

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 NT10BIX5570130	3. DUNS Number 039872192
4. Recipient Organization Trillion Communications Corp. 4000 Farr Dr. , Bessemer, AL 35022-4836		5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011
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 Dawit Aynachew	7c. Telephone (area code, number and extension) X	7d. Email Address DAynachew@hoskinscpas.com
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-30-2011	

Project Indicators (This Quarter)

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

The following significant accomplishments were realized this quarter:

- a. Submitted Construction Permit drawings to the Alabama Department of Transportation (ALDOT);
- b. First Project construction management office opened and staffed in Hayneville, AL;
- c. Signed and executed Phase I loan commitment Letter;
- d. Developed Ground-breaking event with support and input from multiple municipalities and anchor institutions;
- e. Booked \$2M+ in in-kind match from key vendors;
- f. Worked on real estate valuations for municipal and anchor partner in-kind match;
- g. Received conduit and other infrastructure material in preparation for Phase 1 construction;
- h. Agreement with Troy Cable was executed & resolved the "Overlap Special Award Condition" (SAC);
- i. Notification#3:Trillion Team held a County-wide Construction Informational Community event in the Town of Hayneville, Lowndes County, AL;
- j. Notification #4:Trillion Team held a 3 county stakeholder session in Montgomery, Alabama. This event provided an open platform for stakeholders to address new questions from constituents;
- k. Published project update letter in print and website for stakeholders, including PCI. www.ecommunityalabama.org.
- l. In the process of completing program specific audit for the period 8/1/2010 through 7/31/2011.
- m. Pursuit of loan for matching funds
- n. Receipt of materials/equipment

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	11	We are making progress in catching up to baseline. We have formulated a construction plan to complete project on schedule
2b.	Environmental Assessment	100	N/A
2c.	Network Design	99	Network Design is essentially complete. The remaining tasks fall more in route finalization and permitting.
2d.	Rights of Way	50	We are ahead of baseline
2e.	Construction Permits and Other Approvals	1	Submitting first set of permits for phase 1 and are awaiting thier release.
2f.	Site Preparation	20	The impact of the delay of our Finding of No Significant Impact (FONSI) report required us to ramp up construction operations in a short period of time. However, we have not fully caught up with our baseline and anticipate catching up in the next quarter.
2g.	Equipment Procurement	20	The impact of the delay of our Finding of No Significant Impact (FONSI) report required us to hold back on a significant amount of equipment purchases. We have not fully caught up with our baseline and anticipate catching up in the next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	The significant delay of our FONSI report impacted actual construction, however we are making progress in catching up to baseline. We have secured the necessary contractors to begin construction. We anticipate an Oct or Nov. groundbreaking and plan to increase simultaneous construction efforts to catch up to baseline.
2i.	Equipment Deployment	15	We are making progress in catching up to baseline. We anticipate groundbreaking in October or November.
2j.	Network Testing	10	We have set up a test network, multi-demark environment to pre-troubleshoot network. We are making progress in catching up to baseline.
2k.	Other (please specify): Project Notification	25	Notification has an impact on 8 counties in South Central Alabama in collaboration with the Broadband Authority and Stakeholders. Notification in Phase 1 (Lowndes County/Dallas County- Middle Mile Town Hayneville/City of Selma- Last Mile); Lowndes County Notification

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			in currently at 60% complete; The Dallas County Notification program began in Q3, 2011;

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).

We have had to adjust our strategy for route data collection given the number of infrastructure projects commencing and the affected resource capability of the local locating services. The South Central Broadband Commission (SCABC) continues to meet with potential Municipalities and Counties, relative to their membership in the Authority.

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	The delay in proceeding with construction stemmed from the effect of the Finding Of No Significant Impact (FONSI) delay. However, we have revised our construction plan to segregate installation efforts into 3 core sectors: backbone, distribution and premise connections. With that, we plan to deploy contractors in various sectors simultaneously to achieve our timeline requirements.
New network miles leased	0	The delay in proceeding with construction stemmed from the effect of the Finding Of No Significant Impact (FONSI) delay. However, we have revised our construction plan to segregate installation efforts into 3 core sectors: backbone, distribution and premise connections. With that, we plan to deploy contractors in various sectors simultaneously to achieve our timeline requirements.
Existing network miles upgraded	0	The delay in proceeding with construction stemmed from the effect of the Finding Of No Significant Impact (FONSI) delay. However, we have revised our construction plan to segregate installation efforts into 3 core sectors: backbone, distribution and premise connections. With that, we plan to deploy contractors in various sectors simultaneously to achieve our timeline requirements.
Existing network miles leased	0	The delay in proceeding with construction stemmed from the effect of the FONSI delay. We will accelerate discussions with fiber-based owners to facilitate the process.
Number of miles of new fiber (aerial or underground)	0	The delay in proceeding with construction stemmed from the effect of the Finding Of No Significant Impact (FONSI) delay. However, we have revised our construction plan to segregate installation efforts into 3 core sectors: backbone, distribution and premise connections. With that, we plan to deploy contractors in various sectors simultaneously to achieve our timeline requirements.
Number of new wireless links	0	The delay in proceeding with construction stemmed from the effect of the FONSI delay. This is not a critical component of the project at the moment.
Number of new towers	0	The delay in proceeding with construction stemmed from the effect of the FONSI delay. This is not a critical component of the project at the moment.
Number of new and/or upgraded interconnection points	0	We conducted the site survey of our key interconnect location at Level 3 and began the associated equipment provisioning.

