<table>
<tr><td colspan="2" align="center">**U.S. DEPARTMENT OF COMMERCE**

Performance Progress Report</td><td colspan="2">2. Award Or Grant Number
47-50-M09041

4. Report Date (MM/DD/YYYY)
07-02-2012</td></tr>
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U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number	47-50-M09041
4. Report Date (MM/DD/YYYY)	07-02-2012

1. Recipient Name	6. Designated Entity On Behalf Of:
Connected Tennessee, LLC	State of Tennessee

3. Street Address	8. Final Report?	9. Report Frequency
618 Church Street, Suite 305,	○ Yes ◉ No	◉ Quarterly ○ Semi Annual ○ Annual ○ Final

5. City, State, Zip Code
Nashville, TN 37219-2437

7. Project / Grant Period Start Date: (MM/DD/YYYY)	7a. End Date: (MM/DD/YYYY)	7b. Reporting Period End Date:	9a. If Other, please describe:
12-20-2009	12-19-2014	06-30-2012	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

ABG Wireless, LLC: The provider previously indicated they would participate in the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of April 30, 2012, the provider status was changed to "Inactive – No Longer in Business" as the provider's website was no longer functional and the telephone number on file is now for WrightSource Technology Solutions.

Birch Communications, Inc.: The provider refused to participate during the April 2012 mapping cycle to NTIA. On June 27, 2012, a company representative responded by an e-mail indicating non-participation.

Tennessee Wireless, LLC: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of April 30, 2012, the provider remains non-responsive.

TNets Internet: The provider previously indicated they would participate in the April 2012 mapping cycle to NTIA.   Multiple contact attempts were made, and as of June 26, 2012, the provider's website indicates that TNets Internet had been acquired by Athena Broadband.

TNWEB, LLC: The provider refused to participate during the April 2012 mapping cycle to NTIA.   As of April 30, 2012 the provider's status was changed to "General Reseller" for their DSL service and was "Slated Field Audit for Estimated Coverage Analysis" for their Wi-Fi service. The field audit is scheduled to be conducted on July 10, 2012.

Trinity Communications LLC: The provider was non-responsive during the April 2012 mapping cycle to NTIA. Multiple contact attempts were made, and as of April 30, 2012, the provider remains non-responsive.

Continued on Q2 Tennessee Supplemental Answers Document.

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

Connected Tennessee (CTN) deployed a new interactive mapping web application, called My ConnectView, on April 2, 2012. The application is housed in a highly available, monitored, and managed environment. New feedback features allow consumers to send comments directly to program geographic information systems (GIS) staff; a screenshot of the user's current interactive map view is also attached to the feedback to provide additional details.

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.

As of this report, field validation has been completed on 70.11% of the provider universe and the year-end goal for 2012 (cumulative validation rate of 60.00% of the provider universe) has been achieved.

10g. Have you initiated verification activities? ◉Yes   ◯No

10h. If yes, please describe the status of your activities

The new interactive broadband map, My ConnectView, was launched on April 2, 2012 and is publicly available on the Connected Tennessee website (http://www.connectedtn.org/interactive-map).   There were a total of 514 visits to the interactive mapping tool between April 2, 2012, and June 30, 2012.

During this quarter, the project received a total of 36 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 9 for this quarter.

Continued on Q2 Tennessee Supplemental Answers Document.

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?

4.49

Connected Tennessee's FTEs reported for the quarter include 4.38 FTEs for staff, 0.11 FTEs for permanent consultants, and 0.0 FTEs for temporary, cyclical contractors. The project is fully staffed with a base of 4.49 FTEs.

Connected Nation has numerous staff working on the Connected Tennessee 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

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?

This project is fully staffed with a base of 4.49 FTEs.

10n. Staffing Table

Job Title	FTE %	Date of Hire
Connected Nation - Broadband Planning Manager	2	09/04/2007
Connected Nation - Business Programmer Analyst	2	04/02/2007
Connected Nation - CAI Manager	2	12/13/2004
Connected Nation - Chief Policy Counsel	1	08/09/2010

