

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) 12-31-2010	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 Kevin Heinzeroth Iowa Communications Network	7c. Telephone (area code, number and extension) 5157254732
	7d. Email Address Kevin.Heinzeroth@iowa.gov

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-07-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 The initial Environmental Assessment Draft was submitted on 11/29/10. Subsequent to final submission revisions were requested by the Federal Program Officer. At NTIA's request a revised BTOP Baseline Report was submitted on 12/20/10.
 It is assumed in forward looking reporting commentary / forecasting related to use of BTOP funds that a FONSI will be issued by 2/1/11.
 Decorah Iowa (BTOP grant sub recipient) has completed their 28E organizational agreement and has proceeded to the formal project planning phase.
 High level engineering was substantially completed during the reporting period.
 All elements of the BTOP project have been committed to the Microsoft Project format as the basis for ongoing detailed management by the BTOP team.
 Discussions regarding Special Award Condition related to overlap of other federal projects were conclusive and clearance is expected in the upcoming reporting period.

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	3	No variance from revised Baseline Plan
2b.	Environmental Assessment	99	Draft EA submitted November 28th. All requested revisions to EA Draft have been addressed. EA resubmitted on 11/29/2010.
2c.	Network Design	80	Final high level Network Design has been substantially completed. Pending any EA related mitigation requirements discovered during actual construction high level Network Design should remain unchanged throughout the remainder of the project
2d.	Rights of Way	0	No variance from revised Baseline Plan (note 2c)
2e.	Construction Permits and Other Approvals	0	No variance from revised Baseline Plan (note 2c)
2f.	Site Preparation	0	No variance from revised Baseline Plan (note 2c)
2g.	Equipment Procurement	0	Equipment Procurement was scheduled to begin at the end of the current reporting period but did not occur. This was because the RFP's were not released. RFP's are 95% complete awaiting: a) Final user address verification for New IRU RFP It is anticipated that all RFP's will be posted for vendor reply by the end of the upcoming reporting period.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance from revised Baseline Plan (note 2c)
2i.	Equipment Deployment	0	No variance from revised Baseline Plan
2j.	Network Testing	0	No variance from revised Baseline Plan
2k.	Other (please specify): NA	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).
 Dealing with the SHPO in Iowa caused a delay and additional required effort in finalizing the EA draft. The affected area was on tribal lands and the tribal Historic Preservation Officer agreed to place archeological aspects of the project under their oversight which effectively resolved the issue. The ICN has also agreed as a component of the EA to stop construction and take appropriate mitigating

action if any archeological issues are discovered during the actual construction process. This applies not only on tribal lands but in all other areas of the project as well.

Requiring IRU vendors to certify that the Davis - Bacon requirement for BTOP have been met may be problematic for vendors because they consider fiber IRU's to be "a service" and not a hard asset sale. There is the potential that vendor RFP response for New IRU's could be inadequate due to this requirement.

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 revised Baseline Plan
New network miles leased	0	No variance from revised Baseline Plan
Existing network miles upgraded	0	No variance from revised Baseline Plan
Existing network miles leased	0	No variance from revised Baseline Plan
Number of miles of new fiber (aerial or underground)	0	No variance from revised Baseline Plan
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	No variance from revised Baseline Plan

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
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:
N/A for this reporting period

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:
N/A for this reporting period

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).
N/A for this reporting period

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 of 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 revised Baseline Plan
	Providers with signed agreements receiving improved access	0	No variance from revised Baseline Plan
	Providers with signed agreements receiving access to dark fiber	0	No variance from revised Baseline Plan
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA For this reporting period
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No new CAI's have been served because network improvements have not yet occurred.
	Subscribers receiving new access	0	No new CAI's have been served because network improvements have not yet occurred.
	Subscribers receiving improved access	0	No new CAI's have been served because network improvements have not yet occurred.
	Please identify the speed tiers that are available and the number or subscribers for each	0	NA For this reporting period
Residential / Households	Entities passed	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the BTOP application / approval process
	Total subscribers served	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the BTOP application / approval process
	Subscribers receiving new access	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the BTOP application / approval process
	Subscribers receiving improved access	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the BTOP application / approval process
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA For this reporting period
Businesses	Entities passed	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the BTOP application / approval process
	Total subscribers served	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the BTOP application / approval process
	Subscribers receiving new access	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the BTOP application / approval process
	Subscribers receiving improved access	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the BTOP application / approval process
	Please identify the speed tiers that are available and the number of	0	NA For this reporting period

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

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).
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	N/A - No new CAI's have as of yet been connected as a result of the BTOP program

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
The first draft Environmental Assessment was submitted one month prior to the required deadline. All NTIA requested revisions were completed and final EA Draft is on file at NTIA.
It is anticipated that based on the Final EA Draft a FONSI will be issued prior to 2/1/11 releasing project funding for use.

