U.S. DEPARTMENT OF COMMERCE	2. Award Or Grant Number
	26-50-M09035
Performance Progress Report	4. Report Date (MM/DD/YYYY)
	01-12-2011

1. Recipient Name	6. Designated Entity On Behalf Of:
Connected Nation, Inc. - Michigan	Michigan

3. Street Address	8. Final Report?	9. Report Frequency
1020 College Street,	◯ Yes ◉ No	◉ Quarterly ◯ Semi Annual ◯ Annual ◯ Final

5. City, State, Zip Code		
Bowling Green, KY 42101-2137		

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	12-31-2010	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

M3 Wireless: Spoke with company representative and he informed CN that they do not want to participate in the mapping program.

WideOpenWest Michigan, LLC: Received voice message from company executive - "I spoke with my counterparts and we will not share information as requested by CN, so you will not be receiving information from WOW". Subsequest attempts to contact this provider have resulted in no response.

Reliable Internet, LLC: Left voice mail messages and sent emails to this provider multiple times over the past year and have not received one response. They have an active web site and the owner's name is identified on the voice mail leading us to believe the company is active, though we have never been able to talk with anyone at this company.

Tri-County Wireless, Inc.: After a brief telephone conversation with this provider in February 2010, provider management has been non-reponsive to multiple phone calls and emails over the past year. We have spoken to customer service representatives on multiple occassion, so we know the company is still in business.

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

We have not collected any data through extraction programs.

10f. Please describe the verification activities you plan to implement

ESRI is deploying and hosting Connected Nation's BroadbandStat (BBStat) web application. ESRI will house the customized BBStat application in their highly-available, monitored, and managed environment. The scope of services includes setting up a staging environment for data verification and compatibility as well as a production environment for client access.

Connected Nation also collects consumer feedback in the form of broadband inquiries. These inquiries represent any type of communication 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 SBDD 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.

Connected Nation plans to conduct testing on 4 additional providers (increasing the in-field completion rate by 3.45%) as well as ongoing testing for the state's larger providers (AT&T, Comcast, et al.) and has planned visits scheduled with or are speaking at the MI Township Association Annual Training Convention, the Native American Institute at MSU, MITA, Merit Networks, and the Telecommunications Association of Michigan.

10g. Have you initiated verification activities? ⦿Yes ○No

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

BroadbandStat is publicly available on the Connect Michigan website and received a total of 775 visits between October 1, 2010 and December 31, 2010.

During this quarter, the Connect Michigan project has received a total of 119 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 16 for this quarter.

Ninety-seven field validation tests have occurred year-to-date with 48 of those tests being conducted during Q4 2010. Of special note is the fact that representatives from the Public Service Commission were invited to participate in field validation training in order to gain a better understanding of the techniques utilized for data validation. At present, 40 (out of 126) broadband companies have undergone extensive testing representing a 31.75% completion ratio.

On-site meetings with the numerous providers, trade associations, and public forums account for the success achieved in this quarter of 2010.

The Connected Nation team focused on (a) conducting random spectrum analysis studies throughout the state and cross-referencing licensed spectrum against the Federal Communications Commission Universal Licensing System, (b) cross-referencing provider FRNs against the Federal Communications Commission database, and (c) cross-referencing the provider universe against FCC Form-477, the Cable Television Fact book, and other information available through the public domain.

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?
3.21

Connected Nation has numerous staff working on this 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 and by leveraging their expertise the project benefits by 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?
4.21

The positions not currently staffed are related to the new broadband capacity activities that are only just beginning and as such have no impact on the project's time line. The positions are expected to be filled during the first and second quarters of 2011.

