

**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>  NT10BIX5570065	<b>3. DUNS Number</b>  046251963
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**4. Recipient Organization**  
  
 Buggs Island Telephone Cooperative 100 Nellie Jones Road , Bracey, VA 23919-1732

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2012	<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>  Sarah Thrift	<b>7c. Telephone (area code, number and extension)</b>  4346362274
	<b>7d. Email Address</b>  sthrift.bit@gmail.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-08-2012
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**Project Indicators (This Quarter)**

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

The January 1, 2012 to March 31, 2012 quarter project accomplishments completed include: 1) Continuing bi-weekly calls between National Telecommunications and Information Administration and Buggs Island Telephone Cooperative; 2) Buggs Island Telephone Cooperative is continuing the process of negotiating tower leases; 3) Five of the towers selected by Buggs Island Telephone Cooperative (BIT) for locations of the WiMax equipment have failed the structural analysis and BIT will be completing the Pre-Screening Criteria worksheets and submitting them to NTIA for review of the necessary tower modifications; 4) Buggs Island Telephone Cooperative has submitted the Davis Bacon wage determination request to the National Telecommunications and Information Administration, which was approved; 5) Buggs Island Telephone Cooperative submitted two (2) draws for this quarter; 6) Buggs Island Telephone Cooperative continues to receive equipment ordered in preparation for the build out of the network; 7) At March 31, 2012 build-out of the network was 67% complete with tower equipment installed at 24 sites; 8) Buggs Island Telephone Cooperative has begun testing of the network and has begun installation of beta testers.

**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	73	The projections for percent completion of the overall project are based on expenditures for the below categories. Please see explanations for differences per category below.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	45	The network has been designed, however, Airspan, the WiMax equipment vendor, is working on a detailed propagation map. This map has been completed for the portion of the network that has been deployed. These maps will not be complete until the remaining sites are installed at the end of 2012 and will be billed together at that time. Until it is invoiced and paid there will be a variance for this category. The projections for percent completion on the Baseline Report and here are based on total dollars spent at the end of the quarter.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	No variance.
2f.	Site Preparation	100	No variance.
2g.	Equipment Procurement	100	No variance.
2h.	Network Build (all components - owned, leased, IRU, etc)	75	Equipment has been installed on 24 of the 35 tower locations. Construction will begin on the remaining 10 sites in quarter three (3) of 2012.
2i.	Equipment Deployment	53	Equipment has been installed on 24 of the 35 tower locations. Construction will begin on the remaining 10 sites in quarter three (3) of 2012.
2j.	Network Testing	6	Equipment has been installed on 24 of the 35 tower locations. Network testing has begun on these 24 sites and we anticipate completion of this testing in June of 2012. Construction will begin on the remaining 10 sites in quarter three (3) of 2012 with testing to begin after installation.
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).**

Five of the towers selected by Buggs Island Telephone Cooperative (BIT) for locations of the WiMax equipment have failed the structural analysis. BIT will be completing the Pre-Screening Criteria worksheets and submitting them to NTIA for review of the necessary tower modifications.

**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	72	At the end of March, 2012 BIT had installed WiMax equipment on 24 of the total 35 sites. Of these sites, 6 are wireless links, and BIT originally estimated that 7 of the wireless links would be complete by the end of March, 2012. However, that wireless link will be installed during the last phase of the buildout beginning in quarter three, 2012.
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	6	Buggs Island Telephone has WiMax equipment installed at 24 of the 35 towers. Of these, six are microwave sites. BIT originally estimated that 7 of the wireless links would be complete by the end of March, 2012, however, that wireless link will be installed during the last phase of the buildout beginning in quarter three, 2012.
Number of new towers	24	Buggs Island Telephone has WiMax equipment on 24 of the 35 towers. Testing has commenced and will continue into next quarter, with a commercial launch of service from these sites anticipated before the end of quarter two of 2012.
Number of new and/or upgraded interconnection points	14	Buggs Island Telephone has WiMax equipment on 24 of the 35 towers. Testing has commenced and will continue into next quarter, with a commercial launch of service from these sites anticipated before the end of quarter two of 2012.