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	5
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:

Master Service Agreement are under review with Magnolia Belle (last mile service provider) and eCom Direct Wireless (last mile service provider). Services Agreements remain pending with Level 3 and Windstream, as Services Providers for the network.

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:

The 'network' will aggregate and deliver the services of each interconnected commercial service providers (carrier, wholesale, last mile, community-based) to each of their end-users (subscribers) connected. Each service provider charges and bills each end-user customer (subscribers) for services rendered over the network. Each service provider pays to access the network a monthly per service fee (Toll Fee) which equates to 23% - 44% of the monthly retail services charged each end-user (subscriber). This fee will be reported as Program Income in accordance with the terms and conditions of the grant award and federal guidelines. Network services are as follows: Dark Fiber Lease(protected/unprotected), High-Capacity Data Transport (Dedicated/Point2Point), Wireless Backhaul, and Last Mile Toll Services.

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).

A2D, Inc has been designated as the Operator of the Network. A2D is also a sub-recipient. A2D will manage the day-to-day operations of the proposed network on behalf of the municipal broadband authority by providing the required personnel, field equipment and vehicles, and network support and provisioning systems required to meet the Service Level Agreements of each service provider that competes to deliver services across the network. This includes but not limited to managing the network's Transport, Access and Wireless-based systems, Outside Plant infrastructure, terminals, as well as Co-location facilities.

Contact:

A2D Inc (sub recipient)
3800 Camp Creek Parkway
Atlanta, GA 30331
Phone: (678) 999-2525 Fax: (678) 523-5116
Contact: Tony Shackelford E-mail: (tony@a2dinc.com)

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	Continuing aggressive discussions with Service Providers to solidify agreements.
	Providers with signed agreements receiving improved access	0	Continuing aggressive discussions with Service Providers to solidify agreements.
	Providers with signed agreements receiving access to dark fiber	0	Continuing aggressive discussions with Service Providers to solidify agreements.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Project provides Dark Fiber IRU's for Public Safety, Emergency Management Agency (EMA), and Municipalities. Lit Services: (Wholesale Transport Bandwidth up to 10G. Wholesale Carriers Services Providers will provide new tiers and plans as serving areas are available.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Subscribers receiving new access	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Subscribers receiving improved access	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Project provides Dark Fiber IRU's for Public Safety, EMA, and Municipalities. Lit Services:(Wholesale Transport Bandwidth up to 10G. Also, Commercial Services Provider will provide new tiers and plans as serving areas are available.
Residential / Households	Entities passed	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Total subscribers served	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Subscribers receiving new access	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Subscribers receiving improved access	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Commercial Services Provider will provide new tiers and plans as serving areas are available.
Businesses	Entities passed	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Total subscribers served	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Subscribers receiving new access	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Subscribers receiving improved access	0	Encountered a delay in construction as a result of the FONSI delay. We plan to deploy additional contractors in various sectors simultaneously to achieve our timeline requirements.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Commercial Services Provider will provide new tiers and plans as serving areas are available.

7. Please describe any special offerings you may provide (600 words or less).
Private Local Area Network (LAN) (On-Net) Backhaul and Inter Jurisdictional Access Services for Public Safety & First Responders

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

8b. If so, please describe the changes (300 words or less).
None

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?	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			(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).

