

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

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|--|---|--|
| <b>1. Federal Agency and Organizational Element to Which Report is Submitted</b><br><br>Department of Commerce, National Telecommunications and Information Administration | <b>2. Award Identification Number</b><br><br>NT10BIX5570139 | <b>3. DUNS Number</b><br><br>833111102 |
|--|---|--|

**4. Recipient Organization**

Maine Fiber Company, Inc. 245 Commercial St, Suite 203, Portland, ME 04101-4606

|  |   |
|--|---|
| <b>5. Current Reporting Period End Date (MM/DD/YYYY)</b><br><br>12-31-2010 | <b>6. Is this the last Report of the Award Period?</b><br><br><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.

|  |   |
|--|---|
| <b>7a. Typed or Printed Name and Title of Certifying Official</b><br><br>Doreen Bell | <b>7c. Telephone (area code, number and extension)</b><br><br>X |
|  | <b>7d. Email Address</b><br><br>dbell@tilsontech.com            |

|   |  |
|---|--|
| <b>7b. Signature of Certifying Official</b><br><br>Submitted Electronically | <b>7e. Date Report Submitted (MM/DD/YYYY):</b><br><br>02-20-2011 |
|---|--|

**Project Indicators (This Quarter)**

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

- Completed construction on the first 6 miles.
- Completed 90% of the attachment agreements with progress achieved toward completion on the remaining agreement.
- Finalized construction vendor.
- Submitted over 97% of attachment applications (440 of 450 applications submitted); 80% of pole owner make-ready surveys complete; 3% licenses received.
- 6% of make-ready has been completed by pole owners.
- Completed over half of necessary bridge engineering/permit applications.
- Completed 90% of pole gap engineering.

**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  | 6                | Overall Project percent complete is in line with Baseline plan  |
| 2b. | Environmental Assessment                                 | 100              | No variance (completed)   |
| 2c. | Network Design   | 70               | No variance   |
| 2d. | Rights of Way  | 25               | No variance   |
| 2e. | Construction Permits and Other Approvals                 | 15               | No variance (application licenses on plan)  |
| 2f. | Site Preparation   | 5                | No variance (make-ready on plan)  |
| 2g. | Equipment Procurement                                    | 5                | No variance (all major procurements complete, equipment ordered contemporaneously with construction)                            |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 5                | No variance   |
| 2i. | Equipment Deployment                                     | 0                | N/A - dark fiber network  |
| 2j. | Network Testing  | 1                | Network testing completed for 6 miles   |
| 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).**

- Third-party make-ready completion continues to be slow impacting our construction schedule. We are working daily with the pole owners to complete make-ready in an effective and consistent manner. We are receiving cooperation from the pole owners.
- We are making adequate and expected progress against baseline milestones. Slow make-ready completion hasn't fully impacted our construction schedule, but we are watching it. The pole owners will have to accelerate make-ready completion dates to make the project schedule.

**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      | 6     | Waiting on make-ready for additional miles  |
| New network miles leased        | 0     | No variance; no leases planned - dark fiber   |
| Existing network miles upgraded | 0     | No variance; none planned   |
| Existing network miles leased   | 0     | No variance; none planned   |

| Indicator  | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| Number of miles of new fiber (aerial or underground) | 6     | Waiting on make-ready for additional miles  |
| Number of new wireless links                         | 0     | None planned  |
| Number of new towers                                 | 0     | None planned  |
| Number of new and/or upgraded interconnection points | 9     | Better than expected service provider take-rate/private investment  |

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                     | 4  |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 4  |
| Average term of signed agreements (in quarters)   | 80 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

- GWI, Axiom Technologies, Pioneer Broadband, University of Maine System

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:

- Dark fiber, prices are listed on the MFC website at www.maineiberco.com

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; this is a dark fiber 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 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                                     | 4     | Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups |
|   | Providers with signed agreements receiving improved access                                | 4     | Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups |
|   | Providers with signed agreements receiving access to dark fiber                           | 4     | Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups |
|   | Please identify the speed tiers that are available and the number of subscribers for each | 0     | Dark fiber only; speed will vary depending on last mile provider equipment.   |
| Community Anchor Institutions (including Government institutions) | Total subscribers served  | 9     | Increased demand for healthcare information technologies (HIT) and education  |

| 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     | No variance   |
|                          | Subscribers receiving improved access   | 9     | Increased demand for HIT and education  |
|                          | Please identify the speed tiers that are available and the number of subscribers for each | 0     | Dark fiber only; speed will vary depending on last mile provider equipment.                                 |
| 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     | MFC is not collecting this data   |
|                          | 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     | Dark fiber only; speed will vary depending on last mile provider equipment.                                 |

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

- Dark fiber network.

