

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570069	<b>3. DUNS Number</b>  943058925
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<b>4. Recipient Organization</b>  Iowa Communications Network Camp Dodge Bldg, W-4, Johnston, IA 50131-9000
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2011	<b>6. Is this the last Report of the Award Period?</b>  <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.**

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Kevin Heinzeroth  Iowa Communications Network	<b>7c. Telephone (area code, number and extension)</b>  5157254732
	<b>7d. Email Address</b>  Kevin.Heinzeroth@iowa.gov

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-20-2011
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 During the quarter all engineering quantities of equipment and consumables were finalized and orders for the network core, aggregation and edge equipment were made as well as the completion of warehouse configuration, rolling inventory processes, labeling and signage plans and replaced equipment return processes. Installation of equipment was made at several customer sites to verify the project plan processes and to help prepare for the ramp up of installs in the next quarter. Also contracts for over 340 new fiber optic leases in the form of Indefeasible Right of Use contracts were completed and the final special award condition regarding the overlap of federally funded projects was satisfied. Finally, the Iowa Communications Network received approval from the National Telecommunications and Information Administration for changes to its plan including the removal from the project of a fiber build in Decatur County Iowa that resulted in the removal of six community anchor institutions from the overall project plan which was approved by the Grants Office. During the quarter an introduction letter was sent to 466 customers being directly affected by the Broadband Technology Opportunities Program project implementation to inform them of the project highlights, which included benefits and expected time line of the project. Rack cards have been designed and will be distributed at the Iowa State Fair, upcoming conferences, and available to the field technicians to pass out. In addition, a press release was sent in June to 248 newspapers within Iowa summarizing the progress of the project to-date and about the recent National Telecommunications and Information Administration site visit. Since invoices for equipment have not been received from vendors as of June 30, 2011 the Iowa Communications Network has not yet committed any American Recovery and Reinvestment Act funds.

**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	Baseline shows 14. Variance from the baseline due to the delay in approval of the FONSI and the need to have approval from the Iowa Legislature to exceed our contractual spending cap for this project. With Approval of the FONSI in February and approval from the Legislature early in the 2nd quarter, equipment contracts are being finalized and equipment ordered early in the current quarter.
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	0	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Though the end of this quarter, no grant matching or Federal grant dollars were expended for Network Design.
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	NA; 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	1	Baseline shows 100%. In the projections for this quarter it was expected that the FONSI approval would be forth coming in the first part of the quarter as would approval from the Iowa Legislature to exceed the codified contract limit for the term of this project. The FONSI was not received until February 21, and the Legislative approval did not occur until near the end of the current quarter. No contracts could be awarded or equipment ordered until both events had occurred.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Baseline report shows 15. Variance is due to sub-recipients still in the planning and network design phase. IRU contracts still being negotiated or services not yet turned up by end of the quarter.
2i.	Equipment Deployment	0	No federal or ICN matching funds yet expended on equipment deployment.
2j.	Network Testing	0	No specific budget line for network testing. No federal or ICN matching funds yet expended on equipment deployment.
2k.	Other (please specify):	0	NA

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).

Challenges faced by during the quarter revolve around vendors. Resolving differences between the baseline plan and what vendors are willing to agree to has resulted in the variances noted above. At this point, the majority of these issues have been resolved but have resulted in delays to the overall project. The ICN expects the project to be 67% complete within two years and 100% complete in three years from award.

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	No variance from baseline. The Decatur Country build was removed from project and baseline.
New network miles leased	0	No variance from baseline
Existing network miles upgraded	210	Baseline shows 456. Reduced number due to delayed start resulting from vendor issues for IRU's needed to upgrade services to CAI's but funded outside of BTOP.
Existing network miles leased	0	No variance from baseline
Number of miles of new fiber (aerial or underground)	210	Baseline shows 472. Reduced number due to delayed start resulting from vendor issues for IRU's needed to upgrade services to CAI's but funded outside of BTOP.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	41	The Iowa Communication 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 enhanced through the BTOP program, these upgrades were completed using BTOP specifications rather than enhancing them now and then again upgrading several months later as part of the BTOP program. 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:  
NA

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:  
NA

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 third party operates (600 words or less).  
NA for this reporting period

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	301	Baseline shows 772. Variance due to delayed start resulting from vendor issues. ICN expects to catch up in Qtr 3 of 2011 through DWDM network deployment.
	Subscribers receiving new access	37	Baseline shows 87. Variance due to delayed start resulting from vendor issues for IRU's needed to upgrade services to CAI's but funded outside of BTOP. ICN expects to catch up in Quarter 3 of 2011 through new equipment deployment
	Subscribers receiving improved access	266	Baseline shows 685. Variance due to delayed start resulting from vendor issues for IRU's needed to upgrade services to CAI's but funded outside of BTOP. ICN expects to catch up in Quarter 3 of 2011 through DWDM network deployment.
	Please identify the speed tiers that are available and the number or subscribers for each	0	End users have access to various network services with speeds up to100Mbs. Offering does not include speed tiers.
Residential / Households	Entities passed	0	No variance from baseline.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).**

