

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
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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) 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 Patrick Lien System Manager	7c. Telephone (area code, number and extension) 4077019037
	7d. Email Address plien@govserv.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-20-2011
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Project Indicators (This Quarter)

- 1. Please describe significant project accomplishments completed during this quarter (600 words or less).**
1. Commercial tower master site license agreements and individual site license agreement templates were approved by the North Florida Broadband Authority Board of Directors for Crown Castle International and American Tower Company.
 2. The master license agreement for in-kind vertical assets was approved by the North Florida Broadband Authority Board of Directors.
 3. Final structural assessments have passed for 47 (out of 93) commercial towers in the core network. Site licenses were approved and executed for 38 tower sites in the core network.
 4. Equipment purchase orders were issued for routers, multi-service access platforms, and equipment cabinets. Asset tagging and inventory management procedures have been implemented as equipment is received, inventoried, bench tested, palletized, and staged for deployment.
 5. Federal Communications Commission license applications have started for microwave radio frequencies, which follow approved structural assessments and the subsequent execution of individual site license agreements for the towers in each corresponding network link.
 6. Davis Bacon wage decision determinations were obtained for Tower Technician and Radio Frequency technician job classifications in all core network counties. Technical assistance from the Program Office was instrumental in this process, and with the wage decisions in hand, we were able to go forward this past quarter with the release of the Request for Bids for Equipment Installation and Pathing work.
 7. The Request for Quotes for Civil and Electrical Site Work was released to the public, Civil quotes were received, and a threshold review of the Civil quotes was completed this past quarter. The Request for Bids for Equipment Installation and Pathing was completed, advertised in the Wall Street Journal for national exposure, and released to the public during this past quarter.
 8. The North Florida Broadband Authority has engaged the services of a professional Safety and Quality Assurance firm to develop Safety Excellence Performance Standards guidelines and policies for network deployment operations.
 9. Wave testing between the Tampa and Orlando datacenters was conducted this past quarter. The 10 Gbps wave link passed the Request for Comments 2544 test, a benchmarking methodology for network interconnection devices established by the Internet Engineering Task Force.

The project remains behind our original Baseline Plan projections for the reasons noted in Section 1, Items #2 and #3 below. To ensure that the project will be completed within the 3 year period of performance, the General Manager has hired two new project managers to kick-off and oversee site acquisition and deployment operations and to address potential community anchor institution beta customer requirements and their associated technical issues. The General Manager has also worked with the Engineer to develop and implement a comprehensive phased network roll-out plan that utilizes a phased approach to site acquisition and deployment. This roll-out plan is monitored and updated on a daily basis to track the progress of fully-executed site license agreements, site-specific drawing packages and scopes of work, microwave radio license applications, site-specific equipment inventory management and staging, permitting and Notice to Proceed packages, Quality Assurance inspections, link development and pathing, closeout documentation, interoperability testing, and other key network deployment indicators.

