QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570090	615928405

4. Recipient Organization

DCN, LLC 3901 Great Plains Dr South, Fargo, ND 58104-3916

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2013	◯ 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	7c. Telephone (area code, number and extension)
Kayla Shafer KLJ Engineering	7013558701 **7d. Email Address** kayla.shafer@kljeng.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 08-14-2013

Project Indicators (This Quarter)

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

100% of the design is complete for almost all of projects. Construction continued in Bismarck, Fargo, and Mandan, ND sites. Construction is proceeding in Bismarck. NDTC, Polar, and Consolidated Telcom projects have started and almost finished Polar projects.

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	89	11% behind on expenditures due to weather delays this spring.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	99	On Schedule. (as revised) in PIP
2d.	Rights of Way	100	On schedule
2e.	Construction Permits and Other Approvals	100	On schedule
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	100	On Schedule. (as revised) in PIP
2h.	Network Build (all components - owned, leased, IRU, etc)	85	On Schedule. (as revised) in PIP
2i.	Equipment Deployment	97	97% of equipment installed
2j.	Network Testing	85	On Schedule. (as revised) in PIP
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).

The project is moving forward and is close to being on schedule with outside plant (cable) work. We made up some lost time on the backbone and are continuing to lay fiber. We believe there is enough time in our schedule to make up the small delays from 2012 in 2013 by providing more construction resources. We were constructing in Mandan, Bismarck, Fargo, Grand Forks, North Dakota Telephone Company, and Consolidated Telecom simultaneously rather than sequentially like we originally planned on mostly drop construction. These factors will keep us close to the schedule. Progress is close to schedule but bills from sub-recipients are lagging behind. With the recently approved extension we will have no issues finishing.

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	179	35 miles behind due to spring delays
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	1,388	N/A
Number of miles of new fiber (aerial or underground)	179	35 miles behind due to spring delays
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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	17
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	7

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

Last Mile Providers: BEK Communications, United Telephone Mutual Aide Corporation, Dakota Central Telecommunications Cooperative, Midstate Telephone Company, Moore & Liberty/Griggs County Telephone, North Dakota Telephone Company, Northwest Communications Cooperative, Polar Communications Mutual Aid, Inter-Community Telephone Company, Reservation Telephone Cooperative, SRT Communications, Consolidated Telecom Company, Red River Telephone, West River Telecommunications, Dickey Rural, Idea One, and Midstate Communications.

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:
Next level internet interconnection from 5 MBPS to 10 GBPS.

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).
DCN does not have a designated third party to operate the network. Sub recipients will own and maintain the fiber within their network and charge DCN for the circuits. DCN will own, operate and manage the entire electronics network for all CAI's. Sub recipients maintaining the their fiber are: BEK Communications, Dakota Central Telecommunications, Midstate Telephone Company, Moore & Liberty/Griggs County Telephone, North Dakota Telephone Company, Northwest Communications Cooperative, Polar Communications Mutual Aid, Inter-Community Telephone Company, SRT Communications, Consolidated Telecom Company, and Red River Telephone.

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	0	N/A
	Providers with signed agreements receiving improved access	17	Increased bandwidth capability beyond 1 Gbps.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	5	Speeds are 10 mbps-0 subscribers, 20 mbps-0 subscribers, 50 mbps-0 subscribers,100 mbps-0 subscribers, and I Gbps-17 subscribers. Remaining subscribers have not hooked-up yet.
Community Anchor Institutions (including Government institutions)	Total subscribers served	106	Behind schedule by 24 sites, 1 of which are towers. Results of marketing are not as high as we expected to this point.
	Subscribers receiving new access	54	Made up some ground.
	Subscribers receiving improved access	52	Made up some ground.
	Please identify the speed tiers that are available and the number or	5	5 mbps-30 subscribers, 10 mbps-1 subscriber, 20 mbps-3 subscribers, 50 mbps-0 subscribers, and 100 mbps-0 subscribers.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	subscribers for each		Remaining anchor institutions have not hooked-up yet.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	1	One business is connected
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	5	5 mbps-1 subscribers, 10 mbps-0 subscriber, 20 mbps-0 subscribers, 50 mbps-0 subscribers, and 100 mbps-0 subscribers. Remaining anchor institutions have not hooked-up yet.

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

At this time no special offerings will be made.

