

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number
27-50-M09043

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

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:
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

Access Broadband: The provider was non-responsive during the October 2011 mapping cycle to NTIA. Thereafter, multiple contact attempts have been made, and as of December 6 the provider remains non-responsive.

Nextera Communications: On September 9 the provider chose not to participate.

Utopian Wireless Corporation: 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.

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 is deploying and 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 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) 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.

Within the previous 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, field validation has been completed on 56.30% of the provider universe.

Please refer to the Minnesota Supplemental Answers document for more information.

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://www.connectmn.org>) and received a total of 388 visits between October 1, 2011 and December 31, 2011.

During this quarter, the Connect Minnesota project received a total of 22 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 4 for this quarter.

For this reporting period, 20 field verification tests were conducted. Thus far, project staff conducted multiple tests on the following providers: A Better Wireless; Albany Mutual Telephone Association; Alliance Communications; Arvig Communications Systems (d.b.a. East Ottetail Telephone and ACS Communications); AT&T; Barnesville Municipal Telephone; Benton Cooperative Telephone Company; Bradco-WISP Inc.; CenturyLink (acquired Qwest Corporation); Charter Communications; Chaska Net; Christensen Communications Company; CitiScape Communications; City of Detroit Lakes ; Clear Choice; Clearwire Corporation; Cloudnet Inc.; Comcast Cable Communications LLC; CTC Telecom; diversiCOM; Enterpoint; Evertek Enterprises LLC.; Farmers Mutual Telephone; Frontier Communications Corporation; Garden Valley Telephone Company; Gardonville Cooperative Telephone Association; Genesis Wireless; Halsted Telephone; Harmony Telephone Company; Info Link Wireless Inc.; Interstate Telecommunications Cooperative Inc.; Invisimax; Jaguar Communications; Lonsdale Telephone; Loretel Systems Inc.; Mabel Cooperative Telephone Company; Maple Leaf Networks; Midcontinent Communications; Min-Kota Wireless; Minnesota Valley Telephone Company; Minnesota Valley TV Improvement Corporation; New Ulm Telecom Inc.; Nextera Communications; Northfield Wireless; Otter Tail Telecom; Polar Telcom Inc.; Red River Telephone Association; Ridge Runner Internet Services Inc...

Please refer to the Minnesota Supplemental Answers document for more information.

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 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 (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 Minnesota's FTEs reported for the quarter include 1.46 FTEs for temporary, cyclical consultants and a base of 5.15 FTEs that consistently contribute to the project. All of our base positions are fully staffed.

This project is fully staffed with a base of 5.15 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	3	12/13/2004
CAI Data Analyst	9	03/24/2009
CAI Data Manager	4	08/09/2010

ETS Analyst	1	11/01/2007
ETS Analyst	62	07/13/2009
ETS Manager	2	07/01/2007
ETS Sr. Analyst	2	02/18/2010
General Counsel	2	01/01/2007
GIS Analyst	1	11/16/2009
GIS Analyst	55	10/19/2009
GIS Services Manager	1	05/15/2007
Outreach & Awareness Manager	7	03/24/2009
Outreach & Awareness Specialist	6	10/01/2007
Outreach & Awareness Specialist	8	02/02/2009
Outreach & Awareness Specialist	20	01/04/2010
Outreach & Awareness Specialist	37	01/03/2010
Program Director	7	08/04/2008
Program Manager	93	08/16/2011
Project Coordinator	1	08/01/2008
Project Coordinator	4	04/01/2005
Project Management Director	5	12/16/2009
Project Manager	3	01/14/2008
Project Manager	4	01/14/2008
Project Manager	7	09/04/2007
Project Manager	10	09/01/2006
Project Manager	71	03/16/2010
Provider Relations Manager	6	02/17/2005
Research & GIS Analyst	38	05/14/2007
Research Analyst	2	03/22/2010
Research Analyst	2	06/01/2009
Research Analyst	3	02/01/2010
Research Analyst	3	09/19/2011
Research Analyst	72	02/16/2010
Research Analyst	72	02/16/2010
Research Manager	6	05/14/2007
State Services Manager	10	07/01/2007

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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	187,602	0
Contract Labor	Contract Labor	N	N	12/20/2009	12/19/2014	134,526	78,226

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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$1,622,171 10q. How much Remains? \$2,847,864
 10r. How much matching funds have been expended as of the end of last quarter? \$391,644 10s. How much Remains? \$726,904

