

**U.S. DEPARTMENT OF COMMERCE**

**Performance Progress Report**

2. Award Or Grant Number  
27-50-M09043

4. Report Date (MM/DD/YYYY)  
10-12-2011

1. Recipient Name  
Connected Nation, Inc. - MN

6. Designated Entity On Behalf Of:  
Minnesota

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:  
09-30-2011

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

A Better Wireless, NISP, LLC: While attempting to solicit data in accordance with the Notice of Funds Availability (NOFA) and the Clarification, a representative of A Better Wireless stated that they refused to participate because they disputed data already reflected on the map. This person further agreed to provide e-mail details of these stated discrepancies but never did. Subsequent attempts at contact have all been unsuccessful. We will continue to attempt to gain A Better Wireless' participation in Minnesota's broadband mapping project.

Access Broadband: Eight contact attempts were made between May 24, 2011 and August 24, 2011 with no response.

City of Detroit Lakes: In addition to multiple contact attempts made between June 22, 2010 and February 24, 2011, 9 additional attempts were made this period.

Global Crossing Telecommunications, Inc.: In addition to multiple contact attempts made between July 1, 2010 and February 17, 2011, 3 additional attempts were made this period.

Ideaone Telecom Group, LLC: After speaking with a receptionist and leaving several messages to no avail, received an e-mail stating, "We are not interested in completing the survey you are requesting. We have limited customers in Minnesota."

Nextera Communications: After discussions with executive management, Nextera stated they were not prepared to commit the resources needed for a project of this magnitude and therefore refused to participate.

PAETEC Communications, Inc.: Multiple outreach attempts were conducted but no response was received. PAETEC was bought out during the collection phase of this round by Windstream, and we intend to be able to include the PAETEC coverage as a part of the Windstream footprint during the next round.

For more details, please refer to the Q3 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

No data has been collected through extraction or extrapolation.

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

ESRI has deployed and is hosting the BroadbandStat (BBStat) web application. ESRI houses the customized application in their highly

available, monitored, and managed environment. Their services include maintaining 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 also 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). 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.

Within the Q2 2011 Performance Progress Report (PPR) Connected Nation proposed to target 6 additional companies in order to achieve a total field validation rate equal to or exceeding 56.20% before December 31, 2011. As of this report, Connected Nation has completed field validation on 58.93% of the provider universe.

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 Minnesota website (<http://connectmn.org>) and received a total of 278 visits between July 1, 2011 and September 30, 2011.

During this quarter, the Connect Minnesota project received a total of 10 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 2 for this quarter.

For more details, please refer to the Q3 Supplemental Answers Document.

10i. If verification activities have not been initiated please provide a projected time line for beginning and completing such activities

Verification activities have been initiated.

## Staffing

10j. How many jobs have been created or retained as a result of this project?

12.29

Connected Nation has numerous staff working on the Connect Minnesota 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, and by leveraging their expertise, 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

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?

12.29

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	5	09/14/2009
Business Programmer Analyst	2	04/02/2007
CAI Coordinator	4	12/13/2004
CAI Data Analyst	10	03/24/2009
ETS Analyst	56	07/13/2009

ETS Analyst	11	02/18/2010
ETS Analyst	10	02/08/2010
ETS Analyst	1	11/01/2007
ETS Manager	5	07/01/2007
ETS Sr. Analyst	3	02/18/2010
General Counsel	5	01/01/2007
GIS Analyst	38	10/19/2009
GIS Analyst	6	04/01/2010
GIS Analyst	2	11/16/2009
GIS Services Manager	3	05/15/2007
Outreach & Awareness Manager	6	03/24/2009
Outreach & Awareness Specialist	25	01/03/2010
Outreach & Awareness Specialist	8	02/02/2009
Outreach & Awareness Specialist	7	01/04/2010
Outreach & Awareness Specialist	4	10/01/2007
Outreach & Awareness Specialist	1	01/04/2010
Program Director	7	08/04/2008
Program Manager	53	08/16/2011
Project Coordinator	4	04/01/2005
Project Management Director	6	12/16/2009
Project Manager	63	03/16/2010
Project Manager	6	09/04/2007
Project Manager	6	09/01/2006
Project Manager	5	01/14/2008
Project Manager	1	03/16/2010
Provider Relations Manager	8	02/17/2005

Research & GIS Analyst	13	05/17/2007
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	4	03/22/2010
Research Analyst	3	02/01/2010
Research Analyst	2	06/01/2009
Research Manager	5	05/14/2007
State Services Manager	19	07/01/2007

