

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 NT10BIX5570084	3. DUNS Number 836204271
4. Recipient Organization Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No	
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 Stephanie Young	7c. Telephone (area code, number and extension) X	
	7d. Email Address YoungSJ@ihs.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-08-2011	

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) identified the need to only construct 9 huts (Ames, Cedar Rapids, Clinton, Davenport, Iowa City, Marshalltown, Mason City, Ottumwa, and Waterloo) vs. the 14 huts because of the opportunity to collocate in pre-existing huts in the other 5 locations (Sioux City, Moorehead, Dubuque, West Des Moines, and Muscatine). This opportunity will reduce the ground disturbance for the project. IHS has obtained signed Options to Lease for the 9 hut locations and has almost completed the Section 106 Cultural Resource Surveys on the 9 hut locations and corresponding fiber laterals. Because IHS did not include the 44 sites in Iowa and the 21 sites outside of Iowa that will receive only equipment installation with no ground disturbance in the project description for SHPO, IHS is revising the project description and maps in order to re-initiate IHS' project with SHPO. IHS has received a "No Objection" response from US Fish and Wildlife for the 9 hut locations and is pending the "No Objection" response for the middle mile extensions. IHS/BBI is identifying the best opportunity for an IRU through potential fiber vendors near the Blencoe location. Currently there have been discussions with NIPCO and Longlines. IHS is also seeking another quote from a vendor, not yet identified, to negotiate an IRU to adhere to our procurement policies. IHS posted an RFP for the Start Up Support Services, OSP Engineering Services, and the DWDM Equipment for 30 days on the IHS BTOP Website. During this quarter an OSP Engineering vendor (G4S) is selected and the Start Up Support services and DWDM Equipment RFPs are still posted on the BTOP Website until October 7th. OSP preliminary design is started on the Main, North, West, and South rings and pending G4S' final OSP design.

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	4	IHS is currently on target with the baseline report. IHS identified the hut locations for the Main, North, West, and South Rings. OSP Design for the Main, North, West, and South Rings is started and in process. ISP Design for the North, West, South, East Long Haul, West Long Haul, and Central Rings is in process. The negotiations for the IRU are underway and pending finalization on receiving a FONSI. USFWS consultation, SHPO consultation, and Tribal consultations are underway.
2b.	Environmental Assessment	45	IHS EA/Section 106 for the 9 hut locations and corresponding fiber laterals are near completion. IHS received a "no objection" response from USFWS for the 9 hut locations and corresponding fiber lateral. the middle mile extension fiber routes are still under consultation with USFWS.
2c.	Network Design	70	The ISP statewide network design is in process for North, West, East Long Haul, West Long Haul and the Central Ring. The OSP Design is in process for the Main, North, West, and South Ring. The OSP Engineering Vendor has been selected and working through the Master Service Agreement to finalize the OSP design.
2d.	Rights of Way	0	No variance from the baseline report.
2e.	Construction Permits and Other Approvals	0	No variance from the baseline report.
2f.	Site Preparation	0	No variance from the baseline report.
2g.	Equipment Procurement	0	No variance from the baseline report.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance from the baseline report.
2i.	Equipment Deployment	0	No variance from the baseline report.
2j.	Network Testing	0	No variance from the baseline report.
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).
 During this quarter IHS did not provide the appropriate project modification description to the Iowa SHPO. Because the project modification was approved in June, IHS moved forward quickly with our land acquisition for the hut locations. During this quarter, IHS

identified the need to only build 9 huts vs. the 14 huts in the modified project. IHS viewed the reduction in huts as favorable to eliminate additional EA work and cost that would not be needed. IHS had the opportunity to collocate in 5 pre-existing huts located in the same cities. IHS communicated to NTIA the reduction in huts, however, did not update a project description for the environmental team to review. The requested information is being updated during this quarter.

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 the Baseline Report.
New network miles leased	0	No variance from the Baseline Report.
Existing network miles upgraded	0	No variance from the Baseline Report.
Existing network miles leased	0	No variance from the Baseline Report.
Number of miles of new fiber (aerial or underground)	0	No variance from the Baseline Report.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No variance from the Baseline Report.

