

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 NT10BIX5570093	3. DUNS Number 175409010
4. Recipient Organization Citizens' Telephone Co-operative 220 Parkway Ln S, Floyd, VA 24091-4170		
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	
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 Chris Bond	7c. Telephone (area code, number and extension) X	
	7d. Email Address chrisbond@citizens.coop	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-16-2011	

Project Indicators (This Quarter)

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

Citizens received official notification of the approved FONSI during the first week of July 2011. The Citizens staff and Thompson & Litton, Inc. awarded three Outside Plant Construction Contracts during the 5th quarter. The proposed 186 mile fiber project was divided into 4 separate construction contracts. Three of the construction contracts have been awarded as follows:
 Contract I Nichols Construction, LLC 102 miles 180 days
 Contract II Lambert's Cable Splicing Co, LLC 70 miles 130 days
 Contract III Lambert's Cable Splicing Co, LLC 11 miles 90 days

Starting construction has been delayed due to the extended lead times that the fiber cable manufacturers are now experiencing. The contractors placed orders for the fiber optic cable needed for their individual contracts in early June 2011. The scheduled fiber delivery dates for the project are as follows:
 Shipment 1 Contract III November 10, 2011
 Shipment 2 Contract I November 30, 2011
 Shipment 3 Contract II December 22, 2011
 Shipment 4 Contract II December 29, 2011

Citizens was successful in locating a small amount of 144 strand fiber that would allow Contract III construction to begin sooner than the scheduled fiber delivery dates.
 Lambert's Cable Splicing Co., LLC started construction on Contract III on July 27, 2011. As of September 30, 2011 approximately 5 miles of fiber optic cable had been installed and 45 days of the 90 day Contract. Service drop construction has been completed to 5 Montgomery County school locations with one service in the process of being turned up.

Nichols Construction, LLC is planning to start preliminary construction work and aerial make ready on Contract I by the last week of October. This is work that can be done in advance of the actual fiber installation which cannot start until the fiber cable is delivered.

Lambert's will start preliminary construction and aerial make ready on Contract II by the third week of November.

Citizens was notified by the manufacturer (VFP, Inc.) in September that the two telecommunication buildings were ready to be shipped. The site work for the Christiansburg building is scheduled to begin the week of October 3d. The Christiansburg building will be scheduled for delivery to the site by the last week of October. Site work is scheduled to begin on the Pulaski telecommunication hut by the first week of November.

Aerial make ready work is on going with American Electric Power, Verizon, and the City of Radford Electric department. No delays are expected with any of the proposed make ready work.

The Land Use Permit for the Town of Wytheville, VA was obtained on September 13, 2011.
 The Joint Use Agreement with the City of Radford Electric Department was completed and signed on July 27, 2011.
 Contract I with Nichols Construction, LLC was completed and signed on September 27, 2011.

Two private right of way easements are still outstanding. Both have been negotiated and are awaiting final signatures. All right of way easements should be complete by the first week of November.

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	7	The construction process has been delayed by 3.5 months thus far due to the unavailability and extended delivery lead times that the fiber cable manufacturers are currently experiencing.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	98	Citizens had anticipated having 100% of the identified private right of ways needed for the project completed by the end of the 5th quarter. One additional right of way for Falling Branch Industrial Park in Christiansburg and one right of way from the Town of Pulaski in Pulaski

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			County are awaiting final signatures for completion. These two agreements should be complete by the end of November, 2011.
2e.	Construction Permits and Other Approvals	98	Citizens had anticipated having 100% of the permits and agreements completed by the end of the 5th quarter. The Town of Blacksburg does not issue Work or Land Use Permits for the project. The Town of Blacksburg issues Excavation Permits and Lane Closure Permits on a weekly basis, so the permit process with the town is ongoing during the construction process. The Town of Pulaski Work Permit will be complete by the last week of October, 2011. The County of Pulaski has completed the approval process for the lease agreement for the Pulaski Telecommunication Hut site. Final signatures and recording should be complete by Mid-November, 2011.
2f.	Site Preparation	50	No Variance
2g.	Equipment Procurement	95	Citizens worked together with Mid-Atlantic Broadband Cooperative and the Virginia Tech Foundation in order to procure equipment on a large order at a bulk rate for a larger discount. Due to coordinating this bulk order between 4 BTOP projects, we were able to procure the majority of our equipment sooner than originally anticipated. The order was placed in the 5th quarter and received and paid for during the 6th quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	5	Citizens had anticipated having 20% of the network construction completed by the end of 5th quarter. Delay in the final approval of the Environmental Assessment and long lead times in obtaining fiber cable and other materials have impacted the timing of construction.
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): N/A	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).

Obtaining the various permits and agreements with the cities, towns, and counties that the proposed project spans through has been difficult and time consuming due to the unique procedures and process that each locality has. Some documents and agreements seem to get bogged down in the different stages of the process even though the request has been approved by the required boards, councils, committees, and government officials. The permit process that the Town of Blacksburg requires has made scheduling and keeping the work crews organized and moving ahead very difficult. The Blacksburg permit process often causes the crew to wait before they can proceed to the next work location because the next permit has not been approved yet. The long lead time for obtaining the fiber optic cable needed for the project has caused a 15 week delay in starting construction on Contract I and Contract II. The first shipment of fiber is not due to be delivered until November 10, 2011 which will add several weeks more to the delay. This is also causing the contractors to have to reschedule their crews and find fill in work for the crews until the contract work can start.

