

RECIPIENT NAME:ZERODIVIDE

AWARD NUMBER: 06-43-B10538

DATE: 08/09/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number 06-43-B10538	3. DUNS Number 829939854
4. Recipient Organization ZERODIVIDE 425 BUSH ST STE 300, San Francisco, CA 941083721		
5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No	
7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.		
7a. Typed or Printed Name and Title of Certifying Official David Veneziano	7c. Telephone (area code, number and extension)	
	7d. Email Address david@zerodivide.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-09-2012	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

ZeroDivide's Tribal Digital Village (TDV) Broadband Adoption Program was designed to increase broadband adoption from the 17% baseline usage to 70% (4,800 new broadband users) among members of 19 Native American tribes in rural So. California. This will be accomplished through outreach, public awareness, digital literacy training, content creation, and establishment of a sustainable business model for a broadband network. Chief accomplishments this quarter include:

- The TDV Shadow Project (the TDV digital media training program) launched its first training sessions for youth. The Project's goal is to train and mentor youth in the deployment and operation of the TDV wireless broadband network. This quarter's focus was "Developing Content for Distribution Over Broadband" and was based in the "Rez Valley Studio" an asset of the Southern California Tribal Chairmen's Association (SCTCA).
- ZeroDivide recently collaborated with Mozilla to introduce TDV staff to a new online training tool called Popcorn; a web-based movie making application developed by Mozilla. Ultimately, the TDV staff will integrate Popcorn into their youth digital media training program (Shadow Project). Introduction of Popcorn is a wonderful enhancement to the training program and will improve digital media skills of participants and result in better, more satisfying experience for youth participants.
- ZeroDivide presented the work of TDV at the Native America Affinity Breakfast at the NTIA-SHLB Sustainable Broadband Conference in Washington, DC. ZeroDivide received positive feedback and as a result has been invited to participate at the Tribal Government Community Anchor Institution workshop in the Fall 2012.
- TDV has hired an additional technician for its Network Deployment Team. This will greatly improve ability to accelerate new broadband subscriptions and provide access to tribal members.
- TDV co-hosted a two day Regional Tribal Broadband and Telecommunications Training with the FCC targeting tribal leaders and decision-makers, including tribal telecommunications, IT, and planning professionals.
- Project Director Matt Rantanen spoke at the National Congress of American Indians (representing over 350 federally recognized tribes) at the mid-year session in Lincoln, Nebraska. Mr. Rantanen spoke about the necessity and value of broadband in tribal lands and introduced specific solutions for self-sufficiency in deploying broadband on tribal lands.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	54	The percent complete for Q2 is less than our baseline target because our baseline target includes estimated direct and indirect cost allocations that have not been recorded to the BTOP project yet. Historically, ZeroDivide makes indirect cost allocations to the projects at the end of the year. Revised procedures put in place at the end of July 2012 will now make indirect allocations on a monthly rather than yearly basis. ZeroDivide fully expects that its procedural changes for direct and indirect cost allocations taking effect in July will accurately reflect "percent complete" in the Q3 report for this project.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below
2.c.	Awareness Campaigns	-	Progress reported in Question 4 below
2.d.	Outreach Activities	-	Progress reported in Question 4 below
2.e.	Training Programs	-	Progress reported in Question 4 below
2.f.	Other (please specify):	-	Progress reported in Question 4 below

3. Please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Currently, TDV is struggling to keep up with demand for subscription deployment. As a result, they are losing potential subscribers to consumer satellite services and 3G modem services from cell phone providers. In many cases, even when TDV's broadband awareness campaign is on schedule, they find themselves unable to serve communities because of the lack of distribution tower upgrades, solar power units, bandwidth capacity, and distribution access points. This has been an ongoing struggle over the life of the project and stems from the lack of anticipated BIP funding to supplement BTOP funding from back in 2010. BIP funds would have made possible the necessary infrastructure upgrades to the network and would have helped accelerate subscriptions to member homes and businesses. In light of this ongoing constraint, and the desire to continue to reach more remote and underserved areas, TDV continues to retool and adjust its broadband awareness trainings in order to increase adoption rates. As an additional measure, TDV is now exploring avenues for private, state and federal funds to address this infrastructure issue.

Broadband service was temporarily disrupted on one reservation due to signal interference cause by a pirate installation by a wireless provider on a TDVNet tower. Through some investigative work, it was discovered that a particular tribal municipality had granted permission to install the equipment. The tribal municipality did not communicate with the tribal government to inform them of the installation, and as a result, service was lost for nearly two weeks. The incident led to more open communications among local WISP providers in the area and verbal agreements were made about future deployments in areas with multiple providers. The incident also served to educate other WISPs as to the vast coverage provided by the TDV Network.

4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.

