

**U.S. DEPARTMENT OF COMMERCE**

**Performance Progress Report**

2. Award Or Grant Number  
26-50-M09035

4. Report Date (MM/DD/YYYY)  
09-13-2010

1. Recipient Name  
Connected Nation, Inc. - Michigan

6. Designated Entity On Behalf Of:  
Michigan

3. Street Address  
1020 College Street,

8. Final Report?

Yes  
 No

9. Report Frequency

Quarterly  
 Semi Annual  
 Annual  
 Final

5. City, State, Zip Code  
Bowling Green, KY 42101-2137

7. Project / Grant Period  
Start Date: (MM/DD/YYYY)  
12-20-2009

7a. End Date: (MM/DD/YYYY)  
12-19-2014

8. Reporting Period End Date:  
(MM/DD/YYYY)  
09-30-2010

9a. If Other, please describe:  
N/A

**10. Broadband Mapping**

10a. Provider Table

Number of Providers Identified	Number of Providers Contacted	Number of Agreements Reached for Data Sharing	Number of Partial Data Sets Received	Number of Complete Data Sets	Number of Data Sets Verified
126	126	87	3	109	109

10b. Are you submitting the required PROVIDER DATA by using the Excel spreadsheet provided by the SBDD grants office?  Yes  No

10c. Have you encountered challenges with any providers that indicate they may refuse to participate in this project?  Yes  No

10d. If so, describe the discussions to date with each of these providers and the current status

M3 Wireless: On December 31, 2009 the mapping agent left a voicemail and emailed the NDA and data request form. The same occurred on January 22, 2010 and February 19, 2010. On March 11 the mapping agent spoke with a representative from the provider company but was directed to leave a voicemail for another contact. The email (including NDA and data request form) was submitted to the new provider point-of-contact. The mapping agent then contacted the provider again on March 30. The representative from the provider company indicated that they were generally disappointed in the BIP/BTOP process and they would not participate in the state mapping program. An email was sent on July 1 notifying the provider of the upcoming mapping update deadlines and on July 14 the mapping agent spoke with the provider and discussed the interactive mapping website. On July 28 the mapping agent spoke with the provider once again and was informed that the provider liked the interactive map but felt that the program was a waste of money and that they did not want to participate.

Kentucky Data Link, Inc.: Company representative replied back to an email outreach effort by provider relations representatives on July 22, 2010 stating that they are "electing not to contribute at this time." As this company has recently been bought by another provider, all efforts will be made to ensure that this information is collected as part of the new owner's data.

Wide Open West Michigan LLC: January 22 - provider emails "I have spoken with [name withheld] and we wish not to provide this information." Reiterated March 11 and August 10.

10e. If you are collecting data through other means (e.g. data extraction, extrapolation, etc), please describe your progress to date and the relevant activities to be undertaken in the future

We have not collected any data through extraction programs.

10f. Please describe the verification activities you plan to implement

ESRI is deploying and hosting Connected Nation's BroadbandStat (BBStat) web application. ESRI will house the customized BBStat application in their highly-available, monitored and managed environment. The scope of services includes setting up a staging environment for data verification and compatibility as well as a production environment for client access.

Connected Nation also collects consumer feedback in the form of broadband inquiries. These inquiries represent any type of communication received from the public regarding broadband service. Once broadband inquiries are received across the state, this information is overlaid with the broadband availability information which was collected through the SBDD program. This allows for a real-world comparison of the broadband landscape to the information received from broadband inquiries. Broadband inquiries are able to provide three types of information: 1) residents who do not have broadband but want it; 2) residents who have broadband but want a different provider; and 3) residents who do not have broadband, but the broadband inventory maps indicate that they do. If residents within a region state that they are without broadband, but the broadband inventory maps show otherwise, this allows Connected Nation to approach the providers within that area in an effort to trim down their coverage to more accurately represent real-world availability on the ground.

Before December 31, 2010 Connected Nation will target an additional 4 randomly selected companies in order to achieve a total field validation rate equal to or exceeding 23%.