No special offerings are anticipated as of this quarterly report

**8a. Have your network management practices changed over the last quarter?**  Yes  No

**8b. If so, please describe the changes (300 words or less).**

NA -Network management practices have not changed from previous practices as of this quarterly report

**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
NA	NA	NA	NA	See Separate Attachement

**Project Indicators (Next Quarter)**

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

During the next quarter the Iowa Communications Network will complete installation of a complete Dense Wave Division Multiplexing (DWDM) ring. This upgrade will improve service and add functionality to hundreds of community anchor institutions. Additionally, equipment installations in the northwest quadrant of Iowa will be started. The ICN will work closely with IRU vendors to establish new fiber optics connectivity at existing and new locations. An email survey will be conducted as a means to both communicate to and receive information from customers regarding their needs and what they should expect. The ICN will be reaching out to customers and interested parties at the Iowa State Fair in August. Also during the quarter new engineers and field technicians will be added to the project staff in order to ramp up for deployment operations. Sub-recipients in Decorah and on the Meskwaki Settlement will continue with engineering and network planning making progress in anticipation of construction beginning at the start of the calendar year.

**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.	<b>Overall Project</b>	8	Variance due to Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Delays in drawing funds due to administrative and waiting for vendor invoicing.
2b.	<b>Environmental Assessment</b>	100	No variance from baseline
2c.	<b>Network Design</b>	3	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. It is expected that engineering resources will be fully in place by mid quarter.
2d.	<b>Rights of Way</b>	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.	<b>Construction Permits and Other Approvals</b>	0	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.	<b>Site Preparation</b>	0	NA 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.	<b>Equipment Procurement</b>	13	Baseline shows 100. In the projections for this quarter it was expected that the approval from the Iowa Legislature to exceed the codified contract limit for the term of this project would be forth coming during the first part of the previous quarter. Legislative approval did not occur until near the end of the previous quarter. No contracts could be awarded or equipment ordered until this had occurred. This has delayed equipment procurement. Equipment procurement expected to pick up in the next quarter with the installation of the DWDM equipment to be completed around the first week of December. Invoicing of DWDM equipment will not occur until after each ring is installed per contract with vendor, this will result in % complete reporting to be behind baseline until the end of the fourth quarter 2011 and possibly into the 1st quarter of 2012, depending on how quickly we are invoiced by the vendor. DWDM equipment makes up 56% of all equipment purchases. Purchasing of edge equipment continues.
2h.	<b>Network Build (all components - owned, leased, IRU, etc.)</b>	3	Baseline report shows 15. Variance is due to sub-recipients still in the planning and network design phase. Sub-recipient Decorah expects to have construction RFP issued beginning of 4th quarter with construction to begin in 4th quarter of calendar year 2011. Payments for 15 year IRU's to begin this quarter as contracts are signed and we begin to turn up services.
2i.	<b>Equipment Deployment</b>	3	Variance from baseline due to baseline milestones being calculated on actual work done vs. expenditures. Expenditures for Equipment Deployment included on Site work line of Infrastructure Budget Execution Details and 424C. ARRA Contract amendment expected to be signed with current network maintenance provider as well as contract for independent installers to be put into place.
2j.	<b>Network Testing</b>	3	No specific budget line for network testing. Milestone completion to be tied to site equipment deployment milestone.
2k.	<b>Other (please specify):</b>	0	NA

**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).**

No significant challenges or issues are anticipated.

**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.

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. Administrative and legal expenses	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$2,559,004	\$972,078	\$1,586,926	\$249,001	\$249,001	\$0	\$323,401	\$274,780	\$48,621
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,831,073	\$553,626	\$1,277,447	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$19,452,467	\$6,086,722	\$13,365,745	\$162,121	\$162,121	\$0	\$1,498,638	\$469,103	\$1,029,535
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$23,867,544</b>	<b>\$7,637,426</b>	<b>\$16,230,118</b>	<b>\$436,122</b>	<b>\$436,122</b>	<b>\$0</b>	<b>\$1,847,039</b>	<b>\$768,883</b>	<b>\$1,078,156</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$23,867,544</b>	<b>\$7,637,426</b>	<b>\$16,230,118</b>	<b>\$436,122</b>	<b>\$436,122</b>	<b>\$0</b>	<b>\$1,847,039</b>	<b>\$768,883</b>	<b>\$1,078,156</b>

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
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