

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 NT10BIX5570066	3. DUNS Number 066723990
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4. Recipient Organization

Bristol Virginia Utilities Board 15022 Lee Hwy
 , Bristol, VA 24202-4256

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	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 Mollie Salyer	7c. Telephone (area code, number and extension) X
	7d. Email Address msalyer@bvub.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-19-2011
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Project Indicators (This Quarter)

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

During Q1-2011, BVUA reviewed environmental assessment (EA) draft changes and submitted the final EA to NTIA on January 25, 2011. FONSI was signed and received by BVUA on February 24, 2011. Construction contract was signed at the end of February, and construction subsequently started on March 7, 2011. Both engineering and construction are progressing well, with only slight setbacks due to the harsh weather in Q1-2011. Currently, BVUA and construction contractor Edwards Telecommunications, Inc. are working on 3 different sections of the route, while engineering firm Thompson & Litton continues engineering on approximately 10 more route sections. BVUA anticipates working with the USDA Forest Service in Q2-2011 to complete necessary work on National Forest build permits (during the growing season).

BVU has also edited percentage completed based on a revised baseline following some budget changes. Percentages in some categories may appear to go down, but percent complete and revised baseline calculations (attachment to this report) now match completely. Confusion stemmed from assuming a category was 100% complete if all activities were completed, not if all funds were expended. BVU has also corrected allocation to permits and to site prep, which are both very small percentages of the categories of engineering and construction in the OMB budget, respectively.

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	23	This percent complete is based on weighted amounts for each category, as shown in BVU's baseline report. As all BVU in-kind was charged to the grant during Q1-2011 to prevent further depreciation of assets, some categories appear further ahead than originally planned. As most recent guidance directed to use expenditures/category amount as the way to calculate percent complete, categories with in-kind appear further ahead of schedule than they physically are.
2b.	Environmental Assessment	93	NOTED CHANGE- This category has decreased since last quarter; however, BVU assumed 100% complete meant all activities were completed in the category, not all funds expended. The EA was completed under budget, and as a result, only 93% of its budgeted funds have been used.
2c.	Network Design	15	Actual work performed is at 27% invoiced, but work paid is 15%.
2d.	Rights of Way	65	Dollars charged to this category are strictly in-kind at this point, and account for 65% of rights-of-way budgeted dollars. PoP engineering and build has been pushed to a later date by engineering, so PoP construction will not begin until sometime in the next two quarters.
2e.	Construction Permits and Other Approvals	15	Stream and RR Crossings continue to be pursued by the engineering firm. Stream crossing permits have proven to be extensive, and RR crossing permits have been delayed by the agencies through which they are obtained. NOTED CHANGE- This category has decreased in percentage complete since last quarter. BVU had been tracking by activities complete; however, this does not match with expended dollars. To account for the difference in the two, BVU has decided to allocate 5% of total engineering dollars spent to permitting, since actual work performed by the engineering firm cannot be tracked by hours specifically to permitting.
2f.	Site Preparation	21	NOTED CHANGE- This category has appeared to rise extensively since the previous quarter. BVU has decided, for tracking purposes, to allocate 0.5% of total construction dollars expended to site preparation, thus making it linkable to actual construction dollars spent.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	46	Dollars charged to this category are strictly in-kind at this point, and account for 46% of equipment procurement budgeted dollars. PoP engineering and build has been pushed to a later date by engineering, so this procurement will not begin until sometime in the next two quarters. While no electronics have been procured, Category 10- Electronics' budgeted dollars are divided between equipment procurement and equipment deployment, as the cost of deploying the electronics is included in the cost of procuring them. Thus, by charging in-kind to an over arching Electronics budget, money is shown as charged to equipment procurement.
2h.	Network Build (all components - owned, leased, IRU, etc)	21	This category is composed of everything in Category 9- Construction of the OMB Budget, which is all construction of network and all materials related to fiber build (conduit, fiber, etc). Of the overall 21% of categorical dollars expended, about 1% represents construction deployment, paid for by NTIA funds and BVU match funds, about 20% represents in-kind dollars, and no dollars had yet been expended for materials as of 3/31/2011.
2i.	Equipment Deployment	46	Dollars charged to this category are strictly in-kind at this point, and account for 46% of equipment deployment budgeted dollars. PoP engineering and build has been pushed to a later date by engineering, so this PoP electronic deployment will not begin until sometime in the next two quarters. While no electronics have been deployed (or even procured), Category 10- Electronics' budgeted dollars are divided between equipment procurement and equipment deployment, as the cost of deploying the electronics is included in the cost of procuring them. Thus, by charging in-kind to an over arching Electronics budget, money is shown as charged to equipment deployment.
2j.	Network Testing	0	Fiber is not to the point of testing yet.
2k.	Other (please specify): Grant Preparation	100	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).

BVU Authority is tracking progress in this report solely by dollars expended, not by work performed or invoiced. Therefore, some categories may appear to be lagging behind (Ex. Engineering had invoiced for 27% of dollars by the end of the quarter, but BVU had only paid 15%), but are on track by actual work done. The same for materials- 3% has been received, but as of the end of the quarter, less than 1% had been invoiced and none had been paid.