**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	163,427	0
Contract Labor	Contract Labor	N	Y	12/20/2009	12/19/2014	127,762	75,877

**Funding**

10p. How much Federal funding has been expended as of the end of the last quarter? \$1,366,892      10q. How much Remains? \$3,103,143  
 10r. How much matching funds have been expended as of the end of last quarter? \$288,842      10s. How much Remains? \$829,706

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	\$1,502,448	\$129,840	\$1,632,288	\$378,322	\$59,514	\$437,836
Personnel Fringe Benefits	\$322,275	\$36,355	\$358,630	\$73,440	\$16,660	\$90,100

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Travel	\$152,515	\$0	\$152,515	\$53,248	\$1,496	\$54,744
Equipment	\$145,816	\$0	\$145,816	\$76,520	\$0	\$76,520
Materials / Supplies	\$32,437	\$0	\$32,437	\$15,539	\$0	\$15,539
Subcontracts Total	\$747,164	\$181,552	\$928,716	\$305,425	\$75,877	\$381,302
Subcontract #1	\$437,265	\$0	\$437,265	\$163,427	\$0	\$163,427
Subcontract #2	\$250,834	\$181,552	\$432,386	\$127,762	\$75,877	\$203,639
Subcontract #3	\$21,188	\$0	\$21,188	\$5,178	\$0	\$5,178
Subcontract #4	\$37,877	\$0	\$37,877	\$9,058	\$0	\$9,058
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$91,445	\$657,186	\$748,631	\$11,374	\$83,535	\$94,909
Total Direct Costs	\$2,994,100	\$1,004,933	\$3,999,033	\$913,868	\$237,082	\$1,150,950
Total Indirect Costs	\$1,475,935	\$113,615	\$1,589,550	\$453,024	\$51,760	\$504,784
Total Costs	\$4,470,035	\$1,118,548	\$5,588,583	\$1,366,892	\$288,842	\$1,655,734
% Of Total	80	20	100	83	17	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
- GIS Software Maintenance-\$7,811
- Spectrum Analyzer-\$4,477
- Computers & Software-\$4,272
- Speed Test Software-\$1,511
- 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 server, security application, additional backup replication solution, computers, a spectrum analyzer, GPS units, interactive map upgrades/maintenance, ESRI 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

No datasets have been purchased or used.

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

10aa. If yes, please list

- \*Maintained broadband data collection activity and broadband update database.
- \*Requested/processed broadband coverage data sets from Minnesota provider community.
- \*Responded to consumer inquiries received through Connect Minnesota website.
- \*Produced monthly status reports, data collection, activity log, and website statistics and distributed to the project team.
- \*During third quarter 2011, Connect Minnesota submitted to the National Telecommunications and Information Administration (NTIA) updated state broadband data. Data update submission included participation of 90% of Minnesota provider community, or 108 of 120 total providers. Of the 108 participating providers, 46 supplied an update to their network or coverage area(s), while 60 reported no

change. The remaining 2 represent providers who previously submitted data but were non-responsive in this update. Of the 11 providers not represented in the datasets, 9 refused to participate or were non-responsive to contact attempts, and 2 providers were in progress toward data submission but were not able to submit coverage areas.

\*In conjunction with Minnesota Department of Commerce, outreach was conducted to continue identification of existing, centralized sources for Community Anchor Institution connectivity data.

\*Connect Minnesota performed broadband verification activities. In addition to confirmation of service area(s) by providers, 62 (51.67%) providers have been validated to date.

\*Maintained budget/finance cost model for Connect Minnesota.

\*Updated Work Breakdown Structure and tracked deliverables.

\*Maintained Connect Minnesota website to explain program, process speed tests, and gather consumer information.

\*Maintained outreach and awareness strategy.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing  
Non-federal match amounts account for 17% of total grant expenditures. During part of the Q3 2011 reporting period, the Minnesota state government underwent a shutdown period due to legislative issues concerning state budget approval. Late in the month of July the state reached an agreement. However, due to the shutdown, the In-Kind amount for the Q3 reporting period was lower than planned, as the state staff time spent on this project during July was hindered by this shutdown. Match from the Minnesota Broadband Task Force has been delayed as well. The Minnesota Broadband Task Force is currently being refined by the new administration to carry out the work of broadband strategy and planning in the state. New members will likely be appointed in Q4 2011 with monthly meetings, at a minimum, being held in November and December. Connected Nation continues to work with the state client to assist in any way possible to obtain additional In-Kind match.

