

RECIPIENT NAME: Maine Fiber Company, Inc.

AWARD NUMBER: NT10BIX5570139

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 NT10BIX5570139	3. DUNS Number 833111102
4. Recipient Organization Maine Fiber Company, Inc. 245 Commercial St, Suite 203, Portland, ME 04101-4606		
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 Doreen Bell	7c. Telephone (area code, number and extension) X	
	7d. Email Address dbell@tilsontech.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).
 - Completed construction on 20 miles in this quarter bringing the total to 26 miles to date.
 - Completed 100% of the attachment agreements. Submitted 100% of the attachment applications for the network backbone (539 applications); over 30% of third-party make-ready is completed and we've received 30% of all licenses from the pole owners.
 - Finalized procurement of archeological vendor; prepared RFP for pole gap contractor
 - Continued review of Community Anchor Institutions' applications and began attachment applications for the first-round of approved Community Anchor Institutions

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	13	Better than expected make-ready completion to date
2b.	Environmental Assessment	100	No variance (completed)
2c.	Network Design	100	No variance
2d.	Rights of Way	35	No variance
2e.	Construction Permits and Other Approvals	30	Better than expected pole licensing activities at the end of February and into March. This result was created by consistent and effective communication between the project team and the pole owners which fostered a productive and efficient work environment. The project team gave specific make-ready schedule priorities to the pole owners who successfully demonstrated their abilities to work with these priorities.
2f.	Site Preparation	30	Better than expected make-ready activities at the end of February and into March. This result was created by consistent and effective communication between the project team and the pole owners which fostered a productive and efficient work environment. The project team gave specific make-ready schedule priorities to the pole owners who successfully demonstrated their abilities to work with these priorities.
2g.	Equipment Procurement	2	The original baseline listed 10% completion of Equipment Procurement by this quarter's end to match the 10% Overall Project completion also listed. However, the baseline percentage was calculated incorrectly as construction follows significantly behind make-ready completion. The calculation error was only discovered on this quarter's PPR. The Equipment Procurement percentage listed on this quarter's PPR is accurate and will be carried forward as such.
2h.	Network Build (all components - owned, leased, IRU, etc)	2	The original baseline listed 10% completion of Network Build by this quarter's end to match the 10% Overall Project completion also listed. However, the baseline percentage was calculated incorrectly as construction follows significantly behind make-ready completion and equipment procurement. The calculation error was only discovered on this quarter's PPR. In this quarter, Network Build followed close enough behind Equipment Procurement to match percentages. Going forward, Network Build may match Equipment Procurement or follow closely behind. The percentage listed on this PPR is accurate.
2i.	Equipment Deployment	0	N/A - dark fiber network
2j.	Network Testing	1	Network testing completed for 6 miles; pending for 20 miles
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).
 - Third-party make-ready communication was enhanced this quarter through face-to-face meetings, weekly conference calls and daily

communication with MFC's project team and the pole owners. The project team gave the pole owners clear and consistent direction on which areas had make-ready priorities. This specific direction allowed the pole owners to tackle make-ready in an efficient manner and resulted in increased cooperation from the pole owners and more efficient make-ready completion. Third-party make-ready continues to make steady progress against baseline milestones, and the pole owners will need to continue this pace of third-party make-ready to make the project schedule.

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	26	Completed construction on 1 additional mile over baseline due to early make-ready completion.
New network miles leased	0	No variance; no leases planned - dark fiber
Existing network miles upgraded	0	No variance; none planned
Existing network miles leased	0	No variance; none planned
Number of miles of new fiber (aerial or underground)	26	Completed construction on 1 additional mile over baseline due to early make-ready completion.
Number of new wireless links	0	None planned
Number of new towers	0	None planned
Number of new and/or upgraded interconnection points	16	Better than expected service provider take-rate/private investment. The positive rate of make-ready completion demonstrated early project success to the community and generated increased interest and additional commitments to interconnect with the dark fiber network.

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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	7
Average term of signed agreements (in quarters)	80

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 - Not applicable this quarter

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:

- Dark fiber prices are listed on the MFC website at www.maineiberco.com

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; this is a dark fiber network.

