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	NT10BIX5570122	961960122

4. Recipient Organization

Florida Rural Broadband Alliance, LLC 1500 Manhan Dr, Tallahassee, FL 32308-5103

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2011	◯ 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)
Johnene Marcum	
	7d. Email Address johnene@johnenemarcumcpa.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-25-2011

Project Indicators (This Quarter)

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

Florida Rural Broadband Alliance, LLC ("FRBA") recently restructured the administration of its Limited Liability Company to allow for more hands on management of the grant administration, more visibility into the day-to-day activities and streamlined decision making regarding the grant implementation. This restructuring allows for the Members of FRBA to take a more active role in the daily management and oversight of its business and the grant-funded project.

FRBA also terminated its relationship with Government Services Group as the General Manager of the program; again to provide better visibility into the grant management activities and implementation. In light of the reorganization of the Limited Liability Company and the termination of the General Manager, the Authority of Record for the grant administration has changed from Government Services Group to the grant owner, FRBA.

We engaged with Gigabit Squared to provide due diligence of the program management to date and to develop a restructuring plan for the project. The due diligence process included active collaboration between the FRBA, Rapid Systems, CityNet, Gigabit Squared and In-Kind Match contributors. The restructuring plan allows for dramatic project/program acceleration:

• Anticipated network build completion to substantially complete within 12 months (August 2012)
• 1st Ring in South-Central Network 'Go-Live' during Q2/Q3 2011 (as opposed to month 36 under Baseline Plan)
• Community Anchor On-Boarding and Network Revenue during Q2/Q3 2011 (as opposed to month 36 under Baseline Plan)
• 'Shovels-in-the-Ground' Q2/Q3 2011, putting local Florida citizens to work
• Two Rings Exist today as part of the Hardee County / Rapid Systems contribution. They have been in service since June of 2010.
• You have the number of Anchors installed in three of the South's counties.
• Project Revenue is expected at the completion of the Zolfo Springs.

We will be working closely with NTIA Program Management Officer to determine the timing and sequencing of any Award Action Requests that will be needed to better reflect the scheduling and any variances in the budget as a result of the restructuring plan.

Much progress has been made already from these decisions to restructure. The following milestones have been achieved this quarter:

1. The Backbone Connectivity Agreement between FRBA and Level 3 Communications was executed. Level 3 Communications is a major vendor providing fiber interconnectivity between the North and South-Central Regional Networks, as well as the network operations center facilities for the South-Central Regional Network. The following describes the progress with Level 3 Communications to date:

• Tampa to Tallahassee - complete
• Orlando to Tallahassee - pending Orlando collocation completion
• Zolfo Springs to Orlando - pending Level 3 card adds and Orlando collocation completion
• Okeechobee to Orlando - pending Orlando collocation completion
• Orlando Collocation – pending customer cabinets
• Tallahassee Collocation – complete
• Orlando - pending Orlando collocation completion
• Clarksville to Tallahassee - complete
• Orlando - pending Orlando collocation completion
• Zolfo Springs to Tampa - ready for test and turn up.
• Okeechobee to Tampa - pending Level 3 installs

2. Rapid Systems has finished the design of the South-Central Regional Network and provided four options that will be reviewed and signed off by FRBA.

3. The first segment of the South-Central Regional Network, which encompasses Hardee County, has been constructed, deployed, certified and placed into operations. This segment of the network includes197 miles and the last mile provider has turned up 1400 customers as a result of this network build. We have activated and installed 33 anchor tenants in Hardee County and surrounding area. This network build includes the cash match in excess of $3.8 Million.

4. CityNet is actively engaged in the initial planning moving into detailed engineering for the North West Regional Network.

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	20	The overall project is slightly behind schedule. Completion of the engineering for the South-Central Regional Network and the incremental engineering plan for the North West Regional Network will accelerate the project over the next quarter. The anticipated acceleration will bring the project back to the baseline estimates by the end of the 4th quarter of 2011.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	70	On target for this reporting period.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	5	South Central - Ready to start permitting activities after design.
2f.	Site Preparation	5	Site Prep - Ready to start Tampa / Orlando Datacenter upgrades after request for materials bid.
2g.	Equipment Procurement	15	Equipment Procurement is behind Baseline Plan projections for this past quarter waiting completion of the final engineering plan. The South-Central Regional Network will have a completed bill of materials and ready for a request for bid the 3rd quarter of 2011. A request for bid will be released and equipment will be purchase during the 4th quarter of 2011.
2h.	Network Build (all components - owned, leased, IRU, etc)	5	Level 3 is nearly complete and will be operational by the next quarter for the South-Central Regional Network.
2i.	Equipment Deployment	5	On target for this reporting period.
2j.	Network Testing	5	On target for this reporting period.
2k.	Other (please specify): In-Kind Capital Leases	37	On target for this reporting period.