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	\$466,565	\$76,415	\$542,980
Personnel Fringe Benefits	\$322,275	\$36,355	\$358,630	\$86,413	\$21,046	\$107,459
Travel	\$152,515	\$0	\$152,515	\$63,438	\$4,895	\$68,333
Equipment	\$145,816	\$0	\$145,816	\$78,076	\$0	\$78,076
Materials / Supplies	\$32,437	\$0	\$32,437	\$20,041	\$0	\$20,041
Subcontracts Total	\$747,164	\$181,552	\$928,716	\$339,237	\$78,226	\$417,463
Subcontract #1	\$437,265	\$0	\$437,265	\$187,602	\$0	\$187,602
Subcontract #2	\$250,834	\$181,552	\$432,386	\$134,526	\$78,226	\$212,752
Subcontract #3	\$21,188	\$0	\$21,188	\$8,051	\$0	\$8,051
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	\$28,503	\$159,302	\$187,805
Total Direct Costs	\$2,994,100	\$1,004,933	\$3,999,033	\$1,082,273	\$339,884	\$1,422,157
Total Indirect Costs	\$1,475,935	\$113,615	\$1,589,550	\$539,898	\$51,760	\$591,658
Total Costs	\$4,470,035	\$1,118,548	\$5,588,583	\$1,622,171	\$391,644	\$2,013,815
% Of Total	80	20	100	81	19	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
- Computers & Software - \$11,385
- GIS Software Maintenance - \$7,811

Spectrum Analyzer - \$4,477
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 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

N/A

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 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 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 outreach and support to the newly formed Minnesota Broadband Task Force. Developing relationships with key CAI contacts participating on the Task Force is key to continuing to collect this data in the state. Connect Minnesota is also conducting follow-up survey outreach to public schools throughout the state that did not participate in the survey process distributed by the Department of Education. Additionally Connect Minnesota is targeting libraries in the state through coordinated outreach with the state Department of Library Services within the Department of Education.

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 that did not participate in the survey process distributed by the Department of Education. Additionally Connect Minnesota is targeting libraries in the state through coordinated outreach with the state Department of Library Services within the Department of Education.

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.

Additional accomplishments from this quarter can be found on the Minnesota Supplemental Answers document.

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 19% of total grant expenditures. While this remains below the required 20% in-kind match requirement, great strides were made this quarter. The Minnesota Broadband Task Force was newly appointed this quarter and met on two occasions. Additionally, the program in cooperation with the Blandin Foundation held its first Broadband Summit for state stakeholders. These events helped to propel the program to a match percentage (for the quarter) of 29%. Connected Nation continues to work with the state to obtain additional in-kind match and we estimate that with the combined contributions of the state and the Minnesota Broadband Task Force, the 20% match requirement will be met in the next quarter.

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/>

* Blandin on Broadband Reports: Understanding Minnesota's Broadband Landscape: An Overview of the Connect Minnesota Project. Published on the Blandin Foundation website, 2011 Border to Border Broadband Conference co-host, this blog introduces Blandin Foundation stakeholders to the efforts of the Connect Minnesota program. Referencing the mapping initiative of Connect Minnesota, which works closely with broadband providers from across the state to develop a variety of broadband inventory maps for public use. <http://blandinonbroadband.org/2011/11/19/understanding-minnesotas-broadband-landscape-an-overview-of-the-connect-minnesota-project/>

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

11i. Planning Worksheet						
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?

No additional milestones to report.

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

Nothing 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

* Connect Minnesota released a Broadband Availability Report. This report found that 97.08% of Minnesota households have access to broadband, with 84.19% households having the ability to choose broadband service from two or more non-mobile broadband providers. This information was used by the Task Force on Broadband and Minnesota Department of Commerce year-end report outlining broadband goals and objectives.

<http://www.connectmn.org/recent-news/connect-minnesota-releases-new-broadband-availability-report>

* Connect Minnesota released a Broadband Service and Pricing Report entitled Worth the Cost: Broadband Prices in Minnesota. The report was cited in a Blandin on Broadband blog which highlighted the findings that approximately 1.1 million adult Minnesotans do not subscribe to broadband. The blog further referenced report findings that cost and relevance are noted as key reasons individuals don't subscribe to broadband when the option is available.

<http://www.connectmn.org/recent-news/connect-minnesota-releases-broadband-service-and-pricing-report>

* Connect Minnesota and the Blandin Foundation co-hosted a webinar on the public-private partnerships in broadband. The discussion addressed how public organizations and private companies can work together to bring broadband access to more schools, communities, and businesses.

* Connect Minnesota and the Blandin Foundation jointly hosted the 2011 Broadband Conference which was promoted on the Connect Minnesota and Connected Nation websites, blogs and social media pages. <http://www.connectmn.org/blog/post/follow-2011-broadband-conference>.

Please refer to the Minnesota Supplemental Answers document for more information.

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