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	4	Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	4	Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups
	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark fiber only; speed will vary depending on last mile provider equipment.
Community Anchor Institutions (including Government institutions)	Total subscribers served	10	Increased demand for healthcare information technologies (HIT) and education
	Subscribers receiving new access	1	Increased demand for HIT
	Subscribers receiving improved access	9	Increased demand for HIT and education
	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark fiber only; speed will vary depending on last mile provider
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	MFC is not collecting this data
	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	Dark fiber only; speed will vary depending on last mile provider

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

- Dark fiber network.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

- No variance

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
1 CAI	Cumberland County	Healthcare	No	Dark fiber provided only; healthcare group

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 - We anticipate continued completion of the pole owners' make-ready surveys as well as additional make-ready completion. We continue to manage the pole licensing process.
 - Depending on the speed of make-ready completion, we anticipate 49 miles of fiber deployment with a significant portion of these miles also completing construction.
 - Continue bridge engineering and permitting.
 - Procurement finalization of the pole gap contractor.
 - Continue to approve CAI's and deploy fiber for approved CAI's depending on the speed of make-ready completion.
 - Continue to engineer service provider use of the network and negotiate agreements.

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	20	Better than anticipated make-ready completion
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	45	No variance
2e.	Construction Permits and Other Approvals	35	No variance
2f.	Site Preparation	35	Better than anticipated make-ready completion
2g.	Equipment Procurement	7	The original baseline listed 10% completion of Equipment Procurement by this quarter's end to match the 10% Overall Project completion also listed. However, the baseline percentage was calculated incorrectly as construction follows significantly behind make-ready completion. The calculation error was only discovered on this quarter's PPR. The Equipment Procurement percentage listed for next quarter's PPR is an accurate prediction.
2h.	Network Build (all components - owned, leased, IRU, etc.)	7	The original baseline listed 10% completion of Network Build by this quarter's end to match the 10% Overall Project completion also listed. However, the baseline percentage was calculated incorrectly as construction follows significantly behind make-ready completion and equipment procurement. The calculation error was only discovered on this quarter's PPR. In this quarter, Network Build followed close enough behind Equipment Procurement to match percentages. Going forward, Network Build may match Equipment Procurement or follow closely behind. The percentage listed for next quarter's PPR is an accurate prediction.
2i.	Equipment Deployment	0	N/A

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	3	The original baseline listed 10% completion of Network Testing by next quarter's end to match the 15% Overall Project completion also listed. However, that calculation is incorrect as there is a time lag between construction completion and Network Testing. This means that the percentage of Network Testing will track more slowly against the Overall Project rate than the percentages calculated in the original baseline. The calculation error was only discovered on this quarter's PPR. The percentage listed for next quarter's PPR is an accurate prediction.
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).

- Make-ready completion by pole owners is our biggest challenge and may impact the construction schedule; however, continued cooperation from and communication with the pole owners is moving the process along and there hasn't been any negative impact to the construction schedule to date.

- The project's contracted fiber vendor is telling MFC that lead times are longer than anticipated due to a worldwide fiber shortage brought on, in part, by the Japanese earthquake and tsunami. According to the vendor, fiber was already in high demand worldwide due to the many BTOP projects in the U.S. along with other large-scale projects around the world. The earthquake and tsunami in Japan damaged a fiber production plant causing it to shutdown completely. Per the vendor, as the major fiber carriers around the world have contracts with multiple fiber production companies, demand has increased again. The project vendor is telling us that it may not be able to deliver the project's fiber as originally planned. At this time, all parties are working together to find the best solution; however, if the fiber isn't delivered on time, it would negatively impact the project schedule.

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	\$640,161	\$128,032	\$512,129	\$291,550	\$58,310	\$233,240	\$461,550	\$92,310	\$369,240
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$8,821,039	\$1,764,208	\$7,056,831	\$3,374,666	\$674,933	\$2,699,733	\$4,574,666	\$914,933	\$3,659,733
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$20,427,522	\$4,085,504	\$16,342,018	\$454,703	\$90,941	\$363,762	\$1,113,817	\$222,763	\$891,054
j. Equipment	\$800,000	\$160,000	\$640,000	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$70,000	\$14,000	\$56,000	\$5,800	\$1,160	\$4,640	\$7,900	\$1,580	\$6,320
l. SUBTOTAL (add a through k)	\$30,758,722	\$6,151,744	\$24,606,978	\$4,126,719	\$825,344	\$3,301,375	\$6,157,933	\$1,231,586	\$4,926,347
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$30,758,722	\$6,151,744	\$24,606,978	\$4,126,719	\$825,344	\$3,301,375	\$6,157,933	\$1,231,586	\$4,926,347

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: \$1,716