

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 NT10BIX5570118	3. DUNS Number 165271250
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4. Recipient Organization

Nexus Systems, Inc. 2904 Evangeline St, Monroe , LA 71201-3724

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 Mark Stevenson	7c. Telephone (area code, number and extension) X
	7d. Email Address msteve@nexussystems.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-29-2012
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Fiber construction for the original route is essentially complete with the exception of changes in a pending program modification. Power and air conditioning for repeater sites in Vienna, Jonesboro, Winnfield, and Dry Prong is installed. Renovations to the Vienna site have been completed allowing for 1600 feet of co-location space. The southern interconnect point is still pending with Project Modification under review. BTI fiber transmission equipment has been installed and the initial 40 Gbps backbone is now operating from Vienna (north) to Dry Prong (south). Extensions out to Community Anchor Institutions from the primary fiber routes are underway with new or upgraded connections to the CAI sites. A program modification along with a re-designation of the interconnection point at the South end of the project have been submitted to the Program Office for review. Permits and engineering for this modification have been largely completed with construction pending environmental clearance. Additional negotiations are underway with multiple providers for wholesale agreements.

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	84	Percentage completion is based on federal funds expended. Significant construction has been completed with electrical and utility installations completed at four co-location and/or repeater sites. The termination at Pineville has not been completed with this site being redesignated as a anchor facility instead of an end point, however engineering and permits are underway. Engineering and permits for pending program modification are underway. The primary construction plan is on schedule and all construction including requested program modification will be completed within grant guidelines.
2b.	Environmental Assessment	95	Environmental assessment is completed on primary route. Requested program modification has been submitted and is awaiting environmental.
2c.	Network Design	95	Network design is substantially completed. Changes due to requested program modification will not require significant design changes.
2d.	Rights of Way	95	Right of way permits for primary route are complete. Requested program modification requires additional permit for river crossing which has been submitted to Core of Engineers and Levy Board. All State highway right of way permits are provided where needed for requested program modification.
2e.	Construction Permits and Other Approvals	95	Construction permits for primary route are complete. Requested program modification requires additional permit for river crossing.
2f.	Site Preparation	95	Construction for power, fencing and generator placement is complete for repeater sites. Delays have been encountered due to external utility construction to the sites.
2g.	Equipment Procurement	95	Fiber and router/switch equipment has been installed and initial 40 Gbps primary link is working.
2h.	Network Build (all components - owned, leased, IRU, etc)	90	Requested program modification will require additional network build elements as noted above.
2i.	Equipment Deployment	85	Generator and battery equipment is in place at field sites. Fiber transmission and router switch equipment is configured and operating.
2j.	Network Testing	75	Physical layer testing of the fiber has been completed for the primary path links.
2k.	Other (please specify): N/A	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).
 Fiber placement is complete with splice points completed except for the end points North (Vienna) and South (Huey P Long Hospital). The only significant challenges for construction during the quarter have been longer than anticipated power utility permits and the required environmental review for the proposed program modification. For the overall project, the challenge has been to implement

better interconnection facilities at the North and South ends of the project. The original design included interconnection points to the Board of Regents ("LONI") network at the North and South ends of the Piney Woods construction build. Due to the State Board of Regents BTOP grant being cancelled, the North and South ends will not be afforded the interconnections assumed in the original design. The State Department of Transportation (DOT) has worked closely with Nexus Systems to assist the project. A program modification request has been submitted to implement changes at the North and South ends of the project to provide viable interconnection paths. Assistance from BTOP for speedy review of the requested program modification would be helpful.

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	120	Construction of the original 120 miles is completed with testing completed. Additional construction is anticipated in the pending requested program modification.
New network miles leased	0	N/A - No leasing is currently in the project. Note the pending program modification will incorporate approximately 120 miles of DOT dark fiber in a cooperative endeavor arrangement to increase the total fiber deployment.
Existing network miles upgraded	0	N/A - No existing network mileage is projected in the plan.
Existing network miles leased	0	N/A - No existing network mileage is projected in the plan.
Number of miles of new fiber (aerial or underground)	120	Original construction in the Piney Woods project.
Number of new wireless links	0	Two wireless links are planned for next quarter. Three wireless links were planned in the original design, but one will be eliminated with the pending project modification.
Number of new towers	0	N/A - No new towers projected in the plan.
Number of new and/or upgraded interconnection points	0	Multiple additional interconnection points will be added with the pending project 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	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:
 We do not have any signed agreements at this point in the project. We have initial contact with five providers for whom we are providing network maps and seeking negotiations at this time.

