

Final Semiannual Status Report on NTIA's Broadband Programs

February 6, 2024 (Report No. OIG-24-012-I)



Why This Matters

Broadband is an essential component of modern life and a requirement for economic growth, education, healthcare, and public safety. Maximizing broadband coverage and meaningful use is imperative for national and individual success.

The National Telecommunications and Information Administration (NTIA) is the executive branch agency that is principally responsible for advising the President on telecommunications and information policy issues. One focus of the agency's programs and policymaking is expanding U.S. broadband Internet access and adoption.

NTIA is currently responsible for administering six different broadband programs. The funding for these programs has been provided by the Consolidated Appropriations Act (CAA), 2021 and the Infrastructure Investment and Jobs Act (IIJA).

Grants awarded as part of the broadband programs are intended to expand broadband use in America; lay the groundwork for sustainable economic growth, better education, public safety, and healthcare; and advance other national priorities.

The Department of Commerce Office of Inspector General has been charged with overseeing the administration of these grant programs. See p. 15 for more on our oversight of NTIA's broadband grants.

Our Reviews

This is the third in a series of semiannual reviews by the Office of Inspector General's Broadband Oversight Division. These reports provide the status of the following NTIA-administered grant programs that received broadband funding under CAA, 2021 and IIJA:

- Broadband Equity, Access, and Deployment Program (BEAD)
- Tribal Broadband Connectivity Program (TBCP)
- Digital Equity Act Programs (DE)
- Middle Mile Broadband Infrastructure Grant Program (MMG)
- Connecting Minority Communities Pilot Program (CMC)
- Broadband Infrastructure Program (BIP)

Total Funding Status as of 12/29/2023

Program	Amount Appropriated	Grants Awarded	Amount Awarded
BEAD	\$42,450,000,000	56	\$1,609,355,010
TBCP	\$3,000,000,000	226	\$1,865,354,425
DE	\$2,750,000,000	56	\$53,702,029
MMG	\$1,000,000,000	39	\$979,998,025
CMC	\$285,000,000	93	\$262,852,127
BIP	\$300,000,000	14	\$282,785,260

This report follows the *Quality Standards for Inspection and Evaluation*. It does not make formal recommendations.

NTIA reviewed a draft of this report and provided a response with updated information, including numbers of grants, award amounts, and drawdowns as of December 29, 2023, as well as milestones and technical assistance information. We discussed the response with NTIA and updated the report accordingly.

Broadband Equity Access and Deployment Updates

Where's the money?

56 awards funded

\$1,609,355,010 awarded

\$45,246,350 drawn down (2.8 percent of award funding)

What's the status?

Required reports received

All 56 recipients submitted their semiannual financial and technical progress reports by the July 30, 2023, due date. The reports describe how recipients expended their grant funds, the services provided, and the status of their projects.

54 project action plans approved

As of December 29, 2023, NTIA had received 5-year action plans from 55 of the 56 recipients. (The U.S. Virgin Islands' plan is due in March 2024.) NTIA has approved 54 plans and is reviewing one plan.

One initial proposal approved

After receiving a formal notice of allocations, each recipient has 180 days to submit an initial proposal for running the grant program, including explaining how it intends to use all available funding to ensure every resident's access to a reliable, affordable, high-speed broadband connection. NTIA received initial proposals from all 56 recipients by their December 27, 2023, due date. NTIA has approved Louisiana's proposal, obligating the state's full allocation to its existing award.

What's next?

NTIA will review the U.S. Virgin Islands' 5-year action plan upon its submission. NTIA also continues to review initial proposals; upon approval of each proposal, NTIA will make available to the entity at least 20 percent of the entity's total allocated grant amount.

Recipients' latest semiannual financial and technical progress reports were due January 30, 2024.

About BEAD

What's the total appropriation and funding authority?

\$42.45 billion under IIJA

Up to **\$849 million** is allocated for administrative expenses

What's the program for?

Broadband planning, deployment, mapping, equity, and adoption activities

Who's eligible?

56 eligible entities:

- All 50 states
- Washington, DC
- U.S. territories (Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands)

Tribal Broadband Connectivity Program Updates

Where's the money?

