

**U.S. DEPARTMENT OF COMMERCE**

**Performance Progress Report**

2. Award Or Grant Number  
26-50-M09035

4. Report Date (MM/DD/YYYY)  
04-03-2012

1. Recipient Name  
Connected Nation, Inc. - Michigan

6. Designated Entity On Behalf Of:  
State of Michigan

3. Street Address  
1020 College Street,

8. Final Report?  Yes  No  
9. Report Frequency  
 Quarterly  
 Semi Annual  
 Annual  
 Final

5. City, State, Zip Code  
Bowling Green, KY 42101-2137

7. Project / Grant Period  
Start Date: (MM/DD/YYYY)  
12-20-2009

7a. End Date: (MM/DD/YYYY)  
12-19-2014

7b. Reporting Period End Date:  
03-31-2012

9a. If Other, please describe:  
N/A

**10. Broadband Mapping** 10a. Provider Table

Number of Providers Identified	Number of Providers Contacted	Number of Agreements Reached for Data Sharing	Number of Partial Data Sets Received	Number of Complete Data Sets	Number of Data Sets Verified
0	0	0	0	0	0

10b. Are you submitting the required PROVIDER DATA by using the Excel spreadsheet provided by the SBDD grants office?  Yes  No

10c. Have you encountered challenges with any providers that indicate they may refuse to participate in this project?  Yes  No

10d. If so, describe the discussions to date with each of these providers and the current status

Banyan OnLine Services, LLC.: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of February 6, 2012, the provider remained non-responsive.

Dreamscape Communications: The provider refused to participate during the April 2012 mapping cycle to NTIA. On January 3, 2012, a verbal refusal to participate was received from a company representative.

Halo Wireless: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of February 6, 2012, the provider remained non-responsive.

Lewiston Communications: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of February 6, 2012, the provider remained non-responsive.

M3 Wireless: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of February 6, 2012, the provider remained non-responsive.

Martell Cable Services, Inc.: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of February 10, 2012, the provider remained non-responsive.

M3 Wireless: The provider refused to participate during the April 2012 mapping cycle to NTIA. On March 30, 2012, a verbal confirmation from a company representative stated they will not participate.

For more details, please refer to the Michigan Q1 2012 Supplemental Answers document

10e. If you are collecting data through other means (e.g. data extraction, extrapolation, etc), please describe your progress to date and the relevant activities to be undertaken in the future

No data has been collected through extraction or extrapolation.

10f. Please describe the verification activities you plan to implement

Connect Michigan has deployed an interactive mapping web application. The application is housed in a highly available, monitored, and managed environment. The application includes a staging environment for data verification and compatibility as well as a production environment for client access.

Consumer feedback in the form of broadband inquiries is also collected. These inquiries represent any type of communications received from the public regarding broadband service. Once broadband inquiries are received across the state, this information is overlaid with the broadband availability information which was collected through the State Broadband Initiative (SBI) program. This allows for a real-world comparison of the broadband landscape to the information received from broadband inquiries. Broadband inquiries are able to provide three types of information: 1) residents who do not have broadband but want it; 2) residents who have broadband but want a different provider; and 3) residents who do not have broadband, but the broadband inventory maps indicate that they do. If residents within a region state that they are without broadband, but the broadband inventory maps show otherwise, this allows Connected Nation to approach the providers within that area in an effort to trim down their coverage to more accurately represent real-world availability on the ground.

As of this report, field validation has been completed on 60.71% of the provider universe.

For more details, please refer to the Michigan Q1 2012 Supplemental Answers document

10g. Have you initiated verification activities?  Yes  No

10h. If yes, please describe the status of your activities

An interactive broadband map is publicly available on the Connect Michigan website (<http://www.connectmi.org/interactive-map>) and received a total of 984 visits between January 1, 2012 and March 31, 2012.

During this quarter, the project received a total of 66 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 12 for this quarter.

