

U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number
27-50-M09043

4. Report Date (MM/DD/YYYY)
09-13-2010

1. Recipient Name
Connected Nation, Inc. - MN

6. Designated Entity On Behalf Of:
Minnesota

3. Street Address
1020 College Street,

8. Final Report? Yes No
9. Report Frequency
 Quarterly
 Semi Annual
 Annual
 Final

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

7. Project / Grant Period
Start Date: (MM/DD/YYYY)
12-20-2009

7a. End Date: (MM/DD/YYYY)
12-19-2014

8. Reporting Period End Date:
(MM/DD/YYYY)
09-30-2010

9a. If Other, please describe:
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
123	123	98	3	109	109

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

Nextera Communications: On September 9th Nextera chose not to participate due to cost of data collection and CLEC status.

A Better Wireless, NISP, LLC: In addition to numerous attempts to contact provider between January 26 and April 21, three attempts were made between June 25 and August 27.

Minnesota Network Services: Numerous attempts to reach provider representative have been unsuccessful.

Kentucky Data Link, Inc.: Company representative replied back to an email outreach effort by provider relations representatives on July 22, 2010 stating that they are "electing not to contribute at this time." As this company has recently been bought by another provider, all efforts will be made to ensure that this information is collected as part of the new owner's data.

Knology of the Plains, Inc.: Provider was not able to participate at the time of the original data collection due to resource constraints. Outreach continues with this provider however no other responses to outreach have been received since the first refusal.

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.

Before December 31, 2010 Connected Nation will target an additional 3 randomly selected companies in order to achieve a total field validation rate equal to or exceeding 27.5%.

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 Minnesota website and received a total of 471 visits between July 1, 2010 and September 30, 2010.

During this quarter, the Connect Minnesota project has received a total of 16 broadband inquiries.

As of this reporting period, Connected Nation has conducted data validation on 33 providers against a viable universe of 124 qualifying providers representing a completion percentage of 26.61%.

Sixty-seven tests locations were selected in large cities and rural areas alike for these validation tests. Whether testing DOCSIS III cable modem service or 20 Mbps DSL in the Minneapolis-St. Paul area, WiMAX services in St. Cloud and Barnesville, FTTx in Kent, fixed wireless in Granite Falls or mobile services across the state, Connected Nation's Engineering & Technical services staff strived to validate all technology platform types. Additionally, Connected Nation personnel has hosted or participated in numerous public forums to discuss its general findings as well as to demonstrate the capabilities of the BroadbandStat interactive mapping tool.

In many instances this afforded Connected Nation with the opportunity to personally meet with Minnesota's entrepreneurial broadband providers, to identify households subscribing to fixed wireless broadband services, to watch as companies erected new equipment and/or upgraded their facilities, and to discuss expansion opportunities where unserved and underserved areas of the state were identified.

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?

4.13

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?

4.13 Please note that we use functional job titles and these titles may be staffed by multiple individuals. Their hire dates vary so for the purposes of uploading a complete report, we have used a hire date of 1/1/2010 to signify various hire dates.

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	2	01/01/2010
Business Programmer Analyst	1	01/01/2010
CAI Data Analyst	10	01/01/2010
CAI Data Manager	2	01/01/2010
ETS Analyst	60	01/01/2010
ETS Manager	4	01/01/2010
ETS Sr. Analyst	3	01/01/2010
General Counsel	5	01/01/2010
GIS Analyst	51	01/01/2010
GIS Intern	1	01/01/2010
GIS Services Manager	4	01/01/2010
Outreach & Awareness Manager	4	01/01/2010
Outreach & Awareness Specialist	12	01/01/2010
Project Coordinator	3	01/01/2010
Project Management Director	2	01/01/2010
Project Manager	59	01/01/2010
Provider Relations Manager	7	01/01/2010
Provider Relations Specialist	8	01/01/2010
Research & GIS Analyst	20	01/01/2010
Research Analyst	83	01/01/2010
Research Manager	7	01/01/2010
State Services Associate	15	01/01/2010
State Services Manager	10	01/01/2010
State Services Specialist	39	01/01/2010
State Services Sr. Specialist	1	01/01/2010
Add Row		Remove Row

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

Add Row

Remove Row

Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$556,826 10q. How much Remains? \$3,913,209

10r. How much matching funds have been expended as of the end of last quarter? \$174,958 10s. How much Remains? \$943,590

