QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570086	079792722

4. Recipient Organization

Enventis Telecom, Inc. 2950 Xenium N Ste 138, Minneapolis, MN 55441-2623

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
12-31-2011	◯ Yes ◉ 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	7c. Telephone (area code, number and extension)
Joann Jennings	X
	7d. Email Address
	joann.jennings@hickorytech.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	02-17-2012

Project Indicators (This Quarter)

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

Quarterly Activities: Enventis continued construction and has completed 157 miles to date. Began installation and turn up of optical equipment in three locations. Completed concrete work and building installation for two Point of Presence locations. Completed analysis for Environmental Assessment addendum. Collaborated with UW-Extension on joint build segment in Superior, WI; submitted sole source filing for joint build. Continued to work with project partners to narrow down CAIs of interest. Completed contractual agreements for joint build segments with UW-Extension and Merit Network in Duluth, Minnesota and Superior, Wisconsin. Completed conduit purchase agreement. Completed For-Profit Audit Requirement. Submitted two federal interest filings for land purchases.

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	53	We are slightly ahead of our baseline. This will not change our anticipated completion date of July 31, 2013.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	95	We have been working through an EA addendum. We will be able to complete the design once the addendum has been approved. We expect this to be complete by the next reporting quarter.
2d.	Rights of Way	90	We need to wait for approval of the EA addendum before finalizing the remaining Rights of Way. We expect this to be complete by the next reporting quarter.
2e.	Construction Permits and Other Approvals	75	We cannot apply for the permits until the EA addendum is approved. We expect to apply for permits shortly after the EA addendum approval.
2f.	Site Preparation	50	There is no variance from the baseline.
2g.	Equipment Procurement	20	This line only references CO and electronics equipment. This line will continue to show a variance from baseline because other materials were included in that report. We have started ordering and receiving equipment but due to difficulty in securing CAI's, the amount of equipment ordered is less than originally anticipated for this quarter. We are on schedule for procurement of equipment for middle mile routes. Once CAI's are confirmed we will be working on a schedule for CAI equipment purchases.
2h.	Network Build (all components - owned, leased, IRU, etc)	37	This is slightly ahead of baseline.
2i.	Equipment Deployment	15	This milestone continues to lag due to difficulty with getting CAI contracts signed. We are on schedule for deployment of equipment in the middle mile routes. Once the CAI's are confirme we will be wroking on a schedule for CAI deployments. We do not anticipate this will hinder our ability to be 2/3 complete by the end of year 2.
2j.	Network Testing	5	This is slightly ahead of the baseline since we were able to test equipment that had been installed.
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).

Enventis has encountered a number of challenges in achieving the milestones set on our baseline report particularly in securing contracts for CAI sites. Enventis has two key project partners, the State of Minnesota and Mayo Clinic, each of whom have undergone significant budget adjustments and/or internal re-organizations which have delayed their ability to readily commit to the CAIs identified in the initial application. Enventis continues to diligently pursue CAI commitments and have worked with our project partners to re-prioritize their requested CAI sites in light of recent budget revisions. We reach out to the partners on a weekly basis and continue to reiterate the cost savings and increased speeds made available by this unique program to encourage their participation. The challenge in securing CAIs has perpetuated difficulties in procuring and deploying customer premise equipment.

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	157	This is just a few miles behind baseline.
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)	157	This is just slightly behind baseline.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	42	This number is ahead of our baseline due to definition. This represents the number of Point of Presence buildings as well as the number of handholes that have been placed on the route in anticipation of potential CAI's connection opportunities.

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	4
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:
Upon completion, this project will provide 100Mg to 10G lit capacity as well as leased dark fiber. Wholesale pricing methodology is further explained on the attached.

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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	Enventis continues to negotiate four dark fiber agreements with three separate providers.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Current design intends to provide from 100Mg to 10Gig of services to all service providers at all sites.
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	1	Enventis continues to work with our project partners, the State of Minnesota and Mayo Clinic to re-prioritize their requested CAI sites in light of recent budget revisions.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	1	We have increased the speed of a Mayo Clinic health care site from a PTP T1 to 50mbps ethernet service.
	Please identify the speed tiers that are available and the number or subscribers for each	1	We are providing 50mbps service to one site. Current design intends to provide from 100Mg to 10Gig of services at all locations.
Residential / Households	**Entities passed**	0	We will not be offering last mile service to homes and businesses.
	Total subscribers served	0	We will not be offering last mile service to homes and businesses.
	Subscribers receiving new access	0	We will not be offering last mile service to homes and businesses.
	Subscribers receiving improved access	0	We will not be offering last mile service to homes and businesses.
	Please identify the speed tiers that are available and the number of subscribers for each	0	We will not be offering last mile service to homes and businesses.
Businesses	**Entities passed**	0	We will not be offering last mile service to homes and businesses.
	Total subscribers served	0	We will not be offering last mile service to homes and businesses.
	Subscribers receiving new access	0	We will not be offering last mile service to homes and businesses.
	Subscribers receiving improved access	0	We will not be offering last mile service to homes and businesses.
	Please identify the speed tiers that are available and the number of subscribers for each	0	We will not be offering last mile service to homes and businesses.

