

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 NT10BIX5570031 | 3. DUNS Number 809594377 |
| 4. Recipient Organization Executive Office State of West Virginia 1900 Kanawha Blvd East, Charleston, WV 25305-0009 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011 | 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 Doug Cummings | 7c. Telephone (area code, number and extension) X | |
| | 7d. Email Address douglas.cummings1@us.army.mil | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 08-09-2011 | |

Project Indicators (This Quarter)

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

During this reporting period the WV BTOP grant accomplished the following critical elements:

- Tower construction is fully engaged through a sub-grant with Lewis County. Radios (approximately \$19 mil) were ordered.
- Community Anchor Institute (CAI) has 6 miles new fiber in place.
- K1-K12 schools installed approximately 90 new routers.
- Frontier Communications (sub-recipient) established interconnect processes.
- Engineering for the National Radio Astronomy Observatory (NRAO) is in progress with early expectations that the cost estimate will be less than previously expected.
- Completed coordination regarding overlap with Hardy County.
- Engaged Seneca telecommunications to resolve overlap with their BIP grant.

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 | 37 | A very rainy late spring/early summer hindered start-up of tower construction (about 3 weeks behind schedule) and a shortage of fiber slowed the fiber build out of community anchor institutes (about 7 weeks behind schedule). A hot/dry summer is making the tower construction initiative make up for lost time. We expect that within six weeks the towers will be on schedule. Frontier found a suitable and reliable substitute vendor for the cable shortfall, and we believe that the community anchor build out will be on schedule within 90 days. |
| 2b. | Environmental Assessment | 3 | The actual percentage of funding spent on environmental remains low due to environmental invoices held up in the administrative paper flow. During quarter 3, paperwork and related invoices will be processed and paid to bring the environmental to about 50%. During quarter 4, with new potential community anchors, the observatory build out, and Historic Preservation actions complete, we will be close to 85% complete in this area. |
| 2c. | Network Design | 75 | Network design is rapidly coming to a full close and conclusion. After field testing and programming of microwave radios during August, we expect to be on schedule to complete design work by close of the calendar year. |
| 2d. | Rights of Way | 90 | Rights of Way for the towers continue to be on track and for the community anchors. However, until completion of the engineering for the National Radio Astronomy to WVU link is fully designed/engineered, there may be additional rights of way to be developed and contracted. Engineering for this section will be complete during 3d or 4th quarter and we should be on track by end of the calendar year to close out all rights of way. |
| 2e. | Construction Permits and Other Approvals | 60 | This area improved by 15% during this quarter. As we move through the 3d and 4th quarter of 2011, we should approach 100%. This increase will be fostered by completion of engineering, memorandums of agreement/understanding, and actual progress on the overall project. |
| 2f. | Site Preparation | 30 | Due to vastly dryer weather, tower site preparation is rapidly progressing. As we complete engineering and begin construction of the National Radio and Astronomy Observatory to West Virginia link, we will begin site preparation for that 64 miles of fiber. Most likely we will move to approximately 65 to 70 percent by calendar year end. There will be a slowdown of preparation during middle to late winter with a dramatic increase in spring 2012. |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|--|------------------|---|
| 2g. | Equipment Procurement | 50 | This is 15% below budget; however, we actually ordered 19mil of microwave radios that should be invoiced in either August or September. The receipt and subsequent payment of this invoice, when coupled with other ongoing equipment purchases, will enable this area to reach goal by calendar year end. |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 30 | The towers continue to progress and we will be on schedule at the next reporting period for them. However, due to the noted fiber shortage, we remain sluggish to accomplish that leg of the build out. We expect this area to dramatically improve during the balance of this construction year (an alternate fiber vendor has been identified and additional fiber is on order and on schedule). To increase this area, we are to start the National Radio Astronomy Observatory to West Virginia University build in sectors or legs as the engineering is complete. |
| 2i. | Equipment Deployment | 30 | We started distribution and deployment of the 1064 routers for the community anchors. Effective within the last 30 days, installation and programming started in earnest. Each community anchor representative assures the grant implementation team that by calendar year end, we should be near milestones for equipment deployment. |
| 2j. | Network Testing | 5 | Microwave radios will be benchmarked, programmed, and tested during August. Immediately after that effort (likely mid September) we will be at or near base line in this area. |
| 2k. | Other (please specify): N/A | 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).

