

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 NT10BIX5570023	3. DUNS Number 831497651
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4. Recipient Organization North Florida Broadband Authority 1500 Mahan Drive Suite 250, Tallahassee, FL 32308-5177
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5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	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 Danny Lort	7c. Telephone (area code, number and extension) X
	7d. Email Address dlort@nfba.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-21-2012
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Project Indicators (This Quarter)

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

Our Budget Reallocation Award Action Request was approved this quarter. From this point forward, beginning with this Performance Progress Report, we will report progress according to the reallocation of funds among the project's individual cost classification categories as set forth below in the Infrastructure Budget Execution Details section of this report. Please note the following:

- Progress reported against our approved revised budget may result in some milestone category completion percentages being decreased in comparison to our previous Performance Progress Report, which is due to the re-allocation of funds among related cost categories. Since progress is measured by expenditures against budget categories, an increase to a budget category amount (per the approved budget reallocation) may translate to an associated decrease in a completion percentage for a related milestone category. Please see Section 2 below for additional details.
- Our aggregate project budget amount has not changed; however, per our approved Award Action Request, budget funds were reallocated among the project's individual cost classification categories in order to reflect our post-transition state and to provide a corresponding framework for monitoring, controlling, and reporting cost and schedule performance.

We received responses to our Request for Proposal for Network Operator services. Our Evaluation Committee calculated final scores and rankings based on four scoring areas: (1) technical qualifications, (2) written proposals, (3) oral presentations, and (4) price. Following this process, a respondent was subsequently identified for consideration to enter into contract negotiations.

Network deployment progress continued through this past quarter as follows:

- The fiber design was finalized for our Fiber Access Points (Point of Presence sites) located in the cities of Monticello, Chiefland, and Live Oak. Fiber connections are also complete at these sites with the activation of redundant fiber links back to our core data centers in Orlando and Tampa.
- Civil and site electrical work is complete at 89 out of 92 core network tower sites.
- Installation of site network equipment, cabling, and licensed microwave radios and antennas is complete at 87 core network sites, representing 620 new wireless network miles deployed as determined by equipment installed at towers within a direct line of sight.
- Path alignment is complete for 63 network links as we continue to deploy network paths outward from our Fiber Access Points.
- End-to-end testing for throughput and link reliability continued through this quarter, and we are continuing to see positive results.
- We are now monitoring traffic at 22 core network sites with our network performance monitoring and management software platform.
- Integral A/C units were ordered for all core network tower sites, and 87 of these units have been installed at sites located along network segments that provide paths back to our Fiber Access Points.

As a result of our deployment progress this quarter:

- 620 total new (wireless) core network miles are deployed;
- 88 wireless links are deployed, and;
- 87 interconnection points are complete and being made available for customer access.

We continued with our proactive effort to ensure that our network capabilities are aligned with actual market conditions and anticipated customer demand. We implemented our plan for system enhancements, which include increasing network capacity at key wireless links for greater backhaul bandwidth. To support this effort, we developed and released a Request for Bids procurement document for additional Fiber Access Points in strategic areas of our core network.

We successfully implemented our remediation plan for retrofitting field equipment cabinets with integral air conditioning units. Our tests confirm that operating temperatures are within acceptable limits for cabinet-mounted site equipment.

We continued to book in-kind matching contributions to the project, where our booked match will result in meeting our obligations for match by grant close. These contributions are identified in Memoranda of Understanding, Resolutions of Intent, and Site Lease Agreements adopted and executed by our member governments. This process will continue through the end of the project.

We also continued our focus on customer outreach and negotiations with last mile providers. Agreements are executed with 1 last mile provider in our network service region, and connectivity is being provided for a Community Anchor Institution (medical facility) that is being served by the North Florida Broadband Authority network.