BVU faced particular challenges in this quarter, particularly with a delay in receiving the EA FONSI (2-4 weeks later than planned in baseline), unusually harsh winter weather for the area, and changes in planned engineering (which has delayed procurement of electronics/materials related to PoPs).

Based on guidance from NTIA, BVU is charging all in-kind assets to the grant at this point to prevent any depreciation. BVU also revised some categories to show actual dollars expended, rather than activities completed (based on new PPR guidance).

BVU expects both engineering and construction to pick up during the summer months once permitting hurdles are crossed and harsh weather subsides.

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	This category shows a lag of about 8 miles due to harsh Southwest Virginia winter weather and a delayed FONSI for BVU's EA.
New network miles leased	0	N/A

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)	8	This category shows a lag of about 8 miles due to harsh Southwest Virginia winter weather and a delayed FONSI for BVU's EA.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Because of the slight delay in mileage due to weather and EA issues, no splices had been done at the end of the reporting quarter to connect new fiber to existing network fiber. There were, however, 3 impending interconnections at the end of the 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	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:

Middle-mile backbone connection. Please see attached sheet for service offerings and prices.

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	N/A
	Providers with signed agreements 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)
	Providers with signed agreements receiving access to dark fiber	1	BVU Authority has an MOU with the Virginia Department of Transportation to provide lease of dark fiber in exchange for use of VDOT ROW.
	Please identify the speed tiers that are available and the number of subscribers for each	9	10 Mbps (0); 50 Mbps (0); 100 Mbps (0); 200 Mbps (0); 400 Mbps (0); 1000 Mbps (0); 2.5 Gbps (0); 10 Gbps (0); OC-3 Sonet (0)
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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
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).
 -Continued engineering of all routes
 -Continued construction of 3 routes currently in progress; additional construction on 3-5 more routes
 -Complete and secure all stream crossing and RR permits
 -Conduct some or all of the biological work required for National Forest Permits
 -Finalize PoP locations and begin procurement of materials.

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	This percent complete is based on weighted amounts for each category, as shown in BVU's baseline report.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	30	Lag during previous quarter
2d.	Rights of Way	65	Based on changes in engineering, BVU does not expect that any PoP locations will have begun to be constructed by the end of Q2-2011; thus, this category will not change from the current reporting quarter.
2e.	Construction Permits and Other Approvals	30	All will be applied for, but not all will be received based on standard wait time and agency delays. National Forest Permits will have begun biological studies, and will hopefully have necessary studies completed by 6/30/2011. As noted in the current quarter's percentages, this category has decreased in percentage complete because of the way BVU is now tracking it. BVU had been tracking by activities complete; however, this does not match with expended dollars. To account for the difference in the two, BVU has decided to allocate 5% of total engineering dollars spent to permitting, since actual work performed by the engineering firm cannot be tracked by hours specifically to permitting.
2f.	Site Preparation	32	Allocation of 0.5% of Construction dollars to Site Prep.
2g.	Equipment Procurement	50	Lag during previous quarter. Since all money during the previous quarter was in-kind money, progression of this category will be at a slower pace from here on out as NTIA and BVU match funds are charged to it.
2h.	Network Build (all components - owned, leased, IRU, etc.)	32	N/A
2i.	Equipment Deployment	46	Lag in previous quarter. Based on changes in engineering, BVU does not expect that any PoP locations will have begun to be constructed by the end of Q2-2011.
2j.	Network Testing	2	Based on review of the schedule changes in the project, BVU expects Network Testing to fall behind Network Build by a little more than originally anticipated.
2k.	Other (please specify): Grant Preparation	100	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).

During the Q2-2011, BVU Authority will face challenges in engineering and construction of PoPs, as they will be engineered in relation to the routes on which they will be placed. Engineering and construction are both also encountering rough terrain, which is slightly delaying both activities.

BVU will also be conducting biological studies for National Forest permits, which, based on previous experience with the USDA FS, could be finished quickly, or could take the length of the growing season (May 15-Sept. 15). Other permitting (stream and RR) will be dependent on the efficiency of the agencies at hand.

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	\$60,000	\$0	\$60,000	\$59,009	\$0	\$59,009	\$60,000	\$0	\$60,000
b. Land, structures, right-of-ways, appraisals, etc.	\$988,279	\$708,279	\$280,000	\$638,279	\$638,279	\$0	\$638,279	\$638,279	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,388,148	\$277,630	\$1,110,518	\$210,462	\$42,092	\$168,370	\$416,444	\$83,289	\$333,156
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$638,352	\$127,670	\$510,682	\$0	\$0	\$0	\$12,767	\$10,214	\$2,553
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	\$31,203,526	\$11,306,715	\$19,896,810	\$6,592,361	\$6,384,483	\$207,801	\$9,985,128	\$7,063,036	\$2,922,092
j. Equipment	\$1,942,231	\$1,102,231	\$840,000	\$892,231	\$892,231	\$0	\$932,271	\$900,239	\$32,032
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$36,220,536	\$13,522,525	\$22,698,010	\$8,392,342	\$7,957,085	\$435,180	\$12,044,889	\$8,695,057	\$3,349,833
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$36,220,536	\$13,522,525	\$22,698,010	\$8,392,342	\$7,957,085	\$435,180	\$12,044,889	\$8,695,057	\$3,349,833

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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