

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 NT10BIX5570101	3. DUNS Number 961720575
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4. Recipient Organization Appalachian Valley Fiber Network 1170 PARKER LN, Lyerly, GA 30730-5017
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5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	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 Deana Perry CFO	7c. Telephone (area code, number and extension) 7068574646
	7d. Email Address deanaperry@parkersystems.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-04-2011
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Project Indicators (This Quarter)

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

- Commencement of environmental assessment process. Completed initial alignment map, project descriptions and narrative, SHPO archival search and desktop reviews, wetland searches and development of endangered species lists. Commenced with consultation process with various agencies.
- Refined and finalized fiber routes. Produced primary and alternate routes and mapping required for environmental assessment process.
- Resolved various special awards conditions.
- Hired consultants to assist with grant admin and compliance, environmental assessment and engineering.
- Performed independent valuation of in-kind fiber assets.
- Developed and implemented procurement policy.
- Setup accounting system and other business systems and controls.

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	8	No variance
2b.	Environmental Assessment	20	No variance
2c.	Network Design	20	No variance
2d.	Rights of Way	20	No variance
2e.	Construction Permits and Other Approvals	0	No variance
2f.	Site Preparation	0	No variance
2g.	Equipment Procurement	0	No variance
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance
2i.	Equipment Deployment	0	No variance
2j.	Network Testing	0	No variance
2k.	Other (please specify): Admin, Legal	7	No variance

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).

N/A

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	No variance
New network miles leased	0	No variance
Existing network miles upgraded	0	No variance
Existing network miles leased	0	No variance

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	0	No variance
Number of new wireless links	0	No variance
Number of new towers	0	No variance
Number of new and/or upgraded interconnection points	0	No variance

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 of 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 of less). Wholesale services description:

None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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).

None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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 of 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	No variance
	Providers with signed agreements receiving improved access	0	No variance
	Providers with signed agreements receiving access to dark fiber	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance

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	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance
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).
None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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
None	N/A	N/A	N/A	Construction has not commenced, pending completion of EA and issuance of FONSI.

Project Indicators (Next Quarter)

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

- Completion of environmental assessment research, consultations with all agencies and submission of draft EA.
- Commencement of engineering surveying and right of way perfection.
- Commencement of permitting applications for primary routes.
- Development of draft requirements for material and labor RFQ/RFPs.

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	17	No variance
2b.	Environmental Assessment	100	No variance
2c.	Network Design	40	Original goal was to complete 81% of network design by the end of March 2011. This may be delayed due to delay in completion of EA. Route refinement for EA purposes must be completed before engineering surveys can commence for those areas. We expect to make up this time and complete 100% by the end of June 2011 as planned.
2d.	Rights of Way	44	No variance
2e.	Construction Permits and Other Approvals	20	No variance
2f.	Site Preparation	0	No variance
2g.	Equipment Procurement	88	No variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No variance
2i.	Equipment Deployment	0	No variance
2j.	Network Testing	0	No variance
2k.	Other (please specify): Admin, legal	19	No variance

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).

A 3 weeks extension for our draft EA submission deadline has been requested. This is expected to result in a corresponding delay in completion of our network design/engineering efforts. We expect to make up the lost time on engineering and complete 100% as planned by the end of June 2011.

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	\$2,885,803	\$152,882	\$2,732,921	\$539,935	\$22,882	\$459,866	\$247,600	\$0	\$247,600
b. Land, structures, right-of-ways, appraisals, etc.	\$4,513,019	\$1,346,000	\$3,167,019	\$735,000	\$0	\$735,000	\$482,978	\$0	\$482,978
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$800,939	\$0	\$800,939	\$120,963	\$0	\$120,963	\$175,500	\$0	\$175,500
e. Other architectural and engineering fees	\$586,469	\$0	\$586,469	\$24,000	\$0	\$24,000	\$97,000	\$0	\$97,000
f. Project inspection fees	\$279,877	\$0	\$279,877	\$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	\$13,276,889	\$0	\$13,276,889	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$4,116,961	\$3,844,461	\$272,500	\$0	\$0	\$0	\$3,631,426	\$3,622,926	\$8,500
k. Miscellaneous	\$270,300	\$100,000	\$170,300	\$563	\$0	\$563	\$63,315	\$0	\$63,315
l. SUBTOTAL (add a through k)	\$26,730,257	\$5,443,343	\$21,286,914	\$1,420,461	\$22,882	\$1,340,392	\$4,697,819	\$3,622,926	\$1,074,893
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$26,730,257	\$5,443,343	\$21,286,914	\$1,420,461	\$22,882	\$1,340,392	\$4,697,819	\$3,622,926	\$1,074,893

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