

13Q2_Supplemental Answers_Minnesota

Connected Nation, Inc.

Grant Number 27-50-M09043

Reporting Period End Date 06-30-2013

14 a_Project Attachment_Data Collection

2. Describe any additional project milestones that have been accomplished over this reporting period (Exp: updates to state broadband maps and websites, map outreach activities).

Connect Minnesota continues to maintain the interactive mapping web application called My ConnectView. The application is housed in a highly available, monitored, and managed environment. My ConnectView is publicly available on the program website (<http://www.connectmn.org/interactive-map>). There were a total of 803 visits to the interactive map between April 1, 2013, and June 30, 2013.

New research unveiled by Connect Minnesota shows that 69.19% of Minnesota households have access to broadband at a minimum of 10 megabytes per second (Mbps) download/6 Mbps upload. Last October, the data showed that 61.57% of the households had access across the state at these speeds. This was the seventh comprehensive broadband availability data release from Connect Minnesota since the State Broadband Initiative (SBI) program started in 2009.

During this quarter, the project received a total of 2 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 2 for the quarter. Users can also request non-confidential mapping data produced for the SBI grant program; 5 such data requests were received between April 1, 2013, and June 30, 2013.

For this reporting period, 212 field verification tests were conducted. From program initiation through this reporting period, field validation testing has been completed against 105 companies (out of a universe of 127 viable providers) totaling 82.68 percent within the state of Minnesota.

Several maps were updated and published on the program website including:

- Broadband Growth
- Broadband Service Inventory
- Broadband Service Inventory (Advertised Speeds of at Least 3 Mbps Downstream and 768 Kbps Upstream)
- Broadband Service Inventory by Congressional District
- Density of Households Unserved by a Broadband Provider
- Density of Providers
- Maximum Advertised Download Speed
- Multiple/Single Platform
- Underserved Areas
- Underserved Areas with Mobile

4. Provide any other information or statistics that you think would be useful to NTIA as it assesses your broadband data collection, validation, and publication activities.

The use of Mobile Pulse as a performance measurement tool for mobile broadband was introduced as a field validation methodology in Q1 2013 and significantly expanded during Q2 2013. Of the 212 total field verifications conducted on all platforms across Minnesota, Mobile Pulse represented 168 of these validations.

The Engineering and Technical Services (ETS) team has formulated a plan to conduct crowd sourcing and field validation testing to ascertain satellite broadband performance under specific conditions. With regard to crowd sourcing, an e-mail has been developed to respond to all broadband inquiries with known satellite connectivity to request they run speed tests on the program website during a specified window of time so we can capture and identify such tests.

14 b_Project Attachment_Capacity Building

2. Describe your progress meeting each major activity/milestone approved in the Project Plan for this project; any challenges or obstacles encountered and mitigation strategies you have employed; planned major activities for the next quarter; and any additional project milestones or information.

Capacity Building Milestones Year 4, Quarter 2 per approved Project Plan:

Milestone: Year 4, Quarter 2 Connect Minnesota Office Administration and Task Force support

This milestone was met. The program office in St. Paul is fully staffed and interacting with stakeholders, broadband providers, and other representatives in the state of Minnesota. Program staff continues to support the Minnesota Governor's Task Force on Broadband by serving as a reference point for all mapping and research related data and other reference material. Additional support provided by program staff this quarter included scheduling, planning (preparing invitations, creating agendas, and sending meeting information), and facilitating Task Force meetings at locations throughout the state. Other activities included creation of project status reports delivered to the Minnesota Department of Commerce (MDC) and other stakeholders. Results of research and analyses continued to be shared with stakeholders through the release of detailed broadband adoption data as well as the planned distribution of a white paper on digital literacy in Minnesota. Program staff continued to provide administrative oversight to milestones included within the project plan by managing workflow and timeline demands to ensure the highest quality of service is provided to the state of Minnesota. Lastly, Connect Minnesota maintains attendance at various stakeholder events and continues to document meetings with key stakeholders influencing increasing levels of broadband adoption, access, and use throughout the state.

In Q2 2013, the state Program Manager, joined by the Manager of the Telecommunications Division of the Minnesota Department of Commerce, travelled to Washington, DC to attend the State Broadband Initiative (SBI) and Schools, Health, and Library Broadband (SHLB) Conferences. These meetings provided an opportunity for learning about the activities of other states under the SBI program umbrella. With the newly created Office of Broadband Development scheduled to be officially open in Q3 2013, Connect Minnesota and the Minnesota Department of Commerce will be able to use such information to provide the Office Director a frame of reference related to other state-based activities across the country.

