

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 NT10BIX5570004	3. DUNS Number 831358234
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4. Recipient Organization

North Georgia Network Cooperative, Inc. 6135 State Hwy 115, Clarkesville, GA 30523-0095

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
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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 Kelly Wilkins	7c. Telephone (area code, number and extension) X
	7d. Email Address kelly@hemc.coop

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-21-2011
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Project Indicators (This Quarter)			
<p>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</p> <p>During the third quarter of 2011 Fiber construction continued, multiple equipment contracts were executed and some equipment received. Evaluation of last mile customers continued, as well as, negotiations with business and anchor institutions.</p>			
<p>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).</p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	30	Fourth quarter will reflect additional funds expended for equipment, core and middle mile fiber construction and last mile deployment. We do expect to be sixty-seven percent complete which will meet our baseline milestones.
2b.	Environmental Assessment	100	Environment Assessment Complete and fully expended.
2c.	Network Design	85	Last mile design will not be completed until after the core and middle mile construction is completed. After that time most of the last mile customer will have been determined. Last mile marketing efforts have continued and last mile construction began the last week of September 2011.
2d.	Rights of Way	90	Rights of way cannot be completed until core and middle mile construction is finished and last mile design completed. Last mile marketing efforts continued and last mile construction began the last week of September 2011.
2e.	Construction Permits and Other Approvals	58	Construction Permits and Other Approvals are 58 percent complete in third quarter 2011 which meets the baseline milestones.
2f.	Site Preparation	48	The initial site preparation that was completed prior to the end of 2010 was all that was needed prior to the beginning of the construction. Construction of fiber plant began last week of March, 2011 and last mile construction began the last week of September. Site Preparation will continue with the installation of core and middle mile fiber and last mile construction.
2g.	Equipment Procurement	53	Additional material has been specified, quotes requested, approved for purchase, materials not received at this time. Expenditures should be completed in fourth quarter 2011.
2h.	Network Build (all components - owned, leased, IRU, etc)	25	Over 277 miles of core, middle and last mile fiber completed through third quarter. Plan for all core and middle mile fiber construction to be completed by fourth quarter 2011. IRU negotiations are ongoing with contracts in hand and should be completed by end of fourth quarter 2011.
2i.	Equipment Deployment	40	Equipment procurement is complete but not received for core and middle mile fiber, SPOP/CPOP equipment, last mile equipment. Equipment deployment began the end of September 2011 and we are projecting to meet our fourth quarter 2011 milestone.
2j.	Network Testing	25	Testing is 25 percent complete in third quarter 2011 which meets the baseline milestones.
2k.	Other (please specify):	0	N/A
<p>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).</p> <p>Construction of core and middle mile fiber continued last mile construction began the last week of September 2011. We will be working toward meeting the original baseline projections for the fourth quarter of 2011.</p>			

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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	277	Two hundred seventy-seven miles of fiber construction completed in third quarter 2011.
New network miles leased	154	Remaining 34 miles of leased fiber should be completed in fourth quarter 2011.
Existing network miles upgraded	0	N/A NGN had no existing network.
Existing network miles leased	0	N/A NGN had no existing network.
Number of miles of new fiber (aerial or underground)	277	Two Hundred seventy-seven miles of fiber construction completed in third quarter 2011.
Number of new wireless links	0	N/A Not applicable over entire life of project.
Number of new towers	0	N/A Not applicable over entire life of project.
Number of new and/or upgraded interconnection points	0	Interconnections points appealability projected as portion of network is complete in fourth quarter, 2011.

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	1
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	Construction of fiber plant continued during the third quarter of 2011. Plan for all core and middle mile fiber construction to be completed by fourth quarter 2011. Meetings have continued with potential wholesales or last mile providers.
	Providers with signed agreements receiving improved access	0	Construction of fiber plant continued during the third quarter of 2011. Plan for all core and middle mile fiber construction to be completed by fourth quarter 2011. Meetings have continued with potential wholesales or last mile providers.
	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	Construction of fiber plant continued during the third quarter of 2011. Plan for all core and middle mile fiber construction to be completed by fourth quarter 2011. Meetings have continued with potential wholesales or last mile providers.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Last mile construction began last week of September 2011. Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has begun to lay out the network with the most impact in the shortest time. Implementation to begin in the fourth quarter.
	Subscribers receiving new access	0	Last mile construction began last week of September 2011. Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has begun to lay out the network with the most impact in the shortest time. Implementation to begin in the fourth quarter.
	Subscribers receiving improved access	0	Last mile construction began last week of September 2011. Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has begun to lay out the network with the most impact in the shortest time. Implementation to begin in the fourth quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Last mile construction began last week of September 2011. Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has begun to lay out the network with the most impact in the shortest time. Implementation to begin in the fourth quarter.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	Last mile construction began last week of September 2011. Letters continue to be mailed and replies received to determine customers interest and location. Planning has begun to lay out the network with the most impact in the shorted time. Planning will continue and implementation will begin in the fourth quarter.
	Subscribers receiving new access	0	Last mile construction began last week of September 2011. Letters continue to be mailed and replies received to determine customers interest and location. Planning has begun to lay out the network with the most impact in the shorted time. Planning will continue and implementation will begin in the fourth quarter.
	Subscribers receiving improved access	0	Last mile construction began last week of September 2011. Letters continue to be mailed and replies received to determine customers interest and location. Planning has begun to lay out the network with the most impact in the shorted time. Planning will continue and implementation will begin in the fourth quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Last mile construction began last week of September 2011. Letters continue to be mailed and replies received to determine customers interest and location. Planning has begun to lay out the network with the most impact in the shorted time. Planning will continue and implementation will begin in the fourth quarter.
Businesses	Entities passed	0	Marketing executives have been meeting with the business that are going to be passed as part of this network. Planning will continue and implementation will begin in the fourth quarter.
	Total subscribers served	0	Marketing executives have been meeting with the business that are going to be passed as part of this network. Planning will continue and implementation will begin in the fourth quarter.
	Subscribers receiving new access	0	Marketing executives have been meeting with the business that are going to be passed as part of this network. Planning will continue and implementation will begin in the fourth quarter.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving improved access	0	Marketing executives have been meeting with the business that are going to be passed as part of this network. Planning will continue and implementation will begin in the fourth quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Marketing executives have been meeting with the business that are going to be passed as part of this network. Planning will continue and implementation will begin in the fourth quarter.

