

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number

45-50-M09044

4. Report Date (MM/DD/YYYY)

01-12-2011

1. Recipient Name

Connected Nation, Inc. - SC

6. Designated Entity On Behalf Of:

South Carolina

3. Street Address

1020 College Street, P.O. Box 3448,

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

Birch Communications, Inc. - Refused to Participate - Provider has chosen not to participate. The main concern was more with the fact he does not want to divulge the information publically on his speeds or coverage area.

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.

Connected Nation intends to conduct Q1 field validation tests on 2 additional providers and has planned 14 test points. The results would yield an increase of 4.97% against year-end 2011.

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 South Carolina website and received a total of 1,465 visits between October 1, 2010 and December 31, 2010.

During this quarter, the Connect South Carolina project has received a total of 12 broadband inquiries. Additional information received

through e-mail from consumers that can also be used for verification purposes totaled 3 for this quarter. Connected Nation focused on both data acquisition and data validation. In many instances, this required on-site visits with the providers in order to demonstrate and explain data validation techniques. To date, Connected Nation has completed in-the-field validation on 19 (out of 49) companies and/or 38.78% of the broadband provider universe. Eighty-two test points were selected (29 tests having occurred in Q4) in order to gauge the accuracy of data submitted for fixed and mobile wireless, WiMAX, cable modem, DSL, and FTTx technologies.

Spectrum analysis testing confirmed broadband operations in the 700 MHz, 800 MHz, 900 MHz, 2400 MHz, 5700 MHz, and other frequency bands, coordinates for above ground facilities were confirmed using either a Garmin eTrex Summit GPS unit or Microsoft Street & Trips (GPS enabled), speed tests were conducted using smart phones, WiMAX cards, mobile air cards, and DSL and cable modems (when available).

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?

2.84

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?

2.84

10n. Staffing Table

| Job Title | FTE % | Date of Hire |
|-----------------------------|-------|--------------|
| Associate Counsel | 2 | 09/14/2009 |
| Business Programmer Analyst | 1 | 04/02/2007 |
| CAI Data Analyst | 5 | 03/24/2009 |
| CAI Data Manager | 2 | 08/09/2010 |
| ETS Analyst | 1 | 08/03/2009 |
| ETS Analyst | 3 | 11/01/2007 |
| ETS Analyst | 9 | 08/24/2009 |
| ETS Manager | 5 | 07/01/2007 |
| ETS Sr. Analyst | 4 | 02/18/2010 |
| General Counsel | 5 | 01/01/2007 |
| GIS Analyst | 19 | 09/17/2007 |
| GIS Intern | 2 | 04/01/2010 |
| GIS Services Manager | 4 | 05/15/2007 |

| | | |
|---------------------------------|----|------------|
| Outreach & Awareness Manager | 7 | 03/24/2009 |
| Outreach & Awareness Specialist | 1 | 10/01/2007 |
| Outreach & Awareness Specialist | 1 | 01/04/2010 |
| Outreach & Awareness Specialist | 5 | 01/04/2010 |
| Outreach & Awareness Specialist | 7 | 02/02/2009 |
| Outreach & Awareness Specialist | 18 | 01/03/2010 |
| Project Coordinator | 2 | 04/01/2005 |
| Project Management Director | 1 | 12/20/2004 |
| Project Manager | 7 | 01/14/2008 |
| Project Manager | 2 | 08/20/2007 |
| Project Manager | 2 | 03/16/2010 |
| Project Manager | 5 | 01/14/2008 |
| Project Manager | 34 | 12/16/2009 |
| Provider Relations Manager | 7 | 02/17/2005 |
| Provider Relations Specialist | 3 | 11/03/2009 |
| Research & GIS Analyst | 3 | 05/14/2007 |
| Research Analyst | 5 | 02/01/2010 |
| Research Analyst | 43 | 06/01/2009 |
| Research Manager | 4 | 05/14/2007 |
| State Services Manager | 4 | 07/01/2007 |
| State Services Specialist | 41 | 02/02/2009 |
| State Services Sr. Specialist | 19 | 12/20/2009 |
| 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 | 506,111 | 106,883 |
| ESRI | Hosting | N | Y | 02/03/2010 | 02/02/2012 | 38,683 | 0 |

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$645,663 10q. How much Remains? \$3,334,169

10r. How much matching funds have been expended as of the end of last quarter? \$138,810 10s. How much Remains? \$891,857