Connected Nation - Community Technology Specialist	60	10/10/2007
Connected Nation - Community Technology Specialist	71	01/18/2010
Connected Nation - Compliance Coordinator	5	08/01/2008
Connected Nation - Director Program Support	12	12/01/2004
Connected Nation - ETS Analyst	9	07/13/2009
Connected Nation - ETS Manager	13	07/01/2007
Connected Nation - Executive Director, TN	16	02/02/2009
Connected Nation - GIS Analyst	1	11/16/2009
Connected Nation - GIS Analyst	67	04/01/2010
Connected Nation - GIS Services Manager	10	05/15/2007
Connected Nation - Grants Management Officer	10	02/24/2003
Connected Nation - Outreach & Awareness Manager	5	03/24/2009
Connected Nation - Outreach & Awareness Specialist	1	01/04/2010
Connected Nation - Outreach & Awareness Specialist	2	10/01/2007
Connected Nation - Outreach & Awareness Specialist	6	09/04/2007
Connected Nation - Outreach & Awareness Specialist	7	02/02/2009
Connected Nation - Partnership Manager	3	07/01/2007
Connected Nation - Policy & Research Outreach Specialist	1	03/24/2009
Connected Nation - President & COO	4	01/14/2008
Connected Nation - Project Coordinator	5	04/01/2005
Connected Nation - Project Coordinator	47	08/01/2011
Connected Nation - Project Management Director	6	12/16/2009
Connected Nation - Project Manager	4	08/20/2007
Connected Nation - Provider Relations Manager	16	02/17/2005
Connected Nation - Research Analyst	1	02/01/2010
Connected Nation - Research Analyst	7	06/01/2009

Connected Nation - Research Analyst	27	10/17/2011
Connected Nation - Research Manager	3	05/14/2007
Connected Nation - State & Local Program Director	11	08/04/2008
Connected Nation - State Services Specialist	1	03/24/2009
Consultant - Associate Counsel	1	09/14/2009
Consultant - ETS Analyst	8	08/24/2009
Consultant - Financial Consultant	2	04/01/2008

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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 Surverys	Y	Y	02/09/2010	02/08/2012	69,681	38,950
Contract Labor	Contract Labor	N	Y	12/20/2009	02/19/2014	105,750	47,111

[Add Row] [Remove Row]

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? $2,084,894   10q. How much Remains? $2,394,726

10r. How much matching funds have been expended as of the end of last quarter? $985,334   10s. How much Remains? $145,848

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	$1,509,268	$522,401	$2,031,669	$734,818	$317,068	$1,051,886
Personnel Fringe Benefits	$323,735	$112,054	$435,789	$165,734	$68,012	$233,746
Travel	$128,223	$5,198	$133,421	$55,365	$22,874	$78,239
Equipment	$136,141	$0	$136,141	$75,869	$0	$75,869
Materials / Supplies	$18,612	$500	$19,112	$12,214	$5,274	$17,488
Subcontracts Total	$603,918	$114,399	$718,317	$188,754	$86,061	$274,815
Subcontract #1	$382,730	$0	$382,730	$69,681	$38,950	$108,631
Subcontract #2	$157,177	$114,399	$271,576	$105,750	$47,111	$152,861
Subcontract #3	$25,328	$0	$25,328	$5,570	$0	$5,570
Subcontract #4	$38,683	$0	$38,683	$7,753	$0	$7,753
Subcontract #5	$0	$0	$0	$0	$0	$0
Construction	$0	$0	$0	$0	$0	$0
Other	$434,921	$290,961	$725,882	$16,426	$50,251	$66,677
Total Direct Costs	$3,154,818	$1,045,513	$4,200,331	$1,249,180	$549,540	$1,798,720

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Total Indirect Costs	$1,324,802	$85,669	$1,410,471	$835,714	$435,794	$1,271,508
Total Costs	$4,479,620	$1,131,182	$5,610,802	$2,084,894	$985,334	$3,070,228
% Of Total	80	20	100	68	32	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:
* Interactive Mapping Application $60,000
* Computers & Software $12,076
* GIS Software & Maintenance $5,562
* Speed Test Software $1,890
* Google Earth Pro $1,293

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, interactive mapping application upgrades/ 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

No datasets have been purchased or used.

10z. Are there any additional project milestones or information that has not been included? ◉Yes ○No

10aa. If yes, please list

CTN raised awareness of broadband-related issues statewide through press releases, blog postings, and social networking and worked directly with statewide influencers, groups, organizations, and industries to encourage focus on broadband access, adoption, and use. Through these relationships and in conjunction with the Steering Committee, outreach was conducted to continue identification of Community Anchor Institution (CAI) connectivity data.

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing
The continued challenge exists to educate CAIs about the intent of gathering their information. This obstacle is easily avoided if program staff engage sector leaders and ask them to distribute the survey on CTN's behalf – which supports the validity of the survey. Across the board, the response is significantly higher when the survey is distributed by a sector leader or organization.

