

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
--	---	--

4. Recipient Organization Iowa Communications Network 400 E 14TH ST, Des Moines, IA 50319-9000
--

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
--	---

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): 02-21-2013
---	--

--

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During fourth quarter of 2012, the Sac and Fox sub-recipient completed its fiber installation and is finalizing network delivery. The Decorah sub-recipient began installation of its fiber plant and is expected to complete installation during the first quarter of 2013. As of December 31, 2012, the Iowa Communications Network has drawn down \$11.1 million of American Recovery and Reinvestment Act funds. Network installation was slowed during the fourth quarter due to leased circuit delivery from vendors at a pace slower than anticipated. The Iowa Communication Network expects all circuits expected in the 4th quarter of 2012 to be delivered during the 1st quarter of 2013. The Iowa Communications Network expects to draw additional funds in the first quarter of calender 2013.

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	72	Baseline shows 95%. 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	72	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Network Design expenses are included in the Site Work category in the budget.
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	N/A. The Iowa Communications Network does not have activities that meet the definition of Site Preparation per the Baseline instructions. BBaseline shows 100%. Variance due to equipment purchase plans evolving as described in submitted AARs. Breakout of Site Work from the Infrastructure Budget Execution Detail page are located in EA, Network Design and Equipment Deployment.
2g.	Equipment Procurement	76	Baseline shows 100%. Variance due to equipment purchase plans evolving as described in submitted AAR's and the remaining IRU's to be completed. The percentage recorded in previous PPR's only considered physical equipment and did not taken into account the 15-year IRU's.
2h.	Network Build (all components - owned, leased, IRU, etc)	75	No variance from baseline.
2i.	Equipment Deployment	72	No variance from baseline.
2j.	Network Testing	60	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).

The baseline report shows a total of 3,081 CAIs as part of the project. This does not reflect the number of CAIs included in the grant application or acceptance materials. The ICN applied in both Round One and in Round Two of the BTOP program and different CAI lists were intended to be submitted in each case. The CAI list meant to be submitted for Round Two application had 3,081 CAIs and it was, evidently, the list on which the project Baseline Report and other project details were established. The final grant, however, contained a list of 2,617 CAIs. This error has resulted in significant confusion regarding the scope of the project including the status of

the CAIs included in the list of 3,081 but not in the list of 2,617.

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	21	Baseline shows 12. Variance due to underestimation in baseline report.
New network miles leased	66	Baseline shows 73. Variance due to slower than expected IRU deliveries.
Existing network miles upgraded	3,000	Baseline shows 2,844. 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)	21	Shows only new fiber deployed. Previous reports included new fiber miles leased and existing fiber miles upgraded.
Number of new wireless links	0	No variance from baseline.
Number of new towers	0	No variance from baseline.
Number of new and/or upgraded interconnection points	101	Baseline shows 78. 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	2,482	Variance from baseline due to error in baseline value. Grant application showed total of 2,617 CAIs.
	Subscribers receiving new access	649	Variance from baseline due to error in baseline value. Grant application showed 687 new CAIs
	Subscribers receiving improved access	1,833	Variance from baseline due to error in baseline value. Grant application showed total of 1,930 improved CAIs.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline.
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 first quarter of calendar 2013, the Iowa Communications Network anticipates that, in addition to the Sac and Fox sub-recipient project, the Decorah sub-recipient will complete its portion of the project resulting the installation of all 25 miles of fiber as described in the Baseline Report. As all 3,000 planned fiber network mile upgrades have been completed for the project, no additional miles will be upgraded. Site work will continue with work completed at an additional 204 sites. At the end of the first quarter of 2013, approximately 2,600 community anchor institutions will receive new or improved service as part of the project. It is expected that 18 miles of IRU fiber will be connected in the 1st quarter of 2013.

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	Baseline shows 97%. 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	88	Baseline shows 100%. 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	88	Baseline shows 100%. Variance from baseline represents the IRU's that will not be completed by the end of 2013-2Q.
2h.	Network Build (all components - owned, leased, IRU, etc.)	83	No variance from baseline.
2i.	Equipment Deployment	85	No variance from baseline.
2j.	Network Testing	72	No variance from baseline.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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).

The ICN would benefit from assistance in resolving reporting issues associated with CAI problems described in Section 1, Question 3 above.

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	\$28,047	\$25,914	\$2,133	\$28,047	\$25,914	\$2,133
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	\$113,097	\$33,929	\$79,168	\$243,033	\$72,910	\$170,123
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	\$1,825,692	\$742,537	\$1,083,155	\$2,179,097	\$853,159	\$1,325,938
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,831,073	\$553,626	\$1,277,447	\$518,354	\$155,506	\$362,848	\$1,432,846	\$429,854	\$1,002,992
j. Equipment	\$19,452,467	\$6,086,722	\$13,365,745	\$14,696,488	\$4,595,737	\$10,100,751	\$17,120,416	\$5,355,721	\$11,764,695
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	\$17,181,678	\$5,553,623	\$11,628,055	\$21,003,439	\$6,737,558	\$14,265,881
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	\$17,181,678	\$5,553,623	\$11,628,055	\$21,003,439	\$6,737,558	\$14,265,881

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: \$1,833,565