

**U.S. DEPARTMENT OF COMMERCE**

**Performance Progress Report**

2. Award Or Grant Number

27-50-M09043

4. Report Date (MM/DD/YYYY)

07-02-2012

1. Recipient Name

Connected Nation, Inc. - MN

6. Designated Entity On Behalf Of:

State of Minnesota

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

Reliance Globalcom Services, Inc.: 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 remains non-responsive.

Superior Broadband: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 12, 2012, the provider remains non-responsive.

Utopian Wireless Corporation: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of June 25, 2012, the provider status was changed to "Not a Broadband Provider" based on field verification activities. Utopian Wireless leases Educational Broadband Service (EBS) spectrum and filed a "Substantial Service" certification with the Federal Communications Commission (FCC) demonstrating that the licensee had completed a "safe-harbor" installation utilizing the spectrum for a single, private "point-to-point" wireless connection as provided under 47 C.F.R. § 27.14.

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 Minnesota 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 73.95% of the provider universe. 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 Minnesota website (<http://www.connectmn.org/interactive-map>). There were a total of 876 visits to the interactive broadband map between April 2, 2012, and June 30, 2012.

During this quarter, the project received a total of 7 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 7.

Please refer to the Q2 Minnesota Supplemental Answers Document for additional information.

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?

5.01

Connect Minnesota's FTEs reported for the quarter include 4.31 FTEs for staff, 0.7 FTEs for permanent consultants, and 0.0 FTEs for temporary, cyclical contractors. The project is fully staffed with a base of 5.01 FTEs.

Connected Nation has numerous staff working on the Connect Minnesota 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 a base of 5.01 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	6	12/13/2004
Connected Nation - Chief Policy Counsel	2	08/09/2010
Connected Nation - Compliance Coordinator	7	08/01/2008
Connected Nation - Director Program Support	11	12/01/2004
Connected Nation - ETS Analyst	29	07/13/2009
Connected Nation - ETS Manager	5	07/01/2007
Connected Nation - GIS Analyst	1	04/01/2010

Connected Nation - GIS Analyst	1	11/16/2009
Connected Nation - GIS Analyst	53	10/19/2009
Connected Nation - GIS Services Manager	2	05/15/2007
Connected Nation - Grants Management Officer	10	02/24/2003
Connected Nation - Outreach & Awareness Manager	6	03/24/2009
Connected Nation - Outreach & Awareness Specialist	6	10/01/2007
Connected Nation - Outreach & Awareness Specialist	8	02/02/2009
Connected Nation - Outreach & Awareness Specialist	10	01/04/2010
Connected Nation - Outreach & Awareness Specialist	22	01/03/2010
Connected Nation - Partnership Manager	4	07/01/2007
Connected Nation - Policy & Research Outreach Specialist	9	03/24/2009
Connected Nation - President & COO	2	01/14/2008
Connected Nation - Program Manager	97	08/16/2011
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	55	03/16/2010
Connected Nation - Provider Relations Manager	10	02/17/2005
Connected Nation - Research & GIS Analyst	27	05/14/2007
Connected Nation - Research Analyst	1	02/01/2010
Connected Nation - Research Analyst	4	09/19/2011
Connected Nation - Research Manager	6	05/14/2007
Connected Nation - State & Local Program Director	10	08/04/2008
Connected Nation - State Services Specialist	6	03/24/2009
Consultant - Associate Counsel	2	09/14/2009
Consultant - ETS Analyst	9	02/08/2010
Consultant - ETS Analyst	23	05/01/2012
Consultant - ETS Sr. Analyst	34	02/18/2010
Consultant - Financial Consultant	2	04/01/2008



**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
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Throughbred Research Group	Research Surveys	Y	Y	02/09/2010	02/08/2012	187,602	0
Contract Labor	Contract Labor	N	Y	12/20/2009	12/19/2014	164,110	105,786

Add Row
Remove Row

### Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$2,048,054      10q. How much Remains? \$2,421,981

10r. How much matching funds have been expended as of the end of last quarter? \$528,676      10s. How much Remains? \$589,872

#### 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	\$1,502,448	\$129,840	\$1,632,288	\$637,753	\$998	\$638,751
Personnel Fringe Benefits	\$322,275	\$36,355	\$358,630	\$129,478	\$214	\$129,692
Travel	\$152,515	\$0	\$152,515	\$74,938	\$582	\$75,520
Equipment	\$145,816	\$0	\$145,816	\$83,112	\$0	\$83,112
Materials / Supplies	\$32,437	\$0	\$32,437	\$24,445	\$0	\$24,445
Subcontracts Total	\$747,164	\$181,552	\$928,716	\$375,035	\$105,786	\$480,821
Subcontract #1	\$437,265	\$0	\$437,265	\$187,602	\$0	\$187,602
Subcontract #2	\$250,834	\$181,552	\$432,386	\$164,110	\$105,786	\$269,896
Subcontract #3	\$21,188	\$0	\$21,188	\$10,551	\$0	\$10,551
Subcontract #4	\$37,877	\$0	\$37,877	\$12,772	\$0	\$12,772
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$91,445	\$657,186	\$748,631	\$33,417	\$419,725	\$453,142
Total Direct Costs	\$2,994,100	\$1,004,933	\$3,999,033	\$1,358,178	\$527,305	\$1,885,483
Total Indirect Costs	\$1,475,935	\$113,615	\$1,589,550	\$689,876	\$1,371	\$691,247
Total Costs	\$4,470,035	\$1,118,548	\$5,588,583	\$2,048,054	\$528,676	\$2,576,730
% Of Total	80	20	100	79	21	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 purchases for the project to date include the following:

Interactive Mapping Application - \$60,000

Computers & Software - \$17,235

GIS Software & Maintenance - \$10,131

Spectrum Analyzer - \$4,477

Speed Test Software - \$1,511

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 server, security application, additional backup replication solution, computers, a spectrum analyzer, 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

Not Applicable.

