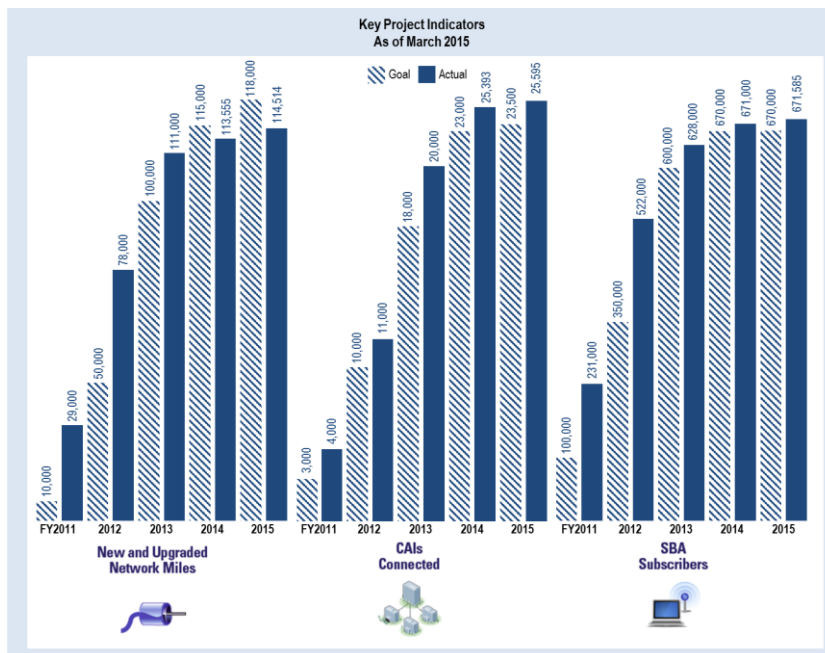
² The total number of BTOP awards announced by September 30, 2010 was 233. As of December 30, 2014, this number was 224, excluding awards to Leech Lake Band of Ojibwe (approximately \$1.7 million), which ultimately did not accept its award; Education Networks of America, Inc. (approximately \$14 million), 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 Active awards include 5 SBI grants and 12 BTOP grants. These figures also include One Economy, which closed its SBI award early and was inadvertently excluded from last quarter's figures.

⁴ Quarterly reports for each BTOP and SBI project are available at <http://www2.ntia.doc.gov/awards>. Reports from recipients in the closeout process sometimes take longer than 30 days to be approved and posted.

From January through March 2015, BTOP grant recipients:

- Deployed or upgraded 673 additional network miles. Since the program began, recipients have deployed more than 114,636 miles of new or upgraded network infrastructure.
- Connected 101 additional community anchor institutions. Thus far, recipients have connected approximately 25,595 total community anchor institutions.
- Generated a total of 671,585 new subscribers over the course of the program.⁵ Since all Sustainable Broadband Adoption (SBA) projects are either closed or in closeout, the projects did not generate any new subscribers this quarter.



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. Prior to the Act, NTIA awarded seven grants for public safety projects in 2010. 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 of March 31, 2015, all four recipients are working on network design and construction activities.

During this quarter, LA-RICS completed construction at 15 LTE network sites and began construction on an additional 19 sites. However, due to citizen concerns, both the Los Angeles County Board of Supervisors and the Los Angeles City Council voted to stop construction on the project in March 2015. As a result LA-RICS began immediately working with NTIA on solutions for the project in the event either of the motions was lifted and construction activities could resume.⁶

⁵ Last quarter, this number was reported as 671,000. The SBA projects did not add additional subscribers during this quarter, but updated this number from the previous quarter based on validated data from updated SBA final reports.