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 | \$1,199,434 | \$123,752 | \$1,323,186 | \$154,416 | \$37,996 | \$192,412 |
| Personnel Fringe Benefits | \$257,278 | \$32,004 | \$289,282 | \$31,505 | \$8,452 | \$39,957 |
| Travel | \$157,557 | \$0 | \$157,557 | \$24,086 | \$94 | \$24,180 |
| Equipment | \$139,143 | \$0 | \$139,143 | \$65,195 | \$0 | \$65,195 |
| Materials / Supplies | \$50,350 | \$0 | \$50,350 | \$14,973 | \$0 | \$14,973 |
| Subcontracts Total | \$891,457 | \$106,883 | \$998,340 | \$142,086 | \$32,856 | \$174,942 |
| Subcontract #1 | \$321,347 | \$0 | \$321,347 | \$43,675 | \$0 | \$43,675 |
| Subcontract #2 | \$506,111 | \$106,883 | \$612,994 | \$86,713 | \$32,856 | \$119,569 |
| Subcontract #3 | \$25,316 | \$0 | \$25,316 | \$3,240 | \$0 | \$3,240 |
| Subcontract #4 | \$38,683 | \$0 | \$38,683 | \$8,458 | \$0 | \$8,458 |
| Subcontract #5 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Construction | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | \$54,298 | \$685,883 | \$740,181 | \$2,995 | \$6,847 | \$9,842 |
| Total Direct Costs | \$2,749,517 | \$948,522 | \$3,698,039 | \$435,256 | \$86,245 | \$521,501 |
| Total Indirect Costs | \$1,230,315 | \$82,145 | \$1,312,460 | \$210,407 | \$52,565 | \$262,972 |
| Total Costs | \$3,979,832 | \$1,030,667 | \$5,010,499 | \$645,663 | \$138,810 | \$784,473 |
| % Of Total | 79 | 21 | 100 | 82 | 18 | 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-\$5,195
- Computers-\$3,329
- Speed Test Software-\$1,133
- 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 and updated the budget/finance cost model for Connect South Carolina

- *Revised the project work plan and Work Breakdown Structure (WBS)
- *Maintained and managed the project work plan and WBS
- *Maintained and updated the Connect South Carolina website to explain the program and gather information from the consumer community; also added beta language requested by National Telecommunication and Information Administration (NTIA)
- *Continued to process speed tests from the Connect South Carolina speed test portal
- *Continued to receive and process the Connect South Carolina website broadband inquiries
- *Maintained the outreach and awareness strategy plan
- *Conducted periodic Connect South Carolina project team meetings
- *Produced monthly status reports, data collection activity log, and website statistics and distributed to the Connect South Carolina project team
- *Maintained and updated the broadband provider list
- *Distributed Non-Disclosure Agreement (NDA) to the Provider Community and securely stored the executed NDAs from Provider
- *Conducted demonstrations of the BroadbandStat product
- *Monitored and continued updating the South Carolina BroadbandStat instance with the most accurate mapping data
- *Updated and processed broadband coverage coordinate data sets from provider community
- *Submitted the Connect South Carolina 3rd Quarter 2010 American Recovery and Reinvestment Act Report and NTIA Performance Progress Report
- *Connect South Carolina continued to conduct on the ground field validation for the NTIA viable South Carolina providers
- *Completed the final South Carolina residential survey report and presented the report to the South Carolina Stakeholders
- *Completed the initial South Carolina business Survey Short report and presented the report to the South Carolina Stakeholders
- *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

N/A

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

The matching funds documented are currently at 18% of the total funds expended. Connected Nation is working with the State of South Carolina to identify, secure and document additional sources of match including but not limited to increased leadership of the project by state staff, additional contributed office space, and the provision of datasets owned or controlled by state entities that would be beneficial to the project. We anticipate a significant increase in the match in the first quarter of 2011.

On September 27, Connect South Carolina 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 South Carolina, Connected Nation (CN) is working with its subcontractors to analyze demand-side data collected through statistical telephone surveys of 805 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 South Carolina businesses, and those results were compared to statewide figures provided by participating Internet service providers.

Connect South Carolina, in coordination with the state of South Carolina, began researching and drafting an initial planning report for the state during Q4 2010. This report will serve as a preliminary assessment of broadband infrastructure and adoption in South Carolina. The purpose of its development and release is to provide a detailed review of the current state of broadband in South Carolina and spark discussion across multiple broadband stakeholders in the state on key policy and strategies to expand and enhance broadband services. The report will be formally presented and released publicly within the state during Q1 2011. It will also be available for public review and comment on the Connect South Carolina 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 South Carolina to ensure that our work exceeds expectations. During Q4 2010, there were no significant obstacles during the planning process.

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

N/A

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