226 projects funded

\$1,865,354,425 awarded

\$115,174,960 drawn down (6.2 percent of award funding)

What's the status?

Over \$1.8 billion distributed

This amount, distributed under the first TBCP Notice of Funding Opportunity (NOFO), represents 400 tribes, connecting over 165,000 homes, since the program launched in 2021.

Required reporting in progress

Recipients who received awards under the first funding round have committed their grant funds within 18 months of receiving an allocation of funds and have submitted the semiannual financial and technical progress reports due October 30, 2023.

As of December 31, 2023, NTIA had received 111 progress reports. NTIA has approved 57 of the reports; 54 are still under review. The Department of Commerce's Office of Acquisition Management extended the reports' October 2023 due date to April 30, 2024. NTIA continues to work with the remaining awardees to submit the reports by the new date.

Outreach and assistance ongoing

NTIA continues to develop and implement activities and materials for technical assistance and monitoring, including a FAQ, program fact sheet, application guidance, and budget guidance. NTIA also held a project overview webinar as well as webinars on mapping, application guidance, and budget guidance.

What's next?

Applications for the second round of funding, launched in July 2023, were due to NTIA by January 23, 2024, but NTIA has extended the due date to March 22, 2024. The second NOFO will make approximately \$980 million available for additional broadband projects.

Recipients' next semiannual financial and technical progress reports are due April 30, 2024.

About TBCP

What's the total appropriation and funding authority?

\$1 billion under CAA, 2021; **\$2 billion** under IIJA

Up to **\$60 million** is allocated for administrative expenses

What's the program for?

Broadband infrastructure deployment, telehealth, distance learning, broadband affordability, and digital inclusion on tribal lands

Who's eligible?

- Tribal governments, organizations, and colleges or universities
- The Department of Hawaiian Home Lands on behalf of the Native Hawaiian community, including Native Hawaiian education programs
- Alaska Native corporations

Digital Equity Act Programs Updates

Where's the money?

56 planning grants funded under the State Digital Equity Planning Grant Program (DE Planning)

\$53,702,029 awarded

\$29,006,913 drawn down (54 percent of award funding)

What's the status?

All DE Planning awards announced

DE Planning awards have been announced for all 50 states; Washington, DC; and 5 territories (Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands).

Digital equity plans in progress

Recipients have a year to produce objective-based digital equity plans that identify digital equity barriers. As of December 29, 2023, 11 recipients were drafting their plans, 14 had posted their plans for public comment, 17 had closed their public comment windows, and 14 had submitted their plans to NTIA.

Required reporting in progress

NTIA received semiannual financial and technical progress reports on time from 54 DE Planning recipients and granted extensions to Arkansas, Florida, Illinois, and New Mexico. As of December 31, 2023, all reports were submitted.

NTIA is also implementing a post-award monitoring and oversight process.

What's next?

DE Planning

Grantees have a year from their award date to complete their digital equity plans, though most have received 120-day extensions.

Tribes can apply for funds in fall 2024 in conjunction with the DE Capacity NOFO.

NTIA is reviewing digital equity plans as they are received.

DE Capacity

NTIA tentatively plans to launch this program by April 2024. It will include DE Planning funds for tribal entities.

Additional DE Capacity funds will be made available through additional NOFOs in FYs 2025 and 2026.

DE Competitive

This program will be established after NTIA makes the first DE Capacity award.

About DE

What's the total appropriation and funding authority?

\$2.75 billion in IIJA funding:

- \$60 million for DE Planning
- \$1.44 billion for DE Capacity
- \$1.25 billion for DE Competitive

Up to **\$55 million** is allocated for administrative expenses

What's the program for?

Promoting digital inclusion and equity and ensuring that all individuals and communities can acquire the necessary skills, technology, and capacity to engage in the nation's digital economy:

- DE Planning (ongoing) provides grant funds for developing state digital equity plans
- DE Capacity (must make initial award by August 29, 2024) provides annual grants in FYs 2024 through 2026 to support digital equity projects and implement digital equity plans
- DE Competitive (will be announced 30 days after first DE Capacity award) funds annual grant programs in FYs 2024 through 2026 to implement digital equity projects

Who's eligible?

