U.S. DEPARTMENT OF COMMERCE	2. Award Or Grant Number
Performance Progress Report	48-50-M09064
	4. Report Date (MM/DD/YYYY)
	07-06-2011

| 1. Recipient Name | 6. Designated Entity On Behalf Of: |
| Connected Nation, Inc - Texas | Texas |

3. Street Address	8. Final Report?	9. Report Frequency
1020 College Street,	◯ Yes	◉ Quarterly
	◉ No	◯ Semi Annual
5. City, State, Zip Code		◯ Annual
Bowling Green, KY 42101-2137		◯ Final

| 7. Project / Grant Period Start Date: (MM/DD/YYYY) | 7a. End Date: (MM/DD/YYYY) | 7b. Reporting Period End Date: | 9a. If Other, please describe: |
| 01-01-2010 | 12-31-2014 | 06-30-2011 | 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

Fiberlight, LLC: A company representative forwarded the following message, "We appreciate your effort but at this time we have decided not to participate." Refused to Participate

SOS Communications, LLC: We received an e-mail from a company representative stating they decline to participate in the NTIA survey as they see no value or benefit to participating. Refused to Participate

Starnet: A company officer stated that he doesn't "see the benefit at this time" of his participation. Refused to Participate

Terral Telephone Company: A company representative declined to participate per the data submission outreach. Refused to Participate

Western Broadband: Received an e-mail reply from the owner stating "We will not be participating." Refused to Participate

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

N/A

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

ESRI is deploying and hosting Connected Nation's BroadbandStat (BBStat) web application. ESRI will house the customized BBStat application in their highly available, monitored, and managed environment. The scope of services includes setting up a staging environment for data verification and compatibility as well as a production environment for client access.

Connected Nation also collects consumer feedback in the form of broadband inquiries. 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 Initiatives (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.

Before December 31, 2011 Connected Nation will target 6 additional companies in order to achieve a total field validation rate equal to or exceeding 63.16% (currently 60.00%).

10g. Have you initiated verification activities? ●Yes ○No
10h. If yes, please describe the status of your activities

BroadbandStat is publicly available on the Connected Texas website and received a total of 640 visits between April 1, 2011 and June 30, 2011.

During this quarter, the Connected Texas project received a total of 24 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 2 for this quarter.

For this reporting period, 242 field verification tests were conducted. Connected Nation's staff conducted field extensive validation tests, in Texas, on the following providers: Alenco Communications Inc., Allegiance Communications, Alpheus d.b.a. Aspen Communications, AT&T, AwesomeNet Inc., Basin 2 Way Radio Inc., Basin Broadband, Big Bend Telephone, Blossom Telephone, Border to Border Communications Inc., Broadband Data Services of Texas LLC, Broadcomm.US, Cable One Inc., Cameron Telephone Company LLC, Cap Rock Telephone Cooperative Inc., Cebridge d.b.a. Suddenlink, Central Texas Cable Partners Inc., Central Texas Telephone Cooperative Inc., CenturyLink, Cequel Communications, Charter Communications, Clearwire Corporation, Coleman County Telephone Cooperative Inc., Colorado Valley Telephone Cooperative Inc., Comcast Cable Communications LLC, Community Telephone Company Inc., Consolidated Communications, Cumby Telephone Cooperative Inc., DC Texas.Net, Dell Telephone Cooperative Inc., Digitex.com, East Texas DSL, Eastex Telephone Cooperative Inc., Eccentrix Technologies, ECTISP, ELC Internet Services Inc., Electra Telephone Company, Element Networks LLC, eNet, ENMR Telephone Cooperative Inc. d.b.a. ENMR Plateau Communications Inc., ERF Wireless, ETAN Industries, Etex Communications LP, ETS Cablevision Company Inc., Farm to Market Broadband LP, Five Area Telephone Cooperative Inc., Ganado Telephone Company, GEUS, Gilmer Cable, Gower Computer Support Inc., Grande Communications, Grayson CableRocket LLC,

... please refer to the Q2 TX Supplemental Answer 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?
13.19
Connected Nation has numerous staff working on the Connected Texas 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

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?