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	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:**  
No signed agreements to date.

**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:**

No signed agreements to date.

**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).**  
 Not applicable.

**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	Buggs Island Telephone Cooperative is currently in negotiations with two wholesale providers.
	Providers with signed agreements receiving improved access	0	Buggs Island Telephone Cooperative is currently in negotiations with two wholesale providers.
	Providers with signed agreements receiving access to dark fiber	0	No variance.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Buggs Island Telephone Cooperative is currently in negotiations with two wholesale providers.
Community Anchor Institutions (including Government institutions)	Total subscribers served	293	Buggs Island Telephone completed the installations of WiMax equipment on 24 of the 35 tower sites on March 31, 2012. Of those sites, 20 had backhaul available at March 31, 2012. Testing of those sites began before the end of the quarter and seven (7) beta testers were installed to help test the service. One (1) of these testers is a community anchor institution and the other six (6) are residential customers. Since the completion of the WiMax equipment installations occurred so close to the end of the quarter there have not been many installations of end users, but the total subscribers able to receive the service last quarter is high.
	Subscribers receiving new access	0	Seven (7) beta testers were installed last quarter to help test the service. Of these, one was a Community Anchor Institution who is receiving improved access, while the other six (6) are residential customers. The residential customers are all receiving new access.
	Subscribers receiving improved access	1	Seven (7) beta testers were installed last quarter to help test the service. Of these, one was a Community Anchor Institution who is receiving improved access, while the other six (6) are residential customers. The residential customers are all receiving new access.
	Please identify the speed tiers that are available and the number or subscribers for each	4	On March 31, 2012 Buggs Island Telephone had installed one Community Anchor Institution as a beta tester. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, and 10 Mbps. The beta tester is receiving 4 Mbps.
Residential / Households	Entities passed	62,159	Buggs Island Telephone completed the installations of WiMax equipment on 24 of the 35 tower sites on March 31, 2012. Of those sites, 20 had backhaul available at March 31, 2012. Testing of those sites began before the end of the quarter and seven (7) beta testers were installed to help test the service. One (1) of these testers is a community anchor institution and the other six (6) are residential customers. Since the completion of the WiMax equipment installations occurred so close to the end of the quarter there have not been many installations of end users, but the total subscribers able to receive the service last quarter is high.
	Total subscribers served	62,159	Since this service is wireless the total number of entities passed is the same as the total number of subscribers served.
	Subscribers receiving new access	6	Seven (7) beta testers were installed last quarter to help test the service. Of these, one was a Community Anchor Institution who is receiving improved access, while the other six (6) are residential customers. The residential customers are all receiving new access.

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	0	Seven (7) beta testers were installed last quarter to help test the service. Of these, one was a Community Anchor Institution who is receiving improved access, while the other six (6) are residential customers. The residential customers are all receiving new access.
	Please identify the speed tiers that are available and the number of subscribers for each	3	On March 31, 2012 Buggs Island Telephone had installed six (6) residential beta testers. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, and 4 Mbps. The beta testers are receiving 1.5 Mbps.
Businesses	Entities passed	9,177	Buggs Island Telephone completed the installations of WiMax equipment on 24 of the 35 tower sites on March 31, 2012. Of those sites, 20 had backhaul available at March 31, 2012. Testing of those sites began before the end of the quarter and seven (7) beta testers were installed to help test the service. One (1) of these testers is a community anchor institution and the other six (6) are residential customers. Since the completion of the WiMax equipment installations occurred so close to the end of the quarter there have not been many installations of end users, but the total subscribers able to receive the service last quarter is high.
	Total subscribers served	9,177	Since this service is wireless the total number of entities passed is the same as the total number of subscribers served.
	Subscribers receiving new access	0	Seven (7) beta testers were installed last quarter to help test the service. Of these, one was a Community Anchor Institution who is receiving improved access, while the other six (6) are residential customers. The residential customers are all receiving new access. There were no businesses installed during quarter 1, 2012.
	Subscribers receiving improved access	0	Seven (7) beta testers were installed last quarter to help test the service. Of these, one was a Community Anchor Institution who is receiving improved access, while the other six (6) are residential customers. The residential customers are all receiving new access. There were no businesses installed during quarter 1, 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	4	On March 31, 2012 Buggs Island Telephone had not installed any business customers. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, and 10 Mbps.

