

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570054	<b>3. DUNS Number</b>  831445494
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**4. Recipient Organization**  
  
 Page County Broadband Authority 117 South Court Street, Luray, VA 22835-1224

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2012	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Tyler Klein	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  tklein@nsvregion.org

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-20-2012
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**Project Indicators (This Quarter)**

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

The Environmental Assessment (EA) Update was approved in April, 2012 by the National Oceanographic and Atmospheric Administration (NOAA) grants office pursuant to the Project Modification Action Award Request (AAR) submitted in December, 2011 and approved in January, 2012. Upon final approval of the AAR and EA, The Page County Broadband Authority (PCBA) negotiated and executed Contract Amendments to three agreements with Shentel to address the project modification: Microwave and Fiber Optic Engineering and Construction Services, Fiber Optic Strands and Network System Operating and Maintenance.

PCBA issued two change orders to the Agreement for Microwave and Fiber Optic Engineering and Construction Services with Shentel (amended in March, 2012). The first was issued on May 11, 2012 directing Shentel to include engineering for alternative microwave installation locations and resultant fiber routes within the Town of Shenandoah. A subsequent change order was issued on May 22, 2012 directing Shentel to re-design and engineer the connection between the Luray tower and the Luray POP from a fiber connection to microwave. Both change orders were a result of third party denial of the PCBA request to gain access to private property for microwave equipment installation in Shenandoah and microwave equipment access via fiber installation in Luray. Both changes have been a part of a discussion on June 26, 2012 with the National Telecommunications and Information Administration (NTIA) regarding submission of an Award Action Request (AAR) formalizing the project modification.

PCBA also finalized negotiations with Shenandoah Valley Electric Cooperative (SVEC) in May, 2012 regarding make ready and pole attachment agreements for aerial fiber installation throughout the entire network. SVEC provided make ready cost estimates to Shentel (excluding Segment 4). SVEC estimates a time frame of six (6) weeks to complete the required make ready work for the project. SVEC work is scheduled to initiate in August and can occur concurrently with Shentel's construction efforts.

Finally, the structural analyses on three towers and two water tanks was completed, a structural modification to the Luray tower was initiated, lease negotiations began with tower owners and draft contracts submitted. Permitting was completed with the Virginia Marine Resource Commission (VMRC) for two water crossings, the railroad companies for two crossings, and permit applications submitted to the Virginia Department of Transportation (VDOT) for underground work in Luray, Stanley and Springfield.

Shentel submitted final a final design package for Segments 1-3 and 5 of the network to the PCBA on June 22, 2012 for final review and issuance of a Notice To Proceed (NTP) is expected in Quarter 3 (Q-3 2012).

**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	19	Variance due to project modification. High make ready estimate from incumbent electric cooperative forcing redesign to reduce fiber deployment and move to microwave connectivity and to move some areas of construction from aerial to underground. Project modification approval in January 2012 by NTIA and NOAA Grants Office and work restarted to implement the project.
2b.	Environmental Assessment	100	Variance: Project modification required re-consultation for National Environmental Protection Act (NEPA) and National Historic Preservation Act (NHPA) review and development of a supplemental environmental assessment (EA). No adverse effect determinations from all agencies and supplemental EA submission approved by NTIA and the NOAA Grants Office in April 2012.
2c.	Network Design	95	Variance: A redesign is necessary because of high make ready for proposed aerial construction. Redesign required to substitute microwave backhaul for fiber back haul between communities. Redesign initiated following project modification approval in January 2012 and completion of contract amendments with design/build firm. Final construction design was completed and submitted to the PCBA to review on June 22, 2012. The Final construction design included Segments 1-3 and 5 of the network. Final design for Segment 4 was underway during the reporting period.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2d.	Rights of Way	60	Variance: Execution of agreement with incumbent electric cooperative underway based on project modification approval by NTIA and NOAA Grants Office in January 2012. Have completed negotiations with Towns to lease space for point of presence facilities. Permit applications submitted to VDOT for underground work in Luray, Stanley and Springfield.
2e.	Construction Permits and Other Approvals	90	Variance: Lease negotiations began with tower owners and draft contracts submitted. Permitting was completed with VMRC for two water crossings and the railroad companies for two crossings.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	10	Variance: Purchase of equipment and construction materials was on hold pending final design completion and approval. Final procurement will begin with design approval by the PCBA in July 2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	Variance: The network build was on hold pending final design completion and approval. Only the facility in Luray has been constructed (facility only, no equipment). Network build is scheduled to begin in August, 2012.
2i.	Equipment Deployment	0	Purchase of equipment and construction materials was on hold pending final design completion and approval. Equipment will be deployed once the environmental assessment amendment and final design are complete.
2j.	Network Testing	0	Variance: The network build was on hold pending NTIA and NOAA Grants Office approval of a project modification, approved January 2012 and subsequent final design completion and approval. The approved Project Modification estimates construction of the network to begin following final design review and NTP starting in August 2012 and network testing to follow construction of the network.
2k.	Other (please specify):	0	N/A

