

SUPPORTING STATEMENT
U.S. Department of Commerce
National Telecommunications and Information Administration
Broadband Technology Opportunities Program
Broadband Infrastructure, Public Computer Center, and Sustainable Adoption
Applications Requirements
OMB Control No. 0660-XXXX

A. JUSTIFICATION

This is an emergency review request.

1. Explain the circumstances that make the collection of information necessary.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) appropriates \$4.7 billion for the Broadband Technology Opportunities Program (BTOP), including at least \$200 million for competitive grants to expand public computer center capacity and at least \$250 million for competitive grants for innovative programs to encourage sustainable adoption of broadband service.¹ The Recovery Act directs the National Telecommunications and Information Administration (NTIA) to promote five core purposes through BTOP:

- (1) to provide access to broadband service to consumers residing in unserved areas of the country;
- (2) to provide improved access to broadband service to underserved areas of the country;
- (3) to provide broadband access, education, and support to community anchor institutions (*e.g.*, schools, libraries, medical facilities), or organizations and agencies serving vulnerable populations (*e.g.*, low-income, unemployed, aged), or job-creating strategic facilities located in state or federally designated economic development areas;
- (4) to improve access to, and use of, broadband service by public safety agencies; and
- (5) to stimulate the demand for broadband, economic growth, and job creation.²

The Broadband Infrastructure, Public Computer Center, and Sustainable Adoption Applications (Applications) allow various types of entities to apply for BTOP grants to extend broadband infrastructure to unserved and underserved areas, fund expansion of public computer center, capacity, and accelerate broadband subscribership.³ The Applications reflect the eligibility and evaluation criteria that NTIA has developed to evaluate applicants for BTOP grants in light of the objectives and requirements specified in the Recovery Act. NTIA must collect this information from applicants to determine whether each proposal meets the eligibility criteria. Each application will be evaluated by expert/peer reviewers against objective criteria. After a

¹ See Pub. L. No. 111-5, 123 Stat. 115, 128 (2009) (“Recovery Act”).

² See *id.* § 6001(a)-(b).

³ As discussed at the end of this section, RUS, on behalf of NTIA, is separately submitting an application for BTOP infrastructure projects.

review of all applications, NTIA intends to request corroborative information to substantiate representations made in the Applications. The Recovery Act also requires that grant recipients must substantially complete their projects within two years of receiving a BTOP grant, and the Recovery Act directs NTIA to monitor recipients' progress.

The Recovery Act also appropriates \$2.5 billion for the Rural Utilities Service (RUS) of the U.S. Department of Agriculture (USDA) to extend loans, loan/grant combinations, and grants to projects where at least 75 percent of a USDA-funded area is in a rural area that lacks sufficient access to high-speed broadband service to facilitate rural economic development. RUS has developed the Broadband Initiatives Program (BIP) to fund broadband infrastructure in qualifying areas. RUS and NTIA have developed a joint *Notice of Funds Availability* (NOFA) for BIP and BTOP, and they have created a joint application for projects that involve deployment of broadband infrastructure.

This supporting statement includes the information collections associated with step one and step two of the application process for Public Computer Centers and Sustainable Adoption. Specifically, as listed in question 2 below and on Form 36, this information collection includes both stages of the application process.

With regard to the Broadband Infrastructure Application, the instant information collection package includes all associated reporting and information collection in addition to the reporting and information collection required by OMB under 2 CFR 176. Specifically, as listed in question 2 below and on Form 36, this information collection includes application requirements as well as other associated reporting requirements such as annual CPA audit submissions, quarterly financial reporting, etc. This information collection does not include BTOP-specific reporting requirements beyond those required by Section 1512 of the Recovery Act.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

Each applicant for BTOP funding will complete an Application. As described above, NTIA intends to use the information collected (1) to evaluate whether an applicant is eligible for a grant; (2) to evaluate applications by peer/expert reviewers against objective criteria; and (3) to collect corroborative information, as applicable, from applicants deemed highly qualified. NTIA also intends to use information collected from the Application as baseline information to evaluate grantees' progress toward completion of the objectives for which the grant was made.

The specific information covered by this information collection package consists of the following:

- Broadband Infrastructure Application
- Public Computer Center Application
- Sustainable Adoption Application
- Verification Filing Requirements. Applicants receiving the highest scores against objective criteria will supplement their application with corroborative information that may include the following items. Far more of this information will be

necessary for Broadband Infrastructure projects than Public Computer Center or Sustainable Adoption projects.

