

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number
20-50-M09021N

4. Report Date (MM/DD/YYYY)
01-19-2012

1. Recipient Name
State of Kansas Department of Commerce

6. Designated Entity On Behalf Of:
Kansas

3. Street Address
1000 SW Jackson Street,

8. Final Report? Yes No
9. Report Frequency
 Quarterly
 Semi Annual
 Annual
 Final

5. City, State, Zip Code
Topeka, KS 666121300

7. Project / Grant Period
Start Date: (MM/DD/YYYY)
11-01-2009

7a. End Date: (MM/DD/YYYY)
10-30-2014

7b. Reporting Period End Date:
12-31-2011

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

Connected Nation reported the following providers as non-responsive: Ace Computers; Arcplasma.com; Midwest Connections, Inc.; SCI Cable, Inc.; SureWest Communications; Utopian Wireless Corporation; WISProuter Inc.

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

The sole source of data collected by Commerce is directly from broadband service providers.

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

Going forward, the following activities are being implemented for verification: Wireline Service Area Verification (Fiber, Cable, DSL):

1. Comparison of revised/updated boundary delineation or provider information with previous submissions (change detection).
2. Comparison of broadband availability and advertised upload/download speeds as given by the service providers, with crowd-sourced Internet speed test results.
3. Based on need and provider participation, Adobe Connect sessions will be held with service providers to verify the representation of their service areas in the statewide database. As data is processed and aggregated to census block or road segments, there's a potential for distortion or misrepresentation of the service area. Reviewing the derived service areas with the service providers is a reasonable data verification technique. The Adobe Connect sessions will primarily focus on areas of concern identified through other validation techniques and extended to other provider service areas as time allows.
4. Comparison of broadband service areas and advertised upload/download speeds with available speed test data.

10g. Have you initiated verification activities? Yes No

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

Based on input from Connected Nation, status was reported as follows: Broadband Stat is available on the Connect Kansas site and received a total of 202 visits between 10.1-12.31.11. Ace Computer; Allegiance Communications; AT&T Inc.; Atwood Cable Systems Inc.; Benson Telephone Service; Blue Valley Telecommunications Inc.; Broadband Wireless Internet (BBWI); BWTelcom (d.b.a. Benkleman Telephone); Cable ONE Inc.; CenturyLink; City of Chanute; City of Coffeyville; Clearwire Corporation; Columbus Telephone Company; Cox Communications Inc.; Craw-Kan Telephone Cooperative Inc.; CTC Wireless Internet; Cyber Lodge

Wireless; Eagle Communications Inc.; Elkhart Telephone Company Inc.; Fairpoint Communications Inc.; Golden Belt Telephone Association Inc.; H&B Cable Services Inc.; Haviland Telephone Company; IdeaTek Systems Inc.; J.B.N. Telephone Company; JMZ Corporation (d.b.a. Kwikom); Kanokla Telephone; Kansas Broadband Internet Inc.; LaHarpe Telephone Company Inc.; Lawrence FreeNet; Madison Telephone Company LLC; Mediacom Communications Corporation; Mercury Wireless; Mid-Kansas Cable Services; Midwest Connections Inc.; Mobil1.net; Moundridge Telephone Company Inc.; Pioneer Telephone Association Inc.; Pixius Communications LLC; Rainbow Telecommunications Association Inc.; Rebeltec Communications; Rural Telephone Service Company Inc.; S&A Telephone Company Inc.; S&T Telephone Cooperative Association; SCI Cable, Inc.; Seamlessnet; SKT Inc.; South Central Telephone Association; Southeast Nebraska Communications; Sprint Nextel Corporation; St. Joe Wireless; Stelera Wireless; Sumner Communications; Sunflower Broadband; SwiftLink Communications; SWKO (d.b.a. SouthWest Kansas Online); The Computer Generation; Time Warner Cable; Totah; Tri-County; Tri-Rivers; Twin Valley; United Telephone; US Cellular; Valnet; Verizon; Wamego; Wave Wireless; Wheat State; Wheatland.

