

Semiannual Status Report on NTIA's Broadband Programs

January 24, 2023 (Report No. OIG-23-009)



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) of 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. 12 for more on our oversight of NTIA's broadband grants.

Our Reviews

This is the first 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:

- 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 12/14/2022

Program	Amount Appropriated	Grants Awarded	Amount Awarded
BEAD	\$42,450,000,000	55	\$254,550,506
TBCP	\$3,000,000,000	130	\$1,697,412,169
DE	\$2,750,000,000	52	\$53,007,932
MMG	\$1,000,000,000	0	\$0
CMC	\$285,000,000	19	\$51,994,334
BIP	\$300,000,000	14	\$287,703,665

This report does not make new recommendations and does not follow *General Accepted Government Auditing Standards* or *Quality Standards for Inspection and Evaluation*.

Broadband Equity Access and Deployment

Where's the money?*

55 projects funded

\$254,550,506 awarded

What's the total appropriation and funding authority?

\$42.45 billion under IIJA

What's the program for?

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

Who's eligible?

All 50 states, the District of Columbia, and other U.S. territories

What's the status?

All states and territories have confirmed their participation in the program. All states and most territories have received their initial planning funds.

What's next?

Grant recipients must submit a 5-year action plan within 270 days of receiving initial planning funds.

* All figures are as of December 14, 2022.

Tribal Broadband Connectivity Program

Where's the money?*

130 projects funded

\$1,697,412,169 total amount funded

What's the total appropriation and funding authority?

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

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; and Alaska Native corporations

What's the status?

The original application period for the program was funded by CAA money. NTIA received over 300 applications for over \$5 billion in funding requests before the initial application period closed on September 1, 2021.

In August 2022, NTIA allocated another \$1 billion of IIJA funding to the original funding opportunity. NTIA is reviewing these applications and announcing awards on a rolling basis.

What's next?

An additional funding opportunity and review process for approximately \$1 billion in remaining IIJA funding is expected to be announced in spring 2023. Funding recipients will be required to submit financial reports and technical progress reports by March 31 and September 30 each year. Additionally, within a year of receiving funds and each year thereafter, each recipient will be required to submit an annual report detailing how funds were expended, certifying compliance with program requirements, and identifying each subgrantee that received a subgrant. Eligible entities have 4 years after receiving grant funds

* All figures are as of December 14, 2022.

to expend them. If the eligible entities do not commit grant funds within 18 months after receiving them, the funds will be made available to other eligible entities.

Digital Equity Act Programs

Where's the money?*

52 planning grants funded under the State Digital Equity Planning Grant Program

\$53,007,932 total amount awarded

What's the total appropriation and funding authority?

\$2.75 billion in IIJA funding for three programs:

- \$60 million for the State Digital Equity Planning Grant Program (DE Planning)
- \$1.44 billion for the State Digital Equity Capacity Grant Program (DE Capacity)
- \$1.25 billion for the Digital Equity Competitive Grant Program (DE Competitive)

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 the development of state digital equity plans
- DE Capacity (must begin by September 29, 2024) provides annual grants for up to 5 years to support digital equity projects and implement digital equity plans
- DE Competitive (must be announced within 30 days of first DE Capacity award) funds annual grant programs for up to 5 years to implement digital equity projects

Who's eligible?

All 50 states, the District of Columbia, and Puerto Rico are eligible to apply for DE Planning and DE Capacity grants. NTIA has reserved 1 percent of the total fiscal year 2022 funds available for the DE Planning and DE Capacity programs, or \$3 million, for grants, cooperative agreements, and contracts with U.S. territories and possessions (other than Puerto Rico). NTIA has also reserved 5 percent of the total fiscal year 2022 funds available for the DE Planning and DE Capacity programs, or \$15 million, for grants, cooperative agreements, and contracts with Indian tribes, Alaska Native entities, and Native Hawaiian

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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

What's the status?

All 50 states signed up to participate in the ongoing program, DE Planning, before the application window closed on July 12, 2022. NTIA has also received 470 letters of intent from tribes in 29 states that have signed on to participate in DE Planning. NTIA is reviewing applications and is announcing awards on a rolling basis. The DE Planning application window for U.S. territories opened on October 18, 2022.

What's next?

States that have received funding will have a year from the date of their award to complete their digital equity plans. Indian tribes, Alaska Native entities, and Native Hawaiian organizations that sent letters of intent before the July 12, 2022, deadline will receive more information in writing about application submission requirements and timelines. The application window for U.S. territories closed on January 17, 2023.

Middle Mile Broadband Infrastructure Grant Program

Where's the money?*

No awards made

What's the total appropriation and funding authority?

\$1 billion under IIJA

What's the program for?

Funding construction, improvement, or acquisition of *middle mile* infrastructure (middle mile infrastructure broadly refers to the midsection of Internet infrastructure that carries large amounts of data at high speeds over long distances)

Who's eligible?

- Government (states, political subdivision of states, tribal governments, and local governments)
- Industry (technology companies, electric companies, utility cooperatives, public utility districts, telecommunications companies, and telecommunications cooperatives)
- Nonprofits and other associations (corporations, institutions, 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

What's the status?

Over 235 applications for \$5.5 billion in funding were received before the September 20, 2022, deadline.

