

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 NT10BIX5570069	3. DUNS Number 943058925
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4. Recipient Organization

Iowa Communications Network 400 E 14TH ST, Des Moines, IA 50319-9000

5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	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 Mike Cruise	7c. Telephone (area code, number and extension) X
	7d. Email Address Mike.Cruise@iowa.gov

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-03-2012
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

Progress continues with the ICN project. At the end of the second quarter of 2012, 653 site installations had been completed. The ICN anticipates that the vast majority of sites will be completed by the end of the calendar year. The program sub-recipient in Decorah completed its make-ready for fiber installation and is awaiting delivery of fiber optic cable. It is anticipated the cable will be delivered in the third quarter of calendar 2012. The Sac and Fox sub-recipient has installed the majority of the backbone fiber for that portion of the project and is in the process of completing fiber connections at the Meskwaki Clinic. As of June 30, 2012, the Iowa Communications Network has drawn down and committed \$8.1 million of American Recovery and Reinvestment Act funds. The Iowa Communications Network expects to draw additional funds in the third quarter of calendar 2012.

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	62	Baseline shows 79%. Variance due to IRU deployment and payment taking longer than anticipated. IRUs cannot be paid under Iowa law until delivered, tested and accepted.
2b.	Environmental Assessment	100	EA FONSI received February 21, 2011, funds budgeted for EA were included in 424C Site preparation and 100% of budget expended.
2c.	Network Design	62	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Any expenses that would be considered Network Design are included in the Site Work cost classification.
2d.	Rights of Way	0	Baseline represents expected completion of rights of way acquisition. No separate budget for Rights of Way, percent complete to be tied to Network build milestone percent complete. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2e.	Construction Permits and Other Approvals	0	Baseline represents expected completion of rights of way acquisition. No separate budget for Construction Permits etc., percent complete to be tied to Network build milestone percent complete. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2f.	Site Preparation	0	NA The Iowa Communications Network does not have activities that meet the definition of Site Preparation per the Baseline instructions. Breakout of Site Work from the Infrastructure Budget Execution Detail page are located in EA, Network Design and Equipment Deployment.
2g.	Equipment Procurement	85	Baseline shows 100%. Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures.
2h.	Network Build (all components - owned, leased, IRU, etc)	40	Baseline report shows 38%. Variance is due to sub-recipients still in the planning and network design phase. IRU contracts still being negotiated or services not yet turned up by end of the quarter.
2i.	Equipment Deployment	47	No variance from baseline
2j.	Network Testing	36	No variance from baseline
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).

For the most part, the Iowa Communications Network made good progress with few challenges during the quarter. The project did experience minor and temporary delays associated with delivery of indefeasible right of use circuits from vendors and an inability to quickly acquire fiber optic cable for the Decorah portion of the project. It is expected that delays in each case will not cause an overall delay in project completion.

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	0	Baseline shows 12. Variance due to late start due to time spent on environmental assessment and an underestimate on baseline.
New network miles leased	50	Baseline shows 48. Variance due to underestimation in baseline report.
Existing network miles upgraded	3,000	Baseline shows 2,407. Variance due to underestimation in baseline report.
Existing network miles leased	0	No variance from baseline.
Number of miles of new fiber (aerial or underground)	3,950	Baseline shows 3,236. Variance due to underestimation in baseline report.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	101	Baseline shows 52. The Iowa Communications Network is significantly ahead of the baseline in regard to the installation of interconnection points because these sites were required to be upgraded as part of the normal course of business operations. Customer requested product changes or enhancements mandated that the upgrade of this equipment be completed sooner than was anticipated when the baseline report was created. Since these sites were to eventually be upgraded through BTOP, these upgrades were completed using BTOP specifications rather than upgrading them now and then again several months later as part of BTOP. This situation has resulted in this portion of the program being greatly ahead of schedule.

