

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570003	3. DUNS Number 623894359
4. Recipient Organization South Dakota Network, LLC 2900 W 10th Street, Sioux Falls, SD 57104-2543		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Marlene Bennett	7c. Telephone (area code, number and extension) 6059952574	
	7d. Email Address marlene.bennett@chrsolutions.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-12-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
Progress was made in implementing and planning towards additional construction crews and resources necessary to advance and tighten the gap between our milestone and actual completion of the project. Marketing and Community Outreach activities were planned for peak periods over the next several months. Work on a new website to be rolled out in the future that enhances the project and utilizes Social Media as a form of stakeholder feedback and input.

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	28	Weather, as anticipated, slowed construction and expenditures in this quarter.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	100	No Variance.
2e.	Construction Permits and Other Approvals	100	No Variance.
2f.	Site Preparation	45	Limited site preparation took place but the project continues to exceed projections in this category.
2g.	Equipment Procurement	62	Minimal equipment purchases were anticipated this quarter as originally forecasted. Purchases planned prior to this time frame that will be made up before year end, will bring the project in line with Baseline Projections.
2h.	Network Build (all components - owned, leased, IRU, etc)	20	Additional miles were added to bring the project closer in line with projections earlier forecasted. This milestone will be the focus of 2011 as we commit to meeting the Broadband Technology Opportunities Program guidelines.
2i.	Equipment Deployment	50	Equipment originally projected for installation has been moved out in the project timeline. This does not effect our build or potential subscribers.
2j.	Network Testing	10	Network testing is behind baseline projections, indicative of the lag in construction based upon original projections.
2k.	Other (please specify): N/A	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).
Minimal activity was expected as was shown on the Baseline Project Plan during this quarter. Inclimate seasonal weather was anticipated that would not be conducive to build during January through March.

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	72	An aggressive schedule the first year along with a longer than anticipated Environmental process has found the milestone lagging. Additional crews will be deployed to shorten this gap and we are committed to reaching our mile projection by end of

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		Year 2 of the project.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	72	See narrative under 'New Network miles deployed' above.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	A clerical error is in process of being revised with the program office with this milestone.

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

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

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:
N/A

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).
N/A

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	This milestone originally utilized our Sub Recipient count to come up with the Baseline projection. Based upon feedback from NTIA, we will not be counting Sub Recipients as Last Mile Providers.
	Providers with signed agreements receiving improved access	0	See narrative under above Access Type.
	Providers with signed agreements receiving access to dark fiber	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	40	South Dakota Network was not able to connect to the number of Community Anchor Institutions as due to the initial delays in the Environmental process.
	Subscribers receiving new access	35	See narrative above.
	Subscribers receiving improved access	5	See narrative above for this milestone as well.
	Please identify the speed tiers that are available and the number of subscribers for each	12	5,10,15,20,75,100 Meg. 10-10 Meg. 1-75 Meg, 1-100 Meg.
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	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

7. Please describe any special offerings you may provide (600 words or less).
None at this time in the project.

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

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
See attached list.	See attached list	See attached list.	See attached list.	See attached list.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Construction will be a major focus this next quarter with additional resources being deployed to expedite the process. Events are being planned to 'kick off' construction in markets where construction has not yet started. Job creation is anticipated to peak as we start the network build phase again at an increased rate.

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	35	South Dakota Network will plan on additional resources this quarter to strive to make up the gap from Baseline projections. Equipment purchases are anticipated throughout the remainder of the year. Construction will exceed original projections for this year to close the gap currently created by a shortened construction season last year.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	100	No Variance.
2e.	Construction Permits and Other Approvals	100	No Variance.
2f.	Site Preparation	65	No variance.
2g.	Equipment Procurement	68	Equipment originally anticipated as part of the project, not impacting the network, were pushed back pending modifications to the project. These minor changes do not require an amendment or alteration to the Award.
2h.	Network Build (all components - owned, leased, IRU, etc.)	35	Construction originally planned for last year was pushed back due to the Environmental process and some additional weather issues late in the season. Additional resources have been deployed to complete the project in the timeframe allowed.
2i.	Equipment Deployment	55	As indicated in the equipment procurement section, portions of our equipment purchases were extended out in the timeline so a lag occurs in this particular milestone.
2j.	Network Testing	25	As indicated previously, construction anticipated to start earlier was pushed back due to baseline projections not in line with the Environmental approval timeframe. This causes some variance to Baseline in the Network Testing area from what was originally planned.
2k.	Other (please specify): N/A	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).
 Weather may continue to be an issue this Spring as we have had a significant amount of flooding and rainfall hindering to some degree the amount of construction activities we were planning. Any additional challenges or issues are not currently anticipated.

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.

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		
Cost Classification	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	\$75,000	\$15,000	\$60,000	\$101,758	\$20,352	\$81,406	\$140,000	\$28,000	\$112,000
b. Land, structures, right-of-ways, appraisals, etc.	\$700,000	\$140,000	\$560,000	\$2,000	\$400	\$1,600	\$100,000	\$20,000	\$80,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$3,533,729	\$706,746	\$2,826,983	\$1,229,983	\$245,997	\$983,986	\$1,600,000	\$320,000	\$1,280,000
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$16,511,000	\$3,302,200	\$13,208,800	\$3,533,768	\$706,752	\$2,827,016	\$4,300,000	\$860,000	\$3,440,000
j. Equipment	\$3,513,857	\$702,771	\$2,811,086	\$2,197,168	\$439,434	\$1,757,734	\$2,800,000	\$560,000	\$2,240,000
k. Miscellaneous	\$1,381,717	\$276,344	\$1,105,373	\$169,449	\$33,890	\$135,559	\$185,000	\$37,000	\$148,000
l. SUBTOTAL (add a through k)	\$25,715,303	\$5,143,061	\$20,572,242	\$7,234,126	\$1,446,825	\$5,787,301	\$9,125,000	\$1,825,000	\$7,300,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$25,715,303	\$5,143,061	\$20,572,242	\$7,234,126	\$1,446,825	\$5,787,301	\$9,125,000	\$1,825,000	\$7,300,000

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
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