- A list of all its outstanding and contingent obligations, including copies of existing notes, loan and security agreements, and guarantees;
 - A detailed description of working capital requirements and the source of these funds;
 - A detailed description of the proposed technology that will be used to provide service at the proposed broadband speed. This description must clearly demonstrate that all households and businesses in the proposed funded service area will be offered service at the proposed broadband speed;
 - A detailed construction build-out schedule that includes a description of the necessary work force, a timeline demonstrating project completion within the required timeframe, a depreciation schedule for the proposed facilities;
 - A completed Environmental Questionnaire, other documentation requests, and required environmental authorizations and permits, including those required by the National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321 *et seq.*) (NEPA), the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470 *et seq.*) (NHPA), and the Endangered Species Act of 1973, as amended (16 U.S.C. § 1534 *et seq.*) (ESA) as applicable; and
 - For purposes of the step two due diligence verification process, applicants will need to be prepared to provide any of the underlying documentation that is referenced in the application, as appropriate.
- For Broadband Infrastructure only, preparation of grant documents, reporting required by OMB under 2 CFR 176, submission of a CPA report, submission of financial information, and development of an index of records and recordkeeping. (See Attachments A thru M in ROCIS)

This information collection does not include BTOP-specific reporting requirements beyond those required by Section 1512 of the Recovery Act.

The Recovery Act requires NTIA to “create and maintain a fully searchable database, accessible on the Internet at no cost to the public,” that includes, among other things, a list of entities that have applied for BTOP grants, “a description of each application,” and “such other information sufficient to allow the public to understand and monitor grants awarded under the program.”⁴ NTIA intends to populate the required database directly from an electronic intake system, currently under development. NTIA will add data from paper applications into the database.

⁴ See Recovery Act § 6001(i)(5), 123 Stat. at 515.

Additional fields for the database will be created and maintained by NTIA (e.g., status of application) or collected from grantees at a later time (e.g., quarterly reports on use of grant funds). NTIA is in the process of selecting which items on the Applications will be included in this “fully searchable database.”

This information collection is designed to obtain information that meets the Information Quality Guidelines for NTIA.⁵ The guidelines establish standards for the utility, integrity, and objectivity of information disseminated by NTIA.

NTIA fully intends to maximize the utility of the information collected. First, displaying the project description that applicants themselves enter into the electronic intake system will help ensure a clear, succinct description of the proposed project, as applicants are in the best position to provide this information. Similarly, any other data describing applicants, the claims made in applications, or requests made in the Applications will be most accurate if pulled automatically from the intake system. Finally, NTIA is currently considering which application fields will be included in the publicly accessible database to offer the public sufficient information to “understand and monitor grants awarded under the program,” including an opportunity to filter the data along important dimensions.⁶

NTIA will maintain the integrity of the electronic data by safeguarding its database consistent with acceptable standards of operation. At a minimum, it has entered into an agreement with its data manager to enforce its information systems security policies, standards, and procedures on projects or tasks it has been engaged to perform with respect to this information collection as well as to provide the same level of care in protecting NTIA’s inventory as it takes in protecting its own inventory. NTIA will maintain control of paper BTOP applications to ensure their security. Applications accepted for review will be retained for two years, after which they will be destroyed.

NTIA will present any information that it disseminates in an objective manner and will provide appropriate information concerning the source of the data disseminated. NTIA will test the database to ensure that accurate search results are returned. Additionally, the Broadband Infrastructure Application includes questions concerning the methodology used by applicants for complex factual determinations and projections. Including these questions will help ensure that if NTIA disseminates information based upon data provided in the Broadband Infrastructure Application, NTIA can describe the reliability and limitations of the disseminated information.

Before disseminating the information collected, NTIA also will ensure compliance with any relevant and necessary pre-dissemination review process.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

⁵ See Section 515 Standards: Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by the National Telecommunications and Information Administration, www.ntia.doc.gov/ntiahome/occ/ntiaiqguidelines_09252002.htm (Sept. 25, 2002).

⁶ See Recovery Act § 6001(i)(5), 123 Stat. at 515.

NTIA intends to receive applications for BTOP via a user-friendly, Internet-based intake system, which will be available through a stand-alone website. NTIA has an MOU with the National Technical Information Service (NTIS), a part of the U.S. Department of Commerce, to produce this system. NTIS has a substantial amount of experience providing dissemination services for other agencies, and it has the specialized resources, systems, equipment, financial infrastructure and personnel expertise needed to produce and disseminate information products on a large scale such as this collection.

NTIA will accept paper submission of applications requesting less than \$1 million in assistance from BTOP if the applicant can demonstrate hardship. Applicants whose authorized representatives are individuals with disabilities also may submit a paper application irrespective of the funding size of their request.

4. Describe efforts to identify duplication.

Applicants' proposals are unique to this program, and the information to be collected is not generally available from other sources.

Out of an abundance of concern for applicants, NTIA has designed the BTOP application process to allow applicants to provide only the information relevant to the projects they propose. For example, an entity applying for a grant for a sustainable adoption project will not be required to answer questions relevant only to applicants proposing expansion of public computer center capacity.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize the burden.

