QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted **Department of Commerce, National Telecommunications and Information Administration**	**2. Award Identification Number** **46-41-B10548**	**3. DUNS Number** **115077950**

4. Recipient Organization

Communication Service For The Deaf, Inc. 102 N KROHN PL, SIOUX FALLS, SD 571031800

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	**6. Is this the last Report of the Award Period?** ◯ Yes ◉ No

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.

7a. Typed or Printed Name and Title of Certifying Official Randy Gerloff	**7c. Telephone (area code, number and extension)** xxxx
	7d. Email Address rgerloff@c-s-d.org
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 02-22-2013

Project Indicators (This Quarter)

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

By the end of Q4, Project Endeavor served 12,242 deaf and hard of hearing individuals; 11,017 of these program participants received equipment and 1,225 became new subscribers. During Q4, Project Endeavor achieved the milestone for 200,000 learners. To date, 212,566 learners attended workshops, viewed educational videos or participated in one-to-one tutoring sessions via the contact center; 427 individuals enrolled in the online employment course, "Your Road Trip – Destination Employment;" 3.2 million media impressions were created that included 26,940 unique visitors to the website and 19,046 views on YouTube in Q4. The Project achieved its milestone for 150 Public Access Videophones (PAV) in Community Anchor Institutions (CAIs); 151 units have been installed across the United States. Project Endeavor disseminated the post-digital literacy survey to nearly 10,000 program participants. The online survey tool provided choices for consumers to view questions in English text and American Sign Language (ASL videos, captioned and voiced) before answering each question. In addition, consumer comments, stories and testimonials were posted on the website http://www.projectendeavor.com/Testimonials.aspx and a video about Project Endeavor is under production. The Free Broadband Initiative provided 95 low-income individuals, at or below poverty level, with one-year free broadband subscriptions. The CapTel Initiative provided 205 low-income hard of hearing seniors with a captioned phone and/or bundled services including the phone, Internet cradle and two years of discounted broadband services. While captioned phones reduce the undesirable effects of isolation experienced by seniors with hearing loss, it demonstrates how broadband adoption can improve the quality of life for many. The VRI Initiative prepared for launch in Q1 of 2013 whereby an expanded number of CAIs will have an opportunity to experience remote interpreting services via broadband. This technology allows CAIs to provide accessible services and information to a wider more inclusive audience in their community. Through the collaboration with the Virgin Islands Next Generation Network SBA/PCC BTOP program or "viNGN," Project Endeavor provided six iPADs for deaf/hh individuals engaged at the SBA and PCC sites. Project Endeavor will provide training to staff and deaf/hh on using these devices, particularly at the VI Rehabilitation Center for Disabilities, for purposes of communication access using FaceTime, connecting to an interpreter or with relay services. All of the training depends on broadband technologies enabling centers to expand and strengthen existing services for deaf/hh in the U.S. Virgin Islands.

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**	84	Project Endeavor is on track or ahead of schedule for baseline milestones with the exception of the new household subscribers. We anticipate using 90% of our available funding by March 2013.
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).

Project Endeavor customer support representatives worked diligently during Q4 to contact every individual with a pending application to process orders for equipment or broadband services. An enduring challenge for Project Endeavor has been the overall economy and its impact on deaf/hh household budgets. Even though Project Endeavor offered significant subsidies on equipment and broadband services, households simply could not afford the additional expense for an "extra" purchase. Most households, challenged to balance regular expenses for housing, food, transportation, medical and holiday spending, unable to move forward in purchasing highly discounted equipment or services offered by Project Endeavor. When Project Endeavor began offering "lay-away" plans, nearly 40% of the program participants during Q4 took advantage of leveraging these monthly payments. Clearly, price point and timing matter for the project's deaf/hh target population. The contact center successfully closed its operations on December 28, 2012, ensured that everyone that had submitted an application had an opportunity to receive discounted equipment and services. The NTIA Webinars this quarter were particularly helpful regarding discussions of the discounted broadband offered by ComCast, Century Link and Mobile Citizen, and the discussions by panelists serving senior and veteran groups. The information provided offered Project Endeavor and its partners an opportunity to build connections with various groups and to identify potential subscribers for the CapTel Initiative, the caption telephone and/or the bundle of a caption phone, Internet cradle and two years of Internet service. However, hard of hearing senior consumers demonstrate the same barrier of "affordability" experienced by deaf program participants. Both groups of

deaf or hard of hearing consumers demonstrate a reluctance to sign up for discounted rates that eventually expire without knowing what the cost will be after the discount. This gap in information has slowed efforts to enroll seniors in the CapTel program. The likelihood of hard of hearing seniors on fixed incomes qualifying for a Lifeline discounted phone and Internet service at a rate of $9.95/month in the near future is quite possible. These rates are for data-only plans needed for the CapTel connectivity. However, the connectivity required for a deaf individual to use a videophone effectively for communication is not priced at $9.95/month; it is necessary to purchase a wider bandwidth connection for video communications whether the subscription is for videophones, tablets, and netbooks or hand held devices. Since affordability is equally important to both groups, cost structures offered by cable providers need revision to ensure equal access to broadband adoption to persons on low or fixed incomes.

