<table>
<tr><td colspan="2" align="center">U.S. DEPARTMENT OF COMMERCE

Performance Progress Report</td><td colspan="2">2. Award Or Grant Number
19-50-M09047

4. Report Date (MM/DD/YYYY)
07-06-2011</td></tr>
</table>

1. Recipient Name Connected Nation, Inc. - Iowa	6. Designated Entity On Behalf Of: Iowa

3. Street Address 1020 College Street, P.O. Box 3448,	8. Final Report? ○ Yes ● No	9. Report Frequency ● Quarterly ○ Semi Annual ○ Annual ○ Final

| 5. City, State, Zip Code
Bowling Green, KY 42102-3448 | | |

7. Project / Grant Period Start Date: (MM/DD/YYYY) 01-01-2010	7a. End Date: (MM/DD/YYYY) 12-31-2014	7b. Reporting Period End Date: 06-30-2011	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
0	0	0	0	0	0

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

N/A

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

N/A

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

ESRI is deploying and hosting Connected Nation's BroadbandStat (BBStat) web application. ESRI will house the customized BBStat application in their highly available, monitored, and managed environment. The scope of services includes setting up a staging environment for data verification and compatibility as well as a production environment for client access.

Connected Nation also collects consumer feedback in the form of broadband inquiries. These inquiries represent any type of communications received from the public regarding broadband service. Once broadband inquiries are received across the state, this information is overlaid with the broadband availability information which was collected through the State Broadband Initiatives (SBI) program. This allows for a real-world comparison of the broadband landscape to the information received from broadband inquiries. Broadband inquiries are able to provide three types of information: 1) residents who do not have broadband but want it; 2) residents who have broadband but want a different provider; and 3) residents who do not have broadband, but the broadband inventory maps indicate that they do. If residents within a region state that they are without broadband, but the broadband inventory maps show otherwise, this allows Connected Nation to approach the providers within that area in an effort to trim down their coverage to more accurately represent real-world availability on the ground.

Before December 31, 2011 Connected Nation will target an additional 10 companies in order to achieve a total field validation rate equal to or exceeding 46.80% (currently 41.67%).

10g. Have you initiated verification activities? ●Yes ○No

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

BroadbandStat is publicly available on the Connect Iowa website and received a total of 280 visits between April 1, 2011 and June 30, 2011.

During this quarter, the Connect Iowa project received a total of 9 broadband inquiries. Additional information received through e-mail

from consumers that can also be used for verification purposes totaled 1 for this quarter.

For this reporting period, 70 field verification tests were conducted. Connected Nation's staff has conducted multiple tests on the following providers: Algona Municipal Utilities, Ambercomm, AT&T Inc., Aventure Communications, Brooklyn Mutual Telecommunications Cooperative, Cable ONE Inc., Cedar Falls Utilities, Central Scott Telephone, Chat Mobility, Circle Computer Resources, Citizens Mutual Telephone Cooperative, Clarence Telephone Company, Clearwire Corporation, Cloudburst_9, Community Cable Television Agency of O'Brien County, Cornbelt Telephone, Cramer IT, Cumberland Telephone, Danville Mutual Telephone Company, East Buchanan Telephone Cooperative, Evertek Enterprises, Farmers & Merchants Mutual Telephone Company, Farmers Cooperative Telephone Company-Dysart, Farmers Mutual Telephone Company-Jesup, Farmers Telephone Company-Essex, Farmers Mutual Telephone of Stanton, FiberComm LC, Frontier Communications Corporation, Goldfield Access Network, Grand Mound Cooperative, Grand River Mutual Telephone Corporation, Grundy Center Municipal Utilities, Harlan Municipal Utilities, Heartland Net, Hot Spots, I-35 Telephone Company, ImOn Communications, Internet Consulting Services LLC, Iowa Telecom, Jefferson Telephone Company, Kalona Cooperative Telephone Company, KDSC Inc., KeyOn Communications d.b.a. Dynamic Broadband, LaPorte City Telephone Company, Lenox Municipal Utilities, Liberty Communications, LoganNet, Long Lines, Mahaska Communications Group, Marne and Elkhorn Telephone, MCC Iowa d.b.a. Mediacom Iowa LLC.