NTIA intends to give priority consideration to applicants that qualify as socially and economically disadvantaged small business concerns (SDBs), consistent with the Recovery Act's directive that NTIA "consider whether the applicant is a socially and economically disadvantaged small business concern as defined under section 8(a) of the Small Business Act (15 U.S.C. 637)."⁷

NTIA consulted with the Small Business Administration's Office of Advocacy regarding the showing necessary for an applicant to qualify as an SDB. As a result, the Application requests only a self-certification from the applicant.

Furthermore, to minimize the burden on all applicants, NTIA is requesting a threshold level of information in the Applications that will allow a comprehensive and fair review of the Applications. As a result, applicants need not gather, organize, and submit supporting documentation without knowing whether their proposals have a chance of receiving funding. NTIA believes this approach will avoid deterring smaller entities with less experience applying for grants and fewer resources to devote up-front to the grant application process.

⁷ See *id.* § 6001(h)(3), 123 Stat. at 515.

NTIA believes the electronic application system will be convenient for applicants. Nevertheless, entities with smaller proposals (less than \$1 million) that face a hardship or whose authorized representatives are individuals with disabilities will have the option to file on paper.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

Without the information requested here, NTIA could not award grants consistent with the purposes of the Recovery Act and the specific purposes listed therein for BTOP.⁸ NTIA also could not determine whether applicants meet the requirements that the Recovery Act establishes for BTOP grants.⁹ Furthermore, NTIA could not consider the additional factors that the Recovery Act requires it to consider when awarding grants.¹⁰ For these reasons, if NTIA did not request this information on the Applications, NTIA would fail to comply with the Recovery Act, taxpayer money would be wasted, and BTOP would not produce the benefits intended under the Recovery Act.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

This information collection is consistent with OMB guidelines.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Due to the time constraints of this emergency review request, the Federal Register Notice was waived by the Office of Management and Budget.

⁸ See Recovery Act § 6001(b), 123 Stat. at 512.

⁹ See, e.g., *id.* § 6001(d)(3), 123 Stat. at 513 (requiring NTIA to obtain assurances that applicants will complete their proposed projects within two years of receiving a grant); *id.* § 6001(e)(3), 123 Stat. at 514 (requiring applicants to show that the project would not have been implemented during the grant period without federal financial assistance); *id.* § 6001(f), 123 Stat. at 514 (limiting the federal share of BTOP projects to 80% in the absence of a finding of financial need).

¹⁰ See, e.g., *id.* § 6001(h)(2)(C), 123 Stat. at 515 (requiring NTIA to consider whether a proposal will enhance service for health care delivery, education, or children to the greatest population of users in the area); *id.* § 6001(h)(3), 123 Stat. at 515 (requiring NTIA to consider whether the applicant is a socially and economically disadvantaged small business concern).

The public has, however, had an opportunity to provide general comments on the application process. On March 12, 2009, less than one month after the Recovery Act was signed, NTIA and RUS published a joint request for information concerning their respective grant programs.¹¹ In response to this request, several parties commented in detail on which information NTIA should require applicants to provide, and many expressed opinions concerning individual portions of the application.¹² Several commenters urged NTIA to limit the Applications to the items required by statute.¹³ A few commenters suggested the type of two-step application process that NTIA has implemented.¹⁴ Many commenters also provided input concerning coordination between RUS and NTIA.¹⁵ NTIA has reviewed and considered these comments.

As described above, RUS and NTIA consulted extensively with one another to design an application process and a Broadband Infrastructure Application that would obtain the necessary data while minimizing the burden on the applicant. RUS and NTIA also have consulted generally with the Federal Communications Commission.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

NTIA will not provide gifts or payments to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

NTIA will allow applicants to designate certain portions of the Applications as confidential and will protect confidential and proprietary information from public disclosure to the fullest extent authorized by applicable law, including the “Freedom of Information Act,” as amended (5 U.S.C. § 552 *et seq.*), the “Trade Secrets Act,” as amended (18 U.S.C. § 1905 *et seq.*), and the “Economic Espionage Act of 1996,” as amended (18 U.S.C. § 1831 *et seq.*). Nevertheless, in the

¹¹ See 74 Fed. Reg. 10716 (Mar. 12, 2009).

¹² These comments ranged from comprehensive lists of items that should be on the application, *see, e.g.*, New Jersey Division of Rate Counsel (Apr. 8, 2009), to comprehensive suggested scoring frameworks, *see, e.g.*, City and County of San Francisco at 8-16, 22 (Apr. 13, 2009), to comments that only referred to a few specific pieces of the application, *see e.g.*, Nebraska Rural Independent Companies at 7 (Apr. 13, 2009) (stating that an applicant “should be required to document the up-front and ongoing costs of the proposed project as well as the applicant’s own up-front and ongoing funding that is available for the project”).