Construction will begin;
 Cash Match will be secured;
 Community Anchor Institutions connected: 7;
 Complete the Program Audit;
 Increase membership of South Central Broadband Commission (SCABC);
 Complete 85% Phase 1 Notification;
 Complete the Asset Transfer Documentation; Complete Real Estate Valuations;
 New network miles deployed: 25;
 New network miles leased: 0;
 Total CAI subscribers served/connected: 7;
 Number of signed agreements with providers: 2;
 Plan to attend the BTOP Workshop in Cleveland, Oct 5 - 7, 2011
 Upcoming ground-breaking ceremony and commencement of construction

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	25	We plan to commence infrastructure construction of phase 1
2b.	Environmental Assessment	100	N/A
2c.	Network Design	99	This task is complete subject to final route design adjustments
2d.	Rights of Way	50	We anticipate getting closer to our baseline in Q4, 2011. Once phase 1 construction begins we can be assured our construction program is streamlined and then put heavy focus on securing future phase Right Of Way (ROW) agreements, permits and etc.
2e.	Construction Permits and Other Approvals	25	We plan to have permits for Phase 1 backbone, site surveys complete for anchor institutions and distribution routes in permit phase.
2f.	Site Preparation	25	The impact of the delay of our Finding of No Significant Impact (FONSI) report required us to ramp up construction operations in a short period of time. However, we have not fully caught up with our baseline and anticipate catching up in the next quarter given that construction will start and we will be able to ramp up site preparation at a quicker pace.
2g.	Equipment Procurement	25	The impact of the delay of our Finding of No Significant Impact (FONSI) report required us to hold back on a significant amount of equipment purchases. We have not fully caught up with our baseline and anticipate catching up in the next quarter since construction will start and we can justify ordering more equipment to stay ahead of the construction materials demand.
2h.	Network Build (all components - owned, leased, IRU, etc.)	8	We plan to begin construction on phase 1 backbone
2i.	Equipment Deployment	18	We plan to begin construction on phase 1 backbone
2j.	Network Testing	15	With construction beginning, there will be a real time testing of fiber and network terminals installed.
2k.	Other (please specify): Notification	33	Public Notification Program & Service Provider Integration: With the commencement of construction, we anticipate a comprehensive public awareness and project notification of all the first phase counties (Lowndes and Dallas) Lowndes County Middle Mile Notification will be 85% completed; Dallas County Middle Mile Notification will be well underway with all anchors and businesses and households.

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).

Project Adoption challenges:

a. Poarch Band of Creek Indians: Tribal Consultant has been engaged to facilitate the project relationship to assure all efforts meet the requirements of the Poarch Creek Indian Nation: Construction, Tribal Relations, Governance, Compliance, Public Participation and Adoption.

b. SCABC Broadband Authority+A2D efforts to secure municipal resolutions as membership within the broadband authority. Currently four (4) of the eight (8) Counties have joined the broadband authority.

c. Local Telecom service provider adoption has progressed. With the physical construction underway, adoption should occur more quickly.

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	\$1,234,225	\$386,312	\$847,913	\$622,389	\$7,000	\$615,389	\$1,039,151	\$322,137	\$717,014
b. Land, structures, right-of-ways, appraisals, etc.	\$1,012,000	\$316,756	\$695,244	\$0	\$0	\$0	\$264,000	\$82,632	\$181,368
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$60,000	\$18,780	\$41,220	\$79,835	\$0	\$79,835	\$79,835	\$18,780	\$60,755
e. Other architectural and engineering fees	\$10,399,125	\$3,254,926	\$7,144,199	\$3,488,353	\$566,960	\$2,921,393	\$5,804,273	\$1,799,325	\$4,004,948
f. Project inspection fees	\$444,335	\$139,077	\$305,258	\$0	\$0	\$0	\$23,994	\$7,510	\$16,484
g. Site work	\$19,190,744	\$6,006,703	\$13,184,041	\$0	\$0	\$0	\$2,204,200	\$689,915	\$1,514,285
h. Demolition and removal	\$43,200	\$13,522	\$29,678	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,371,990	\$429,433	\$942,557	\$0	\$0	\$0	\$322,965	\$101,088	\$221,877
j. Equipment	\$21,306,005	\$6,668,780	\$14,637,225	\$4,994,155	\$2,306,786	\$2,687,369	\$9,472,217	\$2,936,387	\$6,535,830
k. Miscellaneous	\$31,195,356	\$9,764,147	\$21,431,209	\$15,932	\$0	\$15,932	\$3,309,949	\$1,035,836	\$2,274,113
l. SUBTOTAL (add a through k)	\$86,256,980	\$26,998,436	\$59,258,544	\$9,200,664	\$2,880,746	\$6,319,918	\$22,520,584	\$6,993,610	\$15,526,674
m. Contingencies									
n. TOTALS (sum of l and m)	\$86,256,980	\$26,998,436	\$59,258,544	\$9,200,664	\$2,880,746	\$6,319,918	\$22,520,584	\$6,993,610	\$15,526,674

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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