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	No variance from baseline.
	Providers with signed agreements receiving improved access	0	No variance from baseline.
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline.
Community Anchor Institutions (including Government institutions)	Total subscribers served	2,671	Baseline shows 2,460. Variance due to under estimation in baseline.
	Subscribers receiving new access	724	Baseline shows 374. Variance due to error in baseline distribution of new and improved counts. Final count for customers receiving new access will be 933 rather than 467 as shown in the baseline.
	Subscribers receiving improved access	1,947	Baseline shows 2,086. Variance due to error in baseline distribution of new and improved counts. Final count for customers receiving new access will be 2,148 rather than 2,614 as shown in the baseline.
	Please identify the speed tiers that are available and the number or subscribers for each	0	End users have access to various network services with speeds up to 100 Mbs.
Residential / Households	Entities passed	0	No variance from baseline
	Total subscribers served	0	No variance from baseline
	Subscribers receiving new access	0	No variance from baseline
	Subscribers receiving improved access	0	No variance from baseline
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline
Businesses	Entities passed	0	No variance from baseline
	Total subscribers served	0	No variance from baseline
	Subscribers receiving new access	0	No variance from baseline
	Subscribers receiving improved access	0	No variance from baseline
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline

7. Please describe any special offerings you may provide (600 words or less).
N/A

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
N/A	N/A	N/A	N/A	See separate attachment.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
During the third quarter of calendar 2012, the Iowa Communications Network anticipates completing physical installations in approximately 200 additional locations. This will represent approximately three quarters of all installations. This process will continue until project completion. The Sac and Fox sub-recipient will complete installation of backbone fiber in its fiber-to-the-home project. It will also complete installation of its associated power system. The Decorah sub-recipient will begin fiber installation by the end of the quarter. The Iowa Communications Network anticipates that approximately eight miles of fiber will be installed by the end of the quarter. Additionally, approximately 12 miles of new fiber is expected to be leased during the quarter. As all 3,000 planned fiber network mile upgrades have been completed for the project, no additional miles will be upgraded. At the end of the third quarter, approximately 2,900 community anchor institutions will receive new or improved service as part of the project. During the 3rd quarter of 2012, it is expected that 15 community anchor institutions will receive new service and that 50 will receive expanded service.

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	71	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures.
2b.	Environmental Assessment	100	No variance from baseline.
2c.	Network Design	71	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Expenditures for Network Design included on Site work line of Infrastructure Budget Execution Details and 424C. Engineering resources are fully in place.
2d.	Rights of Way	0	No separate budget for Rights of Way, percent complete to be tied to Network build milestone percent complete. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2e.	Construction Permits and Other Approvals	0	No separate budget for construction permits, milestone percent complete tied to Network build. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2f.	Site Preparation	0	The ICN does not have activities that meet the definition of Site Preparation per the Baseline instructions. Breakout of Site Work from the Infrastructure Budget Execution Detail page are located in EA, Network Design and Equipment Deployment.
2g.	Equipment Procurement	95	No variance from baseline.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	63	No variance from baseline.
2i.	Equipment Deployment	60	No variance from baseline.
2j.	Network Testing	40	No variance from baseline.
2k.	Other (please specify): N/A	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).

N/A

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	\$25,000	\$25,000	\$0	\$27,064	\$25,619	\$1,445	\$176,639	\$70,492	\$106,147
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$2,559,004	\$972,078	\$1,586,926	\$1,377,382	\$585,032	\$792,350	\$2,024,151	\$804,658	\$1,219,493
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,831,073	\$553,626	\$1,277,447	\$285,783	\$85,735	\$200,048	\$926,420	\$277,926	\$648,494
j. Equipment	\$19,452,467	\$6,086,722	\$13,365,745	\$13,251,576	\$4,145,396	\$9,106,180	\$13,755,028	\$4,303,545	\$9,451,483
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$23,867,544	\$7,637,426	\$16,230,118	\$14,941,805	\$4,841,782	\$10,100,023	\$16,882,238	\$5,456,621	\$11,425,617
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$23,867,544	\$7,637,426	\$16,230,118	\$14,941,805	\$4,841,782	\$10,100,023	\$16,882,238	\$5,456,621	\$11,425,617

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: \$525,205