All 50 states; Washington, DC; and Puerto Rico are eligible to apply for DE Planning and DE Capacity grants. Of the total funds available for these two programs, NTIA has reserved 1 percent for grants, cooperative agreements, and contracts with U.S. territories and possessions other than Puerto Rico, and 5 percent for grants, cooperative agreements, and contracts with Indian tribes, Alaska Native entities, and Native Hawaiian organizations. The same percentage of funds that are set aside as part of DE Planning will be set aside for these entities as part of DE Capacity.

Entities that are eligible to apply for DE Competitive grants include:

- Political subdivisions, agencies, or instrumentalities of states, including state agencies responsible for administering or supervising adult education and literacy activities, or for providing state public housing
- Indian tribes, Alaska Native entities, or Native Hawaiian organizations
- Non-school not-for-profit entities
- Community anchor institutions
- Local educational agencies
- Entities carrying out workforce development programs
- Partnerships of any of the above groups

Middle Mile Broadband Infrastructure Grant Program Updates

Where's the money?

39 awards to 36 entities representing 40 states and Puerto Rico

\$979,998,025 awarded

\$871,799,865 in additional investments by recipients

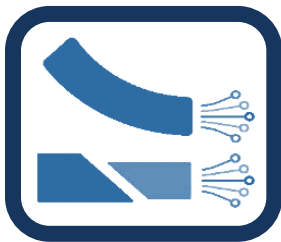
\$7,342,409 drawn down (0.75 percent of award funding)

What's the status?

All funds awarded

Funding will cover 377 counties across 40 states and Puerto Rico as part of President Biden's Investing in America agenda.

Focusing on the "middle mile"



Middle mile Internet infrastructure carries large amounts of data over long distances, increases capacity to local networks, boosts network resiliency, lowers the cost of bringing high-speed Internet service to unconnected households, and helps connect unserved regions to the Internet backbone.

MMG projects will deploy over 12,000 miles of new, future-proof fiber that will pass within 1,000 feet of over 7,000 community anchor institutions (support organizations such as schools, libraries, and healthcare providers).

Required reporting in progress

All 39 recipients submitted their latest semiannual financial and technical progress reports by October 30, 2023, for the period ending September 30, 2023.

What's next?

Recipients' next semiannual financial and technical progress reports are due April 30, 2024.

Federal program officers are being trained to conduct site visits and desk reviews. NTIA will help recipients publicly post application and award materials.

NTIA is developing an action plan to implement recommendations from the U.S. Government Accountability Office (GAO) report, *Broadband Infrastructure: Middle-Mile Grant Program Lacked Timely Performance Goals and Targeted Measures*, issued October 19, 2023 (report no. GAO-24-106131). In the report, GAO recommended that NTIA establish performance measures with specified targets for the program and a process for developing performance goals and measures when planning and designing other programs. NTIA concurred with GAO's recommendations.

About MMG

What's the total appropriation and funding authority?

\$1 billion under IIJA

Up to **\$20 million** is allocated for administrative expenses

What's the program for?

Funding construction, improvement, or acquisition of middle mile infrastructure

Who's eligible?

- Government (states, political subdivision of states, tribal governments)
- Industry (technology companies, electric companies, utility cooperatives, public utility districts, telecommunications companies, and telecommunications cooperatives)
- Nonprofits and other associations (nonprofit foundations, nonprofit corporations, nonprofit institutions, nonprofit associations, regional planning councils, Native entities, and economic development authorities)
- Any partnership of two or more of the above who provide technical capability of expanding or extending middle mile infrastructure

Connecting Minority Communities Pilot Program Updates

Where's the money?

93 projects funded

\$262,852,127 awarded

\$43,468,600 drawn down (16.5 percent of award funding)

What's the status?

All funds distributed



Distribution was complete as of February 22, 2022. The 93 recipients included

43 historically Black colleges and universities (HBCUs)

24 Hispanic-serving institutions

21 minority-serving institutions (MSIs)

5 tribal colleges and universities (TCUs)

Training in progress

Federal program officers are being trained to conduct site visits and desk reviews. These activities will be used to perform routine grant monitoring.

