

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 NT10BIX5570069	3. DUNS Number 943058925
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4. Recipient Organization Iowa Communications Network Camp Dodge Bldg, W-4, Johnston, IA 50131-9000

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
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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 Kevin Heinzeroth Iowa Communications Network	7c. Telephone (area code, number and extension) 5157254732
	7d. Email Address Kevin.Heinzeroth@iowa.gov

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-11-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During this quarter all requests for proposal and invitations to bid for equipment and circuits were written and submitted. By March 31, the majority of responses had been received and scored. The final environmental assessment was submitted and approved and a finding of no significant impact was received February 21, 2011.

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	1	Variance from the baseline due to the delay in approval of the FONSI and the need to have approval from the Iowa Legislature to exceed our contractual spending cap for this project. With Approval of the FONSI in February and approval from the Legislature early in the 2nd quarter, equipment contracts are being finalized and equipment ordered early in the current quarter.
2b.	Environmental Assessment	100	EA FONSI received February 21, 2011
2c.	Network Design	100	No variance from baseline.
2d.	Rights of Way	0	No Variance from baseline, This is lower than the projected percent for this quarter due to removal of the Decatur County build. See question 3 for further explanation.
2e.	Construction Permits and Other Approvals	0	No Variance from baseline. This is lower than the projected percent for this quarter due to removal of the Decatur County build. See question 3 for further explanation.
2f.	Site Preparation	0	No Variance from baseline
2g.	Equipment Procurement	0	Equipment RFP materially scored with testing underway in first part of second quarter. In the projections for this quarter it was expected that the FONSI approval would be forth coming in the first part of the quarter as would approval from the Iowa Legislature to exceed the codified contract limit for the term of this project. The FONSI was not received until February 21, and the Legislative approval did not occur until after the end of the current quarter. No contracts could be awarded or equipment ordered until both events had occurred.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance from baseline
2i.	Equipment Deployment	0	The FONSI was not received until February 21, and the Legislative approval for exceeding the codified contractual cap did not occur until after the end of the current quarter. No contracts could be awarded or equipment ordered until both events had occurred. These events resulted in the anticipated 5% deployment not occurring. This report shows 0%. This shortfall is expected to be made up for in the next quarter.
2j.	Network Testing	0	No Variance from baseline
2k.	Other (please specify):	0	NA

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).
 Decatur County fiber build was removed from the project. Originally submitted as a dark fiber service agreement, the ICN subsequently found that this type of service was not available in the project area and proposed a fiber optics construction project instead. In reviewing options for a fiber build, detailed engineering for the construction of that build revealed significant issues associated with burying fiber on the route identified, this segment of the Broadband Technology Opportunities Program project was determined to be cost prohibitive. Physical and environmental obstacles resulted in significant budget overruns on this part of the project. The Iowa Communications Network team and Broadband Technology Opportunity Program Program Staff agreed that the

Community Anchor Institutes end users planned to be served by the fiber build could be more effectively served by other means.

Broadband Technology Opportunities Program Program staff also informed the Iowa Communications Network team that, contrary to the budget narrative incorporated into the grant agreement, the 197 five year Indefeasible Right to Use leases could not be accounted for as capital expense and would be, therefore, categorized as operating expense. This change would have resulted in a project budget shortfall of approximately \$4 million. In response, the Iowa Communications Network team proposed that the budget overruns associated with not capitalizing five-year fiber Indefeasible Right to Use contracts be addressed through lease changes and categorical modification of funds identified in the award grant. Approval of these changes by the Broadband Technology Opportunity Program Program Staff occurred after the end of the reporting quarter.

Delays associated with the environmental assessment have resulted in incompleteness of their network design tasks. This results in a deviation from the baseline plan of 10%. The baseline plan anticipated 100% completion at this point but this report shows 90%.

Another deviation from the baseline report is associated with equipment deployment. Delays at the end of the reporting period resulted in the anticipated 5% deployment not occurring. This report shows 0%. This shortfall will be made up for in the next quarter.

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	0	No Variance from baseline
New network miles leased	0	No Variance from baseline
Existing network miles upgraded	0	No Variance from baseline
Existing network miles leased	0	No Variance from baseline
Number of miles of new fiber (aerial or underground)	0	No Variance from baseline
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No Variance from baseline

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 for this reporting period. This does not vary from baseline.

