

Why GAO Did This Study

Access to affordable broadband is seen as vital to economic growth and improved quality of life, yet its deployment in rural areas can be costly. The American Recovery and Reinvestment Act of 2009 (Recovery Act) appropriated funding for BIP, a USDA RUS program to fund broadband projects to provide service to end users in mostly rural areas. By 2010, RUS had awarded over \$3 billion, primarily to 297 infrastructure projects, and required that projects be completed by June 2015 in approved areas.

GAO was asked to review BIP's results and impact. This report addresses (1) how RUS ensures that projects are completed by the deadline and as approved and (2) the extent to which RUS provides information to show BIP's impact. GAO interviewed RUS officials, reviewed policies, and analyzed RUS project data as of March 2014. GAO also interviewed five awardees from a nongeneralizable sample of seven BIP projects selected in part based on award size and location.

What GAO Recommends

GAO recommends that the Secretary of Agriculture include as part of the USDA annual performance plan and report, actual BIP results achieved against the updated subscribership goal. In commenting on a draft of this report, USDA said it agreed with the recommendation and will institute procedures to fully address it. USDA also provided technical comments, which were incorporated as appropriate.

View [GAO-14-511](#). For more information, contact Mark L. Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

RECOVERY ACT

USDA Should Include Broadband Program's Impact in Annual Performance Reports

What GAO Found

The Rural Utilities Service (RUS) expects most Recovery Act-funded Broadband Initiatives Program (BIP) projects will be completed by the June 2015 deadline and as approved, but RUS faces challenges given the large scope of the program. As of March 2014, approximately 14 percent (42 of 297) of BIP infrastructure projects were terminated for a variety of reasons according to RUS officials, such as financial difficulties or inability to meet requirements. Of the 255 projects remaining, 87 percent were completed (39 projects) or partially operational (184 projects), meaning they provide service to some subscribers. To monitor projects and ensure they are completed within approved service areas, RUS relies on general field representatives to conduct in-person inspections and report monthly on project status. RUS officials said that they did not allow changes to service areas, but approved other types of changes such as changes in technology. GAO could not confirm this since RUS did not systematically track changes and did not provide GAO with information on project changes. Also, several challenges affect RUS's ability to oversee projects. For example, reduced staffing and travel funding levels during BIP's implementation will challenge RUS to complete inspections given the scope of the program, including 216 ongoing infrastructure projects to be completed by the June 2015 deadline.

RUS has reported limited information on BIP's impact since awarding funds to projects, and BIP results are not tracked in the Department of Agriculture's (USDA) annual performance reporting. Consequently, RUS has not shown how much the program's approximately \$3 billion in project funding—an unprecedented level of federal investment in broadband—has affected broadband availability. RUS met the Recovery Act requirement to report to Congress quarterly until all funds were obligated. However, since the Recovery Act's reporting requirement ended, RUS has provided limited reporting on BIP program status and results during project implementation. A senior RUS official says RUS will now issue quarterly status reports until at least September 2015. USDA also has missed opportunities to report on BIP's impact as part of its annual performance plan and report. The GPRA Modernization Act of 2010 directs agencies to establish performance goals in annual performance plans and report the progress made toward these goals in annual performance reports. USDA's annual performance plan included a performance goal to provide new or improved broadband, but USDA did not include BIP results in its annual performance reports. USDA reported its BIP goal and results for fiscal year 2010 only and used the same estimate of BIP subscribership—developed before project execution—for both. RUS officials say the results were reported in fiscal year 2010 because that was the year funds were obligated. More recently, in March 2014, RUS updated the estimated number of subscribers from 847,239 to 728,733 to account for terminated projects. Reporting on and tracking BIP actual results against the updated goal is particularly important given that the majority of projects are ongoing and awardees are to continue to report the number of BIP subscribers added for at least 5 years after construction is completed. Without an updated performance goal and regular information reported on the results of BIP projects, it will be difficult for USDA, RUS, and policy makers to determine the impact of Recovery Act funds or BIP's progress on improving broadband availability.