

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number

05-50-M09009

4. Report Date (MM/DD/YYYY)

04-23-2012

1. Recipient Name

Connect Arkansas

6. Designated Entity On Behalf Of:

Arkansas

3. Street Address

200 S. Commerce Street, Suite 400,

8. Final Report?

Yes

No

9. Report Frequency

Quarterly

Semi Annual

Annual

Final

5. City, State, Zip Code

Little Rock, AR 72201

7. Project / Grant Period
Start Date: (MM/DD/YYYY)

09-15-2009

7a. End Date: (MM/DD/YYYY)

09-14-2014

7b. Reporting Period End Date:

03-31-2012

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
76	61	74	22	49	56

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

76 Providers listed above is based on Parent or Holding Company.

Connect has not had any success in acquiring data from the following companies: 1) Alliance Communications, which has stated several occasions that they are simply too busy to provide the data requested. 2) Black Sheep Computing, Black Sheep has expressed their desire to not participate in the program as they have a "Libertarian business model" 3) HughesNet, after initial commitments to provide coverage data, HughesNet stopped responding to all forms of contact. Connect has not received any reason for HughesNet's sudden refusal to cooperate. Phone calls and emails to all 3 were unreturned for the fall 2011 Data collection. Since the last report Connect has identified the following providers as providing Broadband in the state that were previously unidentified: 1) Excede Satellite service by ViaSat. Several provider confirmed ceasing Broadband internet operations in Arkansas: 1) Horizon Broadband (cost to maintain equipment too high) 2) Pilot Knob LLC (sold assets to Wavelinx Wireless) 3) Urban Wireless (company changed operational direction).

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

At this time, Connect is not utilizing any additional sources other than the actual broadband providers for collecting broadband coverage data, with exception of Excede and HughesNet which are assumed to have coverage statewide as with Wild Blue and Starband. Speeds given for Excede and HughesNet are as per providers website. Also for most providers in Arkansas the speeds are from the providers websites if not submitted with coverage data.

10f. Please describe the verification activities you plan to implement

Besides the current activities as described under 10h, we are also planning on using the results of engineering assessments to also confirm Broadband coverage at least in the case of wireline providers. However this method will only be good in the few counties that Connect Arkansas has received funding to do Engineering Assessments. Currently Engineering assessments are complete in 7 counties to be used for validation.

10g. Have you initiated verification activities? Yes No

10h. If yes, please describe the status of your activities

Connect Arkansas has been using Self Reported Consumer data combined with targeted surveys, FCC form 477 data and speed test data from our website to verify provider coverage data. In addition to these verification methods, Connect has been collecting feedback from the interactive version of our broadband coverage map. Connect Arkansas has also began drive testing to verify wireless Coverage. This data is compared to coverage information gathered from providers. Some provider data has been compared to Engineering assessments at this point as well.

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?

5.90

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?

5.90

10n. Staffing Table

Job Title	FTE %	Date of Hire
GIS Manager	50	08/04/2008
GIS Analyst Specialist 1	100	11/19/2009
GIS Analyst Specialist 2	100	07/05/2011
Community Outreach Leader 1	66	08/16/2010
Community Outreach Leader 2	41	05/16/2010
Compliance Officer	18	03/12/2012
Compliance Analyst	50	02/01/2011
Administrative Assistant 1	20	07/01/2007
President (Management)	42	07/01/2007
Senior Vice President 1 (Management)	20	07/01/2007
Marketing Director (Management)	40	01/05/2010
IT Director (Management)	4	07/01/2007
Human Resources (Management)	2	07/01/2007
Senior Ex. Vice President	1	07/01/2007
Administrative Assistant 2	3	07/01/2007

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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
Arkansas Geographic Information Systems	Will work with 28 counties to develop geographic information system address points statewide	N	Y	12/01/2010	11/30/2013	944,400	571,792
CT&T Communications Consultant	Engineering Assessments	N	N	10/03/2011	09/30/2012	253,000	0

