U.S. DEPARTMENT OF COMMERCE **Performance Progress Report**	2. Award Or Grant Number 26-50-M09035
	4. Report Date (MM/DD/YYYY) 07-02-2012

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: 06-30-2012	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

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. As of June 6, 2012, the provider remains 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 June 7, 2012, the provider remains 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 June 7, 2012, the provider remains non-responsive.

Microtech Services, Inc.: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 7, 2012, the provider remains non-responsive.

Mutual Data Services, Inc.: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 7, 2012, the provider remains non-responsive.

Reliable Internet, LLC: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 7, 2012, the provider remains non-responsive.

Sky Web Network, Inc: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 7, 2012, the provider remains non-responsive.

Tigernet Wireless: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 7, 2012, the provider remains non-responsive.

Wireless Technology Solutions: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 8, 2012, the provider indicated a willingness to participate but has yet to submit data.

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 deployed a new interactive mapping web application, called My ConnectView, on April 2, 2012. The application is housed in a highly available, monitored, and managed environment. New feedback features allow consumers to send comments directly to program geographic information systems (GIS) staff; a screenshot of the user's current interactive map view is also attached to the feedback to provide additional details.

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 67.14% of the provider universe and the year-end goal for 2012 (testing a minimum of 60.00% of the viable provider universe) has been achieved. While additional testing is contemplated for 2012, these tests will supplement previous activities and will focus primarily on providers with a substantial (or statewide) presence and will occur in geographic locations not previously tested.

10g. Have you initiated verification activities? ●Yes   ○No

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

The new interactive broadband map, My ConnectView, was launched on April 2, 2012 and is publicly available on the Connect Michigan website (http://www.connectmi.org/interactive-map). There were a total of 1,609 visits between April 2, 2012 and June 30, 2012.

During this quarter, the Connect Michigan project received a total of 59 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 9 for this quarter.

For this reporting period, 35 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.; Banyon Online Services LLC; 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; Halo Wireless Inc.; 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 and ISP Management...

For more details, please refer to the Q2 Michigan Supplemental Answers Document.

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

Not applicable. Verification activities have been initiated.

Staffing

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

7.23

Connect Michigan's FTEs reported for the quarter include 5.07 FTEs for staff, 2.16 FTEs for permanent consultants, and 0.0 FTEs for temporary, cyclical contractors. The project is fully staffed with a base of 7.23 FTEs.

Connected Nation has numerous staff 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. By leveraging the expertise of the subject matter experts, the project benefits from 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

Not applicable.

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

This project is fully staffed with 7.23 FTEs.

10n. Staffing Table

Job Title	FTE %	Date of Hire
Connected Nation - Broadband Planning Manager	2	09/04/2007
Connected Nation - Business Programmer Analyst	2	04/02/2007
Connected Nation - CAI Manager	4	12/13/2004
Connected Nation - Chief Policy Counsel	1	08/09/2010
Connected Nation - Compliance Coordinator	6	08/01/2008
Connected Nation - Director Program Support	11	12/01/2004
Connected Nation - ETS Analyst	1	07/13/2009
Connected Nation - ETS Analyst	80	07/13/2009
Connected Nation - ETS Manager	3	07/01/2007
Connected Nation - GIS Analyst	2	04/01/2010
Connected Nation - GIS Analyst	7	04/01/2010
Connected Nation - GIS Analyst	12	11/16/2009
Connected Nation - GIS Analyst	22	10/19/2009
Connected Nation - GIS Services Manager	7	05/15/2007
Connected Nation - Grants Management Officer	10	02/24/2003
Connected Nation - Outreach & Awareness Manager	5	03/24/2009
Connected Nation - Outreach & Awareness Specialist	3	10/01/2007
Connected Nation - Outreach & Awareness Specialist	9	02/02/2009
Connected Nation - Outreach & Awareness Specialist	10	01/04/2010
Connected Nation - Outreach & Awareness Specialist	28	01/03/2010
Connected Nation - Partnership Manager	2	07/01/2007
Connected Nation - Policy & Research Outreach Specialist	20	03/24/2009
Connected Nation - President & COO	3	01/14/2008
Connected Nation - Program Manager	100	07/05/2011
Connected Nation - Project Coordinator	6	04/01/2005
Connected Nation - Project Management Director	6	12/16/2009
Connected Nation - Project Manager	1	06/01/2011
Connected Nation - Project Manager	4	08/20/2007

