

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 NT10BIX5570118	3. DUNS Number 165271250
4. Recipient Organization Nexus Systems, Inc. 2904 Evangeline St, Monroe , LA 71201-3724		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	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 Mark Stevenson	7c. Telephone (area code, number and extension) X	
	7d. Email Address msteve@nexussystems.net	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 01-28-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

The project engineering bid process was completed and the awarded engineering firm, BBCom, began environmental and design work for the route. The accomplishment was significant since the initial awarded engineering firm withdrew after because of the strict implementation timelines imposed under the RFP. BBCOM accepted the conditions of the timeline and are proceeding ahead of projected schedules. The engineers confirmed the initial submitted design and budget estimates as being a valid design with proper budget allocations for the project. The engineers also researched and confirmed possible alternative construction plans which, if implemented, will improve the overall capacity of the installed network without changing the overall scope of the project.

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	10	Engineering delayed slightly due to initial engineering firm withdrawal; new firm is ahead of projected schedule.
2b.	Environmental Assessment	25	Environmental delayed due to engineering re-assignment, but is projected to be completed in current quarter
2c.	Network Design	25	Design is on schedule; bid package due this quarter
2d.	Rights of Way	25	Acquisition is on schedule
2e.	Construction Permits and Other Approvals	25	Acquisition is on schedule
2f.	Site Preparation	0	Preparation is on schedule; projected for next quarter
2g.	Equipment Procurement	0	Acquisition is on schedule; projected for next quarter
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Build is on schedule, bid package due this quarter
2i.	Equipment Deployment	0	Deployment is on schedule; projected in two quarters
2j.	Network Testing	0	Testing is on schedule; projected in three quarters
2k.	Other (please specify): N/A	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).

As noted above, our initial awarded engineering firm withdrew as they were concerned with the strict timelines. As this occurred during the holiday period, switching to a new firm delayed progress. The current engineers are making excellent progress with the design of the routes and preparation of the bid packages. We are, however, very concerned about the environmental assessments as we see the various parties from whom we need approvals are not responding in a timely manner. We designed the project route to utilize existing highway right of ways where there should be minimal environmental question, but we are concerned the environmental review may be the single point of delay in construction and implementation of the project. Any assistance BTOP can provide to expedite this process will be helpful.

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	Project is still in engineering and environmental assessment
New network miles leased	0	Project is still in engineering and environmental assessment
Existing network miles upgraded	0	Project is still in engineering and environmental assessment
Existing network miles leased	0	Project is still in engineering and environmental assessment
Number of miles of new fiber (aerial or underground)	0	Project is still in engineering and environmental assessment

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new wireless links	0	Project is still in engineering and environmental assessment
Number of new towers	0	Project is still in engineering and environmental assessment
Number of new and/or upgraded interconnection points	0	Project is still in engineering and environmental assessment

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 of less). Providers:

We have no signed agreements at this stage of the project.

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 of less). Wholesale services description:

We have not established wholesale agreements or related pricing plans at this point in the project.

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 - There is no planned third party to operate the network.

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 of 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	Project is still in engineering and environmental assessment
	Providers with signed agreements receiving improved access	0	Project is still in engineering and environmental assessment
	Providers with signed agreements receiving access to dark fiber	0	Project is still in engineering and environmental assessment
	Please identify the speed tiers that are available and the number of subscribers for each	0	Project is still in engineering and environmental assessment
Community Anchor Institutions (including	Total subscribers served	0	Project is still in engineering and environmental assessment

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Government institutions)			
	Subscribers receiving new access	0	Project is still in engineering and environmental assessment
	Subscribers receiving improved access	0	Project is still in engineering and environmental assessment
	Please identify the speed tiers that are available and the number or subscribers for each	0	Project is still in engineering and environmental assessment
Residential / Households	Entities passed	0	Project is still in engineering and environmental assessment
	Total subscribers served	0	Project is still in engineering and environmental assessment
	Subscribers receiving new access	0	Project is still in engineering and environmental assessment
	Subscribers receiving improved access	0	Project is still in engineering and environmental assessment
	Please identify the speed tiers that are available and the number of subscribers for each	0	Project is still in engineering and environmental assessment
Businesses	Entities passed	0	Project is still in engineering and environmental assessment
	Total subscribers served	0	Project is still in engineering and environmental assessment
	Subscribers receiving new access	0	Project is still in engineering and environmental assessment
	Subscribers receiving improved access	0	Project is still in engineering and environmental assessment
	Please identify the speed tiers that are available and the number of subscribers for each	0	Project is still in engineering and environmental assessment

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

We do not have any special offerings at this time.

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 during the last quarter.

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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
N/A	N/A	N/A	N/A	Project is still in engineering and environmental assessment

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Engineering is planned to have design and bid packages completed with construction bidding to begin by the end of the next quarter. The environmental assessment draft submission is projected to be completed. Concurrent with the construction bids, purchase and/or acquisition of colocation buildings and equipment is planned.

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	25	Overall project delayed 45-6- days due to delay in acquisition of engineering services.
2b.	Environmental Assessment	90	Environmental delayed 45-60 days beyond initial timelines due to re-assignment of engineering contract. Current engineers proceeding ahead of schedule of preparation of draft environmental assessment.
2c.	Network Design	90	Engineering design and bid package due this quarter
2d.	Rights of Way	90	Acquisition on schedule
2e.	Construction Permits and Other Approvals	90	Acquisition on schedule
2f.	Site Preparation	50	Acquisition of needed sites on schedule
2g.	Equipment Procurement	50	Engineering design and bid package due this quarter
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Construction expected to begin next quarter (Spring 2011)
2i.	Equipment Deployment	0	Not planned in current quarter
2j.	Network Testing	0	Not planned in current quarter
2k.	Other (please specify): N/A	0	N/A

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).
 As noted for the current quarter activities, the environmental assessment is a primary challenge. Agencies involved in the approval process are currently backlogged many months in responses to environmental approval requests. Obtaining necessary environmental assessments may delay construction. Other issues involve the Louisiana Spring weather which may impede construction with rain. At this time, we do not anticipate other significant challenges.

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.	\$1,642,500	\$1,005,000	\$637,500	\$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	\$216,000	\$0	\$216,000	\$0	\$0	\$0	\$108,000	\$0	\$108,000
e. Other architectural and engineering fees	\$570,000	\$570,000	\$0	\$0	\$0	\$0	\$123,750	\$123,750	\$0
f. Project inspection fees	\$150,000	\$0	\$150,000	\$0	\$0	\$0	\$75,000	\$0	\$75,000
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$8,329,504	\$1,035,600	\$7,293,904	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$1,435,980	\$570,000	\$865,980	\$0	\$0	\$0	\$100,000	\$0	\$100,000
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$12,343,984	\$3,180,600	\$9,163,384	\$0	\$0	\$0	\$406,750	\$123,750	\$283,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$12,343,984	\$3,180,600	\$9,163,384	\$0	\$0	\$0	\$406,750	\$123,750	\$283,000

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