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?

2

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

In the past quarter, we added a second full time resource dedicated to the broadband project as we transitioned work from Connected Nation. Our plans call for adding additional staffing and we have prepared job descriptions for a data analyst and project coordinator which will allow the Kansas Broadband Team to more fully focus on refinements and implementation of the Planning and Capacity Building, Regional Technology Planning Teams, and Technical Assistance elements of the project as well as transition completion and preparing for the Kansas Legislature's 2012 session.

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

6

10n. Staffing Table

Job Title	FTE %	Date of Hire
Program Director	100	09/01/2011
Program Manager	100	09/01/2011
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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
Connected Nation	Mapping, data collection, verification	N	Y	09/01/2011	12/31/2011	31,320	0
Kansas Geographical Survey	Mapping, Data collection, verification and validation	N	N	01/01/2012	12/31/2012	0	0
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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$29,969 10q. How much Remains? \$2,047,443

10r. How much matching funds have been expended as of the end of last quarter? \$0 10s. How much Remains? \$0

10t. Budget Worksheet

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	\$0	\$0	\$0	\$17,427	\$0	\$17,427
Personnel Fringe Benefits	\$0	\$0	\$0	\$4,651	\$0	\$4,651
Travel	\$9,500	\$0	\$9,500	\$0	\$0	\$0
Equipment	\$12,000	\$0	\$12,000	\$0	\$0	\$0
Materials / Supplies	\$9,500	\$0	\$9,500	\$0	\$0	\$0
Subcontracts Total	\$1,700,177	\$0	\$1,700,177	\$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	\$6,383	\$0	\$6,383
Total Direct Costs	\$1,731,177	\$0	\$1,731,177	\$28,461	\$0	\$28,461
Total Indirect Costs	\$346,235	\$0	\$346,235	\$1,508	\$0	\$1,508
Total Costs	\$2,077,412	\$0	\$2,077,412	\$29,969	\$0	\$29,969
% Of Total	100	0	100	100	0	100

Hardware / Software

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

10v. If yes, please list

No software / hardware purchases have occurred since the finalization of the Designated Entity status on September 1, 2011.

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

N/A

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

10aa. If yes, please list

The Data Collection and Mapping elements of the project are being taken over by the University of Kansas, Kansas Geological Survey Department. Terms and scope of work have been agreed to, subject to final review and NTIA approval, which is expected in Q1 2012. In anticipation of key milestones in Q1 2012, Commerce and KGS initiated provider outreach efforts in Q4 2011 to ensure timely completion of data integration and meeting April 1 submission deadline. This included establishing a provider portal for data collection as well as securing provider NDA's. Based on previously submitted data, KGS has uploaded the information and populated the KS

Broadband Interactive Map. Final testing of the updated map is expected to be complete in Q1 2012 at which time it will be released and made publicly available through the Kansas Department of Commerce website. In support of an effective interactive map, Commerce is also making modifications to the website to provide a suitable broadband user experience which will serve as a key element of future business and residential outreach as well as serve as a tool for the regional technology planning teams. KGS is also asking providers to participate in a brief survey to identify how and in what format future data updates will be received for the duration of the grant.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing. A key challenge in Q4 was completion of necessary transition activity as Commerce took over responsibility of the project from Connect Kansas, LLC. The provider log received from Connect Kansas excluded critical contact information from each broadband service provider needed to notify appropriate personnel of the transition and change in process for data collection. This presented a challenge to maintaining a proper time line in advance of the April 1 submittal deadline. So that the lack of this information would not cause a delay to the project success, Commerce overcame the obstacle and developed a new service provider contact list and initiated appropriate outreach activities in December 2011. In addition to working with KGS, Commerce worked with the Kansas Corporation Commission and partnered with broadband trade associations such as the State Independent Telephone Association and the Kansas Telecommunications Industry Association during the month of December to ensure the project did not suffer from said obstacles presented. KGS proved to be highly capable in working with the Kansas broadband provider community and the project will benefit greatly from having increased local involvement in the process. A project time line has been provided by KGS to identify target dates for completion of data collection activities, verification plans and data submittal to the NTIA. The state is optimistic that no further significant obstacles will arise from the transition from Connect Kansas and we anticipate an on time, improved data submission on April 1st.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project. Bringing the mapping project directly under state control has already yielded positive impact for the project based on the favorable feedback from the legislative branch as well as constituents in executive branch, broadband service providers and other organizations. We anticipate greater attention will be given to how we can enhance the accuracy and utility of the map. Consensus at the state is that this is best achieved with increased state involvement. See attachment.