What's next?

NTIA will evaluate the applications and make awards on a rolling basis beginning in early spring 2023.

* All figures are as of December 14, 2022.

Connecting Minority Communities Pilot Program

Where's the money?*

19 projects funded

\$51,994,344 awarded

What's the total appropriation and funding authority?

\$285 million under CAA

What's the program for?

The purchase of broadband internet access service and eligible equipment or to hire and train information technology personnel at historically Black colleges and universities (HBCUs), tribal colleges and universities (TCUs), and minority-serving institutions (MSIs)

Who's eligible?

HBCUs, TCUs, MSIs, or consortiums led by an HBCU, TCU, or MSI and that also include (1) a minority business enterprise or (2) an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and are exempt from tax under section 501(a) of the code

What's the status?

Over 200 applications for more than \$833 million in funding requests were received before the Dec 1, 2021, deadline.

What's next?

NTIA is continuing to review applications and making awards on a rolling basis. Within 45 days of receiving an award, recipients are required to submit a baseline report containing baseline project plans and details about the project's key outputs and outcomes. Additionally, they are required to submit quarterly financial and semiannual technical reports. Final financial and technical reports are due within 120 days of the end of the project. Recipients must also submit an annual report describing how funds were expended, certifying that funds were spent in compliance with the requirements of the program, and identifying all subrecipients that received subgrants from the award within 1 year of

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receiving their award, and each year thereafter. An annual certification statement must also be provided by October 30 of each year confirming compliance with all required statutory and programmatic conditions.

Broadband Infrastructure Program

Where's the money?*

14 projects funded

\$287,703,665.40 awarded

What's the total appropriation and funding authority?

\$300 million under CAA 2021

What's the program for?

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

Who's eligible?

“**Covered partnerships,**” or partnerships between (1) a state, or one or more political subdivisions of a state, and (2) a provider of fixed broadband service. A covered partnership may include more than one provider of fixed broadband service as part of its application. The governmental entity (either a state or a political subdivision of a state that must be included in a covered partnership) must serve as the lead applicant assume primary operational and financial responsibility for completing the project should an award be made.

What's the status?

NTIA received 230 BIP applications totaling more than \$2.5 billion in funding requests across 49 states and U.S. territories. This program has been fully awarded as of June 2022.

What's next?

Recipients have 1 year from the award date to expend award funds. They may request a period of performance extension no later than 90 days before the end of the award period. Recipients are required to submit financial and technical reports for the periods ending March 31 and September 30 of each year and must submit a final financial report within 120 days of the end of the project. Recipients must also submit an annual report describing how funds were expended, certifying that funds were spent in compliance with the requirements of the program, and identifying all subrecipients that received subgrants from the award within 1 year of receiving their award, and each year thereafter.

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NTIA's Broadband Grant Management

As part of its management of broadband grants and funding, NTIA has taken the following actions:

- Hired 112 full-time-equivalent employees with CAA 2021 and IIJA funding
- Provided 49 webinars and has published 20 sets of FAQs since April 2021 on matters related to departmental broadband programs
- Established memorandums of understanding with the National Institute of Standards and Technology to provide grant services for BIP, CMC, BEAD, DE, and MMG
- Established memorandums of understanding with National Oceanic and Atmospheric Administration to provide grant services for TBCP

OIG's Broadband Oversight Efforts

OIG's [Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2023](#) includes the following priority areas related to NTIA's broadband infrastructure program:

- Acquiring and maintaining sufficient staff with proficiency to ensure proper oversight and use of funds
- Implementing the appropriate measures to prevent, detect, and report potential fraud and hold grantees, subgrantees, contractors, and subcontractors accountable for performance

Considering the significance of these challenges and the amount of taxpayer dollars invested in broadband programs, OIG has launched several projects to monitor NTIA's broadband spending. Our projects include this series of semiannual review reports as well as audits, evaluations, and investigations.

As part of these efforts, our dedicated broadband oversight team will take a phased approach to conducting a series of audits focusing on broadband programs. The audits will focus on the following phases:

- **Phase 1a, Implementation:** staffing, application review, award process, fund disbursement, and review of existing federal funding for broadband services to avoid duplication
- **Phase 1b, Award Oversight:** compliance with award policies and procedures
- **Phase 2, Funds Oversight:** appropriate use of funds
- **Phase 3, Closeout:** compliance with closeout procedures

The table below lists our current audits and evaluations. As new products are initiated, we will add them to this table in future reports. For more information about any of our oversight efforts, please contact Senior Legislative and External Affairs Officer David Wonnenberg at dwonnenberg@oig.doc.gov.

Project/Report Title	Open Recommendation(s)	Actions Taken to Close Recommendation(s)
Audit of the National Telecommunications and Information Administrations (NTIA) Implementation of the Tribal Broadband Connectivity Program (TBCP), 2023-443	In Process	N/A
Evaluation of NTIA's Implementation of Coronavirus Response and Relief Requirements Under the Consolidated Appropriations Act, 2021, 2022-407	In Process	N/A

In addition to our audits and other reviews, our Office of Investigations has proactively engaged with NTIA to share best practices for improving fraud prevention and detection in broadband programs. Our Office of Investigations is continuing to provide fraud awareness training to NTIA personnel and other broadband stakeholders.