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).

Fiber construction will continue during the fourth quarter. Procurement of equipment expected to continue and implementation of major equipment, CPOP and SPOP locations should continue during the fourth quarter. We will continue to develop and implement testing plans and procedures. Planning and installation of last mile customers and community anchors will begin during fourth quarter. New network miles deployed will increase to 494 miles during the fourth quarter. We will have a minimum of one signed wholesale provider agreements during the fourth quarter. We expect to have 22 Community Anchor Institutions receiving improved access during the fourth quarter.

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	67	Fiber construction will continue during the fourth quarter. Procurement of equipment expected to continue and implementation of major equipment, CPOP and SPOP locations should continue during the fourth quarter. We will continue to develop and implement testing plans and procedures. Planning and installation of last mile customers and community anchors will continue during fourth quarter. We have budget meetings every two weeks to insure that this spend rate will be achieved prior to the November 30, 2011 deadline.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	90	Last mile design will not be completed until the core and middle mile are completed. At that time last mile customer will have been determined. Last mile marketing efforts continued and last mile construction is projected to began the last week of September 2011.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2d.	Rights of Way	92	Rights of way cannot be completed until core and middle mile construction is finished and last mile design completed. Last mile marketing efforts continued during the third quarter of 2011 and last mile construction began the last week of September 2011.
2e.	Construction Permits and Other Approvals	67	Construction Permits and Other Approvals should be 67 percent complete in fourth quarter 2011 which meets the baseline milestones.
2f.	Site Preparation	67	Site Preparation should be 67 percent complete in fourth quarter 2011 which meets the baseline milestones.
2g.	Equipment Procurement	67	Last mile construction will increase during the fourth quarter of 2011. We do anticipate having equipment procurement at 67 percent complete in the fourth quarter of 2011 which meets the baseline milestones.
2h.	Network Build (all components - owned, leased, IRU, etc.)	45	With the increased last mile deployment and core and middle mile construction completed we anticipate having the network build 45 percent complete which meets the baseline milestones.
2i.	Equipment Deployment	60	Equipment deployment will continue during the fourth quarter of 2011 and we are projecting to meet our fourth quarter 2011 milestones.
2j.	Network Testing	35	Network Testing is anticipated to be 35 percent complete and we are projecting to meet our fourth quarter 2011 milestones.
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).

We do not anticipate any challenges or issues with meeting our projections for the fourth quarter. Fiber construction will continue during the fourth quarter. Procurement of equipment is expected to continue and implementation of major equipment, CPOP and SPOP will continue during the fourth quarter. We will continue to develop and implement testing plans and procedures. Planning and installation of last mile customers and community anchors began in the last week of September 2011.

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	\$1,628,750	\$339,643	\$1,289,107	\$1,376,831	\$275,366	\$1,101,465	\$1,550,730	\$310,146	\$1,240,584
b. Land, structures, right-of-ways, appraisals, etc.	\$4,110,896	\$857,245	\$3,253,651	\$98,188	\$19,638	\$78,550	\$4,589,796	\$917,959	\$3,671,837
c. Relocation expenses and payments	\$250,000	\$52,133	\$197,867	\$0	\$0	\$0	\$250,000	\$50,000	\$200,000
d. Architectural and engineering fees	\$557,000	\$116,151	\$440,849	\$6,051	\$1,210	\$4,841	\$445,694	\$89,139	\$356,555
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$517,050	\$107,820	\$409,230	\$0	\$0	\$0	\$486,500	\$97,300	\$389,200
g. Site work	\$20,113,922	\$4,194,357	\$15,919,565	\$3,196,245	\$639,249	\$2,556,996	\$8,894,859	\$1,778,972	\$7,115,887
h. Demolition and removal	\$37,500	\$7,820	\$29,680	\$0	\$0	\$0	\$37,500	\$7,500	\$30,000
i. Construction	\$269,450	\$56,188	\$213,262	\$21,432	\$4,286	\$17,146	\$224,450	\$44,890	\$179,560
j. Equipment	\$14,660,971	\$3,057,253	\$11,603,718	\$7,748,777	\$1,549,756	\$6,199,021	\$11,902,121	\$2,380,424	\$9,521,697
k. Miscellaneous	\$168,810	\$35,202	\$133,608	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$42,314,349	\$8,823,812	\$33,490,537	\$12,447,524	\$2,489,505	\$9,958,019	\$28,381,650	\$5,676,330	\$22,705,320
m. Contingencies									
n. TOTALS (sum of l and m)	\$42,314,349	\$8,823,812	\$33,490,537	\$12,447,524	\$2,489,505	\$9,958,019	\$28,381,650	\$5,676,330	\$22,705,320

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