

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number
26-50-M09035

4. Report Date (MM/DD/YYYY)
01-04-2012

1. Recipient Name
Connected Nation, Inc. - Michigan

6. Designated Entity On Behalf Of:
Michigan

3. Street Address
1020 College Street,

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

5. City, State, Zip Code
Bowling Green, KY 42101-2137

7. Project / Grant Period
Start Date: (MM/DD/YYYY)
12-20-2009

7a. End Date: (MM/DD/YYYY)
12-19-2014

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

Banyan OnLine Services, LLC.: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 4 the provider remains non-responsive.

Bitwise Wireless, LLC: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 7 the provider remains non-responsive.

Dreamscape Communications: The provider refused to participate during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 7 the provider remains a non-participant.

Hi-Tech SMR Communications: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of December 19 the provider remains non-responsive.

Internet 123, Inc.: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 21 the provider remains non-responsive.

Lewiston Communications: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 8 the provider remains non-responsive.

M3 Wireless: The provider refused to participate during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 8 the provider remained a non-participant.

Microtech Services, Inc.: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of November 8 the provider remains non-responsive.

For more details, please refer to the Q4 Supplemental Answers Document

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

Data has not been collected through extraction or extrapolation.

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

Esri is deploying and hosting the BroadbandStat (BBStat) web application. Esri houses 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.

Consumer feedback in the form of broadband inquiries is collected. 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 Initiative (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.

In the previous Performance Progress Report (PPR), Connected Nation proposed to target 8 additional companies in order to achieve a total field validation rate equal to or exceeding 47.70% before December 31, 2011. As of this report, field validation has been completed on 56.30% of the providers, surpassing the year-end goal by 8.6%. Seven (7) coverage estimation field audits will be completed on non-participating providers which, by nature of the methodology, is similar to conducting a validation on participating providers. The goal for 2012 is 60%.

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 Michigan website (<http://www.connectmi.org>) and received a total of 931 visits between October 1, 2011 and December 31, 2011.

During this quarter, the Connect Michigan project received a total of 119 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 17 for this quarter.

Thus far, project staff has conducted multiple tests on the following providers: 123 Net; 2125 Cable Company LLC; ACD Net; Ace Telephone Company of Michigan Inc.; Agri-Valley Communications Inc.; AIRGRANT; Allendale Telephone Company; Arialink; AT&T; Azulstar Inc.; Baraga Telephone; Barry County Telephone; Bloomingdale Communications Inc.; Boardman River Communications LLC; Broadstripe; Cable America Michigan LLC; Camp Communication Services Inc.; Carr Communications; Cassair Inc.; CenturyLink; Charter Communications; Cherry Capital Connection LLC; Clearwire Corporation; CMSInter.net LLC; COLI Inc.; Comcast Cable Communications LLC; Custom Software Inc.; D&P Communications Inc.; DMCI Broadband LLC; Drenthe Telephone Co.; FreedomNet Solutions; Frontier Communications Corporation; Hiawatha Telephone (d.b.a. Jamdots and Chippewa Valley Telephone); Hidden Lake Wireless Inc.; I-2000 Inc.; Interlink Computers Technology Inc.; Iron Bay Computer and Design; ISP Management; KEPS Technologies Inc.; Leap Wireless International Inc.; Lighthouse Computers; Merit Network; MetaLINK Technologies Inc.; Michigan Cable Partners; Michwave Technologies Inc.; Microtech Services Inc.; Mutual Data Services; NCATS; Nodin Communications; Ogden Communications Inc.; Parish Communications; Pasty.Net Inc.; Peninsula Fiber Network LLC; Peninsula Telephone Company; Pigeon Telephone; Reliable Internet; Sister Lakes Cable TV...

For more details, please refer to the Q4 Supplemental Answers Document

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?

9.34

Connected Nation has numerous staff working on the Connect Michigan 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 (SMEs) in their respective areas. The project benefits by leveraging the SMEs' 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

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?
 Connect Michigan's FTEs reported for the quarter include 2.19 FTEs for temporary, cyclical consultants and a base of 7.15 FTEs that consistently contribute to the project. All of our base positions are fully staffed.

This project is fully staffed with a base of 7.15 FTEs.