13.19

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	3	09/14/2009
Business Programmer Analyst	1	04/02/2007
CAI Coordinator	14	12/13/2004
CAI Data Analyst	7	03/24/2009

CAI Data Manager	2	08/09/2010
ETS Analyst	88	08/24/2009
ETS Analyst	43	08/24/2009
ETS Analyst	43	02/18/2010
ETS Analyst	16	02/18/2010
ETS Analyst	2	11/01/2007
ETS Manager	23	07/01/2007
ETS Sr. Analyst	1	02/18/2010
General Counsel	12	01/01/2007
GIS Analyst	55	11/16/2009
GIS Intern	2	04/01/2010
GIS Services Manager	35	05/15/2007
Outreach & Awareness Manager	12	03/24/2009
Outreach & Awareness Specialist	49	01/04/2010
Outreach & Awareness Specialist	8	02/02/2009
Outreach & Awareness Specialist	8	10/01/2007
Outreach & Awareness Specialist	6	01/04/2010
Outreach & Awareness Specialist	2	01/03/2010
Program Coordinator	7	06/27/2011
Program Manager	31	12/20/2004
Project Coordinator	37	04/01/2005
Project Management Director	20	12/20/2004
Project Manager	53	03/16/2010
Project Manager	16	09/01/2006
Project Manager	13	01/14/2008
Project Manager	6	09/04/2007

Project Manager	3	01/01/2007
Project Manager	3	12/16/2009
Project Manager	2	12/01/2004
Project Manager	1	08/20/2007
Project Manager	1	07/01/2004
Project Manager	1	01/14/2008
Provider Relations Manager	22	02/17/2005
Research & GIS Analyst	7	05/14/2007
Research Analyst	97	02/15/2010
Research Analyst	97	02/15/2010
Research Analyst	97	02/15/2010
Research Analyst	97	02/15/2010
Research Analyst	70	02/15/2010
Research Analyst	70	02/15/2010
Research Analyst	20	06/01/2009
Research Analyst	5	02/01/2010
Research Manager	7	05/14/2007
State Services Associate	100	12/01/2009
State Services Manager	4	07/01/2007

Add Row	Remove Row

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
Eastern Research Services	Research Survey	Y	Y	02/08/2010	02/07/2012	96,210	0
ESRI	GIS Consultants	N	Y	09/21/2009	12/31/2009	73,819	0
Contract Labor	Contract Labor	N	Y	01/01/2010	12/31/2014	473,145	175,690

Add Row	Remove Row

Funding

| 10p. How much Federal funding has been expended as of the end of the last quarter? | $1,974,167 | 10q. How much Remains? | $6,051,833 |
| 10r. How much matching funds have been expended as of the end of last quarter? | $507,376 | 10s. How much Remains? | $1,595,903 |

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	$2,861,710	$651,821	$3,513,531	$566,613	$84,773	$651,386
Personnel Fringe Benefits	$613,836	$175,076	$788,912	$118,554	$36,200	$154,754
Travel	$436,998	$0	$436,998	$107,918	$582	$108,500
Equipment	$178,963	$0	$178,963	$90,080	$0	$90,080
Materials / Supplies	$86,035	$0	$86,035	$30,126	$0	$30,126
Subcontracts Total	$926,612	$175,690	$1,102,302	$416,128	$311,986	$728,114
Subcontract #1	$321,061	$0	$321,061	$28,492	$0	$28,492
Subcontract #2	$73,819	$0	$73,819	$19,271	$0	$19,271
Subcontract #3	$473,145	$175,690	$648,835	$355,387	$311,986	$667,373
Subcontract #4	$19,904	$0	$19,904	$4,130	$0	$4,130
Subcontract #5	$38,683	$0	$38,683	$8,848	$0	$8,848
Construction	$0	$0	$0	$0	$0	$0
Other	$167,571	$911,067	$1,078,638	$9,521	$44,263	$53,784
Total Direct Costs	$5,271,725	$1,913,654	$7,185,379	$1,338,940	$477,804	$1,816,744
Total Indirect Costs	$2,754,275	$189,625	$2,943,900	$635,227	$29,572	$664,799
Total Costs	$8,026,000	$2,103,279	$10,129,279	$1,974,167	$507,376	$2,481,543
% Of Total	79	21	100	80	20	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:

