

RECIPIENT NAME:Horizon Telecom, Inc.

AWARD NUMBER: NT10BIX5570119

DATE: 02/09/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### 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>  NT10BIX5570119	<b>3. DUNS Number</b>  933581456
<b>4. Recipient Organization</b>  Horizon Telecom, Inc. 68 E Main Street, Chillicothe, OH 45601-2503		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2010	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Corinne Colbert	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  corinne@reidconsultinggroup.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-09-2011	

**Project Indicators (This Quarter)**

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

In the project's second quarter, we laid the ground to begin project construction in spring 2011. This work includes completing route engineering and beginning site acquisition; substantial completion of the required environmental assessment; and preparing requests for proposals for fiber and materials and project construction. We completed the draft of an agreement with our subrecipient, OARnet. We completed our baseline project plan with key milestones and deliverables and a budget for the first six months of the project, both of which were accepted. This allowed us to begin drawing project funds. Three members of the team attended the Broadband Technology Opportunities Program workshop sponsored by the National Telecommunications and Information Administration in November. We have conducted regular monitoring meetings with the subrecipient, the environmental assessment team, our Federal Program Officer and key project team members.

**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	n/a
2b.	Environmental Assessment	90	Draft EA is due Feb. 2, 2011
2c.	Network Design	100	n/a
2d.	Rights of Way	25	n/a
2e.	Construction Permits and Other Approvals	0	n/a
2f.	Site Preparation	0	n/a
2g.	Equipment Procurement	20	Due to complexity and competition the procurement process has not gone as quickly as anticipated. For example, the capability and pricing of respondents to the electronics RFP have been so close that we have had to engage in multiple rounds of elimination to pick a winner. In general, vendors are responding quite aggressively to our RFPs, which is great for the project, but does complicate the process due to the sheer volume of responses and level of competitiveness.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No build allowed until FONSI is issued
2i.	Equipment Deployment	0	n/a
2j.	Network Testing	0	n/a
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; completing requests for proposals for construction while trying to select appropriate job classifications and wage determinations in compliance with the Davis-Bacon Act; and getting route maps and other pertinent 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	No construction allowed until FONSI issued

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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	n/a
Number of new wireless links	0	n/a
Number of new towers	0	n/a
Number of new and/or upgraded interconnection points	0	n/a

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:  
n/a

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 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 fiber constructed yet
	Providers with signed agreements receiving improved access	0	No fiber constructed yet
	Providers with signed agreements receiving access to dark fiber	0	No plans regarding dark fiber

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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 of 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 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).**

Completion of the draft environmental assessment; securing construction permits and other approvals; select equipment vendors and construction contractors; begin network construction

**2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).**

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	25	n/a
2b.	Environmental Assessment	100	n/a
2c.	Network Design	100	n/a
2d.	Rights of Way	35	n/a
2e.	Construction Permits and Other Approvals	30	n/a
2f.	Site Preparation	35	n/a
2g.	Equipment Procurement	30	n/a
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	n/a
2i.	Equipment Deployment	0	n/a
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).**

Beginning of construction is dependent on issuance of a FONSI from our environmental assessment; a delay in receiving the FONSI will result in a delay in network construction.

**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	\$433,932	\$130,180	\$303,752	\$125,000	\$37,500	\$87,500
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$94,174	\$28,252	\$65,922	\$1,021,647	\$306,494	\$715,153
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			
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	\$4,850,000	\$1,455,000	\$3,395,000
j. Equipment	\$14,259,128	\$4,277,738	\$9,981,390	\$0	\$0	\$0	\$12,237,736	\$3,671,321	\$8,566,415
k. Miscellaneous	\$5,204,932	\$1,561,481	\$3,643,451	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$94,963,210</b>	<b>\$28,488,963</b>	<b>\$66,474,247</b>	<b>\$528,106</b>	<b>\$158,432</b>	<b>\$369,674</b>	<b>\$18,234,383</b>	<b>\$5,470,315</b>	<b>\$12,764,068</b>
m. Contingencies	\$0	\$0	\$0						
<b>n. TOTALS (sum of l and m)</b>	<b>\$94,963,210</b>	<b>\$28,488,963</b>	<b>\$66,474,247</b>	<b>\$528,106</b>	<b>\$158,432</b>	<b>\$369,674</b>	<b>\$18,234,383</b>	<b>\$5,470,315</b>	<b>\$12,764,068</b>

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