Although we identified an alternate vendor for fiber (mostly for the community anchor and National Radio Astronomy Observatory to West Virginia University) build outs, the result has not been proven. Should the new vendor fail to meet promised deliveries, overall slowdowns to the project could result.

Frontier agreed to hire additional employees and commence over time authorizations as a mechanism to reduce the fiber construction gap. Should this effort fail, it could seriously hamper the overall project.

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 | 6 | After completion and receipt of the Finding of No Significant Impact (FONSI), and subsequent programmatic agreement, Frontier Communications (sub-recipient) immediately began the process of fiber construction. As regions and counties received the go-ahead for construction, Frontier was primed and ready to go. Simultaneously, fiber realized a world-wide shortage. This shortage had a direct and immediate impact on our construction schedules. Although an alternate fiber vendor has been identified and ordered, we remain about seven weeks behind schedule. By calendar year end significant closure on baseline numbers should result. |
| New network miles leased | 0 | N/A |
| Existing network miles upgraded | 0 | N/A |
| Existing network miles leased | 0 | N/A |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|--|
| Number of miles of new fiber (aerial or underground) | 6 | After completion and receipt of the Finding of No Significant Impact (FONSI), and subsequent programmatic agreement, Frontier Communications (sub-recipient) immediately began the process of fiber construction. As regions and counties received the go-ahead for construction, Frontier was primed and ready to go. Simultaneously, fiber realized a world-wide shortage. This shortage had a direct and immediate impact on our construction schedules. Although an alternate fiber vendor has been identified and ordered, we remain about seven weeks behind schedule. By calendar year end significant closure on baseline numbers should result. (Same as network miles deployed.) |
| Number of new wireless links | 0 | N/A |
| Number of new towers | 0 | The baseline indicates that we would have five towers complete, but an abnormally wet spring delayed construction of the towers. However, a dry summer, an aggressive sub-contractor and related vendor, and strong leadership clearly indicate that we should be ahead of schedule by Fiscal Year End. |
| Number of new and/or upgraded interconnection points | 20 | Proportionally as areas of "new network miles deployed" and "number of miles new fiber" improve (see information in related areas) this number will increase to meet baseline |

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 | 6 |
| Average term of signed agreements (in quarters) | 0 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: 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 or less). Wholesale services description:
Frontier Communications, Sub-recipient. No additional service providers at this point. We expect additional wholesale services during the course of the project.

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).
Frontier Communications (Sub-recipient) / 304-344-3939 (TELCO portion of MPLS contract); WV Office of Technology (WVOT) / 304-558-8145 (Partial of MPLS network, connectivity with towers) - Serves within the confines of a MOU as partner and contractor facilitating grant implementation, especially with design, engineering, and router purchase; WV Dept. of Health & Human Resources (WVDHHR-OEMS) / 304-581-2900 (Tower portion) - Serves within the confines of a MOU as a partner and contractor facilitating grant implementation, especially with the overall tower portion of the construct; Lewis County Commission, Grant Sub-recipient / 304-269-8200 (Tower construction portion w/ DHHR-OEMS).

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 | AS PER BASELINE |
| | Providers with signed agreements receiving improved access | 0 | AS PER BASELINE |
| | Providers with signed agreements receiving access to dark fiber | 0 | AS PER BASELINE |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | AS PER BASELINE |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 98 | As construction continues and we move to meet schedule, the total new subscribers will increase to baseline. |
| | Subscribers receiving new access | 8 | 167 sites were visited or engineered. 8 sites were completed to the DMARC. 60 sites were red-lined. 15 sites have fiber on the pole awaiting access to building. The rest are either improved or awaiting EA. |
| | Subscribers receiving improved access | 90 | This number is mostly resultant from installation of routers for sites having existing fiber. During the upcoming quarter this number will increase. |
| | Please identify the speed tiers that are available and the number or subscribers for each | 0 | <10 meg = 175 10 meg - 50 meg = 475 >50 meg = 414 |
| 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).

As construction is completed, special offerings will be provided.