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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	79	With our total expenditures plus allowable in-kind contributions for recipient match, overall project completion is at 79% for this reporting period. Variance from the baseline plan is largely the result of unique challenges experienced this quarter in addition to residual effects from transition-related issues that began in previous quarters. Please see Section 3 below for more details.
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.
2c.	Network Design	75	<p>Percent complete variance from the baseline plan reflects the increase to the cost classification budget category associated with this milestone per our approved Budget Reallocation Award Action Request. Progress is reported against our approved revised budget, resulting in the completion percentage being decreased for this milestone category in comparison to our previous Performance Progress Report.</p> <p>Our core network design is functionally complete. We are continuing to work with demand forecasts to drive the implementation our network design enhancement plan, which addresses performance and capacity limitations that we discovered following a value-engineering / quality assessment of our pre-transition network design. The reallocation of budget funds to this milestone's budget category effectively addresses the cost impacts associated with this process.</p>
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	98	<p>Progress is reported against our approved revised budget, resulting in the completion percentage being decreased for this milestone category in comparison to our previous Performance Progress Report.</p> <p>Transfer of permits to our new General Contractor is complete. However, a few local permitting agencies required us to resubmit our permit applications for three of our core network tower sites. Permits for all remaining core network tower sites are approved and in-hand, and we remain on track with our baseline projection for this milestone.</p>
2f.	Site Preparation	97	<p>Progress is reported against our approved revised budget, resulting in the completion percentage being decreased for this milestone category in comparison to our previous Performance Progress Report.</p> <p>Civil and electrical site work is substantially complete at 89 out of 92 core network commercial tower sites and at our Fiber Access Points in Branford, Monticello, Chiefland, and Live Oak.</p>
2g.	Equipment Procurement	98	Equipment procurement is complete for our data centers in Tampa and Orlando, all of our core network commercial tower sites, and our Fiber Access Points in Branford, Monticello, Chiefland, and Live Oak.
2h.	Network Build (all components - owned, leased, IRU, etc)	98	Site acquisition is complete for our data centers in Tampa and Orlando, all of our core network commercial tower sites, and our Fiber Access Points in Branford, Monticello, Chiefland, and Live Oak.
2i.	Equipment Deployment	90	Equipment deployment is complete at our core datacenters, 87 out of 92 core network commercial tower sites, and at our Fiber Access Points in Branford, Monticello, Chiefland, and Live Oak.
2j.	Network Testing	90	Network testing is complete for our data centers in Tampa and Orlando and for our Fiber Access Points in Branford, Monticello, Chiefland, and Live Oak. We continue to see positive results with link alignment and end-to-end testing at our core network tower sites as we deploy network paths outward from our Fiber Access Points.
2k.	Other (please specify): In-Kind Contributions for Recipient Match	88	We continued to book contributed in-kind assets through this past quarter to maintain proportionality with federal expenditures as required, and we are continuing to incorporate these assets into our roll-out schedule as planned lateral extensions of our core network.

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).

Severe thunderstorms and flooding from Tropical Storm Debby caused sporadic site power outages throughout our core network region, disrupting remaining link alignment and end-to-end testing activities. We nevertheless remain on target with our original baseline plan, and we are working closely with the local utility companies in our service area to ensure that interruptions to electrical service are immediately addressed.

We have Osprey nests on two of our core network towers, which prevents us from installing microwave antennas and tower cables at these locations. Our staff and project management team are working closely with the tower companies to mitigate any further impact to the deployment schedule while ensuring that appropriate guidelines are followed for migratory bird protection.

Permit applications needed to be resubmitted for three of our core network tower sites, which delayed deployment activities at these locations. Our General Contractor and project management team are working closely with the local permitting agencies to expedite this process.

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	620	This amount represents new wireless network miles deployed as determined by equipment installed at towers within a direct line of sight. Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. All new core wireless network miles are scheduled to be deployed by the end of next quarter (720 miles total).
New network miles leased	1,620	This amount represents fiber leased from our upstream provider.
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	88	Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. All new core network wireless links planned for deployment are expected to be completed by the end of next quarter (99 new core network wireless links total).
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	87	Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. All planned core network interconnection points are expected to be completed by the end of next quarter (92 new core network interconnection points total).

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2

Indicators	
Average term of signed agreements (in quarters)	12

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

- Main Street Broadband

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:

We are currently in the process of updating and finalizing our service offerings and pricing.

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 third party operates (600 words or less).

We received responses to our Request for Proposal for Network Operator services this quarter. These responses were evaluated, and a respondent was identified for consideration to enter into contract negotiations.

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	<p>Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details.</p> <p>We remain in active negotiations with last mile providers, and we will continue to plan workshops and seek other opportunities to build and leverage these relationships.</p> <p>We are in position to complete core network deployment before the end of next quarter and expect to sign additional agreements as more network sites are activated and made available for last mile providers to receive new access.</p>
	Providers with signed agreements receiving improved access	1	<p>Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details.</p> <p>We remain in active negotiations with last mile providers, and we are in position to complete core network deployment before the end of next quarter. We expect to sign additional agreements as more network sites are activated and made available for last mile providers to receive improved access.</p>
	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	We are currently in the process of updating and finalizing our service offerings and pricing.
Community Anchor Institutions (including Government institutions)	Total subscribers served	1	<p>Connectivity is established for a not-for-profit medical facility that is being served by the North Florida Broadband Authority network.</p> <p>Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details.</p> <p>We are in position to complete core network deployment before the end of next quarter, and we anticipate more Community Anchor Institutions will be served as more network sites are activated and made available for customer access.</p>

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	1	We assume that all subscribers have some type of pre-existing service, and these subscribers will receive improved service with the increased bandwidth provided through our network. Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. We are in position to complete core network deployment before the end of next quarter, and we anticipate more Community Anchor Institutions will be served as more network sites are activated and made available for customer access.
	Please identify the speed tiers that are available and the number or subscribers for each	0	We are currently in the process of updating and finalizing our service offerings and pricing.
Residential / Households	Entities passed	0	Residential households will have service delivered through last mile providers only.
	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	Businesses will have service delivered through last mile providers only.
	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).
We are currently in the process of updating and finalizing our service offerings and pricing.

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

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).

