

**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
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<b>4. Recipient Organization</b>  Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2012	<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>  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>  08-10-2012
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**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 3 Requests For Proposals (RFP). One RFP for site prep construction, one RFP for lateral construction activities, and one RFP for the Ethernet Switches. Delivery coordination is underway for the generators and huts to be placed at each of the nine locations. IHS received proposals from bidders and selected vendors for the site and lateral construction. The Long Lines IRU was finalized and executed which will close the western ring. Outside Plant (OSP) and Inside Plant (ISP) design for the 9 hut locations has been completed and most of the permits have been obtained. IHS will complete all permitting for the 9 hut locations in the beginning of Q3 2012. Since OSP engineering has been completed it was identified that four hut laterals will be outside the proposed route that our EA covered for Iowa City, Waterloo, Marshalltown, and Davenport and a pole replacement will be necessary in the City of Ottumwa. The EHP Pre-Screening Checklist and supporting documentation for the five route modifications was submitted to NTIA for approval before submitting to the Iowa State Historic Preservation Office for final concurrence. All land lease agreements have been executed.

During this quarter, BBI executed four capacity agreements totaling five capacity agreements with last mile providers to date. IHS continues to engage the customers on its prospect list, moving them into the sales pipeline for negotiations.

**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	69	IHS is slightly behind target due to the route modifications requiring EA approval prior to construction, equipment cost savings, and middle mile extension fiber builds are pushed back due to signing customers. Another variance from baseline is due to the unanticipated time frame to obtain the permitting and land leases for the 9 hut locations.
2b.	Environmental Assessment	70	IHS encountered fiber re-routes during Q1 2012 and has submitted the required documentation during Q2 2012 in anticipation of approval from NTIA and the Iowa SHPO. IHS anticipates approval from NTIA and SHPO concurrence to move forward with construction activities for the re-routes during Q3 2012. IHS anticipates more EA activities associated with the middle mile extension during Q3 2012.
2c.	Network Design	85	Outside Plan and Inside Plant engineering has been completed for the 9 hut and lateral locations. IHS continues to work on obtaining last mile customers to migrate them onto the network.
2d.	Rights of Way	50	Variance from baseline due to the unanticipated time frame to obtain permitting and land leases for the 9 hut locations. Rights of Way activities are almost completed for hut Installation and are underway for the Middle Mile Extensions. IHS anticipates ROW completion for the hut laterals in Q3 2012 and continued ROW for middle mile extensions through Q1 2013.
2e.	Construction Permits and Other Approvals	70	IHS has obtained all construction permits and most additional approvals for the 9 hut and lateral locations. IHS anticipates finalizing all additional approvals in Q3 2012 and continuing to obtain approvals for the middle mile extensions through Q1 2013.
2f.	Site Preparation	0	Variance from baseline due to the unanticipated timeframe to obtain permitting and land leases for the 9 hut locations. IHS finalized agreements with two site prep vendors and they are projected to complete all site prep activities in Q3 2013.
2g.	Equipment Procurement	90	IHS continues to move forward procuring equipment necessary to deploy to the proposed upgraded capacity. IHS selected an Ethernet Switch vendor and will procure ethernet switches as last mile customers are signed.

	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)	40	Variance from baseline due to the unanticipated time frame to obtain permitting and land leases for the 9 hut locations. IHS finalized the IRU with Long Lines to lease 99 miles of fiber to complete the western ring. IHS anticipates completing the 9 hut fiber laterals by end of Q3 2012 and starting the middle mile extension for three customers during Q3 2012
2i.	Equipment Deployment	20	IHS has deployed equipment to 8 site locations during Q1 2012. IHS anticipates deploying all equipment to bring up the main ring by Q4 2012 during Q3 2012 and into Q4 2012.
2j.	Network Testing	0	No variance from baseline. Network testing anticipated to start Q3 2012
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).

IHS faces the challenges of the route modifications and the turnaround time for approval due to pole replacements and new city ordinances. IHS also faces the challenge of finalizing the Middle Mile Extension routes that are dependent on finalizing capacity 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 route modifications for the hut laterals due to unexpected circumstances. IHS anticipates completing the hut laterals by end of Q3 2012.
New network miles leased	99	On target
Existing network miles upgraded	0	This variance from the baseline of 357.5 miles is due to the route modifications for the hut laterals. IHS anticipates completing the hut laterals by end of Q3 2012 and will finalize the upgraded 357.5 miles in Q4 2013 once equipment is deployed and activated.
Existing network miles leased	0	NA
Number of miles of new fiber (aerial or underground)	0	This variance from the baseline is due to the route modifications for the hut laterals due to unexpected circumstances. IHS anticipates completing the hut laterals by end of Q3 2012.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	This variance of 30 interconnection points from the baseline is due to the route modifications for the hut laterals. IHS anticipates completing the hut laterals by end of Q3 2012 and will upgrade 30 interconnection points by end of Q3 2012

