

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  46-41-B10548	<b>3. DUNS Number</b>  115077950
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**4. Recipient Organization**  
  
 Communication Service For The Deaf, Inc. 102 N KROHN PL, SIOUX FALLS, SD 571031800

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No
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**7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.**

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Judy Morgan	<b>7c. Telephone (area code, number and extension)</b>
	<b>7d. Email Address</b>  JMorgan@c-s-d.org

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  07-26-2012
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

Project Endeavor processed orders for equipment to 9,149 program participants receiving equipment, an increase of 1,795 since last quarter. Subscribers increased from 499 to 655. During Q2, outreach staff spread the word about broadband adoption, equipment and training and presented at 383 separate events attended by 77,311 individuals. There were 5,661 completed applications collected, 8,418 applications disseminated and 20,077 learners that participated in workshops and presentations at these outreach events. The Project achieved its goal to install 150 Public Access Videophones (PAV) in Community Anchor Institutions (CAI) throughout the U.S. To date, 151 units have been installed in various CAIs across the country. In addition, there were 3,084,510 media impressions created. The website experienced an average of 29,995 views a month and YouTube averaged 10,423 views a month. The media team produced 421 ASL videos with captions and voice. The major share of these videos were incorporated into the online learning tool for non-college bound deaf and hard of hearing individuals who are interested in either entering the workforce or looking to change jobs. The Project launched the ASL Learning Tool called "Your Road Trip – Destination Employment" in April 2012 and over 220 individuals have enrolled in the course. The interactive, Web 2.0 course focuses on three main components of a career search. 1) Getting Started (helps the consumer decide if they are ready to work and how working will affect income). 2) Working at Getting a Job (how to conduct a job search, complete job applications, write a resume, dress for an interview and interview tips, and your communication needs). 3) Success on the Job (what to do on your first day on the job and how to problem solve). Project Endeavor provided a demonstration of Video Remote Interpreting (VRI) during the Schools, Health, and Libraries Broadband Coalition (SHLB) conference on May 22. Approximately 500 participants observed the demonstration and learned about available technology they can use to offer accessibility for deaf and hard of hearing consumers. On May 15, the Technology-Mediated Accessibility Webinar was presented to the BTOP community. During the Webinar, Project Endeavor demonstrated Video Remote Interpreting (VRI) and Communication Access Real-time Translation (CART captioning). The panel of presenters included the Department of Commerce, the Office of Civil Rights, CSD/Project Endeavor, and the Center for Accessible Technology. The demonstration was a huge success and revealed how new technologies can break down barriers and take accessibility to a new level. Links to the webinar and transcripts can be found on the Wiki at: <http://broadbandworkshop.pbworks.com/w/page/54328217/Technology-Mediated%20Accessibility%20Webinar>

**2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).**

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	70	Project Endeavor is on track or ahead of schedule for baseline milestones with the exception of the new household subscribers. At the rate new consumers are entering the program and becoming eligible for assistance, we anticipate using 80% of our available funding by September 2012.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below
2.c.	Awareness Campaigns	-	Progress reported in Question 4 below
2.d.	Outreach Activities	-	Progress reported in Question 4 below
2.e.	Training Programs	-	Progress reported in Question 4 below
2.f.	Other (please specify):	-	Progress reported in Question 4 below

**3. Please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

Subscribers lag behind because our targeted consumers, deaf and hard of hearing individuals, already have broadband services for their videophones. Most are purchasing equipment that allows them to maximize using their existing broadband for purposes other than using a videophone. Others simply inform us they choose not to participate in the program because they cannot afford a discounted monthly broadband charge that will end. During Q2, Project Endeavor began the process of scaling down outreach activities because of the large number of pending applications, now at 9,926. When an application is received, a contact center representative provides assistance for completing applications by contacting each pending applicant. Because the application process requires documentation of hearing loss and income level, completing an application often requires communicating with applicants several times before program eligibility is authorized. It has been noted that some applicants are opting out during this process. Although new applications for devices were not accepted after the cutoff date of April 13, 2012, broadband subscriptions continue to be a priority for Project Endeavor staff. To boost subscriptions, the Project is offering free twelve-month subscriptions to applicants at