The following accomplishments are planned for next quarter:

- We expect to execute a master services agreement with the selected and approved respondent to our Request for Proposal for Network Operator Services.
- Receipt and evaluation of responses to our Request for Proposal for additional Fiber Access Points, followed by the execution of a master agreement with the selected and approved respondent(s).
- We expect to complete the deployment of our core network by the end of next quarter as follows:
 - Completion of civil work and equipment installation at our remaining core network tower sites.
 - Completion of link alignment and end-to-end site testing at our remaining core network tower sites.
 - We will continue to monitor our core network with our element management platform as more sites are deployed.

Based on these projections for deployment progress next quarter, we expect to have 92 interconnection points completed, with 99 wireless links and 720 total new network miles deployed.

We will continue to seek opportunities to build and leverage our relationships with the local broadband service providers in our service area. With this continued focus on customer outreach and contract negotiations, we expect to have agreements signed with 2 additional last mile providers by the end of next quarter. We also anticipate that by the end of next quarter, connectivity will be provided for 3 new Community Anchor Institutions that will be served by the North Florida Broadband Authority network.

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	88	Variance from the baseline plan is due to challenges faced this reporting period in addition to residual effects from transition-related issues that began in previous quarters. Please see Section 3 above for more details. We remain in position to complete our core network deployment by the end of next quarter, and we will continue to connect more customers as more network sites are activated, tested, and made available for customer access.
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.
2c.	Network Design	90	Planned progress is projected against our approved revised budget, resulting in the anticipated completion percentage being decreased for this milestone category in comparison to our previous Performance Progress Report. We will continue to work with demand forecasts to drive our network design enhancement plan, which is being implemented in parallel with network deployment as we move outward from our Fiber Access Points, through the core network, and into the communities that will be served by our network.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	99	Planned progress is projected against our approved revised budget, resulting in the anticipated completion percentage being decreased for this milestone category in comparison to our previous Performance Progress Report. We expect to be on target with our baseline projection for this category. Approval of resubmitted permit applications from local permitting agencies is expected next quarter. Please see section 3 above for more details.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	Site Preparation	99	Planned progress is projected against our approved revised budget, resulting in the anticipated completion percentage being decreased for this milestone category in comparison to our previous Performance Progress Report. We expect to be on target with our baseline projection for this category.
2g.	Equipment Procurement	99	We expect to be on target with our baseline projection for this category.
2h.	Network Build (all components - owned, leased, IRU, etc.)	99	We expect to be on target with our baseline projection for this category.
2i.	Equipment Deployment	95	We expect to be on target with our baseline projection for this category.
2j.	Network Testing	95	We expect to be on target with our baseline projection for this category.
2k.	In-Kind Other (please specify): Contributions for Recipient Match	95	We expect to be on target with our baseline projection for this category. We will continue to memorialize the terms of individual site license agreements with our contributing member governments, and we expect to maintain proportionality with federal expenditures as required.

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).

We anticipate that some of the challenges faced during this current reporting period will continue into the next quarter.

We expect to resolve the issue with Osprey nests at two of our core network towers next quarter, which will allow us to proceed with the installation of antennas and tower cables, link alignment, and end-to-end testing at these locations.

We also expect to obtain approval of our resubmitted permit applications for three of our remaining core network towers next quarter, which will allow us to complete civil work, equipment installation, link alignment, and end-to-end testing activities at these locations.

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	\$3,747,257	\$0	\$3,747,257	\$2,562,339	\$0	\$2,562,339	\$3,070,339	\$0	\$3,070,339
b. Land, structures, right-of-ways, appraisals, etc.	\$18,425,747	\$9,041,649	\$9,384,098	\$15,172,319	\$7,856,322	\$7,315,997	\$15,914,584	\$8,533,587	\$7,380,997
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$5,269,653	\$0	\$5,269,653	\$3,953,751	\$0	\$3,953,751	\$4,703,751	\$0	\$4,703,751
e. Other architectural and engineering fees	\$2,328,080	\$0	\$2,328,080	\$2,296,948	\$0	\$2,296,948	\$2,299,448	\$0	\$2,299,448
f. Project inspection fees	\$795,230	\$0	\$795,230	\$616,756	\$0	\$616,756	\$755,756	\$0	\$755,756
g. Site work	\$2,530,396	\$0	\$2,530,396	\$1,092,208	\$0	\$1,092,208	\$2,067,208	\$0	\$2,067,208
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$5,652,021	\$0	\$5,652,021	\$4,722,315	\$0	\$4,722,315	\$5,369,315	\$0	\$5,369,315
k. Miscellaneous	\$621,292	\$185,351	\$435,941	\$562,568	\$232,063	\$330,505	\$592,568	\$232,063	\$360,505
l. SUBTOTAL (add a through k)	\$39,369,676	\$9,227,000	\$30,142,676	\$30,979,204	\$8,088,385	\$22,890,819	\$34,772,969	\$8,765,650	\$26,007,319
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$39,369,676	\$9,227,000	\$30,142,676	\$30,979,204	\$8,088,385	\$22,890,819	\$34,772,969	\$8,765,650	\$26,007,319

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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