

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) 09-30-2012	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): 11-19-2012
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Project Indicators (This Quarter)

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

We evaluated responses to our Request for Proposal for Network Operator services. The Board of Directors formally approved an agreement with the vendor recommended by our Evaluation Committee. Our network engineering and deployment management team subsequently initiated the process of transferring network documentation to the awarded Network Operator in order to facilitate the development of the selected vendor's network management system.

We experienced progress with our core network deployment as follows:

- Civil and site electrical work is complete at 91 out of 92 core network tower sites.
- Installation of site network equipment, cabling, and licensed microwave radios and antennas is complete at 91 core network sites, representing 97 new wireless links and 692 new wireless network miles deployed as determined by equipment installed at towers within a direct line of sight.
- We received the necessary permissions and releases to work on our core tower sites that had migratory bird nests. Site preparation and equipment installation activities are complete at these sites.
- Path alignment is complete for 95 core 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 monitoring equipment performance at all 92 core network sites with our network element management software platform.
- Air conditioning units were installed at 91 designated core network tower sites, as we successfully executed our plan to retrofit field equipment cabinets. We are continuing to monitor operating temperatures to ensure that they fall within acceptable limits for site-installed network equipment. (An air conditioning unit retrofit was not required at one of our core network sites.)

As a result of our deployment progress this quarter:

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

We continued to execute our network enhancement strategy to align capacity and performance requirements with anticipated demand. Additional licensed microwave radios and antennas were specified and ordered, and our first round of network enhancement equipment was received. Preparations are being made for testing and staging this equipment at our Lake City warehouse. We also initiated the procurement process for additional fiber access points to increase network capacity at key wireless links for greater backhaul bandwidth. Qualified bids were received and evaluated this quarter, and we are currently in negotiations with the recommended fiber access point provider.

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 maintained our efforts toward customer outreach and with building relationships with last mile providers. Agreements are executed with 1 last mile provider in our network service region and we are continuing to connect Community Anchor Institutions to 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)
2a.	Overall Project	86	With our total expenditures plus allowable in-kind contributions for recipient match, overall project completion is at 86% for this reporting period. Variance from the baseline plan is the result of 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	90	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

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			value-engineering / quality assessment of our pre-transition network design.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	Remaining core network permitting issues have been resolved.
2f.	Site Preparation	99	Civil and site electrical work is complete at 91 out of 92 core network tower sites. We resolved a site drawing issue and related permitting issue at our last remaining tower site, and we are on schedule to complete site preparation work at this site by the end of next quarter.
2g.	Equipment Procurement	99	Equipment procurement is complete for our core network network tower sites. As part of our our network enhancement strategy, we are procuring additional licensed microwave radios and antennas to ensure that network performance is aligned with anticipated customer demand.
2h.	Network Build (all components - owned, leased, IRU, etc)	99	Site acquisition is complete for our core network datacenters, fiber access points, and core tower sites. We currently exploring options and conducting cost/benefit analysis for increasing the quantity of fiber access points at strategic areas of our core network.
2i.	Equipment Deployment	96	Network equipment installation and path alignment activities are complete at 91 out of 92 core network tower sites. These activities are expected to be completed at our last remaining tower site by the end of next quarter.
2j.	Network Testing	96	Network testing is complete at 91 out of 92 core network tower sites. This activity is expected to be completed at our last remaining tower site by the end of next quarter.
2k.	In-Kind Other (please specify): Contributions for Recipient Match	96	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).

One of Our Last Mile providers and partners closed their doors this past quarter, which has created both challenges and opportunities for us to serve the local communities in our region that relied on them for broadband internet service. We remain in active negotiations with last mile providers in our service area, and we are seeking opportunities to provide direct-connect service to Community Anchor Institutions.

Our procurement team developed and issued a Request for Bids for Field Services. However, bid response fell well short of expectations, which compelled us to evaluate the internal and external factors that led to the lack of response. We will reissue this procurement document after we determine and implement the appropriate course of action for generating more interest among potential bidders.

Flooding issues delayed site preparation work and equipment installation at our last remaining core network tower site. The original site drawings were not sufficient as the equipment cabinet needed to be installed on a raised platform. New drawings were produced, and we were subsequently able to move forward with site preparation and equipment deployment activities at this tower site.

We experienced some issues with power being disconnected at some of core network tower sites, and we discovered that meters were not installed at some of these sites (an oversight by our previous General Contractor). Our staff worked with the current deployment contractor to get all electrical accounts up to date, and all meter issues were resolved.

