

ONE HUNDRED THIRTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

March 13, 2013

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20248

Dear Mr. Dodaro:

As you know, the American Recovery and Reinvestment Act of 2009 (ARRA) appropriated \$2.5 billion to the U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS) to expand broadband access to rural areas of the United States. To meet that objective, RUS established the Broadband Initiatives Program (BIP) to make loans and award grants for broadband infrastructure projects.

As a condition to receiving a BIP loan or grant, ARRA required that “at least 75 percent of the area to be served by a project . . . be in a rural area without sufficient access to high speed broadband service . . . .”<sup>1</sup> This requirement was an integral component of the ARRA. Yet, congressional testimony and press accounts have identified instances in which BIP-funded projects appear to have overbuilt existing broadband networks.

As we seek to expand the deployment of broadband infrastructure in a constrained budget environment, the overbuilding of existing broadband networks using Federal dollars represents a significant concern. As GAO and others have reported, access to broadband service can improve economic growth and quality-of-life. Yet, overbuilding diverts scarce budget resources from areas without broadband service to areas with service and can impede vital private-sector investment. Given the need to ensure the most efficient and effective use of Federal dollars and guard against waste, fraud, and abuse, we ask that GAO conduct an in-depth analysis of work already completed under BIP. In particular, we request that GAO address the following questions:

1. To what extent do the service areas or fiber routes of completed (including partially completed) BIP-funded projects match those specified in their applications? For projects where the service area or fiber route did not match the application, if any, what is the

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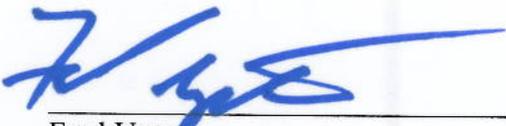
<sup>1</sup> American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, div. A, tit. I, 123 Stat. 118 (Feb. 17, 2009).

nature of the discrepancy? Did these projects receive approval from RUS for the change, and if so, what was the rationale for the approval? In cases where the RUS approved modifications to a project, were those modifications made public and did RUS provide an opportunity for public comment?

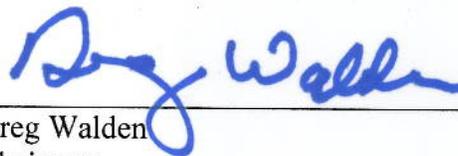
2. To what extent, if any, do the service areas or fiber routes of completed (including partially completed) BIP-funded projects overlap the service areas or fiber routes of systems in place prior to the BIP awards? At the time of the BIP awards, what were the characteristics of the services (e.g., broadband speed) provided by systems already in place?
3. To what extent have completed (including partially completed) BIP-funded projects met the projections for homes passed, subscribers, and other relevant measures specified in their applications?
4. How many wholesale and retail customers are BIP projects serving? How many are they expected to serve once the projects are complete? How many of those wholesale and retail customers had no previous service? How many switched service from previously existing providers?
5. What oversight actions is RUS taking to ensure that BIP-funded projects are completed as specified in their applications?

We request that you inform the Committee regarding any other issues of concern that you may uncover during your examination of the BIP program. If you have any questions about this request, please have your staff contact Daniel Tyrrell with Committee staff at (202) 225-2927.

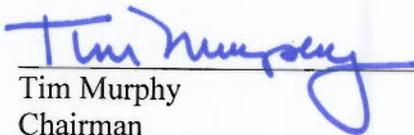
Sincerely,



Fred Upton  
Chairman



Greg Walden  
Chairman  
Subcommittee on Communications and Technology



Tim Murphy  
Chairman  
Subcommittee on Oversight  
and Investigations

cc: The Honorable Henry Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member  
Subcommittee on Oversight and Investigations

The Honorable Anna Eshoo, Ranking Member  
Subcommittee on Communications and Technology

The Honorable Tom Vilsack, Secretary  
U.S. Department of Agriculture