For this reporting period, 104 field verification tests were conducted. Thus far, project staff conducted multiple tests on the following providers: 2020 Communications LLC (d.b.a. 123 Net); ACD Net; Ace Telephone Company of Michigan Inc. (also d.b.a. Peninsula Telephone Company); Agri-Valley Communications Inc.(also d.b.a. Pigeon Telephone Company); Air Advantage; AIRGRANT; Allendale Telephone Company; AT&T; Azulstar Inc.; Baraga Telephone; Barry County Telephone; Big Tube; Bitwise Wireless; Bloomingdale Communications Inc.; Boardman River Communications LLC; Broadstripe; Cable America Michigan LLC; Camp Communication Services Inc.; Carr Communications; CenturyLink; Charter Communications; Cherry Capital Connection LLC; Clearwire Corporation; CMS Internet LLC; COLI Inc.; Comcast Cable Communications LLC; Crystal Automation Systems Inc. (d.b.a. Casair); Custom Software Inc.; D&P Communications Inc.; DMCI Broadband LLC; Drenthe Telephone Co.; Fourway Computer Products Inc. (d.b.a. Fourway.net); FreedomNet Solutions; Frontier Communications Corporation; Great Lakes; Hiawatha Telephone (d.b.a. Jamdots and Chippewa Valley Telephone); Hidden Lake Wireless Inc.; I-2000 Inc.; Interlink Computers Technology Inc.; Iron Bay Computer and Design; ISP Management; KEPS Technologies Inc. (d.b.a. ACD.Net); LakeNet LLC; Leap Wireless International Inc.; Lennon Telephone; Lighthouse Computers; Merit Network; MetaLINK Technologies Inc.; and Michigan Cable Partners.

For more details, please refer to the Michigan Q1 2012 Supplemental Answers document

10i. If verification activities have not been initiated please provide a projected time line for beginning and completing such activities

N/A

## Staffing

10j. How many jobs have been created or retained as a result of this project?

8.03

Connect Michigan's FTEs reported for the quarter include 5.81 FTEs for staff, 2.17 FTEs for permanent consultants, and 0.05 FTEs for temporary, cyclical contractors. The project is fully staffed with a base of 7.98 FTEs.

Connected Nation has numerous staff, consultants, and contractors working on the Connect Michigan project, some at only a small percentage of their time. This approach is beneficial to the project in various ways: some staff provide necessary project support, many staff work together utilizing a team approach, and others are subject matter experts in their respective areas, and by leveraging their expertise the project benefits by their knowledge and skills without the necessity of supporting a more expensive full-time resource.

10k. Is the project currently fully staffed?  Yes  No

10l. If no, please explain how any lack of staffing may impact the project's time line and when the project will be fully staffed

N/A

10m. When fully staffed, how many full-time equivalent (FTE) jobs do you expect to create or retain as a result of this project?

The project is fully staffed with a base of 7.98 FTEs.

10n. Staffing Table		
Job Title	FTE %	Date of Hire
Connected Nation - Business Programmer Analyst	1	04/02/2007
Connected Nation - CAI Coordinator	8	12/13/2004
Connected Nation - CAI Data Analyst	3	03/24/2009
Connected Nation - CAI Data Manager	2	08/09/2010
Connected Nation - Compliance Coordinator	6	08/01/2008
Connected Nation - Director Program Support	1	12/01/2004
Connected Nation - ETS Analyst	5	08/03/2009
Connected Nation - ETS Analyst	11	07/13/2009
Connected Nation - ETS Analyst	92	07/13/2009
Connected Nation - ETS Manager	7	07/01/2007
Connected Nation - GIS Analyst	1	05/14/2007
Connected Nation - GIS Analyst	1	09/17/2007
Connected Nation - GIS Analyst	1	04/01/2010
Connected Nation - GIS Analyst	15	04/01/2010
Connected Nation - GIS Analyst	17	10/19/2009
Connected Nation - GIS Analyst	32	11/16/2009
Connected Nation - GIS Services Manager	4	05/15/2007
Connected Nation - Grants Management Officer	6	02/24/2003
Connected Nation - Outreach & Awareness Manager	7	03/24/2009
Connected Nation - Outreach & Awareness Specialist	4	10/01/2007
Connected Nation - Outreach & Awareness Specialist	10	02/02/2009
Connected Nation - Outreach & Awareness Specialist	11	01/04/2010
Connected Nation - Outreach & Awareness Specialist	34	01/03/2010
Connected Nation - Program Director	11	08/04/2008
Connected Nation - Program Manager	99	07/05/2011
Connected Nation - Project Coordinator	1	11/16/2010
Connected Nation - Project Coordinator	6	04/01/2005
Connected Nation - Project Management Director	7	12/16/2009
Connected Nation - Project Manager	1	03/16/2010
Connected Nation - Project Manager	1	01/14/2008
Connected Nation - Project Manager	2	08/20/2007
Connected Nation - Project Manager	5	09/04/2007