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
Hazelton School	Hazelton	School (K-12)	No	Using it to connect to State ITD network and internet
University of Mary	Bismarck	College	No	Using it to connect to internet
St. John Prairie Psych	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Elim Care Center	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Good Samaritan Society-Fargo	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics

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
Waterford at Harwood Groves	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Tufte Manor	Grand Forks	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Valley Eldercare Center	Grand Forks	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Wheatland Terrace	Grand Forks	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Woodside Village	Grand Forks	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics
Bismarck Parole and Probation	Bismarck	Other Government Facility	Yes	Using it to connect to internet
Grand Forks Highway Patrol & BCI	Grand Forks	Other Government Facility	Yes	Using it to connect to internet
Grand Forks Job Service	Grand Forks	Other Government Facility	Yes	Using it to connect to internet
Workforce Safety and Insurance (WSI)-Grand Forks	Grand Forks	Other Government Facility	Yes	Using it to connect to internet
Valley City Public Library	Valley City	Library	No	Using it to connect to internet
Meritcare Eye Clinic	Valley City	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Sheyenne Care Center	Valley City	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Barnes County Courthouse, SS, DC & City-County Health Department	Valley City	Other Government Facility	No	Using it to connect to internet
Valley City Job Service	Valley City	Other Government Facility	No	Using it to connect to internet
Barnes County PSAP	Valley City	Public Safety Entity	No	Using it to connect to internet
Sheyenne Valley Special ED Unit	Valley City	School (K-12)	No	Using it to connect to internet
Towner City Medical Center	Cando	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Towner County Living Center	Cando	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Fessenden Community Clinic	Fessenden	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics

Wells County District Health Unit	Fessenden	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Federal Crop Ins Corp	Cando	Other Government Facility	No	Using it to connect to internet
Towner County Service Center	Cando	Other Government Facility	No	Using it to connect to internet
Towner County Courthouse & Social Services	Cando	Other Government Facility	No	Using it to connect to internet
Bureau of Indian Affairs	Fort Totten	Other Government Facility	No	Using it to connect to internet
Sully's Hill Game Preserve	Fort Totten	Other Government Facility	No	Using it to connect to internet
Benson County Social Service	Minnewaukan	Other Government Facility	No	Using it to connect to internet
Lutheran Sunset Hom	Grafton	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Walsh County Health District & PSAP	Grafton	Medical or Healthcare Provider	No	Using it to connect to hospitals and other clinics
Turtle River State Park	Arvilla	Other Government Facility	No	Using it to connect to internet
Walsh County Courthouse, Health Department,Parole and Probation, & DC	Grafton	Other Government Facility	No	Using it to connect to internet
Minto Public School	Minto	School (K-12)	No	Using it to connect to internet
Good Samaritan Society Larimore	Larimore	Medical or Healthcare Provider	No	Using it to connect to internet
MeritCare Hospital	Fargo	Medical or Healthcare Provider	Yes	Using it to connect to hospitals and other clinics

Project Indicators (Next Quarter)

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

Continue construction with Dakota Carrier Network (DCN) (Mandan, Bismarck, Grand Forks and Fargo mostly drops), Polar Communications Mutual Aid, and North Dakota Telephone Company.

The total CAI subscribers constructed is 124 (this does not include 12 towers we went to) and DCN will continue to connect CAIs. Six projects will be under construction.

New network miles deployed: 214

New network miles leased: N/A

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	100	On schedule
2b.	Environmental Assessment	100	On schedule

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2c.	Network Design	100	On schedule
2d.	Rights of Way	100	On schedule
2e.	Construction Permits and Other Approvals	100	On schedule
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	100	On schedule
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	On schedule
2i.	Equipment Deployment	100	On schedule
2j.	Network Testing	100	On schedule based on fiber miles deployed
2k.	Other (please specify):	0	N/A

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).

DCN is working diligently to be completed by the third year deadline. The late spring has delayed construction. We have resources working and will have built 100% of the system. Miles deployed is estimated to be 100%. We will finish the majority of the project in the next quarter.

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.

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. Administrative and legal expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0
b. Land, structures, right-of-ways, appraisals, etc.	$355,687	$106,706	$248,981	$87,155	$26,146	$61,009	$90,000	$27,000	$63,000
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$627,682	$188,305	$439,377	$641,554	$192,466	$449,088	$665,000	$199,500	$465,500
e. Other architectural and engineering fees	$167,377	$50,213	$117,164	$179,702	$53,911	$125,791	$200,000	$60,000	$140,000
f. Project inspection fees	$941,506	$282,452	$659,054	$699,970	$209,991	$489,979	$864,465	$259,339	$605,126
g. Site work	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$9,860,644	$2,958,193	$6,902,451	$7,429,399	$2,228,820	$5,200,579	$8,983,608	$2,695,082	$6,288,526
j. Equipment	$3,448,757	$1,034,627	$2,414,130	$4,570,876	$1,371,263	$3,199,613	$4,598,580	$1,379,575	$3,219,005
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$15,401,653	$4,620,496	$10,781,157	$13,608,656	$4,082,597	$9,526,059	$15,401,653	$4,620,496	$10,781,157
m. Contingencies									
n. TOTALS (sum of l and m)	$15,401,653	$4,620,496	$10,781,157	$13,608,656	$4,082,597	$9,526,059	$15,401,653	$4,620,496	$10,781,157

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: $0