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:
 Wholesale agreements and related pricing plans have not been established at this point.

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 - There is no planned third party to operate the network.

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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	Network not available for subscribers due to construction in progress.
	Providers with signed agreements receiving improved access	0	Network not available for subscribers due to construction in progress.
	Providers with signed agreements receiving access to dark fiber	0	Network not available for subscribers due to construction in progress.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not available for subscribers due to construction in progress.
	Total subscribers served	61	Network not available for all subscribers due to construction in progress. Anchor institutions in Lincoln, Jackson, Winn, and Grant parishes have been connected or upgraded in segments of the network.
	Subscribers receiving new access	23	Hospitals in Jackson, Union, and Claiborne received new service. Sheriff in Jackson and Winn Recieved new service and library in Bienville received new service. Libraries in Lincoln, Bienville, Winn received new service.
	Subscribers receiving improved access	38	Schools in Lincoln, Jackson and Winn received upgraded service.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	6	Libraries, Hospitals and Sheriff received 20+ Mbps, Schools received 100 Mbps and 1000 Mbps service.
	Entities passed	0	Network not available for subscribers due to construction in progress.
	Total subscribers served	0	Network not available for subscribers due to construction in progress.
	Subscribers receiving new access	0	Network not available for subscribers due to construction in progress.
	Subscribers receiving improved access	0	Network not available for subscribers due to construction in progress.
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not available for subscribers due to construction in progress.
	Entities passed	0	Network not available for subscribers due to construction in progress.
	Total subscribers served	0	Network not available for subscribers due to construction in progress.
	Subscribers receiving new access	0	Network not available for subscribers due to construction in progress.
	Subscribers receiving improved access	0	Network not available for subscribers due to construction in progress.

7. Please describe any special offerings you may provide (600 words or less).

N/A - No special offerings are planned at this time.

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 - Network management practices have not changed during the quarter.

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
Jackson Sherriff's Office	Jonesboro	Public Safety	yes	High Speed Internet Access
Winn Sherriff's Office	Winnfield	Public Safety	yes	High Speed Internet Access
Bienville Parish Library	Arcadia	Library	yes	High Speed Internet Access
Bienville Parish Library	Ringgold	Library	yes	High Speed Internet Access
Bienville Parish Library	Saline	Library	yes	High Speed Internet Access
Bienville Parish Library	Castor	Library	yes	High Speed Internet Access
Jackson Parish Hospital	Jonesboro	Medical or Healthcare Provider	yes	High Speed Internet Access
Union General Hospital	Farmerville	Medical or Healthcare Provider	yes	High Speed Internet Access
Homer Memorial Hospital	Homer	Medical or Healthcare Provider	yes	High Speed Internet Access
Central Office	Jonesboro	School (K-12)	yes	High Speed Internet Access
Special Services	Jonesboro	School (K-12)	yes	High Speed Internet Access
Southside ES	Jonesboro	School (K-12)	yes	High Speed Internet Access
Jonesboro-Hodge Jr	Jonesboro	School (K-12)	yes	High Speed Internet Access
Jonesboro-Hodge HS	Jonesboro	School (K-12)	yes	High Speed Internet Access
Quitman HS	Quitman	School (K-12)	yes	High Speed Internet Access
Weston HS	Weston	School (K-12)	yes	High Speed Internet Access
Atlanta	Atlanta	School (K-12)	yes	High Speed Internet Access
Central Office	Winnfield	School (K-12)	yes	High Speed Internet Access
Calvin HS	Calvin	School (K-12)	yes	High Speed Internet Access
Dodson	Dodson	School (K-12)	yes	High Speed Internet Access

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
Winnfield Annex	Winnfield	School (K-12)	yes	High Speed Internet Access
Winnfield Intermediate	Winnfield	School (K-12)	yes	High Speed Internet Access
Winnfield HS	Winnfield	School (K-12)	yes	High Speed Internet Access
Winnfield MS	Winnfield	School (K-12)	yes	High Speed Internet Access
Winnfield Primary	Winnfield	School (K-12)	yes	High Speed Internet Access
Winnfield K Center	Winnfield	School (K-12)	yes	High Speed Internet Access

Project Indicators (Next Quarter)

