

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 NT10BIX5570054	3. DUNS Number 831445494
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4. Recipient Organization Page County Broadband Authority 117 South Court Street, Luray, VA 22835-1224
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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 Martha Shickle	7c. Telephone (area code, number and extension) X
	7d. Email Address shicklem@shentel.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-22-2011
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Project Indicators (This Quarter)

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

In July the PCBA worked diligently with the incumbent electric cooperative and construction partner Shentel to negotiate make ready costs for the aerial construction. No agreement could be reached, and since August the PCBA and Shentel have worked to develop a modification of the project that would meet the grant objectives, build last mile fiber to critical CAIs, be completed within the grant budget and deployed in a timely fashion. Three designs were reviewed and a final design will be submitted to NTIA as a project modification request Land Performance Improvement Plan in October, 2011 (anticipated submission period). All reporting was submitted timely, regular phone meetings with NTIA officials were held, and the PCBA held technical and authority meetings twice monthly to monitor the project. The PCBA plans to submit a project modification to NTIA in October 2011.

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	9	The original baseline projected the overall project to be at 75% of completion this quarter. The current project expenditure variance is due primarily to design engineering fees in the amount of \$139,886.41 in an unliquidated obligation not yet paid to contracted design/construction firm because of pending redesign. Significant work has been completed on this project that is not reflected in expenditures due to the design/construction contract stipulating payment at significant construction completion points. The project is currently on hold pending modification to change design. High make ready estimate from incumbent electric cooperative forcing redesign to reduce fiber deployment and to move some areas of construction from aerial to underground.
2b.	Environmental Assessment	100	No Variance: anticipate EA amendment needed after NTIA approval of project modification.
2c.	Network Design	17	The original baseline projected the network design activities to be at 100% of completion this quarter. As of the end of Qtr 2 2011 the design was at 50% of completion although no expenditures had been made in accordance with the Shentel contract for payments at significant construction completion points. A redesign is now necessary because of exorbitant make ready for aerial construction. This quarter's variance to the baseline projection is a result of delays in negotiating with the electric utility for a reduction in fees, arising from high make-ready and pole attachment costs requiring a new design to avoid these poles. Expenditures to date for network design include fees for design coordination and examination of various methods to reduce the high make ready fees. There is an unliquidated obligation in the amount of \$139,886.41 for the cost of the previously completed network design in preparation for construction not reflected in the this quarter's completion percentage.
2d.	Rights of Way	50	The original baseline projected the rights of way activities to be at 100% of completion this quarter. Due to an exorbitant make ready estimate from the electric cooperative for aerial deployment of infrastructure a redesign was initiated that delayed execution of a right of way agreement with the cooperative. Negotiations with the Towns to lease space for point of presence facilities is complete and the Luray facility has been constructed. Pre-permitting discussions for underground deployment in the proposed redesign have held with VA DOT and permitting will commence following design modification approval.
2e.	Construction Permits and Other Approvals	60	Pending redesign will require permitting with VDOT for underground in previously proposed aerial areas. No water permits needed and only 2 railroad crossing permits needed. Permitting activities will begin again following NTIA approval of project modification.
2f.	Site Preparation	0	N/A

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	0	The original baseline projected the equipment procurement to be at 100% of completion this quarter. The contractor has ordered materials that would not be affected by a pending change in deployment from aerial to underground but the cost for the materials is included in the overall design/construction contract and will not be expended until significant completion of construction. No additional materials or equipment have been procured because of the need to change the design to bypass high make ready areas. The proposed redesign will reduce the quantity of additional materials required for construction. A project modification will be submitted in October 2011 for approval to change the design.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	The original baseline projected the network build to be at 75% of completion this quarter. Construction was anticipated to begin on the network and associated facilities in Qtr2 2011. A point of presence/ interconnection facility was constructed in Luray at the end of Qtr 2 2011 but is currently an unliquidated obligation in the amount of \$30,745.91 representing 1% of the entire network build. The network build is on hold pending approval to change the design to bypass areas requiring extensive make ready.
2i.	Equipment Deployment	0	The original baseline projected equipment deployment to be at 25% of completion this quarter. Purchase of equipment and construction materials is on hold pending NTIA approval of project modification to be submitted in October 2011.
2j.	Network Testing	0	No Variance
2k.	Other (please specify):	0	No Variance

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).

