

RECIPIENT NAME:Iowa Health System

AWARD NUMBER: NT10BIX5570084

DATE: 05/17/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570084	3. DUNS Number 836204271
4. Recipient Organization Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Stephanie Young	7c. Telephone (area code, number and extension) X	
	7d. Email Address YoungSJ@ihs.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-17-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During this quarter, we began negotiating the Blenco to Logan Fiber Lease agreement with NIPCO. We stopped most project activity on the grant except the site acquisition negotiations and Environmental Assessment on the Cedar Rapids and Waterloo locations.
 The need to stop most grant activity was a result of an extensive 3 month review of the current market conditions. Due to lower than expected levels of demand for wireless infrastructure and price level erosion, IHS identified that the best approach would be to modify the proposed project to eliminate all wireless infrastructure and instead offer wireline backhaul to the Last Mile Providers (which there is a demand and need for in Iowa). Additionally we propose to eliminate the 6 ICN locations due to the statutory limitations that IHS would encounter.
 Project modification work was being completed and therefore, the activities identified in the baseline were not met will either be completed in the next qtr or revised.
 We intend to submit a project modification request to NTIA for its review.

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	1	Due to the project modification we are not meeting our original baseline plan. If and when the project modification is approved we will be on track with our revised baseline report.
2b.	Environmental Assessment	30	Followed up with Miami Tribe and there were no issues and also received a "no objection" letter from the USFW. Due to the project modification, we have not contacted the SHPO. If and when the project modification is approved, we will proceed with contacting the SHPO and negotiating a programmatic agreement.
2c.	Network Design	40	Finalization is pending EA and site acquisition activities. If and when the project modification is approved we will be in track with our revised baseline report.
2d.	Rights of Way	0	No variance from the Baseline Report
2e.	Construction Permits and Other Approvals	0	No variance from the Baseline Report
2f.	Site Preparation	0	No variance from the Baseline Report
2g.	Equipment Procurement	0	We have not procured any equipment due to not receiving a FONSI, therefore, we have variance from the Baseline Report.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance from the Baseline Report
2i.	Equipment Deployment	0	No variance from the Baseline Report
2j.	Network Testing	0	No variance from the Baseline Report
2k.	Other (please specify):	0	No variance from the Baseline Report

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).
 During this quarter we were completing the business plan and determined there was a need for a project modification during the market analysis portion of the business plan. We communicated with NTIA that we had identified areas of concern with the current market. The result of the market analysis would potentially result in modifications to the proposed project. Our areas of concern are identified with the current market conditions (lower than expected levels of demand for wireless infrastructure) and the wholesale price erosion.

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

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 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	No variance from the Baseline Report
	Providers with signed agreements receiving improved access	0	No variance from the Baseline Report

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving access to dark fiber	0	No variance from the Baseline Report
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from the Baseline Report
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No variance from the Baseline Report
	Subscribers receiving new access	0	No variance from the Baseline Report
	Subscribers receiving improved access	0	No variance from the Baseline Report
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance from the Baseline Report
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	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

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

No special offerings are anticipated as of this quarter.

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 quarter.

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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Submitting the project modification to NTIA for approval. If and when we receive the approval, we will move forward with the EA process to obtain a FONSI and negotiate a Programmatic Agreement.

 Contingent upon approval of the project modification, we anticipate moving forward quickly to outreach to the last mile providers and procuring startup support services. Additionally, we will be negotiating and obtaining offer letters for land purchases.

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	2	Due to the project modification, we are not going to meet the milestones or expenditures forecasted.
2b.	Environmental Assessment	35	Due to the project modification, we submitted a request for a Programmatic Agreement.
2c.	Network Design	45	Due to the project modification, we have not completed the network design for the previous quarter.
2d.	Rights of Way	0	Due to the project modification, we are not projecting to receive a FONSI until Qtr 2, Year 2. Therefore, we will not begin ROW work next quarter.
2e.	Construction Permits and Other Approvals	0	Due to the project modification, we do not project that we will start obtaining construction permits during the next quarter.
2f.	Site Preparation	0	No variance from Baseline Report
2g.	Equipment Procurement	0	Due to the project modification and not obtaining a FONSI, we do not project that we will be procuring equipment next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Due to the project modification and not obtaining a FONSI, we do not project finalizing the Blenco to Logan Fiber Lease and Hut Agreement.
2i.	Equipment Deployment	0	No variance from Baseline Report
2j.	Network Testing	0	No variance from Baseline Report
2k.	Other (please specify):	0	No variance from Baseline Report

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 project is on a strict timeline but the schedule will need to be flexible, since some land negotiations, last mile agreements, and environmental consultations will come through faster than others.

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	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$4,597,038	\$0	\$4,597,038	\$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	\$2,309,100	\$0	\$2,309,100	\$289,549	\$0	\$289,549	\$741,719	\$0	\$741,719
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	\$789,800	\$0	\$789,800	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,153,002	\$0	\$1,153,002	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$18,648,743	\$9,853,848	\$8,794,895	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$71,084	\$0	\$71,084	\$2,704	\$0	\$2,704	\$2,704	\$0	\$2,704
l. SUBTOTAL (add a through k)	\$27,568,767	\$9,853,848	\$17,714,919	\$292,253	\$0	\$292,253	\$744,423	\$0	\$744,423
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$27,568,767	\$9,853,848	\$17,714,919	\$292,253	\$0	\$292,253	\$744,423	\$0	\$744,423

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
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