Additional information is provided in the Q2 2011 Supplemental Answers.

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?
6.61
Connected Nation has numerous staff working on the Connect Iowa project, some at only a small percentage of their time. This approach is beneficial to the project in various ways: some staff provide necessary project support, many staff work together utilizing a team approach, and others are subject matter experts in their respective areas. By leveraging the expertise of the subject matter experts the project benefits from their knowledge and skills without the necessity of supporting a more expensive full-time resource.

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
The positions not currently staffed are related to Connect Iowa's new broadband capacity and local and regional tech team activities that are only just beginning and as such have no impact on the project's timeline. The positions are expected to be filled during Q3 and Q4 of 2011.

10m. When fully staffed, how many full-time equivalent (FTE) jobs do you expect to create or retain as a result of this project?

10.61

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	4	09/14/2009
Business Programmer Analyst	1	04/02/2007
CAI Coordinator	10	12/13/2004
CAI Data Analyst	5	03/24/2009
CAI Data Manager	2	08/09/2010
ETS Analyst	81	08/03/2009
ETS Analyst	57	11/01/2007
ETS Analyst	28	02/18/2010

ETS Analyst	9	07/13/2009
ETS Manager	7	07/01/2007
ETS Sr. Analyst	56	02/18/2010
General Counsel	20	01/01/2007
GIS Analyst	38	09/17/2007
GIS Services Manager	2	05/15/2007
Outreach & Awareness Manager	9	03/24/2009
Outreach & Awareness Specialist	9	01/04/2010
Outreach & Awareness Specialist	6	02/02/2009
Outreach & Awareness Specialist	6	10/01/2007
Outreach & Awareness Specialist	6	01/04/2010
Outreach & Awareness Specialist	1	01/03/2010
Project Coordinator	3	04/01/2005
Project Management Director	1	12/20/2004
Project Manager	42	03/16/2010
Project Manager	5	09/01/2006
Project Manager	2	01/14/2008
Project Manager	2	07/01/2004
Project Manager	1	09/04/2007
Project Manager	1	12/16/2009
Project Manager	1	08/20/2007
Project Manager	1	03/16/2010
Project Manager	1	01/14/2008
Provider Relations Manager	5	02/17/2005
Research & GIS Analyst	5	05/14/2007
Research Analyst	73	02/16/2010

Research Analyst		73	02/16/2010
Research Analyst		28	02/16/2010
Research Analyst		2	02/01/2010
Research Analyst		1	06/01/2009
Research Manager		3	05/14/2007
State Services Manager		2	07/01/2007
State Services Specialist		52	02/02/2009

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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
Thoroughbred Research Group	Research Surveys	Y	Y	02/09/2010	02/08/2012	167,350	0
Contract Labor	Contract Labor	N	Y	01/01/2010	12/31/2014	829,232	295,447

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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? $1,535,644   10q. How much Remains? $4,234,298

10r. How much matching funds have been expended as of the end of last quarter? $503,855   10s. How much Remains? $942,619