⁶ On April 3, 2015, NTIA suspended the grant to LA-RICS after it became clear that actions taken by the Los Angeles County Board of Supervisors and the Los Angeles City Council would severely limit the ability of LA-RICS to complete a viable project by the current award period end date of September 30, 2015. NTIA directed LA-RICS to develop a revised project deployment plan consistent with the requirements of the BTOP program that could be completed within the time remaining in its award and in compliance with the terms of the County and City resolutions. As a result, LA-RICS submitted a revised project plan consisting of 84 total sites: 82 fixed and portable LTE base stations plus two network microwave sites. The revised plan includes a combination of new monopoles deployed at public safety locations, uses existing tower infrastructure, and deploys

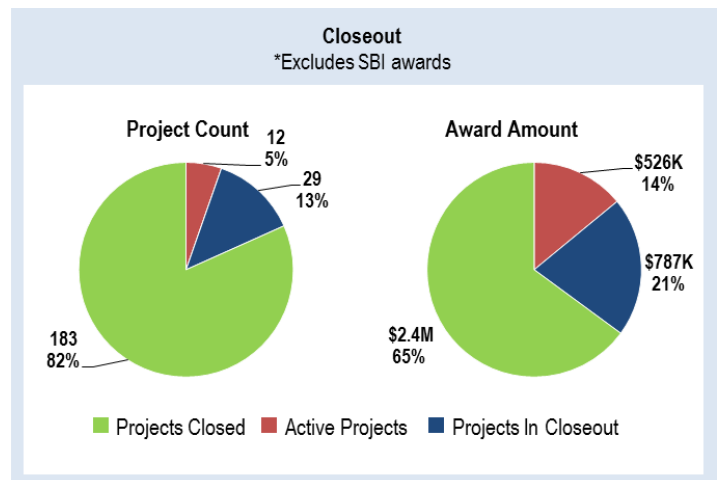
New Mexico continued to work with federal partners, including the Department of Interior, Department of Defense and the U.S. Customs and Border Control. New Mexico also executed a contract for 700 MHz LTE equipment, services, and installation. ADCOM completed its fiber optic deployment and completed LTE installation for 16 sites and continued its collaboration with the Denver International Airport (DIA) to expand the public safety network to the airport. New Jersey received its first shipment of equipment, installing a mobile LTE unit at a test site in the state. New Jersey also received the network core and began preliminary installation activities.

While the City of Charlotte did not reach an agreement with FirstNet on a spectrum lease, the project remains active. Charlotte is moving forward with a modified project that does not require access to FirstNet’s spectrum and began deploying communications to police and fire vehicles. By the end of the second quarter of FY15, Charlotte had installed dual-band routers in more than 785 police and approximately 132 fire vehicles. Additionally, Charlotte installed new infrastructure equipment in all 60 planned community anchor sites. Two recipients, Mississippi and Motorola, did not reach agreement with FirstNet on the terms of a spectrum lease and are in the process of closing out their awards.

C. Program Status

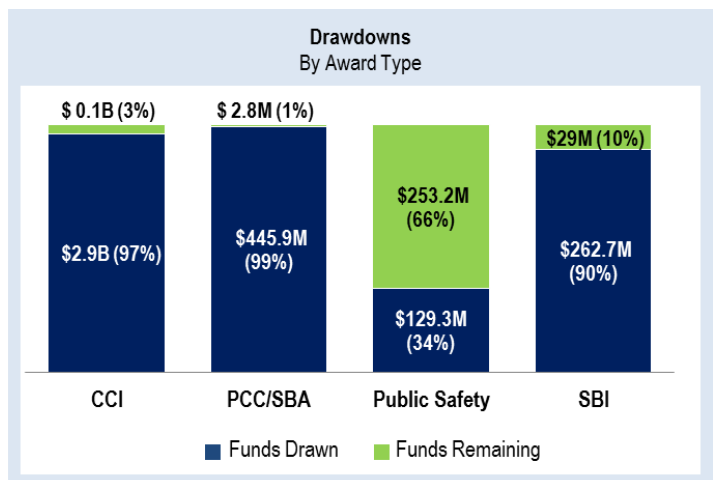
1. Closeout

As of March 31, 2015, NTIA helped 213 BTOP recipients complete project activities. NTIA will continue to work with the remaining 12 recipients to verify that they have met their grant requirements and formally close out these awards in the coming months. The SBI awards began closing out on January 31, 2015, and five remained active as of March 31.



2. Drawdowns

As of March 31, 2015, grant recipients drew down \$3.71 billion, or 91 percent, of federal grant funds. Recipients will use the remaining federal grant funds to complete their projects. The majority of the remaining funds, 73 percent or \$282.2 million, are allocated to the Public Safety and SBI programs.

