

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 400 E 14TH ST, Des Moines, IA 50319-9000

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 Mike Cruise	7c. Telephone (area code, number and extension) X
	7d. Email Address Mike.Cruise@iowa.gov

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-19-2012
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Project Indicators (This Quarter)

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

The ICN continues to add new circuits and site equipment and remains on schedule for completion by June 30, 2012. At the end of the third quarter of 2012, 829 site installations had been completed. Additionally, the Sac and Fox sub-recipient has installed approximately 19 miles of fiber and is nearing completion of its portion of the project. The Decorah sub-recipient has received fiber plant and will begin installation in October of 2012. As of September 30, 2012, the Iowa Communications Network has drawn down \$10.1 million of American Recovery and Reinvestment Act funds. The Iowa Communications Network expects to draw additional funds in the fourth quarter of calendar 2012.

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	67	Baseline shows 89%. Variance due to IRU deployment and payment taking longer than anticipated. IRUs cannot be paid under Iowa law until delivered, tested and accepted.
2b.	Environmental Assessment	100	EA FONSI received February 21, 2011, funds budgeted for EA were included in 424C Site preparation and 100% of budget expended.
2c.	Network Design	67	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Expenditures for this line time are classified in the Site Work category in the budget.
2d.	Rights of Way	0	Baseline represents expected completion of rights of way acquisition. No separate budget for Rights of Way, percent complete to be tied to Network build milestone percent complete. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2e.	Construction Permits and Other Approvals	0	Baseline represents expected completion of rights of way acquisition. No separate budget for Construction Permits etc., percent complete to be tied to Network build milestone percent complete. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2f.	Site Preparation	0	N/A. The Iowa Communications Network does not have activities that meet the definition of Site Preparation per the Baseline instructions. Breakout of Site Work from the Infrastructure Budget Execution Detail page are located in EA, Network Design and Equipment Deployment.
2g.	Equipment Procurement	95	Baseline shows 100%. Variance due to equipment purchase plans evolving as described in submitted AARs.
2h.	Network Build (all components - owned, leased, IRU, etc)	63	No variance from baseline.
2i.	Equipment Deployment	60	No variance from baseline.
2j.	Network Testing	40	No variance from baseline.
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 baseline report shows a total of 3,081 CAI's as part of the project. This does not reflect the number of CAI's included in the grant application or acceptance materials. An audit of the working CAI list showed there were 412 duplicate entries representing the difference between the 2,669 CAI's (sum of the original 2,617 plus the 52 CAI's added early in the project) and the erroneous 3,081. The duplicates have been removed and the appropriate numbers reported in this document.

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	19	Baseline shows 12. Variance due to underestimation in baseline report.
New network miles leased	58	Baseline shows 61. Variance due to slower than expected IRU deliveries.
Existing network miles upgraded	3,000	Baseline shows 2,699. Variance due to underestimation in baseline report.
Existing network miles leased	0	No variance from baseline.
Number of miles of new fiber (aerial or underground)	19	Only new fiber deployed is reported. Previous reports included new fiber miles leased and existing fiber miles upgraded.
Number of new wireless links	0	No variance from baseline.
Number of new towers	0	No variance from baseline.
Number of new and/or upgraded interconnection points	101	Baseline shows 65. The Iowa Communications Network is significantly ahead of the baseline in regard to the installation of interconnection points because these sites were required to be upgraded as part of the normal course of business operations. Customer requested product changes or enhancements mandated that the upgrade of this equipment be completed sooner than was anticipated when the baseline report was created. Since these sites were to eventually be upgraded through BTOP, these upgrades were completed using BTOP specifications rather than upgrading them now and then again several months later as part of BTOP. This situation has resulted in this portion of the program being greatly ahead of schedule.

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

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

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). N/A

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	No variance from baseline.
Community Anchor Institutions (including Government institutions)	Total subscribers served	2,460	Variance from baseline due to error in baseline value. Figure represents 93% of total CAIs (2,642). This was the same as the reported figure for the 2nd quarter. Even though new subscribers were added in the quarter it was offset by the number of duplicates found that have subsequently been removed.
	Subscribers receiving new access	636	Variance from baseline due to error in baseline value. Figure represents 88% of total new access CAIs (721). This is a drop from the 724 reported in the 2nd quarter PPR as duplicate CAI's were previously listed and have been subsequently removed.
	Subscribers receiving improved access	1,824	Variance from baseline due to error in baseline value. Figure represents 94% of total improved access CAIs (1,950) in grant application or added by approved AAR. This is a drop from the 1,947 reported in the 2nd quarter PPR as duplicate CAI's were previously listed and have been subsequently removed.
	Please identify the speed tiers that are available and the number of subscribers for each	0	End users have access to various network services with speeds up to 100 Mbs.
Residential / Households	Entities passed	0	No variance from baseline.
	Total subscribers served	0	No variance from baseline.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline.
Businesses	Entities passed	0	No variance from baseline.
	Total subscribers served	0	No variance from baseline.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline.

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

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	See separate attachment.

Project Indicators (Next Quarter)

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

During the fourth quarter of calendar 2012, the Iowa Communications Network anticipates completing physical installations in approximately 220 additional locations. This process will continue until project completion. The Sac and Fox sub-recipient will complete its portion of the project. The Decorah sub-recipient anticipates completing fiber installation by the end of the quarter. The Iowa Communications Network anticipates that approximately 25 miles of fiber will be installed by the end of the quarter. As all 3,000 planned fiber network mile upgrades have been completed for the project, no additional miles will be upgraded. At the end of the fourth quarter, approximately 2,500 community anchor institutions will receive new or improved service as part of the project.

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	78	Baseline shows 95%. Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures.
2b.	Environmental Assessment	100	No variance from baseline.
2c.	Network Design	85	Baseline shows 100%. Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Expenditures for Network Design included on Site work line of Infrastructure Budget Execution Details and 424C. Engineering resources are fully in place.
2d.	Rights of Way	0	No separate budget for Rights of Way, percent complete to be tied to Network build milestone percent complete. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2e.	Construction Permits and Other Approvals	0	No separate budget for construction permits, milestone percent complete tied to Network build. Construction being done on sub-recipient owned property, not subject to approval by outside governing bodies.
2f.	Site Preparation	0	The ICN does not have activities that meet the definition of Site Preparation per the Baseline instructions. Breakout of Site Work from the Infrastructure Budget Execution Detail page are located in EA, Network Design and Equipment Deployment.
2g.	Equipment Procurement	99	Baseline shows 100%. Variance from baseline is due to the amount of consumables yet to be purchased.
2h.	Network Build (all components - owned, leased, IRU, etc.)	75	No variance from baseline.
2i.	Equipment Deployment	72	No variance from baseline.
2j.	Network Testing	60	No variance from baseline.
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).

The rate of leased circuit delivery from vendors has been at a rate that, if continued, will result in fewer installations completed than anticipated. Vendors have assured the ICN, however, that deliveries will ramp up during the fourth quarter.