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 |
|---------------------------|-------------------------------|--|--|---|
| MIDWAY ELEM | ALUM CREEK | K12 | NO | ROUTER UPGRADE |
| ASHFORD-RUMBLE ELEM | ASHFORD | K12 | NO | ROUTER UPGRADE |
| AUGUSTA ELEM | AUGUSTA | K12 | NO | ROUTER UPGRADE |
| BERKELEY SPRINGS HIGH | BERKELEY SPRINGS | K12 | NO | ROUTER UPGRADE |
| GREENWOOD ELEM | BERKELEY SPRINGS | K12 | NO | ROUTER UPGRADE |
| WARM SPRINGS INTERMEDIATE | BERKELEY SPRINGS | K12 | NO | ROUTER UPGRADE |
| WARM SPRINGS MIDDLE | BERKELEY SPRINGS | K12 | NO | ROUTER UPGRADE |
| WIDMYER ELEM | BERKELY SPRINGS | K12 | NO | ROUTER UPGRADE |
| H E WHITE ELEM | BOMONT | K12 | NO | ROUTER UPGRADE |
| GUYAN VALLEY MIDDLE | BRANCHLAND | K12 | NO | ROUTER UPGRADE |
| BRANDYWINE ELEM | BRANDYWINE | K12 | NO | ROUTER UPGRADE |
| BURLINGTON PRIMARY | BURLINGTON | K12 | NO | ROUTER UPGRADE |
| CAPON BRIDGE ELEM | CAPON BRIDGE | K12 | NO | ROUTER UPGRADE |
| CAPON BRIDGE MIDDLE | CAPON BRIDGE | K12 | NO | ROUTER UPGRADE |
| CHAPMANVILLE EAST ELEM | CHAPMANVILLE | K12 | NO | ROUTER UPGRADE |
| WEST CHAPMANVILLE ELEM | CHAPMANVILLE | K12 | NO | ROUTER UPGRADE |
| CHAPMANVILLE MIDDLE | CHAPMANVILLE | K12 | NO | ROUTER UPGRADE |
| ALLISON ELEM | CHESTER | K12 | NO | ROUTER UPGRADE |
| NORTH FORK ELEM | CIRCLEVILLE | K12 | NO | ROUTER UPGRADE |
| CLAY HIGH | CLAY | K12 | NO | ROUTER UPGRADE |
| CLAY ELEM | CLAY | K12 | NO | ROUTER UPGRADE |
| CLAY MIDDLE | CLAY | K12 | NO | ROUTER UPGRADE |
| SHERMAN ELEM | COMFORT | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |

| 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 |
|------------------------|-------------------------------|--|--|---|
| BOONE CAREER CENTER | DANVILLE | K12 | NO | ROUTER UPGRADE |
| RAMAGE ELEM | DANVILLE | K12 | NO | ROUTER UPGRADE |
| DINGESS ELEM | DINGESS | K12 | NO | ROUTER UPGRADE |
| ELK GARDEN | ELK GARDEN | K12 | NO | ROUTER UPGRADE |
| ELLENBORO ELEM | ELLENBORO | K12 | NO | ROUTER UPGRADE |
| FRANKFORT INTERMEDIATE | FORT ASHBY | K12 | NO | ROUTER UPGRADE |
| BROOKVIEW ELEM | FOSTER | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |
| FRANKLIN ELEM | FRANKLIN | K12 | NO | ROUTER UPGRADE |
| PENDLETON HIGH | FRANKLIN | K12 | NO | ROUTER UPGRADE |
| FORT ASHBY PRIMARY | FORT ASHBY | K12 | NO | ROUTER UPGRADE |
| BEALE ELEM | FALLIPOLIS FERRY | K12 | NO | ROUTER UPGRADE |
| GILMER HIGH | GLENVILLE | K12 | NO | ROUTER UPGRADE |
| ANNA JARVIS ELEM | GRAFTON | K12 | NO | ROUTER UPGRADE |
| GRAFTON HIGH | GRAFTON | K12 | NO | ROUTER UPGRADE |
| TAYLOR MIDDLE | GRAFTON | K12 | NO | ROUTER UPGRADE |
| DUVAL PK-8 | GRIFFITHSVILLE | K12 | NO | ROUTER UPGRADE |
| HAMLIN PK-8 | HAMLIN | K12 | NO | ROUTER UPGRADE |
| HARRISVILLE ELEM | HARRISVILLE | K12 | NO | ROUTER UPGRADE |
| HARTS INTERMEDIATE | HARTS | K12 | NO | ROUTER UPGRADE |
| HARTS PRIMARY | HARTS | K12 | NO | ROUTER UPGRADE |
| HUGH DINGESS ELEM | HARTS | K12 | NO | ROUTER UPGRADE |
| PLEASANT VIEW ELEM | HEDGESVILLE | K12 | NO | ROUTER UPGRADE |
| JEFFREY SPENCER ELEM | HEWETT | K12 | NO | ROUTER UPGRADE |
| BIG OTTER ELEM | IVYDALE | K12 | NO | ROUTER UPGRADE |
| KEYSER HIGH | KEYSER | K12 | NO | ROUTER UPGRADE |