- 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	15	<p>The variance for Overall Project progress from the estimated Baseline Plan is the continued result of the network design re-evaluation that began in previous quarters. Please see Section 1, Item #3 for a more detailed explanation of the project's variance from the Baseline plan.</p> <p>The network design was finalized this quarter, with the exception of possible modifications that will be determined by the status of remaining tower structural assessments.</p> <p>As part of our efforts to catch up to the Baseline Plan, we are moving forward with equipment procurement--executing purchase orders, managing inventory, conducting bench tests, and staging equipment in advance of network deployment. With the execution of individual commercial tower site license agreements and the engagement of civil and installation contractors underway, we anticipate that the overall project completion schedule will be back in line with Baseline Plan projections in subsequent quarters.</p>
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
	2c. Network Design	88	<p>On schedule, but the percent complete reported here is less than the Actuals for Engineering fees reported in Cost Classifications d. and e. in the Infrastructure Budget Execution Details section of this report.</p> <p>As noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. In the original budget allocation, costs for professional and deployment services associated with the original turnkey links network design were originally allocated to the Equipment category. Upon approval of the Award Action Request, these costs will be reallocated to the Engineering categories (d. and e.).</p> <p>As also noted in Section 1, Item #3, we are also preparing an Award Action Request for Network Route / Design Change to establish that our network design has changed from the original Turnkey Link Spur Network design to our current interconnected-ring network design.</p>
	2d. Rights of Way	0	N/A
	2e. Construction Permits and Other Approvals	50	On schedule.
	2f. Site Preparation	0	<p>Progress reported for this milestone category in previous Performance Progress Reports was attributed to the progress of work associated with the development of the Request for Quotes procurement document for Civil and Electrical Site Work.</p> <p>As noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. Upon approval of the Award Action Request, the budget amount originally allocated for Site Preparation will be re-allocated to other Cost Classification categories.</p>
	2g. Equipment Procurement	11	<p>The variance for Equipment Procurement from the Baseline Plan is the continued result of the network design re-evaluation that began in previous quarters. Please see Section 1, Item #3 for a more detailed explanation of the project's variance from the Baseline plan.</p> <p>Progress reported for this milestone category in previous Performance Progress Reports was attributed to the progress of work associated with the development of the Request for Proposals procurement documents for network equipment, the subsequent review of submitted network equipment proposals, and the selection of equipment vendors. The progress reported in this report is based on line item budget expenditures in the Equipment Cost Classification category, and the budget amount for the Equipment Cost Classification category is based on the original turnkey link network design plan.</p> <p>However, as noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. In the original budget allocation, costs for professional and deployment services associated with the original turnkey links network design were originally allocated to the Equipment category. Upon approval of the Award Action Request, these costs will be reallocated to the Engineering categories (d. and e.).</p> <p>As part of our efforts to catch up to the Baseline Plan, equipment procurement is moving forward as vendor agreements for all network equipment categories have been executed and purchase orders continue to be issued for datacenter equipment (routers), multi-service</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			<p>access platforms (switches), equipment cabinets, and tower attachment cable and hardware. Purchase orders for licensed microwave radios and antennas will be issued on a per-link basis upon receipt of approved microwave radio license applications.</p>
2h.	<p>Network Build (all components - owned, leased, IRU, etc)</p>	7	<p>The variance for Network Build from the Baseline Plan is the continued result of the network design re-evaluation that began in previous quarters. Please see Section 1, Item #3 for a more detailed explanation of the project's variance from the Baseline plan.</p> <p>Progress reported for this milestone category in previous Performance Progress Reports was attributed to progress of work instead of budget expenditures for the Land, Structures, Right-of-Ways Cost Classification category (b.), and the budget amount for this Cost Classification category is based on the original turnkey link network design plan.</p> <p>However, as noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. Upon approval of the Award Action Request, a portion of the budget amount originally allocated for Land, Structures, Right-of-Ways Cost Classification category (b.) will be re-allocated to other Cost Classification categories.</p> <p>Upstream provisioning and circuit delivery remain on schedule. As part of our efforts to catch up to the Baseline Plan, final structural assessments are underway, and site license agreements are currently being executed for commercial tower sites in the core network. We expect the majority of structural assessments and site license agreements to be complete by the end of the next quarter.</p>
2i.	<p>Equipment Deployment</p>	0	<p>The variance for Equipment Deployment from the Baseline Plan is the continued result of the network design re-evaluation that began in previous quarters. Please see Section 1, Item #3 for a more detailed explanation of the project's variance from the Baseline plan.</p> <p>Progress reported for this milestone category in previous Performance Progress Reports was attributed to the progress of work associated with the solicitation of Civil and Equipment Installation contractors, the implementation of equipment inventory management and staging procedures. The progress reported in this report is based on line item budget expenditures in the Equipment Cost Classification category, and the budget amount for the Equipment Cost Classification category is based on the original turnkey link network design plan.</p> <p>As noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. In the original budget allocation, costs for professional and deployment services associated with the original turnkey links network design were originally allocated to the Equipment category. Upon approval of the Award Action Request, these costs will be reallocated to the Engineering categories (d. and e.).</p> <p>As part of our efforts to catch up to the Baseline Plan, equipment procurement is currently moving forward as purchase orders are executed and equipment is received, tagged, inventoried, bench-tested, and staged for deployment. Site-specific equipment Bill of Materials (BOM) lists are being developed along with site-specific drawings and scopes of work for Civil contractors and Equipment Installation & Pathing contractors. In addition, we are actively engaging local electrical utility companies in order to establish electrical utility accounts for each tower</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			<p>site in the core network service area.</p> <p>Quotes for civil work were received at the end of this past quarter, and civil/site electrical firms are scheduled to be under contract next quarter. The Installation and Pathing Request for Bids was released this past quarter, and equipment installation and pathing firms are also scheduled to be under contract by next quarter.</p> <p>As we move forward and continue to make significant progress with the site acquisition and pre-deployment activities mentioned above, we will continue to monitor and track our network roll-out plan as deployment activities take place over the next two to three quarters.</p>
2j. Network Testing		0	<p>The variance for Network Testing from the Baseline Plan is the continued result of the network design re-evaluation that began in previous quarters. Please see Section 1, Item #3 for a more detailed explanation of the project's variance from the Baseline plan.</p> <p>Progress reported for this milestone category in previous Performance Progress Reports was attributed to the receipt and testing of sample equipment cabinets, sample microwave radios, and initial gateway datacenter equipment. The progress reported in this report is based on line item budget expenditures in the Equipment Cost Classification category, and the budget amount for the Equipment Cost Classification category is based on the original turnkey link network design plan.</p> <p>As noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. In the original budget allocation, costs for professional and deployment services associated with the original turnkey links network design were originally allocated to the Equipment category. Upon approval of the Award Action Request, these costs will be reallocated to the Engineering categories (d. and e.).</p> <p>As part of our efforts to catch up to the Baseline Plan, sample equipment cabinets and integrated power supply units have been evaluated and tested. Bench testing has also started this past quarter for core network routers, datacenter equipment, and multi-service access platforms (switches). As site interoperability testing and link commissioning follow equipment deployment, we anticipate that Network Testing will also gradually realign with the Baseline Plan over the next two to three quarters.</p>
2k. Other (please specify): In-Kind Tower Licenses		0	<p>The variance for Network Testing from the Baseline Plan is the continued result of the network design re-evaluation that began in previous quarters. Please see Section 1, Item #3 for a more detailed explanation of the project's variance from the Baseline plan.</p> <p>In previous Performance Progress Reports, progress reporting for this milestone category was previously based on work completed, such as identification of in-kind vertical assets in the core network design, engagement of in-kind asset owners, and development of a master in-kind site license agreement. From this point forward, however, for this category (and for all milestone categories) we will report milestone completion percentages based on budget expenditures, incorporating both Federal funds and non-Federal share matching in-kind contributions in the milestones calculation, per the Additional Guidance instructions.</p> <p>Site license agreements for in-kind vertical assets have not been executed yet. However, as part of our efforts to catch up to the Baseline</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			<p>Plan, the North Florida Broadband Authority's General Counsel has been working closely with the Grants Office and the Program Office to finalize the format and acceptable language required in all lease documents for the project, including the in-kind leases.</p> <p>We are also in the process of submitting an Award Action request to seek a waiver for the disproportionality between non-Federal share contributions (in-kind asset license agreements in our case) and Federal grant funds that have been drawn down.</p>