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 for this reporting period

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 third party operates (600 words or less).
 N/A for this reporting period

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	No Variance from baseline
	Providers with signed agreements receiving improved access	0	No Variance from baseline
	Providers with signed agreements receiving access to dark fiber	0	No Variance from baseline
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A For this reporting period
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No new CAI's have been served because network improvements have not yet occurred.
	Subscribers receiving new access	0	No new CAI's have been served because network improvements have not yet occurred.
	Subscribers receiving improved access	0	No new CAI's have been served because network improvements have not yet occurred.
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A for this reporting period
Residential / Households	Entities passed	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Total subscribers served	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Subscribers receiving new access	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Subscribers receiving improved access	0	Data represented is for Sub recipients. ICN is statutorily not allowed to serve residential households and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A for this reporting period
Businesses	Entities passed	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Total subscribers served	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the Broadband Technology Opportunity Program application / approval process

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Subscribers receiving improved access	0	Data represented in revised Baseline Plan is for Sub recipients. ICN is statutorily not allowed to serve businesses and received a waiver in the Broadband Technology Opportunity Program application / approval process
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A for this reporting peroid

7. Please describe any special offerings you may provide (600 words or less).

No special offerings are anticipated as of this quarterly report

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

NA -Network management practices have not changed from previous practices as of this quarterly report

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
NA	NA	NA	NA	N/A - No new CAI's have as of yet been connected as a result of the Broadband Technology Opportunity Program program, No existing CAI's have yet received improved service from the Broadband Technology Opportunity Program. This does not vary from the baseline.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

During the second quarter of 2011, the Iowa Communications Network will complete all engineering equipment inventory lists and begin ordering and receiving warehouse inventories. This includes network equipment from Brocade, Ciena, MLX and Rad. The ICN will also purchase and inventory consumables, define truck levels and the rolling-stock standard operating procedures.

During the quarter, fiber optic Indefeasible Right of Use (IRU) contracts will be negotiated and awarded for both new circuits and DS-3 conversions.

The team will also make recommendations, award purchase contracts and complete negotiations for Dense Wave Division Multiplexing (DWDM) equipment for the network core rings.

Other work completed during the quarter will be to develop and establish the customer notification process.

By the end of the quarter, all warehouse updates will be completed and the warehouse will be staffed. All signage and related documentation procedures will be finalized and implemented. The team will also establish an equipment return process.

Aggregation switch rack configuration planning will be completed in preparation for deployment.

Project management and planning will continue as engineering and technical resources are dedicated to the project.

New switching equipment deployment will begin in the southwest quadrant of Iowa and the deployment of the first DWDM equipment ring will begin.

Sub-recipients will have begun their Request For Proposal processes for attaining engineering assistance and construction bidding.

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	14	No expected variance from baseline.
2b.	Environmental Assessment	100	Completed in First quarter 2011
2c.	Network Design	100	The Iowa Communications Network is 100% complete on network design in
2d.	Rights of Way	0	The Lamoni to Leon fiber build was removed from the project. It is not anticipated that the Sub Recipients will begin work in the next quarter.
2e.	Construction Permits and Other Approvals	0	The Lamoni to Leon fiber build was removed from the project. It is not anticipated that the Sub Recipients will begin work in the next quarter.
2f.	Site Preparation	3	Varies from the infrastructure budget page due to inclusion of EA preparation expenditures to Fuberutilities Group being classified as Site Preparation costs on SF-424.
2g.	Equipment Procurement	15	It is expected that all equipment contracts will be awarded and the first equipment orders will be placed.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	It is now expected that IRU services will not be contracted until the 3rd quarter of 2011.
2i.	Equipment Deployment	10	It is expected that work will begin on deployment of the core electronics to the southwest quadrant of Iowa. Expenditures included with Site Preparation on SF-424
2j.	Network Testing	5	It is expected that a portion of the core equipment installed in the next quarter will have passed operational testing. Expenditures included with Site Preparation on SF-424
2k.	Other (please specify):	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).

No significant challenges or issues are 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	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$2,559,004	\$972,078	\$1,586,926	\$249,001	\$249,001	\$0	\$332,671	\$275,775	\$56,896
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,831,073	\$553,626	\$1,277,447	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$19,452,467	\$6,086,722	\$13,365,745	\$0	\$0	\$0	\$2,983,783	\$933,983	\$2,049,800
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$23,867,544	\$7,637,426	\$16,230,118	\$274,001	\$274,001	\$0	\$3,341,454	\$1,234,758	\$2,106,696
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$23,867,544	\$7,637,426	\$16,230,118	\$274,001	\$274,001	\$0	\$3,341,454	\$1,234,758	\$2,106,696

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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