| | | | | |
|---------------------------------|-----------------------|-----|----|-------------------------------------|
| KEYSER PRIMARY/ MIDDLE | KEYSER | K12 | NO | ROUTER UPGRADE |
| MINERAL ALTERNATIVE | KEYSER | K12 | NO | ROUTER UPGRADE |
| MINERAL VOTECH | KEYSER | K12 | NO | ROUTER UPGRADE |
| JOHN J CORNWELL ELEM | LEVELS | K12 | NO | ROUTER UPGRADE |
| LIZEMORE ELEM | LIZEMORE | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |
| JUSTICE ELEM | LOGAN | K12 | NO | ROUTER UPGRADE |
| LOGAN MIDDLE | LOGAN | K12 | NO | ROUTER UPGRADE |
| BOONE ADULT BASIC ED | MADISON | K12 | NO | ROUTER UPGRADE |
| MADISON ELEM | MADISON | K12 | NO | ROUTER UPGRADE |
| MADISON MIDDLE | MADISON | K12 | NO | ROUTER UPGRADE |
| SCOTT HIGH | MADISON | K12 | NO | ROUTER UPGRADE |
| MAYSVILLE ELEM | MAYSVILL E | K12 | NO | ROUTER UPGRADE |
| UNION EDU COMPLEX | MOUNT STORM | K12 | NO | ROUTER UPGRADE |
| NELLIS ELEM | NELLIS | K12 | NO | ROUTER UPGRADE |
| NEW CREEK PRIMARY | NEW CREEK | K12 | NO | ROUTER UPGRADE |
| JOHN D ROCKEFELLER COTECH | NEW CUMBERL AND | K12 | NO | ROUTER UPGRADE |
| NEW MANCHESTER ELEM | NEW CUMBERL AND | K12 | NO | ROUTER UPGRADE |
| OAK GLEN HIGH | NEW CUMBERL AND | K12 | NO | ROUTER UPGRADE |
| NEW HAVEN ELEM | NEWHAVE N | K12 | NO | ROUTER UPGRADE |
| PAW PAW ELEM & HIGH | PAW PAW | K12 | NO | ROUTER UPGRADE |
| CREED COLLINS ELEM | PENNSBO RO | K12 | NO | ROUTER UPGRADE |
| DORCAS ELEM | PETERSB URG | K12 | NO | ROUTER UPGRADE |
| PETERSBURG ELEM | PETERSB URG | K12 | NO | ROUTER UPGRADE |
| PETERSBURG HIGH | PETERSB URG | K12 | NO | ROUTER UPGRADE |
| SOUTH BRANCH VOTECH | PETERSB URG | K12 | NO | ROUTER UPGRADE |
| PHILIP BARBOUR HIGH | PHILIPPI | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |
| MASON VATECH | POINT PLEASANT | K12 | NO | ROUTER UPGRADE |