Name of the SBA Activity	Location of SBA Activity	Description of Activity (600 words or less)	Size of Target Audience	Actual Number of Participants	New Subscribers: Households	New Subscribers: Businesses and/or CAIs
All Activity in Previous Quarters	Various	See Previous PPRs - Section 4a Detail TDV	1,915	1,632	190	6
Shadow Project	Pala	The Tribal Digital Village Shadow Project was created with a goal to mentor and train local youth in the Tribal Digital Village infrastructure and technology. The objective of this project is to educate and empower local community members by providing them with the proper tools and training for a brighter future. Round (1)	8	8	0	0
Regional Tribal Broadband and Telecommunications Training	Pala	Tribal Broadband and Telecommunications training co-hosted with the Federal Communications Commission in Pala, CA.	40	44	0	0
Broadband Adoption - Subscribers	All sites		0	0	30	1
Total:			1,963	1,684	220	7

4b. Please describe your method for determining the number of households, businesses, and/or (CAIs) subscribing to broadband as a result of your SBA programs (600 words or less).

TDVNet has a customer service management system, WHMCS, through which a total number of subscribers can be obtained by running reports. The TDV methodology assumes that each household subscription represents 3.5 individual broadband users and that each business subscription represents eight individual broadband users. Using this methodology, TDV calculates a total of 770 individuals accessing broadband service through household subscription and a total of 56 individuals accessing broadband services through business subscriptions as of Q2 2012. This method for determining subscription/adoption has been consistent over the life of the TDV BTOP Program.

4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).

TDV's focus for Q2 2012 continued to be on "middle mile" upgrades and adding more bandwidth capacity to each reservation in order to add subscribers. TDV continues to keep pace, overall, with the number of new subscribers to the ISP services. To date, TDV has deployed to 220 households and seven businesses with a yield of 826 actual users. The baseline projection for the period ending Q2 2012 was set at 500 overall users. With the addition of network technician staff, we are confident that we are on track for a total of 2680 subscribers and 25 new businesses in the remaining quarters.

4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.

Households: 30	Businesses and CAIs : 0
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Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

- TDV will complete the summer session for the Shadow Project
- TDV will complete retooling of the awareness campaign
- TDV staff will participate in the annual sub-recipient convening hosted by ZerodDivide
- TDV expects to meet baseline goals for subscription, training and usage
- Shadow Project youth will complete a course using Popcorn provided through a collaboration with Mozilla and ZeroDivide.
- Broadband awareness campaigns and trainings will resume on reservations not previously reached.
- Broadband services will resume on San Pasqual, Santa Ysabel, Mesa Grande and Los Coyotes Reservations.
- Tower with 100Mbps fiber connection will be deployed on the Campo Reservation.
- The TDV Network will complete a link to Riverside County to begin connectivity to its wireless infrastructure for three additional reservations that are within line of site of Toro Peak on the Santa Rosa Reservation.
- Two TDV staff are scheduled to receive Apple OS certification.

2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	74	We are confident that project will remain on track with baseline projections.
2.b.	Equipment Purchases	-	Milestone Data Not Required
2.c.	Awareness Campaigns	-	Milestone Data Not Required
2.d.	Outreach Activities	-	Milestone Data Not Required
2.e.	Training Programs	-	Milestone Data Not Required
2.f.	Other (please specify):	-	Milestone Data Not Required

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

The lack of BIP funds will continue to create unique challenge for TDV as it seeks to expand outreach, training and deployment of broadband services to remote reservation areas.

Sustainable Broadband Adoption Budget Execution Details

Activity Based Expenditures (Sustainable Broadband Adoption)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	\$172,575	\$47,100	\$125,475	\$104,198	\$47,100	\$57,098	\$109,375	\$48,513	\$60,862
b. Fringe Benefits	\$43,144	\$6,462	\$36,682	\$28,631	\$6,462	\$22,169	\$29,925	\$6,656	\$23,269
c. Travel	\$6,300	\$1,650	\$4,650	\$7,159	\$1,650	\$5,509	\$7,348	\$1,700	\$5,648
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$2,000	\$0	\$2,000	\$81	\$81	\$0	\$141	\$81	\$60
f. Contractual	\$549,450	\$45,000	\$504,450	\$282,620	\$1,333	\$281,287	\$299,104	\$2,683	\$296,421
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$12,900	\$0	\$12,900	\$87	\$87	\$0	\$474	\$87	\$387
i. Total Direct Charges (sum of a through h)	\$786,369	\$100,212	\$686,157	\$422,776	\$56,713	\$366,063	\$446,367	\$59,720	\$386,647
j. Indirect Charges	\$199,691	\$199,691	\$0	\$105,694	\$105,694	\$0	\$111,685	\$111,685	\$0
k. TOTALS (sum of i and j)	\$986,060	\$299,903	\$686,157	\$528,470	\$162,407	\$366,063	\$558,052	\$171,405	\$386,647

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$486,550 b. Program Income to Date: \$281,287