Connected Nation - Project Manager	31	01/01/2007
Connected Nation - Provider Relations Manager	9	02/17/2005
Connected Nation - Research Analyst	5	02/01/2010
Connected Nation - Research Analyst	9	10/17/2011
Connected Nation - Research Analyst	19	06/01/2009
Connected Nation - Research Analyst	34	09/19/2011
Connected Nation - Research Manager	13	05/14/2007
Connected Nation - State & Local Program Director	11	08/04/2008
Connected Nation - State Services Specialist	9	03/24/3009
Consultant - Associate Counsel	2	09/14/2009
Consultant - Community Tech Team Specialist	100	10/24/2011
Consultant - Community Tech Team Specialist	100	10/17/2011
Consultant - ETS Analyst	12	02/08/2010
Consultant - Financial Consultant	2	04/01/2008

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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	277,401	219,033

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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? $2,392,226   10q. How much Remains? $2,363,458

10r. How much matching funds have been expended as of the end of last quarter? $705,797   10s. How much Remains? $577,553

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	$722,718	$745	$723,463
Personnel Fringe Benefits	$281,015	$155,208	$436,223	$147,241	$161	$147,402
Travel	$239,258	$0	$239,258	$128,879	$582	$129,461
Equipment	$135,284	$0	$135,284	$81,733	$0	$81,733
Materials / Supplies	$25,363	$0	$25,363	$30,147	$0	$30,147
Subcontracts Total	$1,237,122	$244,462	$1,481,584	$467,026	$219,033	$686,059
Subcontract #1	$328,871	$0	$328,871	$167,350	$0	$167,350
Subcontract #2	$850,664	$244,462	$1,095,126	$277,401	$219,033	$496,434

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Subcontract #3	$18,904	$0	$18,904	$10,103	$0	$10,103
Subcontract #4	$38,683	$0	$38,683	$12,172	$0	$12,172
Subcontract #5	$0	$0	$0	$0	$0	$0
Construction	$0	$0	$0	$0	$0	$0
Other	$147,242	$433,967	$581,209	$50,108	$484,252	$534,360
Total Direct Costs	$3,375,390	$1,128,365	$4,503,755	$1,627,852	$704,773	$2,332,625
Total Indirect Costs	$1,380,294	$154,985	$1,535,279	$764,374	$1,024	$765,398
Total Costs	$4,755,684	$1,283,350	$6,039,034	$2,392,226	$705,797	$3,098,023
% Of Total	79	21	100	77	23	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:
• BroadbandStat - $60,000
• Computers & Software - $20,575
• GIS Software & Maintenance - $7,472
• 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
Connect Michigan unveiled an innovative, new broadband mapping tool offering unmatched views of Michigan's technology landscape. The mapping tool, called My ConnectView, is a valuable tool for consumers, policymakers, Internet providers, and planning teams working to increase broadband access, adoption, and use in communities across the state and nation. My ConnectView replaces the previous mapping tool and is faster and easier to use; features more interactive data layers and additional tools to explore data; and allows users to e-mail, print, and send feedback on custom maps. By offering unprecedented views of unserved and underserved areas of Michigan, My ConnectView will help drive economic development planning centered around broadband technology expansion efforts in Michigan.
http://www.connectmi.org/recent-news/connect-michigan-unveils-innovative-new-broadband-mapping-tool

The program also released new broadband data that indicates that the broadband availability gap in Michigan is shrinking, with 95.39% of Michigan residents now having access to fixed broadband speeds of 3 megabytes per second (Mbps) download/768 kilobytes per second (Kbps) upload, compared to 93.5% last October. Michigan has seen a dramatic increase in the availability of broadband at download speeds of 25 Mbps or faster. Furthermore, Michigan has seen a dramatic increase in the availability of broadband at download speeds of 25 Mbps or faster. Continued on the Q2 Michigan Supplemental Answers Document.