lower income levels. The contact center continues refining its workflow and quality assurance processes to fulfill consumer orders. Staff have been successful at reducing the backlog of applications. A significant amount of time and signed video communication is exchanged during the qualification process. An average call may take 90 minutes or more. Project Endeavor anticipates the backlog of waiting consumers will be resolved by the end of Q3 2012. We continue to identify potential partners that will result in an increase in new broadband subscriptions. Attending NTIA webinars is helpful in learning how other SBA/PCC projects are solving their issues to boost subscribership. One of the barriers with our deaf and hard of hearing consumer base is affordability. The connectivity required to operate a videophone is not the \$9.95/month service; it is necessary to purchase a higher speed connection for video communications whether the subscription is for a videophone, tablet, mini net book or hand held device. Deaf and hard of hearing consumers are reluctant to sign up for discounted rates that eventually expire.

**4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.**

Name of the SBA Activity	Location of SBA Activity	Description of Activity (600 words or less)	Size of Target Audience	Actual Number of Participants	New Subscribers: Households	New Subscribers: Businesses and/or CAIs
Create and maintain call center to provide customer support.	Sioux Falls, SD	This includes purchasing, programming and installing call center equipment. Developed technology to integrate video calls. Hiring and training staff who can use American Sign Language (ASL) to support customer base	1	1	0	0
Purchase equipment for regular broadband users to access services	Sioux Falls, SD	This includes purchasing notebooks, tablets and video communications equipment, installing custom software for broadband users and providing follow-up instruction and technical assistance.	4,500	9,149	0	0
Purchase broadband service and distribute for end users	Sioux Falls, SD	This includes determining whether wireless, wired or wi-fi broadband best meets the consumer needs, setting up a wireless account or enrolling them in a voucher program for wired services and providing follow-up technical assistance.	16,000	655	655	0
Provision and install Public Access Videophones	Sioux Falls, SD	This includes updating and installing latest Public Access Videophone (PAV) software, selecting community anchors for PAV installations, shipping and installing PAV and follow-up technical assistance.	150	151	0	151
Plan and conduct social media campaign	Sioux Falls, SD	This involves selecting appropriate social networking outlets to post outreach information to target population (viewership).	298,907	298,907	0	0
Promote project at community events	Sioux Falls, SD	Attend deaf and hard of hearing community and professional events to educate participants and attract program participants.	403	403	0	0
Develop and assemble training materials	Sioux Falls, SD	Develop and/or identify training materials that are effective in training individuals who rely upon ASL about the services available on the web	421	421	0	0
Provide awareness and education concerning broadband access for deaf & hard of hearing population	Sioux Falls, SD	Provide the deaf and hard of hearing public with information about the benefits of broadband services and how to access Project Endeavor	2,000,000	3,064,510	0	0
Provide one-on-one technical assistance or educational workshops and self directed web training	Sioux Falls, SD	Provide one-on-one call center technical support, training and referral and web-based self-directed training to assist individuals access broadband services or Internet resources.	200,000	168,109	0	0
Evaluate factors contributing to broadband adoption by target population	Sioux Falls, SD	Gather data from project participants to determine why they do or do not utilize Internet based services, what supports increase their use of services. results are reported in quarterly updates and will be included in the project's final report.	7	5	0	0
<b>Total:</b>			<b>2,520,389</b>	<b>3,542,311</b>	<b>655</b>	<b>151</b>

**4b. Please describe your method for determining the number of households, businesses, and/or (CAIs) subscribing to broadband as a result of your SBA programs (600 words or less).**

Household subscriber: The number of individuals for whom the project has purchased or subsidized the purchase of a broadband service account or individuals who reported independently establishing a new broadband account after receiving project services. Community Anchor Institution subscriber: Any CAI where the Project installs a Public Access Videophone (PAV) or provides a device that allows an organization to access broadband services for video interpreting.

