

## 12Q4\_Supplemental Answers\_Minnesota

Connected Nation, Inc

Grant Number 27-50-M09043

Reporting Period End Date 12-31-2012

### Data Collection Attachment

**2. Describe any additional project milestones that have been accomplished over this reporting period (exp: updates to state broadband maps and websites, map outreach activities).**

Connect Minnesota continues to maintain the interactive mapping web application, called My ConnectView. The application is housed in a highly available, monitored, and managed environment. New feedback features allow consumers to send comments directly to program Geographic Information Systems (GIS) staff; a screenshot of the user's current interactive map view is also attached to the feedback to provide additional details.

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) program. 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.

My ConnectView is publicly available on the Connect Minnesota website (<http://www.connectmn.org/interactive-map>). There were a total of 945 visits to My ConnectView between October 1, 2012, and December 31, 2012.

During this quarter, the project received a total of 3 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 4 for this quarter.

For this reporting period, 114 field verification tests were conducted. In some cases, field validation tests were completed on "then current" viable, qualifying providers that were subsequently acquired by another company or tests were completed on a viable, qualifying company that has since gone out of business. Accordingly, the following text will reflect certain deletions, additions and mergers that have occurred during this reporting period. Following

this section, any activity that has been identified under a merger and acquisition category will be called out independently.

To date, program staff have conducted on-site validation tests in Minnesota on the following providers: A Better Wireless NISP LLC; AccessMN; Ace Telephone Association; AirFiber; Airlink; Albany Mutual Telephone Association; Alliance Communications; Arrowhead Communications Corporation (also d.b.a. Hector Communications Corporation); Arrowhead Electric Cooperative Inc.; Arvig (d.b.a. diversiCOM); Arvig Communications Systems (d.b.a. East Ottertail Telephone and ACS Communications); AT&T; Barnesville Municipal Telephone; Benton Cooperative Telephone Company; Bevcomm (also d.b.a. Blue Earth Valley Telephone Company); Blue Sky Broadband; Bradco-WISP Inc.; Broadband Corp.; CenturyLink (formerly d.b.a. Qwest Corporation); Charter Communications; Chaska Net; Christensen Communications Company; CitEscape Communications; City of Detroit Lakes ; City of Windom (d.b.a. Windomnet); Clara City Telephone Company; Clear Choice; Clearwire Corporation; Comcast Cable Communications LLC; Cross Lake; CTC Telecom; Emily Cooperative Telephone Company; Enterpoint; Evertex Enterprises LLC; Farmers Mutual Telephone; Federated Telephone; Fibernet Monticello; Frontier Communications Corporation; FTTH Communications; Garden Valley Telephone Company; Gardonville Cooperative Telephone Association (also d.b.a. Wisper Wireless); Genesis Wireless; Granada Telephone Company; Halsted Telephone; Harmony Telephone Company; Hickory Tech Corporation (also d.b.a. IdeaOne); Info Link Wireless Inc.; Interstate Telecommunications Cooperative Inc.; Invisimax; JAB Wireless (formerly d.b.a. KeyOn Communications); Jaguar Communications; Johnson Telephone Company; Kassor and Manterville Telephone Company; Lake Area Wireless; Lakenet Communications; Lonsdale Telephone; Loretel Systems Inc.; Mabel Cooperative Telephone Company; Manchester Hartland Telephone; Mediacom; Midcontinent Communications (d.b.a. US Cable); Mille Lacs Electric Cooperative; Minnesota Valley Telephone Company; Minnesota Valley TV Improvement Corporation; Nate's Net; New Ulm Telecom Inc.; Nextera Communications; Northfield Wireless; Park Region Mutual Telephone (d.b.a. Otter Tail Telecom); Paul Bunyan Telephone; Pine Island Telephone Company; Polar Telcom Inc.; Radiolink Internet; Red River Rural Telephone Association; River Valley Telecommunications Cooperative; Rothsay Telephone; Scared Heart Telephone Company; SCI Cable; Scott Rice Telecommunications Cooperative; Sheehan Gas; Sioux Valley Wireless; Sleepy Eye Telephone Company; SMBS (Southwest Minnesota Broadband Services); Southern Cablevision; Spring Grove Cooperative Telephone Company; Sprint; Starpoint Communications Inc. (d.b.a. Netpoint); TDS Telecommunications Corporation; T-Mobile USA; TotheHome; U.S. Internet Corporation (d.b.a. USI Wireless); Upsala Cooperative Telephone Company; VAL-ED Joint Venture; Verizon Communications; Western Telephone Company; Wide Open West (formerly d.b.a. Knology of the Plains ); Windstream Communications (acquired Lakedale LINK); Winnebago Cooperative Telephone Association; Wolverton Telephone; Woodstock Telephone Company; and XtraTyme.

