

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number
27-50-M09043

4. Report Date (MM/DD/YYYY)
01-12-2011

1. Recipient Name
Connected Nation, Inc. - MN

6. Designated Entity On Behalf Of:
Minnesota

3. Street Address
1020 College Street,

8. Final Report? Yes No
9. Report Frequency
 Quarterly
 Semi Annual
 Annual
 Final

5. City, State, Zip Code
Bowling Green, KY 42101-2137

7. Project / Grant Period
Start Date: (MM/DD/YYYY)
12-20-2009

7a. End Date: (MM/DD/YYYY)
12-19-2014

7b. Reporting Period End Date:
12-31-2010

9a. If Other, please describe:
N/A

10. Broadband Mapping 10a. Provider Table

| Number of Providers Identified | Number of Providers Contacted | Number of Agreements Reached for Data Sharing | Number of Partial Data Sets Received | Number of Complete Data Sets | Number of Data Sets Verified |
|--------------------------------|-------------------------------|---|--------------------------------------|------------------------------|------------------------------|
| 0 | 0 | 0 | 0 | 0 | 0 |

10b. Are you submitting the required PROVIDER DATA by using the Excel spreadsheet provided by the SBDD grants office? Yes No

10c. Have you encountered challenges with any providers that indicate they may refuse to participate in this project? Yes No

10d. If so, describe the discussions to date with each of these providers and the current status

Maple Leaf Networks - While attempting to solicit data in accordance with the NOFA and the Clarification, Maple Leaf Networks has not responded our multiple inquires. We have created 90% of dataset during validation work in the area, provided for approval and still no response. We will continue to attempt to gain Maple Leaf Networks participation in Minnesota's Broadband mapping project.

10e. If you are collecting data through other means (e.g. data extraction, extrapolation, etc), please describe your progress to date and the relevant activities to be undertaken in the future

We have not collected any data through extraction programs.

10f. Please describe the verification activities you plan to implement

ESRI is deploying and hosting Connected Nation's BroadbandStat (BBStat) web application. ESRI will house the customized BBStat application in their highly-available, monitored, and managed environment. The scope of services includes setting up a staging environment for data verification and compatibility as well as a production environment for client access.

Connected Nation also collects consumer feedback in the form of broadband inquiries. These inquiries represent any type of communication received from the public regarding broadband service. Once broadband inquiries are received across the state, this information is overlaid with the broadband availability information which was collected through the SBDD program. This allows for a real-world comparison of the broadband landscape to the information received from broadband inquiries. Broadband inquiries are able to provide three types of information: 1) residents who do not have broadband but want it; 2) residents who have broadband but want a different provider; and 3) residents who do not have broadband, but the broadband inventory maps indicate that they do. If residents within a region state that they are without broadband, but the broadband inventory maps show otherwise, this allows Connected Nation to approach the providers within that area in an effort to trim down their coverage to more accurately represent real-world availability on the ground.

During the majority of Q1 2011, Connected Nation will be conducting field validation activities on Paul Bunyon Telephone and will focus on resolving broadband inquiries submitted by consumers who have reported lack of broadband (interested in obtaining service) or whom have reported potential discrepancies in the broadband map.

10g. Have you initiated verification activities? Yes No

10h. If yes, please describe the status of your activities

BroadbandStat is publicly available on the Connect Minnesota website and received a total of 468 visits between October 1, 2010 and December 31, 2010.

During this quarter, the Connect Minnesota project has received a total of 10 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 2 for this quarter.

As of this reporting period, Connected Nation has conducted data validation on 44 out of 120 broadband providers in the state. This represents a field validation test completion rate of 36.67%. One hundred eight-seven tests were completed year-to-date (120 of which were conducted in Q4 alone) in both major metropolitan areas and extremely rural/remote locations areas. In many instances, these testing activities also presented the opportunity to personally meet with representatives from the broadband community and consumers that subscribe to broadband services. Additionally, during this period Connected Nation staff members responded to mapping and broadband inquiries which were generated by local consumers and providers in the state.