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).

As mention previously the Prime Recipient FRBA elected to restructure the administration operations and controls to provide a streamlined administrative and program office, program transparency and assign accountability to the appropriate parties. The restructured administrative process is intended to accelerate the completion of the design process and initiation of the purchasing and construction phases of the project.

The original submission defined the two major design/build/operating firms as partners when in the proper context they are sub recipients and the major contributors of the match associated with the project. The FRBA program staff will work with the PMO office and submit the appropriate Award Action Requests to appropriately reflect the intended relationship of the partners.

The primary challenge for this project is simply to accelerate the construction activities to meet the milestones and key indicators of the Baseline Plan. We have the right team in place to meet these milestones and do not foresee any additional assistance from NTIA/ BTOP. We do anticipate a series of Award Action Requests that will be submitted based upon potential changes resulting from the restructuring of the grant administration. FRBA will work closely with NTIA PMO to determine the actions and sequencing of the Award Action Requests that may be required to reflect the design, budget and schedule acceleration.

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	197	Completion of Hardee County on June 1, 2011 brought on 197 miles of middle mile wireless access.
New network miles leased	505	Level 3 fiber back haul.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	N/A
Number of new wireless links	22	Completion of Hardee County on June 1, 2011 brought on 197 miles of middle mile wireless access.
Number of new towers	0	Completion of Hardee County on June 1, 2011 brought on 197 miles of middle mile wireless access.
Number of new and/or upgraded interconnection points	3	Level 3 Colocation sites are in development and will become active next quarter.

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	3
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

• Rapid Systems has agreement with the Hardee County Broadband Project.
• Rapid Systems has a wholesale agreement with Daystar for Last Mile Services within the FRBA project
• Rapid Systems has a wholesale / Last Mile agreement with Knology for Voice over Internet Protocol services within the FRBA project and is currently deploying Hosted and Residential Voice over Internet Protocol

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:

FRBA will provide Ethernet Wireless Transport and internet wholesale services as the Middle Mile Network. Additionally, FRBA will provide services to Community Anchor Institutions.

Rapid Systems is providing Broadband Service to anchor facilities using WiMAX and other Licensed and unlicensed products. Rapid Systems has also recently completed integration and testing with Knology for Voice over Internet Protocol service. We currently are testing one community anchor on hosted Voice over Internet Protocol platform and 10 residential customers. Rapid Systems and Knology are currently working on call plans to Mexico to assist the migrant population with enhanced communications.

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).

FRBA has designated two partners that are designated as sub recipients:

1) Rapid Systems will operate the South-Central Regional Network as a sub recipient. www.rapidsys.com

a. 1211 N Westshore Blvd
   Tampa, FL 33607
   813-232-4887

UPDATE Subscriber and Residential to include the 1400 other connections now being served by Rapid Systems

b. Area Served – Florida's Heartland

Counties Served – Hardee, Desoto, Highlands, Okeechobee, Glades, and Hendry. Also, the community of Immokalee

2) CityNet will operate the North Western Regional Network as a sub recipient of the grant.
a. CityNet LLC/Xiocom
   17740 Ashley Drive, Suite 109
   Panama City Beach, FL 32413
   Telephone: (850)785-1969

b. Area Served – Opportunity Florida

Counties Served – Holmes, Washington, Jackson, Gadsden, Calhoun, Liberty, Gulf, Franklin

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	Unless it is a new provider, or just entering the market, we will assume that all providers are receiving improved access.
	Providers with signed agreements receiving improved access	3	We are in discussion with several providers. Agreements are pending finalization of product and service plans.
	Providers with signed agreements receiving access to dark fiber	0	We will not be providing access to dark fiber, as we do not have that access.
	Please identify the speed tiers that are available and the number of subscribers for each	1	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available, but we have conservatively estimated that we will only add customers at that level of service beyond year 3.
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	33	Our plan outlines service to 196 anchor institutions by project closeout.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	33	We will assume that if service is provided through our network, that all subscribers that have some type of service will receive improved service.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available, but we have conservatively estimated that we will only add customers at that level of service beyond year 3.
Residential / Households	**Entities passed**	0	When completed, the FRBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available, but we have conservatively estimated that we will only add customers at that level of service beyond year 3.
Businesses	**Entities passed**	0	When completed, the FRBA network will allow last mile providers the ability to cover the entire geography of the service area.
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved 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)
	Please identify the speed tiers that are available and the number of subscribers for each	0	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available, but we have conservatively estimated that we will only add customers at that level of service beyond year 3.

