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** NT10BIX5570090	**3. DUNS Number** 615928405

4. Recipient Organization

DCN, LLC 3901 Great Plains Dr South, Fargo, ND 58104-3916

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	**6. Is this the last Report of the Award Period?** ◯ Yes ◉ 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 Kayla Shafer KLJ Engineering	**7c. Telephone (area code, number and extension)** 7013558701
	7d. Email Address kayla.shafer@kljeng.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 05-24-2011

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

Preliminary design is finished with the final routing for environmental assessment (EA). 90% design complete for Bismarck and Mandan, ND sites. SRT sites designed and ready for bid. NCL sites designed and ready for bid. Final EA 90% complete, worked with Ft. Peck Tribe.

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	2	Behind schedule due to Environmental Assessment.
2b.	Environmental Assessment	90	Behind schedule due to TCNS comments and process.
2c.	Network Design	50	On Schedule
2d.	Rights of Way	30	On Schedule
2e.	Construction Permits and Other Approvals	30	On Schedule
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	15	Behind schedule, not an issue at this point.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	On Schedule
2i.	Equipment Deployment	0	Behind schedule, not an issue at this point.
2j.	Network Testing	0	On Schedule
2k.	Other (please specify):	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).

The project is moving forward and behind schedule with outside plant (cable) work due to extra work and delay in responding to TCNS comments. Preparing an ethnographic report for work outside previously disturbed areas for an entity in Montana. Reports are to be delivered week of May 2nd. This request will delay constructions a minimum of 30 days. Equipment procurement is not an issue as far as schedule since we need fiber cable to turn up at sites. (We have shifted this equipment schedule.)

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	On target, start development when EA is approved.
New network miles leased	0	N/A
Existing network miles upgraded	0	On target, start development when EA is approved.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	On target, start development when EA is approved.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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)	8

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
No wholesale providers.

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:
No wholesale services will be provided.

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).
DCN does not have a designated third party to operate the network.

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	On Schedule
	Providers with signed agreements receiving improved access	0	On Schedule
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	100	On Schedule. Note Speeds are 5 mbps, 10 mbps, 20 mbps, 50 mbps and 100 mbps
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	On Schedule
	Subscribers receiving new access	0	On Schedule
	Subscribers receiving improved access	0	On Schedule
	Please identify the speed tiers that are available and the number or subscribers for each	100	On Schedule. Note Speeds are 5 mbps, 10 mbps, 20 mbps, 50 mbps and 100 mbps

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	Entities passed	0	No Varriations
	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).

At this time no special offerings will be made.

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
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Finish environmental Assessment. Complete the design of the Bismarck and Mandan area and partner project which equals 60% of the project. Prepare to solicit pricing for cable placement, equipment and start equipment installation.

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	15	Behind schedule due to Environmental Assessment. Construction will shift to 2012 but finish before deadline
2b.	Environmental Assessment	100	On Schedule
2c.	Network Design	60	On Schedule
2d.	Rights of Way	30	Behind schedule due to Environmental Assessment. Construction will shift to 2012 but finish before deadline.
2e.	Construction Permits and Other Approvals	60	On Schedule
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	80	Behind schedule, not an issue at this time. Construction will shift to 2012 but finish before deadline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Behind schedule due to Environmental Assessment. Construction will shift to 2012 but finish before deadline.
2i.	Equipment Deployment	40	Behind schedule, not an issue at this time. Construction will shift to 2012 but finish before deadline.
2j.	Network Testing	0	On Schedule
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).

Working with TCNS comments. Did not receive them from NTIA until February 23rd. Need to work with entity requesting ethnographic reports to satisfy his concerns. (Fort Peck Tribes, Curly Youpee, Poplar, MT.) Due to limited construction season in ND, we will shift schedule but will finish before deadline.

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.

Cost Classification	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		
	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	$0	$0	$0	$0	$0	$0	$0	$0	$0
b. Land, structures, right-of-ways, appraisals, etc.	$355,687	$106,706	$248,981	$0	$0	$0	$106,706	$32,012	$74,694
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$627,682	$188,305	$439,377	$65,339	$19,602	$45,737	$376,609	$112,983	$263,626
e. Other architectural and engineering fees	$167,377	$50,213	$117,164	$56,421	$16,926	$39,495	$167,377	$50,213	$117,164
f. Project inspection fees	$941,506	$282,452	$659,054	$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	$9,860,644	$2,958,193	$6,902,451	$0	$0	$0	$0	$0	$0
j. Equipment	$3,448,757	$1,034,627	$2,414,130	$212,563	$63,769	$148,794	$2,759,005	$827,701	$1,931,304
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$15,401,653	$4,620,496	$10,781,157	$334,323	$100,297	$234,026	$3,409,697	$1,022,909	$2,386,788
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$15,401,653	$4,620,496	$10,781,157	$334,323	$100,297	$234,026	$3,409,697	$1,022,909	$2,386,788

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