**4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).**

Project Endeavor received approval through the Award Action process on July 6, 2011 to define new subscribers as, "any program participant who obtains new wired and/or wireless broadband services or is now able to access broadband service as a result of equipment provided by the project including WiFi access." Until Q4 2011, the Project reported subscribers as any participant in the program receiving equipment and/or broadband services. That changed due to the request from NTIA for grantees to use the more restricted definition of new subscribers established in the NOFA (CFDA No. 11.557). Now the Project shows the numbers of new household broadband subscribers lagging behind the baseline project targets. Hence, only new subscribers are counted rather than the number of users that received new equipment and who can now maximize their broadband services. As previously explained, there are two primary reasons why the number of new household subscribers is significantly less than we projected in our grant application. First, when determining the adoption rate for the deaf/hh target population, we relied upon the 2010 FCC Broadband Adoption & Use in America Survey. This report estimated that the adoption rate among people with disabilities was approximately 42%. As stated in our application there was no research indicating the specific adoption rates of sub groups within the disabled community, i.e., deaf and hard of hearing (hh). We have since learned that the adoption rate within the deaf community was significantly higher than thought. Recent Project Endeavor digital literacy survey data revealed 92% of participants already have broadband/Internet services at home. This is largely attributed to federally funded Video Relay Service (VRS) providers distributing free videophones to deaf/hh consumers with the requirement that they subscribe to high-speed Internet services. Without this subscription, VRS companies would not install the videophone equipment. Consequently, many deaf/hh people needing video communication to function in daily activities opted to subscribe to broadband services. The migration from the text-based TTY to videophone was rapid because this service allowed deaf/hh individuals to communicate using ASL for the first time. We underestimated how pervasive adoption of broadband service was in the deaf community. However, we learned that many of these subscribers only used their broadband access for video communication. Many have not availed themselves of the full functionality of broadband. Frequently the equipment they had was only a videophone. For financial and educational reasons many deaf individuals have been subscribers but not broadband users. The second factor affecting our low subscriber rate is the exploding growth and advancement of wireless video services. When the grant proposal was written, no one envisioned the quality, affordability and availability of wireless video today. Most of our target population is either abandoning fixed wired broadband in favor of wireless service or for the transition age youth and very low-income individuals, opting for free WiFi access as it becomes ubiquitous. For the deaf/hh community this transition is also being fueled by the affordability of notebooks, tablets and smart phones that is merging the functionality of the desktop computer and videophone in one mobile device. The significant educational and training needs remain as outlined in the grant but there is much more need and demand for mobile broadband access equipment than new household subscriptions. The Project made decisions to keep pace with what is happening with the deaf/hh target population. We anticipate meeting our goals as measured by new broadband user but substantially under achieving our goals as measured in new broadband subscribers.

**4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.**

<b>Households:</b> 655	<b>Businesses and CAIs :</b> 151
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**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

In Q3 2012, we anticipate serving an additional 3,800 deaf and hard of hearing participants as we wind down processing applications for equipment. The Project will distribute Free Broadband subscriptions to approximately 250 or more low-income individuals. Our goal is to reach 1,000 subscribers. Policies have been set in place to ensure services distributed equitably across the United States. The post-digital literacy program evaluation begins midway in Q3. Over 10,000 participants will receive surveys. The data gathered will be compared to the data provided in the demographic profile for computer/Internet use in the participant's applications. The Project intends to provide subsidized equipment and Video Remote Interpreting (VRI) services to Community Anchor Organizations in order for them to learn how to use the technology to reduce service costs and to improve services to deaf consumers.

