

RECIPIENT NAME:Horizon Telecom, Inc.

AWARD NUMBER: NT10BIX5570119

DATE: 05/18/2011

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

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 NT10BIX5570119	3. DUNS Number 933581456
4. Recipient Organization Horizon Telecom, Inc. 68 E Main Street, Chillicothe, OH 45601-2503		
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	
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 Corinne Colbert	7c. Telephone (area code, number and extension) X	
	7d. Email Address corinne@reidconsultinggroup.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-18-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Draft environmental assessment completed and submitted to NTIA; progress in reaching a programmatic agreement with Ohio Historic Preservation Office on procedures for historic and cultural properties during construction; completion of RFPs for fiber materials and electronics; issued RFPs for construction, IT hardware and plant records.

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	3	Project expenditures remain low because of continued delays in receiving FONSI that is holding up construction. Procurement has not gone as quickly as projected due to complexity of the RFPs and the large number of responses.
2b.	Environmental Assessment	90	Process with SHPO has taken longer than expected, considering that more than 98% of the route is aerial on existing power company rights-of-way.
2c.	Network Design	6	Although we have spent approximately 6% of our budgeted amount for architecture and engineering fees, backbone engineering is essentially completed.
2d.	Rights of Way	98	Estimate in baseline project milestones is low. Most ROWs for this project are in utility corridors, where we have permission to build already.
2e.	Construction Permits and Other Approvals	6	Permitting was built into network design, of which we have spent 6% of the budgeted amount. Despite the low expenditures, permitting is proceeding ahead of schedule.
2f.	Site Preparation	6	Site preparation and acquisition costs were built into the network engineering budget, of which we have spent 6% of projection. Despite the low expenditures, site preparation is ahead of schedule.
2g.	Equipment Procurement	15	Equipment procurement has been delayed by the delay in construction. We are reluctant to buy and warehouse equipment that would go unused for months while awaiting a FONSI.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No build allowed until FONSI is issued. FONSI delayed by ongoing negotiations with the Ohio Historic Preservation Office. Construction represents nearly 70% of projected budget. Miscellaneous line for OARnet IRU represents 5.4% of projected budget.
2i.	Equipment Deployment	0	No build allowed, so no equipment has been deployed.
2j.	Network Testing	0	No build allowed, so no construction has taken place.
2k.	Other (please specify):	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).

Key challenges in the past quarter included the required environmental assessment, particularly communications with the Ohio Historic Preservation Office; selecting vendors from among the plethora of applicants; and getting information from BIP recipients to satisfy the Special Award Condition regarding overlap with other federally funded broadband projects.

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	Construction continues to be delayed by environmental assessment, particularly with the Ohio Historic Preservation Office.
New network miles leased	0	n/a
Existing network miles upgraded	0	n/a
Existing network miles leased	0	n/a
Number of miles of new fiber (aerial or underground)	0	No construction due to continued delay in obtaining FONSI.
Number of new wireless links	0	No construction due to continued delay in obtaining FONSI.
Number of new towers	0	n/a
Number of new and/or upgraded interconnection points	0	No construction due to continued delay in obtaining FONSI.

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. No construction.

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:

Horizon will offer wholesalers and last-mile provider speed tiers of 5 MBps to 10GBps.

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	No fiber constructed yet
	Providers with signed agreements receiving improved access	0	No fiber constructed yet

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving access to dark fiber	0	No fiber constructed yet
	Please identify the speed tiers that are available and the number of subscribers for each	0	No fiber constructed yet
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No fiber constructed yet
	Subscribers receiving new access	0	No fiber constructed yet
	Subscribers receiving improved access	0	No fiber constructed yet
	Please identify the speed tiers that are available and the number or subscribers for each	0	No fiber constructed yet
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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
n/a	n/a	n/a	n/a	No build allowed until FONSI is issued

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Contracts for network construction will be completed in this quarter; pending issuance of a FONSI on the environmental assessment, we expect to begin construction late in the quarter. Large orders of fiber materials and electronics equipment will be placed and warehoused. We will hold training for construction contractors on compliance with federal reporting requirements and with the stipulations in the programmatic agreement with NTIA and the Ohio Historic Preservation Office regarding cultural and historic resources.

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	5	Project remains behind due to delays in start of construction from required environmental assessment.
2b.	Environmental Assessment	99	We expect our FONSI to be issued in this quarter. Per the programmatic agreement with NTIA and the Ohio Historic Preservation Office, there will be continued assessment of POP sites as they are identified.
2c.	Network Design	10	Engineering of lateral routes will be finalized as we begin to sign up CAs.
2d.	Rights of Way	98	Estimate in baseline project milestones is low. Most ROWs for this project are in utility corridors, where we have permission to build already.
2e.	Construction Permits and Other Approvals	10	Permits for rail and road crossings have been submitted, so we are farther along than expected.
2f.	Site Preparation	10	Identification and acquisition of POP sites has been faster than projected and will continue this quarter.
2g.	Equipment Procurement	50	Contracts for fiber materials and electronics were awarded in late Q1. First orders of equipment and fiber will be placed in this quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	2	Baseline projected 15%; however, we assumed we would be cleared for construction earlier. This assumes begin of construction in June.
2i.	Equipment Deployment	2	Baseline projected 30%, which is inaccurate. Equipment deployment will run roughly concurrent with network build.
2j.	Network Testing	2	Baseline projected 30%, which is inaccurate. Equipment deployment will run roughly concurrent with network build.
2k.	Other (please specify): n/a	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).

Beginning of construction is dependent on issuance of a FONSI from our environmental assessment; a delay in receiving the FONSI will result in a continued delay in network construction. Collection of Davis-Bacon certified weekly payroll and other compliance data from construction contractors may be time-consuming at first.

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	\$1,485,174	\$445,552	\$1,039,622	\$694,620	\$208,386	\$486,234	\$1,101,877	\$330,563	\$771,314
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$101,300	\$30,390	\$70,910	\$331,429	\$99,429	\$232,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$7,785,028	\$2,335,508	\$5,449,520	\$472,496	\$141,749	\$330,747	\$1,141,230	\$342,369	\$798,861
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$66,228,948	\$19,868,684	\$46,360,264	\$0	\$0	\$0	\$1,144,482	\$343,345	\$801,137
j. Equipment	\$14,259,128	\$4,277,738	\$9,981,390	\$843,221	\$252,966	\$590,255	\$1,843,221	\$552,966	\$1,290,254
k. Miscellaneous	\$5,204,932	\$1,561,481	\$3,643,451	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$94,963,210	\$28,488,963	\$66,474,247	\$2,111,637	\$633,491	\$1,478,146	\$5,562,239	\$1,668,672	\$3,893,566
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$94,963,210	\$28,488,963	\$66,474,247	\$2,111,637	\$633,491	\$1,478,146	\$5,562,239	\$1,668,672	\$3,893,566

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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