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 service	Sioux Falls, SD	This includes purchasing, programming and installing call center equipment; developing 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	11,017	11,017	0
Purchase broadband services and distribute to end users.	Sioux Falls, SD	This includes determining whether wireless, wireline or wi-fi broadband best meets the consumer needs; setting up a wireless account or enrolling consumers in a voucher program for wire line services and providing follow-up technical assistance.	16,000	1,225	1,225	0
Provide and install Public Access Videophones	Sioux Falls, SD	This includes updating and installing the 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 for target population (viewership).	315,115	315,115	0	0
Promote project at community events	Siousx, SD	Attend deaf and hard of hearing community and professional events to educate participants and attract program participants.	0	0	0	0
Develop and assemble training materials	Sioux Falls, SD	Develop and/or identify training materials materials that are effective in training individuals who rely upon ASL about about the services available on the website.	430	430	0	0
Provide awareness and education concerning broadband access for deaf and hard of hearing population	Sioux, 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	3,461,936	0	0
Provide one-on-one technical assistance or educationl workshops and self-directed web training	Sioux Falls, SD	Provide one-on-one contact center technical support, training and referral, and web-based self-directed training to assist individuals access broadband services or Internet resources.	200,000	212,566	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 be included in the project's final report.	7	5	0	0
Total:			**2,536,203**	**4,002,446**	**12,242**	**151**

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).

As explained in previous reports, Project Endeavor received approval through the Award Action process on July 6, 2011 to define new subscribers as, "any program participant who obtains new wireline 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) – a subscriber is defined as someone new signing up for broadband services. During Q4 2012, it is now our understanding that Project Endeavor can count both equipment to access broadband and subscribers as "subscribers to broadband." Why are we challenged to boost subscriber numbers? Through Project Endeavor we learned that broadband adoption within the deaf/hh community is significantly higher than known prior to receiving a BTOP grant. Recent Project Endeavor survey data revealed 94% of program participants already have broadband/Internet services at home however, many of these subscribers only used their broadband access for video communication and have not taken advantage of the full functionality of what broadband offers. For financial and educational reasons many deaf individuals have been subscribers but not broadband users. Another 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 wireline broadband in favor of wireless service or opting for ubiquitous free WiFi access. We also noticed this transition is 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. It is noteworthy to mention the significant need for education and training remains a critical component of broadband adoption as outlined in the grant. As the demand for mobile broadband access equipment outpaces the need for new household subscriptions, the demand for education and training also increases. During the grant period, Project Endeavor made decisions to keep pace with what is happening with the deaf/hh target population. As stated previously, we anticipate meeting our goals as measured by new broadband users 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.

Households: 1,225	**Businesses and CAIs :** 151

Project Indicators (Next Quarter)

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

By the end of Q1 2013, the external evaluator will complete the analysis of data from the post-digital literacy survey collected from nearly 10,000 program participants in Q4 2012. This data will be included in the final program evaluation report. The data gathered represents demographic profiles of program participants and their computer/Internet use. Through the CapTel initiative, Project Endeavor intends to add 1,000 subscribers or more by the end of Q1 2013 through "stepped-up" marketing and outreach activities by project partners. During Q 1 and Q2 2013, Project Endeavor intends to complete the VRI Initiative (Video Remote Interpreting) by providing 200 Community Anchor Organizations (CAIs) with technology and education on using remote interpreting to reduce service costs and to improve communication access services to deaf/hh consumers seeking services.

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)
2.a.	**Overall Project**	90	The Project is on track or ahead of schedule for baseline milestones with the exception of the new household subscribers.
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).

Project Endeavor will continue working with partners to build awareness of the CapTel Initiative among senior citizens. The launch of the VRI Initiative will occur in Q1 2013. We are hopeful that both initiatives increase CapTel subscribers by another 1,000 and CAIs by 200. The collaboration with the viNGN will conclude by the end of Q2 2013. The Project Endeavor website resources, employment curriculum and Video Library will remain intact and transition to Human Services Division as part of the closeout plan. Lastly, we intend to seek Technical Assistance from our Federal Program Officer, as the exact closeout date for the Project Endeavor is determined.

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.

Cost Classification	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		
	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	$3,847,792	$329,057	$3,518,735	$4,136,000	$336,000	$3,800,000
b. Fringe Benefits	$1,147,793	$117,690	$1,030,103	$828,345	$63,875	$764,470	$881,000	$66,000	$815,000
c. Travel	$296,500		$296,500	$294,255		$294,255	$296,500		$296,500
d. Equipment	$1,746,469	$900,000	$846,469	$1,819,206	$1,003,122	$816,084	$1,848,122	$1,003,122	$845,000
e. Supplies	$189,826		$189,826	$136,226		$136,226	$150,000	$0	$150,000
f. Contractual	$601,745		$601,745	$496,471	$1,188	$495,283	$516,188	$1,188	$515,000
g. Construction	$74,800	$74,800		$74,842	$74,842		$74,842	$74,842	
h. Other	$9,196,989	$3,025,649	$6,171,340	$7,508,248	$3,100,331	$4,407,917	$8,200,331	$3,100,331	$5,100,000
i. Total Direct Charges (sum of a through h)	$17,672,106	$4,571,139	$13,100,967	$15,005,385	$4,572,415	$10,432,970	$16,102,983	$4,581,483	$11,521,500
j. Indirect Charges	$1,887,690		$1,887,690	$1,436,602	$0	$1,436,602	$1,583,602		$1,583,602
k. TOTALS (sum of i and j)	$19,559,796	$4,571,139	$14,988,657	$16,441,987	$4,572,415	$11,869,572	$17,686,585	$4,581,483	$13,105,102

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: $341,308