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September 16, 2010

The Honorable David R. Obey
Chairman
House Committee on Appropriations
H-218 U.S. Capitol
Washington, DC 20515

The Honorable Jerry Lewis
Ranking Member
House Committee on Appropriations
2112 Longworth House Office Building
Washington, DC 20515

The Honorable Alan B. Mollohan
Chairman
House Subcommittee on Commerce, Justice,
and Science
House Committee on Appropriations
H-309 Capitol
Washington, D.C. 20515

The Honorable Frank R. Wolf
Ranking Member
House Subcommittee on Commerce, Justice,
and Science
House Committee on Appropriations
241 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Obey, Ranking Member Lewis, Chairman Mollohan and Ranking Member Wolf:

We are writing to urge the Appropriations Committee to ensure that the National Telecommunications and Information Administration (NTIA) receives full funding to oversee and manage the grants it has awarded across the nation under the Broadband Technology Opportunities Program (BTOP). These grants will provide a total federal investment of approximately \$4 billion and elicit more than \$1.5 billion in additional private investments. We believe it is critical that these investments be carefully monitored to ensure they are implemented appropriately and on time and that taxpayer funds are not open to waste, fraud and abuse. While BTOP projects are not required to be completed until three years after grants are awarded, the Recovery Act does not extend funding for the program, including for oversight of the program, beyond September 30, 2010.

As part of its ongoing oversight of BTOP, the Committee on Energy and Commerce requested that the Government Accountability Office (GAO) examine, among other topics, potential challenges to the NTIA's oversight of funded projects. The GAO recently released a report entitled, "*Further Opportunities Exist to Strengthen Oversight of Broadband Stimulus Programs*" (August 2010). While largely validating the NTIA's implementation of the Recovery Act's BTOP program, the report identifies substantial risks to the program if the NTIA lacks resources beyond September 30, 2010 for grant oversight. More specifically, the report indicates:

[B]oth NTIA and RUS face the risk of having insufficient staff and resources to actively monitor BTOP-and BIP-funded projects after September 30, 2010. BTOP and BIP projects must be substantially complete within 2 years of the award date and fully complete within 3 years of the award date. As a result, some projects are not expected to be complete until 2013....Effective monitoring and oversight of over \$7 billion in Recovery Act broadband stimulus funding will require significant resources, including staffing, to ensure that recipients fulfill their obligations. NTIA and RUS officials believe that site visits, in particular, are essential to monitoring progress and ensuring compliance; yet, it is not clear if they will have the resources to implement their oversight plans.

Since BTOP infrastructure projects are complex and a number of awardees are new to the federal grant process, most, if not all, projects will require technical assistance and careful monitoring, including site visits, to ensure they achieve their program objectives, are completed on time, and comply with federal regulations.

The President's FY 2011 budget includes \$23.7 million for BTOP oversight, monitoring, management, and reporting. We believe this represents a reasonable and responsible level of funding to effectively oversee BTOP and broadband mapping grants in the next fiscal year to ensure that the NTIA's grants management meets the highest standards for accountability, transparency and responsible stewardship of federal funds. We urge you to support the Administration's funding level in the FY 2011 Commerce-Justice-Science Appropriations Bill, and, if necessary, to direct this level of funding as an operating rate if Congress adopts a continuing resolution to fund federal government operations for some period after September 30, 2010.

Sincerely,



Henry A. Waxman
Chairman,
Committee on Energy and Commerce



Rick Boucher
Chairman,
Subcommittee on Communications,
Technology, and the Internet