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

10aa. If yes, please list

In an effort to increase Community Anchor Institution (CAI) data during this reporting period, Connect Minnesota has approached a single CAI sector per month. This has allowed focus from the Connect Minnesota team and support from the state client to identify organizations to support data outreach. As a result, the program has experienced significant increases in data numbers. Three major sectors have made significant progress – K-12 schools, libraries, and public safety.

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

The new CAI outreach process, approaching a single sector per month, has allowed Connect Minnesota to mitigate many issues regarding CAI data.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

My ConnectView - Connect Minnesota unveiled an innovative new broadband mapping tool offering unmatched views of Minnesota's technology landscape. The mapping tool, called My ConnectView, is a valuable tool for consumers, policy makers, Internet providers, and planning teams working to increase broadband access, adoption, and use in communities across the state and nation. My ConnectView, developed by Connected Nation, Connect Minnesota's parent organization, 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 Minnesota, My ConnectView will help drive economic development planning centered around broadband technology expansion efforts in Minnesota. <http://www.connectmn.org/recent-news/news-release-connect-minnesota-unveils-innovative-new-broadband-mapping-tool>

Inquiry Response - Connect Minnesota's program manager received communication from a resident on the White Earth Indian Reservation who was inquiring about news that a fiber network was being built out to community centers and other facilities in a nearby community. Connect Minnesota's Engineering & Technical Services (ETS) team contacted her and as a result, she is gathering a list of unserved addresses/names. The resident intends to share this information with a contact she has made at CenturyLink as well as with program ETS staff, who will share the list with additional area service providers. Program staff continue to monitor this effort for updates and for opportunities to assist as the process continues.

Please refer to the Q2 Minnesota Supplemental Answers Document for additional information.

## 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 Milestones for Year 3, Quarter 2 per approved project plan:

Year 3, Quarter 2 Connect Minnesota Office Administration and Task Force support

This milestone was met. The Connect Minnesota Program Manager has supported operations and continues to provide administrative project oversight involving a variety of tasks that encompass administering the project plan, managing workflow and timeline, verifying work quality, gathering documentation in support of community outreach/projects, and preparing reports as required by the Minnesota Department of Commerce and the Minnesota Broadband Task Force. Connect Minnesota continues to support the efforts of the Governor's Task Force on Broadband by providing staff and material support to the work of the Task Force. In addition to preparing for the monthly meetings of the Task Force, Connect MN coordinates and leads weekly calls of subgroup members in preparation for delivery of two reports that the Task Force will submit to the Governor and the State of Minnesota. These reports, delivered in September and December of 2012, will include analysis of the "State of Broadband" in Minnesota as well as recommendations for improving access and adoption in the state. Connect Minnesota provides the Task Force staff, mapping, research and additional materials in support of the work.

Conduct Year 3, Quarter 2 Task Force Meetings

This milestone was met. The Minnesota Broadband Task Force met on three different occasions during Q2 2012 to carry out the work of broadband strategy and planning in the state. Support for each meeting was provided by Connect Minnesota's Program Manager. Additional meetings of task force sub-groups have been held weekly and are staffed by Connect Minnesota and the Minnesota Department of Commerce.

Please refer to the Q2 Minnesota Supplemental Answers Document for additional information.

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**

During Q2 2012, Connect Minnesota submitted an amended project plan to National Telecommunications and Information Administration (NTIA) that reflected the project's research plan for years 3 through 5. Upon approval of the amended project plan, the 2012 residential survey will be initiated and subsequently analyzed.

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**

It is anticipated that the 2012 residential survey will be initiated in Q3 2012 instead of Q2 2012. In turn, the 2012 residential survey will be analyzed in Q4 2012, and the residential survey results will be finalized and released in Q1 2013.

**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?

Program outreach staff compiled and disseminated to stakeholders statewide the Q2 2012 Connect Minnesota e-newsletters, which

are provided as PDF attachments to this report.

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

Connect Minnesota is awaiting approval of the amended project plan submitted to NTIA before conducting the 2012 statewide residential survey. The 2012 residential survey is scheduled to be in the field in Q3 of 2012.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project  
Broadband & Business - Connect Minnesota released a comprehensive report detailing the key role broadband plays in business performance across multiple sectors and the implications broadband use and adoption has on economic performance in the state. The report is based on a scientific survey of 802 business establishments in Minnesota.

Among the report's key findings:

- Broadband-connected businesses bring in approximately \$200,000 more in annual median revenues than non-broadband adopting businesses
- About 83,000 Minnesota business establishments have websites
- 47,000 Minnesota businesses use the Internet to advertise job openings or accept job applications
- Online sales in Minnesota account for approximately \$6.2 billion in annual sales revenue
- More than one-half of Minnesota businesses in the healthcare sector (55%) use the Internet to stay in touch with their customers and patients
- 40,000 businesses in Minnesota are still not connected to broadband and are unable to actively participate in the digital global economy

<http://www.connectmn.org/recent-news/news-release-connect-minnesota-survey-results-highlight-broadband's-impact-businesses-ec>

Please refer to the Q2 Minnesota Supplemental Answer Document for additional information.

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