

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information			
1. Federal Agency and Organizational Element to Which Report is Submitted GOL	2. Award Identification Number NT10BIX5570068	3a. DUNS Number	003866597
		3b. EIN	XXXXXXXXXX
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) Valley Telephone Cooperative, Inc. 480 South 6th Street, Raymondville, TX 78580-2434			
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No		
7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.			
7a. Typed or Printed Name and Title of Certifying Official Leonard Beurer Sr. Manager F&A	7c. Telephone (area code, number and extension) 9566421108		
	7d. Email Address lbeurer@vtci.net		
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-22-2010		

Project Indicators (This Quarter)			
1. Please describe significant project accomplishments completed during this quarter (150 words or less). Sent out an RFP to 3 Consultants (CHR SOLUTIONS, ARCADIS, BENCHMARK ENVIRONMENTAL CONSULTANTS) to determine their interest in providing Phase 1 Environmental Assessment services on the RGV Fiber Network. Two respondents submitted incomplete RFP's and were going to outsource the EA to another company. Benchmark provided a complete RFP and included their Statement of Work complete with pricing for the entire project. Benchmark Environmental Consultants was selected to provide the Environmental Assessment. Their SOW provided a time line for completion within the 6 month window required by NTIA.			
2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	0	In the Phase 1 Environmental Assessment phase of the project
2b.	Environmental Assessment	0	Just started the Phase 1 EA. Communicating with the Federal Preservation Officer to ensure Phase 1 EA compliance. Archaeologist is doing desktop analysis. Biologist working on site this week.
2c.	Network Design	70	Lot selection completed in Brownsville. Lots selected in Weslaco and Edinburg, but not closed. Also assessing the middle mile route design.
2d.	Rights of Way	0	Depends on completion of Phase 1 EA
2e.	Construction Permits and Other Approvals	0	Depends on completion of Phase 1 EA
2f.	Site Preparation	0	Depends on completion of Phase 1 EA
2g.	Equipment Procurement	0	Too early in the process
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Too early in the process
2i.	Equipment Deployment	0	Too early in the process
2j.	Network Testing	0	Too early in the process
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 (150 words or less). So far assistance from BTOP has been acceptable. The project is moving forward and should pick up momentum after the completion of the Phase 1 Environmental Assessment.			

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	0	Too early in the process
New network miles leased	0	Too early in the process
Existing network miles upgraded	0	Too early in the process
Existing network miles leased	0	Too early in the process
Number of miles of new fiber (aerial or underground)	0	Too early in the process
Number of new wireless links	0	N/A
Number of new towers	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of interconnection points	0	Too early in the process

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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	1
Average term of signed agreements	1

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:

Time Warner, Sprint, Cogent - All are Wholesale Agreements for Dedicated Internet Access. No middle mile agreements will be required.

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. Wholesale services description: Dedicated Internet Services, Transport Services, IRU (Dark Fiber) Leases.

See attached Middle Mile Service Offerings and Internet Bandwidth capacity charts.

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (150 words or less).

N/A

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 words of 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	Still in EA Phase
	Providers with signed agreements receiving improved access	0	Still in EA Phase
	Providers with signed agreements receiving access to dark fiber	0	Still in EA Phase
	Please identify the speed tiers that are available and the number of subscribers for each	0	Still in EA Phase
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Still in EA Phase
	Subscribers receiving new access	0	Still in EA Phase
	Subscribers receiving improved access	0	Still in EA Phase
	Please identify the speed tiers that are available and the number or subscribers for each	0	Still in EA Phase

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	Entities passed	0	Still in EA Phase
	Total subscribers served	0	Still in EA Phase
	Subscribers receiving new access	0	Still in EA Phase
	Subscribers receiving improved access	0	Still in EA Phase
	Please identify the speed tiers that are available and the number of subscribers for each	0	Still in EA Phase
Businesses	Entities passed	0	Still in EA Phase
	Total subscribers served	0	Still in EA Phase
	Subscribers receiving new access	0	Still in EA Phase
	Subscribers receiving improved access	0	Still in EA Phase
	Please identify the speed tiers that are available and the number of subscribers for each	0	Still in EA Phase

7. Please describe any special offerings you may provide (150 words or less).

Refer to attachment re: Middle Mile and Internet Bandwidth capacity chart.

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

8b. If so, please describe the changes (150 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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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
None Yet	N/A	N/A	No	N/A
N/A	N/A	N/A	No	N/A
N/A	N/A	N/A	No	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

We should complete the Phase 1 Environmental Assessment by early January 2011.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	14	N/A
2b.	Environmental Assessment	100	Planned completion in early January 2011
2c.	Network Design	10	Engineering Implementation
2d.	Rights of Way	10	Engineering Implementation
2e.	Construction Permits and Other Approvals	10	Engineering Implementation
2f.	Site Preparation	10	Engineering Implementation
2g.	Equipment Procurement	0	Not started
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Not started
2i.	Equipment Deployment	0	Not started
2j.	Network Testing	0	Not started
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 (150 words or less).

After completion of the Phase 1 EA, we will submit permits to various local, state and federal agencies. Construction cannot start until after these permits are obtained.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$1,679,000	\$503,700	\$1,175,300	\$0	\$0	\$0	\$200,000	\$60,000	\$140,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,754,390	\$826,317	\$1,928,073	\$76,025	\$22,808	\$53,217	\$265,000	\$79,500	\$185,500
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$51,000	\$15,300	\$35,700	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$15,745,589	\$4,723,677	\$11,021,912	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$2,195,529	\$658,659	\$1,536,870	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
I. SUBTOTAL (add a through k)	\$22,425,508	\$6,727,653	\$15,697,855	\$76,025	\$22,808	\$53,217	\$465,000	\$139,500	\$325,500
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of I and m)	\$22,425,508	\$6,727,653	\$15,697,855	\$76,025	\$22,808	\$53,217	\$465,000	\$139,500	\$325,500

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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