**3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

The project modification was approved by NTIA and NOAA grants office in January 2012. The EA assessment was approved in April 2012. Design work commenced upon issuance of a Notice to Proceed (NTP) on March 27, 2012. Shentel delivered the final design for Segments 1-3 and 5 of the entire network including make ready cost estimates provided by SVEC on time (June 22, 2012), but were unable to meet the deadline for completing design work for Segment 4 due to challenges in gaining permission to locate microwave equipment in the Town of Shenandoah. PCBA and Shentel worked collectively to identify an alternate site, though it does require a project modification and fiber reroute.

**4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).**

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design is complete for four (4) of five (5) network segments.
New network miles leased	0	No Variance
Existing network miles upgraded	0	No Variance
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)	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design is complete for four (4) of five (5) network segments.
Number of new wireless links	0	No Variance
Number of new towers	0	Variance, new tower construction removed from the project via a project modification approved in January 2012 by NTIA and NOAA Grants Office.
Number of new and/or upgraded interconnection points	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design is complete for four (4) of five (5) network segments.

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	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Shenandoah Long Distance Company (Shentel)--a wholesale broadband provider. The variance in the baseline in the number of last mile providers signed up in Q4-2011 (baseline was 3) is due to delays in the completion of the network design as a result of the high make-ready cost associated with pole attachments. The PCBA was directed to submit a Project Improvement Plan (PIP) response to NTIA in October 2011 and subsequently submitted a Project Modification Request in December 2011. At this time, PCBA has not signed up any new providers during this modification process. It is anticipated that that agreements will be negotiated in Q3-2012 based on the approval of the Project Modification in January 2012.

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:

The project modification was approved by NTIA and the NOAA Grants Office in January 2012. No services established at this time, network has not yet been constructed.

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

Shentel will operate all of the Page County Broadband Authority network as contractor. Lease agreement includes all maintenance required on the network infrastructure and operating equipment.

Contact: James Funkhouser (james.funkhouser@emp.shentel.com)

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	1	One (1) Lease Agreement signed but network not yet constructed.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design for four (4) of five (5) segments is complete.
	Providers with signed agreements receiving access to dark fiber	0	Lease Agreement signed, network not yet constructed.
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design for four (4) of five (5) network segments is complete.
	Subscribers receiving new access	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design for four (4) of five (5) network segments is complete.
	Subscribers receiving improved access	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012 and final design for four (4) of five (5) network segments is complete.
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A
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).**

Network has not yet been constructed.