The Gadberry Group	Geo-code, process provider coverage data, build and manage web-based interactive broadband map	N	Y	12/31/2009	12/09/2011	250,000	0
	Statewide survey for validation	N	N	12/01/2011	03/31/2012	150,000	0
Information Network of Arkansas	County Websites	N	Y	03/01/2011	12/31/2012	104,000	0
University of Arkansas at Little Rock	Surveys	N	Y	01/01/2010	12/21/2010	40,323	0
Not selected, (work done in house)	Facilitation	N	N	09/01/2010	09/30/2011	3,397	0
Not selected	County Broadband adoption, fundraising	N	N	09/01/2011	09/30/2014	68,000	0
Information Network of Arkansas	Annual county website maintenance	N	Y	04/01/2011	02/28/2013	58,800	0
Not selected, (work done in house)	Fixed wireless propagation reports	N	N	07/01/2010	12/31/2010	10,535	0
Aristotle	Website re-development	Y	Y	05/01/2011	08/31/2011	40,000	0
Not selected	Monthly Newsletter distribution	N	N	09/01/2011	09/30/2014	36,000	0
Not selected, (work done in house)	Travel to e-Communities to facilitate mtgs.	N	N	09/15/2009	09/30/2011	6,190	0
The Political Firm	Statewide survey	Y	Y	01/03/2011	02/28/2011	25,000	0
Datamax	Plotter lease	N	Y	09/15/2010	09/30/2014	18,127	0
Not selected	Media Outreach	N	N	01/02/2012	09/30/2014	17,455	0
Not selected	Fixed wireless propagation map	N	N	09/01/2011	08/30/2012	5,400	0
Staffmark	Contractual labor	N	Y	06/01/2011	08/31/2011	8,000	0
Not selected	Data validation	N	N	10/03/2011	12/30/2011	102,741	0
Not selected	Focus Groups to assist with the efforts to educate and promote the use of broadband in rural areas	N	N	10/01/2011	04/30/2012	40,000	0

Add Row

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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$2,352,253 10q. How much Remains? \$3,823,113

10r. How much matching funds have been expended as of the end of last quarter? \$914,693 10s. How much Remains? \$629,149

10t. Budget Worksheet

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
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Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	\$2,114,056	\$370,280	\$2,484,336	\$854,699	\$241,101	\$1,095,800
Personnel Fringe Benefits	\$410,661	\$80,697	\$491,358	\$186,102	\$66,886	\$252,988
Travel	\$49,262	\$16,339	\$65,601	\$15,943	\$16,339	\$32,282
Equipment	\$65,835	\$22,479	\$88,314	\$24,896	\$46,729	\$71,625
Materials / Supplies	\$190,843	\$33,850	\$224,693	\$88,286	\$38,850	\$127,136
Subcontracts Total	\$2,371,045	\$601,065	\$2,972,110	\$804,265	\$376,541	\$1,180,806
Subcontract #1	\$944,400	\$571,792	\$1,516,192	\$352,268	\$347,268	\$699,615
Subcontract #2	\$253,000	\$0	\$253,000	\$34,000	\$0	\$34,000
Subcontract #3	\$250,000	\$223,000	\$473,000	\$223,000	\$0	\$223,000
Subcontract #4	\$150,000	\$0	\$150,000	\$2,403	\$0	\$2,403
Subcontract #5	\$773,645	\$29,273	\$802,918	\$192,514	\$29,273	\$221,787
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$645,208	\$378,065	\$1,023,273	\$238,317	\$140,465	\$378,782
Total Direct Costs	\$5,846,910	\$15,027	\$7,349,685	\$2,212,508	\$926,911	\$9,139,419
Total Indirect Costs	\$328,456	\$41,067	\$369,523	\$139,745	\$0	\$139,745
Total Costs	\$6,175,366	\$1,543,842	\$7,719,208	\$2,352,253	\$926,911	\$3,279,164
% Of Total	80	20	100	72	28	100

Hardware / Software

10u. Has the project team purchased the software / hardware described in the application? Yes No

10v. If yes, please list

As stated in the last report the Connect Arkansas Mapping Team has brought the Interactive Broadband Map for Arkansas in house. Previously Gadberry Group, LLC, hosted the Interactive Map, but the move to bring the Map in house allows for greater flexibility, more control over design, and primarily a better outlook in regards to sustainability. The new interactive map has been online since the first week of February. To facilitate this move, the mapping team is making use of an Amazon EC2 Windows Server instance for maximum availability as well as a license of ESRI ArcServer to manage and serve the data as the users interact with the map. The extended flexibility will allow us to display more items in the future such as Community Anchor Information, Wireless Connectivity Points, and other Demographics that are pertinent to Broadband users in the state of Arkansas. Other features are also under consideration.

