

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

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| 1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration | 2. Award Identification Number NT10BIX5570129 | 3. DUNS Number 074746439 |
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4. Recipient Organization

Rockbridge, County of 150 S. Main St., Ste 6, Lexington, VA 24450-2359

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|--|---|
| 5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011 | 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 Claire Collins | 7c. Telephone (area code, number and extension) X |
| | 7d. Email Address claire_collins@co.rockbridge.va.us |

| | |
|---|--|
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 05-25-2011 |
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| Empty space for additional information or comments |
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Project Indicators (This Quarter)

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

The project activities have focused heavily on project management, route engineering, and environmental assessment work. Project management accomplishments have included route and network design, compliance and reporting documentation, Public and Rockbridge Area Network Authority (RANA) board meetings and work sessions, preliminary route assessment, comprehensive mapping, development of interested vendor list, in-progress drafting of legal agreements for cabinet site lease, service provider agreements, and Memorandum of understanding (MOU) between Washington and Lee University and Virginia Global Communication Systems. Design-Build proposals for the data collocation center were received. Upon further review, RANA decided to re-bid the work, following the design-bid-build process. The RANA project website was developed.

Engineering has begun survey work on routes, including evaluating alternative routes, aerial conditions, and bridge/stream crossings. The draft environmental assessment was submitted. The environmental assessment has been returned with comment matrix and efforts were made to address those comments and continued work on compliance issues with State Historic Preservation Office, U.S. Fish and Wildlife Service, and Virginia Department of Historic Resources. During this quarter, several routes were modified and an official route modification request was submitted to National Telecommunications and Information Administration for review. The main reroute will bring fiber up to the Walkers Creek area of northern Rockbridge and forego bringing fiber to the town of Goshen.

Also, the project began fund disbursements.

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 | 1 | Approximately 0.7% of total funds have been spent through this quarter. However, significant progress was made during the quarter regarding environmental assessment work, route changes, cabinet and data center planning, and lease agreements. Baseline project plan anticipated overall project completeness of 20%. Variance can be largely explained by the fact that equipment procurement was planned to have begun, but did not occur. Additionally, the data center rebid process has delayed related expenditures. |
| 2b. | Environmental Assessment | 73 | The draft environmental assessment was submitted on schedule and returned for revisions. Currently, the environmental assessment appears on track for final submittal by next quarter. |
| 2c. | Network Design | 4 | The baseline plan anticipated 38% completion of network design. Due to issues with reroutes, the work on network architecture and technical design was slowed until the proposed route changes were accepted. |
| 2d. | Rights of Way | 5 | N/A |
| 2e. | Construction Permits and Other Approvals | 9 | N/A |
| 2f. | Site Preparation | 0 | Baseline Plan anticipated 10% completion of the milestone. Variation in progress is a result of the delayed cabinet process and the rebid of the data center. |
| 2g. | Equipment Procurement | 0 | Equipment procurement did not take place as was originally planned. In the baseline it was planned to have 19% of procurement finished by the end of the quarter. Due to the changes to the network route, some additional work on cabinet prepping has pushed back cabinet procurement. |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 0 | N/A |
| 2i. | Equipment Deployment | 0 | N/A |
| 2j. | Network Testing | 0 | N/A |
| 2k. | Other (please specify): Grant Administration | 25 | 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).

N/A

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 | N/A |
| New network miles leased | 0 | N/A |
| Existing network miles upgraded | 0 | N/A |
| Existing network miles leased | 0 | N/A |
| Number of miles of new fiber (aerial or underground) | 0 | N/A |
| Number of new wireless links | 0 | N/A |
| Number of new towers | 0 | N/A |
| Number of new and/or upgraded interconnection points | 0 | N/A |

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

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

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

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 | N/A |
| | Providers with signed agreements receiving improved access | 0 | N/A |
| | Providers with signed agreements receiving access to dark fiber | 0 | N/A |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A |
| Community Anchor Institutions (including Government institutions) | 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 or subscribers for each | 0 | N/A |
| Residential / Households | 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 |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A |
| Businesses | 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 |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A |

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

N/A

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).
 For project Q4 (April 1 through June 30), the revised environmental assessment will be submitted for final review. Proposals for the rebid Design-Bid-Build data center will be received and evaluated. The engineering firm will create initial bill of material. Pending FONSI issuance for the Environmental Assessment, construction of cabinet pads and cabinet procurement may begin.

