

**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>  NT10BIX5570084	<b>3. DUNS Number</b>  836204271
<b>4. Recipient Organization</b>  Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Stephanie Young	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  YoungSJ@ihs.org	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-07-2012	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 During this quarter, Iowa Health System (IHS)/Broadband, Inc. (BBI) released 2 Request For Proposals (RFP) to procure installation kits/materials and Routers, received proposals from bidders and selected the vendor upon board approval. IHS committed its match for the purchase of the routers. IHS obtained its FONSI in February and proceeded with finalizing the permits for the hut locations. By end of this quarter we received 3 permits (Ames, Ottumwa, and Waterloo), 2 permits (Mason City and Cedar Rapids) pending a licensed contractor, 2 permits (Iowa City and Marshalltown) pending payments submitted, and 2 permits (Davenport and Clinton) pending executed land leasing agreements. Additionally, the Engineering Start Up Support Services for the middle mile extensions continued to work review proposed middle mile extensions. One customer agreement was executed for transport services and connection was through a collocation, so no further Section 106 review was required under the Programmatic Agreement for the 1st Middle Mile Extension Customer. IHS continues to engage the customers on its prospect list, moving them into the pipeline for negotiations. The negotiations for the IRU are underway once the IHS received its FONSI, however was not finalized this quarter. Outside Plant (OSP) and Inside Plant (ISP) design for the 9 hut locations are in process and it has been identified that four hut laterals will be outside the proposed route that our EA covered for Iowa City, Waterloo, Marshalltown, and Davenport. During this quarter, IHS is gathering the required mapping and documentation to submit a route modification to NTIA. IHS/BBI submitted a budget modification to reallocate the unallowable purchase of spare equipment and first year support services. These line items were reallocated to include the anticipated legal expenses and additional Environmental Assessment work that may need to be completed under the Programmatic Agreement for the Middle Mile Extensions.

**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	61	IHS is Under the 83% completion target anticipated for this quarter. Current activities underway are the OSP and ISP engineering for the 9 hut locations, ROWs, and EA activities. The router procurement was completed and IHS/BBI committed its a portion of its cash match.
2b.	Environmental Assessment	52	IHS/BBI obtained its FONSI in February 2012. However, IHS/BBI encountered reroutes for the citites of Iowa City, Marshalltown, Davenport, and Waterloo due to either pole replacements of newly passed city ordinances. IHS/BBI anticipates to submit the reroute modification to NTIA during Q2 2012 for further direction.
2c.	Network Design	75	OSP Engineering for the fiber laterals to the 9 hut locations are underway and ISP engineering is almost complete as well, with the expectation to be completed during Q4 2012 (Oct-Dec). IHS/BBI is slightly behind the 85% milestone due to the unknown location of Middle Mile Extensions.
2d.	Rights of Way	25	Rights of Way activities are underway and IHS anticipates that the Right of Way work will be completed through Phase 2, hut installation, during Q2 2012 (Apr-Jun).
2e.	Construction Permits and Other Approvals	45	IHS/BBI anticipates the permitting for the 9 hut locations will be finalized during Q2 2012.
2f.	Site Preparation	0	IHS anticipates the site preparation to begin Q2 2012.
2g.	Equipment Procurement	72	IHS/BBI exceeds the baseline for procuring equipment. Ethernet Switches adn Installation Kits are anticipated to be procured during Q2 2012 (Apr-Jun).
2h.	Network Build (all components - owned, leased, IRU, etc)	0	The negotiations for the IRU are underway and will be finalized in Q2 2012 (Apr-Jun)
2i.	Equipment Deployment	0	No variance from the baseline report. IHS/BBI anticipates Equipment Deployment to begin in Q2 2012 (Apr-Jun).
2j.	Network Testing	0	No variance from the baseline report. IHS/BBI anticipates Network Testing to begin in Q2 2012.
2k.	Other (please specify):	0	No variance from the baseline report.

**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).**

IHS/BBI faces the challenge of finalizing the Middle Mile Extension routes that are dependent on finalizing the interconnection agreements with Last Mile Providers.

**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	This variance from the baseline is due to the delay of receiving a FONSI.
New network miles leased	0	IHS/BBI is currently finalizing the IRU negotiations and anticipates finalizing altogether during Q2 2012 (Apr-Jun)
Existing network miles upgraded	0	This variance from the baseline is due to the delay in receiving a FONSI.
Existing network miles leased	0	No variance from baseline report.
Number of miles of new fiber (aerial or underground)	0	This variance from the baseline is due to the delay in receiving a FONSI.
Number of new wireless links	0	No variance from the baseline report.
Number of new towers	0	No variance from the baseline report.
Number of new and/or upgraded interconnection points	0	This variance from the baseline is due to the delay in receiving a FONSI.

**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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	5
Average term of signed agreements (in quarters)	20

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:**

Cedar Falls Utilities

**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:**

See attachment.

