

**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>  NT10BIX5570095	<b>3. DUNS Number</b>  176553068
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<b>4. Recipient Organization</b>  JKM Consulting, Inc. 100 Firethorn Lane, Munford, AL 36268-5504
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2011	<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>  Meredith Caudle	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  mcaudle@jkmconsultinginc.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-10-2011
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**Project Indicators (This Quarter)**

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

During 1st Quarter 2011, JKM Consulting, Inc. (JKM) has participated in various meetings for Project BEAR (Broadband for East Alabama Region). One significant meeting included the US Forestry Services to review the project and begin the application process for a portion of the route that traverses the National Forest. Additional meetings included: Alabama Supercomputer, Homeland Security of Alabama, Clay County stakeholders, Alabama Broadband Advisory Board meeting and various wireless vendors.

During 1st Quarter, the Special Award Condition (SAC) with Appalachian Valley Fiber Network (AVFN) for a fiber overlap issue was completed and a memorandum of understanding between JKM and AVFN was executed. Also during this quarter, JKM continued negotiations toward partnership agreements with the three remaining partners. One collocation agreement was secured this quarter and several are reaching final approvals.

JKM continues to pursue a Finding of No Significant Impact (FONSI) in order to begin purchasing equipment, fiber and begin construction. The fiber RFP was submitted during 1st quarter 2011 and the award letter was submitted to the vendor selected based upon the process defined in the JKM Procurement Policy. The pre-bid construction conference is scheduled for early April 2011. The RFP for construction will be released at this event.

For Community Outreach, JKM has participated in Chamber events in the four counties that we represent with Project BEAR. We have met with several of the Community Anchor Institutions in an effort to remain in contact as they await the new or enhanced services that will be provided through this project.

**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	4	Finding of No Significant Impact (FONSI) has been delayed beyond the projected time, decreasing the activities that could be undertaken.
2b.	Environmental Assessment	50	Miscommunication delayed Tribal notification of proposed antennae collocations. Responses to initial Environmental Assessment (EA) draft were slower being returned than anticipated and significant volumes of redundant data was requested to be presented in different formats. 50% of the Environmental Assessment budget has been expended to match with the 50% completion during this 1st quarter 2011. The remaining 50% will be billed upon receipt of FONSI.
2c.	Network Design	75	Request by the Federal Communications Commission (FCC) for a structural analysis to the proposed in kind towers and research required to determine if Federal Emergency Management Agency (FEMA) had completed the required EA at time of construction caused delays in finalization of the wireless network.
2d.	Rights of Way	50	50% of funds have been expended at the end of March 2011. The variance is weighed upon delays from the Engineering Firm and the Alabama Department of Transportation redline responses and requirements.
2e.	Construction Permits and Other Approvals	50	US Forestry Service lost our initial application, delays in acquiring permits to cross National Forrest property on existing state highway.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	Delay in FONSI has delayed this activity. RFP's have been completed and vendors identified. Recent guidance from the BTOP Program Manager will allow pre-budget amendments. These amendments will allow JKM to order and secure materials and equipment during the April 1, 2011-June 30, 2011 quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	Delay in FONSI has delayed this activity. RFP's have been issued and vendors are preparing responses. If FONSI is delayed more than 30 additional days and if lead time on the fiber continues to increase, we may have to award bid to multiple contractors in order to insure on time completion.
2i.	Equipment Deployment	0	N/A

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	0	N/A
2k.	Other (please specify): N/A	0	N/A

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Major challenge has been completion of the final EA and receipt of FONSI. BTOP team has continued to provide support through assistance with FCC challenges and meeting the additional changes with the Environmental Assessment.

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	Delay in receipt of FONSI has delayed construction.
New network miles leased	0	Constructing an agreement with third party contributor that was compliant with the 501-c3 requirements of the contributor and the applicable FAR regulation has proved to be more time consuming than anticipated. Agreement in principal has been reached, by the attorney's, on the appropriate framework. Attorney's are now working on details.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	Delay in receipt of FONSI has delayed construction.
Number of new wireless links	0	Delay in receipt of FONSI has delayed construction.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Delay in receipt of FONSI has delayed construction.

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	1
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: N/A

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:

Broadband service providers may lease dark fiber, as available, on a non-discriminatory basis at a cost based rate to be negotiated

with acceptance to binding arbitration.

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).

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	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
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
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).**  
1. Completion of FONSI 2. Finalize Construction Contract 3. Finalize Anniston Fiber Optics Inkind Contribution Contract  
4. Release Optronics Request for Proposal

**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	10	Delays in receiving FONSI has delayed all construction related baseline time lines.
2b. Environmental Assessment	100	N/A
2c. Network Design	75	Delays in receiving FONSI has delayed all construction related baseline time lines.
2d. Rights of Way	100	N/A
2e. Construction Permits and Other Approvals	75	US Forestry Service lost our initial application and generated delays until it was located.
2f. Site Preparation	0	N/A
2g. Equipment Procurement	0	Delays in receiving FONSI has delayed all construction related baseline time lines.
2h. Network Build (all components - owned, leased, IRU, etc.)	15	Delays in receiving FONSI has delayed all construction related baseline time lines.
2i. Equipment Deployment	0	Delays in receiving FONSI has delayed all construction related baseline time lines.
2j. Network Testing	0	N/A
2k. Other (please specify):	0	N/A

**3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

Additional delays in receiving FONSI could translate into critical delays in construction. Delays in receiving Tribal responses for antennae collocation notice could delay EA completion and further FONSI delays.

Because of the Japanese natural disasters, lead time tripled on fiber delivery and may increase further delays.

**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	\$510,200	\$0	\$510,200	\$131,599	\$0	\$131,599	\$192,000	\$0	\$192,000
b. Land, structures, right-of-ways, appraisals, etc.	\$486,000	\$441,000	\$45,000	\$0	\$0	\$0	\$90,000	\$90,000	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$514,204	\$0	\$514,204	\$146,111	\$0	\$146,111	\$180,000	\$0	\$180,000
e. Other architectural and engineering fees	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$15,000	\$0	\$15,000
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$4,470,516	\$1,312,540	\$3,157,976	\$35,507	\$0	\$35,507	\$85,000	\$0	\$85,000
j. Equipment	\$2,078,817	\$162,000	\$1,916,817	\$2,797	\$0	\$2,797	\$7,787	\$0	\$7,787
k. Miscellaneous	\$65,000	\$15,000	\$50,000	\$46,262	\$28,739	\$17,523	\$51,262	\$28,739	\$22,523
<b>l. SUBTOTAL (add a through k)</b>	\$8,199,737	\$1,930,540	\$6,269,197	\$362,276	\$28,739	\$333,537	\$621,049	\$118,739	\$502,310
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$8,199,737	\$1,930,540	\$6,269,197	\$362,276	\$28,739	\$333,537	\$621,049	\$118,739	\$502,310

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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