¹³ See, *e.g.*, Frontier Communications at 19-20 (Apr. 13, 2009).

¹⁴ See, *e.g.*, Embarq at 15 (Apr. 13, 2009).

¹⁵ See, *e.g.*, Farmers Mutual Telephone Company at 9 (Apr. 13, 2009).

Notice of Funds Availability associated with this information collection, NTIA will notify applicants that the Recovery Act requires substantial transparency.

For example, NTIA is required to make publicly available on the Internet a list of each entity that has applied for a grant, a description of each application, the status of each application, the name of each entity receiving funds, the purpose for which the entity is receiving the funds, each quarterly report, and other information as the Assistant Secretary deems necessary to meet BTOP objectives.¹⁶

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

This collected information does not contain any questions of a sensitive nature.

12. Provide an estimate in hours of the burden of the collection of information.

Broadband Infrastructure Application

NTIA estimates a burden of 225 hours per applicant to complete the Broadband Infrastructure Application. For 1,500 applicants, the total hour burden is $1,500 * 225 = 337,500$ hours.

NTIA estimates that 150 applicants will need to provide verification filing and require 170 hours per response: $150 * 170 = 25,500$ hours.

NTIA estimates that 150 applicants will need to prepare grant documents, submit reports required by OMB under 2 CFR 176, submit a CPA report, submit financial information, and develop an index of records and recordkeeping. As described in the attached Form 36, NTIA estimates that these steps will require a total of 54.5 hours per respondent: $150 * 54.5 = 8,175$ hours.

NTIA estimates that 8 applicants will require a plan of corrective action and require 15 minutes per response: $8 * 15$ minutes = **2 hours**.

NTIA estimates that 1 applicant will scope limitation and require 15 minutes per response: $1 * 15$ minutes = **15 minutes**.

NTIA estimates that 5 applicants will require a plan of corrective action and require 2 hours per response: $5 * 2$ hours = **10 hours**.

Estimated Number of Responses: 3,164
Estimated Total Annual Burden Hours: **371,187**

Public Computer Center Application

¹⁶ See Recovery Act § 6001(i)(5), 123 Stat. at 515.

NTIA estimates a burden of 52 hours per applicant to complete the Public Computer Center Application. For 2,500 applicants, the total hour burden is $2,500 * 52 = 130,000$ hours.

NTIA estimates that 250 applicants will need to provide verification filing and require 3 hours per response: $250 * 3 = 750$ hours.

Estimated Number of Responses: 2,750
Estimated Total Annual Burden Hours: **130,750**

Sustainable Adoption Application

NTIA estimates a burden of 26 hours per applicant to complete the Public Computer Center Application. For 2,500 applicants, the total hour burden is $2,500 * 26 = 65,000$ hours.

NTIA estimates that 250 applicants will provide subsequent, related information described in the *Notice of Funds Availability* and require 3 hours per response: $250 * 3 = 750$ hours.

Estimated Number of Responses: 2,750
Estimated Total Annual Burden Hours: **65,750**

TOTAL NUMBER OF RESPONSES: 8,164
TOTAL NUMBER OF BURDEN HOURS: 567,687

13. Provide an estimate of the total annual cost burden to the respondents or recordkeepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

The financial cost to applicants will include professional fees for a legal opinion and, where applicable, an engineering certification in a Broadband Infrastructure or Public Computer Center Application. NTIA will fund reasonable pre-application expenses in an amount not to exceed five percent of the award. Pre-application expenses may be reimbursed if they are incurred after the publication date of the NOFA and prior to the date on which the Application is submitted to NTIA.

14. Provide estimates of annualized cost to the Federal government.

NTIA intends to make all grant awards by September 30, 2010. The costs to the Federal government for this information collection also will include: (1) NTIA staffing; (2) Contract Services to support grants processing and monitoring; (3) Grants Office Services to make financial awards; and (4) other related expenses. The administrative budget ceiling in the Recovery Act for BTOP equals \$141 million.

15. Explain the reasons for any program changes or adjustments.

This is a new collection thus no program changes or adjustments.

16. For collections whose results will be published, outline the plans for tabulation and publication.

As discussed in Question 2, some of the information from the Applications will be disseminated in the form of a publicly searchable database. NTIA may tabulate certain information (e.g., funds requested according to geography or type of applicant) and include it in summary form online or in reports to Congress to meet Recovery Act reporting requirements.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

Not Applicable. The standard Paperwork Reduction Act information will be on the paper and electronic versions of the applications.

18. Explain each exception to the certification statement in Item 19.

No exceptions are requested.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of information will not employ statistical methods.