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	5

Indicators	
<b>Number of agreements currently being negotiated with broadband wholesalers or last mile providers</b>	3
<b>Average term of signed agreements (in quarters)</b>	20
<b>5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:</b> Cedar Falls Utilities US Secure Hosting Center Bellevue Municipal Utilities Mahaska Communications Group Osage Municipal Utilities	
<b>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:</b> See Attachment	
<b>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).</b> 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)
<b>Broadband Wholesalers or Last Mile Providers</b>	Providers with signed agreements receiving new access	1	Variance from baseline due to the longer than expected negotiation time frames and dependency on IHS' ring bring ups that have been pushed back due to EA modifications. Cedar Falls Utilities started receiving new access this quarter and there were not any construction activities required to build fiber
	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.
<b>Community Anchor Institutions (including Government institutions)</b>	Total subscribers served	0	Variance from baseline due to the longer than expected negotiation time frames and dependency on IHS' ring bring ups that have been pushed back due to EA modifications.
	Subscribers receiving new access	0	No variance from baseline report.
	Subscribers receiving improved access	0	No variance from baseline report.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance from baseline report.
<b>Residential / Households</b>	Entities passed	0	NA
	Total subscribers served	0	NA

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Businesses	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA

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

No special offering are anticipated 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).**

NA

**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	NA

**Project Indicators (Next Quarter)**

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

IHS anticipates completing the 8 of the 9 hut installations by the 1st week of August in Q3 2012 if the route modifications are approved. IHS anticipates obtaining approval for 3 middle mile extension routes and will begin to move forward with construction activities to ensure 3 middle mile extensions are completed by end of Q4 2012. IHS does not anticipate any new subscribers served until Q4 2012 due to the time frame it has taken to obtain EA approvals. IHS has exceeded the 67% project completion by the end of Q2 2012 and will be on track for 100% project completion by end of Q2 2013. IHS anticipates that it will deploy 16 new network miles during Q3 2012. IHS anticipates that it will have 3 more signed agreements by the end of Q3 2012.

**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)

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	<b>Overall Project</b>	77	IHS anticipates completing the 9 hut and lateral installations dependent up on EA approvals. Staging and deploying equipment will be under way and moving towards bringing up the main ring by end of Q4 2012. IHS anticipates executing customer agreements will at least 3 more customers.
2b.	<b>Environmental Assessment</b>	80	IHS anticipates that the middle mile extension route modifications will be approved in Q3 2012 allowing IHS to start constructing fiber to our newly signed customers. Therefore, the only environmental assessment left will be for the newly signed customers in Q3 2012, Q4 2012, and Q1 2012.
2c.	<b>Network Design</b>	90	No variance from baseline report.
2d.	<b>Rights of Way</b>	60	IHS anticipates the ROW will be completed for the 9 hut locations and started for the middle mile extensions.
2e.	<b>Construction Permits and Other Approvals</b>	70	IHS anticipates the construction permits and other approvals will be finalized early in Q3 2012 for the 9 hut locations and underway for the middle mile extensions.
2f.	<b>Site Preparation</b>	50	IHS anticipates the site prep will be completed early in Q3 2012 and under way for the middle mile extensions pending EA approval.
2g.	<b>Equipment Procurement</b>	90	IHS anticipates the ethernet switches for the three last mile providers will be completed during Q3 2012 and the installation kits will continually be ordered as we start deploying equipment.
2h.	<b>Network Build (all components - owned, leased, IRU, etc.)</b>	80	IHS anticipates the 9 hut laterals will be completed and the 3 middle mile extensions under way.
2i.	<b>Equipment Deployment</b>	30	IHS anticipates that the equipment deployment will be underway and equipment installation completed for the 9 hut locations.
2j.	<b>Network Testing</b>	30	IHS anticipates network testing will be started for the main ring.
2k.	<b>Other (please specify):</b>	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 continues 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	\$60,612	\$0	\$60,612	\$70,000	\$0	\$70,000
b. Land, structures, right-of-ways, appraisals, etc.	\$1,146,600	\$0	\$1,146,600	\$531,525	\$0	\$531,525	\$800,000	\$0	\$800,000
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	\$1,846,345	\$0	\$1,846,345	\$2,000,000	\$0	\$2,000,000
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	\$145,322	\$0	\$145,322	\$745,322	\$0	\$745,322
j. Equipment	\$16,226,313	\$9,355,655	\$6,870,658	\$14,096,789	\$8,154,254	\$5,942,535	\$14,754,254	\$8,154,254	\$6,600,000
k. Miscellaneous	\$161,084	\$0	\$161,084	\$20,185	\$0	\$20,185	\$45,000	\$0	\$45,000
<b>l. SUBTOTAL (add a through k)</b>	\$24,102,285	\$9,355,655	\$14,746,630	\$16,700,778	\$8,154,254	\$8,546,524	\$18,514,576	\$8,154,254	\$10,360,322
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	\$16,700,778	\$8,154,254	\$8,546,524	\$18,514,576	\$8,154,254	\$10,360,322

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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