U.S. DEPARTMENT OF COMMERCE

Performance Progress Report

2. Award Or Grant Number 47-50-M09041	
4. Report Date (MM/DD/YYYY) 09-13-2010	

1. Recipient Name Connected Tennessee, LLC	6. Designated Entity On Behalf Of: Tennessee	
3. Street Address 618 Church Street, Suite 305,	8. Final Report? ◯ Yes ◉ No	9. Report Frequency ◉ Quarterly ◯ Semi Annual ◯ Annual ◯ Final
5. City, State, Zip Code Nashville, TN 37219-2437		

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
90	90	75	4	82	82

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

Cinergy Communications Company: Company representative replied back to an e-mail 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 Tennessee, Inc.: Provider was unable to participate at this time due to resource constraints. Efforts will continue to ensure their involvement with this project and its goals; however, no response has been received since the original response during the first round of data collection.

MYWEBSTAR: While outreach and efforts to solicit data from MYWEBSTAR continued this quarter no change occurred. MYWEBSTAR continues to be non-responsive to multiple outreach attempts.

TNWEB, LLC: Provider was initially contacted in January 2010. Provider has received introductory and data solicitation e-mails and follow-up telephone calls. No response has been received from any representative of this provider since March 9, 2010.

Worldspice.net: This provider indicated on March 18, 2010 that they were not participating in this project. Connected Tennessee continued outreach efforts this quarter and in August 2010 received response again that the owners have elected "not to participate at this time."

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 Nations'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 Tennessee 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 Tennessee 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 4 randomly selected companies in order to achieve a total field validation rate equal to or exceeding 30%.

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

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

BroadbandStat is publicly available on the Connected Tennessee website and received a total of 3,756 visits between July 1, 2010 and September 30, 2010.

During this quarter, the Connected Tennessee project has received a total of 189 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 8 for this quarter.

Connected Nation has identified 90 distinctive broadband providers (WiMAX, fixed wireless, mobile wireless, ILEC, cable modem, and FTTx) servicing this diversely unique state and, through Q3, 56 field tests were completed against 23 companies equating to a 25.56% data validation rate.

Site validation visits occurred in Knoxville, Nashville, Mountain City, Lawrenceburg, Morristown, Bristol, Johnson City, Elizabethtown, Parsons, Greenfield, Newport, Kingsport, Sevierville, Gatlinburg, Dresden, Sharon, Paris, Union City, and Pigeon Forge.

The test results yielded the following information: (i) 100% of the wireless frequencies reported (both licensed and unlicensed) tested positively; (ii) 100% affirmation of speed tests conducted (non mobile platforms); (iii) 98.5% of all mobile speed tests were within the speed tiers reported and spectrum analysis testing confirmed both the service borders and the coverage areas within the state; and (iv) 98.4% of the coordinates submitted for physical plant and/or transmit tower locations were accurate (2 locations were off by less than 100').

10i. If verification activities have not been initiated please provide a projected time line for beginning and completing such activities

Verification activities have been initiated in Tennessee.

Staffing

10j. How many jobs have been created or retained as a result of this project?

4.03

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

The project is fully staffed. We do not expect to hire any additional staff on the project and there is no lack of staffing that will impact the project's timeline.

10m. When fully staffed, how many full-time equivalent (FTE) jobs do you expect to create or retain as a result of this project?

4.03   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	3	01/01/2010
Business Programmer Analyst	1	01/01/2010
CAI Data Analyst	3	01/01/2010
CAI Data Manager	1	01/01/2010
Community Technology Specialist	100	01/01/2010
Community Technology Specialist	38	01/01/2010
ETS Analyst	3	01/01/2010
ETS Manager	10	01/01/2010
ETS Sr. Analyst	13	01/01/2010
Executive Director, TN	46	01/01/2010
General Counsel	3	01/01/2010
GIS Analyst	7	01/01/2010
GIS Intern	1	01/01/2010
GIS Services Manager	38	01/01/2010
Outreach & Awareness Manager	2	01/01/2010
Outreach & Awareness Specialist	17	01/01/2010
Project Coordinator	74	01/01/2010
Project Management Director	2	01/01/2010
Project Manager	16	01/01/2010
Provider Relations Manager	7	01/01/2010
Provider Relations Specialist	8	01/01/2010
Research & GIS Analyst	1	01/01/2010
Research Analyst	2	01/01/2010
Research Manager	2	01/01/2010
State Services Manager	3	01/01/2010
State Services Specialist	1	01/01/2010
State Services Sr. Specialist	1	01/01/2010

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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

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Funding

10p. How much Federal funding has been expended as of the end of the last quarter? $661,012   10q. How much Remains? $3,818,608

10r. How much matching funds have been expended as of the end of last quarter? $189,786   10s. How much Remains? $941,396

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	$227,389	$43,290	$270,679
Personnel Fringe Benefits	$323,735	$112,054	$435,789	$60,431	$9,286	$69,717
Travel	$128,223	$5,198	$133,421	$18,186	$8,902	$27,088
Equipment	$136,141	$0	$136,141	$63,243	$0	$63,243
Materials / Supplies	$18,612	$500	$19,112	$10,458	$498	$10,956
Subcontracts Total	$603,918	$114,399	$718,317	$97,918	$66,352	$164,270
Subcontract #1	$157,024	$0	$157,024	$26,006	$38,950	$64,956
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	$434,921	$290,961	$725,882	$1,887	$28,303	$30,190
Total Direct Costs	$3,154,818	$1,045,513	$4,200,331	$479,512	$156,631	$636,143
Total Indirect Costs	$1,324,802	$85,669	$1,410,471	$181,500	$33,155	$214,655
Total Costs	$4,479,620	$1,131,182	$5,610,802	$661,012	$189,786	$850,798
% Of Total	80	20	100	78	22	100

Hardware / Software

10u. Has the project team purchased the software / hardware described in the application? ●Yes ○No

10v. If yes, please list
• BroadbandStat
• ESRI ArcInfo/ArcGIS Software
• ESRI Software Maintenance
• Computers
• Ookla Net Metrics Speed Test Software

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 ArcInfo/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

The project team has not purchased or used any data sets.