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).

The following is a summary explanation of the reasons for the variance between Baseline Plan projections and milestone completion percentages experienced this past quarter and in previous quarters:

In previous Performance Progress Reports, we reported against Baseline Plan projections and cost classification budget categories that were based on the original turnkey link/spur network design topology and project plan. After a period of re-evaluation, it became evident that the original network design would not meet the carrier-class network performance requirements of our anticipated wholesale customer base. We therefore had to pursue a more robust network design, and that process led to the development of our current interconnected-ring network design topology. To accomplish this transition, engineering consultants were removed and replaced under strict procurement guidelines. This entire process (design re-evaluation, engineering services procurement, and network redesign) was stretched out over a period of two to three quarters, which was the period of time originally designated in the Baseline Plan for the turnkey link design phase as well as subsequent equipment procurement, site acquisition, and pre-deployment activities.

In an effort to re-establish accurate baseline and budget progress indicators, we are currently preparing an Award Action Request for the network design changes discussed above. We are also in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan.

Also, in previous Performance Progress Reports, milestone completion percentages were based on pending expenditures as determined by work completed instead of actual budget expenditure. Our intent with this approach was to reflect project progress more accurately, in consideration of the time required to review, approve, and process vendor payment requests. Most of our vendor payment requests are based upon defined deliverables, and payment is not processed until a completed deliverable is received, reviewed, and approved. The payment approval process also requires signatures from the General Manager, the Compliance Office, and the North Florida Broadband Authority's Authorized Organizational Representative. With actual budget expenditure as a progress indicator, work performed over the course of a deliverable's life cycle would not count toward project progress until all tasks associated with the deliverable were complete, all deliverable documents were subsequently reviewed and approved, and then upon approval, payment for the deliverable was processed. However, per the Additional Guidance instructions, from this point forward we will report milestone completion percentages based on budget expenditures (incorporating both Federal funds and non-Federal share in-kind contributions) in the milestones calculation.