Moreover, it has become obvious that a focused sector approach is most successful as well as clearly engaging the state client to help identify sector leaders and organizations. Tennessee has reached out to two different medical associations, the Tennessee Medical Association and Tennessee Hospital Association, this quarter in an effort to try to gather more CAI data. CTN was also provided with anchor institute information for all University of Tennessee fiber supported higher education and healthcare facilities across the state.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project
News releases and blog posts, intended to raise awareness of the SBI program, from this quarter include:

*Maximizing the Use of Propagation Studies. As the expansion of broadband access into unserved areas continues, providers are faced with a litany of questions regarding the best practices for facilitating a reliable last-mile solution. Such questions may include identification of potential subscriber locations, how to reach them, types of equipment to be used, and ways to minimize truck rolls. Profitability requires keeping road-time down and customer installation numbers high. In order to maximize the opportunity of streamlining customer installations, a wireless Internet service provider (or WISP), for example, might first communicate their coverage area to the potential subscribers, collect the valuable data needed to make informed decisions, and optimize these processes by analyzing installation and customer service practices. During the communication and outreach activities, a survey may be conducted in order to obtain address information from the interested parties, which can then be "geocoded." "Geocoding" describes the process of assigning geographic coordinates (e.g. latitude and longitude) to street addresses or other points. Potential customers can be pinpointed by overlaying geocoded address locations atop an engineering map tool, called a propagation study. Connected Tennessee

works with WISPs to collect their mapping data and through this process we encourage broadband build-out by assisting them with propagation studies.
http://www.connectedtn.org/blog/post/maximizing-use-propagation-studies-0

Continued on Q2 Tennessee Supplemental Answers Document.

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 Year 3, Quarter 2 milestones per approved project plan:
Initiate collection and confirmation of business park addresses and GPS data.
This milestone was met in the current static environment and next-step data collection expansion planning was delayed due to transitions among state partner contacts as well as transitions at Connected Tennessee. Collection expansion efforts will be revisited with state partners during Q3 2012.

Provide Industrial park information to be posted on Tennessee Valley Authority (TVA) website to be available to the public.
This milestone was met in the current static environment and expanded data will be submitted in future quarters as requested by state partner contacts.

Broadband Capacity Building outstanding milestones per approved project plan:
Milestone: Review plan for industrial park data collection from year 2 and plan year 3 strategy with State
This milestone was partially completed in Q1 2012 and was met in Q2 2012. The plan for industrial park data collection, during year 3, was developed and reviewed with the State last quarter. Next-step data collection expansion planning was delayed due to transitions among state partner contacts as well as transitions at Connected Tennessee. However, this milestone was met in the current static environment, and collection expansion efforts will be revisited with state partners in Q3 2012.

Technical Assistance Year 3, Quarter 2 milestones per approved project plan:
Select and initiate 3 to 6 local technical assistance projects based on state priorities for Year 3
This milestone was met as near-term priority technical assistance projects identified by the state were initiated and completed. Projects dealt with telework-centered economic development efforts requiring technical analysis of specified broadband availability data. Remaining projects will be identified and initiated on a forward moving basis.

Continued on Q2 Tennessee Supplemental Answers Document.

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Broadband Capacity Building
Nothing to report.

Technical Assistance
Connected Tennessee submitted an amended project plan to the NTIA in Q2 2012. Once approval of the project plan is received, the 2012 residential survey will be initiated. Current projections are for the survey to be in the field during Q3 2012 with analysis commencing in Q4 2012.

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

Broadband Capacity Building
Nothing to report.

Technical Assistance
The 2012 residential survey is now scheduled to be initiated in Q3 2012 instead of Q1 2012. In turn, the 2012 residential survey will be analyzed and initial results will be released to the state in Q4 2012, and the residential survey results will be finalized and released in Q1 2013.

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

11i. Planning Worksheet						
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
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?

Nothing 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 Building
Through Connected Tennessee's blog, Twitter, and Facebook pages, the program highlighted several uses of broadband across the state that can have a positive impact on local communities. In addition, Connected Tennessee disseminated e-newsletters to statewide stakeholders this quarter. Copies of these newsletters are provided as PDF attachments to this report.

Examples of stories shared across Connected Tennessee's social media platforms include:
* Understanding Broadband Access Basics. Connected Tennessee highlighted the various delivery methods for bringing broadband to homes, businesses, and communities across Tennessee. There are several types of broadband delivery methods, known as "broadband platforms," used across Tennessee today. Learning to recognize the basic differences in broadband delivery options empowers Tennessee communities to concentrate their efforts on available, realistic options as they work to connect communities. http://www.connectedtn.org/blog/post/understanding-broadband-access-basics

Continued on Q2 Tennessee Supplemental Answer Document.

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) 07-27-2012