Required reporting in progress

Recipients were expected to submit their latest semiannual financial and technical progress reports by October 30, 2023, for the period ending September 30, 2023. Twenty-eight of the 186 reports were late, and NTIA received extension requests from only 8 of the 28 recipients. All reports were received as of November 30, 2023.

NTIA has also begun working with recipients on the redaction and public posting process.

By December 31, 2023, eight recipients had asked to extend their periods of performance beyond the original 2 years. NTIA has approved three requests and is reviewing five.

What's next?

Recipients' next semiannual financial and technical progress reports are due April 30, 2024.

Recipients have 2 years from the date of their award to complete their projects unless they request an extension. Final financial reports are due within 120 days of the end of the project.

Within 1 year of receiving their award and each year thereafter, recipients must submit an annual report describing how funds were expended, certifying that funds were spent in compliance with program requirements, and identifying all subgrantees. Recipients must also certify by October 30 each year that they have complied with all required statutory and programmatic conditions.

About CMC

What's the total appropriation and funding authority?

\$285 million under CAA, 2021

Up to **\$17.1 million** is allocated for administrative expenses

What's the program for?

The purchase of broadband Internet access service and eligible equipment or to hire and train information technology personnel at HBCUs, TCUs, and MSIs

Who's eligible?

- HBCUs, TCUs, MSIs
- Consortiums led by an HBCU, TCU, or MSI that also include either
 - A minority business enterprise, or
 - An organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and is exempt from tax under section 501(a) of the code

Broadband Infrastructure Program Updates

Where's the money?

14 projects funded

\$282,785,260 awarded

\$85,774,001 drawn down (30.3 percent of award funding)

What's the status?

All funds awarded

The program was fully awarded as of June 1, 2022.

Oversight and review in progress

All 14 recipients were approved to extend their periods of performance beyond the original 1-year period.

NTIA is working with recipients on the redaction and public posting process.

Required reporting in progress

Recipients submitted their latest semiannual financial and technical progress reports by October 30, 2023, for the period ending September 30, 2023.

What's next?

The next semiannual financial and technical progress reports for all recipients are due on April 30, 2024, for the period ending March 30, 2024.

Within a year of receiving their award and each year thereafter, recipients must submit annual reports describing how grant funds were expended, certifying that funds were spent in compliance with program requirements, and identifying all subgrantees. All annual reports have been received.

Recipients must submit their final financial reports within 120 days after their projects end:

- **7** final reports due in 2024
- **6** final reports due in 2025
- **1** final report due in 2026

About BIP

What's the total appropriation and funding authority?

\$300 million under CAA, 2021

Up to **\$12 million** is allocated for administrative expenses

What's the program for?

Supporting broadband infrastructure deployment to areas lacking broadband, especially rural areas

Who's eligible?

“Covered partnerships,” or partnerships between a state (or one or more political subdivisions of a state) and a provider of fixed broadband service. A partnership may include more than one service provider as part of its application. If awarded funds, the governmental partner (that is, the state or its political subdivision or subdivisions) must serve as the lead applicant, assuming primary operational and financial responsibility for completing the project.

NTIA's Broadband Grant Management

As part of its management of broadband grants and funding, NTIA has:

- Hired 142 employees with CAA, 2021 and IIJA funding
- Provided the following technical assistance since July 2023:
 - 15 State Broadband Leaders Network meetings, including 1 in-person meeting
 - 7 Digital Equity Leadership Network meetings
 - 7 Tribal Equity Leadership Network meetings
 - 23 webinars
 - 3 in-person IIJA-related local coordination events
 - 20 technical assistance materials developed
- Administered over \$5.05 billion in grants across six of its broadband programs

On October 1, 2023, NTIA became part of a Department-wide effort to migrate data and files from the Grants Online system to the Grants Enterprise Management System (GEMS). The NOAA Grants Online Chief Information Office and GEMS Program Management Office teams were responsible for migrating award files to the GEMS platform. NTIA plans to provide input on any challenges it experiences during the transition to OIG staff auditing GEMS' implementation (project no. 2023-467).