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

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

No variance

**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  |
|------------------|-------------------------------|--|--|--|
| 8 CAIs           | Cumberland County             | Healthcare   | No   | Dark fiber provided only; hospitals, healthcare groups, elder care and clinics (service provide by CLECs with additional private investment) |
| 1 CAI            | Cumberland County             | Education  | No   | Dark fiber provided only (service provided by CLECs with additional private investment)  |

**Project Indicators (Next Quarter)**

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

- Depending on the speed of make-ready completion, we anticipate completing 20 miles of fiber deployment with a significant portion of these miles also completing construction.  
- We anticipate executing the remaining attachment agreement; submitting the final make-ready applications to the pole owners; continued completion of the pole owners' make-ready surveys; and continuing to manage the pole licensing process.

- Continue bridge engineering and permitting.  
 - Continue to engineer service provider use of the network, and negotiate agreements.

**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   | 10                       | No variance  |
| 2b. | Environmental Assessment                                  | 100                      | No variance  |
| 2c. | Network Design  | 100                      | No variance  |
| 2d. | Rights of Way   | 35                       | No variance  |
| 2e. | Construction Permits and Other Approvals                  | 25                       | No variance  |
| 2f. | Site Preparation  | 10                       | No variance  |
| 2g. | Equipment Procurement                                     | 10                       | No variance  |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 10                       | No variance  |
| 2i. | Equipment Deployment                                      | 0                        | N/A  |
| 2j. | Network Testing   | 2                        | No variance  |
| 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).**

- Make-ready completion by pole owners is our biggest challenge and may impact the construction schedule.

**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                 | \$640,161           | \$128,032             | \$512,129            | \$153,633  | \$30,727         | \$122,906          | \$249,663   | \$49,933         | \$199,730          |
| b. Land, structures, right-of-ways, appraisals, etc. | \$0                 | \$0                   | \$0                  | \$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                | \$0                 | \$0                   | \$0                  | \$0  | \$0              | \$0                | \$0   | \$0              | \$0                |
| 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   | \$8,821,039         | \$1,764,208           | \$7,056,831          | \$1,534,014  | \$306,803        | \$1,227,211        | \$2,205,260   | \$441,052        | \$1,764,208        |
| h. Demolition and removal                            | \$0                 | \$0                   | \$0                  | \$0  | \$0              | \$0                | \$0   | \$0              | \$0                |
| i. Construction                                      | \$20,427,522        | \$4,085,504           | \$16,342,018         | \$234,766  | \$46,953         | \$187,813          | \$617,350   | \$123,470        | \$493,880          |
| j. Equipment   | \$800,000           | \$160,000             | \$640,000            | \$0  | \$0              | \$0                | \$0   | \$0              | \$0                |
| k. Miscellaneous                                     | \$70,000            | \$14,000              | \$56,000             | \$3,600  | \$720            | \$2,880            | \$3,600   | \$720            | \$2,880            |
| <b>l. SUBTOTAL (add a through k)</b>                 | <b>\$30,758,722</b> | <b>\$6,151,744</b>    | <b>\$24,606,978</b>  | <b>\$1,926,013</b>   | <b>\$385,203</b> | <b>\$1,540,810</b> | <b>\$3,075,873</b>  | <b>\$615,175</b> | <b>\$2,460,698</b> |
| m. Contingencies                                     | \$0                 | \$0                   | \$0                  | \$0  | \$0              | \$0                | \$0   | \$0              | \$0                |
| <b>n. TOTALS (sum of l and m)</b>                    | <b>\$30,758,722</b> | <b>\$6,151,744</b>    | <b>\$24,606,978</b>  | <b>\$1,926,013</b>   | <b>\$385,203</b> | <b>\$1,540,810</b> | <b>\$3,075,873</b>  | <b>\$615,175</b> | <b>\$2,460,698</b> |

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