10i. If verification activities have not been initiated please provide a projected time line for beginning and completing such activities

N/A

Staffing

10j. How many jobs have been created or retained as a result of this project?

3.47

Connected Nation has numerous staff working on this project, some at only a small percentage of their time. This approach is beneficial to the project in various ways: some staff provide necessary project support, many staff work together utilizing a team approach, and others are subject matter experts in their respective areas and by leveraging their expertise the project benefits by their knowledge and skills without the necessity of supporting a more expensive full-time resource.

10k. Is the project currently fully staffed? Yes No

10l. If no, please explain how any lack of staffing may impact the project's time line and when the project will be fully staffed

N/A

10m. When fully staffed, how many full-time equivalent (FTE) jobs do you expect to create or retain as a result of this project?

3.47

10n. Staffing Table

| Job Title | FTE % | Date of Hire |
|---------------------------------|-------|--------------|
| Associate Counsel | 3 | 09/14/2009 |
| Business Programmer Analyst | 1 | 04/02/2007 |
| CAI Data Analyst | 12 | 03/24/2009 |
| CAI Data Manager | 1 | 08/09/2010 |
| ETS Analyst | 3 | 11/01/2007 |
| ETS Analyst | 21 | 02/08/2010 |
| ETS Analyst | 40 | 07/13/2009 |
| ETS Manager | 6 | 07/01/2007 |
| ETS Senior Analyst | 1 | 02/18/2010 |
| General Counsel | 7 | 01/01/2007 |
| GIS Analyst | 55 | 10/19/2009 |
| GIS Services Manager | 4 | 05/15/2007 |
| Outreach & Awareness Manager | 4 | 03/24/2009 |
| Outreach & Awareness Specialist | 1 | 01/04/2010 |
| Outreach & Awareness Specialist | 5 | 01/04/2010 |

| | | |
|---------------------------------|----|------------|
| Outreach & Awareness Specialist | 6 | 02/02/2009 |
| Outreach & Awareness Specialist | 19 | 01/03/2010 |
| Project Coordinator | 2 | 04/01/2005 |
| Project Management Director | 2 | 12/20/2004 |
| Project Manager | 38 | 03/16/2010 |
| Project Manager | 1 | 12/16/2009 |
| Project Manager | 31 | 09/04/2007 |
| Project Manager | 2 | 08/20/2007 |
| Project Manager | 2 | 03/16/2010 |
| Project Manager | 4 | 01/14/2008 |
| Provider Relations Manager | 7 | 02/17/2005 |
| Provider Relations Specialist | 3 | 11/03/2009 |
| Research and GIS Analyst | 15 | 05/14/2007 |
| Research Analyst | 1 | 06/01/2009 |
| Research Analyst | 5 | 02/01/2010 |
| Research Manager | 5 | 05/14/2007 |
| State Services Manager | 17 | 07/01/2007 |
| State Services Specialist | 22 | 12/01/2009 |
| Research Analyst | 1 | 03/22/2010 |

Sub Contracts

10o. Subcontracts Table

| Name of Subcontractor | Purpose of Subcontract | RFP Issued (Y/N) | Contract Executed (Y/N) | Start Date | End Date | Federal Funds | In-Kind Funds |
|----------------------------|------------------------|------------------|-------------------------|------------|------------|---------------|---------------|
| Throughbred Research Group | Research Surveys | Y | Y | 02/09/2010 | 02/08/2012 | 87,350 | 0 |
| Contract Labor | Contract Labor | N | Y | 12/20/2009 | 12/19/2014 | 250,834 | 181,552 |
| ESRI | Hosting | N | Y | 02/03/2010 | 02/02/2012 | 37,877 | 0 |

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$782,635 10q. How much Remains? \$3,687,400