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	3	09/14/2009
Business Programmer Analyst	1	04/02/2007
CAI Data Analyst	6	03/24/2009
CAI Data Manager	2	08/09/2010

ETS Analyst	1	08/03/2009
ETS Analyst	3	11/01/2007
ETS Analyst	13	08/24/2009
ETS Analyst	71	07/13/2009
ETS Manager	8	07/01/2007
ETS Sr. Analyst	1	02/18/2010
General Counsel	5	01/01/2007
GIS Analyst	24	11/16/2009
GIS Intern	9	04/01/2010
GIS Services Manager	4	05/15/2007
Outreach & Awareness Manager	4	03/24/2009
Outreach & Awareness Specialist	1	01/04/2010
Outreach & Awareness Specialist	5	02/02/2009
Outreach & Awareness Specialist	5	01/04/2010
Outreach & Awareness Specialist	15	01/03/2010
Project Coordinator	3	04/01/2005
Project Management Director	2	12/20/2004
Project Manager	1	12/16/2009
Project Manager	2	08/20/2007
Project Manager	2	03/16/2010
Project Manager	5	01/14/2008
Project Manager	37	01/01/2007
Provider Relations Manager	7	02/17/2005
Provider Relations Specialist	3	11/03/2009
Research & GIS Analyst	3	05/14/2007
Research Analyst	3	06/01/2009
Research Analyst	11	02/01/2010
Research Manager	4	05/14/2007
State Services Manager	2	07/01/2007
State Services Specialist	54	03/24/2009
Research Analyst	1	03/22/2010

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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
Throughbred Research Group	Research Surveys	Y	Y	02/09/2010	02/08/2012	87,350	0
Contract Labor	Contract Labor	N	Y	12/20/2009	12/19/2014	850,664	244,462
ESRI	Hosting	N	Y	02/03/2010	02/02/2012	38,683	0

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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? $740,264   10q. How much Remains? $4,015,420

10r. How much matching funds have been expended as of the end of last quarter? $243,788   10s. How much Remains? $1,039,562

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	$1,310,106	$294,728	$1,604,834	$172,195	$66,441	$238,636
Personnel Fringe Benefits	$281,015	$155,208	$436,223	$34,450	$35,568	$70,018
Travel	$239,258	$0	$239,258	$28,390	$93	$28,483
Equipment	$135,284	$0	$135,284	$65,153	$0	$65,153
Materials / Supplies	$25,363	$0	$25,363	$14,493	$0	$14,493
Subcontracts Total	$1,237,122	$244,462	$1,481,584	$186,000	$87,070	$273,070
Subcontract #1	$328,871	$0	$328,871	$43,675	$0	$43,675
Subcontract #2	$850,664	$244,462	$1,095,126	$130,627	$87,070	$217,697
Subcontract #3	$18,904	$0	$18,904	$3,240	$0	$3,240
Subcontract #4	$38,683	$0	$38,683	$8,458	$0	$8,458
Subcontract #5	$0	$0	$0	$0	$0	$0
Construction	$0	$0	$0	$0	$0	$0
Other	$147,242	$433,967	$581,209	$5,723	$3,747	$9,470
Total Direct Costs	$3,375,390	$1,128,365	$4,503,755	$506,404	$192,919	$699,323
Total Indirect Costs	$1,380,294	$154,985	$1,535,279	$233,860	$50,869	$284,729
Total Costs	$4,755,684	$1,283,350	$6,039,034	$740,264	$243,788	$984,052
% Of Total	79	21	100	75	25	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:

BroadbandStat-$60,000
ArchInfo/ArcGIS Software-$5,152
Computers-$223
Speed Test Software-$2,686
Spectrum Analyzer-$4,477