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

Rapid Systems agreement is to provide a discount on services into Hardee County for three years.   We are also in the process of securing very substantial capacity to allow third party providers to provide a wide array of services across our network. The full range of offerings will be determined by the marketplace, but the network has been designed to efficiently accommodate all types of traffic.

8a. Have your network management practices changed over the last quarter? ○ **Yes**   ⊙ **No**

8b. If so, please describe the changes (300 words or less).

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
USF/Pollytech	**Wauchula, Hardee County**	**College**	**Yes**	**Provide increased broadband capacity at a 30% reduction in price.**
Hardee County IT	**Wauchula, Hardee County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.**
Hardee County Sheriff's Department	**Wauchula, Hardee County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.**
Hardee County EDA	**Wauchula, Hardee County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network to local govenent and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Hardee County IDA	**Wauchula, Hardee County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network to local govenent and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Hardee County Chamber of Commerce	**Wauchula, Hardee County**	**Non-Profit**	**Yes**	**Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Main Street Wachula	**Wauchula, Hardee County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**

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
City of Wauchula Police Department	Wauchula, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.
City of Wauchula	Wauchula, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
City of Wauchula Annex	Wauchula, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
Hardee County Fire and Rescue Wauchula	Wauchula, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.
Bowling Green Fire and Rescue	Bowling Green, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.
City of Bowling Green Police	Bowling Green, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.
Town of Zolfo Springs	Zolfo Springs, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
Hardee County Drug Task Force	Wauchula, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
Hardee County Court House	Wauchula, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
City of Bowling Green	Bowling Green, Hardee County	Government	Yes	Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
Wauchula Masionic Lodge	Wauchula, Hardee County	Non-Profit	Yes	Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.
Freedom Ministries	Wauchula, Hardee County	Non-Profit	Yes	Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.

Desoto County Road and Bridge	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desoto County Animal Control	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desoto County Transportation	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desoto County Fire and Rescue	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.**
Desoto County EOC	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desoto County Courthouse	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
G. Pierce Woods Water Tower	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Division of Forestry	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desotoa County Old Fire Station Tower	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network to local police and fire. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%. Enabled fire ad police to use county wide video cameras to augment safety and emergency services, reducing deployments and manpower requirements while increasing public service quality throughout the county.**
Desoto Supervisor of Elections	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desoto Tax Collector	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Desoto Appraiser	**Arcadia, Desoto County**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Highlands EOC	**Highlands COunty**	**Government**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**
Wauchula Municipal Airport	**Wauchula, Hardee COunty**	**Givernnment**	**Yes**	**Provide increased broadband capacity to site and throughout network for local government and citizen services. Enabled transition form high cost T1 (1.5 Megabit Services) to 10 to 30 Megabit Services with and over all cost reduction of over 30%.**

Project Indicators (Next Quarter)

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

The first tasks associated with the restructuring of the grant administration will be a re-look and refresh of the project budget, plan and schedule, working closely with NTIA PMO for an anticipated budget/design and baseline plan/timeline deviations. We will recast the project timeline based upon a 12-month design/build strategy, leveraging parallel development paths where possible and feasible. The accelerated schedule will allow for accelerated customer acquisition, and we will incorporate marketing activities and customer outreach to coincide with the accelerated network construction.

We will identify, hire and contract with an experience locally-based Project Manager to manage the local relationships and contracts with the Community Anchor Institutions.

We will begin construction on the North Western Region of the network and will continue construction activities on the South-Central Region's network.

To provide the documentation required to value and validate the assets provided as an in-kind contribution, a detailed appraisal of the assets will be conducted, including a list of all in-kind assets, valuation methodology and appraisal of said assets. Negotiate and execute asset transfer or capital lease for all assets, remembering that term of contract may exceed grant term.

Objective 1: Business Model Fundamentals: Investigation of the core products, revenue streams, operational model and 'go-to-market' strategy that will form the basis of a formal business plan and the underpinnings for the Network Operating Agreement and negotiations with Rapid Systems/CityNet.

