

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 NT10BIX5570095	3. DUNS Number 176553068
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4. Recipient Organization JKM Consulting, Inc. 100 Firethorn Lane, Munford, AL 36268-5504

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	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 Steven Moses	7c. Telephone (area code, number and extension) X
	7d. Email Address smoses@jkmconsultinginc.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-07-2012
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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 this quarter, all fiber cable arrived and construction began. Eight (8) miles of fiber was completed this quarter, in addition to, several additional miles of preparatory work. An equity offering for \$1,225,000 was completed to fulfill cash match requirements. Discussions with Charter Communications continued this quarter, as the purchase of Alabama properties from grant partner, James Cable, LLC was completed at the end of November. Requests for Proposal(s) (RFP) for optical equipment and Radio Frequency (RF) Engineering services were released during this fourth quarter. Electronics vendor selection has been narrowed, from RFP responses, to three vendors with selection due January 2012.</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	24	Previous reports detailed the delays with Finding of No Significant Impact (FONSI) and tsunami issues for fiber delivery. Additionally, even the new fiber vender was 2 weeks late delivering the fiber. Winter weather delays have slightly effected progress.
2b.	Environmental Assessment	100	N/A - complete
2c.	Network Design	90	Previous reports detailed the delays with FONSI and tsunami issues. Design is being held open to accommodate changes required by construction issues. Additional changes may be driven by Community Anchor Institutions (CAI) changes and Federal Communications Commission (FCC) rule changes to the wireless component.
2d.	Rights of Way	85	Previous reports detailed the delays with FONSI and tsunami issues. Additional delays in permitting have been driven by poor performance of original engineering firm; staff shortages in Alabama Department of Transportation (DOT); previously unplanned road construction and construction driven changes.
2e.	Construction Permits and Other Approvals	85	Previous reports detailed the delays with FONSI and tsunami issues. Additional delays in permitting have been driven by staff shortages in Alabama DOT; previously unplanned road construction and construction driven changes.
2f.	Site Preparation	0	n/a
2g.	Equipment Procurement	0	Network construction has been delayed as noted above reducing the requirement to purchase equipment earlier. However, equipment Request for Proposals were initiated and closed this quarter. Selection has been narrowed to three vendors.
2h.	Network Build (all components - owned, leased, IRU, etc)	19	Previous reports detailed the delays with FONSI and tsunami issues. Additional delays in permitting have been driven by staff shortages in Alabama DOT; unplanned road construction and construction driven changes.
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
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>Major challenges this past quarter resulted from delays in fiber and other construction materials delivered by suppliers. Permitting delays are occurring during review process with state DOT, this has been a challenge. Unexpected delays occurred in completing fund raising, however all funds received prior to fourth quarter end.</p>			

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	8	Previous reports detailed the delays with FONSI and tsunami issues for ordering fiber. The new fiber vender was 2 weeks late delivering the fiber. Preparatory construction began shortly before fiber delivery.
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)	8	Previous reports detailed the delays with FONSI and tsunami issues, as mentioned above. Winter weather arrived along with the fiber, effecting the underground construction minimally.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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	5
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:
None as of this date.

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:

Broadband service providers may lease dark fiber, as available, on a non-discriminatory basis at a cost based rate to be negotiated with acceptance to binding arbitration.

Broadband service providers may lease 10/100 mps circuits at \$550 per month per leg where available on a month to month basis, term and volume discounts are open to negotiations.

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
	Providers with signed agreements receiving improved access	0	N/A
	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	N/A
Community Anchor Institutions (including Government institutions)	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 or subscribers for each	0	N/A
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).
 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).
 CLEC (Competitive Local Exchange Carrier) certification is a goal for 1st quarter 2012 with our state hearing set for January. This certification will provide long-term savings and a more favorable contract with Alabama Power. Also on target for 1st quarter is the completion of Jacksonville State University's (JSU) two campus connections and construction completion for northern Calhoun county. The optronics vendor selection will awarded with the order processed and initial installations commencing. Progress is expected with railroad and Department of Transportation (DOT) permits and construction initiated for southbound installation aerial and underground.