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	\$1,502,448	\$129,840	\$1,632,288	\$135,265	\$26,779	\$162,044
Personnel Fringe Benefits	\$322,275	\$36,355	\$358,630	\$35,229	\$6,914	\$42,143
Travel	\$152,515	\$0	\$152,515	\$20,760	\$782	\$21,542
Equipment	\$145,816	\$0	\$145,816	\$67,811	\$0	\$67,811
Materials / Supplies	\$32,437	\$0	\$32,437	\$14,995	\$0	\$14,995
Subcontracts Total	\$747,164	\$181,552	\$928,716	\$139,894	\$44,068	\$183,962
Subcontract #1	\$158,299	\$0	\$158,299	\$45,127	\$0	\$45,127
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	\$91,445	\$657,186	\$748,631	\$2,039	\$75,544	\$77,583
Total Direct Costs	\$2,994,100	\$1,004,933	\$3,999,033	\$415,993	\$154,087	\$570,080
Total Indirect Costs	\$1,475,935	\$113,615	\$1,589,550	\$140,833	\$20,871	\$161,704
Total Costs	\$4,470,035	\$1,118,548	\$5,588,583	\$556,826	\$174,958	\$731,784
% Of Total	80	20	100	76	24	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
- ESRI ArchInfo/ArcGIS Software
- ESRI Software Maintenance
- Computers
- Ookla Net Metrics Speed Test Software
- Spectrum Analyzer

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, ESRI 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 updated budget/finance cost model for Connect Minnesota.
- * Revised project work plan and Work Breakdown Structure (WBS) with extended SBDD deadline of October 1, 2010.
- * Developed, distributed, reviewed, and finalized project work plan and WBS.
- * Collected broadband inquiries, speed tests, and other analytics with Connect Minnesota website.
- * Directed outreach strategy.
- * Enhanced Connect Minnesota website explaining program and gathering information from consumer community, including Beta language and Connect Minnesota Residential Technology Assessment Results.
- * Held monthly project team meetings.
- * Produced monthly status reports, data collection activity log, and website statistics and distributed to the Connect Minnesota project team.
- * Compiled and refined Community Anchor Institution (CAI) listings and corresponding information regarding the following: physical address of the CAI, e-mail addresses, connection platforms, connection speed of institutions.
- * Refined broadband provider list.
- * Distributed NDAs to broadband providers.
- * Executed NDAs with provider community.
- * Securely stored executed NDAs.
- * Requested broadband coverage coordinate datasets from provider community.
- * Distributed broadband coverage datasets to GIS mapping team for processing.
- * Conducted demonstrations of the BroadbandStat product.
- * Provided mapping updates to the NTIA for the October 1, 2010, filing deadline.
- * Preparation of Minnesota Broadband Analysis Report.
- * Completed post BroadbandStat map launch article, submitted to state media contacts.
- * Published P.R. detailing Minnesota SBDD 2.0 Award to Connected Nation.
- * Participated in Minnesota Advisory Broadband Taskforce meeting.
- * Provided mapping updates to NTIA for October 1, 2010, filing.
- * Connect Minnesota received approval on SBDD Amended and Supplemental Grant Program on September 28, 2010. Award amount was \$2,761,171.

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
September 27, 2010 Connect Minnesota received notice of a grant award extending SBDD mapping and planning activities an additional three years. The project plan is being revised to include these new activities. Details of the new plan will be reported in the fourth quarter.

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 Minnesota (MN), Connected Nation (CN) is working with subcontractors to collect and analyze demand-side data through statistical telephone surveys. The surveys collect data on broadband and computer use and barriers to use among residents by demographic and businesses by size and industry sector. CN provided an initial overview of the residential survey results to the state in Q3, 2010, with a more comprehensive report scheduled to be released Q4, 2010. In addition, CN designed the 2010 MN business survey, which was conducted by Thoroughbred Research in Q2-Q3, 2010. Analysis of this data commenced in Q3, 2010, with results to be released in Q4, 2010. Updates to the residential and business surveys are scheduled to occur in Q1, 2011 and Q3, 2011, respectively.

This data was analyzed along with supply-side broadband data gathered through the MN SBDD mapping grant. The primary tool for this ongoing analysis is BroadbandStat, an interactive, web-based GIS application that offers location-based consumer feedback on the accuracy of the map, as well as an interactive tool for data analysis, planning, and decision-making.

Connect Minnesota, in coordination with the Minnesota Department of Commerce, will complete an initial planning report for the state during Q4, 2010. This report will serve as a preliminary assessment of broadband infrastructure and adoption in Minnesota. The purpose of its development and release is to provide a detailed review of the current state of broadband in Minnesota 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 presented for comment to the Minnesota Broadband Task Force during Q4, 2010 and released publicly within the state during Q1, 2011. It will also be available for public review and comment on the Connect Minnesota 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 state of Minnesota to ensure that our work exceeds expectations. During Q3, 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

September 27, 2010 Connect Minnesota received notice of a grant award extending SBDD mapping and planning activities an additional three years. The project plan is being revised to include these new activities. Details of the new plan will be reported in the fourth quarter.

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

Planning Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
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
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)

10-26-2010

Performance Progress Report
OMB Approval Number: 0660-0034
Expiration Date: 08/31/2010