

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 Camp Dodge Bldg, W-4, Johnston, IA 50131-9000

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 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): 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).

The Iowa Communications Network continued to make significant progress during the third quarter of 2011. Most significantly, the first of five upgraded dense wave division multiplexing ring upgrades was completed. In order to complete the first ring, switching equipment, routers, wave division multiplexing equipment and dense wave division multiplexing equipment purchased in the second quarter was deployed and installed. This resulted in the opportunity for improved service for 785 additional community anchor institutions in the Iowa Communications Network Broadband Opportunities Program project area. Also during this quarter three full time engineers were added to the project. These staff members have begun engineering sites to be installed as part of the program in the coming months. As of the end of the September, approximately 20 sites had been engineered. Engineering is also under way for the installation of 340 new fiber optic leases in the form of infeasible right of use contracts. The Iowa Communications Network also issued a request for proposals for field installation services. The responses to the request have been scored and a vendor has been chosen. End-point site installations are expected to begin in October. During the third quarter of 2011, the Iowa Communication Network engaged in Network Broadband Opportunities Program outreach at the Iowa State Fair increasing awareness of the program among the thousands of visitors. The program sub-recipient in Decorah completed project engineering during the quarter and is prepared to issue construction requests for proposals. The Sac and Fox sub-recipient selected an engineering firm for its portion of the project and engineering was also completed for that portion of the project. The Sac and Fox Tribe anticipates issuing construction requests for proposals by the end of the year. As of September 30, 2011, the Iowa Communications Network has drawn down and committed \$1,074,205 of American Recovery and Reinvestment Act funds. The Iowa Communications Network expects to draw additional funds in the fourth quarter of 2011. Leases for 519 new fiber optic segments have been completed. Installations are expected to begin during the 4th quarter of 2011.

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	8	Baseline shows 28%. Variance from baseline due to carry over from issues identified in previous quarter, delays in deployment of new field technical resources and due to baseline milestones being calculated on actual work done vs. expenditures.
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	8	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures.
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 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	8	Baseline shows 100%. Actual procurement was delayed due to late start. Variance from baseline also due to baseline milestones being calculated on actual work done versus expenditures.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Baseline report shows 13. 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	8	Baseline shows 15. Variance due to delayed start and because baseline milestones being calculated on actual work done versus expenditures.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	0	No specific budget line for network testing. No federal or ICN matching funds yet expended on equipment deployment.
2k.	Other (please specify):	0	NA

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).
 No significant challenges or issues were encountered during the quarter.

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	No variance from baseline. The ICN expects to have new miles deployed by the second quarter of 2012.
New network miles leased	0	Baseline shows 12. Variance due to extended negotiations with IRU providers.
Existing network miles upgraded	779	Baseline shows 867. Variance due to changes in project sequence due to engineering issues and misestimation in baseline report.
Existing network miles leased	0	No variance from baseline.
Number of miles of new fiber (aerial or underground)	0	Baseline shows 1083. Variance due to delays in adding new leased fiber due to RFP negotiations time-line expansion in second quarter of 2011. The ICN has completed all negotiations for conversions of DS3s and establishing new IRUs. New fiber should be on baseline estimates by the end of the second quarter 2012.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	41	The Iowa Communication 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 the BTOP program, these upgrades were completed using BTOP specifications rather than upgrading them now and then again several months later as part of the BTOP program. 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

Indicators			
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: NA			
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: NA			
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). NA			
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	1,088	Baseline shows 874. Variance due under estimation in baseline.
	Subscribers receiving new access	146	Baseline shows 131. Variance due under estimation in baseline.
	Subscribers receiving improved access	942	Baseline shows 743. Variance due under estimation in 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 to100Mbps. Offering does not include speed tiers.
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.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).

No special offerings are anticipated as of this quarterly report.

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

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

NA -Network management practices have not changed from previous practices as of this quarterly report.

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
NA	NA	NA	NA	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 next quarter the Iowa Communications Network will complete installation of two additional complete Dense Wave Division Multiplexing (DWDM) rings. These upgrade will improve service and add functionality to hundreds of community anchor institutions. Additionally, equipment installations in the northwest quadrant of Iowa will be started. Also during this quarter the ICN will begin daily upgrades of equipment at end points through-out the Northwest quarter of the state. New IRUs will also be added to the network in existing and new locations. About 14 miles of new fiber is expected to be leased. Consistent with the Baseline Report, no new network miles are expected to be deployed. Sub-recipients in Decorah and on the Meskwaki Settlement will issue requests for proposals to secure construction contracts for their portions of the project. The ICN expects to have a cumulative total of approximately 1800 CAIs with new or improved service at the end of the 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)

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	28	Variance due to Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Delays in drawing funds due to administrative and waiting for vendor invoicing.
2b.	Environmental Assessment	100	No variance from baseline.
2c.	Network Design	28	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	NA 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	28	Baseline shows 100. Equipment procurement expected to pick up in the next quarter with the installation of the DWDM equipment to be completed around the first week of December. Invoicing of DWDM equipment will not occur until after each ring is installed per contract with vendor, this will result in % complete reporting to be behind baseline until the end of the fourth quarter 2011 and possibly into the 1st quarter of 2012, depending on how quickly we are invoiced by the vendor. DWDM equipment makes up 56% of all equipment purchases. Purchasing of edge equipment continues.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	Baseline shows 13. Variance is due to sub-recipients still in the planning and network design phase. Sub-recipient Decorah expects to have construction RFP issued beginning of 4th quarter with construction to begin in 4th quarter of calendar year 2011. Payments for 15 year IRU's to begin 4th quarter as contracts are signed and we begin to turn up services.
2i.	Equipment Deployment	28	Baseline shows 15. Variance from baseline due to baseline milestones being calculated on actual work done versus expenditures.
2j.	Network Testing	0	No specific budget line for network testing. Milestone completion to be tied to site equipment deployment milestone.
2k.	Other (please specify):	0	NA

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).

No significant challenges or issues are anticipated.

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	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$0
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	\$329,335	\$274,147	\$55,188	\$559,989	\$346,346	\$213,643
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,831,073	\$553,626	\$1,277,447	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$19,452,467	\$6,086,722	\$13,365,745	\$1,483,328	\$464,311	\$1,019,017	\$6,097,923	\$1,908,770	\$4,189,153
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	\$1,837,663	\$763,458	\$1,074,205	\$6,682,912	\$2,280,116	\$4,402,796
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	\$1,837,663	\$763,458	\$1,074,205	\$6,682,912	\$2,280,116	\$4,402,796

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: \$5,370
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