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

The program has experienced some challenges regarding support from state agencies, associations, and departments related to the

Community Anchor Institution (CAI) outreach. Their support is essential to the success of outreach and data collection efforts. Therefore, it is essential to enlist the support of state agencies or CAI associations to encourage participation. In an effort to increase CAI data during the reporting period, Connect Michigan focused on a single CAI sector per month. This allowed the Connect Michigan team and the Michigan Public Service Commission to identify organizations to target for data outreach.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project
Broadband Community Success Stories - Connect Michigan used its website and social media to highlight major developments related to broadband. One such story relates to the increased broadband availability in Good Hart. The availability of broadband is particularly notable in the unincorporated Emmet County community, on the shore of Lake Michigan, because residents had been trying to secure broadband service for over 15 years. Ami Woods is a Good Hart resident and a participant on the HARBOR Inc. Broadband Team. At a March meeting, she met the owner of Cherry Capital Connection (CCC), a northern Michigan Internet provider in Elk Rapids, which is using a commercial microwave technology to provide Internet service to areas throughout Northern Michigan. Through a brief conversation, it was determined that CCC could potentially provide service to the area.

Ami's parents have a store in Good Hart that just happens to have an existing tower in the rear. That tower began to figure into the service equation quite nicely as Carolyn Sutherland (Ami's mother) agreed to offer complimentary use of her tower in order to provide service to residents. The tower is grandfathered regarding zoning, and requires a minimal upgrade, which the Greater Good Hart Association is funding and will be reimbursed for as residents sign up for service.

Carolyn agreed to sign a free of charge, long-term, agreement to allow for the upgrading and use of the infrastructure, at no cost, in order to provide Internet service to a greater number of residents in Good Hart. To cover an appreciable part of Good Hart, CCC will improve existing infrastructure near the Good Hart General Store and develop small neighborhood redistribution points throughout the Association. http://www.connectmi.org/recent-news/broadband-now-available-good-hart

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
Year 3, Quarter 2 Connect Michigan Office Administration and Task Force support
This milestone was met. Connect Michigan's program manager and support staff 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, the Connect Michigan team also met with the MPSC on a bi-weekly basis for a team meeting and provided in-person updates on a regular basis on project issues. April, May, and June newsletters were compiled and submitted to stakeholders and a stakeholder quarterly report was completed and distributed to stakeholders on May 17. The goal of the newsletters and quarterly report was to keep stakeholders appraised on developments, best practices, and success stories related to broadband in Michigan and across the country. The Michigan team continued planning, distributing meeting material, confirming logistics, and the agenda for the Collaborative Committee meeting that was held on May 17.

Also, during this quarter, the team met with numerous private and public stakeholders to build awareness of broadband and the Connect Michigan program and identify resources for community projects. Organizations engaged include Michigan Economic Development Corporation, Michigan Technology Network, Michigan Farm Bureau, Prima Civitas Foundation, Michigan State University, and the Michigan Small Business & Technology Development Center. Continued on the Q2 Michigan 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
Nothing to report.

Technical Assistance
Connect Michigan awaits National Telecommunications and Information Administration's (NTIA) approval for the revised project plan submitted in Q2 2012. Upon receipt of said approval, the 2012 residential survey will be initiated. It is anticipated this will occur in Q3 2012. Analysis of the 2012 statewide residential survey research results will also be delayed.

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

During Q2 2012, Connect Michigan submitted a revised project plan to NTIA for approval, which is expected to be received in Q3 2012. Therefore, the 2012 residential survey is now scheduled to be initiated in Q3 2012 instead of Q2 2012. In turn, the 2012 residential survey will be analyzed and initial results will be released to the state in Q4 2012, and the residential survey results will be finalized and released in Q1 2013.

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 & Small Business. Connect Michigan released "Broadband: Empowering Small Businesses to Grow and Thrive." Data collected in this report indicates that small businesses are the core components for fostering economic vitality statewide. Some key findings from the report include that Broadband-connected Michigan businesses with fewer than 20 employees report median annual revenues of approximately $300,000, compared to just $100,000 among similarly-sized competitors that do not use broadband. Fewer than one-half of small Michigan businesses have websites, and they are also significantly less likely to allow their employees to telework or use Voice over Internet Protocol (VoIP) to communicate, compared to businesses with 20 employee or more and nearly 4 out of 5 broadband-connected businesses with fewer than 20 employees (79%) go online to buy or place orders for products or services, the most popular online application among these businesses. Overall the report aims to highlight how small Michigan businesses increasingly rely on high-quality Internet connections to stay competitive and take advantage of growth opportunities. http://www.connectmi.org/recent-news/connect-michigan-releases-small-business-technology-report

For more details, please refer to the Q2 Supplemental Answers Document.

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing

Nothing to report.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

Nothing to report.

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) 07-27-2012