

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 NT10BIX5570065	3. DUNS Number 046251963
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4. Recipient Organization Buggs Island Telephone Cooperative 100 Nellie Jones Road , Bracey, VA 23919-1732
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Mickey Sims	7c. Telephone (area code, number and extension) 4346362274
	7d. Email Address msims@bit.coop

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 12-11-2012
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Project Indicators (This Quarter)

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

The July 1, 2012 to September 30, 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 with only two tower leases remaining; 3) Buggs Island Telephone Cooperative has begun the process of upgrading the last of the towers that need structural adjustments due to failure to pass structural analysis; 4) Buggs Island Telephone Cooperative submitted one (1) draw for this quarter; 5) At September 30, 2012 build-out of the network remains to be 67% complete with tower equipment installed at 24 sites; 6) Buggs Island Telephone Cooperative is continuing to work with the equipment vendor to address issues within the network.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	80	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)	78	The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four 2012, at which time the 24 site system will be ready for a commercial launch and in quarter one, 2013 equipment will be installed on the remaining 11 sites.
2i.	Equipment Deployment	79	The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four 2012, at which time the 24 site system will be ready for a commercial launch and in quarter one, 2013 equipment will be installed on the remaining 11 sites.
2j.	Network Testing	6	The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four 2012, at which time the 24 site system will be ready for a commercial launch and in quarter one, 2013 equipment will be installed on the remaining 11 sites.
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).

The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four 2012, at which time the system will be ready for a commercial launch.

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 September, 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, which is scheduled to begin in quarter one, 2013.
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	At the end of September, 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, which is scheduled to begin in quarter one, 2013.
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 four 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 four 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	The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new customers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four, 2012. At the end of September, 2012 there were 9,177 business customers, 293 CAI customers, and 62,159 residential customers served.
	Subscribers receiving new access	293	All of the Community Anchor Institutions served are receiving new access to service from Buggs Island Telephone Cooperative.
	Subscribers receiving improved access	0	All of the Community Anchor Institutions served are receiving new access to service from Buggs Island Telephone Cooperative.
	Please identify the speed tiers that are available and the number or subscribers for each	5	On September 30, 2012 Buggs Island Telephone had three (3) Community Anchor Institution customers installed and receiving service. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, 6 Mbps, and 10 Mbps. Two (2) of these customers are receiving 3 Mbps and one (1) is receiving 6 Mbps.
Residential / Households	Entities passed	62,159	The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new customers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four, 2012. At the end of September, 2012 there were 9,177 business customers, 293 CAI customers, and 62,159 residential customers served.
	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	62,159	All of the residential subscribers served are receiving new access to service from Buggs Island Telephone Cooperative. Installation of new customers has been suspended until the equipment vendor performs testing and optimization on the network. A commercial launch is anticipated for the end of quarter four, 2012.

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	All of the residential subscribers served are receiving new access to service from Buggs Island Telephone Cooperative. Installation of new customers has been suspended until the equipment vendor performs testing and optimization on the network. A commercial launch is anticipated for the end of quarter four, 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	92	On September 30, 2012 Buggs Island Telephone had 92 residential customers installed and receiving service. The speed tiers offered, depending on availability, include 1 Mbps, 1.5 Mbps, 3 Mbps, and 4 Mbps. Five (5) customers are receiving 1 Mbps, 75 customers are receiving 1.5 Mbps, and 12 customers are receiving 3 Mbps.
Businesses	Entities passed	9,177	The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new customers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four, 2012. At the end of September, 2012 there were 9,177 business customers, 293 CAI customers, and 62,159 residential customers served.
	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	9,177	All of the business subscribers served are receiving new access to service from Buggs Island Telephone Cooperative. Installation of new customers has been suspended until the equipment vendor performs testing and optimization on the network. A commercial launch is anticipated for the end of quarter four, 2012.
	Subscribers receiving improved access	0	All of the business subscribers served are receiving new access to service from Buggs Island Telephone Cooperative. Installation of new customers has been suspended until the equipment vendor performs testing and optimization on the network. A commercial launch is anticipated for the end of quarter four, 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	4	On September 30, 2012 Buggs Island Telephone had two (2) business business customers installed and receiving service. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, and 10 Mbps. One of the business is receiving 1.5 Mbps, and the other is receiving 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
No New Connections	N/A	N/A	N/A	There were no new Community Anchor Institutions connected to the network during quarter three, 2012. BIT anticipates beginning phase two of the project in quarter one, 2013.

Project Indicators (Next Quarter)

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1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 BIT anticipates completion of the testing and optimization of the currently installed 24 sites and a commercial launch of the service to those covered by these towers. The commercial launch is not anticipated to occur until the end of the quarter due to the testing and optimization, therefore, no new miles will be deployed next quarter and no new CAI connections are planned until quarter one of 2013. Once the testing and optimization is completed BIT will continue in 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	80	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	63	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.)	78	Buggs Island Telephone completed the installation of WiMax equipment on 24 of the 35 towers at the end of quarter one, 2012. The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four, 2012, at which time the 24 site system will be ready for a commercial launch and in quarter one, 2013 equipment will be installed on the remaining 11 sites.
2i.	Equipment Deployment	79	Buggs Island Telephone completed the installation of WiMax equipment on 24 of the 35 towers at the end of quarter one, 2012. The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four, 2012, at which time the 24 site system will be ready for a commercial launch and in quarter one, 2013 equipment will be installed on the remaining 11 sites.
2j.	Network Testing	54	Buggs Island Telephone completed the installation of WiMax equipment on 24 of the 35 towers at the end of quarter one, 2012. The equipment vendor has requested additional time for testing and optimization of the network. At the direction of the vendor, BIT will not be installing new beta testers until this test period and optimization is achieved. The vendor projects that this testing and optimization of the system will be complete by the end of quarter four, 2012, at which time the 24 site system will be ready for a commercial launch and in quarter one, 2013 equipment will be installed on the remaining 11 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).
 Commercial launch of the network is dependent upon successful optimization and testing performed by Buggs Island Telephone Cooperative's vendor.

RECIPIENT NAME: Buggs Island Telephone Cooperative

AWARD NUMBER: NT10BIX5570065

DATE: 12/11/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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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	\$223,908	\$16,814	\$207,094	\$223,908	\$16,814	\$207,094
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	\$575,116	\$94,070	\$481,046	\$660,116	\$111,070	\$549,046
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	\$79,807	\$37,485	\$42,322	\$79,807	\$37,485	\$42,322
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	\$17,265,321	\$3,217,963	\$14,047,358	\$17,265,321	\$3,217,963	\$14,047,358
k. Miscellaneous	\$591,516	\$585,704	\$5,812	\$798,809	\$529,876	\$268,933	\$848,809	\$539,876	\$308,933
l. SUBTOTAL (add a through k)	\$23,958,697	\$4,975,049	\$18,983,648	\$19,093,692	\$4,018,084	\$15,075,608	\$19,228,692	\$4,045,084	\$15,183,608
m. Contingencies									
n. TOTALS (sum of l and m)	\$23,958,697	\$4,975,049	\$18,983,648	\$19,093,692	\$4,018,084	\$15,075,608	\$19,228,692	\$4,045,084	\$15,183,608

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: \$5,804
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