Connected Nation - Project Manager	5	01/14/2008
Connected Nation - Project Manager	6	09/01/2006
Connected Nation - Project Manager	59	01/01/2007
Connected Nation - Provider Relations Manager	11	02/17/2005
Connected Nation - Research Analyst	6	02/01/2010
Connected Nation - Research Analyst	36	09/19/2011
Connected Nation - Research Manager	12	05/14/2007
Connected Nation - State Services Manager	3	07/01/2007
Connected Nation - State Services Specialist	29	03/24/2009
Connected Nation - State Services Sr. Specialist	2	12/20/2009
Consultant - Associate Counsel	1	09/14/2009
Consultant - Community Tech Team Specialist	100	10/24/2011
Consultant - Community Tech Team Specialist	100	10/17/2011
Consultant - ETS Analyst	16	02/08/2010
GISbiz, Inc. - Programmer	3	02/27/2012
GISbiz, Inc. - Systems Architect	2	02/27/2012

**Sub Contracts**

10o. Subcontracts Table

Name of Subcontractor	Purpose of Subcontract	RFP Issued (Y/N)	Contract Executed (Y/N)	Start Date	End Date	Federal Funds	In-Kind Funds
Throughbred Research Group	Research Surveys	Y	Y	02/09/2010	02/08/2012	167,350	0
Contract Labor	Contract Labor	N	Y	12/20/2009	12/19/2014	239,799	183,206

**Funding**

10p. How much Federal funding has been expended as of the end of the last quarter? \$2,127,301      10q. How much Remains? \$2,628,383

10r. How much matching funds have been expended as of the end of last quarter? \$590,846      10s. How much Remains? \$692,504

10t. Budget Worksheet

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	\$1,310,106	\$294,728	\$1,604,834	\$631,784	\$745	\$632,529
Personnel Fringe Benefits	\$281,015	\$155,208	\$436,223	\$123,972	\$161	\$124,133
Travel	\$239,258	\$0	\$239,258	\$112,116	\$582	\$112,698
Equipment	\$135,284	\$0	\$135,284	\$78,027	\$0	\$78,027
Materials / Supplies	\$25,363	\$0	\$25,363	\$29,920	\$0	\$29,920
<b>Subcontracts Total</b>	<b>\$1,237,122</b>	<b>\$244,462</b>	<b>\$1,481,584</b>	<b>\$424,590</b>	<b>\$183,206</b>	<b>\$607,796</b>

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Subcontract #1	\$328,871	\$0	\$328,871	\$167,350	\$0	\$167,350
Subcontract #2	\$850,664	\$244,462	\$1,095,126	\$239,799	\$183,206	\$423,005
Subcontract #3	\$18,904	\$0	\$18,904	\$7,603	\$0	\$7,603
Subcontract #4	\$38,683	\$0	\$38,683	\$9,838	\$0	\$9,838
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$147,242	\$433,967	\$581,209	\$42,460	\$405,128	\$447,588
Total Direct Costs	\$3,375,390	\$1,128,365	\$4,503,755	\$1,442,869	\$589,822	\$2,032,691
Total Indirect Costs	\$1,380,294	\$154,985	\$1,535,279	\$684,432	\$1,024	\$685,456
Total Costs	\$4,755,684	\$1,283,350	\$6,039,034	\$2,127,301	\$590,846	\$2,718,147
% Of Total	79	21	100	78	22	100

### Hardware / Software

10u. Has the project team purchased the software / hardware described in the application?  Yes  No

10v. If yes, please list

Hardware/Software purchased by the project to date include:

- Interactive Mapping Application - \$60,000
- Computers & Software - \$16,197
- GIS Software & Maintenance - \$7,862
- Spectrum Analyzer - \$4,477
- Speed Test Software - \$4,081
- Google Earth Pro - \$585

10w. Please note any software / hardware that has yet to be purchased and explain why it has not been purchased

Remaining purchases may include SQL server for mapping geodatabase, SQL server software, multiple dedicated storage servers, security application, additional backup replication solution, computers, GPS units, interactive map upgrades/maintenance, ArcInfo/ArcGIS maintenance, and speed test updates as well as computers and software maintenance.

10x. Has the project team purchased or used any data sets?  Yes  No

10y. If yes, please list

No datasets have been purchased or used for this project.

10z. Are there any additional project milestones or information that has not been included?  Yes  No

10aa. If yes, please list

During Q1 2012 Connect Michigan submitted data to the National Telecommunications and Information Administration (NTIA) for the semi-annual refresh following extensive broadband provider outreach, data collection, processing, and validation. This data update included datasets for approximately 87.86 percent of the Michigan provider community.