From program initiation through this reporting period, in-the-field validation testing has been completed against 101 companies (out of a universe of 129 viable providers) totaling 78.29 percent within the state of Minnesota.

Mergers, acquisitions, and divestitures identified during this time period include:

- Hector Communications Corporation ceased operations as of December 31, 2012.
- Arvig Communication Systems took control of Arrowhead Communications Corporation, Eagle Valley Telephone Company, Felton Telephone Company, and Loretel Systems, Inc.
- Blue Earth Valley Telephone Company (d.b.a. BEVCOMM) took control of Granada Telephone Company and Pine Island Telephone Company.
- New Ulm Telecom took control of Sleepy Eye Telephone Company

### **Capacity Building Attachment**

**2. Describe your progress meeting each major activity/milestone approved in the Project Plan for this project; any challenges or obstacles encountered and mitigation strategies you have employed; planned major activities for next quarter; and any additional project milestones or information.**

### **Year 3, Quarter 4 Capacity Building Milestones per Approved Project Plan:**

#### **Year 3 Quarter 4 Connect Minnesota Office Administration and Task Force Support**

This milestone was met. The program office in St. Paul is fully staffed and interacting with stakeholders, broadband providers, and other representatives in the state of Minnesota. Program staff continues to support the Minnesota Governor's Task Force on Broadband by serving as a reference point for all mapping and research related data and other reference material. Connect Minnesota data and research was widely cited in the Minnesota Annual Report and Broadband Plan, and use of Connect Minnesota data/resources was specifically included as a component of the task force's policy recommendation priority.

#### **Conduct Year 3, Quarter 4 Task Force Meetings**

This milestone was met. Program staff continues to support the activities of the Minnesota Broadband Task Force. The Minnesota Governor's Task Force on Broadband met three times during Q4 2012. The meeting in October took place in Minneapolis, MN and the other two meetings, held in November, were in Duluth, MN and Bloomington, MN. During the meetings topics of discussions ranged from determining the locations for future Task Force meetings, best practices currently administered in the state towards the goal of increasing broadband access and adoption through community outreach programs, and providers' service ranges increasing. Additional discussion occurred concerning the state of broadband in Minnesota, working in coordinated efforts with all levels of state and local government concerning issues of broadband, and the expansion of wireless broadband access in the state. Some of the takeaways from the fourth quarter's meetings were developing action plans for 2013 towards areas of focus on broadband issues and creating subgroups to work on the identified issues. Additional takeaways were the planned actions to be taken from the policy recommendations presented to the Governor in the year-end report which included eight specific broadband-focused policy recommendations.

### **Year 3 Annual Capacity Building Outcomes per Approved Project Plan:**

**The program coordinator will continue to support the Minnesota Broadband Task Force by scheduling, planning, and facilitating Task Force meetings at the TIES facility in St. Paul or via webinar. Activities include preparing meeting invitations, creating agendas, sending information packets for Task Force members, compiling meeting notes, and documenting Task Force recommendations and action items for the program and other broadband initiatives in Minnesota. The coordinator will also create an annual report and document program success from previous year. The coordinator will also create agendas, schedule meetings, attend other stakeholder events, and document stakeholder interactions.**

This milestone was met. The Governor's Task Force on Broadband met 12 times in 2012 and issued a year-end report that included eight specific broadband-focused policy recommendations. In addition to staffing these meetings, Connect Minnesota, in conjunction with the Minnesota Department of Commerce, drafted the report for task force review. Connect Minnesota data and research was widely cited in the report, and use of the program's data/resources was specifically included as a component of the task force's policy recommendation priority. The task force report with recommendations can be viewed on the Connect Minnesota website: [http://www.connectmn.org/sites/default/files/connected-nation/Minnesota/files/tfdecember\\_2012\\_report.pdf](http://www.connectmn.org/sites/default/files/connected-nation/Minnesota/files/tfdecember_2012_report.pdf)

**Connect Minnesota will continue to work in tandem with the Minnesota Department of Commerce and the Minnesota Broadband Advisory Task Force. It is projected that the Task Force will meet monthly to review program progress and offer recommendations for the program and other related programs. Task Force recommendations will be communicated with stakeholders via stakeholders meetings, Connect Minnesota website updates, blogs, press releases, reports, or as required by Task Force.**