10g. Have you initiated verification activities?  Yes  No

10h. If yes, please describe the status of your activities

BroadbandStat is publicly available on the Connect Michigan website and received a total of 1,414 visits between July 1, 2010 and September 30, 2010.

During this quarter, the Connect Michigan project has received a total of 555 broadband inquiries. Additional information received through e-mail from consumers that can also be used for verification purposes totaled 31 for this quarter.

The Connected Nation team focused a portion of their time on certain validation processes such as (a) conducting random spectrum analysis studies throughout the state; (b) identifying pre-selected vertical assets and cross-referencing provider submitted data against the Federal Communications Commission databases such as Antenna Structure Registration and/or the Universal Licensing System; (c) validating site information against data collection such as the physical coordinates (in DMS NAD83 format) using a handheld Garmin eTrex Summit GPS unit; and (d) locating physical wire-line attributes (such as remote terminals, CATV plant, etc.). On-site meetings with the Michigan Cable Telecommunications Association, Michigan Department of IT, Telecommunications Association of Michigan, and the Michigan Public Service Commission were held; Connected Nation personnel testified before the House Telecommunications & Energy Subcommittee, the Senate Energy Policy, and Public Utilities Committee, and served as a guest speaker at PoliTech, Compulse2010, and other trade association venues.

Site validation visits occurred in Ann Arbor, Lansing, Whitmore Lake, Sylvan Township, and Jackson as well as other randomly selected locations which resulted in validation activities for 26 companies representing a completion and validation rate of 20.63% of the broadband provider universe within the state.

10i. If verification activities have not been initiated please provide a projected time line for beginning and completing such activities

N/A

## Staffing

10j. How many jobs have been created or retained as a result of this project?

4.14

10k. Is the project currently fully staffed?  Yes  No

10l. If no, please explain how any lack of staffing may impact the project's time line and when the project will be fully staffed

N/A

10m. When fully staffed, how many full-time equivalent (FTE) jobs do you expect to create or retain as a result of this project?

4.14. Please note that we use functional job titles and these titles may be staffed by multiple individuals. Their hire dates vary so for the purposes of uploading a complete report, we have used a hire date of 1/1/2010 to signify various hire dates.

10n. Staffing Table

Job Title	FTE %	Date of Hire
Associate Counsel	2	01/01/2010
Business Programmer Analyst	1	01/01/2010
CAI Data Analyst	7	01/01/2010
CAI Data Manager	4	01/01/2010
ETS Analyst	75	01/01/2010
ETS Manager	4	01/01/2010
General Counsel	5	01/01/2010
GIS Analyst	39	01/01/2010
GIS Intern	6	01/01/2010
GIS Services Manager	4	01/01/2010
Outreach & Awareness Manager	4	01/01/2010
Outreach & Awareness Specialist	18	01/01/2010
Project Coordinator	4	01/01/2010
Project Management Director	2	01/01/2010
Project Manager	42	01/01/2010
Provider Relations Manager	7	01/01/2010
Provider Relations Specialist	8	01/01/2010
Research & GIS Analyst	3	01/01/2010
Research Analyst	100	01/01/2010
Research Analyst	14	01/01/2010
Research Manager	3	01/01/2010
State Services Manager	3	01/01/2010
State Services Specialist	58	01/01/2010
State Services Sr. Specialist	1	01/01/2010

**Sub Contracts**

10o. Subcontracts Table

Name of Subcontractor	Purpose of Subcontract	RFP Issued (Y/N)	Contract Executed (Y/N)	Start Date	End Date	Federal Funds	In-Kind Funds
Throughbred Research Group	Research Surveys	Y	Y	02/09/2010	02/08/2012	\$87,350	\$0
						Add Row	Remove Row

### Funding

10p. How much Federal funding has been expended as of the end of the last quarter? \$582,986      10q. How much Remains? \$4,172,698  
 10r. How much matching funds have been expended as of the end of last quarter? \$204,708      10s. How much Remains? \$1,078,642  
 10t. Budget Worksheet