**7. Please describe any special offerings you may provide (600 words or less).**  
 Buggs Island Telephone Cooperative will be offering discounted business rates to Community Anchor Institutions.

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

**8b. If so, please describe the changes (300 words or less).**  
 Not applicable.

**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
See Attachment.	Attached	Attached	Attached	See Attachment.

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 Buggs Island Telephone Cooperative (BIT) anticipates obtaining the remaining lease agreements with the tower owners and submitting

documentation to NTIA regarding the tower modifications needed on five (5) of the existing towers in order to install the WiMax equipment. BIT anticipates continuing the testing of the network and commercially launching service after the sites have completed the testing phase satisfactorily. BIT will also continue negotiations with wholesale 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	79	The projections for percent completion of the overall project are based on expenditures for the below categories. Please see explanations for differences per category below.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	45	The network has been designed, however, Airspan, the WiMax equipment vendor, is working on a detailed propagation map. This map has been completed for the portion of the network that has been deployed. These maps will not be complete until the remaining sites are installed at the end of 2012 and will be billed together at that time. Until it is invoiced and paid there will be a variance for this category. The projections for percent completion on the Baseline Report and here are based on total dollars spent at the end of the quarter.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	No variance.
2f.	Site Preparation	100	No variance.
2g.	Equipment Procurement	100	No variance.
2h.	Network Build (all components - owned, leased, IRU, etc.)	75	Buggs Island Telephone has completed the installation of WiMax equipment on 24 of the 35 towers. The remaining 10 sites will be constructed starting in quarter 3 of 2012.
2i.	Equipment Deployment	89	Buggs Island Telephone has completed the installation of WiMax equipment on 24 of the 35 towers. The remaining 10 sites will be constructed starting in quarter 3 of 2012.
2j.	Network Testing	54	Buggs Island Telephone has completed the installation of WiMax equipment on 24 of the 35 towers. The remaining 10 sites will be constructed starting in quarter 3 of 2012. Once that equipment is installed testing will begin on the last 10 sites.
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).**

Buggs Island Telephone Cooperative (BIT) is continuing tower negotiations with the owners of the towers for the sites that have been selected. BIT may face challenges with some of the currently selected tower sites passing a structural analysis.

### 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	\$267,558	\$59,975	\$207,583	\$63,608	\$16,814	\$46,794	\$213,608	\$16,814	\$196,794
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$591,877	\$100,423	\$491,454	\$436,776	\$82,909	\$353,867	\$496,695	\$82,909	\$413,786
e. Other architectural and engineering fees	\$361,435	\$61,324	\$300,111	\$150,731	\$121,876	\$28,855	\$150,731	\$121,876	\$28,855
f. Project inspection fees	\$142,800	\$24,229	\$118,571	\$43,095	\$17,085	\$26,010	\$63,495	\$37,485	\$26,010
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$22,003,511	\$4,143,394	\$17,860,117	\$16,174,664	\$2,988,724	\$13,185,940	\$17,239,334	\$3,193,728	\$14,045,606
k. Miscellaneous	\$591,516	\$585,704	\$5,812	\$687,707	\$529,876	\$157,831	\$721,213	\$529,876	\$191,337
<b>l. SUBTOTAL (add a through k)</b>	<b>\$23,958,697</b>	<b>\$4,975,049</b>	<b>\$18,983,648</b>	<b>\$17,556,581</b>	<b>\$3,757,284</b>	<b>\$13,799,297</b>	<b>\$18,885,076</b>	<b>\$3,982,688</b>	<b>\$14,902,388</b>
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	<b>\$23,958,697</b>	<b>\$4,975,049</b>	<b>\$18,983,648</b>	<b>\$17,556,581</b>	<b>\$3,757,284</b>	<b>\$13,799,297</b>	<b>\$18,885,076</b>	<b>\$3,982,688</b>	<b>\$14,902,388</b>

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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