

Semiannual Status Report on NTIA's Broadband Programs

August 21, 2023 (Report No. OIG-23-024)



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 second 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 7/28/2023

Program	Amount Appropriated	Grants Awarded	Amount Awarded
BEAD	\$42,450,000,000	56	\$255,800,458
TBCP	\$3,000,000,000	191	\$1,787,480,230
DE	\$2,750,000,000	56	\$53,607,932
MMG	\$1,000,000,000	35	\$930,021,354
CMC	\$285,000,000	93	\$262,852,127
BIP	\$300,000,000	14	\$282,785,260

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

Broadband Equity Access and Deployment Updates

Where's the money?

56 projects funded

\$255,800,458 awarded

\$16,346,587 drawn down (6.4 percent of award funding)

What's the status?

All 50 U.S. states; Washington, DC; and 5 U.S. territories have received their initial planning funds. Within 270 days of receiving planning funds, each grant recipient must submit a 5-year action plan detailing its broadband goals and priorities, including its community's broadband access, equity, and adoption needs; and its adoption strategies, goals, and initial measures. As of July 17, 2023, Hawaii, Delaware, Idaho, Louisiana, Maine, Montana, North Carolina, Ohio, and Utah have submitted their action plans.

On June 30, 2023, NTIA issued a formal notice of allocations to the grant recipients. Upon receiving the notice, each recipient has 180 days to submit its initial proposal for running the grant program, including explaining how it intends to use all funding available to ensure that every resident has access to a reliable, affordable, high-speed broadband connection. As of July 17, 2023, NTIA has received draft initial proposals from Louisiana and Virginia.

What's next?

Grant recipients continue to submit their 5-year action plans.

Grant recipients continue to submit their initial proposals, and NTIA is reviewing them. Upon NTIA's approval of the initial proposals, the Assistant Secretary must make available not less than 20 percent of the grant funds allocated to them.

About BEAD

What's the total appropriation and funding authority?

\$42.45 billion under IIJA

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

What's the program for?

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

Who's eligible?

All 50 states; Washington, DC; U.S. territories

Tribal Broadband Connectivity Program Updates

Where's the money?

191 projects funded

\$1,787,480,230 awarded

\$59,672,488 drawn down (3.3 percent of award funding)

What's the status?

NTIA is making the final awards from the first funding round. As of June 30, 2023, TBCP awards represented 276 tribes connecting 159,600 homes. Funding recipients recently submitted financial and technical progress reports covering the period up to March 31, 2023.

NTIA announced a second funding opportunity for approximately \$980 million on July 27, 2023.

NTIA continues to develop and implement technical assistance and monitoring activities and materials.

What's next?

Applications for the second round of funding are due to NTIA by January 23, 2024.

For recipients who have already received awards, the next financial and technical progress reports are due on October 30, 2023, and cover the period from April 2023 through September 2023. Additionally, within a year of receiving funds and each year thereafter, each grant recipient must submit a report detailing how funds were expended, certifying compliance with program requirements, and identifying each subgrantee. Recipients have up to 4 years to expend grant funds, depending on the type of award they received. If they do not commit grant funds within 18 months, the funds will be made available to other eligible entities.

About TBCP

What's the total appropriation and funding authority?

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

Up to **\$60 million** of the appropriation 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)

\$53,607,932 awarded

\$7,527,658 drawn down (14.0 percent of award funding)

What's the status?

Planning grant awards have been announced for all 50 states and 6 territories (Washington, DC; Puerto Rico; Virgin Islands; Guam; American Samoa; and the Commonwealth of the Northern Mariana Islands). Recipients have a year to produce digital equity plans that identify digital equity barriers as well as objective-based plans for administering funds to address these challenges. As of July 17, 2023, four states have posted their digital equity plans for public comment; none have submitted their plans to NTIA.

NTIA issued a request for comment on March 2, 2023, about the design and implementation of the upcoming State Digital Equity Capacity Grant (DE Capacity) and Digital Equity Competitive Grant (DE Competitive) programs. By the May 1, 2023, deadline, stakeholders had submitted 252 written comments.

What's next?

DE Planning

NTIA has received letters of intent to participate in the DE Planning program from 470 tribes in 29 states. NTIA has placed the application window for awards to these recipients on hold and is evaluating the best way to administer tribal Digital Equity Planning Grant funds.

States that have received DE Planning grant funding will have a year from the date of their award to complete their digital equity plans. NTIA expects to begin receiving plans in August 2023.

DE Capacity

NTIA will review the digital equity plans and will begin issuing DE Capacity grant funding no later than September 2024. DE Capacity funds will be awarded annually for up to 5 years.

DE Competitive

The DE Competitive program will be established no more than 30 days after NTIA awards the first DE Capacity funds.

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** of the appropriation 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 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; Washington, DC; and Puerto Rico are eligible to apply for DE Planning and DE Capacity grants. Of the total FY 2022 funds available for these two programs, NTIA has reserved 1 percent (\$3 million) for grants, cooperative agreements, and contracts with U.S. territories and possessions other than Puerto Rico, and 5 percent (\$15 million) 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?