OIG's Broadband Oversight Efforts

Office of Audit and Evaluation

OIG's *Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2024* includes the following priority areas related to NTIA broadband programs:

- Ensuring funding is properly allocated and awarded to close the digital divide
- Overseeing broadband programs with challenging regulatory and NTIA requirements
- Optimizing workforce to manage increases in grant administration activities

- Implementing measures to prevent, detect, and report potential fraud and hold grantees and subgrantees accountable for performance

Considering the significance of these challenges and the amount of taxpayer dollars invested in broadband programs, we have been obligated funding under IIJA to provide oversight of NTIA's broadband infrastructure funds. Our oversight is vital to anticipating and identifying the increased risks that come with increased funding. Our projects include the following:

- This series of status reports reviews each of the current CAA and IIJA programs and the steps taken to plan, implement, and oversee the programs for compliance with NOFO requirements and federal policies and procedures.
- Our broadband division has initiated the following audits and evaluations as part of our ongoing oversight of NTIA's broadband programs:
 - Audit of NTIA's implementation of the TBCP, Project No. 2023-443
 - Evaluation of broadband deployment challenges, Project No. 2023-455

In addition, as previously described, the audit of the GEMS program implementation (2023-467) may affect our broadband work.

We have not issued any new reports since our last semiannual report (OIG-23-024). In FY 2023, we issued the following products:

- Evaluation: *NTIA Took the Necessary Steps to Implement the Requirements for Awarding Funds Under the Consolidated Appropriations Act, 2021*, Report No. OIG-23-018-1
- Management Alert: *NTIA's Reliance on Self-Certifications Increased Fraud Risk for the Tribal Broadband Connectivity Program*, Memo No. OIG-23-022-M

Office of Investigations

One of the priority areas in our *Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2024* report¹ is “[i]mplementing the appropriate measures to prevent, detect, and report potential fraud and hold grantees and subgrantees accountable for performance.” To address this and other challenges, our Office of Investigations (OI) has implemented an oversight strategy that supplements our audits and other reviews.

¹ OIG, October 12, 2023. *Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2024*, OIG-24-002. Available online at <https://www.oig.doc.gov/Pages/Top-Management-and-Performance-Challenges-Facing-the-Department-of-Commerce-in-Fiscal-Year-2024.aspx>.

A key component of OI's strategy involves proactively partnering with NTIA to build an extensive outreach and liaison operation to educate NTIA personnel as well as broadband funding applicants and recipients. As part of these efforts, OI has briefed stakeholders numerous times about fraud awareness, addressing in greater detail the issues noted in our *Top Management Challenges* report. For instance, OI has provided antifraud briefings to BEAD grant applicants and recipients from nearly all U.S. states and territories. OI has also worked with NTIA on post-award antifraud briefings to BIP, CMC, MMG, and TBCP recipients, and participated in virtual question-and-answer sessions with recipients. Additionally, OI regularly participates in and contributes to NTIA's meetings with BEAD and MMG recipients.

OI has also coordinated with NTIA to improve certifications of information that applicants, recipients, and subrecipients provide throughout the grant award lifecycle. Such certifications are effective accountability mechanisms; without them, it can be difficult to pursue certain remedies and hold recipients and subrecipients accountable. Requiring certifications, specifying that they relate to material requirements or information, and ensuring they are strong and carefully crafted are critical measures for preventing fraud and abuse. OI has made suggestions to NTIA on draft BEAD and TBCP NOFOs that incorporated best practices for certifications, and has offered other fraud prevention, detection, and resolution measures aimed at addressing the challenges accompanying this historic investment in broadband infrastructure deployment.

Finally, OI has coordinated outreach and investigative efforts with the U.S. Department of Justice and the OIGs from other agencies that oversee IJA funding programs. OI meets regularly with other OIGs that have oversight of broadband funding programs to attempt to identify and prevent duplication of projects. OI continues to provide fraud awareness training to NTIA personnel and other broadband stakeholders, including recipients, subrecipients, state-level oversight entities, and other agencies and entities involved in broadband funding programs.

For more information about our oversight efforts, please contact Arthur L. Scott, Jr., Assistant Inspector General for Audit and Evaluation, at ascott@oig.doc.gov.