**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).**

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	Cedar Falls Utilities did not receive new access this qtr. IHS/BBI anticipate that Cedar Falls Utilities will receive new access starting in Q2 2012.
	Providers with signed agreements receiving improved access	0	No variance from baseline report.
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline report.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report.
	Total subscribers served	0	No variance from baseline report.
	Subscribers receiving new access	0	No variance from baseline report.
Community Anchor Institutions (including Government institutions)	Subscribers receiving improved access	0	No variance from baseline report.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report.
	Entities passed	0	N/A
Residential / Households	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
	Entities passed	0	N/A
Businesses	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
	Entities passed	0	N/A

7. Please describe any special offerings you may provide (600 words or less).  
 No special offerings are anticipates during this qtr.

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	N/A

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 IHS/BBI anticipates installing the 9 hut locations pending fiber lateral installation upon review of the reroute modification. IHS/BBI anticipate staging the equipment in the huts, finalizing the IRU with Long Lines, and executing customer agreements with at least 3 more customers. During the next quarter, there will not be any new subscribers served because the construction activities for the 9 huts and laterals will not begin until Q2 2012 (Apr-Jun)and the lateral construction is dependent on what the next steps will be for the reroute modifications. IHS/BBI does not anticipate providing any upgraded access to CAIs by end of next quarter, however, IHS/BBI still anticipates that 162 CAI subscribers will be connected and receiving improved access starting in Q4 2012 (Oct-Dec). IHS anticipates that it will exceed the 67% project completion by the end of Q2 2012 (Apr-Jun) and will be on track for 100% project completion by end of Q2 2013 (Apr-Jun). IHS/BBI anticipates that it will deploy 16 new network miles during Q3 2012 (Jul-Sept) and 0 new network miles during Q2 2012 (Apr-Jun). IHS/BBI anticipates that it will have 4 signed agreements by the end of Q2 (Apr-Jun).

**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	71	IHS/BBI anticipates installing the 9 hut locations pending fiber lateral installation upon review of the reroute modification. IHS/BBI anticipate staging the equipment in the huts, finalizing the IRU with Long Lines, and executing customer agreements with at least 3 more customers.
2b.	Environmental Assessment	65	IHS/BBI anticipates that the OSP and ISP engineering will be completed allowing the construction RFQs to be released and a vendor selected to start construction for the 9 hut locations and laterals that have not changed. IHS/BBI anticipates that at least 3 more agreements will be executed and Middle Mile Extensions will be engineered to move forward complying with the Programmatic Agreement.
2c.	Network Design	90	IHS/BBI anticipates that during the next quarter the OSP engineering will be complete for the 9 hut locations and started for the middle mile extensions.
2d.	Rights of Way	50	IHS/BBI anticipates that during the next quarter the ROW will be complete for the 9 hut locations and started for the middle mile extensions.
2e.	Construction Permits and Other Approvals	60	IHS/BBI anticipates that during the next quarter the construction permits will be complete for the 9 hut locations, underway for the hut laterals, and started for the middle mile extensions.
2f.	Site Preparation	50	IHS/BBI anticipates that during the next quarter the site preparation will be complete for the 9 hut location, underway for the hut laterals, and started for the middle mile extensions.
2g.	Equipment Procurement	80	IHS/BBI anticipates that the equipment procurement for the Ethernet Switches and Installation Kits will be underway.
2h.	Network Build (all components - owned, leased, IRU, etc.)	40	IHS/BBI anticipates the IRU negotiations will be finalized and the fiber lateral builds will begin.
2i.	Equipment Deployment	30	IHS/BBI anticipates that the equipment deployment will be underway and equipment installation will be started for the 9 hut locations.
2j.	Network Testing	0	No variance from the baseline report. IHS/BBI anticipates that the Network Testing will begin during Q3 2012 (Jul-Aug).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify):	0	No variance from the baseline report.

**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).**  
 IHS/BBI will continue to face the challenge of reroute modifications that will need to be finalized prior to construction activities for the middle mile extensions.

**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	\$85,800	\$0	\$85,800	\$46,025	\$0	\$46,025	\$65,000	\$0	\$65,000
b. Land, structures, right-of-ways, appraisals, etc.	\$1,146,600	\$0	\$1,146,600	\$251,451	\$0	\$251,451	\$600,000	\$0	\$600,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,908,015	\$0	\$2,908,015	\$1,552,074	\$0	\$1,552,074	\$1,950,000	\$0	\$1,950,000
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	\$502,600	\$0	\$502,600	\$0	\$0	\$0	\$100,000	\$0	\$100,000
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$3,071,873	\$0	\$3,071,873	\$0	\$0	\$0	\$100,000	\$0	\$100,000
j. Equipment	\$16,226,313	\$9,355,655	\$6,870,658	\$12,977,831	\$8,154,254	\$4,823,577	\$14,255,655	\$9,355,655	\$4,900,000
k. Miscellaneous	\$161,084	\$0	\$161,084	\$9,071	\$0	\$9,071	\$25,000	\$0	\$25,000
<b>l. SUBTOTAL (add a through k)</b>	\$24,102,285	\$9,355,655	\$14,746,630	\$14,836,452	\$8,154,254	\$6,682,198	\$17,095,655	\$9,355,655	\$7,740,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$24,102,285	\$9,355,655	\$14,746,630	\$14,836,452	\$8,154,254	\$6,682,198	\$17,095,655	\$9,355,655	\$7,740,000

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