Connect Minnesota provided newly released broadband availability data in Q2 2013 to statewide stakeholders, including members of the Minnesota Legislature. The program office served as a resource to policymakers, at the legislature as well as within state government, as legislation related to broadband moved through the legislative process. Data and mapping prepared by the program allows state policymakers and stakeholders to measure progress being made toward the state's statutory broadband goals. In part those goals state that "As soon as possible, but no later than 2015, all state residents and businesses have access to high-speed broadband that provides minimum download speeds of 10 to 20 Mbps and minimum upload speeds of 5 to 10 Mbps."

Program data and analysis provides a measurement of availability at a speed tier of 10 Mbps download speed and 6 Mbps upload speed (in line with the National Telecommunications and Information Administration's (NTIA) speed tiers). In Q2 2013 Connect Minnesota provided this latest data to the state, showing that 69.19% of Minnesota households have access to broadband at a minimum of 10 Mbps download/6 Mbps upload. Last October, data showed that 61.57% of the households had access at these speeds across the state. The Q2 data was the seventh comprehensive broadband availability data release since the SBI program commenced in 2009. Connect Minnesota also releases county-by-county data at the state speed goal threshold.

Release of the availability data received coverage in statewide media throughout the quarter, which raised awareness of how important it is for stakeholders across the state to gauge their progress toward the state speed goal. As a result of the data release, Connect Minnesota and the Minnesota Department of Commerce received a number of inquiries from stakeholders in the public and private sectors who wished to better understand how their region stood when compared to other areas of the state.

Along with other program activities, the continued release of availability data will serve as a foundation for activity in the new Office of Broadband as they pursue initiatives designed to ensure Minnesota makes significant progress toward meeting the state speed goals by the 2015 statutory deadline.

Milestone: Year 4, Quarter 2 Task Force Meetings

This milestone was met. In Q2 2013, three meetings of the Governor's Task Force on Broadband were held in the Minneapolis/St. Paul metropolitan area as well as Lake Lena, District 3, Mille Lacs Band of Ojibwe in Sandstone, Minnesota. The meetings focused on researching broadband issues related to access, adoption, and use in Minnesota and highlighted examples of how broadband is impacting Minnesota government, communities, and business per the 2013 work plan that was established in Q1 2013. Additional items of focus during Q2 included health information technology, broadband needs and efforts of the Mille Lacs Band, the East Central Broadband Initiative, broadband access project activity throughout the state, Hmong American Partnership projects highlighting broadband adoption issues and challenges among their communities in Minnesota, and legislative issues and upcoming events in state government. In addition to the monthly Task Force meetings in Q2 2013, there were also more frequent subgroup meetings that focused on specific areas of broadband. These subgroups include: Best Practices and Incentives, Broadband Adoption, Wireless/Mobile, Coordination Across Government, Monitoring Federal Communications Commission (FCC) and Public Utilities Commission (PUC) Decisions, and the Cost of Broadband. The Task Force continues to work on analyzing the state of broadband in Minnesota and compiling quantitative and qualitative information that will be used to write a report to the Governor and the state which is due in December 2014.

Each meeting of the Task Force involved reviewing action items, recommendations, and updates from previous Task Force meetings. Time was spent reviewing the meeting agendas and discussing the

overall program status, as reported in status reports, along with a review of summit planning and execution. Task Force members also worked on reviewing technology initiatives and documenting recommendations as well as action items to be further communicated to other stakeholders and potentially used in the annual report provided to the Governor and other members of the Minnesota State Legislature. Connect Minnesota serves a variety of roles in supporting the activities of the Task Force. Together with our state partner staff of the Minnesota Department of Commerce, Connect Minnesota's State Program Manager participates in the monthly Task Force meetings and frequent member conference calls. In addition, the program provides data, mapping, and research that assists the Task Force with their work.

Capacity Building Major Activities for Next Quarter:

Year 4 Quarter 3 Connect Minnesota Office Administration and Task Force Support
Conduct Year 4, Quarter 3 Task Force Meetings

4. Provide any other information that you think would be useful to NTIA as it assesses this project's progress.

The Task Force continued to support broadband legislation introduced during the 2013 Minnesota Legislative Session that built on Task Force recommendations presented in the December 2012 Task Force Report. Specifically, legislation passed and was enacted into law that funds an enhanced Office of Broadband Development. This new office will be responsible for much of what the Minnesota Department of Commerce currently is held accountable for related to state government broadband activities, including support of the Governor's Task Force on Broadband. Additional responsibilities for the new office would be to assist with coordination of an annual report to the legislature on the state of broadband. Lastly, changes were also voted into state law concerning the general budgetary landscape where Office of Broadband Development is to be moved to the Department of Employment and Economic Development per the newly adopted legislation. Per year, \$250,000 is allocated to the Office of Broadband Development and an additional \$100,000 allocated to the Minnesota Department of Commerce to work on broadband issues.

The newly created Minnesota Office of Broadband Development will be located in the Department of Employment and Economic Development and away from the Minnesota Department of Commerce where the State Broadband Initiatives (SBI) program's current Memorandum of Understanding (MOU) has been in force since the initial days of project work. This change may bring about changes in the reporting structure and add additional stakeholders to the project. The Minnesota officials are aware of the existence of the MOU currently in force between Connect Minnesota and the Minnesota Department of Commerce. Additional details are still unknown but will be reported as they become known.

