

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 NT10BIX5570023	3. DUNS Number 831497651
--	---	--

4. Recipient Organization

 North Florida Broadband Authority 1500 Mahan Drive Suite 250, Tallahassee, FL 32308-5177

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
--	---

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 Danny Lort	7c. Telephone (area code, number and extension) X
	7d. Email Address dlort@nfba.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-29-2012
---	--

Project Indicators (This Quarter)

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

The 4th Quarter was a very productive quarter with a lot of activity. The suspension of the award was lifted, and the NFBA successfully developed and executed a Corrective Action Plan (CAP) approved by the Grants Office. In doing so, the NFBA hired employee staff for vendor oversight and monitoring progress going forward. The NFBA Board elected a new Chairman and, in the course of executing the CAP, procured new engineering, project management, financial accounting, general counsel, and compliance services.

With the suspension lifted, the NFBA was also again able to issue payment for services and equipment related to the deployment of the NFBA system. Additional resources were procured to assume responsibility for the continued design and construction of the NFBA network and successfully obtained NFBA assets from the previous Engineer, which are now stored in an NFBA-owned warehouse. The network design is still under review and the NFBA started to obtain permits for construction of towers and has tower construction firms under contract to construct the system. Work will continue into next quarter in regards to verifying asset inventories, design details and network performance characteristics necessary for successful marketing of the system.

NFBA was also able to book substantial in-kind matching contributions to the project, chiefly tower sites contributed by NFBA member governments and identified in Memoranda of Understanding and resolutions adopted by the member governments. This process will continue in 1Q2012.

In addition, the Outreach program has been re-established in full form and additional Marketing approaches have been discussed. We continue to reach out to CAIs to keep them informed of the target deployment dates. During this quarter, the NFBA laid the groundwork for a stakeholder outreach event to be held in February 2012, as well as the solicitation of a network operator to operate and maintain the 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	60	Total expenditures plus allowable in-kind match provides 60% complete. Variance from the baseline resulted from a series of delays that NFBA encountered during this reporting period, including the suspension of the Grant Award, the development of a Corrective Action Plan (CAP), and preparation and implementation of a Transition Plan to execute the CAP. In addition, NFBA encountered additional delays associated with transferring equipment from the Wachula warehouse to the Lake City NFBA warehouse, re-evaluation of existing network configurations, and the transfer of responsibilities to NFBA employees from contract staff, as well as the termination of NFBA's relationships with several key vendors. NFBA is on track to complete the project funded by the Grant Award before the end of the Award period. NFBA will be submitting a separate Memorandum to the BTOP Program Office reiterating this commitment.
2b.	Environmental Assessment	0	N/A; Categorically exempt from Environmental Assessment.
2c.	Network Design	100	NFBA has transferred additional network engineering and construction responsibilities to the new engineering firm. During this transition, it has become apparent that certain changes to the NFBA network topology are necessary. As a result of the transition and these changes, additional resources will be required going forward. NFBA is preparing a request to reallocate its project budget to accommodate the additional required expenditures.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	The transfer of permits to the new General Contractor pursuant to the Transition Plan is near completion.
2f.	Site Preparation	100	Budget reallocation is underway to adjust allocation of funds to cover the additional expenditures.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	80	NFBA's equipment expenditures are nearing completion. NFBA is preparing a request to reallocate budget surplus in this category to other areas of need.
2h.	Network Build (all components - owned, leased, IRU, etc)	90	Network build is behind schedule as a result of the issues NFBA encountered during this reporting period identified in Item 2a. NFBA has overcome these issues and expects to make rapid and efficient progress in this area during 2012.
2i.	Equipment Deployment	34	Progress was delayed during the suspension of the Award and the development and implementation of the Transition Plan, including as a result of delays in the transfer of previously purchased equipment from NFBA's prior contractor. NFBA expects that its new contractor will begin installing equipment during 1st quarter 2012.
2j.	Network Testing	15	Progress was delayed during the suspension of the Award and the development and implementation of the Transition Plan, including as a result of delays in the transfer of previously purchased equipment from NFBA's prior contractor. NFBA expects that its new contractor will begin equipment testing during 1st quarter 2012.
2k.	Other (please specify): In-kind	55	While the Transition Plan was being executed, NFBA focused on finalizing its non-federal, in-kind (match) contributions to the project. During 2011, NFBA operated under a proportionality waiver. By the December 31, 2011, expiration of that waiver, NFBA had booked matching contributions reflecting the same general rate of expenditure of federal funds, in compliance with this Award requirement. These assets are now being worked into the build schedule accordingly.

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).

NFBA overcame several obstacles during this reporting period, and is poised to make rapid and efficient progress during the upcoming quarter and throughout 2012. With valuable assistance from federal Program and Grants Office representatives, NFBA addressed performance concerns that led to the suspension of its award, developed and implemented a CAP and associated Transition Plan, and terminated or substantially restructured its relationship with several key vendors. NFBA employees assumed significant operational responsibilities formerly discharged by contractor staff. Teams are now assembled and the Transition Plan has been executed, with the final parts of the transition (to new accounting and IT service vendors) scheduled to be completed in 1st quarter 2012.

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	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.
New network miles leased	1,620	Fiber leased from our upstream provider
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	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.
Number of new towers	0	n/a
Number of new and/or upgraded interconnection points	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.