**2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned percent complete is different from the target provided in your baseline plan (300 words or less).**

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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2.a. Overall Project	80	Project Endeavor is on track or ahead of schedule for baseline milestones with the exception of the new household subscribers. At the rate new consumers are entering the program and becoming eligible for assistance, we anticipate using 80% of our available funding by September 2012.
2.b. Equipment Purchases	-	Milestone Data Not Required
2.c. Awareness Campaigns	-	Milestone Data Not Required
2.d. Outreach Activities	-	Milestone Data Not Required
2.e. Training Programs	-	Milestone Data Not Required
2.f. Other (please specify):	-	Milestone Data Not Required

**3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

Again, our most significant challenge in the next quarter will be obtaining as many subscribers as possible through the "Free Broadband" promotion. The strategy of working with VRS providers to identify consumers with no broadband has not been as productive as anticipated. While the Project will maintain ongoing contacts with providers, expectations have diminished. Our second challenge is managing the workload generated from the bump in applications after the cut-off date. The work volume for the Q3 2012 will be steady as the applicants waiting have their orders processed by the end of September. Workforce management is critical to avoiding long waiting time for services. Employees' receiving other jobs hampers our ability to sustain the delicate workforce balance that exists. Contact center managers will employ scheduling tactics to address the workload, for example, scheduling split shifts during weekdays M-F and shifts 8:30 am – 4:30 and 12:30 pm – 8:30 pm and by scheduling the tasks more efficiently. Everything depends on the nexus of having enough qualified applications as we have funds to subsidize equipment and broadband services. At this point, we believe we will be able to serve every qualified applicant. The Project will offer one-on-one tutoring via video to program participants wishing to understand the iPad or other equipment more completely. The Project will also provide one-on-one assistance to participants completing the post-digital literacy surveys. In addition, the Project plans to offer discounted VRI (Video Remote Interpreting) Services to Community Anchor Organizations in Q4 as a way of boosting CAI subscribers too. The task of completing the processing of pending applications will determine the exact date of the Project's close out plan. As stated previously, the Project completed the outreach activities and media production this quarter and will have proportional call center staff, program evaluation and project administrative support staff through the end of Q4. The current budget will support this close out plan. As work is completed, qualified project staff will be transitioned to other programs within CSD. This process has already started with some of Project Endeavor's staff accepting positions within other departments or with other companies.

**Sustainable Broadband Adoption Budget Execution Details**

**Activity Based Expenditures (Sustainable Broadband Adoption)**

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	\$4,417,984	\$453,000	\$3,964,984	\$3,326,700	\$309,366	\$3,017,334	\$3,720,000	\$320,000	\$3,400,000
b. Fringe Benefits	\$1,147,793	\$117,690	\$1,030,103	\$715,187	\$62,010	\$653,177	\$800,000	\$65,000	\$735,000
c. Travel	\$296,500	\$0	\$296,500	\$286,660	\$0	\$286,660	\$295,000	\$0	\$295,000
d. Equipment	\$1,746,469	\$900,000	\$846,469	\$1,590,912	\$883,122	\$707,790	\$1,593,122	\$883,122	\$710,000
e. Supplies	\$189,826	\$0	\$189,826	\$115,681	\$0	\$115,681	\$120,000	\$0	\$120,000
f. Contractual	\$601,745	\$0	\$601,745	\$467,837	\$1,188	\$466,649	\$526,188	\$1,188	\$525,000
g. Construction	\$74,800	\$74,800	\$0	\$74,842	\$74,842	\$0	\$74,842	\$74,842	\$0
h. Other	\$9,196,989	\$3,025,649	\$6,171,340	\$5,970,962	\$2,828,015	\$3,142,947	\$7,700,000	\$3,200,000	\$4,500,000
i. Total Direct Charges (sum of a through h)	\$17,672,106	\$4,571,139	\$13,100,967	\$12,548,781	\$4,158,543	\$8,390,238	\$14,829,152	\$4,544,152	\$10,285,000
j. Indirect Charges	\$1,887,690	\$0	\$1,887,690	\$1,160,834	\$0	\$1,160,834	\$1,416,600	\$0	\$1,416,600
k. TOTALS (sum of i and j)	\$19,559,796	\$4,571,139	\$14,988,657	\$13,709,615	\$4,158,543	\$9,551,072	\$16,245,752	\$4,544,152	\$11,701,600

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$3,025,649      b. Program Income to Date: \$2,883,153