This milestone was met. Connect Minnesota continues to provide support to both the Minnesota Department of Commerce and the Minnesota Broadband Task Force and has experienced success in further supporting efforts towards increased adoption, access and, use across the state of Minnesota. The Governor's Task Force on Broadband met 12 times during 2012. Program staff worked with Minnesota Department of Commerce representatives to draft and release three Task Force reports in 2012 including a year-end report that included eight specific broadband-focused policy recommendations. Among the eight recommendations was the proposed provision of a tax credit or grant to incent broadband providers to build in unserved areas by coordinating with Connect Minnesota to provide target areas that are underserved or unserved and provide priority for projects that will serve these target areas. This incentive would allow private providers to offset a portion of build-out costs to make build-out and service provision in unserved areas more cost effective and help the state move towards achieving its statutory broadband goals. Another proposal was to extend current sales tax exemption on equipment purchased for use in a central office to include the purchase of fiber optics and broadband equipment. Based on testimony from Task Force members, the savings captured by eligible providers thanks to this tax incentive would allow for increased investment in equipment that will deploy high-speed broadband to underserved or unserved areas of Minnesota. Additional proposals were made which are outlined in the "December 10,

2012 Annual Report and Broadband Plan” included as an attachment within the “12Q4\_Project Attachment\_Question 5\_Minnesota” document.

### **Technical Assistance Attachment**

**2. Describe your progress meeting each major activity/milestone approved in the Project Plan for this project; any challenges or obstacles encountered and mitigation strategies you have employed; planned major activities for next quarter; and any additional project milestones or information.**

### **Year 3, Quarter 4 Technical Assistance Milestones per Approved Project Plan:**

#### **Peer review of 2012 survey research completed**

This milestone was met. Dr. Jack Geller of the University of Minnesota, Crookston has agreed to be the program’s peer reviewer. Program staff executed a contract with him, and provided the 2012 residential survey initial results to Dr. Geller for review in Q4 2012. Recommendations from the peer reviewer are anticipated in Q1 2013.

#### **Execution of 2012 Connect Minnesota Annual Broadband Summit**

This milestone was met. Connect Minnesota and the Blandin Foundation jointly hosted the 2012 Broadband Conference. The annual conference facilitated discussions between national and local policy leaders providing an understanding as to how policy impacts communities and how the communities fit into the big picture. Program staff worked to raise awareness of the event via monthly newsletters, the program web site, and through the program manager’s interactions with stakeholders and public officials.

#### **Analyze 2012 residential survey research results**

This milestone was met. In Q4 2012, program research staff analyzed initial results from the 2012 residential survey and sent the survey instruments and results to Dr. Jack Geller of the University of Minnesota, Crookston who serves as the program’s peer reviewer. Following Dr. Geller’s review, the results will be shared with the state stakeholders, NTIA, and released publicly.

### **Outstanding Technical Assistance milestones (not met or partially met) from previous quarters:**

#### **Outstanding Milestone from Year 3, Quarter 3: Finalize and distribute statewide residential survey research results**

This milestone was not met. Approval from NTIA to initiate the 2012 residential survey was received in Q3 2012 and the survey was initiated in that quarter. As a result, subsequent milestones (analysis, finalization, and distribution) of the results were delayed. The survey results have been analyzed and are currently under peer review. Connect Minnesota anticipates finalizing and distributing the 2012 statewide residential survey results to state

stakeholders in Q1 2013. The project team submitted an amended project plan to NTIA, reflecting the adjusted timeline, in 2012.

**Outstanding Milestone from Year 3, Quarter 3: Upon approval from Minnesota stakeholders and NTIA, initiate 2012 statewide business survey research.**

This milestone was not met. As a result of the residential survey initiation rescheduling, the 2012 business survey has been delayed. An amended project plan that reflects the revised timeline was submitted for NTIA approval. Program research staff discussed the business survey script with the state partner in Q4 2012. Upon approval of the amended project plan, the business survey is anticipated to be initiated in Q1 2013.

**Year 3 Annual Technical Assistance Outcomes per Approved Project Plan:**

**Finalize and distribute 2011 statewide business survey research results. Incorporate stakeholder recommendations and create final report detailing results of 2011 business survey. Deliver in-person presentation of research results to the Task Force, Minnesota Department of Commerce, and other stakeholders. Announce the release of data via press release, website update, and meetings with stakeholders.**

This milestone was met. Connect Minnesota finalized the 2011 statewide business survey research results in Q2 2012. The results incorporated stakeholder recommendations and were provided to the Minnesota Department of Commerce, the Minnesota Governor's Task Force on Broadband, and other state stakeholders, as well as announced thru multiple media outlets.

