

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
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4. Recipient Organization

Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406

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 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): 02-16-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

In response to a request by NTIA, we submitted a revised Baseline Report on 12/30/10.

The initial Environmental Assessment (EA) draft was submitted on 12/30/10.

Additionally, we are still waiting for responses from the U.S. Fish and Wildlife Service (USFW) and the State Historic Preservation Office (SHPO).

In addition to submitting the documents described above, we completed the optical budget analysis and a substantial portion of the engineering.

RFQs were issued and vendors were selected for the following services: EA, Engineering, Tower/RF Engineering and Site Acquisition. Contracts were entered into with the EA and Engineering vendors and Contract negotiations were in-process with the Tower/RF Engineering and Site Acquisition vendor.

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.

On 12/22/10, we submitted maps and comments regarding the Special Award Condition related to overlap of other federal projects.

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	Positive variance from revised Baseline Plan
2b.	Environmental Assessment	60	Secured EA vendor and submitted draft EA for initial planned locations. All requested revisions/responses to EA draft are in-process. Outstanding issues remained with USFW and Iowa SHPO, follow up with Miami Tribe. Maps with narrative will be re-submitted with final EA, as requested.
2c.	Network Design	45	High level Network Design has been substantially completed but finalization is pending EA and site acquisition activities. Pending any EA related mitigation requirements discovered during actual construction, high level Network Design should remain unchanged throughout the remainder of the project. Site Acquisition and RF Analysis will start next reporting period.
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
2f.	Site Preparation	0	No variance from revised Baseline Plan
2g.	Equipment Procurement	0	No variance from revised Baseline Plan
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance from revised Baseline Plan
2i.	Equipment Deployment	0	No variance from revised Baseline Plan
2j.	Network Testing	0	No variance from revised Baseline Plan
2k.	Other (please specify):	0	No variance from revised Baseline Plan

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 policy requirements in Iowa is expected to cause severe project delays and additional effort required to submit a final EA. The affected areas are currently on hold due to the inability to complete Iowa SHPO tasks regarding the archeological

aspects of the project and weather conditions.

The scope of this project covers a number of sites across the entire State of Iowa. Delaying progress regarding procurement, site preparation, OSP engineering, construction based on an "All or None" EA approval policy may have a significant impact on project completion. A recommended solution is to provide a conditional EA to allow this statewide-specific project to proceed as planned.

IHS may seek to request a conditional EA to complete the State of Iowa SHPO tasks in an effort to keep the project on track. This "conditional" EA approval would minimize project delays due to both weather/time of year issues and rigorous State of Iowa SHPO polices. This strategy may include completing any archeological issues on only the impacted sites that are outstanding during the summer. The objective is to allow construction to proceed and material procurement without delaying progress or SHPO approvals (which may not be completed until late fall of 2011). If construction were delayed until November, completion of the hut site preparation and fiber lateral OSP builds would be severally impacted. In turn, this would delay equipment installation at all sites, potentially pushing these activities into the spring/summer of 2012 and further compressing the project delivery.

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	No variance from revised Baseline Plan
Number of new towers	0	No variance from revised Baseline Plan
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 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 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	No variance from revised Baseline Plan
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No new CAIs have been served because network improvements have not yet occurred.
	Subscribers receiving new access	0	Same as above
	Subscribers receiving improved access	0	Same as above
	Please identify the speed tiers that are available and the number or subscribers for each	0	For this reporting period
Residential / Households	Entities passed	0	For this reporting period
	Total subscribers served	0	For this reporting period
	Subscribers receiving new access	0	For this reporting period
	Subscribers receiving improved access	0	For this reporting period
	Please identify the speed tiers that are available and the number of subscribers for each	0	For this reporting period
Businesses	Entities passed	0	For this reporting period
	Total subscribers served	0	For this reporting period
	Subscribers receiving new access	0	For this reporting period
	Subscribers receiving improved access	0	For this reporting period
	Please identify the speed tiers that are available and the number of subscribers for each	0	For this reporting period

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
N/A	N/A	N/A	N/A	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).

All NTIA requested revisions to the EA are in-process and we expect to receive approval from USFW. We will also follow-up with the Miami Tribe regarding their EA inquiry.

We anticipate to have completed the dark fiber network procurement regarding the Blencoe to Logan dark fiber and hut lease.

Letters of intent/offers for land to locate huts will be in-process for the first 9 fiber ring locations, contingent on zoning & EA approval for Davenport, Clinton, Dubuque, Waterloo, Iowa City, Cedar Rapids, Marshalltown, Ames, and West Des Moines area.

OSP design is planned to be well underway. ISP design is planned to be 80% completed. Tower design for various structural sizes will be in-process. RFP preparation will be in-process and pending EA approval will be issued at the quarter's end of during Q4.

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 Communications will occur during the upcoming reporting period.

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. If EA is delayed based on SHPO and no FONSI is issued, no procurement, no releases of RFPs, or site preparation tasks during the construction season will occur. Project planning is in-process and mobilization efforts including equipment procurement and staging may also be delayed due to the "All or None" EA requirements.
2b.	Environmental Assessment	100	Pending final approval by NTIA a FONSI needs to be issued in Q3. Iowa SHPO approval is a major concern to overall project completion process. At this reporting period this benchmark is of great concern and question.
2c.	Network Design	60	High level network design will be 100% complete and it is anticipated that substantial portion of final network design will be completed prior the end of the next reporting period.
2d.	Rights of Way	0	It is anticipated that Rights of Way related to all site locations will be in jeopardy due to current FONSI conditional EA requirements. Currently, no variance from project Baseline Plan.
2e.	Construction Permits and Other Approvals	0	No Construction or Permitting related activities will begin until land acquisition is completed/secured and OSP engineering RFQ's released.
2f.	Site Preparation	0	No variance from revised Baseline Plan
2g.	Equipment Procurement	10	It is anticipated that equipment orders / procurement will be begin prior to the end of the upcoming reporting period. Again this is pending EA "All or None" conditional approval. Currently, there is No variance from revised Baseline Plan.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No variance from revised Baseline Plan
2i.	Equipment Deployment	0	No variance from revised Baseline Plan

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	0	No variance from revised Baseline Plan
2k.	Other (please specify):	0	No variance from revised Baseline Plan

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 scope of this project impacts numerous cities across the entire state of Iowa. Due to the "All or None" EA approval condition requirement for EA before a project FONSI approval is issued will delay the entire project implementation plan which is currently tracked in Microsoft Project. The impact because of this requirement will be significant. The inability to perform any tasks that require funding not specified in the six month plan is contingent upon all locations across Iowa.

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	\$123,776	\$0	\$123,776	\$685,000	\$0	\$685,000
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	\$1,320,000	\$0	\$1,320,000
k. Miscellaneous	\$71,084	\$0	\$71,084	\$2,704	\$0	\$2,704	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$27,568,767	\$9,853,848	\$17,714,919	\$126,480	\$0	\$126,480	\$2,005,000	\$0	\$2,005,000
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	\$126,480	\$0	\$126,480	\$2,005,000	\$0	\$2,005,000

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