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

10aa. If yes, please list
* Continued tracking financial and accounting budgets for Connected Tennessee.
* Executed project work plan and Work Breakdown Structure (WBS) making adjustments as needed.
* Continued to update broadband provider list with new providers.
* Continued outreach to nonresponsive and refusing providers.
* Updated broadband data collection activity log.
* Distributed NDAs to provider community.
* Executed and securely stored NDAs with new providers.
* Conducted demonstrations of BroadbandStat and Connected Tennessee website with the provider community.
* Requested updated broadband coverage coordinate data sets from provider community.
* Received updated broadband coverage coordinate data sets from provider community.
* Distributed received broadband coverage data sets to GIS Mapping team for processing.
* Continued in-the-field validation processes.
* Generated BroadbandStat draft version update with NOFA-compliant data.
* Developed and updated plan for continuous collection of Community Anchor Institution information.
* Distributed CAI data sets to GIS Mapping team for processing.
* Produced status reports, data collection activity log, and website statics as requested.
* Delivered draft Tennessee broadband maps to state stakeholders.
* Connected Tennessee produced, refined, and submitted revisions to NTIA in regard to the Connected Tennessee SBDD Amended and Supplemental Grant Program. This proposal was approved on September 27, extending Connected Tennessee's SBDD efforts for another three years.
* Processed and submitted provider datasets to NTIA on September 28.

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

Time continues to be of essence. We continue to assign resources to the extent practical in order to meet the predetermined deadlines.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

In September of 2010, this project was amended to extend data collection activities for an additional three years. Additional project components approved through the amended award include State Capacity Building and Technical Assistance efforts.

State Capacity Building: As Tennessee seeks to develop a more focused effort on technology-based economic development, Connected Tennessee, under the guidance of the state, will compile and maintain an inventory of industrial and business park broadband availability that will be made available to all economic developers in the state.

Technical Assistance: Working in partnership with specialists from the Tennessee Department of Economic and Community Development, Connected Tennessee will offer direct technical assistance to the local technology planning teams that have completed their initial technology plans. Connected Tennessee will also provide cost modeling and infrastructure assessments for local communities and conduct state level surveys in the third and fifth years of the program and county level surveys in the fourth year.

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

Connected Tennessee is working in coordination with subcontractors, identified through a RFP conducted in Q4 2009-Q1 2010, to collect, analyze, and verify demand-side data through statistical telephone surveys. The surveys will be staggered to collect data on

broadband and computer use and barriers to use among residents by demographic, and among businesses by size and industry sector.

The 2010 Tennessee surveys were conducted by Thoroughbred Research Group, and were analyzed and processed, in association with Lucidity Research. The 2010 Tennessee residential surveys were completed in February with results released in May.   The 2010 Tennessee business surveys were completed in January with results reported in May. Updates to the residential and business surveys are scheduled to occur in Q1 2011 and Q3 2011 respectively.

Demand-side data were analyzed in relation to supply-side data gathered through the Tennessee SBDD mapping grant. The primary tool for this ongoing analysis is BroadbandStat (BBStat), an interactive, web-based GIS application developed in partnership with ESRI. In addition to providing a user-friendly, web-based map of broadband availability data and a mechanism for garnering location-based consumer feedback on the accuracy of the map, BBStat also provides the State of Tennessee with an interactive tool for broadband data analysis, planning, and decision-making. The Tennessee BBStat application was launched on February 10, 2010, and updated October 1, 2010.

Connected Tennessee has begun to facilitate research-based, data-driven planning discussions and preparation of an analysis of Tennessee broadband availability and adoption data, in coordination with the State of Tennessee. Recommendations for achieving sustainable broadband across the state are in development. This strategic state broadband plan will be produced and released during Q4 2010. An in-person presentation within the state will occur following release of the report.

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

Connected Tennessee has been relying heavily on Tennessee's recommendations to ensure that our work, as well as the work of our subcontractors, 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

Connected Tennessee received notice on September 27, 2010 of a grant award extending SBDD mapping and planning activities for an additional three years. The project plan is being revised to include these new activities.

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?
Connected Tennessee received an award extension through the SBDD Amended and Supplemental Grant Program in September 2010. This award extends the data collection efforts for an additional three years and provides support for State Capacity Building and Technical Assistance efforts.

Technical Assistance: Working in partnership with specialists from the Tennessee Department of Economic and Community Development, Connected Tennessee will offer direct technical assistance to the local technology planning teams that have completed their initial technology plans. Connected Tennessee will also provide cost modeling and infrastructure assessments for local communities and conduct state-level surveys in the third and fifth years of the program and county-level surveys in the fourth year.

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

Connected Tennessee has been relying heavily on Tennessee's recommendations to ensure that our work, as well as the work of our subcontractors, exceeds expectations. During Q3 2010, there were no significant obstacles during the planning process.

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