

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number

26-50-M09035

4. Report Date (MM/DD/YYYY)

07-06-2011

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:

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

M3 Wireless: Spoke with company representative. They have no interest in the program and refuse to participate. Refused to Participate

Reliable Internet, LLC: Multiple voice mail and e-mail messages over the past 18 months remain unanswered. Non-Responsive to Multiple Attempts

Rural Communications, Inc.: Between January 26, 2010 and July 13, 2011, 18 e-mail and telephone attempts generated no response. Non-Responsive to Multiple Attempts

Dreamscape Communications: Called the listed phone number and spoke with company representative who confirmed they are an active WISP, but would not provide his name and stated he was not interested in participating. Refused to Participate

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

SRI 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 8 additional companies in order to achieve a total field validation rate equal to

or exceeding 47.70% (currently 42.22%).

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 and received a total of 840 visits between April 1, 2011 and June 30, 2011.

During this quarter, the Connect Michigan project received a total of 67 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 12 for this quarter.

This reporting period, 53 field verification tests were conducted. Connected Nation's 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., Allendale Telephone Company, Arialink, AT&T, Azulstar Inc., Bloomingdale Communications Inc., Boardman River Communications LLC., Broadstripe, CenturyLink, Charter Communications, Cherry Capital Connection LLC, Clearwire Corporation, COLI Inc., Comcast Cable Communications LLC, Custom Software Inc., D&P Communications Inc., DMCI Broadband LLC, FreedomNet Solutions, Frontier Communications Corporation, Hiawatha Telephone d.b.a. Jamdots and Chippewa Valley Telephone, Hidden Lake Wireless Inc., I-2000 Inc., ISP Management, KEPS Technologies Inc., Leap Wireless International Inc., Lighthouse Computers, Merit Network, MetaLINK Technologies Inc., Michwave Technologies Inc., Microtech Services Inc., Mutual Data Services, Nodin Communications, Ogden Communications Inc., Parish Communications, Pasty.Net Inc., Peninsula Telephone Company, Pigeon Telephone, Reliable Internet, Sister Lakes Cable TV, Small Business Solutions Group d.b.a. RuralReach.com, SpeedNet LLC, Sprint, Talk America Inc., TC3Net, TDS Telecommunications Corporation, T-Mobile, Town & Country CATV, Upper Peninsula Telephone d.b.a. LIPC and Alphacomm.net, Verizon North Inc., Waldron Telephone Company, Winn Telephone Company, Wireless Technology Solutions, and Wyandotte Municipal Services. (See 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?

6.93

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 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 Michigan'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?

10.93

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	3	09/14/2009
Business Programmer Analyst	2	04/02/2007
CAI Coordinator	8	12/13/2004
CAI Data Analyst	9	03/24/2009
CAI Data Manager	3	08/09/2010
ETS Analyst	1	08//24/2009
ETS Analyst	2	11/01/2007

ETS Analyst	27	08/24/2009
ETS Analyst	91	07/13/2009
ETS Manager	5	07/01/2007
ETS Sr. Analyst	1	02/18/2010
General Counsel	3	01/01/2007
GIS Analyst	33	11/16/2009
GIS Intern	3	04/01/2010
GIS Services Manager	3	05/15/2007
Outreach & Awareness Manager	12	03/24/2009
Outreach & Awareness Specialist	2	01/04/2010
Outreach & Awareness Specialist	8	10/01/2007
Outreach & Awareness Specialist	10	02/02/2009
Outreach & Awareness Specialist	10	01/04/2010
Outreach & Awareness Specialist	36	01/03/2010
Project Coordinator	3	04/01/2005
Project Management Director	2	12/20/2004
Project Manager	1	08/20/2007
Project Manager	1	03/16/2010
Project Manager	1	01/14/2008
Project Manager	3	12/16/2009
Project Manager	4	01/14/2008
Project Manager	14	09/01/2006
Project Manager	32	09/04/2007
Project Manager	79	01/01/2007
Provider Relations Manager	6	02/17/2005
Research & GIS Analyst	6	05/14/2007
Research Analyst	2	06/01/2009
Research Analyst	8	02/01/2010
Research Analyst	74	02/16/2010
Research Analyst	74	02/16/2010
Research Analyst	33	02/16/2010
Research Manager	6	05/14/2007
State Services Manager	6	07/01/2007

Add Row
Remove Row

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	850,664	244,462

Add Row
Remove Row

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$1,150,007 10q. How much Remains? \$3,605,677
 10r. How much matching funds have been expended as of the end of last quarter? \$321,434 10s. How much Remains? \$961,916

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	\$337,463	\$101,823	\$439,286
Personnel Fringe Benefits	\$281,015	\$155,208	\$436,223	\$67,264	\$54,647	\$121,911
Travel	\$239,258	\$0	\$239,258	\$61,289	\$93	\$61,382
Equipment	\$135,284	\$0	\$135,284	\$71,119	\$0	\$71,119
Materials / Supplies	\$25,363	\$0	\$25,363	\$15,257	\$0	\$15,257
Subcontracts Total	\$1,237,122	\$244,462	\$1,481,584	\$228,512	\$99,940	\$328,452
Subcontract #1	\$328,871	\$0	\$328,871	\$66,074	\$0	\$66,074
Subcontract #2	\$850,664	\$244,462	\$1,095,126	\$150,490	\$99,940	\$250,430
Subcontract #3	\$18,904	\$0	\$18,904	\$3,490	\$0	\$3,490
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	\$12,253	\$14,063	\$26,316
Total Direct Costs	\$3,375,390	\$1,128,365	\$4,503,755	\$793,157	\$270,566	\$1,063,723
Total Indirect Costs	\$1,380,294	\$154,985	\$1,535,279	\$356,850	\$50,868	\$407,718
Total Costs	\$4,755,684	\$1,283,350	\$6,039,034	\$1,150,007	\$321,434	\$1,471,441
% Of Total	79	21	100	78	22	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-\$5,152