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 variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.
New network miles leased	1,620	The mileage indicated here represents fiber leased from our upstream provider.
Existing network miles upgraded	0	N/A. Upgrade of network facilities is being performed by our upstream provider.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	1,620	The mileage indicated here represents fiber leased from our upstream partner.
Number of new wireless links	0	The future core network will have 102 wireless links. The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	There are 93 primary interconnection points planned for the core network. The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.

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: None yet. We are developing our initial service catalog as products, pricing, and pre-deployment service level agreements continue to be finalized and business support system requirements continue to be defined. We have ongoing dialogue with carriers, re-sellers, and community anchor institutions, with the expectation of signing several after pricing and service level agreements are finalized.

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:

Internet and transport services. Services will be offered in standard, premium (protected), and enterprise packages. We will offer term and volume discounts as well. We are also reaching out to community anchor institutions in the network region to gage their level of interest as potential beta customers with simplified, straightforward service plans that may be provided on a best-effort basis before the network rings are complete and more formal service level agreement pricing strata are implemented.

A draft copy of our Wholesale Standard Ethernet Access Pricing matrix is attached.

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 this third party operates (600 words or less).

As project deployment nears completion, the North Florida Broadband Authority will advertise in an open and competitive procurement for contract operations services. These services will be performed under the management of Government Services Group, the General Manager for the NFBA.

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	Unless it is a new provider, or just entering the market, we will assume that all providers are receiving improved access.
	Providers with signed agreements receiving improved access	0	We are in discussion with several providers. Agreements are pending finalization of product and service plans. The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.
	Providers with signed agreements receiving access to dark fiber	0	We will not be providing access to dark fiber, as we do not have that access.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Our plan outlines service to 308 anchor institutions by project closeout.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	We will assume that if service is provided through our network, that all subscribers that have some type of service will receive improved service. The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available.
Residential / Households	Entities passed	0	When completed, the NFBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available.
Businesses	Entities passed	0	When completed, the NFBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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	Available speed tiers will begin at 10 Mbps, in increments of 10 Mbps to 100 Mbps. Service to 1 Gbps will be available.

7. Please describe any special offerings you may provide (600 words or less).

No special offerings at this time. Service catalog products and pricing are being developed along with business support system requirements.

We have secured very substantial capacity to allow third party providers to provide a wide array of services across our network. The full range of offerings will be determined by the marketplace, but the network has been designed to efficiently accommodate all types of traffic.

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
Not yet deployed	North Florida RACEC	Colleges	No	Expanding capacity for remote learning, campus-wide Wi-Fi backhaul, and educational institution intranet.
Not yet deployed	North Florida RACEC	Local Government	No	Providing vastly greater capacity to all local government offices and facilities.
Not yet deployed	North Florida RACEC	Library System	No	Dramatically improve computer service centers, job seeker applications, and remote learning.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

1. Civil and site electrical contractors selected, approved, and under contract.
2. Equipment installation and pathing contractors selected, approved, and under contract.
3. Site license agreements executed for all commercial towers in the core network.
4. Site-specific drawing packages, bill of material lists, and scopes of work complete for all sites in the core network.
5. Pre-deployment site visits and scope reviews complete for civil contractors and equipment installation & pathing contractors.
6. Electrical utility accounts established for all commercial tower sites in the core network.
7. Federal Communications Commission license applications submitted for all core network links, and approved Federal Communications Commission license applications for core network links in the initial phases of deployment.
8. Building and electrical permit applications submitted for all tower sites in the core network, and approved for tower sites in the initial phases of deployment.
9. Purchase orders issued for remaining equipment cabinets, multi-service access platforms, and tower attachment cable and hardware. Purchase orders issued for licensed microwave radios and antennas following approved radio license applications.
10. Routers installed and upstream vertical connectivity complete at all Point-of-Presence and Gateway datacenter locations.
11. Start of civil and site electrical work at tower sites in the initial phases of deployment.
12. Start of installation and pathing work for lines, antennas, radio equipment at tower sites in the initial phases of deployment.
13. Interoperability testing and link commissioning at tower sites in the initial phases of deployment.
14. Continued engagement of community anchor institutions for development of beta customers.