• Creation, Negotiation and Execution of the Sub Recipient/Network Operating Agreements with CityNet and Rapid Systems
• As the engineering and design has been completed for the South-Central Region, and is fully underway for the North Region, we have developed a Bill of Materials and will be issuing a series of Requests for Bids for equipment purchase.
• Create and release required job postings for internal positions
• Create and release contracts and Request for Bids/Proposals (as required) for specialty and support services

Objective 2: Complete Preliminary Engineering Review & Alignment with Business Strategy

Project Resource and Deployment Schedule

• Finalize build schedule for network ring deployment and turn-up (Reminder: network segments may go live and customers acquired prior to network completion)
• Update project plan to reflect timing and tasks for actual construction

Revised Budget

• Submit variance for review
• Finalize construction budget

Objective 3: Finalize Business Plan/Strategy

• Create mission and objectives for FRBA network at a business level: what does success look like (e.g., financial, community impact, economic development opportunities, network expansion and technology approach, short- mid- and long-term technology plans, service offerings, revenue-streams)
• Pro-Forma financials based on network operating agreements and customer projections
• Delineate on-going roles and responsibilities between program partners, including fiscal and delivery responsibilities for equipment maintenance, repair and refresh;

Objective 4: Complete Final Engineering Documents (including any civil engineering required)

• Complete internal FRBA and network operating partner reviews and approvals
• Package for NTIA submission and approval
• Receive NTIA design approval

Objective 5: Complete Equipment Bid Process

• Craft Request for Bid based on specifications included in north and south network Bill of Materials following federal procurement guidelines
• Publish and distribute request for bid
• Establish review committee membership and evaluation criteria for request for bid

• Review responses and award
• Order Equipment

Objective 6: Initiate and begin Construction of Network Roll-out Plan

• Acquire all permits/licenses required prior to construction and equipment placement
• Receive internal FRBA and network build partner approvals for roll-out plan
• Assign internal or third party construction management responsibilities for oversight, quality assurance, compliance and reporting
• Provide authorization for network build partners to proceed with construction
• Begin network construction and equipment placement

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	52	This milestone category is expected to remain on schedule.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	90	This milestone category is expected to remain on schedule.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	70	This milestone category is expected to remain on schedule.
2f.	Site Preparation	60	This milestone category is expected to remain on schedule.
2g.	Equipment Procurement	30	This milestone will be behind plan. The request for bids will be released for materials, equipment, and services. The actual reciept use of the equipment will be in the following quarter, bringing this milestone percentage of completion back on track and in line with expectations for construction.
2h.	Network Build (all components - owned, leased, IRU, etc.)	30	This milestone category is expected to remain on schedule.
2i.	Equipment Deployment	10	This milestone category is expected to remain on schedule.
2j.	Network Testing	10	This milestone category is expected to remain on schedule.
2k.	Other (please specify):	45	This milestone category is expected to remain on schedule.

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).

We will be submitting a Award Action Requests for a change in Authorized Organizational Representatives (AORs), revised schedule and budget. We appreciate the NTIAs PMOs efforts in addressing this matters.

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	$1,750,000	$0	$1,750,000	$678,064	$0	$678,064	$1,074,279	$0	$1,074,279
b. Land, structures, right-of-ways, appraisals, etc.	$816,370	$456,000	$360,370	$425,000	$425,000	$0	$481,000	$425,000	$56,000
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$4,091,000	$0	$4,091,000	$1,249,638	$0	$1,249,638	$1,823,362	$0	$1,823,362
e. Other architectural and engineering fees	$1,539,000	$0	$1,539,000	$163,002	$0	$163,002	$189,179	$0	$189,179
f. Project inspection fees	$450,000	$0	$450,000	$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	$0	$0	$0	$0	$0	$0	$0	$0	$0
j. Equipment	$21,503,295	$6,000,000	$15,503,295	$2,045,000	$1,445,000	$600,000	$4,950,400	$2,150,400	$2,800,000
k. Miscellaneous	$4,000,000	$4,000,000	$0	$1,959,000	$1,959,000	$0	$2,818,438	$2,818,438	$0
l. SUBTOTAL (add a through k)	$34,149,665	$10,456,000	$23,693,665	$6,519,704	$3,829,000	$2,690,704	$11,336,658	$5,393,838	$5,942,820
m. Contingencies									
n. TOTALS (sum of l and m)	$34,149,665	$10,456,000	$23,693,665	$6,519,704	$3,829,000	$2,690,704	$11,336,658	$5,393,838	$5,942,820

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