35 awards to entities representing 37 states

\$930,021,354 awarded

\$0 drawn down (0 percent of award funding)

What's the status?

Middle mile infrastructure broadly refers to the midsection of Internet infrastructure that carries large amounts of data at high speeds over long distances. Funding to expand middle mile infrastructure will cover 350 counties across 35 states and Puerto Rico as part of President Biden's Investing in America agenda. Projects will deploy over 12,000 miles of new fiber that will pass within 1,000 feet of 6,961 community anchor institutions.

What's next?

NTIA will continue reviewing applications that were submitted by the September 30, 2022, deadline, and will announce additional grant awards on a rolling basis.

About MMG

What's the total appropriation and funding authority?

\$1 billion under IIJA

Up to **\$20 million** of the appropriation 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, and local 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

\$13,409,397 drawn down (5.1 percent of award funding)

What's the status?

All funding was distributed as of February 22, 2023. Grant funding has been awarded to 93 universities, including 43 Historically Black Colleges and Universities (HBCUs), 24 Hispanic Serving Institutions, 21 Minority-Serving Institutions (MSIs), and 5 Tribal Colleges and Universities (TCUs).

What's next?

Recipients have 2 years from the date of their award to complete their projects. Recipients must submit financial and technical progress reports semiannually. The next financial and technical progress reports are due on October 30, 2023, and cover the period from April 2023 through September 2023. Final financial and technical reports are due within 120 days of the end of the project. Within 1 year of receiving their award, recipients must also 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** of the appropriation 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, or consortiums that are 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 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

\$48,471,678 drawn down (17.1 percent of award funding)

What's the status?

This program was fully awarded as of June 2022. All 14 recipients have asked to extend their periods of performance beyond the original 1-year period. NTIA has approved 13 extension requests, and its program office is reviewing the remaining requests. Funding recipients were expected to submit the latest financial and technical progress reports by April 30, 2023 covering the period from October 2022 through March 2023.

What's next?

The next financial and technical progress reports for all recipients are due on October 30 and cover the period from April 2023 through September 2023. Recipients must submit their final financial reports within 120 days of their projects' end. Within a year of receiving their award and each year thereafter, recipients must also submit reports describing how grant funds were expended, certifying that funds were spent in compliance with program requirements, and identifying all subgrantees.

About BIP

What's the total appropriation and funding authority?

\$300 million under CAA, 2021

Up to **\$12 million** of the appropriation 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/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 140 employees with CAA, 2021 and IIJA funding
- provided technical assistance (specifically, NTIA has provided the following assistance since October 2022)
 - 28 State Broadband Leaders Network meetings, including 2 in-person meetings
 - 12 Digital Equity Leadership Network meetings
 - 12 Tribal Equity Leadership Network meetings
 - 26 webinars
 - 10 in-person Bipartisan Infrastructure Law-related local coordination events
- administered over \$3.5 billion in grants across six of its eight broadband programs

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 2023*](#) includes the following priority areas related to NTIA's broadband infrastructure programs:

- 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 status 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

We have initiated the following audits and evaluations as part of our ongoing oversight of NTIA's broadband programs:

- Audit of the National Telecommunications and Information Administrations (NTIA) Implementation of the Tribal Broadband Connectivity Program (TBCP), 2023-443
- Evaluation of Broadband Deployment Challenges, 2023-455

In addition, we have 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

For more information about any of our oversight efforts, please contact Senior Legislative and External Affairs Officer David Wonnenberg at dwonnenberg@oig.doc.gov.

Office of Investigations

As noted above, one of the priority areas in OIG's [Top Management and Performance Challenges Facing the Department of Commerce in Fiscal Year 2023](#) is "Implementing the appropriate measures to prevent, detect, and report potential fraud and hold grantees, subgrantees, contractors, and subcontractors accountable for performance." To address this and other challenges, our Office of Investigations (OI) has begun implementing an oversight strategy that will supplement our audits and other reviews.

A key component of OI's oversight 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 provided

stakeholders numerous fraud awareness briefings that address 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 to provide post-award antifraud briefings to BIP, CMC, MMG, and TBCP recipients and has participated in virtual question-and-answer sessions with recipients.

OI is also coordinating with NTIA to improve certifications related to information that applicants, recipients, and subrecipients provide throughout the grant award lifecycle. Requiring such certifications, specifying that they relate to material requirements or information, and ensuring they are strong and carefully crafted are critical measures to prevent fraud and abuse. Such certifications are effective accountability mechanisms for grant recipients and subrecipients; without them, it can be difficult to pursue certain remedies and hold recipients and subrecipients accountable. Accordingly, OI has provided suggestions to NTIA on draft notices of funding opportunity for BEAD and TBCP 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 also coordinated outreach and investigative efforts with the U.S. Department of Justice and the OIGs from other agencies that oversee IIJA funding programs. OI continues to provide fraud awareness training to NTIA personnel and other broadband stakeholders, including recipients, subrecipients, and other agencies and entities involved in funding broadband programs.