

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570003	<b>3. DUNS Number</b>  623894359
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<b>4. Recipient Organization</b>  South Dakota Network, LLC 2900 W 10th Street, Sioux Falls, SD 57104-2543
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2012	<b>6. Is this the last Report of the Award Period?</b>  <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.

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

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-11-2012
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 SDN continued to work on construction during the quarter adding an additional 15 miles of fiber. Planning for the final months of the project continues as some program changes are anticipated and being coordinated with the help of our Federal Program Officer. Additional Community Anchor Institutions are being connected to the network with additional subscribers adding service.

**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	81	An aggressive Baseline projection leaves this metric slightly behind planned progress. Necessary crews and goals have been established for the remaining months to insure the project meets the completion date as outlined in the requirements.
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	95	No Variance.
2g.	Equipment Procurement	100	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc)	83	There is minimal lag in this metric as we continue to build network miles and expand the project to the initial plans. This metric will be met during the final months of the project timeline.
2i.	Equipment Deployment	100	Exceeding Baseline.
2j.	Network Testing	65	No Variance.
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 in the project.

**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	297	Although slightly behind Baseline projections, we will meet the goal of completing the project in the allotted timeframe.
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)	297	See 'new network miles deployed' narrative above.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	This continues to be a point of discussion and needs to be clarified.

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 this third party operates (600 words or less).

Sub Recipients identified below will own and operate the portion of the Network they build for expansion to their footprint.

City of Faith-Telephone Department, 204 N. Main Street, Faith, South Dakota 57626

Interstate Telecommunications Cooperative, Inc., 312 4th Street West, Clear Lake, South Dakota 57226

Northern Valley Communications, LLC, 235 East First Ave., Groton, South Dakota 57445

Northern Hills Transport, LLC, 2900 West 10th Street, Sioux Falls, South Dakota 57104

TrioTel Communications, Inc., 330 S. Nebraska St., Salem, South Dakota 57058

Venture Communications, Inc., 218 Commercial Ave. SE, Highmore, South Dakota 57345

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. It is not anticipated that we will have any agreements with Wholesalers or Last Mile Providers over the remainder of the project.
	Providers with signed agreements receiving improved access	0	See narrative above under "Providers with signed agreements receiving new access."
	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	451	Exceeding Baseline
	Subscribers receiving new access	234	Exceeding Baseline
	Subscribers receiving improved access	217	Exceeding Baseline
	Please identify the speed tiers that are available and the number of subscribers for each	11	7-5Mb/s, 158-10Mb/s, 4-15Mb/s, 4-20Mb/s, 1-25Mb/s, 2-40Mb/s, 3-45Mb/s, 1-80Mb/s, 38-100Mb/s, 1-175Mb/s, 4-1000Mb/s Not all of the CAI's being served are subscribing to service at this time.
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 of the project.

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).**  
 SDN plans to complete an additional 32 fiber miles of installation in the upcoming quarter. Additionally, forty four (44) Community Anchor Institutions will be added with some subscriptions for new service as well. Media releases are planned for segments of the BTOP project recently completed and those coming on line in additional quarters. We do not anticipate any Wholesale or Last Mile Provider agreements being negotiated in this or upcoming quarters.

**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	88	Project expenditures will lag baseline as we finish in the final year of the project. Baseline projections were aggressive in the initial planning phase leading to the lag in actuals versus projections.
2b.	Environmental Assessment	100	No Variation
2c.	Network Design	100	No Variation
2d.	Rights of Way	100	No Variation
2e.	Construction Permits and Other Approvals	100	No Variation
2f.	Site Preparation	100	No Variation
2g.	Equipment Procurement	100	Exceeding Baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	92	This metric is only slightly behind Baseline projections and will be completed ahead of schedule as we reach the final phase of the project.
2i.	Equipment Deployment	100	Exceeding Baseline
2j.	Network Testing	75	No Variance
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).**  
 None at this time.

**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	\$129,855	\$25,971	\$103,884	\$131,000	\$26,200	\$104,800
b. Land, structures, right-of-ways, appraisals, etc.	\$700,000	\$140,000	\$560,000	\$512,980	\$102,596	\$410,384	\$520,000	\$104,000	\$416,000
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	\$2,125,653	\$425,131	\$1,700,522	\$2,150,000	\$430,000	\$1,720,000
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	\$13,190,984	\$2,638,197	\$10,552,787	\$14,800,000	\$2,960,000	\$11,840,000
j. Equipment	\$3,513,857	\$702,771	\$2,811,086	\$4,578,942	\$915,788	\$3,663,154	\$4,670,000	\$934,000	\$3,736,000
k. Miscellaneous	\$1,381,717	\$276,344	\$1,105,373	\$410,166	\$82,033	\$328,133	\$450,000	\$90,000	\$360,000
<b>l. SUBTOTAL (add a through k)</b>	<b>\$25,715,303</b>	<b>\$5,143,061</b>	<b>\$20,572,242</b>	<b>\$20,948,580</b>	<b>\$4,189,716</b>	<b>\$16,758,864</b>	<b>\$22,721,000</b>	<b>\$4,544,200</b>	<b>\$18,176,800</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$25,715,303</b>	<b>\$5,143,061</b>	<b>\$20,572,242</b>	<b>\$20,948,580</b>	<b>\$4,189,716</b>	<b>\$16,758,864</b>	<b>\$22,721,000</b>	<b>\$4,544,200</b>	<b>\$18,176,800</b>

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: \$333,405
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