10t. Budget Worksheet

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	$1,781,593	$154,543	$1,936,136	$427,610	$138,523	$566,133
Personnel Fringe Benefits	$382,149	$45,123	$427,272	$85,898	$39,749	$125,647
Travel	$284,757	$0	$284,757	$56,949	$582	$57,531
Equipment	$146,140	$0	$146,140	$80,881	$0	$80,881
Materials / Supplies	$49,415	$0	$49,415	$19,309	$0	$19,309
Subcontracts Total	$1,187,286	$295,447	$1,482,733	$361,449	$179,713	$541,162
Subcontract #1	$301,831	$0	$301,831	$68,386	$0	$68,386
Subcontract #2	$829,232	$295,447	$1,124,679	$279,212	$179,713	$458,925
Subcontract #3	$17,540	$0	$17,540	$5,393	$0	$5,393
Subcontract #4	$38,683	$0	$38,683	$8,458	$0	$8,458
Subcontract #5	$0	$0	$0	$0	$0	$0
Construction	$0	$0	$0	$0	$0	$0
Other	$37,181	$896,648	$933,829	$8,618	$25,613	$34,231
Total Direct Costs	$3,868,521	$1,391,761	$5,260,282	$1,040,714	$384,180	$1,424,894

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Total Indirect Costs	$1,901,421	$54,713	$1,956,134	$494,930	$119,675	$614,605
Total Costs	$5,769,942	$1,446,474	$7,216,416	$1,535,644	$503,855	$2,039,499
% Of Total	80	20	100	75	25	100

Hardware / Software

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

10v. If yes, please list

Hardware/software purchases for the project to date include the following:
• BroadbandStat-$60,000
• ArchInfo/ArcGIS Software-$13,009
• Spectrum Analyzers-$9,008
• Computers & Software-$3,183
• Speed Test Software-$2,686
• Google Earth Pro-$266

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

Remaining purchases may include SQL server for mapping geodatabase, SQL server software, multiple dedicated storage servers, security application, additional backup replication solution, computers, GPS units BroadbandStat maintenance, ArchInfo/ArcGIS maintenance, and speed test updates as well as computers and software maintenance.

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

10y. If yes, please list

Data sets used by the project to date have been provided as in-kind contributions and are valued as follows:
• Iowa Communications Network listing of Community Anchor Institution (CAI) address and technology data - $25

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

10aa. If yes, please list
*Maintained budget/finance cost model for Connect Iowa
*Updated Work Breakdown Structure and tracked project deliverables
*Maintained Connect Iowa website to explain program, process speed tests, gather information from consumers and Community Anchor Institutions (CAI)
*Maintained broadband data collection activity and update database
*Requested/processed broadband coverage coordinate data sets (updates and new requests) from Iowa provider community
*Maintained outreach and awareness strategy
*Responded to consumer inquiries through Connect Iowa website
*Produced monthly status reports, data collection, activity log, and website statistics and distributed to Connect Iowa project team
*Completed new broadband availability maps depicting service with speed threshold of at least 3 Mbps download and 768 kbps upload
*Performed analyses of April data and produced provider density maps, advertised speed maps, and statewide broadband inquiry maps
*Began reviewing Census 2010 data sets for National Telecommunications and Information Administration (NTIA) submission and updated provider datasheet for use in data collection
*Performed field validation on various providers resulting in validation rate of 42% or 85 of 204 viable providers
*Screened and interviewed applicants for the Connect Iowa Program Coordinator position
*Launched 2011 residential and non-adopter surveys
*Coordinated and released highlights from the Iowa Business Technology Assessment
*Updated Connect Iowa amended project plan as instructed by NTIA and resubmitted for approval. Approved by the granting agency on April 20
*Refined CAI listings for: physical address, geocoding, e-mail, addresses, broadband access, connection platforms, advertised upload/download speeds
*Submitted Connect Iowa quarter 1 2011 American Recovery & Reinvestment Act and NTIA performance progress reports
*Represented Connect Iowa effort at State Broadband Initiatives Meeting in Dallas, TX

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

All deadlines have been achieved. There currently have not been any obstacles encountered.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project
• Updated Connect Iowa maps were used to further identify unserved and underserved areas and to expand service to unserved households. http://connectiowa.org/mapping/

• A video was produced about the field validation process in all Connected Nation state programs. http://youtu.be/tNMEQKHbDls

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

On behalf of the state of Iowa, Connected Nation (CN) finalized the survey instruments for the 2011 Residential Technology Assessment and the non-adopter telephone surveys, incorporating recommendations received from state stakeholders and third-party consultants where appropriate. These surveys are designed to measure trends in technology adoption, barriers to adoption, and awareness of available broadband service among Iowa residents. In Q2 2011 CN started surveying respondents across Iowa for both of these surveys. In addition, Connected Nation created and publicly released a report documenting technology adoption and barriers among businesses across the state.