| | | | | |
|-------------------------------|----------------|-----|----|-------------------------------------|
| POINT PLEASANT PRIMARY | POINT PLEASANT | K12 | NO | ROUTER UPGRADE |
| RANGER ELEM | RANGER | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |
| FRANKFORT HIGH | RIDGELEY | K12 | NO | ROUTER UPGRADE |
| FRANKFORT MIDDLE | RIDGELEY | K12 | NO | ROUTER UPGRADE |
| ROANOKE ELEM | ROANOKE | K12 | NO | ROUTER UPGRADE |
| HAMPHIRE SENIOR HIGH | ROMNEY | K12 | NO | ROUTER UPGRADE |
| ROMNEY MIDDLE | ROMNEY | K12 | NO | ROUTER UPGRADE |
| ROMNEY ELEM | ROMNEY | K12 | NO | ROUTER UPGRADE |
| DEF & BLIND | ROMNEY | K12 | NO | ROUTER UPGRADE |
| POTOMAC CENTER | ROMNEY | K12 | NO | ROUTER UPGRADE |
| SHERMAN HIGH | SETH | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |
| SHERMAN JUNIOR | SETH | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |
| SLANESVILLE ELEM | SLANESVILLE | K12 | NO | ROUTER UPGRADE |
| SMITHVILLE ELEM | SMITHVILLE | K12 | NO | ROUTER UPGRADE |
| SPRINGFIELD GREEN SPRING ELEM | SPRINGFIELD | K12 | NO | ROUTER UPGRADE |
| MADDISON ANNEX PRE | UNEEDA | K12 | NO | ROUTER UPGRADE |
| VAN ELEM | VAN | K12 | NO | ROUTER UPGRADE |
| VAN JUNIOR SENIOR HIGH | VAN | K12 | NO | ROUTER UPGRADE |
| WEST HAMLIN ELEM | WEST HAMLIN | K12 | NO | ROUTER UPGRADE |
| DODDRIDGE HIGH | WEST UNION | K12 | NO | ROUTER UPGRADE |
| DODDRIDGE MIDDLE | WEST UNION | K12 | NO | ROUTER UPGRADE |
| WHARTON ELEM | WHARTON | K12 | NO | ROUTER UPGRADE |
| WILEY FORD PRIMARY | WILEY FORD | K12 | NO | ROUTER UPGRADE & FIBER RAN TO DMARC |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 The third quarter of 2011 will illustrate dynamic and positive adjustments to actual vs. baseline reporting. Due to current extremely good weather, receipt of radios, and strong efforts, the tower portion of the project will move to either on or slightly ahead of schedule. Further, as Frontier Communications receives fiber from the new vendor, miles of fiber constructed will increase. As the National Radio Astronomy Observatory to WVU link is engineered, we will begin fiber build of the separate portions of the various legs of that construct. The routers identified for improved services will be mostly installed and functional. Tower radios will be received, tested, and paid resultant in a one-time invoice of approximately \$19 million.

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 | 60 | Variance is due to delay of FONSI receipt, fiber shortage, invoicing on tower radios, and a wet spring. FONSI has been received and subsequent programmatic agreement is a work in progress, fiber shortage has been mitigated, tower radios will be invoiced in August or September and the summer is hot. During the next two quarters we should rapidly close the gap in this area. |
| 2b. | Environmental Assessment | 85 | NTIA may approve addition of community anchors and we may have additional sites or projects due to cost avoidances and elimination of community anchors. This will have a direct impact on environmental. |
| 2c. | Network Design | 75 | As the engineering of the National Radio Astronomy Observatory comes to fruition (likely 3rd quarter), we will close the gap in this area. |
| 2d. | Rights of Way | 95 | We continue to improve in this area and continuance of a dynamic construction plan will bring this milestone into accord within the next two quarters. |
| 2e. | Construction Permits and Other Approvals | 70 | As with 2nd portions of permits have been on hold; however, as construction commenced, this area gained momentum. |
| 2f. | Site Preparation | 80 | Site preparation for the twelve towers continues to be ongoing. Through Lewis County as a sub-recipient, our contractor aggressively is working the tower construct. The tower portion will be in line by end of the fiscal year. However, due to noted community anchor delays, mostly due to shortage of fiber, we remain sluggish within the community anchor site preparation, including special construction. Most likely we will be into fiscal year 2012 before this is fully on target. |
| 2g. | Equipment Procurement | 60 | The receipt of invoice for the radio towers will rapidly move us to within tolerances within equipment purchased. By end of fiscal year we should be on the mark in this area. |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 50 | Although progressing quite nicely, we will remain 5 – 10% behind in this area. After any potential changes and/or new community anchors are identified and approved, this will move to base line goals. The receipt of microwave radios will have an immediate positive impact as they are programmed and installed. |
| 2i. | Equipment Deployment | 35 | Network, equipment, functionality, and validation testing will directly remain at 5 – 10% behind equipment deployment. As the noted radios are received and installed, the towers come on line, and the community anchors are installed, proportionally this gap will be removed. |
| 2j. | Network Testing | 5 | Network testing remains at 5%. The first large phase of testing/validation begins with the microwave radio testing. Although, the manufacturer indicates they tested radios, the State of WV as directly related to this grant has not started follow on testing. This testing should commence during the week of 8 August 2011 and after complete (about 2 weeks) will move us to approximately 40% complete. Frontier Communications reports six miles of fiber complete with a total subscriber served as 98. Testing is now in process for these sites and will continue as new mileage is complete with new community anchored. When added to the testing of the microwave radios, these new sites as tested will enable compliance with baseline within the next two quarters. |
| 2k. | Other (please specify): N/A | 0 | N/a |