We also experienced four microwave radio failures and have replaced these units, repaired the sites, and started the return process with the equipment vendor. We believe that two of the radios failures were due to lightning strikes, and the other two radios failures were the result of factory defects and are therefore warranty issues.

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	692	<p>This amount represents new wireless network miles deployed as determined by equipment installed at towers within a direct line of sight.</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>With the planned completion of our last remaining core tower site, all new core wireless network miles will be deployed by the end of next quarter (720 miles total).</p>
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	97	<p>Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details.</p> <p>With the planned completion of our last remaining core tower site, 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).</p>
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	91	<p>Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details.</p> <p>With the planned completion of our last remaining core tower site, all planned core network interconnection points are expected to be completed by the end of next quarter (92 new core network interconnection points total).</p>

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
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: Suwannee Valley Internet and Computers (SVIC)

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, and we have finalized requirements for our Service Level Agreement with Last Mile providers.

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).

The Board of Directors formally approved an agreement with our selected Network Operator contractor: INOC:

INOC Madison Office
 2810 Crossroads Drive, Suite 2600
 Madison, WI 53718, USA
 (608) 663-4555 phone
 (608) 663-4558 fax
 www.inoc.com

Our network engineering and deployment management team subsequently initiated the process of transferring network documentation to the awarded Network Operator in order to facilitate the development of the selected vendor's network management system.

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	Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. 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.
	Providers with signed agreements receiving improved access	1	Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. We remain in active negotiations with last mile providers and expect to sign additional agreements as our core network will be completed by next quarter and all core interconnection points will be made available for last mile providers to receive improved access.
	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	1	Internet (Per Mbps) / # Customers 10 20 50 100 200 300 400 500 1000 - 1 Transport (Per Mbps) 10 20 50 100 200 300 400 500 1000
Community Anchor Institutions (including Government institutions)	Total subscribers served	10	Variance from the baseline plan is due to challenges faced this reporting period. Please see Section 3 above for more details. We anticipate more Community Anchor Institutions will be served as our core network will be completed by next quarter and all core interconnection points will be made available for customer access.
	Subscribers receiving new access	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving improved access	10	<p>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.</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 anticipate more Community Anchor Institutions will be served as our core network will be completed by next quarter and all core interconnection points will be made available for customer access.</p>
	Please identify the speed tiers that are available and the number or subscribers for each	0	<p>Internet (Per Mbps)</p> <p>10 20 50 100 200 300 400 500 1000</p> <p>Transport (Per Mbps)</p> <p>10 20 50 100 200 300 400 500 1000</p>
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, and we have finalized requirements for our Service Level Agreement with Last Mile providers.

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
Aucilla Christian Academy	Jefferson County	School	No	BTOP funded infrastructure is being used to help advance this institution's goal of providing its students with a high-quality, college preparatory education, ultimately producing future leaders and responsible citizens. This goal is served by online classroom management solutions that are enhanced by the increased broadband capacity provided through the North Florida Broadband Authority network.
Medical Facility -T	GilChrist	Medical	No	Reduce man hours to complete tasks, provide the ability to multi-task, and better communicate with doctors and patients outside of the facility
NFBA Main Office	Columbia	Other Government Facilities	No	Allow communications across all vendors from the East Coast. provides collaboration efforts remotely and video conferences.
Workforce #1	Madison	Other Community Support Organizations	No	Increase productivity. Allows for telecommuting during bad weather, working from home during the weekend without traveling into work, and reduces time to complete tasks. Provides better experience for customers as well.
Daycare	Columbia	Other Community Support Organizations	No	Allow kids to experience streaming video classes and instructional training.
Hearing Aid 1	Levy	Medical and Healthcare provider	No	Increase speed to be able to better serve those citizens needing medical equipment. Better customer experience.
Hearing Aid 2	Levy	Medical and Healthcare provider	No	Increase speed to be able to better serve those citizens needing medical equipment. Better customer experience.
Women's Support Center	Levy	Medical and Healthcare Provider	No	Increase speed to be able to better serve those citizens needing assistance. Better customer experience and ability to provide quicker response to those in need.
Chiropractor	Levy	Medical and healthcare provider	No	Increase speed to be able to better serve those citizens needing assistance. Better customer experience and ability to provide quicker response to those in need.

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 complete the deployment of our core network by the end of next quarter as follows:

- Completion of civil work and equipment installation at our last remaining core network tower site.
- Completion of link alignment and end-to-end site testing at our last remaining core network tower site.
- We will continue to monitor our core network equipment as we transition this function over to our new Network Operator.

Our planned deployment progress for next quarter is expected to produce the following metrics:

- 720 total new (wireless) core network miles deployed;
- 99 wireless links deployed, and;
- 92 interconnection points complete and available for customer access.