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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-

	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
Mayo Clinic Health System Mankato in Lake Crystal	**Lake Crystal, MN**	**Medical and Healthcare Providers**	**Yes**	**This customer previously had a Point to Point T1. They are now on our network and receiving 50Mbps.**

Project Indicators (Next Quarter)

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

We plan to submit Qwest augment orders for the Regen sites on our second long haul route. Initiate bill of materials, let and award RFPs for five different types of Customer Premise equipment, contract with selected vendors, and begin ordering Customer Premise equipment for route laterals. Begin Customer Premise equipment installation for laterals. Initiate any remaining permits & obtain easements for new fiber construction on our second long haul route. Initiate permitting & obtain easements for new fiber construction for all laterals. Submit and receive approval of EA addendum. Finalize route design. Refine inside and outside plant design & equipment requirements for new fiber construction on our second long haul route. Initiate outside plant construction for on our second long haul route. Continue negotiating four pending dark fiber 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**	54	This milestone will be slightly behind our baseline since we do not expect to do any construction during the winter months. We continue to work on preparations to allow us to begin construction as soon as weather permits. This will help us to be closer to plan the following quarter. This will not hinder our ability to be 2/3 complete by the end of year 2.
2b.	**Environmental Assessment**	100	N/A
2c.	**Network Design**	100	N/A
2d.	**Rights of Way**	95	This is just slightly behind our baseline due to work on the EA addendum. We will continue working on these once the EA addendum is approved.
2e.	**Construction Permits and Other Approvals**	85	This is just slightly behind our baseline due to work on the EA addendum. We will continue working on these once the EA addendum is approved.
2f.	**Site Preparation**	50	N/A
2g.	**Equipment Procurement**	20	This milestone will continue to show a variance from the baseline because this line only references CO and electronics equipment. Other materials had been included in the original baseline. We do not anticipate receiving any additional equipment this quarter due to difficulty in getting CAI contracts signed. In addition, we will not need equipment this quarter because there is no construction planned during winter months.
2h.	**Network Build (all components - owned, leased, IRU, etc.)**	37	This is just slightly behind our baseline. We do not expect this number to change this quarter since we are unable to build in winter conditions.
2i.	**Equipment Deployment**	15	This milestone will remain the same this quarter since there is no construction planned during winter months.
2j.	**Network Testing**	5	This milestone will remain the same this quarter since we do not expect to deploy any equipment this quarter.
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).

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.

Cost Classification	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		
	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	$652,967	$195,890	$457,077	$179,583	$53,875	$125,708	$200,000	$60,000	$140,000
b. Land, structures, right-of-ways, appraisals, etc.	$551,506	$165,452	$386,054	$666,530	$199,959	$466,571	$676,530	$202,959	$473,571
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$2,384,746	$715,424	$1,669,322	$574,845	$172,454	$402,392	$624,845	$187,454	$437,391
e. Other architectural and engineering fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
f. Project inspection fees	$3,072,060	$921,618	$2,150,442	$90,850	$27,255	$63,595	$90,850	$27,255	$63,595
g. Site work	$1,018,443	$305,533	$712,910	$205,070	$61,521	$143,549	$225,070	$67,521	$157,549
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$13,382,331	$4,014,699	$9,367,632	$10,502,690	$3,150,807	$7,351,883	$10,602,693	$3,180,808	$7,421,885
j. Equipment	$2,751,000	$825,300	$1,925,700	$471,331	$141,399	$329,932	$501,331	$150,400	$350,931
k. Miscellaneous	$219,000	$65,700	$153,300	$99,614	$29,884	$69,730	$120,000	$36,000	$84,000
l. SUBTOTAL (add a through k)	$24,032,053	$7,209,616	$16,822,437	$12,790,513	$3,837,154	$8,953,360	$13,041,319	$3,912,397	$9,128,922
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$24,032,053	$7,209,616	$16,822,437	$12,790,513	$3,837,154	$8,953,360	$13,041,319	$3,912,397	$9,128,922

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