**Develop research plan for years 3 through 5 through collaboration with the Minnesota Advisory Broadband Task Force and the Minnesota Department of Commerce. Primary corresponding activities include developing research plan and seeking NTIA approval for Years 3 through 5.**

This milestone was partially met in 2012. In collaboration with the Minnesota Governor's Task Force on Broadband and the Minnesota Department of Commerce, a revised research plan was developed and submitted for NTIA review and approval. Following NTIA approval of the amended project plan, Connect Minnesota will conduct business surveys in Q3 2013, residential surveys in Q1 2013 and Q1 2014, and a non-adopter oversample survey in Q2 2014. These survey instruments will be created with input from state stakeholders to ensure that each survey covers topics related to technology adoption and barriers to adoption among Minnesota residents and businesses that are of highest priority to the state stakeholders.

**Upon approval from Minnesota stakeholders and NTIA, initiate the 2012 statewide residential survey research and the 2012 statewide business surveys.**

This milestone was partially met. The 2012 statewide residential survey instrument was drafted, spreadsheets with census-defined quotas and weights for 2012 were created, respondent data was collected, and a data file with weighted results was created. The initial analysis of the survey results has been completed and submitted for peer review. The topic of the 2012 statewide business survey was discussed with state stakeholders; however, the survey

was not initiated. Pending approval of the revised project plan by NTIA, the business survey will be initiated in Q1 2013.

**After analysis and the review process that includes collaborating with the Minnesota Department of Commerce, the 2012 residential survey will be delivered in-person to the Task Force, Minnesota Department of Commerce, and other stakeholders. Also survey results will be announced via press release, website update, and meetings with stakeholders.**

This milestone was not met. Approval from NTIA to initiate the 2012 residential survey was received in Q3 2012 and the survey was initiated in that quarter. As a result, subsequent milestones (analysis, finalization, and distribution) of the results were delayed. The survey results have been analyzed and are currently under peer review. Connect Minnesota anticipates finalizing and distributing the 2012 statewide residential survey results to state stakeholders in Q1 2013. The project team submitted an amended project plan reflecting the adjusted timeline to NTIA.

**Facilitate Year 3 peer review of survey results and resulting analysis. Review peer recommendation and update program as required.**

This milestone was partially met in 2012. Dr. Jack Geller of the University of Minnesota, Crookston serves as the program's peer reviewer. Program staff executed a contract with him, and provided initial survey results to Dr. Geller in Q4 2012. Recommendations from the peer reviewer are anticipated in Q1 2013.

**Connect Minnesota, the Minnesota Advisory Broadband Task Force, Minnesota Department of Commerce and other local stakeholders will host a broadband summit. Activities included in the planning and execution of the summit include documenting broadband accomplishments, best practices and areas of need to highlight in summit, determining agenda, list of potential attendees and speakers and sending invitations. Activities also include executing summit production according to summit itinerary and maintaining checkpoints to ensure all aspects of summit are going as planned, performing outreach and capturing summit highlights and successes for release to the public via press releases, blogs, website updates or as required by stakeholders, and capturing notes, ideas, and recommendations from summit attendees to include in report to the Task Force and MDC.**

This milestone was met. Connect Minnesota and the Blandin Foundation jointly hosted the 2012 Broadband Conference. The annual conference facilitated discussions between national and local policy leaders providing an understanding as to how policy impacts communities and how the communities fit into the big picture.

**Technical Assistance Planned Major Activities for Next Quarter (Q1 2013):**

Finalize and distribute 2012 residential survey research result

Initiate 2013 business survey research

Initiate 2013 business survey peer review

Commence development of the economic development survey script

**4. Provide any other information that you think would be useful to NTIA as it assesses this project's progress.**

Connect Minnesota released a report titled "Broadband: How Satisfied Are Minnesotans With Their Service?" which examined the service satisfaction of broadband users across the state. The findings of the report revealed that 2.9 million Minnesota adults or 72% of the state's adult population subscribe to home broadband services and are generally very satisfied with their service. Only 4% of home broadband users reported an overall dissatisfaction with their service. This same sampled universe reported an 82% satisfaction level with their reliability of service and monthly price of their services least favorably, with 43% satisfaction. Additional survey questions concerning use of mobile devices and their satisfaction with their broadband service were asked to respondents revealing that 39% of the state's adult population used mobile devices representing 1.3 million residents and were generally very satisfied with their service. This group rated their mobile Internet's reliability of service most favorably with 64% satisfaction, and download speed least favorably, with 41% satisfaction. The complete report is included in the supporting document "12Q4\_Project Attachment\_Question 5\_Minnesota."