

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 NT10BIX5570060	3. DUNS Number 964250450
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4. Recipient Organization Pine Telephone Company, Inc. 2nd at North Park Dr, Broken Bow, OK 74728-0548
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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 Cooper Brown Chief Technology Officer	7c. Telephone (area code, number and extension) 5803061020
	7d. Email Address pinetel@pine-net.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-14-2012
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Project Indicators (This Quarter)

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

Pine Telephone Company (PTC) has completed base construction on 29 of the 29 new towers and has erected 29 of the 29 new towers. Prefabricated buildings have been set at 29 sites and fences have been installed at 27 of the 29 sites. PTC has installed broadband access equipment on 31 of 32 towers and is live to customers on 29 of 32 sites with testing going on at 2 sites. PTC continues to install generators for backup power and increasing microwave links for Ring protection of the network. PTC started offering service to residential customers and Community Anchor Institutions (CAI) last quarter.

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	72	Although monies were expended during the quarter, Pine Telephone Company (PTC) did not complete a draw down during the quarter.
2b.	Environmental Assessment	100	Completed and submitted
2c.	Network Design	100	-
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	-
2f.	Site Preparation	100	-
2g.	Equipment Procurement	80	PTC has 95% of the equipment contracted, but the equipment cost is currently running under budget.
2h.	Network Build (all components - owned, leased, IRU, etc)	95	Continuing progress
2i.	Equipment Deployment	95	Continuing progress
2j.	Network Testing	90	Pine currently has 29 sites live to customers
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).

Summer weather (tornadoes / extreme heat / severe storms) in Oklahoma caused some delays.

Note: In the previous quarter, some building and structure related work orders were reported in the "Construction" category. In Q2 2012, those work orders have been re-categorized as "Land, structures, right-of-ways, appraisals, etc".

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	242	-
New network miles leased	0	N/A
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	29	-

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new towers	29	-
Number of new and/or upgraded interconnection points	3	N/A

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	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:
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:
N/A

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

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	N/A
	Providers with signed agreements receiving improved access	0	N/A
	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	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	7	Pine Telephone Company currently offers only a single tier. The tier is 1MBPs down and 512KBPs up and all subscribers are on this tier.

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	6	Pine Telephone Company currently offers only a single tier. The tier is 1MBPs down and 512KBPs up and all subscribers are on this tier. Marketing of broadband service did not begin until the very end of the previous quarter.
	Subscribers receiving improved access	1	Marketing of broadband service did not begin until the very end of the previous quarter.
	Please identify the speed tiers that are available and the number or subscribers for each	1	Pine Telephone Company currently offers only a single tier. The tier is 1MBPs down and 512KBPs up and all subscribers are on this tier. PTC plans to offer additional tiers in 3rd quarter.
Residential / Households	Entities passed	6,155	-
	Total subscribers served	65	Marketing of broadband service did not begin until the very end of the previous quarter.
	Subscribers receiving new access	55	Marketing of broadband service did not begin until the very end of the previous quarter.
	Subscribers receiving improved access	10	Marketing of broadband service did not begin until the very end of the previous quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	65	Pine Telephone Company currently offers only a single tier. The tier is 1MBPs down and 512KBPs up and all subscribers are on this tier. PTC plans to offer additional tiers in 3rd quarter.
Businesses	Entities passed	57	-
	Total subscribers served	0	Marketing of broadband service did not begin until the very end of the previous quarter.
	Subscribers receiving new access	0	Marketing of broadband service did not begin until the very end of the previous quarter.
	Subscribers receiving improved access	0	Marketing of broadband service did not begin until the very end of the previous quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Pine Telephone Company (PTC) currently offers only a single tier. The tier is 1MBPs down and 512KBPs up and all subscribers are on this tier. PTC plans to offer additional tiers in 3rd quarter.

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

N/A

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
Darwin Volunteer Fire Department	Darwin	Fire Department	Yes	Online training, grant research, first responder & member communications
Garvin Volunteer Fire Department	Garvin	Fire Department	Yes	Online training, grant research, first responder & member communications

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
Finley Volunteer Fire Department	Finley	Fire Department	Yes	Online training, grant research, first responder & member communications
Sobol Volunteer Fire Department	Sobol	Fire Department	Yes	Online training, grant research, first responder & member communications
Lane Volunteer Fire Department	Lane	Fire Department	Yes	Online training, grant research, first responder & member communications
Farris Volunteer Fire Department	Farris	Fire Department	Yes	Online training, grant research, first responder & member communications

Project Indicators (Next Quarter)

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

Pine Telephone Company (PTC) plans marketing push in Q3 and back to school specials to increase subscriber base. PTC plans to be live to customers on 32 broadband sites. PTC will also be installing 2 microwave links, 15 network miles for Ring protection and access to a new POI. PTC also plans to add 5 more Community Anchor Institutions (CAI) during the Quarter. PTC does not anticipate adding any broadband wholesaler/last mile provider agreements next Quarter. PTC plans to submit proposal to build additional broadband sites during Q3.

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	80	Pine Telephone Company (PTC) expects to be complete, but is running under budget and is seeking permission to add new sites within the proposed funded service areas (PFSAs) to improve service.
2b.	Environmental Assessment	100	Completed and submitted
2c.	Network Design	100	Complete
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	Completed and approved
2f.	Site Preparation	100	Completed
2g.	Equipment Procurement	90	-
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	-
2i.	Equipment Deployment	95	-
2j.	Network Testing	90	-
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).

Oklahoma weather is unpredictable; Extreme heat, tornadoes & severe storms can cause delays.

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	\$160,000	\$32,000	\$128,000	\$160,000	\$32,000	\$128,000	\$160,000	\$32,000	\$128,000
b. Land, structures, right-of-ways, appraisals, etc.	\$2,693,651	\$538,730	\$2,154,921	\$1,875,916	\$375,183	\$1,500,733	\$2,020,238	\$404,048	\$1,616,190
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$320,000	\$64,000	\$256,000	\$30,402	\$6,081	\$24,321	\$240,000	\$48,000	\$192,000
e. Other architectural and engineering fees	\$87,000	\$17,400	\$69,600	\$0	\$0	\$0	\$65,250	\$13,050	\$52,200
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$43,500	\$8,700	\$34,800	\$0	\$0	\$0	\$32,625	\$6,525	\$26,100
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,495,000	\$499,000	\$1,996,000	\$2,037,834	\$407,566	\$1,630,268	\$2,195,600	\$439,120	\$1,756,480
j. Equipment	\$6,040,947	\$1,208,190	\$4,832,757	\$4,399,118	\$879,824	\$3,519,294	\$4,711,939	\$942,388	\$3,769,551
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$11,840,098	\$2,368,020	\$9,472,078	\$8,503,270	\$1,700,654	\$6,802,616	\$9,425,652	\$1,885,131	\$7,540,521
m. Contingencies									
n. TOTALS (sum of l and m)	\$11,840,098	\$2,368,020	\$9,472,078	\$8,503,270	\$1,700,654	\$6,802,616	\$9,425,652	\$1,885,131	\$7,540,521

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: \$5,899