

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570066	<b>3. DUNS Number</b>  066723990
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<b>4. Recipient Organization</b>  Bristol Virginia Utilities Board 15022 Lee Hwy , Bristol, VA 24202-4256
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2012	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Scott Moehnke	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  scott.moehnke@tsmlc.net

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-11-2013
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 During Q4-2012, BVU Authority continued with building out routes for the project, which included construction and engineering activities, as well as receiving and deploying materials. Both engineering and construction are progressing well with approximately 85% of the projected fiber miles completed putting us on schedule for completion 1-2 months ahead project end date. Currently, BVU Authority and construction contractor, Edwards Telecommunications, Inc., have finished 12 routes and are working on an additional 18 routes. All of the routes have been engineered. As of the end of the quarter, approximately 324 miles were constructed. BVU has encountered unexpected issues with obtaining easements from private enterprises that BVU continues to work to solve. This has caused a slowdown in build out rate. In Q4-2012, BVU made 11 draw downs, amounting to \$2,037,228.55, to pay for such allowed expenses as contracted project management, payroll, compliance and mapping costs, engineering, materials, and construction.

**2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).**

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	84	Based on expensed/in-kind versus project dollars. Current expenditures are at 84%, which is in line with miles built out. Baseline projected 336 miles (88.43%) built out by end of Q2 Year 3 and we are currently at 324.7 miles (85.6%) at the end of Q2 Year 3. Progress slowed over last quarter due to easement and permit issues. Large majority of these issues have been addressed, and additional crews now can be engaged to increase build out rate. Routes completed and lit: 12; Routes in progress: 16 (28.7 miles remaining); Routes remaining to be worked: 2 (24 miles)
2b.	Environmental Assessment	100	All current route environmental assessments complete.
2c.	Network Design	100	All current route network design complete unless issues found during built out which may cause a very minor adjustment.
2d.	Rights of Way	82	Note: Change in calculation method per request from Federal Program Officer. Was based on mileage, now will be based on construction dollars expensed versus total budget construction dollars. Rights of Way follow construction, so percentage is consistent with Network Build percentage.
2e.	Construction Permits and Other Approvals	92	We have changed tracking method of this category from [expensed versus projected dollars] to [actual tracking of known outstanding easement and permits versus total needed easements and permits]. Original assumption was that easements and permits would be received during engineering phase did not hold, thus the need to change tracking method. We have encountered some slow down on obtaining property easements on some of the routes. All negotiations have been completed and any property easement not obtained have been send to the appropriate counties for quick-take condemnation. Do not see any impact to completion at this time.
2f.	Site Preparation	82	Based on expensed/in-kind versus project dollars for construction. Site prep is allocated of 0.5% of construction dollars, so projection is consistent with Network Build percentage.
2g.	Equipment Procurement	61	Based on expensed/in-kind versus project dollars for equipment. Allocation done in conjunction with [Equipment Deployment], so percentage is consistent with [Equipment Deployment] percentage. Please note that previously all equipment in-kind dollars were included, but after discussions with FPO we have adjusted to include only a percentage of in-kind equipment dollars based on percent of miles built out. Due to method change, the percentage will be less than last quarter report.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	82	Based on expensed/in-kind versus project dollars. Percent of actual federal dollars expended (84.6%) is in line with percentage build out of miles (85.6%). Additional percent due to in-kind contributions.
2i.	Equipment Deployment	61	Based on expensed/in-kind versus project dollars for equipment. Allocation done in conjunction with [Equipment Procurement], so percentage is consistent with [Equipment Procurement] percentage. Please note that previously all equipment in-kind dollars were included, but after discussions with FPO we have adjusted to include only a percentage of in-kind equipment dollars based on percent of miles built out. Due to method change, the percentage will be less than last quarter report.
2j.	Network Testing	31	Based on expensed versus project dollars.
2k.	Other (please specify): Grant preparation	100	Complete

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).

Project has/is experiencing delays due to easement issues with private land owners. Owners are requesting higher than normal rates. BVU has taken the necessary steps to do "quick-take" condemnations of the remaining easement properties. Also, experienced longer than expected turn around of "make ready" requests due to regional crews being deployed to assist with Hurricane Sandy recovery. This contributed to the slow down of the build out of the routes. Construction team not concerned with slow down as yet, as additional construction crews can be quickly brought to bear, if needed.

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	325	Slower then expected progress made in the quarter due to previously mentioned easement and "make-ready" issues. Added 41 miles of fiber.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	325	Slower then expected progress made in the quarter due to previously mentioned easement and "make-ready" issues. Added 41 miles of fiber.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	12	Five additional routes (interconnection points) completed this 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	1
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:**  
Virginia Department of Transportation (VDOT). We provide 12 strands of dark fiber in exchange for right-of-way access, in perpetuity.