10r. How much matching funds have been expended as of the end of last quarter? \$197,767 10s. How much Remains? \$920,781

10t. Budget Worksheet

| Mapping Budget Element | Federal Funds Granted | Proposed In-Kind | Total Budget | Federal Funds Expended | Matching Funds Expended | Total Funds Expended |
|------------------------|-----------------------|------------------|--------------|------------------------|-------------------------|----------------------|
| Personal Salaries | \$1,502,448 | \$129,840 | \$1,632,288 | \$198,726 | \$34,647 | \$233,373 |

| Mapping Budget Element | Federal Funds Granted | Proposed In-Kind | Total Budget | Federal Funds Expended | Matching Funds Expended | Total Funds Expended |
|---------------------------|-----------------------|------------------|--------------|------------------------|-------------------------|----------------------|
| Personnel Fringe Benefits | \$322,275 | \$36,355 | \$358,630 | \$40,033 | \$9,045 | \$49,078 |
| Travel | \$152,515 | \$0 | \$152,515 | \$32,717 | \$1,497 | \$34,214 |
| Equipment | \$145,816 | \$0 | \$145,816 | \$67,811 | \$0 | \$67,811 |
| Materials / Supplies | \$32,437 | \$0 | \$32,437 | \$15,313 | \$0 | \$15,313 |
| Subcontracts Total | \$747,164 | \$181,552 | \$928,716 | \$154,821 | \$56,162 | \$210,983 |
| Subcontract #1 | \$437,265 | \$0 | \$437,265 | \$43,927 | \$0 | \$43,927 |
| Subcontract #2 | \$250,834 | \$181,552 | \$432,386 | \$98,848 | \$56,162 | \$155,010 |
| Subcontract #3 | \$21,188 | \$0 | \$21,188 | \$2,988 | \$0 | \$2,988 |
| Subcontract #4 | \$37,877 | \$0 | \$37,877 | \$9,058 | \$0 | \$9,058 |
| Subcontract #5 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Construction | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | \$91,445 | \$657,186 | \$748,631 | \$3,011 | \$75,544 | \$78,555 |
| Total Direct Costs | \$2,994,100 | \$1,004,933 | \$3,999,033 | \$512,432 | \$176,895 | \$689,327 |
| Total Indirect Costs | \$1,475,935 | \$113,615 | \$1,589,550 | \$270,203 | \$20,872 | \$291,075 |
| Total Costs | \$4,470,035 | \$1,118,548 | \$5,588,583 | \$782,635 | \$197,767 | \$980,402 |
| % Of Total | 80 | 20 | 100 | 80 | 20 | 100 |

Hardware / Software

10u. Has the project team purchased the software / hardware described in the application? Yes No

10v. If yes, please list

Hardware/software purchases for the project to date include the following:

- BroadbandStat-\$60,000
- ArchInfo/ArcGIS Software-\$7,811
- Computers-\$223
- Speed Test Software-\$116
- Spectrum Analyzer-\$4,477

10w. Please note any software / hardware that has yet to be purchased and explain why it has not been purchased

Remaining purchases may include SQL server for mapping geodatabase, SQL server software, multiple dedicated storage servers, security application, additional backup replication solution, computers, GPS units BroadbandStat maintenance, ArchInfo/ArcGIS maintenance, and speed test updates as well as computers and software maintenance.

10x. Has the project team purchased or used any data sets? Yes No

10y. If yes, please list

N/A

10z. Are there any additional project milestones or information that has not been included? Yes No

10aa. If yes, please list

- * Maintained updated budget/finance cost model for Connect Minnesota.
- * Revised, distributed, reviewed, and finalized project work plan and Work Breakdown Structure.
- * Collected broadband inquiries, speed tests, and other analytics with Connect Minnesota website.
- * Directed outreach strategy.
- * Enhanced Connect Minnesota website explaining program and gathering information from consumer community, including Beta

language and Connect Minnesota Residential Technology Assessment Results.