10n. Staffing Table

| Job Title | FTE % | Date of Hire |
|---------------------------------|-------|--------------|
| Associate Counsel | 1 | 09//14/2009 |
| Business Programmer Analyst | 2 | 04/02/2007 |
| CAI Coordinator | 5 | 12/13/2004 |
| CAI Data Analyst | 20 | 03/24/2009 |
| CAI Data Manager | 1 | 08/09/2010 |
| Community Tech Team Specialist | 84 | 10/17/2011 |
| Community Tech Team Specialist | 70 | 10/24/2011 |
| ETS Analyst | 81 | 07/13/2009 |
| ETS Analyst | 1 | 11/01/2007 |
| ETS Manager | 4 | 07/01/2007 |
| ETS Sr. Analyst | 39 | 02/18/2010 |
| General Counsel | 1 | 01/01/2007 |
| GIS Analyst | 38 | 11/16/2009 |
| GIS Analyst | 7 | 04/01/2010 |
| GIS Analyst | 1 | 09/17/2007 |
| GIS Services Manager | 1 | 05/15/2007 |
| Outreach & Awareness Manager | 7 | 03/24/2009 |
| Outreach & Awareness Specialist | 31 | 01/03/2010 |
| Outreach & Awareness Specialist | 17 | 02/02/2009 |
| Outreach & Awareness Specialist | 8 | 01/04/2009 |
| Outreach & Awareness Specialist | 7 | 10/01/2007 |
| Program Director | 7 | 08/04/2008 |
| Program Manager | 92 | 07/05/2011 |
| Project Coordinator | 4 | 04/01/2005 |
| Project Coordinator | 1 | 08/01/2008 |
| Project Management Director | 4 | 12/16/2009 |
| Project Manager | 72 | 01/01/2007 |
| Project Manager | 12 | 09/01/2007 |

| | | |
|----------------------------|----|------------|
| Project Manager | 4 | 09/04/2007 |
| Project Manager | 3 | 01/14/2008 |
| Project Manager | 2 | 01/14/2008 |
| Provider Relations Manager | 6 | 02/17/2005 |
| Research & GIS Analyst | 1 | 05/14/2007 |
| Research Analyst | 73 | 02/16/2010 |
| Research Analyst | 72 | 02/16/2010 |
| Research Analyst | 72 | 02/16/2010 |
| Research Analyst | 31 | 09/19/2011 |
| Research Analyst | 8 | 02/01/2010 |
| Research Analyst | 2 | 03/22/2010 |
| Research Analyst | 2 | 06/01/2009 |
| Research Analyst | 1 | 10/17/2011 |
| Research Manager | 5 | 05/14/2007 |
| State Services Manager | 1 | 07/01/2007 |
| State Services Specialist | 33 | 03/24/2009 |

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 |
|----------------------------|------------------------|------------------|-------------------------|------------|------------|---------------|---------------|
| Throughbred Research Group | Research Surveys | Y | Y | 02/09/2010 | 02/08/2012 | 167,350 | 0 |
| Contract Labor | Contract Labor | N | Y | 12/20/2009 | 12/19/2014 | 203,502 | 151,917 |

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$1,835,919 10q. How much Remains? \$2,919,765

10r. How much matching funds have been expended as of the end of last quarter? \$462,248 10s. How much Remains? \$821,102

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 | \$1,310,106 | \$294,728 | \$1,604,834 | \$524,966 | \$147,453 | \$672,419 |
| Personnel Fringe Benefits | \$281,015 | \$155,208 | \$436,223 | \$99,834 | \$78,155 | \$177,989 |
| Travel | \$239,258 | \$0 | \$239,258 | \$94,423 | \$93 | \$94,516 |
| Equipment | \$135,284 | \$0 | \$135,284 | \$75,317 | \$0 | \$75,317 |
| Materials / Supplies | \$25,363 | \$0 | \$25,363 | \$27,534 | \$0 | \$27,534 |
| Subcontracts Total | \$1,237,122 | \$244,462 | \$1,481,584 | \$386,913 | \$151,917 | \$538,830 |

| Mapping Budget Element | Federal Funds Granted | Proposed In-Kind | Total Budget | Federal Funds Expended | Matching Funds Expended | Total Funds Expended |
|------------------------|-----------------------|------------------|--------------|------------------------|-------------------------|----------------------|
| Subcontract #1 | \$328,871 | \$0 | \$328,871 | \$167,350 | \$0 | \$167,350 |
| Subcontract #2 | \$850,664 | \$244,462 | \$1,095,126 | \$203,502 | \$151,917 | \$355,419 |
| Subcontract #3 | \$18,904 | \$0 | \$18,904 | \$7,603 | \$0 | \$7,603 |
| 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 | \$147,242 | \$433,967 | \$581,209 | \$34,169 | \$33,761 | \$67,930 |
| Total Direct Costs | \$3,375,390 | \$1,128,365 | \$4,503,755 | \$1,243,156 | \$411,379 | \$1,654,535 |
| Total Indirect Costs | \$1,380,294 | \$154,985 | \$1,535,279 | \$592,763 | \$50,869 | \$643,632 |
| Total Costs | \$4,755,684 | \$1,283,350 | \$6,039,034 | \$1,835,919 | \$462,248 | \$2,298,167 |
| % Of Total | 79 | 21 | 100 | 80 | 20 | 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 purchased by the project to date include:

- BroadbandStat - \$60,000
- Computers & Software - \$15,981
- GIS Software Maintenance - \$5,152
- Spectrum Analyzer - \$4,477
- Speed Test Software - \$4,081
- 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, interactive map upgrades/maintenance, ArcInfo/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

No datasets have been purchased or used for this project.