**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 providing dark fiber access to the Virginia Department of Transportation at no cost in exchange for right-of-way access. Wholesale prices listed in initial reports.

**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
	Providers with signed agreements receiving access to dark fiber	1	BVU Authority has an Memo of Understanding with the Virginia Department of Transportation to provide lease of dark fiber for two routes in exchange for use of VDOT ROW.
	Please identify the speed tiers that are available and the number of subscribers for each	9	Available rates via wholesale are as follows (# subs): 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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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 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).  
 - Complete construction of 16 more routes (total 28) of the 30 proposed routes  
 - Start construction on 2 remaining. 40 more miles projected.  
 - Receive "quick-take" condemnations on outstanding easements  
 - At this time, we do not foresee having any wholesale/last mile provider agreements with outside vendors by end of quarter. BVU is currently providing last mile on several of the routes through other funding mechanisms.

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	93	Note: Change in calculation method per request from Federal Program Officer. Was based on mileage, but now based on expensed/in-kind versus project dollars.
2b.	Environmental Assessment	100	All current route environmental assessments complete.
2c.	Network Design	100	All current route network design complete unless issues found during built out which may cause a very minor adjustment.
2d.	Rights of Way	91	Note: Change in calculation method per request from Federal Program Officer. Was based on mileage, but now based on construction expensed/in-kind versus project dollars.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	Expect all permits and "quick-take" condemnations completed by end of quarter.
2f.	Site Preparation	91	Based on expensed/in-kind versus project dollars for construction. Site prep is allocated of 0.5% of construction dollars, so projection is consistent with [Network Build] percentage.
2g.	Equipment Procurement	80	Based on expensed/in-kind versus project dollars for equipment. Allocation done in conjunction with [Equipment Deployment], so percentage is consistent with [Equipment Deployment] percentage.
2h.	Network Build (all components - owned, leased, IRU, etc.)	91	Based on expensed/in-kind versus project dollars for construction. Network Build is allocated of 0.5% of construction dollars, so projection is consistent with [Site Preparation] percentage.
2i.	Equipment Deployment	80	Based on expensed/in-kind versus project dollars for equipment. Allocation done in conjunction with [Equipment Procurement], so percentage is consistent with [Equipment Procurement] percentage.
2j.	Network Testing	65	Based on expensed versus project dollars.
2k.	Other (please specify): Grant Prep	100	Complete

**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).**

Possible issue remains with obtaining all necessary easements through condemnation or negotiation. Currently, BVU does not see any impact to overall schedule.

**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	\$65,000	\$1,000	\$64,000	\$78,589	\$3,718	\$74,871	\$81,500	\$3,856	\$77,644
b. Land, structures, right-of-ways, appraisals, etc.	\$938,279	\$698,279	\$240,000	\$1,112,691	\$641,662	\$471,029	\$1,156,701	\$669,971	\$486,730
c. Relocation expenses and payments									
d. Architectural and engineering fees	\$1,395,176	\$279,035	\$1,116,141	\$2,113,066	\$422,614	\$1,690,452	\$2,183,501	\$436,701	\$1,746,800
e. Other architectural and engineering fees									
f. Project inspection fees	\$638,352	\$127,670	\$510,682	\$198,140	\$39,628	\$158,512	\$418,246	\$83,649	\$334,597
g. Site work									
h. Demolition and removal									
i. Construction	\$31,366,498	\$11,339,310	\$20,027,188	\$25,819,151	\$9,322,058	\$16,497,093	\$28,592,825	\$10,330,684	\$18,262,141
j. Equipment	\$1,817,231	\$1,077,231	\$740,000	\$1,116,209	\$809,123	\$307,086	\$1,466,720	\$943,177	\$523,543
k. Miscellaneous									
<b>l. SUBTOTAL (add a through k)</b>	<b>\$36,220,536</b>	<b>\$13,522,525</b>	<b>\$22,698,011</b>	<b>\$30,437,846</b>	<b>\$11,238,803</b>	<b>\$19,199,043</b>	<b>\$33,899,493</b>	<b>\$12,468,038</b>	<b>\$21,431,455</b>
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	<b>\$36,220,536</b>	<b>\$13,522,525</b>	<b>\$22,698,011</b>	<b>\$30,437,846</b>	<b>\$11,238,803</b>	<b>\$19,199,043</b>	<b>\$33,899,493</b>	<b>\$12,468,038</b>	<b>\$21,431,455</b>

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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