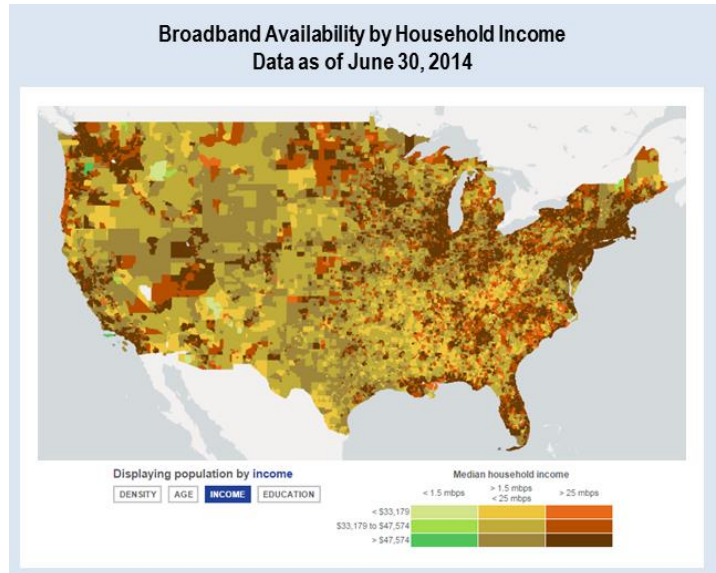


15 Cell-On-Wheels (COWs) at designated state-owned facilities. On May 1, 2015, NTIA approved the revised plan and lifted the suspension.

IV. 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 that states collect from broadband providers, public data, and third-party datasets.⁸ 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.

Over the last four years, the National Broadband Map has had more than 8.7 million views and developers have queried our application program interfaces (APIs) more than 960 million times. In March 2015, NTIA posted to the map the last set of data collected under the SBI program, representing data as of June 30, 2014. The most significant finding from the latest data, is that the United States met the President's goal of ensuring 98 percent of the country has access to wireless broadband at a speed of at least 6 megabits per second (Mbps) down/1.5 Mbps up. The latest data showed that 99 percent of the country has access to advertised broadband speeds at 10 megabits per second (Mbps) through either wired or wireless services, and 93 percent have access to this speed through wired service alone. Nearly 85 percent of the country had access to wired broadband at the Federal



Communications Commission's (FCC) new benchmarks level for broadband speeds, 25 Mbps down and 3 Mbps up. However, the data still showed a big gap between urban and rural areas when it comes to access to broadband at 25 Mbps. The latest data finds that only 55 percent of those in rural communities, and 32 percent of tribal lands have access to broadband at 25 mbps compared with 94 percent of urban areas. At the end of May, NTIA transitioned the broadband map to the FCC, which will collect data as part of its 477 data collection program.

On January 31, 2015, 48 SBI recipients began closeout for their grant projects. Over the quarter, two additional recipients began closeout activities. NTIA worked with the recipients to review and validate all required documentation. As of March 31, 2015, only five recipients remained active.

V. MONITORING AND GRANTS ADMINISTRATION

A. Monitoring Activities

At this stage of the program, NTIA is managing a large quantity of grants in the process of "closing out" and a small number of active grants. Throughout the award period, NTIA proactively engages grant recipients to

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 1,100,000 users and more than 100,000,000 API calls.

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. 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. These initiatives continue as grant recipients transition their efforts to closeout activities and prepare for post-closeout obligations.

In addition, 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 UCC documentation to ensure that the Federal interest in grant funded equipment is protected.

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. This quarter, NTIA visited two infrastructure grant recipients responsible for \$193.9 million in grant funds. To date, NTIA has conducted site visits to 182 different recipients' projects representing more than \$3.91 billion of the BTOP and SBI portfolios. NTIA has also conducted follow on and issue specific site visits with those recipients requiring additional monitoring.

During the third quarter of FY15, NTIA plans to visit additional recipients to monitor ongoing project activities and provide guidance regarding closeout procedures and compliance measures.

VI. NEXT REPORT

The next quarterly report to Congress will cover April 1 to June 30, 2015.

VII. 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.