PCBA experienced significant cost estimate overruns associated with a high-make ready estimate for pole attachments provided by the Shenandoah Valley Electric Cooperative (SVEC) for aerial construction on their utility infrastructure. The estimate received for the original network design totaled \$2.6 million, and the cooperative has been unwilling to reduce this high estimate forcing a project modification request. Since August 2011, the PCBA and Shentel worked to develop a revised design that minimized the use of SVEC poles through installation of a combination of aerial and buried fiber for distribution within the Towns and microwave links for long haul transport between the Towns. As a result of these delays, the PCBA was asked to submit a response to the Performance Improvement Plan (PIP) to NTIA by October 19, 2011. At this time the PCBA's modified time line is based on receiving project modification approval from NTIA in November to allow for completion of design and progress towards the network build to commence.

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	The original baseline projected 28 miles of fiber would be deployed this quarter. Due to delays in the completion of the network design as a result of the high make-ready cost associated with pole attachments, construction has not begun pending design modification approval.
New network miles leased	0	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	The original baseline projected 28 miles of new fiber would be deployed this quarter. Due to delays in the completion of the network design as a result of the high make-ready cost

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		associated with pole attachments, construction has not begun pending design modification approval.
Number of new wireless links	0	No Variance
Number of new towers	0	Variance: Awaiting project modification approval from NTIA that removes tower construction from this project.
Number of new and/or upgraded interconnection points	0	Variance: The Point of presence interconnection point in Luray has been constructed but no equipment has been deployed for an interconnection to Shentel (provider partner). Further construction pending approval for design modification.

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	40

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: An agreement is in place with Shenandoah Long Distance Company (Shentel) to provide both wholesale and last mile services. The original baseline projected 3 agreements would be signed with 4 potential. No further agreements can be negotiated until completion of the network can be accurately projected. The proposed redesign will replace fiber backhaul between communities with microwave and could potentially bring in additional providers from outside the County. It is anticipated that at least 1 additional agreement will be negotiated in Q1-2012 pending approval of a project modification.

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: No services established at this time, network has not yet been constructed. Awaiting project modification approval from NTIA.

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). Shentel will operate all of the Page County Broadband Authority network as contractor. Lease agreement includes all maintenance required on the network infrastructure and operating equipment. Contact: James Funkhouser (james.funkhouser@emp.shentel.com)

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	The original baseline projected 1 provider would be receiving new access during this quarter. A signed agreement with 1 provider is in place, but due to delays in design and make ready negotiations network construction has not begun.
	Providers with signed agreements receiving improved access	0	A signed agreement with 1 provider is in place, but due to delays in design and make ready negotiations network construction has not begun. No additional agreements with providers can be negotiated until the design modification is approved.
	Providers with signed agreements receiving access to dark fiber	0	1 dark fiber lease Agreement signed, network not yet constructed
	Please identify the speed tiers that are available and the number of	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	subscribers for each		
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The baseline projected a total of 9 subscribers could be served in this quarter. Network construction was projected to commence in Qtr 2 but has been delayed due to design modifications to bypass areas of high make ready expense.
	Subscribers receiving new access	0	The baseline projected a total of 4 subscribers could be receiving new access in this quarter. Network construction was projected to commence in Qtr 2 but has been delayed due to design modifications to bypass areas of high make ready expense.
	Subscribers receiving improved access	0	The baseline projected a total of 5 subscribers could be receiving improved access in this quarter. Network construction was projected to commence in Qtr 2 but has been delayed due to design modifications to bypass areas of high make ready expense.
	Please identify the speed tiers that are available and the number or subscribers for each	0	The baseline projected services would be available providing speeds ranging from a minimum of 10 Mbps to a maximum of 1 Gbps. While the speed tiers that the network will be capable of providing has not deviated from those indicated in the baseline and as stated above, the network construction has not commenced pending design modification approval. There are no subscribers at this time.
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).

Network has not yet been constructed

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	Are you also the broadband service provider	Narrative description of how anchor institutions are using BTOP-funded infrastructure
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		baseline)	for this institution? (Yes / No)	
N/A	N/A	N/A	N/A	Network not yet constructed

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Point of presence facilities will be set in place and agreements complete with all of the Towns for ground leases. The pole attachment agreement between the electric utility and the Authority will be complete. Designs will be finalized and make ready negotiations complete. Reconsultation with environmental agencies will be initiated and a project modification request submitted for approval. The construction contractor will be selected, under contract, and a wage determination request submitted to the NTIA/Dept of Labor liaison as necessary. Permitting will be resubmitted where necessary. A project modification will be submitted to NTIA in October 2011. It is anticipated that the PCBA will be at 67% project completion by end of February, 2012 (Q1-2012), and 100% complete by end of February 2013 (Q1-2013) per our original baseline.

