

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

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 NT10BIX5570084	3. DUNS Number 836204271
4. Recipient Organization Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Stephanie Young	7c. Telephone (area code, number and extension) X	
	7d. Email Address YoungSJ@ihs.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-19-2013	

Project Indicators (This Quarter)

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

Phase 1 - All 9 deployed huts and fiber laterals to existing network are totally complete and operational.

Phase 2 - Iowa Health System (IHS)/Broadband Inc. (BBI) deployed 21 of the 21 DWDM sites on the main ring and they became operational. IHS is preparing to deploy equipment on the North, South, West, and long haul routes to remain on track for Q1 2013 and final completion by end of Q2 2013.

Phase 3 - IHS/BBI executed four capacity agreements totaling 16 capacity agreements with last mile providers to date. IHS has met its customer target of 16 and will continue to move these projects along to completion to meet the end of our project requirements. IHS/BBI also received approval for 3 middle mile extensions that were submitted to NTIA for approval and construction crews were deployed to the 3 locations to start the fiber extension builds. IHS/BBI is preparing to submit a 3rd route modification package to NTIA beginning of Q1 2013 for 4 additional routes.

IHS/BBI will attend the Iowa Association Municipal Utilities conference in Q2 2013 and publish community highlights as we start connecting CAIs in Q1 2013 and last mile providers in rural areas providing lower cost services.

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 plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, 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 subsequent written updates provided to your program officer)
2a.	Overall Project	85	IHS has exceeded the overall project key indicators. IHS has had a successful last mile provider implementation for 3 construction builds, 9 hut lateral installations for the year, and main ring activation on the network.
2b.	Environmental Assessment	90	IHS has exceeded the Environmental Assessment milestone and may only pursue one last route to close out the EA milestone by end of Q1 2013
2c.	Network Design	97	IHS is on target and is forecasted to remain on track to project completion by end of Q2 2013
2d.	Rights of Way	80	Variance from baseline due to the unanticipated time frame to obtain permitting. Rights of Way activities are completed for the 3 middle mile extension fiber routes being build through Q1 and Q2 2013, however, are underway for the 4 newly proposed route changes with final ROW completion by end of Q1 2013
2e.	Construction Permits and Other Approvals	80	Variance from baseline due to the unanticipated time frame to obtain permitting. IHS completed all construction permitting for the 3 route changes for middle mile extensions that were approved by NTIA in Q4 2013. IHS will continue to obtain approvals for middle mile extensions through Q1 2013 and complete all permitting the beginning of Q2 2013
2f.	Site Preparation	80	Variance from baseline due to the unanticipated time frame to obtain permitting. IHS will start the RFQ process to obtain competitive bids to start site prep for the 4 proposed route changes that will be submitted in the beginning of Q1 2013 but will not start any construction/site prep until NTIA approves of the newly proposed 4 route changes
2g.	Equipment Procurement	98	IHS has exceeded the Equipment Procurement milestone. IHS completed equipment procurement for the network and only plans on procuring consummables as needed to complete the IHS network ring bring ups by end of Q1 2013
2h.	Network Build (all components - owned, leased, IRU, etc)	85	Variance from baseline due to the unanticipated time frame to obtain permitting and will remain on schedule to complete all fiber builds for customers if the routes are approved by the beginning of Q2 2013
2i.	Equipment Deployment	48	Variance from baseline due to the unanticipated time frame to obtain permitting and EA approvals. IHS completed the main ring DWDM equipment deployment and activation in Q4 2012. All equipment deployment will be completed the beginning of Q2 2013

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	48	Variance from baseline due to the unanticipated time frame to obtain permitting and EA approvals. IHS completed the main ring testing and activation for 21 sites. The remaining rings will be completed in Q1 and Q2 2013
2k.	Other (please specify):	0	N/A

3. To the extent not covered above, 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).

IHS faces the challenges resulting from route changes that will need to be submitted through the EA process/requirements. IHS has alleviated the challenge of finalizing the Middle Mile Extension routes since we have met our 16 customer signed milestone by end of Q4 2012.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	38	This variance from the baseline is due to the route modifications for the hut laterals due to unexpected circumstances. IHS completed 9 hut laterals in Q4 2012 and deployed 35.54 new network miles altogether by end of Q4 2012. IHS anticipates completing 63.27 miles total by end of Q1 2013 and 112 by end of Q2 2013.
New network miles leased	99	On target
Existing network miles upgraded	1,168	IHS upgraded the network miles on the main ring and is on schedule to upgrade a total of 3088 existing network miles by end of Q2 2013
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	38	IHS anticipates constructing 63.27 miles by end of Q1 2013 and the remaining miles by end of Q2 2013 once the routes are approved no later than beginning of Q2 2013 (April) to allow enough construction time.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	30	The variance from the baseline was due to the route modifications and completing the ring bring ups. However, IHS is on schedule to complete the upgrade of all interconnection points the beginning of Q2 2013.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	16
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	4
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Cedar Falls Utilities
 US Secure Hosting Center
 Bellevue Municipal Utilities
 Mahaska Communications Group
 Osage Municipal Utilities
 FiberComm
 InfoBunker
 Riverside Clinic
 Siouxland PACE Clinic
 Harlan Municipal Utilities
 VS Enterprises
 City of Denison
 Professional Computer Services (PCS)
 City of Maquoketa
 City of Charles City
 City of Algona