Mapping Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	\$1,310,106	\$294,728	\$1,604,834	\$122,076	\$48,996	\$171,072
Personnel Fringe Benefits	\$281,015	\$155,208	\$436,223	\$31,983	\$26,234	\$58,217
Travel	\$239,258	\$0	\$239,258	\$20,674	\$93	\$20,767
Equipment	\$135,284	\$0	\$135,284	\$65,152	\$0	\$65,152
Materials / Supplies	\$25,363	\$0	\$25,363	\$14,172	\$0	\$14,172
Subcontracts Total	\$1,237,122	\$244,462	\$1,481,584	\$171,636	\$74,829	\$246,465
Subcontract #1	\$157,109	\$0	\$157,109	\$44,875	\$0	\$44,875
Subcontract #2	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #3	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #4	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$147,242	\$433,967	\$581,209	\$2,706	\$3,687	\$6,393
Total Direct Costs	\$3,375,390	\$1,128,365	\$4,503,755	\$428,399	\$153,839	\$582,238
Total Indirect Costs	\$1,380,294	\$154,985	\$1,535,279	\$154,587	\$50,869	\$205,456
Total Costs	\$4,755,684	\$1,283,350	\$6,039,034	\$582,986	\$204,708	\$787,694
% Of Total	79	21	100	74	26	100

## Hardware / Software

10u. Has the project team purchased the software / hardware described in the application?  Yes  No

10v. If yes, please list

Hardware/software purchases for the project to date include the following:

BroadbandStat

ESRI ArchInfo/ArcGIS Software

ESRI Software Maintenance

Computers

Ookla Net Metrics Speed Test Software

Spectrum Analyzer

10w. Please note any software / hardware that has yet to be purchased and explain why it has not been purchased

Remaining purchases may include SQL server for mapping geodatabase, SQL server software, multiple dedicated storage servers, security application, additional backup replication solution, computers, GPS units BroadbandStat maintenance, ESRI ArchInfo/ArcGIS maintenance, and speed test updates as well as computers and software maintenance.

10x. Has the project team purchased or used any data sets?  Yes  No

10y. If yes, please list

N/A

10z. Are there any additional project milestones or information that has not been included?  Yes  No

10aa. If yes, please list

Maintained the budget/finance cost model for Connect Michigan.

\* Updated the work breakdown structure and tracked project deliverables.

\* Maintained the Connect Michigan website in order to explain the program, process speed tests, and gather information from the consumer's and community anchor institutions.

\* Maintained a broadband data collection activity and a broadband update database.

\* Requested and processed broadband coverage coordinate data sets (updates) from provider community and successfully submitted NTIA data refresh that was due on October 1. Of the 99 participating providers, 21 supplied an update to their network or coverage area(s), while 55 have reported no change.

\* Conducted a statistically significant telephone survey of 801 Michigan businesses, to offer as a comparison against the provider-validated statewide broadband inventory.

\* Developed and submitted the State Broadband Data and Development Grant Amended and Supplemental Application due to the NTIA on July 1. Connect Michigan received approval on the Connect Michigan SBDD Amended and Supplemental Grant Program on September 27, 2010.

\* Performed field validation activities in Ann Arbor, Lansing, Whitmore Lake, Sylvan Township, and Jackson, as well as other randomly selected locations, resulting in validation activities for 19 companies representing a completion and validation rate of 19.84% of the broadband provider universe within the state.

\* Presented at the Telecommunications Association of Michigan's ComPulse Conference on the Connect Michigan Program and BroadbandStat application.

\* Identified and processed a list of community anchor institutions (CAI) through a combination of datasets including publicly available and privately held datasets from online sources. A total of 99.9% Michigan CAI were identified, addressed, and geocoded.

Coordinated with the Michigan Public Service Commission to distribute the CAI surveys to institutions across Michigan

10bb. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing  
Provider participation is voluntary. If response is not received from the provider, no assumptions will be made for the data.

Risk Mitigation Strategy: Connect Michigan will continue with a thorough outreach program that includes national partnership engagement to drive local participation among incumbent providers, industry association outreach, WISP and independent provider contact, and personal and phone contact. All outreach efforts are tracked in QuickBase.

10cc. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

September 27, 2010 Connect Michigan received notice of a grant award extending SBDD mapping and planning activities an additional three years. The project plan is being revised to include these new activities. Details of the new plan will be reported in the fourth quarter.