Spectrum Analyzer-\$4,477
Computers & Software-\$3,855
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

N/A

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

10aa. If yes, please list

- * Maintained the budget/finance cost model for Connect Michigan.
- * Updated the work breakdown structure and tracked project deliverables.
- * Maintained the Connect Michigan website in order to explain the program, process speed tests, and gather information from consumers and Community Anchor Institutions.
- * Maintained a broadband data collection activity and a broadband update database.
- * Requested and processed broadband coverage coordinate data sets (updates and new requests) from the Michigan provider community.
- * Responded to various consumer inquiries received through the GIS e-mail addresses.
- * Completed new broadband availability maps that depict available service with a speed threshold of at least 3 Mbps download and 768 kbps upload.
- * Perform analyses of April data and completed sets of maps including the provider density maps, provider advertised speed maps, and statewide broadband inquiry maps.
- * Began reviewing the Census 2010 data sets for the National Telecommunication and Information Administration (NTIA) submission and updated the provider datasheet for use in data collection activities.
- * Updated the Connect Michigan amended project plan as instructed by NTIA and resubmitted for approval. Approved by the granting agency on May 2.
- * Posted program coordinator position for Connect Michigan, interviewed applicants, and extended a job offer.
- * Planned, coordinated, and facilitated the first Collaborative Broadband Committee meeting in Lansing. Committee members include leaders in government, education, non-profits, telecommunication industry, and libraries.
- * Completed Connect Michigan planning report and facilitated the official public release on June 30.
- * Reached out to various Michigan stakeholders about the program including the office of Senator Boohar, Michigan State University, and provider associations.

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

No additional information to report at this time.

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

- Michigan marked the one year anniversary of the first interactive map launch with a consumer alert from the Michigan Public Service Commission encouraging citizens to use the maps: MPSC: State Marks First Anniversary of Interactive Broadband Map, Issues Consumer Alert on Broadband Availability.
- Connect Michigan maps were published and used to further identify unserved and underserved areas and to help communities plan for expanding service to unserved households. The link to the Connect Michigan Mapping website is: <http://www.connectmi.org/mapping/>
- Information about the most recent update of the mapping data provided to NTIA is included in the following posting on the Connect Michigan blog: <http://www.connectmi.org/news/?id=tag%3Ablogger.com%2C1999%3Ablog-5267474799358797622.post-1640939375690096858>

- A video was produced about the field validation process in all Connected Nation state programs. . <http://youtu.be/tNMEQKHbDIs>

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 Michigan, 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 Michigan residents. In Q2 2011 CN started surveying respondents for both of these surveys across Michigan. In addition, Connected Nation created and publicly released a report documenting technology adoption and barriers among businesses across the state.

Connect Michigan, in coordination with the Michigan Public Service Commission, completed an initial planning report for the state during Q2 2011. This report serves as a preliminary assessment of broadband infrastructure and adoption in Michigan. The purpose of its development and release is to provide a detailed review of the current state of broadband in Michigan and spark discussion across multiple broadband stakeholders in the state on key policy and strategies to expand and enhance broadband services.

The report was formally presented to the state of Michigan and released publicly through an event held in coordination with the Michigan Public Service Commission during Q2 2011. The report, entitled Broadband Infrastructure, Adoption, and Technology Usage in Michigan is available on the Connect Michigan website at the following link:

http://connectmi.org/research/broadband_planning_report.php

This report will be part of a series of updates and advances the understanding of broadband availability and use in Michigan. Importantly, it demonstrates how local officials can utilize Connect Michigan resources to increase broadband availability in the future.

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

Connected Nation has been working closely with the Michigan Public Service Commission 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

No additional information to report at this time.

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

11i. Planning Worksheet						
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 is conducting 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 Michigan 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 Michigan, 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 Michigan.

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

No additional information to report at this time.

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

• Connect Michigan released business survey data and launched an interactive webpage providing easy to use information about business insights. The data shows that approximately 71,000 businesses in Michigan 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.

The business survey white papers and web widget can be accessed on via the following links:

- <http://www.connectmi.org/research/>
- http://www.connectmi.org/_documents/MI_BizAssessment.pdf
- http://www.connectmi.org/_documents/MI_BizWhitePaper_FINAL.pdf

• New Collaborative Broadband Committee Shows Broad Support for Statewide Initiative:

Michigan is getting a leg up on statewide broadband capacity building with a new broadband committee created to contribute unique perspectives and support to the Connect Michigan initiative. In June, the group met in Lansing for the first time to begin planning opportunities for local engagement and cross sector collaboration. More than sixteen members representing healthcare, education, tourism, government, agriculture, and business sectors attended the first meeting. The committee plans to charge ahead with quarterly meetings alternating locations throughout the state.

Fourteen News Outlets did a feature article on the Connect Michigan Collaborative Broadband Committee Meeting generating 45,741,874 media outreach impressions.

http://www.connectmi.org/press_release/?id=tag%3Abllogger.com%2C1999%3Ablog-5389139669611891589.post-1683287857746727198

Michigan Public Service Commission plans initiative to find ways to expand broadband Internet access <http://www.annarbor.com/business-review/michigan-public-service-commission-forms-committee-to-find-ways-to-expand-broadband-internet-access/> (Ann Arbor.com)

(See Q2 2011 Supplemental Answers)

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)

07-28-2011