Report In Brief

Why We Did this Review

The Broadband Technology Opportunities Program (BTOP) is the largest grant program that the National Telecommunications and Information Administration (NTIA) has managed to date. With BTOP, NTIA has had to confront a number of challenges, including staffing a program office, developing rules and regulations, coordinating development activities with other departments and agencies, awarding grants, and performing effective oversight of activities.

We initiated this review in April 2010 as part of our continuing oversight of the BTOP grant award process. Our audit examined NTIA's efforts to develop and implement effective policies and procedures, systems, and post-award oversight.

Background

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 into law. The Recovery Act gave $4.7 billion to NTIA to establish BTOP, a competitive grant program intended to provide funds for deploying broadband infrastructure in unserved and underserved areas of the United States, enhance broadband capacity at public computer centers, improve access to broadband services for public safety agencies, and promote sustainable broadband adoption projects.

Almost $4 billion in BTOP grants were awarded in time to meet the Recovery Act deadline of September 30, 2010. The act did not provide for funding after that date; therefore, BTOP is operating under a continuing resolution until December 3. After December 3, NTIA will be faced with very limited resources with which to perform post-award monitoring, support of grantees, and prevention of fraud, waste, and abuse.

American Recovery and Reinvestment Act

Broadband Program Faces Uncertain Funding, and NTIA Needs to Strengthen Its Post-Award Operations (OIG-11-005-A)

What We Found

NTIA has completed both funding rounds of its broadband grant awards. By September 30, 2010, NTIA had made almost $4 billion in awards to over 230 recipients, making BTOP the largest grants program NTIA has ever managed. With the announcement of the last awards, NTIA's focus has shifted to monitoring this diverse portfolio of grants, which were awarded to a wide variety of recipients, including public entities, for-profits, nonprofits, cooperative associations, and tribal entities. While NTIA has been proactive in its establishment of a post-award oversight program, we did find the following causes for concern:

1. NTIA has developed many new processes to assist BTOP's program office and grant recipients with post-award activities, but the program will have no federal funding source after December 3, 2010. This lack of future funding will hinder the agency's efforts to provide effective long-term oversight of grants, as NTIA will not be able to maintain the comprehensive oversight program it developed to monitor BTOP. Reduced monitoring may mean that NTIA will be less able to ensure that the grant projects successfully meet program objectives. NTIA will have to prioritize its future oversight activities carefully so that long-term program monitoring does not suffer.

2. Despite the potential lack of funding, NTIA's post-award monitoring and oversight practices need to be strengthened in several ways. First, some agreements with other Commerce agencies are unclear and have not been carefully managed. In addition, there is a knowledge gap between the staff of the contractor that designed BTOP's software systems and the NTIA staff who must maintain the systems. NTIA also does not have a robust means for tracking employee training and development. While NTIA has created new manuals and guidance to help employees and grantees understand BTOP, several of the manuals lack important details about policies and procedures. Finally, some aspects of award monitoring are not being completed promptly or efficiently.

What We Recommended

We made several recommendations to NTIA with the intention of improving internal controls, promoting transparency, and increasing efficiency. According to NTIA's response to our draft report, the agency is taking many of our recommendations into consideration. Based on the agency's response, our current recommendations include:

- managing the future lack of funding for BTOP by developing alternative approaches to monitoring and oversight, and revising manuals and documentation accordingly; and

- ensuring that agreements with other agencies, manuals and guidance, training and development, and monitoring procedures are clearly documented and fully adhered to.