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

At this time, the single biggest challenge is to overcome the delays promulgated by the world-wide fiber shortage. The mitigation (alternate vendor) has been executed and we are on mark to fix the issue; however, with the magnitude of community anchors to install, the improvement is slow.

Another challenge lies in the area of special construction. Frontier Communications and our community anchor representatives are working methodology to ease the timing of the actual special construction, we must make this a smooth and seamless process. The mitigation is an aggressive approach to both Frontier and community anchor representatives.

A wet late summer and/or early fall could delay the installation of the National Radio Astronomy Observatory to West Virginia University connectivity.

To ensure compliance with all special award conditions, sub-recipient guidance, and audit requirements, we are placing a contract

RECIPIENT NAME:Executive Office State of West Virginia

AWARD NUMBER: NT10BIX5570031

DATE: 08/09/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

employee with singular responsibility in these areas.

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 | \$3,980,000 | \$105,000 | \$3,875,000 | \$81,776 | \$0 | \$81,776 | \$775,000 | \$25,000 | \$750,000 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$463,200 | \$0 | \$463,200 | \$260,280 | \$0 | \$260,280 | \$300,000 | \$0 | \$300,000 |
| c. Relocation expenses and payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| d. Architectural and engineering fees | \$11,170,236 | \$0 | \$11,170,236 | \$1,557,660 | \$0 | \$1,557,660 | \$3,950,000 | \$0 | \$3,950,000 |
| e. Other architectural and engineering fees | \$7,407,800 | \$0 | \$7,407,800 | \$555,725 | \$0 | \$555,725 | \$2,200,000 | \$0 | \$2,200,000 |
| f. Project inspection fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| g. Site work | \$625,000 | \$0 | \$625,000 | \$412,367 | \$0 | \$412,367 | \$525,000 | \$0 | \$525,000 |
| h. Demolition and removal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| i. Construction | \$82,322,630 | \$30,542,055 | \$51,780,575 | \$26,712,640 | \$25,886,055 | \$826,585 | \$36,242,055 | \$30,542,055 | \$5,700,000 |
| j. Equipment | \$53,236,719 | \$2,432,457 | \$50,804,262 | \$29,400,388 | \$2,432,457 | \$26,967,931 | \$51,682,457 | \$2,432,457 | \$49,250,000 |
| k. Miscellaneous | \$617,711 | \$420,488 | \$197,223 | \$429,470 | \$420,488 | \$8,982 | \$455,488 | \$420,488 | \$35,000 |
| l. SUBTOTAL (add a through k) | \$159,823,296 | \$33,500,000 | \$126,323,296 | \$59,410,306 | \$28,739,000 | \$30,671,306 | \$96,130,000 | \$33,420,000 | \$62,710,000 |
| m. Contingencies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| n. TOTALS (sum of l and m) | \$159,823,296 | \$33,500,000 | \$126,323,296 | \$59,410,306 | \$28,739,000 | \$30,671,306 | \$96,130,000 | \$33,420,000 | \$62,710,000 |

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