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

State Broadband Capacity Building – Several staffing changes were implemented during the quarter. The project sponsor, Carole Jordan, retired and pending other agency organization changes will be replaced with the Deputy Secretary in January 2012; the Planning Manager position was elevated to Program Director, overseeing mapping and planning elements as well as managing key stakeholder constituents (i.e. Legislative, Inter-Agency, etc.); a full time Program Manager was designated to support data collection transition as well as development and deployment of Regional Technology Planning Teams. We have drafted job specifications for three additional positions and working through approvals and determining how best to leverage capabilities of KU's GIS team for some of the analytical support requirements. As part of the overall planning work, Commerce is making website revisions to create a more robust portfolio of online broadband resources to complement the interactive mapping tools. During the quarter, we identified specific goals and objectives for this portion of the project and published the first wave of resources and information on the Commerce site. Additional website development plans continue to be worked into our overall communications approach. Regional Technology Planning Teams (RTPT) – The first two regions were identified for establishing teams, NW and SE Kansas. We worked with existing resources and regional Commerce Business Development Representatives who will assist in identifying local broadband-relevant leaders and champions. In planning for the RTPT, we have scheduled Community Collaboration sessions beginning in Q1 2012 which will be used to validate regional anchor locations, interests and needs (pre RTPT launch activity).

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing. The historical structure of resources deployed across the state by Commerce has limited applicability to supporting deployment of the RTPT's. Our original plan included the possibility of greater utilization of field staff. This remains possible, but not to the extent initially considered. To mitigate this challenge, we are reaching out to other state agencies such as KCC to identify additional partnership and resource sharing opportunities. We are also assessing potential third party solutions to expedite portions of broadband content generation. See attachment.

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

As part of the refinements to our detail project plans, we anticipate adding resources to support the successful rollout of the RTPT's and related analytical support. We also plan to enhance our research requirements to build a working and actionable knowledge base for the state's ongoing broadband efforts. We will submit an updated detail project and budget plan during Q1 2012. Changes include a request for the reallocation of dollars to better reflect priorities and specific programs for other categories. Community forums will be offered in conjunction with many of our internal / external Partner organizations, including community-specific organizers, city / county level officials, Kansas Small Business Development Center offices, NetWork Kansas for entrepreneurship and small businesses, Office of Rural Opportunity personnel, Business Development field representatives, USDA Rural Development, KanRed, Farm Bureau and broadband specialists with technical expertise to create jobs and retain citizens in their current towns. Several of these concepts were

field tested during the Rural Opportunities Conference in Salina, November 16 – 17, 2011. The conference leveraged two legacy programs at the Department of Commerce-MarketPlace for rural entrepreneurs and The Broadband Summit for the telecommunications and provider-based industries. Presentation and speaker details follow:

The Role of Rural Telecom in Creating Economic Impact, Provider Panel Discussion:

Brian Boisvert – CEO, Wilson Telephone Company
 Tom Gleason – Communications Attorney
 Lonnie Stieben – Southern Kansas Telephone Company, Inc.
 Jimmy Todd – President, Mutual Telephone Company
 Jeff Wick – COO, Nex-Tech

Broadband Applications: Convergys Home-Agent Case Study
 Keith Meyers - Director of Training, KansasWORKS