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	Variance expected: The original baseline projected 95% completion in Qtr 4. During the next quarter it is anticipated that a revised design will be approved by NTIA and reconsultation for an environmental assessment amendment will be underway along with final construction design by the construction contractor Shentel.
2b.	Environmental Assessment	100	Variance expected: This project's environmental assessment will be amended to remove tower construction, replace fiber backhaul with microwave, and move some areas of fiber construction from aerial to underground. No historic buildings will be modified, no new CAI last mile construction is proposed, and the underground construction will occur within department of transportation or town rights of way. During this quarter reinitiation of environmental consultations will be in progress. Anticipated completion of the new EA is anticipated before the end of Q1 2012.
2c.	Network Design	100	No variance anticipated. Pending timely approval by NTIA of the project modification, redesign of portions of network changing from aerial to underground construction will be completed as significant portions of the design completed to date will not change.
2d.	Rights of Way	100	No variance. Work will be in progress for solidifying pole agreement with electric cooperative and VDOT ROW due to a deployment modification. Anticipated completion of these agreements by the end of Q4.
2e.	Construction Permits and Other Approvals	100	No variance: Permitting in progress with VDOT for areas changed to underground deployment, and two railroad crossing permits will be complete.
2f.	Site Preparation	0	No Variance
2g.	Equipment Procurement	0	The baseline projections were developed prior to entering into contract for construction. Variance expected as the current contract for design and construction stipulate payments to contractor to be made at significant construction completion points. Some materials have already been procured by the contractor that would not be affected by the proposed modification. No further equipment will be procured by the contractor until design is complete, anticipate final equipment and materials to be procured by the contractor during Qtr 1 2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	1	Variance: expected: The current unliquidated obligation in the amount of \$30,745.91 for the Luray interconnection facility already constructed is expected to be expended in the next quarter. All other preconstruction activities and including reinitiation of consultation for an environmental assessment amendment will be in progress pending timely approval of project design modification. Further construction of network facilities not anticipated until Qtr 1 2012.
2i.	Equipment Deployment	0	Variance expected: No deployment of equipment or materials will be in progress in the next quarter as preconstruction activities will be in progress pending timely approval of project design modification.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	0	Variance expected; No network construction anticipated during this quarter due to delays in the completion of the network design as a result of the high make-ready cost associated with pole attachments, the PCBA was requested to submit a project modification to NTIA in October 2011 and anticipates only having the design complete by the end of Q4-2011 with construction slated to begin in Q1-2012.
2k.	Other (please specify):	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).

Since Q2 the PCBA has developed a network redesign, including route modifications (aerial/buried fiber), a revised project schedule and a revised project budget. The PCBA and our partner, the Shenandoah Long Distance Company (Shentel) believes that this network redesign meets the original intent of the grant award criteria and can be completed during the existing grant contract period. the PCBA is committed to moving forward as soon as project modification approval is received. The project modification request submitted to NTIA on October 19, 2011 anticipated review and approval in November. To the extent that approval is received timely, the PCBA intends to immediately begin reconsultation for an environmental assessment amendment for areas previously described as aerial that are moving to underground. During this time, final design for construction will be completed.

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	\$320,362	\$64,073	\$256,289	\$151,104	\$30,221	\$120,883	\$162,000	\$32,400	\$129,600
b. Land, structures, right-of-ways, appraisals, etc.	\$374,522	\$74,904	\$299,618	\$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	\$188,825	\$37,765	\$151,060	\$32,595	\$6,526	\$26,069	\$38,500	\$7,700	\$30,800
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$82,500	\$16,500	\$66,000	\$0	\$0	\$0	\$436	\$87	\$349
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	\$453,730	\$90,746	\$362,984	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$641,237	\$128,247	\$512,990	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$2,061,176	\$412,235	\$1,648,941	\$183,699	\$36,747	\$146,952	\$200,936	\$40,187	\$160,749
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$2,061,176	\$412,235	\$1,648,941	\$183,699	\$36,747	\$146,952	\$200,936	\$40,187	\$160,749

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
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