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 | 4 | Estimated expenditures of \$433,747 represents 4% of total project funds. The data center design procurement is nearly complete, with interviews conducted on May 20th. Contract negotiations have begun, and the design of the data center will be under way before the end of June. Interview with four different firms competing for the design work all indicated that the construction of the facility can be completed in eight months, for an overall start to finish for the data center of no more than one year, or only slightly behind original timeframe. Fiber route survey work will be 100% complete at the end of May, and fiber route engineering is estimated to be 60% complete by the end of June. Issues with rocky soil and aerial pole agreements have slowed engineering. The three localities have agreed on an approach for equitably sharing local match and distribution of fiber connections, and approval is anticipated at the first project review meeting in June. Terms for the Washington and Lee cash match have also been reviewed twice and that agreement is expected to be signed in early June. Cash valuation for the Virginia Global Communication System's match is underway, and that agreement should also be ready for signature in early June. Reports of long lead times for fiber and duct are being taken seriously, and the project is making plans to place early orders for as much as 50% of needed duct and fiber before the end of the second quarter. Based on reports of 12 week lead times, fiber and duct should be on hand in early fall when construction is planned to start. Also plan to do the same with critical electronic components--placing orders in early fall for winter delivery to ensure that the needed equipment is on hand in the early spring when the first network segments should be ready for use. |
| 2b. Environmental Assessment | 100 | N/A |
| 2c. Network Design | 70 | N/A |
| 2d. Rights of Way | 80 | N/A |
| 2e. Construction Permits and Other Approvals | 66 | N/A |
| 2f. Site Preparation | 2 | The baseline plan indicated 30% of milestone complete. Based on estimated expenditure of \$60,000 on cabinet site work, 2% of milestone category will be complete. Discrepancy based on data center rebid. |

| | Milestone | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|---|--------------------------|---|
| 2g. | Equipment Procurement | 3 | Purchase of \$75,000 of cabinet equipment represent 3% of equipment budget. Baseline plan indicated 43% completion by end of quarter. This is explained by discrepancy in project plan timeline |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 0 | The variance from the baseline plan, which anticipated this milestone as 12% complete is due to the decision to rebid the data center. |
| 2i. | Equipment Deployment | 0 | N/A |
| 2j. | Network Testing | 0 | N/A |
| 2k. | Other (please specify): Grant Administration | 34 | 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).
 N/A

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 | \$35,150 | \$0 | \$35,150 | \$1,291 | \$387 | \$904 | \$30,000 | \$9,000 | \$21,000 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$3,219,000 | \$2,500,000 | \$719,000 | \$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 | \$1,054,718 | \$0 | \$1,054,718 | \$52,008 | \$15,602 | \$36,406 | \$252,173 | \$75,652 | \$176,521 |
| e. Other architectural and engineering fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| f. Project inspection fees | \$108,316 | \$0 | \$108,316 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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 | \$2,973,056 | \$497,171 | \$2,475,885 | \$0 | \$0 | \$0 | \$60,000 | \$18,000 | \$42,000 |
| j. Equipment | \$2,239,010 | \$0 | \$2,239,010 | \$0 | \$0 | \$0 | \$75,000 | \$22,500 | \$52,500 |
| k. Miscellaneous | \$361,320 | \$0 | \$361,320 | \$13,889 | \$4,167 | \$9,721 | \$16,574 | \$4,973 | \$11,601 |
| l. SUBTOTAL (add a through k) | \$9,990,570 | \$2,997,171 | \$6,993,399 | \$67,188 | \$20,156 | \$47,031 | \$433,747 | \$130,125 | \$303,622 |
| m. Contingencies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| n. TOTALS (sum of l and m) | \$9,990,570 | \$2,997,171 | \$6,993,399 | \$67,188 | \$20,156 | \$47,031 | \$433,747 | \$130,125 | \$303,622 |

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 |
|---|--------------------------------|