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:

See attachment

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	16	Variance from baseline due to the longer than expected negotiation time frames and dependency on IHS' ring bring ups. Cedar Falls Utilities and Mahaska Communications have started receiving new access this quarter and there were not any construction activities required to build fiber. The remaining providers are signed and planned for connection in Q1 and Q2 2013 to start receiving new access.
	Providers with signed agreements receiving improved access	0	No variance from baseline report
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance from baseline report due to the dependency on IHS' ring bring ups. Projected to have all CAIs served in Q2 2013.
	Subscribers receiving new access	0	No variance from baseline report
	Subscribers receiving improved access	0	No variance from baseline report

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance from baseline report
Residential / Households	Entities passed	0	No variance from baseline report
	Total subscribers served	0	No variance from baseline report
	Subscribers receiving new access	0	No variance from baseline report
	Subscribers receiving improved access	0	No variance from baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report
Businesses	Entities passed	0	No variance from baseline report
	Total subscribers served	0	No variance from baseline report
	Subscribers receiving new access	0	No variance from baseline report
	Subscribers receiving improved access	0	No variance from baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report

7. Please describe any special offerings you may provide (600 words or less).

No special offerings during Q4 2012.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

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

Phase 2 - Iowa Health System (IHS)/Broadband Inc. (BBI) will deploy equipment on the North, South, West, and long haul routes to remain on track for Q1 2013 and final completion by end of Q2 2013.

Phase 3 - IHS/BBI projects to finalize middle mile fiber construction by end of Q1 2013 and receive approval by end of Q1 2013 to submit to the Iowa SHPO. Upon receiving approval from NTIA, IHS/BBI projects to start construction on the 4 fiber lateral builds starting Q2 2013.

IHS/BBI will attend the Iowa Association Municipal Utilities conference in Q2 2013 and publish community highlights as we start connecting CAIs in Q1 2013 and last mile providers in rural areas providing lower cost services.

IHS/BBI anticipates completing the 3 middle mile fiber extension builds beginning of Q2 2013. IHS anticipates four additional last mile providers served in Q1 2013 totaling 6 last mile providers and 10 add'l last mile providers by end of Q2 2013 totaling 16 total last mile providers. IHS/BBI anticipates completing 63.27 miles of fiber construction by end of Q1 2013, 16 middle mile providers, and starting the migration of 85 CAIs onto the newly upgraded fiber backbone by end of Q1 2013.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned 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 plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next 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	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	93	IHS anticipates the north, wester rings will be activated by end of Q1 2013. IHS anticipates the 4 newly proposed routes will be near approvals from NTIA
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	95	IHS anticipates the ROWs will be finalized by end of Q1 2013
2e.	Construction Permits and Other Approvals	95	IHS anticipates the permitting will be finalized by end of Q1 2013
2f.	Site Preparation	95	IHS anticipates the site prep will remain the same for the next quarter until the 4 newly submitted proposed routes in Q 1 2013 are approved by NTIA
2g.	Equipment Procurement	100	IHS anticipates all equipment will be procured during the next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	IHS anticipates the 3 middle mile routes will be completed.
2i.	Equipment Deployment	95	IHS anticipates that the equipment deployment will be finalized on the north and western rings....and start on long haul routes.
2j.	Network Testing	95	IHS anticipates network testing will be completed on the north and western rings.
2k.	Other (please specify):	0	No variance from the baseline report

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).

The challenge remains obtaining NTIA approvals for EA route modifications due to the time it takes to sign customers to complete Phase 3 of our project, customer implementations.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

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. Administrative and legal expenses	\$85,800	\$0	\$85,800	\$75,645	\$0	\$75,645	\$85,800	\$0	\$85,800
b. Land, structures, right-of-ways, appraisals, etc.	\$1,146,600	\$0	\$1,146,600	\$925,000	\$0	\$925,000	\$1,000,000	\$0	\$1,000,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,908,015	\$0	\$2,908,015	\$2,361,127	\$0	\$2,361,127	\$2,500,000	\$0	\$2,500,000
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$502,600	\$0	\$502,600	\$423,000	\$0	\$423,000	\$475,000	\$0	\$475,000
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$3,071,873	\$0	\$3,071,873	\$1,786,000	\$0	\$1,786,000	\$2,500,000	\$0	\$2,500,000
j. Equipment	\$16,226,313	\$9,355,655	\$6,870,658	\$14,785,274	\$8,154,254	\$6,631,020	\$15,870,658	\$9,000,000	\$6,870,658
k. Miscellaneous	\$161,084	\$0	\$161,084	\$101,235	\$0	\$101,235	\$125,000	\$0	\$125,000
l. SUBTOTAL (add a through k)	\$24,102,285	\$9,355,655	\$14,746,630	\$20,457,281	\$8,154,254	\$12,303,027	\$22,556,458	\$9,000,000	\$13,556,458
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$24,102,285	\$9,355,655	\$14,746,630	\$20,457,281	\$8,154,254	\$12,303,027	\$22,556,458	\$9,000,000	\$13,556,458

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: \$0	b. Program Income to Date: \$48,000
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