

RECIPIENT NAME:South Dakota Network, LLC

AWARD NUMBER: NT10BIX5570003

DATE: 02/11/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

## ANNUAL PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b> NT10BIX5570003	<b>3. DUNS Number</b> 623894359
<b>4. Recipient Organization</b>  South Dakota Network, LLC 2900 W 10th Street, Sioux Falls, SD 57104-2543		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2010	<b>6. Is this the last Annual Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Marlene Bennett	<b>7c. Telephone (area code, number and extension)</b>  6059952574	
	<b>7d. Email Address</b>  marlene.bennett@chrsolutions.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-11-2011	

**OVERALL PROJECT PERFORMANCE INDICATORS**

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	28,285	This number is slightly higher than our Baseline projection based on the limited construction completed for the project. As miles are added we anticipate this number to fall in line with our projections.
Average cost per household passed (Last Mile)	N/A	N/A
Average cost per subscriber (Last Mile)	N/A	N/A
Maximum broadband speed advertised (Middle Mile)	N/A	We currently do not advertise our enhanced broadband speeds associated with the project. Part of our marketing strategy in the coming year will be to incorporate the new speeds with our overall network promotion.
Maximum broadband speed advertised (Last Mile)	N/A	N/A
Average broadband speed provided (Middle Mile)	47.5 Meg	With only two Anchor Institutions connected at this time, this number is skewed higher than normal due to one subscriber requesting an atypical speed.
Average broadband speed provided (Last Mile)	N/A	N/A

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
Vermillion High School	School	Clay	9657
Rapid City School Administration Building	School	Pennington	102

Add Facility

Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

**Interconnection Agreements (600 words or less)**

N/A  
None  
No

**Peering and Transit Agreements (600 words or less)**

N/A

**CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS**

**4. Community Anchor Institutions:** In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	2	Public Housing	0
Libraries	0	Other Institutions of Higher Education	0
Medical and Healthcare Providers	0	Other Community Support Organizations	0
Public Safety Entities	0	Other Government Facilities	0
Community Colleges	0	Total Community Anchor Institutions	2

**5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).**

Since SDN was not the provider of service to these institutions prior to this award, we are not able to provide the data requested.

**6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:**

N/A

**7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?**

(a.) Network management policies are currently being developed as part of the overall project design and implementation as we roll out the enhanced broadband infrastructure to our customers.

(b.) No, we have not blocked or limited consumers to our network.

**8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).**

N/A

**9. Please provide the following information regarding the number of fiber strand-miles:**

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
12,576	432	0	3,024	1,140	0	7,980

**10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:**

N/A

**11. Please provide the following information regarding the facility collocation capacity:**

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
0	0	0	0

**12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).**  
 Interconnection can be accomplished at any meetpoint where SDN connects to other carriers throughout the network. Interconnection can be requested by contacting our sales staff at SDN Communications, 2910 West 10th Street, Sioux Falls, South Dakota 57104 or by visiting our website at: www.sdncommunications.com.

**13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).**  
 N/A

**14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).**  
 Maintain regularly scheduled contact with the Federal Program Officer and make sure they are aware of everything you are doing.