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

Also, During Q3 2011, Connect Minnesota, working in close coordination with the Minnesota Department of Commerce, continued gathering data on the location and broadband connectivity of Community Anchor Institutions (CAI), in accordance with the data requirements of the State Broadband Initiative (SBI) Notice of Funds Availability (NOFA) Technical Appendix. Efforts have been focused on conducting outreach and raising awareness of this important project through a statewide campaign.

Efforts have been focused during this quarter on the education sector and developing a strong relationship with the Minnesota Department of Education. Connect Minnesota coordinated with the Department of Education to include questions from our CAI survey in an existing survey that was distributed to all school districts across the state. Connect Minnesota will conduct follow-up over the coming months to schools throughout the state and continue to coordinate with the Department of Education on future surveys and projects.

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

Our education campaign has been heightened during Q3 with the release of a CAI newsletter which was targeted across all CAI sectors. This newsletter profiled an institution within the state, requested participation in our survey and shared key policy updates. The newsletter is available on the CAI page of the Connect Minnesota website at the following link:  
[http://connectmn.org/mapping/Community\\_Anchor\\_Institution\\_Data\\_Collection.php](http://connectmn.org/mapping/Community_Anchor_Institution_Data_Collection.php)

## 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 Milestones, Year 2, Quarter3, per approved project plan:

- Connect Minnesota Program Office Administration and Task Force Support – This milestone was met. Connect Minnesota hired a Program Manager during the quarter. This position allows the program to provide administrative project oversight involving a variety of tasks that encompass administering the project plan, managing workflow and timeline, verifying work quality, gathering documentation in support of community outreach/projects, and preparing reports as required by the Minnesota Department of Commerce and the Minnesota Broadband Task Force.
- Conduct Year 2, Quarter 3 Meeting of the Minnesota Broadband Task Force – This milestone was not met. The Minnesota Broadband Task Force is currently being refined by the new administration to carry out the work of broadband strategy and planning in the state. New members will likely be appointed in Q4 2011 with monthly meetings, at a minimum, being held in November and December.

For more details, please refer to the Q3 Supplemental Answers Document.

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 Minnesota Department of Commerce to ensure that our work exceeds expectations. During Q3 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 changes are anticipated.

**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?

Connected Nation conducted a survey that oversamples households that do not subscribe to broadband. This second survey was 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 socioeconomic and demographic groups by surveying non-adopters in Minnesota in a way similar to that conducted by the Federal Communications Commission (FCC) as part of the National Broadband Planning effort. This approach will help create a demographic and socioeconomic profile of the population of non-adopters in Minnesota, 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 Q3 2011, CN surveyed 1,900 adult heads of households who do not subscribe to broadband across the state of Minnesota and presented the initial results to state stakeholders.

Additional Project Activities include:

- \*Initial results of 2011 Minnesota Residential Technology Assessment were released during quarter.
- \*Hired Connect Minnesota Program Coordinator.
- \*Collaborated on broadband summit plans with Blandin Foundation.

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

No obstacles were encountered this quarter.

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

- New Connect Minnesota Program Manager

Bill Hoffman was named program manager for Connect Minnesota and will lead the effort to increase broadband adoption and use throughout the state.

<http://www.connectmn.org/news/index.php?id=tag%3Ablogger.com%2C1999%3Ablog-8164847102817587016.post-7200352537669241323>

- Engaging the Blandin Foundation

Connect Minnesota has engaged the Blandin Foundation and a synergistic relationship now exists. Planning has begun on a joint Broadband Summit and Blandin on Broadband has recently referenced Connect Minnesota data in blog and web postings.

<http://www.tcdailyplanet.net/blog/ann-treacy/who-isn-t-online>

- Governor's Task Force on Broadband

Governor Mark Dayton issued an Executive Order to establish a Governor's Task Force on Broadband and has directed the Minnesota Department of Commerce—a partner in the Connect Minnesota initiative—to create a Broadband Development Office.

- Social Media Program Enhancement

The Connect Minnesota team is working on a social media campaign to increase community engagement and awareness through online networks. The Connect Minnesota Twitter (<http://twitter.com/#!/connectmn>) and Facebook (<http://www.facebook.com/ConnectMinnesota>) pages have made significant gains. Connect Minnesota Twitter feed has increased by 115 new followers during the quarter.



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)

10-28-2011