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	33	Previous reports detailed the delays with FONSI and tsunami issues for fiber delivery, as well as delays with initial engineering firm. Construction has commenced with fiber placement initiated and connectivity to 3 CAI's in 1Q2012. Outstanding permit issues will be resolved allowing for additional construction crew(s) deployment. Equipment delivery will commence and critical collocation agreements are finalized allowing site preparation and equipment installation. Wireless RF Engineering will be finalized during 1Q2012 for preparation of equipment selection in 2Q2012.
2b.	Environmental Assessment	100	complete
2c.	Network Design	90	Previous reports detailed the delays with FONSI and tsunami issues. Design is being held open to accommodate changes required by construction issues. Additional changes may be driven by CAI (Community Anchor Institutions) changes (some CAIs have moved or ceased operations) and FCC (Federal Communications Commission) rule changes to the wireless component.
2d.	Rights of Way	90	Previous reports detailed the delays with FONSI and tsunami issues, hindering permit applications. Additional delays in permitting have been driven by poor performance of original engineering firm, staff shortages in Alabama DOT; previously unplanned road construction and construction driven changes.
2e.	Construction Permits and Other Approvals	95	Previous reports detailed the delays with FONSI and tsunami issues. Additional delays in permitting have been driven by poor performance of original engineering firm, staff shortages in Alabama DOT; unplanned road construction and construction driven changes.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	35	Network construction has been delayed as noted above, reducing the requirement to purchase equipment earlier. However, responses to Request for Proposals were completed this quarter and narrowed to 3 vendors with final selection due early January.
2h.	Network Build (all components - owned, leased, IRU, etc.)	40	Previous reports detailed the delays with FONSI and tsunami issues. Additional delays in permitting have been driven by poor performance of original engineering firm, staff shortages in Alabama DOT, new previously unplanned road construction and construction driven changes. Acquisition of leased/IRU fibers have been hampered by economic impact of tornadoes to James Cable and the withdrawal of AFO from the project.
2i.	Equipment Deployment	25	Network construction has been delayed as noted in 2g above, reducing the requirement to purchase equipment earlier.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	5	Testing for the McClellan campus and Main Campus for Jacksonville State University will be completed this quarter, allowing us to begin testing earlier than expected.
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).

Charter Communications recent acquisition of partner, James Cable LLC has caused delays in progress for our project as we continue to develop relationships and introduce the value of the project. The business development may be a challenge to meet contract completions as we move forward, nevertheless, we believe in the benefits of the project. The permit from US Forestry Service was completed in June/July 2011, however we have been unable to obtain the actual permit to move forward with construction in our state right-of-way until provided. Several state road projects have developed and changes within their projects have reflected delays in providing permits on state highways. We anticipate moving forward, however note the possibility for challenges with final permits. Winter weather and rain are possible during the 1st quarter and this may present a challenge for the underground construction, however we do not anticipate any unforeseen long delays.

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	\$510,200	\$0	\$510,200	\$314,573	\$0	\$314,573	\$365,000	\$0	\$365,000
b. Land, structures, right-of-ways, appraisals, etc.	\$486,000	\$441,000	\$45,000	\$488,890	\$475,500	\$13,390	\$493,390	\$480,000	\$13,390
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$514,204	\$0	\$514,204	\$231,947	\$0	\$231,947	\$275,000	\$0	\$275,000
e. Other architectural and engineering fees	\$75,000	\$0	\$75,000	\$930	\$0	\$930	\$65,000	\$0	\$65,000
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	\$4,470,516	\$1,312,540	\$3,157,976	\$859,963	\$0	\$859,963	\$1,365,000	\$200,000	\$1,165,000
j. Equipment	\$2,078,817	\$162,000	\$1,916,817	\$5,618	\$0	\$5,618	\$250,000	\$0	\$250,000
k. Miscellaneous	\$65,000	\$15,000	\$50,000	\$61,577	\$28,739	\$32,838	\$64,739	\$28,739	\$36,000
l. SUBTOTAL (add a through k)	\$8,199,737	\$1,930,540	\$6,269,197	\$1,963,498	\$504,239	\$1,459,259	\$2,878,129	\$708,739	\$2,169,390
m. Contingencies									
n. TOTALS (sum of l and m)	\$8,199,737	\$1,930,540	\$6,269,197	\$1,963,498	\$504,239	\$1,459,259	\$2,878,129	\$708,739	\$2,169,390

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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