Also, Connect Michigan, continued to work in close coordination with the Michigan Public Service Commission (MPSC) to reach out and gather data on the location and broadband connectivity of Community Anchor Institutions (CAI). We worked with two education resources to identify schools for CAI data: Michigan Association for Computer Users in Learning (MACUL) and Regional Educational Media Center Association of Michigan (REMCAM). Both organizations provided direction and distributed CAI surveys to their members.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Getting data from CAI continues to be a challenge. Survey fatigue has been cited by many sectors because they are regularly completing surveys about broadband connectivity from various organizations. To address this challenge Connect Michigan continues to reach out to leaders of associations affiliated with the CAI sectors in an effort to garner their support. Also, newsletters continue to be used to educate CAI on the importance of participation.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project. Connect Michigan released an analysis of the Federal Communications Commission (FCC)'s preliminary list of areas in Michigan that are eligible for the FCC's Mobility Fund. Connect Michigan's analysis compares the FCC eligible areas list to the geographic areas on our maps that have access to mobile download speeds of 1.5 megabytes per second (Mbps). Every "3G" technology listed by the FCC in its Mobility Fund is expected to have the potential of delivering at least 1.5 Mbps service. For the most part, this analysis confirms that the vast majority of the areas of Michigan lacking 3G technology do not, in fact, have adequate mobile broadband service. However, it also appears that many parts of Michigan that do not have access to high-speed mobile broadband service are not on the FCC's list of eligible areas. <http://www.connectmi.org/blog/post/connect-michigan-releases-usf-mobility-fund-eligibility-maps-analysis>

Connect Michigan's Geographic Information Systems (GIS) Analysts released broadband availability estimates at the statewide and county levels using the most recently published 2010 Census household data. These availability estimates revealed that 3.2% of Michigan households do not have access to basic broadband service of at least 768 kilobytes per second (Kbps) downstream and 200 Kbps upstream. In addition, the data illustrated that 6.5% of Michigan households do not have access to higher speeds of at least 3 Mbps downstream and 768 Kbps upstream. Further, Across rural areas of Michigan, the percentage of unserved households by any fixed broadband service is 5.3%, representing approximately 118,000 unserved rural Michigan households. Connect Michigan posted a blog (<http://www.connectmi.org/blog/post/connect-michigan-releases-updated-broadband-availability-estimates>) to inform stakeholders about the newly generated availability estimates.

For more details, please refer to the Michigan Q1 2012 Supplemental Answers document

## 11. Broadband Planning

11a. Please describe progress made against all goals, objectives, and milestones detailed in the approved Project Plan. Be sure to include a description of each major activity / milestone that you plan to complete and your current status

Broadband Capacity Building Quarterly Milestones Year 3, Quarter 1

Milestone: Connect Michigan Office Administration and Task Force Support

This milestone was partially met. Office Administration: Continued to provide administrative project oversight on a variety of tasks that involve administering the project plan, managing workflow, timeline, verifying work quality, gathering documentation in support of community projects, and preparing bi-weekly reports as required by Michigan Public Service Commission (MPSC). In addition to the bi-weekly reports, also met with the MPSC on a bi-weekly basis for a team meeting and provided them in-person updates on a regular basis on project issues. Compiled and submitted a newsletter for stakeholders and began compiling a quarterly stakeholder report that will be released in the second quarter. Task Force Support: The Michigan team began planning the Collaborative Broadband Committee meeting and developing a stakeholder quarterly report. This meeting was postponed to the second quarter of 2012 to accommodate a shift in scheduling. Moreover, the Collaborative Broadband Committee report and other meeting documentation will be completed and presented to stakeholders at that time.

Milestone: Conduct Year 3, Quarter 1 Task Force Meeting

This milestone was not met. The Collaborative Committee meeting was not conducted this quarter in order to accommodate a shift in scheduling. Previously, the meetings were held at the end of the quarter. Moving forward the meetings will be held at the beginning of the quarter, which will allow for the review of complete material from a previous quarter. The Q2 2012 meeting will include a review of complete data submitted to the NTIA, new Business Technology Assessments, and a review of 2011.

For more details, please refer to the Michigan Q1 2012 Supplemental Answers document

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Broadband Capacity Building

The Collaborative Broadband Committee meeting was not conducted this quarter to accommodate a shift in scheduling. This should not be an issue moving forward as the scheduling transition will be accomplished with the convening of Q2 2012's meeting in May. This meeting will include a review of 2011 program achievements and Q1 2012 review.