• BroadbandStat-$60,000
• ArchInfo/ArcGIS Software-$19,979
• Computers & Software-$12,807
• Spectrum Analyzer-$5,323
• Speed Test Software-$4,942
• GPS Units-$516
• Google Earth Pro-$266

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, BroadbandStat maintenance, ESRI ArchInfo/ArcGIS maintenance, and speed test updates as well as computer and software maintenance.

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

10y. If yes, please list
Data sets used by the project to date include the following:
All data sets used in this project have been contributed in-kind. Data sets used by the project to date and their respective in-kind contribution value are as follows:

• Commission on State Emergency Communications Regional Planning Councils input - $7,395
• District & Municipal Public Safety Answering Point data - $1,419
• K-12 School address data - $26,895
• TX ISD Superintendents and Technology Coordinators - $3,768
• TX orthoimagery - In-Kind Contribution Value Yet to be Determined
• TX Workforce Commission IT - $82
• Workforce Solutions data - $770

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

10aa. If yes, please list

*Revised the project schedule, budget, and work breakdown structure with the revised State Broadband Initiatives (SBI)timeline.
*Received approval of project plans from National Telecommunication and Information Administration (NTIA).
*Interviewed candidates and hired a Connected Texas Program Manager in Austin to oversee the Connected Texas program and ensure program objectives are met.
*Interviewed candidates and hired a Connected Texas Program Coordinator in Austin to administer the Connected Texas program of activities.
*Conducted presentations to several in-state organizations and conferences on current and proposed project activities.
*Produced and distributed weekly status reports, data collection activity log, website statistics, and broadband inquiries.
*Conducted bi-weekly project update teleconferences with Connected Texas clients and stakeholders.
*Continued to maintain Connected Texas website, process speed tests, and broadband inquiries.
*Continued to identify and process data from Community Anchor Institutions within Texas.
*Distributed and executed non-disclosure agreements with the broadband provider community.
*Continued to solicit broadband coverage datasets from the Texas broadband provider community.
*Distributed broadband coverage datasets to the Geographic Information Systems mapping team for processing.
*Created new broadband availability maps, general underserved area maps, multi/single platform maps, provider density maps, provider advertised speed maps, and BIP awardee proposed territory maps.
*Created Connected Texas Facebook and Twitter social media sites to post announcements and relevant broadband information.
*Conducted multiple field validation tests of broadband provider data.
*Created a Texas Business Technology Assessment, gathered feedback, and prepared the data for public release.
*Initiated a statewide residential broadband survey and a statewide broadband non-adopter specific survey.

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

Connected Texas continues to provide the NTIA with broadband database updates every six months, beginning in May 2010. Contacts and discussions between Connected Texas and the Texas broadband providers began in September 2009, several months before Connected Texas' first data submission to the NTIA. Since that initial submission, Connected Texas has provided the NTIA with two semiannual updates (October 2010 and April 2011). Several identified viable providers have yet to provide to Connected Texas a complete broadband availability assessment in Texas. Outreach activities continue in order to obtain the data, however the lack of these broadband availability assessments may have an impact on the broadband maps and data for Texas.

In June of this year, Connected Nation provided a white paper to the Federal Communications Commission describing Connected Nation's validation and verification processes, including an engineering review process and extensive field testing by Connected Nation's engineering team, for estimating broadband service availability for providers who choose not to share data with us for use in the SBI mapping. This strategy may be employed by Connected Texas if outreach activities continue to fail and it is deemed necessary.

