

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
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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): 11-13-2012
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Empty space for additional information or comments
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Construction activities along with splicing and testing continued as we approach the final phase of the project. One additional route was approved for the project in the northern part of the state accounting for an additional twenty seven (27) miles of fiber deployment. Closeout activities also continued as the final months of the project are nearing. Additional Community Anchor Institutions are being connected to bring us closer to completion of this metric as well.

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	90	The majority of the project has been completed with only minimal construction remaining. The project is scheduled to be completed by the end of October with some remaining splicing and connections to Community Anchor Institutions left to complete as well.
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	100	No Variance.
2g.	Equipment Procurement	100	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc)	95	With the approval of an additional route this metric basically remained the same although additional miles were constructed this quarter. The build is scheduled to be completed by the end of October with minimal connections and splicing being completed in November.
2i.	Equipment Deployment	100	No Variance.
2j.	Network Testing	90	Final Network testing will be completed as routes are finished and construction is wrapped up.
2k.	Other (please specify): N/A	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 anticipated 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	360	With the additional approved route, new network miles deployed will reach 398 total miles for the project.
New network miles leased	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	1,804	Although not originally identified in our Baseline projections, existing network miles have been upgraded with the addition of BTOP funded equipment.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	360	See 'New Network miles deployed' narrative above.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	9	This metric has been revised from our original Baseline at the request of NTIA. Interconnection points as clarified have been made.

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).

Sub Recipients identified below will own and operate their 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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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
	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	501	This metric will meet Baseline projections at the end of the award period.
	Subscribers receiving new access	284	This metric will meet Baseline projections at the end of the award period.
	Subscribers receiving improved access	217	Meeting Baseline.
	Please identify the speed tiers that are available and the number or subscribers for each	12	1-1Mb/s, 10-5Mb/s, 170-10Mb/s, 4-15Mb/s, 4-20Mb/s, 1-25Mb/s, 7-30Mb/s, 2-40Mb/s, 3-45Mb/s, 1-80Mb/s, 39-100Mb/s, 1-175Mb/s, 1-450Mb/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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
Deuel County Courthouse	Clear Lake	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Sanford Clinic	Estelline	Medical and Healthcare Providers	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Hamlin County Courthouse	Hayti	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Sanford Clinic	Lake Norden	Medical and Healthcare Providers	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Grant County Courthouse	Milbank	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Dept of Transportation	Milbank	Other Government Facilities	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Jefferson Elementary	Watertown	Schools (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.
Mellette Elementary	Watertown	Schools (K-12)	Yes	Internet Broadband Connection including classroom and education, and distant learning opportunities.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Remaining construction activities will be completed with final testing being done as well. Project closeout activities will play a major part of this quarter's activities. As built drawings and federal interest documentation will also be included in the quarter's scheduled activities.

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	100	No Variance.
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	100	No Variance.
2g.	Equipment Procurement	100	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No Variance.
2i.	Equipment Deployment	100	No Variance.
2j.	Network Testing	100	No Variance.
2k.	Other (please specify):	0	N/A

RECIPIENT NAME:South Dakota Network, LLC

AWARD NUMBER: NT10BIX5570003

DATE: 11/13/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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, as the project will be completed.

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	\$150,000	\$30,000	\$120,000	\$132,484	\$26,497	\$105,987	\$141,984	\$28,397	\$113,587
b. Land, structures, right-of-ways, appraisals, etc.	\$520,000	\$104,000	\$416,000	\$512,980	\$102,596	\$410,384	\$512,980	\$102,596	\$410,384
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,173,894	\$434,779	\$1,739,115	\$2,193,075	\$438,615	\$1,754,459	\$2,198,075	\$439,615	\$1,758,460
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	\$17,558,230	\$3,511,646	\$14,046,584	\$15,392,367	\$3,078,473	\$12,313,894	\$17,625,034	\$3,525,007	\$14,100,027
j. Equipment	\$4,670,270	\$934,054	\$3,736,216	\$4,634,383	\$926,877	\$3,707,507	\$4,670,270	\$934,054	\$3,736,216
k. Miscellaneous	\$642,909	\$128,582	\$514,327	\$454,984	\$90,997	\$363,987	\$507,724	\$101,544	\$406,180
l. SUBTOTAL (add a through k)	\$25,715,303	\$5,143,061	\$20,572,242	\$23,320,273	\$4,664,055	\$18,656,218	\$25,656,067	\$5,131,213	\$20,524,854
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	\$23,320,273	\$4,664,055	\$18,656,218	\$25,656,067	\$5,131,213	\$20,524,854

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: \$687,905
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