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 for this reporting period

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 for this reporting period

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 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 the Baseline Report.
	Providers with signed agreements receiving improved access	0	No variance from the Baseline Report.
	Providers with signed agreements receiving access to dark fiber	0	No variance from the Baseline Report.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from the Baseline Report.
	Total subscribers served	0	No variance from the Baseline Report.
	Subscribers receiving new access	0	No variance from the Baseline Report.
	Subscribers receiving improved access	0	No variance from the Baseline Report.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from the Baseline Report.
	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A

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

No special offerings are anticipated as of this quarter.

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

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

Network management practices have not changed from previous practices.

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 anticipates that during the next quarter a Programmatic Agreement will be negotiated and the FONSI signed. The Start Up Support Services Vendor Kick-Off meeting will be scheduled and a middle mile extension interconnection plan in place. IHS will procure the DWDM equipment in December. OSP Engineering for the fiber laterals will be completed and ISP Engineering will be completed as well. The IRU negotiations will be completed. IHS anticipates the land permitting will be underway during this quarter as well.

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	60	IHS anticipates that during the next quarter a Programmatic Agreement will be negotiated and the FONSI signed. The Start Up Support Services Vendor Kick-Off meeting will be scheduled and a middle mile extension interconnection plan in place. IHS will procure the DWDM equipment in December. OSP Engineering for the fiber laterals will be completed and ISP Engineering will be completed as well. The IRU negotiations will be completed. IHS anticipates the land permitting will be underway during this quarter as well.
2b.	Environmental Assessment	50	IHS anticipates that during the next quarter a Programmatic Agreement will be negotiated and the FONSI signed.
2c.	Network Design	75	OSP Engineering for the fiber laterals will be completed and ISP Engineering will be completed as well.
2d.	Rights of Way	0	IHS anticipates that the Right of Way work will start Quarter 3, Year 2 (Jan-Mar 2012).
2e.	Construction Permits and Other Approvals	40	IHS anticipates the permitting for the 9 hut locations will be in process and near completion.
2f.	Site Preparation	0	IHS anticipates the site preparation to being Quarter 3, Year 2 (Jan-Mar 2012)
2g.	Equipment Procurement	25	IHS anticipates procuring preliminary returnable equipment that can be stored prior to obtaining a FONSI.
2h.	Network Build (all components - owned, leased, IRU, etc.)	3	IHS anticipates finalizing the IRU in Quarter 2, Year 2 (Oct-Dec 2011)
2i.	Equipment Deployment	0	IHS anticipates the equipment installation to be in-process Quarter 3, Year 2 (Jan-Mar 2012).
2j.	Network Testing	0	IHS anticipates that equipment will begin being tested during Quarter 3, Year 2 (Jan-Mar 2012).
2k.	Other (please specify):	0	No variance from 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 will still face the challenge of obtaining a signed FONSI. IHS is currently in very limited timeframe for receiving a signed FONSI, so any unforeseen variables or miscommunications will jeopardize the FONSI from being obtained. Additionally, we are procuring equipment to drawdown BTOP funds and expedite the project in preparation for construction and deployment of the network. IHS continues to work within time constraints, however, has been meeting our milestones to ensure we are on track.

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$1,146,600	\$0	\$1,146,600	\$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	\$2,140,825	\$0	\$2,140,825	\$954,886	\$0	\$954,886	\$1,368,407	\$0	\$1,368,407
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	\$0	\$0	\$0
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	\$0	\$0	\$0
j. Equipment	\$17,079,303	\$9,355,655	\$7,723,648	\$0	\$0	\$0	\$13,091,137	\$6,871,848	\$6,219,289
k. Miscellaneous	\$161,084	\$0	\$161,084	\$2,835	\$0	\$2,835	\$14,085	\$0	\$14,084
l. SUBTOTAL (add a through k)	\$24,102,285	\$9,355,655	\$14,746,630	\$957,721	\$0	\$957,721	\$14,473,629	\$6,871,848	\$7,601,780
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$24,102,285	\$9,355,655	\$14,746,630	\$957,721	\$0	\$957,721	\$14,473,629	\$6,871,848	\$7,601,780

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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