AWARD NUMBER: 05-43-B10591 DATE: 02/23/2011

	RESS REPORT FOR SUS	TAINABLE BROADBAND ADOPTION			
General Information					
1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Numb	er 3. DUNS Number			
Department of Commerce, National Telecommunications and Information Administration	05-43-B10591	801866984			
4. Recipient Organization					
Connect Arkansas, Inc. 200 S Commerce STE 400, I	Little Rock, AR 722011766				
5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this th	ne last Report of the Award Period?			
12-31-2010		⊖ Yes ● No			
7 Contification. Looptify to the bast of my knowledge on					
purposes set forth in the award documents.	d belief that this report is corre	ct and complete for performance of activities for the			
		ect and complete for performance of activities for the relephone (area code, number and extension)			
purposes set forth in the award documents.					
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AWARD NUMBER: 05-43-B10591 DATE: 02/23/2011

Project Indicators (This Quarter)

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

Connect Arkansas spent the majority of the 4th quarter drafting contracts for sub recipients and subcontractors to the SBA project. 2of the 6 contracts were signed within this quarter, in time for work to begin in the first quarter of 2011. Connect also worked to develop teaching curriculum for the technology training and entrepreneurship programs as well as creating documents to be used to insure compliance with NTIA regulations.

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 report, please insert them at the bottom of the table. 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 any other relevant information)
2.a.	Overall Project	3	The project is on schedule and has not varied from the baseline plan at all since inception.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below
2.c.	Awareness Campaigns	-	Progress reported in Question 4 below
2.d.	Outreach Activities	-	Progress reported in Question 4 below
2.e.	Training Programs	-	Progress reported in Question 4 below
2.f.	Other (please specify):	-	Progress reported in Question 4 below

3. 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).

Connect Arkansas experience some challenges regarding contract negotiations and sub-contractors wanting to change the scope of work, but we seem to have gotten those problems resolved and should have all contracts signed by the end of Quarter 1, 2011

4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.

Name of the SBA Activity	Location of SBA Activity	Description of Activity <mark>(600 words or less)</mark>	Size of Target Audience	Actual Number of Participants	New Subscribers: Households	New Subscribers: Businesses and/or CAIs
Creating outreach/ awareness materials	Little Rock, Ark.	We worked this quarter on creating/finalizing the materials we will use in the communities to promote outreach and awareness, including push cards to hand out during e-Community events, updated fact sheets about Connect, and new learning tools to help people in the communities understand what broadband is, how it works, and the benefits they will derive from it.	50,000	8	0	0
Statewide survey on broadband attitudes/ awareness	Little Rock/ statewide	Connect's update to our 2007 statewide survey on Arkansan's attitudes/ acceptance/knowledge of broadband was completed in Q1 and is now in the field. We will have results of the survey in the upcoming weeks, with the results to go public by February.	700	609	0	0
Completed RFP process for Connect Arkansas interactive website	Little Rock, Ark.	Connect staff completed the Request for Proposal process for the new Connect Arkansas interactive website. The committee has selected an Arkansas-based firm to develop the new site which is geared toward helping (1) "tell the Internet story" of Arkansans who want/need broadband and (2) helping Arkansans understand the value of broadband through dynamic applications they will find our site.	2,900,000	0	0	0
	Total:		2,950,700	617	0	0

RECIPIENT NAME: Connect Arkansas, Inc.

AWARD NUMBER: 05-43-B10591 DATE: 02/23/2011

4b. Please describe your method for determining the number of households, businesses, and/or (CAIs) subscribing to broadband as a result of your SBA programs (600 words or less).

In 2007, Connect Arkansas conducted its first statewide survey of broadband access and usage, and in 2009 the first GIS maps were released showing broadband coverage across the state. In 2010, Connect Arkansas has released new broadband coverage maps using the NTIA's mapping criteria. Additionally, Connect Arkansas is conducting an updated and more in-depth statewide survey of broadband access and use. Going forward from the 2010 survey results, Connect Arkansas proposes to conduct regular statewide surveys as well as updating GIS broadband coverage maps. Both efforts, over time, should demonstrate increasing broadband adoption rates as well as coverage.

4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).

A discrepancy between total number of new subscribers and the targets provided in the baseline plan does not exist at this time.

4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.

Households: 0

Businesses and CAIs : 0

Project Indicators (Next Quarter)

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

Connect Arkansas aims to have all contracts with sub recipients and subcontractors signed by all parties by mid February. Implementation plans and budgets will be drafted and approved by NTIA in order for the various parties involved to begin drawing on funds once available. Related SBA projects will be brought together and informed of their roles in order to ensure complete cooperation for a smooth launch of the programs.

2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned 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 any other relevant information)
2.a.	Overall Project	8	No variances exist at this time.
2.b.	Equipment Purchases	-	Milestone Data Not Required
2.c.	Awareness Campaigns	-	Milestone Data Not Required
2.d.	Outreach Activities	-	Milestone Data Not Required
2.e.	Training Programs	-	Milestone Data Not Required
2.f.	Other (please specify):	-	Milestone Data Not Required

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).

Connect Arkansas does not anticipate any major challenges during the first quarter of 2011.

AWARD NUMBER: 05-43-B10591 DATE: 02/23/2011

Sustainable Broadband Adoption Budget Execution Details

Activity Based Expenditures (Sustainable Broadband Adoption)

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. Personnel	\$912,413	\$456,207	\$456,206	\$27,773	\$13,887	\$13,887	\$32,000	\$16,000	\$16,000
b. Fringe Benefits	\$237,228	\$118,614	\$118,613	\$6,130	\$3,065	\$3,065	\$8,320	\$4,160	\$4,160
c. Travel	\$69,300	\$0	\$69,300	\$0	\$0	\$0	\$0	\$0	\$0
d. Equipment	\$104,000	\$0	\$104,000	\$0	\$0	\$0	\$104,000	\$0	\$104,000
e. Supplies	\$3,600	\$0	\$3,600	\$0	\$0	\$0	\$0	\$0	\$0
f. Contractual	\$1,529,171	\$393,944	\$1,135,225	\$0	\$0	\$0	\$99,575	\$58,140	\$41,435
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$1,592,384	\$10,000	\$1,582,384	\$9,497	\$125	\$9,372	\$50,750	\$750	\$50,000
i. Total Direct Charges (sum of a through h)	\$4,448,096	\$978,765	\$3,469,328	\$43,400	\$17,077	\$26,324	\$294,645	\$79,050	\$215,595
j. Indirect Charges	\$291,893	\$58,482	\$233,410	\$3,339	\$1,669	\$1,669	\$4,000	\$2,000	\$2,000
k. TOTALS (sum of i and j)	\$4,739,989	\$1,037,247	\$3,702,738	\$46,739	\$18,746	\$27,993	\$298,645	\$81,050	\$217,595

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