

**U.S. DEPARTMENT OF COMMERCE**

**Performance Progress Report**

2. Award Or Grant Number  
26-50-M09035

4. Report Date (MM/DD/YYYY)  
10-12-2011

1. Recipient Name  
Connected Nation, Inc. - Michigan

6. Designated Entity On Behalf Of:  
Michigan

3. Street Address  
1020 College Street,

8. Final Report?  Yes  No  
9. Report Frequency  
 Quarterly  
 Semi Annual  
 Annual  
 Final

5. City, State, Zip Code  
Bowling Green, KY 42101-2137

7. Project / Grant Period  
Start Date: (MM/DD/YYYY)  
12-20-2009

7a. End Date: (MM/DD/YYYY)  
12-19-2014

7b. Reporting Period End Date:  
09-30-2011

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
0	0	0	0	0	0

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

Banyan OnLine Services, LLC.: In addition to multiple contact attempts made between June 4, 2010 and February 15, 2011, 7 additional attempts were made this period.

Bitwise Wireless, LLC: Seven contact attempts were made between May 24, 2011 and August 8, 2011 with no response.

Boardman River Communications, LLC: In addition to multiple contact attempts made between July 23, 2010 and February 15, 2011, 6 additional attempts were made this period.

Dreamscape Communications: Connect Michigan identified this company through a WISPA listserv e-mail and located an active website. In speaking with a company representative, Connect Michigan was able to confirm the provider as an active WISP; however, the representative communicated disinterest in participating.

DSTech: Four contact attempts were made between May 24, 2011 and July 29, 2011 with no response.

Global Crossing Telecommunications, Inc.: In addition to multiple contact attempts made between July 1, 2010 and February 17, 2011, 3 additional attempts were made this period.

Hi-Tech SMR Communications: Five contact attempts were made between May 24, 2011 and August 8, 2011.

Internet 123, Inc.: Six contact attempts were made between May 24, 2011 and August 9, 2011 with no response.

Lewiston Communications: In addition to multiple contact attempts made between July 1, 2010 and February 15, 2011, 6 additional attempts were made this period.

M3 Wireless: A company representative informed the project team M3 Wireless refuses participation.

M55 WiFi Wireless Internet Service: In addition to multiple contact attempts made between July 1, 2010 and February 15, 2011, 5 additional attempts were made this period.

For more details, please refer to the Q3 Supplemental Answers Document

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

No data has been collected through extraction or extrapolation.

10f. Please describe the verification activities you plan to implement

ESRI has deployed and is hosting the BroadbandStat (BBStat) web application. ESRI houses the customized application in their highly available, monitored, and managed environment. Their services include maintaining a staging environment for data verification and compatibility as well as a production environment for client access.

Consumer feedback in the form of broadband inquiries is also collected. These inquiries represent any type of communications 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 State Broadband Initiative (SBI). 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 Nation 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.

Within the Q2 2011 Performance Progress Report (PPR) Connected Nation proposed to target 8 additional companies in order to achieve a total field validation rate equal to or exceeding 47.70% before December 31, 2011. As of this report, Connected Nation has completed field validation on 57.14% of the provider universe.

10g. Have you initiated verification activities?  Yes  No

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

For this reporting period, 106 field verification tests were conducted on the following providers: 123 Net; 2125 Cable Company LLC; ACD Net; Ace Telephone Company of Michigan Inc.; Agri-Valley Communications Inc.; AIRGRANT; Allendale Telephone Company; Arialink; AT&T; Azulstar Inc.; Baraga Telephone; Barry County Telephone; Bloomingdale Communications Inc.; Boardman River Communications LLC; Broadstripe; Cable America Michigan LLC; Camp Communication Services Inc.; Carr Communications; Cassair Inc.; CenturyLink; Charter Communications; Cherry Capital Connection LLC; Clearwire Corporation; CMSInter.net LLC; COLI Inc.; Comcast Cable Communications LLC; Custom Software Inc.; D&P Communications Inc.; DMCI Broadband LLC; Drenthe Telephone Co.; FreedomNet Solutions; Frontier Communications Corporation; Hiawatha Telephone (d.b.a. Jamdots and Chippewa Valley Telephone); Hidden Lake Wireless Inc.; I-2000 Inc.; Interlink Computers Technology Inc.; Iron Bay Computer and Design; ISP Management; KEPS Technologies Inc.; Leap Wireless International Inc.; Lighthouse Computers; Merit Network; MetaLINK Technologies Inc.; Michigan Cable Partners; Michwave Technologies Inc.; Microtech Services Inc.; Mutual Data Services; NCATS; Nodin Communications; Ogden Communications Inc.; Parish Communications; Pasty.Net Inc.; Peninsula Fiber Network LLC; Peninsula Telephone Company; Pigeon Telephone; Reliable Internet; Sister Lakes Cable TV; Small Business Solutions Group (d.b.a. RuralReach.com); SpeedNet LLC; Sprint Nextel Corporation; T2 Communications LLC; Talk America Inc.; TC3Net; TDS Telecommunications Corporation; The ISERV Company; T-Mobile; Town & Country CATV; Tucker Communications Inc.; Upper Peninsula Telephone (d.b.a. LIPC and Alphacomm.net); Verizon North Inc.; Waldron Telephone Company; West Michigan Broadband; Winn Telephone Company; Wireless Technology Solutions; Wyandotte Municipal Services; and Xyotek. To date, 76 providers have been validated out of 133 viable providers.

