ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

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 06-43-B10540	3. DUNS Number 829939854

4. Recipient Organization

ZERODIVIDE 425 Bush St STE 300, San Francisco, CA 941083721

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	6. Is this the last Annual Report of the Award Period? ◯ Yes ◉ 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 David Veneziano	7c. Telephone (area code, number and extension)
	7d. Email Address david@zerodivide.org
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 01-27-2011

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).
No.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
N/A	N/A	0	0	N/A
Totals		0	0	

Add Equipment	Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed **(600 words or less).**

We did not distribute equipment/supplies in 2010 (the project's Q1 & Q2).

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported <u>cumulatively</u> from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who <u>completed</u> the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0
Multimedia	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	0	0	0
Certified Training Programs	0	0	0
Other (please specify): None.	0	0	0
Total	0	0	0

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

The Generation ZD Digital Literacy Program has been successful to date: ZeroDivide has met all of the milestones for the project's Q1 and Q2 as laid out in our SBA baseline documentation. Also, we are on track to achieve our goals for Q3 and Q4 ahead. The seven subrecipients are beginning their BTOP-funded digital literacy training programming now (Q3) and we will see results of these programs in the coming quarters.

ZeroDivide looks forward to providing detailed reporting on our project's activities and results over the coming months.

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).
20	This estimate is based on a recent study by Connected Nation that reported that subscription rates to broadband service remain stagnant among low-income and minority consumers due to such factors as lack of a household computer, lack of broadband training, high costs of service, and/or unreliable network facilities. In urban areas, broadband adoption and home subscribership amount minorities remains at 47%, and among low-income minorities at 20%, compared to 52% of non-minority residents. In rural areas, only 33% of minorities and 20% of low-income minorities subscribe to broadband, compared to 40% of non-minorities.The racial breakdown illustrates lower broadband adoption rates among all minorities, with Hispanics and African Americans reporting even significantly lower computer ownership rates. While young people drive technology adoption in these communities, disadvantaged and low-income youth often do not have access in their home environment. A Pew Internet & American Life survey revealed that while teens have higher rates of internet use that adults, low-income and minority youth have lower use rates. The adoption level has not changed because the 7 subrecipients will not begin their BTOP-funded programming until the project's Q3, which is Q1, 2011.

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

N/A

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

0

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

We look forward to sharing many best practices and lessons learned in the coming months as our project unfolds.