

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number
27-50-M09043

4. Report Date (MM/DD/YYYY)
07-06-2011

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:
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

None

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
 ESRI 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 6 additional companies in order to achieve a total field validation rate equal to or exceeding 56.20% (currently 51.24%).

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 and received a total of 350 visits between April 1, 2011 and June 30, 2011.

During this quarter, the Connect Minnesota project received a total of 4 broadband inquiries. Additional information received through e-

mail from consumers that can also be used for verification purposes totaled 2 for this quarter.

For this reporting period, 44 field verification tests were conducted. Connected Nation's staff conducted multiple tests on the following providers: Albany Mutual Telephone Association, Alliance Communications, Arvig Communications Systems, AT&T, Barnesville Municipal Telephone, Benton Cooperative Telephone Company, Bradco-WISP, Inc., CenturyLink, Charter Communications, Chaska Net, Christensen Communications Company, CitiScape Communications, 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., Invisimax, Jaguar Communications, Lakedale LINK, 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., Northfield Wireless, Otter Tail Telecom, Polar Telcom Inc., Qwest Corporation, Red River Telephone Association, Ridge Runner Internet Services Inc., River Valley Telecommunications Cooperative, SCI Cable, Scott Rice Telecommunications Cooperative, Sioux Valley Wireless, Sleepy Eye Telephone Company, Spring Grove Cooperative Telephone Company, Sprint, TDS Telecommunications Corporation, t-Mobile USA, U.S. Internet Corporation,

Please see the Supplemental Answers for additional 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?

4.48

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. 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 position not currently staffed is related to Connect Minnesota's new broadband capacity activities that are only just beginning and as such have no impact on the project's timeline. The position is expected to be filled during Q3 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?

5.48

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	3	09/14/2009
Business Programmer Analyst	1	04/02/2007
CAI Coordinator	6	12/13/2004
CAI Data Analyst	12	03/24/2009
CAI Data Manager	2	08/09/2010
ETS Analyst	27	07/13/2009
ETS Analyst	16	02/08/2010
ETS Analyst	2	11/01/2007

ETS Manager	4	07/01/2007
ETS Sr. Analyst	1	02/18/2010
General Counsel	5	01/01/2007
GIS Analyst	32	10/19/2009
GIS Services Manager	7	05/15/2007
Outreach & Awareness Manager	6	03/24/2009
Outreach & Awareness Specialist	20	01/03/2010
Outreach & Awareness Specialist	6	02/02/2009
Outreach & Awareness Specialist	6	10/01/2007
Outreach & Awareness Specialist	6	01/04/2010
Outreach & Awareness Specialist	2	01/04/2010
Project Coordinator	6	02/24/2003
Project Coordinator	3	04/01/2005
Project Management Director	1	12/20/2004
Project Manager	45	03/16/2010
Project Manager	5	09/01/2006
Project Manager	4	01/14/2008
Project Manager	3	09/04/2007
Project Manager	2	12/16/2009
Project Manager	1	01/01/2007
Project Manager	1	08/20/2007
Project Manager	1	03/16/2010
Project Manager	1	01/14/2008
Provider Relations Manager	5	02/17/2005
Research & GIS Analyst	6	05/14/2007
Research Analyst	80	02/16/2010

Research Analyst	80	02/16/2010
Research Analyst	22	02/16/2010
Research Analyst	2	02/01/2010
Research Analyst	1	06/01/2009
Research Manager	3	05/14/2007
State Services Manager	12	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
Thoroughbred 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	250,834	181,552

Add Row

Remove Row

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$1,053,010 10q. How much Remains? \$3,417,025

10r. How much matching funds have been expended as of the end of last quarter? \$260,460 10s. How much Remains? \$858,088

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	\$307,151	\$49,756	\$356,907
Personnel Fringe Benefits	\$322,275	\$36,355	\$358,630	\$60,742	\$13,768	\$74,510
Travel	\$152,515	\$0	\$152,515	\$46,103	\$1,497	\$47,600
Equipment	\$145,816	\$0	\$145,816	\$72,480	\$0	\$72,480
Materials / Supplies	\$32,437	\$0	\$32,437	\$13,404	\$0	\$13,404
Subcontracts Total	\$747,164	\$181,552	\$928,716	\$196,570	\$66,652	\$263,222
Subcontract #1	\$437,265	\$0	\$437,265	\$67,362	\$0	\$67,362
Subcontract #2	\$250,834	\$181,552	\$432,386	\$116,912	\$66,652	\$183,564
Subcontract #3	\$21,188	\$0	\$21,188	\$3,238	\$0	\$3,238
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	\$6,177	\$77,027	\$83,204
Total Direct Costs	\$2,994,100	\$1,004,933	\$3,999,033	\$702,627	\$208,700	\$911,327
Total Indirect Costs	\$1,475,935	\$113,615	\$1,589,550	\$350,383	\$51,760	\$402,143