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.

## Staffing

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

12.99

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 positions not currently staffed are related to Connect Michigan's new local and regional tech team activities that are only just beginning. The positions are expected to be filled during the fourth quarter 2011.

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

15.99

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	4	09/14/2009
Business Programmer Analyst	3	04/02/2007
CAI Coordinator	28	12/13/2004
CAI Data Analyst	11	03/24/2009
ETS Analyst	100	07/13/2009
ETS Analyst	10	08/24/2009
ETS Analyst	1	11/01/2007
ETS Manager	7	07/01/2007
ETS Sr. Analyst	1	02/18/2010
General Counsel	4	01/01/2007
GIS Analyst	32	11/16/2009
GIS Analyst	6	04/01/2010
GIS Analyst	1	10/19/2009
GIS Services Manager	5	05/15/2007
Outreach & Awareness Manager	8	03/24/2009
Outreach & Awareness Specialist	35	01/03/2010
Outreach & Awareness Specialist	12	02/02/2009
Outreach & Awareness Specialist	10	01/04/2010
Outreach & Awareness Specialist	7	10/01/2007
Outreach & Awareness Specialist	1	01/04/2010
Program Director	6	08/04/2008
Program Manager	100	07/05/2011
Project Coordinator	4	04/01/2005
Project Management Director	6	12/16/2009
Project Manager	73	01/01/2007
Project Manager	11	09/04/2007
Project Manager	8	09/01/2006
Project Manager	4	01/14/2008
Project Manager	1	03/16/2010
Provider Relations Manager	8	02/17/2005

Research & GIS Analyst	2	05/14/2007
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	91	02/16/2010
Research Analyst	90	02/16/2010
Research Analyst	13	02/01/2010
Research Analyst	3	03/22/2010
Research Analyst	2	06/01/2009
Research Manager	4	05/14/2007
State Services Manager	3	07/01/2007
State Services Specialist	38	03/24/2009

**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	143,175	0
Contract Labor	Contract Labor	N	Y	12/20/2009	12/19/2014	155,471	103,494

**Funding**

10p. How much Federal funding has been expended as of the end of the last quarter? \$1,534,407      10q. How much Remains? \$3,221,277

10r. How much matching funds have been expended as of the end of last quarter? \$359,319      10s. How much Remains? \$924,031

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	\$1,310,106	\$294,728	\$1,604,834	\$436,431	\$116,174	\$552,605
Personnel Fringe Benefits	\$281,015	\$155,208	\$436,223	\$85,818	\$62,337	\$148,155
Travel	\$239,258	\$0	\$239,258	\$80,361	\$93	\$80,454
Equipment	\$135,284	\$0	\$135,284	\$74,594	\$0	\$74,594
Materials / Supplies	\$25,363	\$0	\$25,363	\$21,950	\$0	\$21,950
Subcontracts Total	\$1,237,122	\$244,462	\$1,481,584	\$312,534	\$103,494	\$416,028
Subcontract #1	\$328,871	\$0	\$328,871	\$143,175	\$0	\$143,175