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

10aa. If yes, please list

During Q4 2011, Connect Michigan, working in close coordination with the Michigan Public Service Commission (MPSC), continued gathering data on the location and broadband connectivity of Community Anchor Institutions (CAI). Efforts have been focused on conducting outreach and raising awareness of this important project through a statewide campaign.

The Michigan Department of Education provided an extensive contact database for all public schools within the state, and Connect Michigan continues follow-up to this list and reaching out to education contacts to identify existing datasets within the state.

We continue to utilize our online survey and raise awareness of the importance of CAI broadband connectivity. Connect Michigan has an ongoing mission to educate CAI throughout the state on the importance of participating in the project.

Additional activity this quarter included:

- * Maintained the budget/finance cost model for project.

* Updated and tracked project deliverables.

* Maintained and updated the Connect Michigan website, Facebook, Twitter, and blog to explain the program, provide updates on local broadband initiatives and success stories, process speed tests, and gather information from consumers and Community Anchor Institutions.

* Updated various maps including broadband availability maps, speed maps, and provider density maps at the statewide and county level with the October 2011 datasets. These maps were updated on the Connect Michigan website.

* Began planning for non-participating provider validation.

* Responded to various consumer inquiries received through the Geographic Information Systems e-mail addresses.

* Began reaching out to providers to request new and updated datasets for the semi-annual data submission. Processed incoming data and requested provider approvals.

* Downloaded and processed the 2010 Census SF1 data as we converted provider data from 2000 to 2010 Census data format. 10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

No Challenges or obstacles to report.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

Connect Michigan updated various maps including broadband availability maps, speed maps, and provider density maps at the statewide and county level with the October 2011 datasets on the Connect Michigan website. These maps continue to enable residents, businesses, and governments to make informed decisions about broadband service. <http://www.connectmi.org/mapping/>

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

Broadband Capacity Building Milestones Year 2 Quarter 4 per approved Project Plan

* Year 2, Quarter 4 Connect Michigan Office Administration and Task Force support – This milestone was met. Program staff developed a quarterly report of the program for the Collaborative Broadband Committee. Continued to provide administrative project oversight and prepare bi-weekly reports for the Michigan Public Service Commission (MPSC). Also scheduled meetings, attended stakeholder events, and documented stakeholder interactions.

* Michigan Public Service Commission attendance at broadband collaboration conferences – This milestone was met. Michigan Public Service Commission staff attended the National Association of Regulatory Utility Commissioners (NARUC) to gather information designed to contribute to Connect Michigan activities.

* Conduct Year 2, Quarter 4 Task Force Meeting – This milestone was met. Planned and executed the fourth quarter Michigan Collaborative Broadband Committee meeting which was attended by 40 participants. The meeting highlighted technological initiatives that are making a positive impact in Michigan.

For more details, please refer to the Q4 Supplemental Answers Document.

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

Broadband Capacity Building

Nothing to report.

Technical Assistance

Connected Nation (CN) was not able to finalize the peer review process before the end of Q4 2011. At this time, CN is conducting an ongoing search to identify an appropriate partner for the peer review process, and anticipates meeting this milestone in Q1 2012.

Local/Regional Technology Planning Teams

Nothing to report.

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

Broadband Capacity Building

Nothing to report.

Technical Assistance
 The peer review process is anticipated to be completed in Q1 2012.

Local/Regional Technology Planning Teams
 Nothing to report.

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 |
| 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?

There are no additional project milestones.

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

There have been no challenges or obstacles to report.

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

Broadband Capacity Building

* Connect Michigan applauded Governor Rick Snyder in a Connect Michigan Blog for recognizing broadband as a vital component for revitalizing Michigan's declining infrastructure calling our cyber networks as "integral to Michigan's infrastructure, economic growth, and

quality of life." In his special message to the state legislature, Governor Snyder cited data from the Connect Michigan Residential Technology Survey to highlight the divide between broadband availability and adoption in Michigan.
<http://www.connectmi.org/blog/post/governor-snyder-sees-broadband-essential-element-michigan%E2%80%99s-revitalization>

* In a follow-up to Governor Snyder's launch of the Michigan Cyber Initiative that is aimed at protecting the state from cyber-attacks, Connect Michigan initiated a four-part blog series in support of National Cybersecurity Awareness month (October). Topics covered under the series include:

- a) Protecting children online, <http://www.connectmi.org/blog/post/protecting-children-online-1>;
- b) Securing Your Personal Computer <http://www.connectmi.org/blog/post/5-tips-securing-your-personal-computer-0>;
- c) Tips for Protecting Your Identity Online <http://www.connectmi.org/blog/post/5-tips-protecting-your-identity-online-0>;
- d) Michigan Cyber Summit 2011 <http://www.connectmi.org/blog/post/michigan-cyber-summit-2011>

For more details, please refer to the Q4 Supplemental Answers Document.

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)

01-30-2012