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

Updated Connected Texas maps were used to further identify unserved and underserved areas and to expand service to unserved households.   http://connectedtx.org/mapping/

A video was produced to educate consumers about the field validation process in Texas and all Connected Nation state programs. http://youtu.be/tNMEQKHbDls

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

On behalf of the state of Texas, Connected Nation (CN) finalized the survey instruments for the 2011 Residential Technology Assessment and the non-adopter telephone surveys, incorporating recommendations received from state stakeholders and third party consultants where appropriate. These surveys are designed to measure trends in technology adoption, barriers to adoption, and awareness of available broadband service among Texas residents. In Q2 2011 CN started surveying respondents across Texas for both of these surveys.

Connected Texas, in coordination with the Texas Department of Agriculture, completed an initial planning report for the state during Q1 2011. This report serves as a preliminary assessment of broadband infrastructure and adoption in Texas. The purpose of its development and release is to serve as a detailed review of the current state of broadband and spark discussion across multiple broadband stakeholders in the state on key policy and strategies to expand and enhance broadband services. The report is still being

referenced and used as a discussion tool to facilitate strategic dialogue in the state.

The report, entitled The Broadband Landscape in the State of Texas: Assessment at a State, Regional & Local Level, and Recommendations for Broadband Expansion, continues to be made available on the Connected Texas website at the following link: http://connectedtx.org/research/.

Connected Texas is cataloging feedback from the report and has begun initial work on an update. The report update is scheduled for release after Q3 2011.

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

Connected Nation has been working closely with the Texas Department of Agriculture to ensure that our work exceeds expectations. During Q2 2011, there were no significant obstacles during the planning process.

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

N/A

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?
Connected Nation will conduct a survey that oversamples households that do not subscribe to broadband. This second survey will be

in addition to the previously scheduled residential survey. This updated and improved methodology will provide a greater level of analysis regarding barriers to technology adoption among different socio-economic and demographic groups by surveying non-adopters in Texas in a way similar to that conducted by the FCC as part of the National Broadband Planning effort. This approach will help create a demographic and socio-economic profile of the population of non-adopters in Texas, which can then be applied at the local level of detail by area planning teams, to assist in developing local adoption initiatives that will target the barriers that are unique to that area. In Q2 2011, CN finalized the survey instrument and started surveying respondents across Texas.

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

Connected Nation has been relying heavily on Texas Department of Agriculture's recommendations to ensure that our work, as well as the work of our subcontractors, exceeds expectations. During Q2 2011, there were no significant obstacles during the planning process.

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

Rural Texas Challenge Conference – The event was designed to spur small business and economic growth in rural communities across Texas by providing leaders with practical and proven approaches to rural development. This was a statewide conference hosted by the Governor's Office, Texas Economic Development Council, Texas Department of Agriculture, USDA-Rural Development, Texas Association of Regional Councils and the UTSA Institute for Economic Development-Rural Business Program. About 270 people were in attendance. Connected Texas presented at the event, provided outreach materials for the initiative, and met with dozens of stakeholders.

Connected Texas networked with stakeholders and gave map demonstrations to attendees at the RTC & Broadband Properties summit late April in Dallas.

Connected Texas continues to find ways to share case studies and broadband resources with rural communities. A video was produced about the Connected Texas success story in the east Texas community of Chireno.   http://youtu.be/PgH1YMB6K58

Connected Texas Facebook and Twitter pages were launched:
o http://www.facebook.com/pages/Connected-Texas/171605102881874
o http://twitter.com/#!/connectedtx

News coverage from the TX planning report continued through the second quarter. Overall the Texas planning report was picked up by more than a dozen media outlets and generated 29.6 million media outreach impressions.
o City's Internet accessibility on par with other cities across the state http://sip-trunking.tmcnet.com/news/2011/04/07/5431012.htm (TMCnet.com/Lubbock Avalanche-Journal - McClatchy-Tribune, 4/07/11)

Connected Nation's Brian Mefford gave two main stage keynotes at the TIA 2011 conference in Dallas, Texas. Watch on http://www.tianow.org/videos/keynote-speech-by-brian-mefford-ceo-connected-nation-may-18-2011/5177/. Additionally, Tom Koutsky gave a live interview from TIA Now's studio on the trade show floor.

...please refer to the Q2 TX 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) 07-28-2011	