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Subcontract #2	\$850,664	\$244,462	\$1,095,126	\$155,471	\$103,494	\$258,965
Subcontract #3	\$18,904	\$0	\$18,904	\$5,430	\$0	\$5,430
Subcontract #4	\$38,683	\$0	\$38,683	\$8,458	\$0	\$8,458
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$147,242	\$433,967	\$581,209	\$17,976	\$26,352	\$44,328
Total Direct Costs	\$3,375,390	\$1,128,365	\$4,503,755	\$1,029,664	\$308,450	\$1,338,114
Total Indirect Costs	\$1,380,294	\$154,985	\$1,535,279	\$504,743	\$50,869	\$555,612
Total Costs	\$4,755,684	\$1,283,350	\$6,039,034	\$1,534,407	\$359,319	\$1,893,726
% Of Total	79	21	100	81	19	100

### Hardware / Software

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

10v. If yes, please list

Hardware/Software purchases for the project to date include the following:

- BroadbandStat-\$60,000
- Computers & Software-\$9,712
- GIS Software Maintenance-\$5,152
- Spectrum Analyzer-\$4,477
- Speed Test Software-\$4,081
- Google Earth Pro-\$266

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, interactive map upgrades/maintenance, ArchInfo/ 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

No data sets have been purchased or used for this project.

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

10aa. If yes, please list

\*Maintained the budget/finance cost model for project.

\*Updated and tracked project deliverables.

\*Maintained the Connect Michigan website, Facebook, Twitter, and blog in order to explain the program, provide updates on local broadband initiatives and success stories, process speed tests, and gather information from consumers and Community Anchor Institutions.

\*Maintained and performed audits on Michigan broadband data collection activity database.

\*Requested new data and updates from viable providers. The number of viable providers rose from 124 to 135.

\*Prepared Census 2010 datasets and processed broadband coverage coordinate data sets (updates and new requests) from the Michigan provider community and submitted the updates in accordance with the National Telecommunications and Information Administration semi-annual requirements.

\*Responded to various consumer inquiries received through the Geographic Information Systems e-mail addresses.

\*Performed field validation on various providers resulting in a validation rate of 56.30%.

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

Non-federal match amounts account for 19% of total grant expenditures. This percentage is slightly below the required 20% as a result

of a delay in initiating the local/regional broadband planning teams. Local/Regional planning teams could not be initiated because the appropriate staff and/or consultants were not yet in place. All staff and consultants will be in place by Q4 2011 and we expect to begin planning meetings in Q1 2012. Connect Michigan will monitor the match percentage closely and work with the Michigan Public Service Commission to identify and record any available in-kind resources.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project. Connect Michigan maps were used to further identify unserved and underserved areas and to expand service to unserved households. <http://www.connectmi.org/mapping/>

Also, During Q3 2011, Connect Michigan, working in close coordination with the Michigan Public Service Commission, continued gathering data on the location and broadband connectivity of Community Anchor Institutions (CAI), in accordance with the data requirements of the State Broadband Initiative (SBI) Notice of Funds Availability (NOFA) Technical Appendix. Efforts have been focused on conducting outreach and raising awareness of this important project through a statewide campaign.

The Michigan Department of Education provided an extensive contact list for all public schools within the state, and Connect Michigan distributed a customized CAI survey to this list. Follow-up will continue over the next reporting period to continue to collect data from this important CAI sector.

We continue to utilize our online survey and raise awareness of the importance of CAI broadband connectivity. Connect Michigan has an ongoing mission to educate CAI throughout the state on the importance of participating in the project.

Our education campaign has been heightened during Q3 with the release of a CAI newsletter which was targeted across all CAI sectors. This newsletter profiled an institution within the state, requested participation in our survey and shared key policy updates. The newsletter is available on the CAI page of the Connect Michigan website at the following link: [http://connectmi.org/mapping/Community\\_Anchor\\_Institution\\_Data\\_Collection.php](http://connectmi.org/mapping/Community_Anchor_Institution_Data_Collection.php)

## 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

Broadband Capacity Milestones Year 2 Quarter 3 per approved Project Plan:

- Connect Michigan Office Administration and Task Force support - Developed a quarterly report of the program for the Collaborative Broadband Committee. Continued to provide administrative project oversight and prepare bi-weekly reports for the Michigan Public Service Commission. Also scheduled meetings, attended stakeholder events, and documented stakeholder interactions.
- Conduct Year 2, Quarter 3 Task Force Meeting - The Q3 2011 Collaborative Broadband Committee Meeting was held on September 29, 2011 with 27 stakeholders in attendance.