We will continue to execute our network enhancement strategy by exploring options and conducting cost/benefit analysis for increasing

the quantity of fiber access points at strategic areas of our core network. In parallel with this effort, additional licensed microwave radios and antennas (procured for network enhancement purposes) will be tested and deployed at selected core network sites.

We will continue to build and leverage our relationships with the local broadband service providers in our service area. We expect to have agreements signed with 1 additional last mile provider 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 (CAI) that will be served Directly by the North Florida Broadband Authority network. The rest of the CAI's will be connected by our Last Mile Providers.

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	95	Our core network will be fully operational by the end of next quarter, and in that regard we are on target with our baseline projection for core network completion. In order to ensure that our network is capable of meeting customer demand according to Service Level Agreement requirements, we anticipate that our current and planned network enhancement activities will continue beyond the end of next quarter through the end of the federal grant period.
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.
2c.	Network Design	96	Core network design is functionally complete. However, we are continuing to address the performance and capacity limitations of our pre-transition period network design. We will therefore continue to work with demand forecasts to drive our network design enhancement plan, and will remain engaged with executing concurrent processes of identifying strategic core network locations for enhancement and finalizing network enhancement equipment specifications.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	Permitting is complete for our core network tower sites.
2f.	Site Preparation	100	Civil and site electrical work will be complete at our last remaining core network tower site by the end of next quarter.
2g.	Equipment Procurement	100	Core network equipment procurement is complete. However, we anticipate that procurement activities for network enhancement equipment will continue beyond the end of next quarter through the end of the federal grant period.
2h.	Network Build (all components - owned, leased, IRU, etc.)	99	Site acquisition is complete for our core network datacenters, fiber access points, and core tower sites. However, as part of our network enhancement effort, we will continue to explore options and conduct cost/benefit analysis for increasing the quantity of fiber access points at strategic areas of our core network. We expect this activity to continue past the end of next quarter through the end of the federal grant period.
2i.	Equipment Deployment	96	Core network equipment installation will be complete at our last remaining core network tower site by the end of next quarter. However, the installation of additional licensed microwave radios and antennas at selected core tower sites is planned as part of our network enhancement effort. We expect this activity to continue past the end of next quarter through the end of the federal grant period.
2j.	Network Testing	96	Core network equipment testing will be complete by the end of next quarter. However, testing of additional licensed microwave radios and antennas at selected core tower sites is planned as part of our network enhancement effort. We expect this activity to continue past the end of next quarter through the end of the federal grant period.
2k.	In-Kind Other (please specify): Contributions for Recipient Match	98	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.

A big factor in rolling out service this year has been the weather. Excessive rain has caused several weeks in delay of rolling out

RECIPIENT NAME:North Florida Broadband Authority

AWARD NUMBER: NT10BIX5570023

DATE: 11/19/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

services as well as the demise of one of our last mile providers and partners. We expect this weather trend to continue into next quarter, which coincides with the remainder of the Florida hurricane season.

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	\$3,138,769	\$0	\$3,138,769	\$3,713,769	\$0	\$3,713,769
b. Land, structures, right-of-ways, appraisals, etc.	\$18,425,747	\$9,041,649	\$9,384,098	\$16,007,510	\$8,653,447	\$7,354,063	\$16,675,295	\$8,821,232	\$7,854,063
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	\$4,397,284	\$0	\$4,397,284	\$5,186,284	\$0	\$5,186,284
e. Other architectural and engineering fees	\$2,328,080	\$0	\$2,328,080	\$2,304,539	\$0	\$2,304,539	\$2,325,539	\$0	\$2,325,539
f. Project inspection fees	\$795,230	\$0	\$795,230	\$616,756	\$0	\$616,756	\$776,756	\$0	\$776,756
g. Site work	\$2,530,396	\$0	\$2,530,396	\$1,633,909	\$0	\$1,633,909	\$2,463,909	\$0	\$2,463,909
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	\$5,120,441	\$0	\$5,120,441	\$5,545,441	\$0	\$5,545,441
k. Miscellaneous	\$621,292	\$185,351	\$435,941	\$606,251	\$232,063	\$374,188	\$616,251	\$232,063	\$384,188
l. SUBTOTAL (add a through k)	\$39,369,676	\$9,227,000	\$30,142,676	\$33,825,459	\$8,885,510	\$24,939,949	\$37,303,244	\$9,053,295	\$28,249,949
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	\$33,825,459	\$8,885,510	\$24,939,949	\$37,303,244	\$9,053,295	\$28,249,949

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: \$2,078
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