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	5	Citizens had anticipated approximately 37 miles complete by the end of quarter 5. Due to the unavailable fiber cable, construction on Contract I and Contract II has not begun. Construction work on Contract III is in progress.
New network miles leased	0	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance

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)	5	Citizens had anticipated having 37 miles of new fiber installed by the end of quarter 5. Due to the unavailable fiber cable, construction on Contract I and Contract II has not begun. Construction work on Contract III is in progress.
Number of new wireless links	0	No Variance
Number of new towers	0	No Variance
Number of new and/or upgraded interconnection points	1	No Variance

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 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	No Variance
	Providers with signed agreements receiving improved access	0	No Variance
	Providers with signed agreements receiving access to dark fiber	0	No Variance

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No Variance
Residential / Households	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
Businesses	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance

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

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).

Citizens will complete the lease agreement with Pulaski County for the Pulaski telecommunication hut site and obtain the necessary building and work permits with the county by mid-November, 2011. Two right of way agreements will be complete by mid-November, 2011.

Contract III

Construction in the Town of Blacksburg should be complete by the 2nd week of December, 2011. Splicing and testing on Contract should be complete by the end of December, 2011. This will include service drops complete to 13 CAI's and service activated at three of those locations.

Site preparation for the two telecommunication huts and installation of the two huts will be completed by the end of November, 2011. Commercial power and generator installation will begin by mid-November, 2011 and should be complete by the end of January, 2012.

Contract I

Nichols Construction, LLC will begin preliminary construction on Contract I the 2nd week of October, 2011. Installation of strand, setting guys, installing anchors, and make ready adjustments on the poles are portions of the aerial work that needs to be completed in advance of the actual installation of the aerial fiber cable. The contractor will start doing the directional bores along the underground portions of the project route. The directional bore crews are scheduled to begin the 2nd week of November, 2011. The fiber optic cable for Contract I is scheduled to be shipped on November 30, 2011. The contractor will start fiber construction by the 2nd week of December, 2011 and anticipates having approximately 3 – 5 miles complete by the end of the quarter.

Contract II

Lambert's Cable Splicing, LLC will begin preliminary construction on Contract II by the 3d week of November, 2011. Installation of strand, setting guys, installing anchors, and make ready adjustments on the poles is work that needs to be completed before aerial fiber cable installation can be done. The contractor will start doing directional bores along the underground portions of the project route by the 4th week of November, 2011. The fiber optic cable for Contract II is scheduled to be shipped on December 22 and 29, 2011. The contractor will start fiber construction in January 2012.

Overall projection (quarter 6)

Citizens anticipates having approximately 15 network miles (9%) completed by the end of the 6th quarter. This will include service drops completed to 13 CAI's and 3 CAI's connected and in service. Citizens does not plan on any new leased network miles in this project. There are no signed agreements with wholesale broadband or last mile providers planned for quarter 6.

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	19	Citizens had anticipated having approximately 71 miles (39%) of aerial and buried fiber construction completed by the end of quarter 6. Start of construction has been delayed due to the unavailability of fiber optic cable and the delay in getting ship dates for the fiber cable. Starting construction on Contract I and Contract II had been delayed 15 weeks by the end of the 5th quarter and will be approximately 23 weeks behind the original planned start dates by the end of the 6th quarter.
2b. Environmental Assessment	100	No Variance
2c. Network Design	100	No Variance
2d. Rights of Way	100	No Variance

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	50	No Variance
2g.	Equipment Procurement	95	Citizens worked together with Mid-Atlantic Broadband Cooperative and the Virginia Tech Foundation in order to procure equipment on a large order at a bulk rate for a larger discount. Due to coordinating this bulk order between 4 BTOP projects, we were able to procure the majority of our equipment sooner than originally anticipated. The order was placed in the 5th quarter and received and paid for during the 6th quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	9	Citizens had anticipated having 38% of the network construction completed by the end of the 6th quarter. Construction will be impacted by the long lead time in obtaining fiber cable and other materials.
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): N/A	0	No Variance

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).

Construction start dates will continue to be impacted by the long lead time in getting the fiber optic cable and other materials for the project. The fiber optic cable is scheduled to start shipping near the end of quarter 6 which will push the construction process into the winter season. Aerial construction usually experiences a slow down in the winter months but can continue if the weather conditions are not too bad. Winter weather has a greater impact on the underground construction process. Snow, ice, and frozen ground can stop underground construction in the southwest area of Virginia for 4 to 10 weeks.

The delay in obtaining fiber cable continues to put Citizens, Thompson & Litton, Inc., and the Contractors in a difficult position because all these firms have organized and arranged their schedules and personnel to meet the previously anticipated milestone timelines. Citizens and Thompson & Litton will continue to review all options to try to stay as close as possible to the original milestone timelines.

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$160,000	\$32,000	\$128,000	\$143,365	\$28,673	\$114,692	\$227,928	\$45,586	\$182,342
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$491,739	\$491,739	\$0	\$95,943	\$95,943	\$0	\$122,807	\$122,807	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$9,819,064	\$1,581,304	\$8,237,760	\$586,069	\$117,214	\$468,855	\$962,736	\$192,547	\$770,189
j. Equipment	\$1,090,000	\$218,000	\$872,000	\$0	\$0	\$0	\$872,000	\$174,400	\$697,600
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$11,560,803	\$2,323,043	\$9,237,760	\$825,377	\$241,830	\$583,547	\$2,185,471	\$535,340	\$1,650,131
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$11,560,803	\$2,323,043	\$9,237,760	\$825,377	\$241,830	\$583,547	\$2,185,471	\$535,340	\$1,650,131

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: \$2,583,000 b. Program Income to Date: \$0