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	50	The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan. As we continue to make progress with site acquisition and pre-deployment

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			activities, we anticipate that the overall project completion schedule will be back in line with Baseline Plan projections in subsequent quarters.
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.
2c.	Network Design	91	Network design is expected to remain on schedule.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	60	Building permit acquisition is expected to remain on schedule.
2f.	Site Preparation	0	<p>Progress reported for this milestone category in previous Performance Progress Reports was attributed to the progress of work associated with the development of the Request for Quotes procurement document for Civil and Electrical Site Work.</p> <p>As noted in Section 1, Item #3, we are in the process of preparing a budget reallocation Award Action Request to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. Upon approval of the Award Action Request, the budget amount originally allocated for Site Preparation will be re-allocated to other Cost Classification categories.</p>
2g.	Equipment Procurement	40	<p>The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.</p> <p>Equipment procurement is currently moving forward with purchase orders and invoices being processed for all network equipment categories. Therefore, we anticipate that this milestone category will be back in line with the Baseline Plan over the next two quarters</p>
2h.	Network Build (all components - owned, leased, IRU, etc.)	65	<p>The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.</p> <p>We expect the majority of structural assessments and site license agreements to be complete by the end of the next quarter, and therefore we anticipate that Network Build progress will be back in line with the Baseline Plan by the end of the next quarter.</p>
2i.	Equipment Deployment	20	<p>The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.</p> <p>We anticipate that Equipment Deployment will be on track with the Baseline Plan over the next two to three quarters.</p>
2j.	Network Testing	15	<p>The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.</p> <p>As Network Testing is coordinated with Equipment Deployment, we expect that this milestone category will also be back on track with the Baseline Plan over the next two to three quarters.</p>
2k.	Other (please specify): In-Kind Tower Licenses	5	<p>The variance from the Baseline Plan is a result of the network design re-evaluation that began in previous quarters. Please see Section 1, Items #2 and #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan.</p> <p>As part of our efforts to catch up to the Baseline Plan, the North Florida Broadband Authority's General Counsel has been working closely with the Grants Office and the Program Office to finalize the format and acceptable language required in all lease documents for the project, including the in kind leases.</p>

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).

Please see Section 1, Item #3 for further details regarding the reasons for variance from the Baseline Plan and our plans for catching up to the Baseline Plan, as we anticipate these issues to carry forward into the next quarter.

In an effort to re-establish accurate baseline and budget progress indicators, we are in the process of preparing Award Action Requests for the following items:

- Award Action Request for Network Design Change: We are preparing an Award Action Request to establish that network design has changed from the original Turnkey Link Spur Network design as originally submitted in the grant application to our current network design that utilizes an interconnected, dual counter-rotating resilient packet ring topology in order to meet the carrier-class performance and service level agreement requirements of our anticipated wholesale customer base.

- Award Action Request for Budget Reallocation: We are preparing an Award Action Request that reapportions funds to project budget categories according to anticipated and actual expenditures as established by both the network design change and the Program Office's determination of grant-eligible expenses in regard to capital leases.

We also submitted an Award Action Request for Davis Bacon wage decisions for Tower Technician and Radio Frequency Technician job classifications in four peripheral counties in which transit towers are located (transit towers are necessary to close network rings in the core service area).

We expect to make significant progress next quarter as substantial expenditures are anticipated for remaining tower site application fees and structural assessments, commercial tower license agreements, Indefeasible Right of Use upstream circuit delivery, and major equipment purchases.

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	\$802,279	\$0	\$802,279	\$860,779	\$0	\$860,779
b. Land, structures, right-of-ways, appraisals, etc.	\$20,247,000	\$9,227,000	\$11,020,000	\$1,432,000	\$0	\$1,432,000	\$10,150,462	\$0	\$10,150,462
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	\$1,532,681	\$0	\$1,532,681	\$2,073,312	\$0	\$2,073,312
e. Other architectural and engineering fees	\$384,000	\$0	\$384,000	\$1,243,121	\$0	\$1,243,121	\$1,503,486	\$0	\$1,503,486
f. Project inspection fees	\$753,432	\$0	\$753,432	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$129,500	\$0	\$129,500	\$0	\$0	\$0	\$0	\$0	\$0
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	\$671,884	\$0	\$671,884	\$5,222,625	\$0	\$5,222,625
k. Miscellaneous	\$109,600	\$0	\$109,600	\$140,924	\$65,030	\$75,894	\$167,924	\$65,030	\$102,894
l. SUBTOTAL (add a through k)	\$39,369,676	\$9,227,000	\$30,142,676	\$5,822,889	\$65,030	\$5,757,859	\$19,978,588	\$65,030	\$19,913,558
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	\$5,822,889	\$65,030	\$5,757,859	\$19,978,588	\$65,030	\$19,913,558

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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