Technical Assistance Milestones Year 2 Quarter 3 per approved Project Plan:

- Initiate 2011 statewide business survey research – The survey instrument was developed and the business survey was initiated.
- Analyze 2011 non-adopter oversample survey results - On behalf of the state of Michigan, Connected Nation (CN) conducted the 2011 non-adopter telephone surveys, incorporating recommendations received from state stakeholders and third-party consultants where appropriate. In Q3 2011 CN finished surveying respondents, began analyzing the results, and presented initial results to the Michigan Public Service Commission for review.
- Analyze 2011 statewide residential survey research results - On behalf of the state of Michigan, Connected Nation (CN) conducted the 2011 Residential Technology Assessment telephone surveys, incorporating recommendations received from state stakeholders and third-party consultants where appropriate. In Q3 2011 CN finished surveying respondents, began analyzing the results, and presented initial results to the Michigan Public Service Commission for review. and preparation for release in Q4.

For more details, please refer to the Q3 Supplemental Answers Document

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

Connected Nation has been working closely with the Michigan Public Service Commission to ensure that our work exceeds expectations. During Q3 2011, 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

No changes are anticipated.

## 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						
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 Nation conducted a survey that oversamples households that do not subscribe to broadband. This second survey was in addition to the previously scheduled residential survey. This updated and improved methodology will provide a greater level of analysis regarding barriers to technology adoption among different socioeconomic and demographic groups by surveying non-adopters in Michigan in a way similar to that conducted by the Federal Communications Commission (FCC) as part of the National Broadband Planning effort. This approach will help create a demographic and socioeconomic profile of the population of non-adopters in Michigan, which can then be applied at the local level of detail by area planning teams to assist in developing local adoption initiatives that will target the barriers that are unique to that area. In Q3 2011, CN surveyed 2,400 adult heads of households who do not subscribe to broadband across the state of Michigan and presented the initial results to state stakeholders.

- Additional activities are as follows:
- \*The Program Manager opened and oversaw the Lansing office.
  - \*Conducted a statewide Residential Assessment Study and a statewide Non-Adopter Study, processed results and released preliminary results for review by the Michigan Public Service Commission.
  - \*Planned and facilitated the second Collaborative Broadband Committee meeting in Lansing to provide members with an update on the program and provide an overview of the community engagement process (local regional planning). The meeting was attended by 27 stakeholders.
  - \*Developed the first update to the Michigan Strategic Planning Report and released it to the public on September 29.
  - \*Continued to reach out to multiple stakeholders about the program and to participate in stakeholder meetings.
  - \*Planned for the launch of the Community Engagement Program that will help communities define the local technology environment, assess technology needs and gaps, and develop community action plans.

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing  
  
 During Q3 2011, local/regional broadband team meetings were not initiated because the appropriate staff and/or consultants were not yet in place. All staff and consultants will be in place by Q4 2011 and we expect to begin planning meetings in Q1 2012.

11I. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

- **New Connect Michigan Program Manager**

Eric Frederick was named program manager for Connect Michigan and will lead the effort to increase broadband adoption and use throughout the state. [http://www.connectmi.org/press\\_release/?id=tag%3Ablogger.com%2C1999%3Ablog-5389139669611891589.post-7814941614818723638](http://www.connectmi.org/press_release/?id=tag%3Ablogger.com%2C1999%3Ablog-5389139669611891589.post-7814941614818723638)

- **Connect Michigan Released an Updated Broadband Planning Report**

Connect Michigan released an updated assessment of the broadband market in Michigan. Data collected and reflected in this update indicate much higher broadband availability in many Michigan counties, both at higher speed tiers and by certain platforms, than the data collected in the fall of 2010. [http://www.connectmi.org/research/broadband\\_planning\\_report.php](http://www.connectmi.org/research/broadband_planning_report.php)

- **Collaborative Broadband Committee**

Connect Michigan and the Michigan Public Service Commission facilitated the second meeting of the Michigan Collaborative Committee (CBC). The CBC is a group of representatives from K-12 education, higher education, broadband service providers, non-profits, tourism, business, agriculture, government, and other organizations that have an interest in improving Michigan's broadband availability and encouraging meaningful adoption.

For more details, please refer to the Q3 Supplemental Answers Document.



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)

10-28-2011