10w. Please note any software / hardware that has yet to be purchased and explain why it has not been purchased

N/A

10x. Has the project team purchased or used any data sets? Yes No

10y. If yes, please list

ESRI Internet Usage Survey Data was purchased to be used alongside the MicroBuild Broadband Indicator data obtained from the Gadberry Group, LLC that was purchased in the Q4 2010 quarterly report. Since then Demographic data from data warehouse ACXIOM has been purchased to take an analytical approach to predictive modeling of broadband subscription. We are working with the University of Central Arkansas Math Department to take this approach. Additional data from ACXIOM has been purchased for analysis in conjunction with University of Central Arkansas Math Department.

10z. Are there any additional project milestones or information that has not been included? Yes No

10aa. If yes, please list

At the end of this quarter, Data from Spring 2012 was collected from Broadband Providers and submitted to NTIA prior to April 1 deadline. Coverage areas in censusblocks greater than 2 square miles was shown in address point format in areas where address

points have been collected. As mentioned in item 10v the new interactive map came online in February of this quarter.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Hardware/software issues have become a problem with our wireless drive testing. These problems are minor but have been and nuisance to the verification process. We plan to resolve this by continuing to improve the quality of the laptop and or other equipment being used for verification.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project
Several Providers have mentioned they are experiencing "survey fatigue", from having to provide different sets of data to different groups i.e. form 477 coverage data to FCC, coverage data as requested by the NOFA to Connect Arkansas, etc. These providers have expressed a reluctance to submit any additional data than what is required in the NOFA or NOFA Clarification on the basis of the man hours exerted to collect and process more information to provide to our Data Collection effort. All in all, providers seemed more cooperative than in past data rounds. One other note is that several small telecommunication companies have put on hold current fiber to the home projects pending more details from the FCC in regards to Universal Service Fund.

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

Please see attachment titled "Connect Arkansas SBI Planning Addendum - 4.27.12"

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Please see attachment titled "Connect Arkansas SBI Planning Addendum - 4.27.12"

11c. Does the Project Team anticipate any changes to the project plan for Broadband Planning? Yes No

11d. If yes, please describe these anticipated changes. Please note that NTIA will need to approve changes to the Project Plan before they can be implemented

Five of the 15 counties funded for county websites already have them in place, produced by other sources. Other counties are interested. We also now have capabilities to livestream meetings and events related to planning. Staff from Connect's mapping and planning teams will be in Washington, D.C. for the SBI/SHLB meetings in May. We have scheduled a meeting with Lynn Chadwick on Friday, May 23, to talk more about ideas we have for upgrading our grant goals, based on our past experience and new technologies.

Funding

11e. How much Federal funding has been expended as of the end of the last quarter? \$0 11f. How much Remains? \$0

11g. How much matching funds have been expended as of the end of last quarter? \$0 11h. How much Remains? \$0

11i. Planning Worksheet

Personal Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Personnel Fringe Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Materials / Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Subcontracts Total	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #1	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #2	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #3	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #4	\$0	\$0	\$0	\$0	\$0	\$0

11i. Planning Worksheet						
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Indirect Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Costs	\$0	\$0	\$0	\$0	\$0	\$0
% Of Total	0	0	0	0	0	0

Additional Planning Information

11j. Are there any additional project milestones or information that has not been included?

Please see attachment titled "Connect Arkansas SBI Planning Addendum - 4.27.12"

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

Please see attachment titled "Connect Arkansas SBI Planning Addendum - 4.27.12"

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

Please see attachment titled "Connect Arkansas SBI Planning Addendum - 4.27.12"

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

Sharon Walburger

12c. Telephone
(area code, number, and extension)

12d. Email Address

swalburger@arcapital.com

12b. Signature of Authorized Certifying Official

Submitted Electronically

12e. Date Report Submitted
(Month, Day, Year)

06-12-2012