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Total Costs	\$4,470,035	\$1,118,548	\$5,588,583	\$1,053,010	\$260,460	\$1,313,470
% Of Total	80	20	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 purchases for the project to date include the following:

- BroadbandStat-\$60,000
- ArchInfo/ArcGIS Software-\$7,811
- Spectrum Analyzer-\$4,477
- Computers & Software-\$2,008
- Speed Test Software-\$116
- 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 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 information from consumers and Community Anchor Institutions (CAI).
- *Maintained broadband data collection activity and broadband update database.
- *Requested/processed broadband coverage data sets (updates and new requests) from Minnesota provider community.
- *Maintained outreach and awareness strategy.
- *Responded to consumer inquiries received through Connect Minnesota website.
- *Produced monthly status reports, data collection, activity log, and website statistics and distributed to Connect Minnesota project team.
- *Completed new broadband availability maps depicting available service with speed threshold of at least 3 Mbps download and 768 kbps upload.
- *Performed analyses of April data and completed sets of maps including provider density maps, provider advertised speed maps, and statewide broadband inquiry maps.
- *Began reviewing Census 2010 data sets for National Telecommunication and Information Administration (NTIA) submission; updated provider datasheet for data collection activities.
- *Performed field validation on various providers for validation rate of 51% or 62 of 121 viable providers.
- *Posted program coordinator position for Connect Minnesota, interviewed applicants, and extended a job offer.
- *Updated Connect Minnesota amended project plan instructed by NTIA and resubmitted. Approved by the granting agency on May 21.
- *Refined CAI listings information for: physical address, geocoding, e-mail, addresses, broadband access, connection platforms, advertised upload/download speeds.
- *Submitted Connect Minnesota quarter 1 2011 American Recovery & Reinvestment Act and NTIA performance progress reports.
- *Collaborated on broadband summit plans with the Blandin Foundation.

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

N/A

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 published and used to further identify unserved and underserved areas and to help communities plan for expanding service to unserved households. <http://www.connectmn.org/mapping/>
- 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 Minnesota, 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 Minnesota residents. In Q2 2011 CN started surveying respondents across Minnesota for both of these surveys. In addition, Connected Nation created and publicly released a report documenting technology adoption and barriers among businesses across the state.

The Connect Minnesota initial broadband assessment, released in coordination with the Minnesota Department of Commerce during Q1 2011, continues to serve as an invaluable tool to our partners and stakeholders within the state. The assessment was conducted in partnership with the Minnesota Broadband Task Force and continues to serve as a tool for those members as they continue their work within the state.

The report, entitled Minnesota Broadband Availability and Adoption Statistics: An Initial Working Report on the Current State of Minnesota's Broadband Landscape, is available on the Connect Minnesota website at the following link: <http://connectmn.org/research/index.php>

Connect Minnesota is cataloging feedback from the report and will begin initial work on an update during Q4 2011.

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 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

N/A

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

11i. Planning Worksheet						
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 will conduct 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 Minnesota 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 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 Q2 2011, CN finalized the survey instrument and started surveying respondents across Minnesota.

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

N/A

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

- Connect Minnesota released business survey data and launched an interactive webpage providing easy to use information about business insights. The data shows that nearly 41,000 businesses in Minnesota 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 the website at

o <http://www.connectmn.org/research/>

o http://connectmn.org/_documents/MN_BizAssessment.pdf

o http://connectmn.org/_documents/MN_BizWhitePaper_FINAL.pdf

- The report was used as source material for the following articles:

- o Minnesota Intelligent Rural Communities: Broadband as a Rural Development Strategy

<http://www.connectmn.org/media/index.php?id=tag%3A blogger.com%2C1999%3A blog-5377527392351928934.post-7843622181821899861>

- o Telecommuting Levels the Field For Some Rural Minnesotans

<http://www.connectmn.org/media/index.php?id=tag%3A blogger.com%2C1999%3A blog-5377527392351928934.post-4336012900779873928>

- Connect Minnesota Twitter (<http://twitter.com/#!/connectmn>) and Facebook (<http://www.facebook.com/pages/Connect-Minnesota/247610125345>) pages were turned on. The team is working on a social media campaign to increase community engagement and awareness through the online networks.

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