

RECIPIENT NAME:DCN, LLC

AWARD NUMBER: NT10BIX5570090

DATE: 03/07/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

### 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>  NT10BIX5570090	<b>3. DUNS Number</b>  615928405
<b>4. Recipient Organization</b>  DCN, LLC 3901 Great Plains Dr South, Fargo, ND 58104-3916		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  09-30-2013	<b>6. Is this the last Report of the Award Period?</b>  <input checked="" type="radio"/> Yes <input type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Kayla Shafer  KLJ Engineering	<b>7c. Telephone (area code, number and extension)</b>  7013558701	
	<b>7d. Email Address</b>  kayla.verhelst@kljeng.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  03-07-2014	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 Completed all required sites for 124 CIAs, 1 business and 10 towers. These sites may now have access to high speed data connections. DCN and it's sub-recipients also placed 210 miles of fiber for theses sites. DCN set up the medical network backbone on the network for any medical or healthcare facility to connect to each other and other entities. We connected several CAI's that will benefit from better quality service and higher bandwidth availability.

**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	100	Complete
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	100	Complete
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	100	Complete
2h.	Network Build (all components - owned, leased, IRU, etc)	100	Complete
2i.	Equipment Deployment	100	Complete
2j.	Network Testing	100	Complete
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).**

Work was completed as expected.

**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	210	Complete. 214 was estimated but when final sites were built we only needed to place 210.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	1,388	N/A
Number of miles of new fiber (aerial or underground)	210	Complete
Number of new wireless links	0	N/A
Number of new towers	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new and/or upgraded interconnection points	0	N/A

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	17
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	7

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Last Mile Providers: BEK Communications, United Telephone Mutual Aide Corporation, Dakota Central Telecommunications Cooperative, Midstate Telephone Company, Moore & Liberty/Griggs County Telephone, North Dakota Telephone Company, Northwest Communications Cooperative, Polar Communications Mutual Aid, Inter-Community Telephone Company, Reservation Telephone Cooperative, SRT Communications, Consolidated Telecom Company, Red River Telephone, West River Telecommunications, Dickey Rural, Idea One, and Midstate Communications.

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:

Next level internet interconnection from 5 MBPS to 10 GBPS.

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).

DCN does not have a designated third party to operate the network. Sub recipients will own and maintain the fiber within their network and charge DCN for the circuits. DCN will own, operate and manage the entire electronics network for all CAI's. Sub recipients maintaining the their fiber are: BEK Communications, Dakota Central Telecommunications, Moore & Liberty/Griggs County Telephone, North Dakota Telephone Company, Northwest Communications Cooperative, Polar Communications Mutual Aid, Inter-Community Telephone Company, SRT Communications, Consolidated Telecom Company, and Red River Telephone.

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	N/A
	Providers with signed agreements receiving improved access	17	Increased bandwidth capability beyond 1 Gbps.
	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	5	Speeds are 10 mbps-0 subscribers, 20 mbps-0 subscribers, 50 mbps-0 subscribers, 100 mbps-0 subscribers, and 1 Gbps-17 subscribers.
Community Anchor Institutions (including Government institutions)	Total subscribers served	124	Does not include 10 towers
	Subscribers receiving new access	68	As of end of reporting period.

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	56	As of end of reporting period.
	Please identify the speed tiers that are available and the number or subscribers for each	5	5 mbps-38 subscribers, 10 mbps-14 subscriber, 20 mbps-13 subscribers, 50 mbps-6 subscribers, and 100 mbps-1 subscribers. Remaining anchor institutions just may not be subscribing to services yet.
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	1	One business is connected
	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	5	5 mbps-0 subscribers, 10 mbps-1 subscriber, 20 mbps-0 subscribers, 50 mbps-0 subscribers, and 100 mbps-0 subscribers. Remaining anchor institutions have not hooked-up yet.

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

At this time no special offerings will be made.

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
Baptist Home, Inc	Bismarck	Medical or Healthcare Provider	Yes	Using it to connect to clinics and internet
Maple View North	Blsmarck	Medical or Healthcare Provider	Yes	Using it to connect to clinics and internet
Maple View East	Bismarck	Medical or Healthcare Provider	Yes	Using it to connect to clinics and internet

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
Medcenter One St. Vincent's	Bismarck	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Missouri Slope Lutheran Care Center	Blsmarck	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Bethany Retirement Living	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to clinics and internet
Edgewood Fargo Senior Living	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Innovis Health	FARgo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Red River Human Services FND	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to internet
Rosewood on Broadway	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to internet
Maple View Memory Care Clinic	Grand Forks	Medical or Healthcare Provider	Yes	Using it to connect to internet
Manvel Public Schools	Manvel	School (K-12)	No	Using it to connect to State ITD Network and internet
Dakota Alpha	Mandan	Medical or Healthcare Provider	Yes	Using it to connect to internet
HIT Inc	Mandan	Medical or Healthcare Provider	Yes	Using it to connect to internet
MedCenter One Mandan Care Center	Mandan	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
MedCenter One Living Center	Mandan	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Eventide at Sheyenne Crossing	West Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Camp Grafton South (National Guard)	Tulna	Other Government Facility	No	Using it to connect to internet

**Project Indicators (Next Quarter)**

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).  
We will close out all projects and prepare for final close out.

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	On Schedule
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	100	Complete
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	100	Complete
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	Complete
2i.	Equipment Deployment	100	Complete
2j.	Network Testing	100	Complete
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).

DCN will be working through the project close out phase.

**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	\$0	\$0	\$0	\$149,373	\$44,812	\$104,561	\$149,373	\$44,812	\$104,561
b. Land, structures, right-of-ways, appraisals, etc.	\$355,687	\$106,706	\$248,981	\$88,105	\$26,432	\$61,673	\$88,105	\$26,432	\$61,673
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$627,682	\$188,305	\$439,377	\$705,278	\$211,583	\$493,695	\$705,278	\$211,583	\$493,695
e. Other architectural and engineering fees	\$167,377	\$50,213	\$117,164	\$203,290	\$60,987	\$142,303	\$203,290	\$60,987	\$142,303
f. Project inspection fees	\$941,506	\$282,452	\$659,054	\$926,645	\$277,994	\$648,651	\$926,645	\$277,994	\$648,651
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	\$9,860,644	\$2,958,193	\$6,902,451	\$8,841,647	\$2,652,494	\$6,189,153	\$8,841,647	\$2,652,494	\$6,189,153
j. Equipment	\$3,448,757	\$1,034,627	\$2,414,130	\$4,487,315	\$1,346,194	\$3,141,121	\$4,487,315	\$1,346,194	\$3,141,121
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$15,401,653	\$4,620,496	\$10,781,157	\$15,401,653	\$4,620,496	\$10,781,157	\$15,401,653	\$4,620,496	\$10,781,157
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	\$15,401,653	\$4,620,496	\$10,781,157	\$15,401,653	\$4,620,496	\$10,781,157	\$15,401,653	\$4,620,496	\$10,781,157

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: \$0
---	--------------------------------