All RFP's will be released, responses received and analyzed (pending any issues related to vendor response due to Davis – Bacon requirement for New IRU's) , and vendor awards made during the upcoming reporting period.

Detailed engineering refinements, finalization of migration planning, and equipment staging / mobilization procedures will occur in the upcoming reporting period.

Ethernet site upgrades will commence during the upcoming reporting period.

Decatur County build components will be substantially completed by the end of the reporting period.

It is anticipated that all Special Award Conditions will be cleared during the upcoming reporting period including the review of potential overlap with other active BIP/BTOP projects will be completed in the upcoming reporting period.

Ongoing operational network interface discussions directed at long term cross usage operational agreements with Iowa Health System will occur during the upcoming reporting period.

The project requires the Iowa Legislature (convening in January 2011) signoff of purchases that exceed statutory limits. This event should occur by the end of the upcoming reporting period.

Sub-recipients, having completed their organizational governance processes and established specific deployment timing will move into the active project management phase of their respective projects under the support and guidance of the ICN BTOP project team.

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	4	Substantive portions contributing to overall project completion in the next reporting period consist of issuance of FONSI, Lamoni to Leon construction, release and processing of all RFP's, clearance of all Special Award Conditions, including BIP/BTOP overlap analysis, active sub recipient project planning, and mobilization efforts including equipment procurement and staging.
2b.	Environmental Assessment	100	Pending final approval by NTIA a FONSI should be issued by 2/1/11.
2c.	Network Design	95	High level network design will be 100% complete and it is anticipated that substantially all of final network design will be completed prior the end of the next reporting period.
2d.	Rights of Way	33	It is anticipated that Rights of Way related to Lamoni to Leon fiber build will be completed by the next reporting period.
2e.	Construction Permits and Other Approvals	33	It is anticipated that Construction Permitting related to Lamoni to Leon fiber build will be completed by the next reporting period
2f.	Site Preparation	0	No variance from revised Baseline Plan
2g.	Equipment Procurement	8	It is anticipated that equipment orders / procurement will be begin prior to the end of the upcoming reporting period.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No variance from revised Baseline Plan
2i.	Equipment Deployment	0	Due to minor delay in RFP release Ethernet site deployment will begin towards the beginning of the Q4 reporting period.
2j.	Network Testing	0	No variance from revised Baseline Plan
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).

The Decatur County build component somewhat weather dependent. Assuming a normal winter (snowfall and temperature) the build should be substantially completed by the end of the reporting period. If snowfall is abnormally high or average temperatures are abnormally low it could negatively impact the project timeline by 30 – 60 days.

Requiring IRU vendors to certify that the Davis - Bacon requirement for BTOP have been met may be problematic for vendors because they consider fiber IRU's to be "a service" and not a hard asset sale. There is the potential that vendor RFP response for New IRU's could be inadequate due to this requirement

All timelines involving the release of BTOP funding assumes a FONSI will be issued by 2/1/11. A delay in funding release will create a commensurate delay in program timelines (as reported in Revised Baseline Report).

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	\$2,068,631	\$2,068,631	\$0	\$246,400	\$246,400	\$0	\$503,600	\$503,600	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$13,533,583	\$3,474,949	\$10,058,634	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$8,240,330	\$2,068,846	\$6,171,484	\$0	\$0	\$0	\$649,205	\$0	\$649,205
k. Miscellaneous									
l. SUBTOTAL (add a through k)	\$23,867,544	\$7,637,426	\$16,230,118	\$271,400	\$271,400	\$0	\$1,177,805	\$528,600	\$649,205
m. Contingencies									
n. TOTALS (sum of l and m)	\$23,867,544	\$7,637,426	\$16,230,118	\$271,400	\$271,400	\$0	\$1,177,805	\$528,600	\$649,205

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