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

Work is to projected to begin on the proposed project modification with fiber to be installed at key points along I20. If permits are finalized, drilling under the river at Pineville/Alexandria will be accomplished. Additional BTI fiber transmission hardware will be ordered for delivery and testing. Microwave links to Farmerville and Athens/Homer is expected to be completed. The pending project modification will also include a request to change the point of presence termination at Pineville to the AT&T central office at Alexandria and add a point of presence at the AT&T Monroe CO and AT&T Shreveport CO in order to allow greater connectivity for Nexus and broadband providers. Ongoing work will be to connect critical anchor institutions and negotiating with wholesale and last mile providers. Nexus has been contacted by multiple providers seeking services with providers seeking agreements after fiber is lighted. At his time, there are no wholesale/last mile providers signed and connected as of end of Quarter 3, 2012. Field work for connecting critical anchor institutions has been completed for many sites with late-Summer conversion completed for a number of educational and governmental sites. As of end of Quarter 3, 2012, 61 CAI sites have been connected or upgraded with an additional 35 slated for connection in Quarter 4, 2012. The remaining critical anchor sites are expected to be completed during the Spring.

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	92	Project is on schedule for original planned completion. Project modifications noted above may extend final completion date, but will not impede services schedules.
2b.	Environmental Assessment	95	Original environmental review is complete. Additional environmental review is underway for proposed project modification. The percent complete is noted at 100% based on the original project but proposed project modification will require additional environmental review.
2c.	Network Design	95	Original network design is complete with minor modifications due to proposed project modification.
2d.	Rights of Way	100	Rights of way secured for original design and planned project modification. Additional right of way is being secured for railroad crossing in Arcadia with proposed project modification.
2e.	Construction Permits and Other Approvals	95	Rights of way secured for original design and planned project modification. Additional right of way is being secured for railroad crossing in Arcadia with proposed project modification.
2f.	Site Preparation	95	Original site preparation will be completed. Minor additions due to planned project modification may be required.
2g.	Equipment Procurement	95	Original equipment procurement is completed. Equipment additions due to planned project modification will be required.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	90	Original fiber network build is completed. Planned project modification will require some network build modifications. The additions will incorporate approximately 120 miles additional fiber to the network. These additions have been presented for approval through a project modification during the next quarter.
2i.	Equipment Deployment	95	Original equipment deployment will be completed. Planned project modification will require additional equipment deployment.
2j.	Network Testing	90	Final network testing of all components will be extended due to additions from planned project modification.
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).

The pending project modification will require an environmental review primarily for crossing the Red River in Alexandria. Nexus is going forward with engineering and environmental consulting but any assistance from BTOP to identify requirements would be helpful. The construction in the proposed changes for the North will not be significant but construction at the Red River in the South end will require coordination with the Core of Engineers and the Rapides Parish Levy Board. The pressing challenge at this time is approval of the environmental review for the project modification.

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	\$2,967	\$0	\$2,967	\$2,967	\$0	\$2,967
b. Land, structures, right-of-ways, appraisals, etc.	\$1,642,500	\$1,005,000	\$637,500	\$1,451,726	\$1,094,263	\$357,463	\$1,594,263	\$1,094,263	\$500,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,165,999	\$0	\$1,165,999	\$1,213,558	\$144,293	\$1,069,265	\$1,350,000	\$150,000	\$1,200,000
e. Other architectural and engineering fees	\$570,000	\$570,000	\$0	\$342,188	\$342,188	\$0	\$400,000	\$400,000	\$0
f. Project inspection fees	\$150,000	\$0	\$150,000	\$168,044	\$0	\$168,044	\$200,000	\$0	\$200,000
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	\$7,004,505	\$1,035,600	\$5,968,905	\$5,522,492	\$776,090	\$4,746,402	\$6,000,000	\$1,000,000	\$5,000,000
j. Equipment	\$1,810,980	\$570,000	\$1,240,980	\$1,669,893	\$403,047	\$1,266,846	\$1,800,000	\$500,000	\$1,300,000
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$12,343,984	\$3,180,600	\$9,163,384	\$10,370,868	\$2,759,881	\$7,610,987	\$11,347,230	\$3,144,263	\$8,202,967
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$12,343,984	\$3,180,600	\$9,163,384	\$10,370,868	\$2,759,881	\$7,610,987	\$11,347,230	\$3,144,263	\$8,202,967

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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