

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570003	3. DUNS Number 623894359
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4. Recipient Organization

South Dakota Network, LLC 2900 W 10th Street, Sioux Falls, SD 57104-2543

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Mark Shlanta Chief Executive Officer	7c. Telephone (area code, number and extension) 6053347185
	7d. Email Address mark.shlanta@sdncommunications.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-22-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 South Dakota Network continued a strong build of it's network in all parts of the state. Ribbon cutting events were held to kick off construction in select cities. Equipment for additional Sub Recipients was ordered and awaiting installation in future quarters.

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

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	59	An aggressive Baseline projection has left this metric short of forecast by twenty two percent. Some of this shortfall will be made up over the next two quarters as we originally only projected a five percent increase for the same time period. Additional crews were added to accommodate this lag.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	100	No Variance.
2e.	Construction Permits and Other Approvals	100	No Variance.
2f.	Site Preparation	85	No Variance.
2g.	Equipment Procurement	75	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc)	50	The Network Build milestone will continue to lag into the final year of the project. Components of this metric will continue to be incorporated into the project as construction activities take place.
2i.	Equipment Deployment	90	Exceeding Baseline. Deployment and addition of some equipment will take place in this and following quarters.
2j.	Network Testing	35	Network Testing is currently lagging Baseline projections with the anticipation of making up some of this over the next two quarters. A smaller increase in the Baseline will allow for some 'catch up'.
2k.	Other (please specify):	0	N/A

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

None at this time.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	235	An additional one hundred forty miles of fiber were added to the network in this quarter closing some of the gap in actual verses Baseline projections. Favorable weather outlook, additional crews planned, and only a five mile increase over the next quarter will bring this metric closer to our goal.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	235	Same as 'new network miles deployed' metric above.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	A clerical error in in the process of being revised with the Program Office with this milestone.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
N/A

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:
N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (600 words or less).
N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	This milestone originally included the Sub Recipients to calculate the Baseline projection. Based upon feedback from NTIA, we will not be counting Sub Recipients as Last mile Providers. Agreements with Sub Recipients do not involve interconnection, peering or other related verbiage.
	Providers with signed agreements receiving improved access	0	See narrative above under Access Type.
	Providers with signed agreements receiving access to dark fiber	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	302	Exceeding Baseline.
	Subscribers receiving new access	178	Nearly exceeding Baseline.
	Subscribers receiving improved access	124	Exceeding Baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	162	0-5Meg 115-10Meg 2-20Meg 1-25Meg 1-40Meg 1-75Meg 38-100Meg 4-1Gig
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (600 words or less).
None at this time.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
N/A

9. Community Anchor Institutions:
Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
See attached	See attached	See attached	See attached	See attached

Project Indicators (Next Quarter)

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

Continued construction, as long as weather will allow, is the primary focus for the project. Additional equipment will be deployed as recently added Sub Recipients place equipment upon receipt. An additional 65 CAI's and 50 Miles of Fiber will be deployed this quarter.

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

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	76	An aggressive Baseline projection has left this metric short of forecast by eight percent after the second year of the project. Some of this shortfall will be made up over the next quarter as we originally only projected a minimal increase for the same time period. Additional crews were added to accommodate this lag and construction activities will continue as weather permits .
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	100	No Variance.
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	90	No Variance.
2g.	Equipment Procurement	100	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc.)	60	The Network Build milestone will continue to lag into the final year of the project. Components of this metric will continue to be incorporated into the project as construction activities take place.
2i.	Equipment Deployment	90	Additional equipment purchases planned will be deployed in the following quarter and allow for a gap in actual versus projection to close.
2j.	Network Testing	50	Network Testing is currently lagging Baseline projections with the anticipation of making up some of this over the next two quarters. A smaller increase in the Baseline will allow for some 'catch up'.
2k.	Other (please specify):	0	N/A

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

Weather may be a factor as this quarter is typically very uncertain when it comes to weather patterns. A favorable quarter with minimal moisture will allow for continued construction and additional miles deployed.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

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

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$75,000	\$15,000	\$60,000	\$123,835	\$24,767	\$99,068	\$125,000	\$25,000	\$100,000
b. Land, structures, right-of-ways, appraisals, etc.	\$700,000	\$140,000	\$560,000	\$317,329	\$63,466	\$253,863	\$425,000	\$85,000	\$340,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$3,533,729	\$706,746	\$2,826,983	\$1,817,839	\$363,568	\$1,454,271	\$2,000,000	\$400,000	\$1,600,000
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$16,511,000	\$3,302,200	\$13,208,800	\$9,161,567	\$1,832,313	\$7,329,254	\$11,000,000	\$2,200,000	\$8,800,000
j. Equipment	\$3,513,857	\$702,771	\$2,811,086	\$3,473,565	\$694,713	\$2,778,852	\$5,500,000	\$1,100,000	\$4,400,000
k. Miscellaneous	\$1,381,717	\$276,344	\$1,105,373	\$370,890	\$74,178	\$296,712	\$420,000	\$84,000	\$336,000
l. SUBTOTAL (add a through k)	\$25,715,303	\$5,143,061	\$20,572,242	\$15,265,025	\$3,053,005	\$12,212,020	\$19,470,000	\$3,894,000	\$15,576,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$25,715,303	\$5,143,061	\$20,572,242	\$15,265,025	\$3,053,005	\$12,212,020	\$19,470,000	\$3,894,000	\$15,576,000

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

a. Application Budget Program Income: \$0	b. Program Income to Date: \$101,966
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