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 BroadbandStat 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

n/a

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

10aa. If yes, please list
* Maintained the budget/finance cost model for Connect Michigan.
* Updated the work breakdown structure and tracked project deliverables.
* Maintained the Connect Michigan website in order to explain the program, process speed tests, and gather information from the consumer's and community anchor institutions.
* Maintained a broadband data collection activity and a broadband update database.
* Requested and processed broadband coverage coordinate data sets (updates) from provider community. Also, communicated with non-participating providers via telephone or e-mail on various aspects of the program including validation and program participation.
* Worked extensively on classifying and representing general resellers in reporting measures since they are now included in the program. We identified 20 general resellers in Michigan.
* Conducted a total of 24 validation tests on 10 providers in Northern Michigan, 37 tests against 14 broadband providers in Lewiston and field validation on 5 providers in Lansing and surrounding areas resulting in a validation rate of about 32%.
* Performed new analyses of mapping and worked on developing a speed test map, provider speed map showing maximum speed advertised by the provider, and a map to show how many providers are available per Census Block.
* In response to additional State Broadband Data & Development funding, project project plan alterations and expansion began.
*Connect Michigan and Michigan Public Service Commission staff met for a planning session for the implementation of the amended State Broadband Data and Development Grant.
* Continued community anchor outreach activities.
* Performed outreach activities with various Michigan stakeholders including Michigan Cable Telecommunications Association, Michigan Department of Information Technology, and the Telecommunications Association of Michigan.
Michigan Public Service Commission staff travelled to Arizona for the Rural TeleCon Conference on November 10 -12, 2010

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

All deadlines have been achieved. There currently have not been any obstacles encountered.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project
On September 27, Connect Michigan received notice of a grant award extending SBDD mapping and planning activities for an additional three years. The project plan has been revised to include these new activities and will be formally submitted to NTIA by the scheduled deadline.

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
On behalf of the state of Michigan, Connected Nation (CN) is working with its subcontractors to analyze demand-side data collected through statistical telephone surveys of 801 businesses statewide. Quotas were set by industry size and sector to ensure a representative sample of businesses was surveyed, and the results were weighted by industry size and sector to correct for minor variances. Analysis of these business survey results began in Q3 2010. Initial data analysis was completed in Q4 2010, with more in-depth survey results scheduled to be provided to the state in Q1 2011. CN designed these surveys to measure technology adoption, barriers to adoption, and awareness of available broadband service among Michigan businesses, and those results were compared to statewide figures provided by participating Internet service providers.

Connect Michigan, in coordination with the Michigan Public Service Commission, began researching and drafting an initial planning report for the state during Q4 2010. This report will serve as a preliminary assessment of broadband infrastructure and adoption in Michigan. The purpose of its development and release is to provide a detailed review of the current state of broadband in Michigan and spark discussion across multiple broadband stakeholders in the state on key policy and strategies to expand and enhance broadband

services. The report will be formally presented and released publicly within the state during Q1 2011. It will also be available for public review and comment on the Connect Michigan website.

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

Connected Nation has been working closely with the Michigan Public Service Commission to ensure that our work exceeds expectations. During Q4 2010, there were no significant obstacles during the planning process.

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

Upon approval of the project plan and budget, Connected Nation plans to alter the methodology of the residential survey update that was scheduled for Q1 2011 and is now anticipated to be funded by the SBDD Technical Assistance grant for Michigan. This updated and improved methodology will provide a greater level of analysis regarding barriers to technology adoption among different socioeconomic and demographic groups. In particular, this revised methodology will oversample non-adopters in Michigan in a way similar to that conducted by the FCC as part of the National Broadband Planning effort. This approach will help create a demographic and socioeconomic profile of the population of non-adopters in Michigan. This information can then be applied at the local level of detail by area planning teams in Michigan, who will be in a better position to develop local adoption initiatives that will target the barriers that are unique to that area.

On September 27, 2010 Connect Michigan received notice of a grant award extending SBDD mapping and planning activities an additional three years. The project plan is currently under development and being revised to include these new activities. The updated plan will be submitted by February 2011 following the guidelines outlined in the extension granted to all awardees.

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
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

11i. Planning Worksheet						
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?

No additional information to report at this time.

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing

No additional information to report at this time.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

All planning costs have been combined with the mapping costs and reported in the mapping section above

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) 02-21-2011