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	2
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 None. We are planning a stakeholder outreach event for February 2012 to provide information on NFBA's plans and network capabilities. We are working diligently to be able to provide updated information on specific routes and points of interconnection.

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:
 We are engaging in a marketing analysis to determine current pricing structures in the rural areas. The current pricing structure is outdated. Once the rate analysis study is completed, we will present it to the NTIA.

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).
 An RFI for Network Operator services will be issued in February 2012. An RFP is currently under development to obtain vendors who could provide network operational services to the NFBA. This RFP will be distributed 2nd quarter 2012.

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	Progress was delayed while transition plan was being executed and transfer of equipment took place.
	Providers with signed agreements receiving improved access	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	We are engaging in a marketing analysis to validate previous delineated service offerings. Once complete we will outline service offerings and pricing.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.
	Subscribers receiving new access	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.
	Subscribers receiving improved access	0	Progress was delayed while transition plan was being executed and transfer of equipment took place.
	Please identify the speed tiers that are available and the number or subscribers for each	0	We are engaging in a marketing analysis to validate previous delineated service offerings. Once complete we will outline service offerings and pricing.
Residential / Households	Entities passed	0	Residential households will have service delivered through last mile providers only.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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	Businesses will have service delivered through last mile providers only.
	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).
 We are engaging in a marketing analysis to outline potential service offerings. This will be underway 1st quarter 2012.

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

8b. If so, please describe the changes (300 words or less).
 The Network management policies are available to the public for review at anytime. Just request a copy from the website via e-mail and they will be provided.

9. Community Anchor Institutions:
 Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
n/a	n/a	n/a	n/a	n/a

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Next Quarter will show significant movement with the project as described in the CAP and Transition Plan, with equipment moved and inventoried, and vendors re-engaged. Some of these milestones are as follows:
 - Budget Reallocation completed.
 - Deployment continues.
 - Network commissioning to begin.
 - RFP for Operator Network Monitor under development.
 - Last Mile Providers identified and negotiations to begin.
 - New network miles will begin to increase significantly as POP sites are built with equipment. Goal is to reach 300 additional miles
 - Commence execution of site leases with county governments for additional in-kind contributions of tower sites, and to memorialize the terms of those previously contributed.

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	71	Most efforts during 4th quarter were to execute the transition plan and reinstate project funding.
2b.	Environmental Assessment	0	n/a
2c.	Network Design	100	Pending budget reallocation, current design evaluation and adjustments are being documented.
2d.	Rights of Way	0	n/a
2e.	Construction Permits and Other Approvals	85	Pending Budget Reallocation currently underway, most permits have been obtained and transferred to Engineering.
2f.	Site Preparation	100	Pending Budget Reallocation currently underway, Site preparation against current baseline shows completion. Once Budget reallocation is complete, this number will be adjusted to represent reality.
2g.	Equipment Procurement	96	Budget Reallocation is currently underway where the budget will be reallocated accordingly.
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	Budget Reallocation is currently underway where the budget will be reallocated accordingly.
2i.	Equipment Deployment	70	Budget Reallocation is currently underway where the budget will be reallocated accordingly.
2j.	Network Testing	40	Most efforts during the quarter were focused on executing the transition plan and building an organization to provide the necessary project oversight.
2k.	Other (please specify): In-kind	71	NFBA will work to memorialize the terms of individual site licenses with the contributing County governments.

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).

Timely approval of the budget reallocation is pertinent in moving the project forward so the NFBA can adjust budget numbers and time frames that represent reality and can report appropriately going forward.

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	\$542,568	\$0	\$542,568	\$1,884,685	\$0	\$1,884,685	\$2,419,685	\$0	\$2,419,685
b. Land, structures, right-of-ways, appraisals, etc.	\$20,247,000	\$9,227,000	\$11,020,000	\$12,276,612	\$5,132,101	\$7,144,511	\$13,559,368	\$6,339,857	\$7,219,511
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,536,000	\$0	\$1,536,000	\$2,543,771	\$0	\$2,543,771	\$3,293,771	\$0	\$3,293,771
e. Other architectural and engineering fees	\$384,000	\$0	\$384,000	\$1,734,137	\$0	\$1,734,137	\$1,769,137	\$0	\$1,769,137
f. Project inspection fees	\$753,432	\$0	\$753,432	\$140,300	\$0	\$140,300	\$365,300	\$0	\$365,300
g. Site work	\$129,500	\$0	\$129,500	\$129,500	\$0	\$129,500	\$129,500	\$0	\$129,500
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	\$15,667,576	\$0	\$15,667,576	\$4,762,623	\$0	\$4,762,623	\$5,877,565	\$0	\$5,877,565
k. Miscellaneous	\$109,600	\$0	\$109,600	\$334,387	\$151,146	\$183,241	\$423,592	\$185,351	\$238,241
l. SUBTOTAL (add a through k)	\$39,369,676	\$9,227,000	\$30,142,676	\$23,806,015	\$5,283,247	\$18,522,768	\$27,837,918	\$6,525,208	\$21,312,710
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$39,369,676	\$9,227,000	\$30,142,676	\$23,806,015	\$5,283,247	\$18,522,768	\$27,837,918	\$6,525,208	\$21,312,710

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
---	--------------------------------