Broadband Applications for Community Anchor Institutions
 Shane Myers – Marketing Director, Kansas.gov
 Erik Pedersen – E-Communities
 Cindi Hickey - Director, State Library

Funding

11e. How much Federal funding has been expended as of the end of the last quarter? \$24,654 11f. How much Remains? \$3,039,936

11g. How much matching funds have been expended as of the end of last quarter? \$9,927 11h. How much Remains? \$1,080,077

11i. Planning Worksheet

Personal Salaries	\$205,833	\$275,000	\$480,833	\$11,618	\$7,706	\$19,324
Personnel Fringe Benefits	\$72,042	\$7,242	\$79,284	\$3,100	\$1,929	\$5,029
Travel	\$156,000	\$6,524	\$162,524	\$2,548	\$293	\$2,841
Equipment	\$127,000	\$20,000	\$147,000	\$0	\$0	\$0
Materials / Supplies	\$127,000	\$20,000	\$147,000	\$0	\$0	\$0
Subcontracts Total	\$1,865,950	\$702,266	\$2,568,216	\$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	\$6,383	\$0	\$6,383
Total Direct Costs	\$2,553,825	\$1,031,032	\$3,584,857	\$23,649	\$9,927	\$33,577
Total Indirect Costs	\$510,765	\$58,971	\$569,736	\$1,005	\$0	\$1,005
Total Costs	\$3,064,590	\$1,090,003	\$4,154,593	\$24,654	\$9,927	\$34,582
% Of Total	74	26	100	71	29	100

Additional Planning Information

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

In support of Technical Assistance, the Kansas Broadband Team is working to partner with Commerce's Workforce Services division, KansasWORKS, to provide assistance in the form of education to increase business skills and address digital literacy. By arming job seekers with employable business skills that increase technical expertise and digital literacy, Kansans are better positioned for distance-enabled positions that retain them in their current communities and bolster the Governor's Rural Opportunity Zone program to assist counties that have experienced double-digit population decline. By offering basic computer skills and internet usage training in

partnership with KansasWORKS immediate value will be added to the State's most vulnerable populations.

Exporting Kansas' agriculture commodities requires digital literacy as well but before we can provide our farmers with similar business skills we must first determine where their connectivity will occur, and identify regional hubs to bridge the current coverage gaps. This is another opportunity to collaborate and partner with Regional Technology Planning Teams as well as the Commerce Trade Division and the Department of Agriculture. Farm Bureau could play a critical role in connectivity-based services for agricultural exporting requirements and related electronic forms that are mandatory when exporting to specific countries. Providing funding for prospects to participate in World Trade Center exporter-specific classes remains a possible Technical Assistance initiative as well.

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing. During 2011 there were two staffing resources available which are no longer present as we close out the year. One, the project sponsor retired, and the other, a part-time resource left the agency to pursue a new position. Separately, the agency initiated an organizational structure review and is expected to result in the Broadband Initiative remaining in Commerce but with a new reporting structure. To minimize adverse impact, the agency was receptive to recommended changes as it relates to the Broadband Initiative. These changes, along with the challenges of effecting the transition of the project from Connected Nation to the Department of Commerce, presented numerous obstacles to moving as swiftly as desired for the project overall. See attachment. We were able to add one full time staff dedicated to broadband related efforts and are working to have additional organizational support approved.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project. Once the collaborative, community-based meetings have taken shape an opportunity will emerge to enhance RTPTs with an industry-specific overlay. Manufacturing sector emphasis for Kansas will focus on Aviation, Agribusiness and Energy. Working Groups may be assembled with regional experts to serve as the Advisory Council for the Regional Technology Planning Teams. Representatives could include experts from the manufacturing, health care and education sectors in conjunction with provider-based resources and considerations to assemble actionable plans to further increase capability building and technical assistance activities. The revised detail plan will specify additional activities.

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

Tricia Kensinger-Rice

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

12d. Email Address

trice@kansascommerce.com

12b. Signature of Authorized Certifying Official

Submitted Electronically

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

01-31-2012