Technical Assistance

The initiation of the 2012 statewide residential survey was delayed until Q2 2012. Pending granting agency approval of the research plan developed by program staff and MPSC, the survey is expected to be conducted in Q2 2012.

The peer review process was not completed before the end of Q1 2012. At this time, an appropriate peer reviewer has been identified and a contract has been executed. While, this has delayed the public release of the 2011 business survey results, Connect Michigan anticipates releasing the survey results in Q2 2012. Since the peer reviewer is now actively engaged and currently reviewing the business survey, this should not be an issue in the future.

Local/Regional Technology Planning Teams

Nothing to report.

11c. Does the Project Team anticipate any changes to the project plan for Broadband Planning?  Yes  No

11d. If yes, please describe these anticipated changes. Please note that NTIA will need to approve changes to the Project Plan before they can be implemented

**Broadband Capacity Building**  
Nothing to report.

**Technical Assistance**

As a result of stakeholder input, and with the intention of ongoing collaboration with the MPSC, Connect Michigan will conduct residential and business surveys in 2012 and 2013 that will focus on topics of importance to the MPSC including the economic impact of residential and business broadband adoption. Pending granting agency approval of the research plan agreed upon by Connect Michigan and state stakeholders, the 2012 residential survey is now scheduled to be initiated in Q2 2012 instead of Q1 2012. In turn, the 2012 residential survey will be analyzed and initial results will be released to the state in Q3 2012, and the residential survey results will be finalized and released in Q4 2012.

**Local/Regional Technology Planning Teams**  
Nothing to report.

**Funding**

11e. How much Federal funding has been expended as of the end of the last quarter? \$0                      11f. How much Remains?                      \$0

11g. How much matching funds have been expended as of the end of last quarter? \$0                      11h. How much Remains?                      \$0

**11i. Planning Worksheet**

Personal Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Personnel Fringe Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Materials / Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Subcontracts Total	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #1	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #2	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #3	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #4	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Indirect Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Costs	\$0	\$0	\$0	\$0	\$0	\$0
% Of Total	0	0	0	0	0	0

**Additional Planning Information**

11j. Are there any additional project milestones or information that has not been included?

**Broadband Capacity Building**

This quarter, the program team met with numerous private and public stakeholders in an effort to build awareness of the benefits of broadband and the Connect Michigan program and identify resources for community projects. Organizations engaged include Michigan Farm Bureau, Prima Civitas Foundation, Michigan State University, and the Michigan Small Business & Technology

Development Center.

Additionally, Connect Michigan staff participated in a panel on broadband and economic development at the Bay Area Regional Leadership Institute in Midland, Michigan. The panel was held to discuss economic development issues in Michigan's bay area, and Connect Michigan was recognized as playing a pivotal role in expanding access to broadband, a key component of economic development.

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing  
Broadband Capacity Building  
Nothing to report.

Technical Assistance  
Nothing to report.

Local/Regional Technology Planning Teams  
Nothing to report.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project  
Over 25 million positive media impressions were produced in print and electronic media publications in the Q1 2012. Over 1.62 billion impressions have been compiled since the program's inception in 2009. Positive media impressions include articles published by the Detroit News, MLive.com, WJR 760 AM, Battle Creek Enquirer, Communications Daily, Grand Rapids Press, WTKG-AM-Online, WGN-TV-Online, and repeatedly on CBS Detroit-Online. Additionally, Connect Michigan staff provided interviews on WLNZ-FM and have been recurring guests on the WJR 760 Internet Advisor program.

Program updates, broadband success stories, and technology impact stories are continuously posted on Connect Michigan's Facebook (<http://www.facebook.com/ConnectMichigan>) and Twitter (<http://twitter.com/#!/connectmichigan>) pages. The public has begun to interface with the program by asking questions and sharing broadband inquiries through these social media resources. At the end of the Q1 2012, 76 people have subscribed to the Connect Michigan Facebook feed and the Twitter page has 292 followers. The Connect Michigan e-newsletter was distributed to 357 subscribers to disseminate information on program related activities and technology articles.

For more details, please refer to the Michigan Q1 2012 Supplemental Answers document



12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purpose set forth in the award documents.

12a. Typed or Printed Name and Title of Authorized Certifying Official

Bernie Bogle

12c. Telephone  
(area code, number, and extension)

12d. Email Address

bbogle@connectednation.org

12b. Signature of Authorized Certifying Official

Submitted Electronically

12e. Date Report Submitted  
(Month, Day, Year)

04-27-2012