- * Held monthly project team meetings.
- * Produced monthly status reports, data collection activity log, and website statistics and distributed to the Connect Minnesota project team.
- * Compiled and refined Community Anchor Institution (CAI) listings and corresponding information regarding the following: physical address of the CAI, e-mail addresses, connection platforms, connection speed of institutions.
- * Refined broadband provider list.
- * Distributed NDAs to broadband providers.
- * Executed NDAs with provider community.
- * Securely stored executed NDAs.
- * Requested broadband coverage coordinate datasets from provider community.
- * Distributed broadband coverage datasets to GIS mapping team for processing.
- * Conducted demonstrations of the BroadbandStat product.
- * Completed preparation of Minnesota Broadband Analysis Report.
- * Completed first draft of the Business Survey Results revisions.
- * Current number of vendors validated is 44 equating to 35.77% approved vendors in state of Minnesota.
- * Participated in Minnesota Advisory Broadband Taskforce meeting.
- * Outreach and awareness team created handout for new state legislatures to increase awareness of the achievements to date of the Connect Minnesota project.
- Updated Minnesota media outreach list to add traditional contacts and include regional technology bloggers.
- * In response to the additional State Broadband Data & Development funding extending the grant through December 2014, project plan alterations and expansion commenced.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

All deadlines have been achieved. There currently have not been any obstacles encountered.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

On September 27, Connect Minnesota received notice of a grant award extending SBDD mapping and planning activities for an additional three years. The project plan has been revised to include these new activities and will be formally submitted to NTIA by the scheduled deadline.

11. Broadband Planning

11a. Please describe progress made against all goals, objectives, and milestones detailed in the approved Project Plan. Be sure to include a description of each major activity / milestone that you plan to complete and your current status

On behalf of the state of Minnesota, Connected Nation (CN) is working with its subcontractors to analyze demand-side data collected through statistical telephone surveys of 800 businesses statewide. Quotas were set by industry size and sector to ensure a representative sample of businesses was surveyed, and the results were weighted by industry size and sector to correct for minor variances. Analysis of these business survey results began in Q3 2010. Initial data analysis was completed in Q4 2010, with more in-depth survey results scheduled to be provided to the state in Q1 2011. CN designed these surveys to measure technology adoption, barriers to adoption, and awareness of available broadband service among Minnesota businesses, and those results were compared to statewide figures provided by participating Internet service providers.

Connect Minnesota, in coordination with the Minnesota Department of Commerce, completed an initial planning report for the state during Q4 2010. This report, entitled Minnesota Broadband Availability and Adoption Statistics: An Initial Working Report on the Current State of Minnesota's Broadband Landscape, serves as a preliminary assessment of broadband infrastructure and adoption in Minnesota. The purpose of its development and release is to provide a detailed review of the current state of broadband in Minnesota and to spark discussion across multiple broadband stakeholders in the state on key policy and strategies to expand and enhance broadband services. An initial draft of the report was presented for comment to the Minnesota Broadband Task Force during Q4 2010 and will be released publicly within the state during Q1 2011. After public release it will also be available for review and comment on the Connect Minnesota website.

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Connected Nation has been working closely with the state of Minnesota to ensure that our work exceeds expectations. During Q4 2010, there were no significant obstacles during the planning process.

11c. Does the Project Team anticipate any changes to the project plan for Broadband Planning? Yes No

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing

No additional information to report at this time.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

All planning costs have been combined with the mapping costs and reported in the mapping section above.

12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purpose set forth in the award documents.

12a. Typed or Printed Name and Title of Authorized Certifying Official

Bernie Bogle

12c. Telephone
(area code, number, and extension)

12d. Email Address

bbogle@connectednation.org

12b. Signature of Authorized Certifying Official

Submitted Electronically

12e. Date Report Submitted
(Month, Day, Year)

02-21-2011