## 11. Broadband Planning

11a. Please describe progress made against all goals, objectives, and milestones detailed in the approved Project Plan. Be sure to include a description of each major activity / milestone that you plan to complete and your current status

On behalf of the state of Michigan (MI), Connected Nation (CN) is working with subcontractors to collect and analyze demand-side data through statistical telephone surveys. The surveys collect data on broadband and computer use and barriers to use among

residents by demographic and businesses by size and industry sector. CN provided an initial overview of the residential survey results to the state in Q2, 2010, with a more comprehensive report scheduled for Q4, 2010. In addition, CN designed the 2010 MI business survey, which was conducted by Thoroughbred Research in Q2-Q3, 2010. Analysis of this data commenced in Q3, 2010, and results are scheduled to be released in Q4, 2010. Updates to the residential and business surveys are scheduled to occur in Q1, 2011 and Q3, 2011, respectively.

This data was analyzed along with supply-side broadband data gathered through the MI SBDD mapping grant. The primary tool for this ongoing analysis is BroadbandStat, an interactive, web-based GIS application that offers location-based consumer feedback on the accuracy of the map, as well as an interactive tool for data analysis, planning, and decision-making.

Connect Michigan, in coordination with the Michigan Public Service Commission, will complete an initial planning report for the state during Q4, 2010. This report will serve as a preliminary assessment of broadband infrastructure and adoption in Michigan. The purpose of its development and release is to provide a detailed review of the current state of broadband in Michigan and spark discussion across multiple broadband stakeholders in the state on key policy and strategies to expand and enhance broadband services. The report will be formally presented and released publicly within the state during Q1, 2011. It will also be available for public review and comment on the Connect Michigan website.

11b. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the project team is employing

Connected Nation has been working closely with the Michigan Public Service Commission to ensure that our work exceeds expectations. During Q3, 2010, there were no significant obstacles during the planning process.

11c. Does the Project Team anticipate any changes to the project plan for Broadband Planning?  Yes  No

11d. If yes, please describe these anticipated changes. Please note that NTIA will need to approve changes to the Project Plan before they can be implemented

September 27, 2010 Connect Michigan received notice of a grant award extending SBDD mapping and planning activities an additional three years. The project plan is being revised to include these new activities. Details of the new plan will be reported in the fourth quarter.

## Funding

11e. How much Federal funding has been expended as of the end of the last quarter? \$0

11f. How much Remains? \$0

11g. How much matching funds have been expended as of the end of last quarter? \$0

11h. How much Remains? \$0

### 11i. Planning Worksheet

Planning Budget Element	Federal Funds Granted	Proposed In-Kind	Total Budget	Federal Funds Expended	Matching Funds Expended	Total Funds Expended
Personal Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Personnel Fringe Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Materials / Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Subcontracts Total	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #1	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #2	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #3	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #4	\$0	\$0	\$0	\$0	\$0	\$0
Subcontract #5	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Indirect Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Costs	\$0	\$0	\$0	\$0	\$0	\$0
% Of Total	0	0	0	0	0	0

### Additional Planning Information

11j. Are there any additional project milestones or information that has not been included?

N/A

11k. Please describe any challenge or obstacle that you have encountered and detail the mitigation strategies the Project Team is employing

Connected Nation has been relying heavily on Michigan's recommendations to ensure that our work, as well as the work of our subcontractors, exceeds expectations. During Q3, 2010, there were no significant obstacles during the planning process.

11l. Please provide any other information that you think would be useful to NTIA as it assesses your Broadband Mapping Project

All planning costs have been combined with the mapping costs and reported in the mapping section above.

12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purpose set forth in the award documents.

12a. Typed or Printed Name and Title of Authorized Certifying Official

Bernie Bogle

12c. Telephone  
(area code, number, and extension)

12d. Email Address

bbogle@connectednation.org

12b. Signature of Authorized Certifying Official

Submitted Electronically

12e. Date Report Submitted  
(Month, Day, Year)

10-25-2010

Performance Progress Report  
OMB Approval Number: 0660-0034  
Expiration Date: 08/31/2010