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

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

N/A

**9. Community Anchor Institutions:**

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a

**short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).**

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
N/A	N/A	N/A	N/A	N/A

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

Upon final review by Icon Engineering and PCBA acceptance of the submitted documents on June 22, 2012, the Authority will issue a Notice to Proceed (NTP) to Shentel for initiation of construction for Segments 1-3 and 5 of the network in July 2012. Shentel is in the process of finalizing site acquisition, permitting and construction coordination for work to commence in August, 2012. The project remains on schedule for substantial completion by December 22, 2012. During the next quarter Point of presence facilities will be set in place and agreements complete with all of the Towns for ground leases. Designs will be finalized and make ready negotiations complete. The construction subcontractor(s) will be selected, under contract, and a wage determination request submitted to the NTIA/ Department of Labor liaison as necessary. Permitting will be approved where necessary. It is anticipated that for the next quarter there will be 4.6 new network miles deployed. However, during the next quarter no new network miles leased, nor CAIs connected and there will be no increase in the number of signed agreements with broadband wholesalers or 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	85	Variance: During the next quarter it is anticipated that a revised design will be approved, permits secured and rights of way and easements acquired. It is also anticipated that construction and make-ready work will be underway.
2b.	Environmental Assessment	90	NTIA and the NOAA Grants Office approved the supplemental EA for the project modification approved in January 2012. A second proposed modification for Segment 4 in the Town of Shenandoah, including the EHP Checklist, will be submitted to NTIA with expected approval in Q3-2012.
2c.	Network Design	100	The baseline predicted original design at 100% completion by end of Qtr 2. Redesign of portions of network changing from aerial to underground construction are completed. The microwave design and engineering is also complete. Segments 1-3 and 5 are complete and approved by the PCBA. Design for Segment 4 will be complete during the next quarter.
2d.	Rights of Way	100	No Variance. Work will be complete for VDOT and other necessary Rights-of-Way (ROW). Additional easements are also being secured. Anticipated completion of these agreements by the end of July 2012.
2e.	Construction Permits and Other Approvals	100	No Variance: Permitting activities will be complete.
2f.	Site Preparation	0	No Variance.
2g.	Equipment Procurement	100	Some materials have already been procured by the contractor that would not be affected by the proposed modification approved in January 2012 by NTIA and the NOAA Grants Office. Further equipment will be purchased now that the design is complete, anticipate procurement complete in Qtr 3-2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	50	Variance: Only the facility in Luray has been constructed (facility only no equipment) to date. The PCBA anticipates the network build to get underway in Qtr 3-2012.
2i.	Equipment Deployment	75	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012. The PCBA anticipates equipment deployment to begin in Qtr 3-2012.
2j.	Network Testing	0	The variance is due to the need for a project modification and EA amendment approval. The project modification was approved by NTIA and NOAA Grants Office in January 2012. The PCBA anticipates only having the design approved with initial construction started in Q3-2012. Network testing expected to initiate in Q4-2012.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify):	0	N/A

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

The PCBA intends to have the final design approved and a NTP issued at the beginning of Qtr 3-2012 for Segments 1-3 and 5. Segment 4 for the Town of Shenandoah will be finalized and approved pending project modification review by NTIA and the NOAA Grants Office. During this time, the make-ready work, structural modifications (if any) to towers, FCC licensing, collocation agreements and equipment procurement will also be completed. The PCBA also anticipates the start of construction, and initial equipment deployment to get underway. There are no anticipated impediments to project progress for Segments 1-3 and 5, the Segment 4 project modification will be under review by NTIA with expected approval in Q3-2012.

### 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	\$320,362	\$64,073	\$256,289	\$150,309	\$29,902	\$120,407	\$200,000	\$40,000	\$160,000
b. Land, structures, right-of-ways, appraisals, etc.	\$374,522	\$74,904	\$299,618	\$53,834	\$10,767	\$43,067	\$374,522	\$74,904	\$299,618
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$188,825	\$37,765	\$151,060	\$139,886	\$27,977	\$111,909	\$188,825	\$37,765	\$151,060
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$82,500	\$16,500	\$66,000	\$13,805	\$2,761	\$11,044	\$82,500	\$16,500	\$66,000
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$453,730	\$90,746	\$362,984	\$30,746	\$6,149	\$24,597	\$300,000	\$60,000	\$240,000
j. Equipment	\$641,237	\$128,247	\$512,990	\$0	\$0	\$0	\$600,000	\$128,247	\$512,990
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$2,061,176	\$412,235	\$1,648,941	\$388,580	\$77,556	\$311,024	\$1,745,847	\$357,416	\$1,429,668
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$2,061,176	\$412,235	\$1,648,941	\$388,580	\$77,556	\$311,024	\$1,745,847	\$357,416	\$1,429,668

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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