14 b_Project Attachment_Technical Assistance

2. Describe your progress meeting each major activity/milestone approved in the Project Plan for this project; any challenges or obstacles encountered and mitigation strategies you have employed; planned major activities for the next quarter; and any additional project milestones or information.

Technical Assistance Milestones Year 4, Quarter 2 per approved Project Plan:

Milestone: Facilitate 2013 Quarter 2 Minnesota Broadband Summit planning efforts

This milestone was partially met. As reported via previous Quarterly Performance Progress Reports, this year the Blandin Foundation announced they would not conduct the annual Minnesota Broadband Summit. As a result, Connect Minnesota has elected to conduct a Broadband Conference on December 4, 2013, using the previously designated funding for summit activity. Work was completed to determine the venue location in Q2 2013 with the contract to be secured and finalized in Q3 2013. The venue location selected is the Radisson Hotel located in Roseville, Minnesota which is believed to be a central enough location to attract the targeted audience. Attendee invitations are scheduled to be sent during Q3 2013 along with the creation of conference signage. Conference outreach plans have been made including e-mail and other public service announcements using blogs and other forms of press releases to create awareness.

The 2013 conference will provide attendees with an overview of the “State of Broadband” in Minnesota through a series of panel discussions and presentations. The theme of the conference will be “Minnesota: The State of Broadband 2013” and is scheduled to be a four to five hour event with plans to include a number of panels, a keynote speaker from the Federal Communications Commission (FCC), and the awarding of the 2013 Broadband Hero Award. The goals and objectives of the conference will be to provide an overview of the state of broadband (data, policy, and stakeholder activity, etc.) in Minnesota and to highlight the role of Connect Minnesota in the state through participation on panels and presentation of data. The expected outcomes are to strengthen the perception of Connect Minnesota as an important resource for broadband-focused stakeholders in the state. The Blandin Foundation continues to show interest in being involved in the Broadband Conference.

Milestone: Analyze 2013 business survey research results

This milestone was met. In Q2 2013, program research staff analyzed the results from the 2013 business survey and sent the survey instruments and results to Dr. Jack Geller of the University of Minnesota, Crookston to be peer reviewed. Following the conclusion of the peer review, the survey results were shared with stakeholders and NTIA. Discussion was also held with the Minnesota Department of Commerce and other stakeholders concerning the final report format and analysis options for the survey results. As part of Connect Minnesota’s mission, this research was designed to measure technology adoption among businesses across the state, and determines factors that contribute to businesses choosing whether or not to subscribe to broadband service. In addition, this survey was designed to explore technology adoption and use among small businesses in Minnesota. The 2013 business survey found that 76% of businesses in Minnesota use broadband service, and 32% of businesses use mobile Internet service. Almost eight out of ten (78%) of Minnesota businesses have a website. Regarding social networking use, almost half of businesses in the state (49%) use services like Facebook or Twitter. Businesses with broadband in Minnesota have a median annual earning \$300,000 higher than businesses without broadband. Of the 155,000 businesses that do not use broadband service, nearly one-third (32%) say they do not subscribe because they believe they can do everything they need to without broadband.

Milestone: Peer review of 2013 business survey research completed

This milestone was met. Dr. Jack Geller of the University of Minnesota, Crookston, reviewed and verified the survey results and instruments. Dr. Geller was provided the 2013 businesses survey results, the survey script, and a document outlining the survey methodology used for the survey to validate the program’s research methodology as well as results. Dr. Geller’s results replicated Connect Minnesota’s

findings, and there were no recommendations for updates to the methodology used in conducting survey research.

Milestone: Commence development of the 2013 residential survey script

This milestone was met. Program staff conducted internal and external discussions to seek input for the design of the 2013 residential survey. External meetings were held with members of the Minnesota Department of Commerce and other key stakeholders to discuss the residential survey script. Revisions are being made based on the feedback and recommendations received from state stakeholders and the survey instrument (script with appropriate programming notes) was being written for the 2013 residential survey as of the end of Q2 2013.

Outstanding Technical Assistance Milestones:

Year 4, Quarter 1 Milestone: Initiate business survey peer review

This milestone was met. The 2013 businesses survey was finished in the field in Q2 2013. The results, methodology, and script were peer reviewed by Dr. Jack Geller of the University of Minnesota, Crookston, and the results were presented to state stakeholders as well as the NTIA.

Technical Assistance Major Activities for Next Quarter:

Facilitate 2013 Quarter 3 Minnesota Broadband Summit (Conference) planning efforts

Finalize and distribute 2013 statewide business survey research results

Initiate 2013 residential survey research

Initiate 2013 residential survey peer review