The Connect Iowa initial broadband assessment, released in Q4 2010, continues to serve as an invaluable tool to our state client, their partners, and stakeholders across the state. Iowa Broadband: Current Market Analysis & Initial Recommendations For Acceleration of Iowa's Broadband Market serves as a discussion tool to facilitate strategic dialogue in the state.

The report continues to be available on the Connect Iowa website through the following link: http://connectiowa.org/research/broadband_planning_report.php

Connect Iowa is cataloging feedback from the report and has begun initial work on an update. An update to the report is scheduled for after Q3 2011.

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

Connected Nation has worked closely with the Iowa Utilities Board and is now working in close coordination with our new state point of contact, Iowa Economic Development, to ensure that our work exceeds expectations. During Q2 2011, there were no significant obstacles during the planning process.

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

N/A

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

11i. Planning Worksheet						
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
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?

Connected Nation will conduct a survey that oversamples households that do not subscribe to broadband. This second survey will be in addition to the previously scheduled residential survey. This updated and improved methodology will provide a greater level of analysis regarding barriers to technology adoption among different socio-economic and demographic groups by surveying non-adopters in Iowa in a way similar to that conducted by the FCC as part of the National Broadband Planning effort. This approach will help create a demographic and socio-economic profile of the population of non-adopters in Iowa, which can then be applied at the local level of detail by area planning teams, to assist in developing local adoption initiatives that will target the barriers that are unique to that area. In Q2 2011, CN finalized the survey instrument and started surveying respondents across Iowa.

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

All deadlines have been achieved. There currently have not been any obstacles encountered.

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

• Connect Iowa, in collaboration with the Iowa Department of Economic Development and Governor's Office, released business survey data and launched an interactive webpage providing easy to use information about business insights. The data shows that approximately 23,000 businesses in Iowa are not using broadband. The survey reveals which economic sectors are lagging behind in broadband adoption as well as the types of platforms they are using, the prices they're paying, and much more.
o http://connectiowa.org/_documents/ConnectIowa_BusinessTechnologyAssessment_PressRelese_FINAL_06_07_111.pdf
o http://connectiowa.org/research/
o http://connectiowa.org/_documents/IA_BizAssessment.pdf
o http://connectiowa.org/_documents/IA_BizWhitePaper_FINAL.pdf

• Several state and national news outlets did articles on the Connect Iowa Business Technology Assessment report generating 648.9 million positive outreach impressions:
o Sample: Des Moines Register - http://blogs.desmoinesregister.com/dmr/index.php/2011/06/07/study-high-speed-internet-the-connection-to-greater-iowa-revenues/
o Sample: KWWL NBC 7 - http://www.kwwl.com/story/14870130/new-report-finds-broadband-crucial-for-business

• Four "Broadband Tutorials" were given to representatives from the Iowa Department of Economic Development, the new state partner. Through a series of conference calls and webinars, four topics were covered: Broadband Infrastructure Basics, Broadband Legislation and Grant Programs, Research of Broadband Technology Use and Adoption in Iowa, and Broadband Data Collection and Mapping.

• Connect Iowa Facebook and Twitter pages were launched:
o http://www.facebook.com/pages/Connect-Iowa/170934096275409
o http://twitter.com/#!/connectiowa

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 Bernie Bogle	12c. Telephone (area code, number, and extension)
	12d. Email Address bbogle@connectednation.org
12b. Signature of Authorized Certifying Official Submitted Electronically	12e. Date Report Submitted (Month, Day, Year) 08-04-2011