

**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
--	---	--

**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>  09-30-2011	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No
--	---

**7. Certification:** I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

<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>  11-18-2011
---	--

<b>Project Indicators (This Quarter)</b>			
<p><b>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</b></p> <p>The July 1, 2011 quarter project accomplishments completed during this quarter include: 1) Continuing bi-weekly calls between National Telecommunications and Information Administration (NTIA) and Buggs Island Telephone Cooperative (BIT); 2) BIT has completed the procurement of equipment; 3) BIT is continuing the process of negotiating tower leases; 4) BIT has identified five (5) alternate towers to replace towers that are inadequate for the WiMax equipment and has submitted a request for approval of the sites identified as alternates, but has not yet received approval through the Environmental Assessment process; 5) BIT submitted the Davis Bacon wage determination request to the NTIA on August 17, 2011; 6) BIT submitted three (3) draws for this quarter; 7) BIT is continually receiving equipment ordered in preparation for the build out of the network to commence on October 17, 2011.</p>			
<p><b>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).</b></p>			
	<b>Milestone</b>	<b>Percent Complete</b>	<b>Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)</b>
2a.	<b>Overall Project</b>	28	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.	<b>Environmental Assessment</b>	100	No variance
2c.	<b>Network Design</b>	22	The network has been designed, however, Airspan, the WiMax equipment vendor, is working on a detailed propagation map which was anticipated to be complete by the end of this quarter. However, this has not been complete due to the fact that some of the towers are structurally inadequate to hold the WiMax equipment. BIT has submitted a request for approval of the sites identified as alternates, but has not yet received approval through the Environmental Assessment process. As soon as approval for the alternate sites is granted work will continue on the propagation maps. The projections for percent completion on the Baseline Report and here are based on total dollars spent at the end of the quarter.
2d.	<b>Rights of Way</b>	0	N/A
2e.	<b>Construction Permits and Other Approvals</b>	0	At the end of the quarter, tower leases have been secured for approximately one third of the total towers. The permitting process has not yet begun due to the fact that the leases needed to be obtained before we could proceed with permits. Now that the lease process is well underway, the permitting process will begin and be back on track by next quarter.
2f.	<b>Site Preparation</b>	48	At the end of the quarter, tower leases have been secured for approximately one third of the total towers. The site preparation process has begun but it is not where we anticipated because the leases needed to be obtained before we could move forward with site preparation. Now that the lease process is well underway, site preparation will begin to move forward as the build out of the network begins in October, 2011.
2g.	<b>Equipment Procurement</b>	100	No variance
2h.	<b>Network Build (all components - owned, leased, IRU, etc)</b>	28	At the end of the quarter, tower leases have been secured for approximately one third of the total towers. Network build preparation has been underway and will speed up now that the tower leases are being executed. The build out will begin in October, 2011.
2i.	<b>Equipment Deployment</b>	1	At the end of the quarter, tower leases have been secured for approximately one third of the total towers. Equipment deployment could not begin until the tower leases had been executed. The build out will begin in October, 2011.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	6	At the end of the quarter, tower leases have been secured for approximately one third of the total towers. Network testing cannot be completed until equipment has been deployed. The build out will begin in October, 2011.
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).

Buggs Island Telephone Cooperative (BIT) has begun 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 and need to make substitutions. BIT has identified five (5) tower sites that will need to be changed from the originally submitted plan. These site changes are primarily due to the fact that the towers are structurally inadequate. BIT has submitted a request for these changes to NTIA and will keep NTIA apprised of any new developments.

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	N/A
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	0	No variance
Number of new towers	0	No variance
Number of new and/or upgraded interconnection points	0	No variance

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: 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	No variance
	Providers with signed agreements receiving improved access	0	No variance
	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	No variance
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance
Residential / Households	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance
Businesses	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance

**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
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).**  
 Buggs Island Telephone Cooperative anticipates obtaining most of the remaining lease agreements with the tower owners, installing equipment on at least nine (9) of the thirty-five (35) tower sites, and receiving approval on the submitted alternate tower sites from NTIA. While these towers will be operational, each site must go through extensive testing before the service can be offered commercially. BIT anticipates that the testing of these sites will conclude at the end of next quarter for commercial launch in January of 2012. BIT has meetings scheduled with interested wholesale providers for next quarter, and anticipates having at least one agreement with a wholesale provider by the end of the quarter. BIT plans to meet the 2/3 project completion deadline by adding additional tower crews for equipment deployment. Airspan, the WiMax equipment vendor for this project, who BIT has also contracted with for the network build, is also aware of the mandated build-out deadlines. BIT and Airspan communicate daily throughout each week regarding the project and equipment orders. There is no impact to the overall completion of the project related to the change in tower locations. These changes should also not affect the 2/3 completion deadline of March 31, 2012, provided they are approved early next quarter.

**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	42	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	22	The network has been designed, however, Airspan, the WiMax equipment vendor, is working on a detailed propagation map. This has not been completed due to the fact that some of the towers are structurally inadequate to hold the WiMax equipment. BIT has submitted a request for approval of the sites identified as alternates, but has not yet received approval from NTIA from the Environmental Division. As soon as approval for the alternate sites is granted work will resume on the propagation maps. BIT anticipates receiving approval during this quarter, but the work on the propagation map has been postponed until the approval is obtained. Therefore, the map completion is scheduled for the first quarter in 2012. The percent complete is based on total dollars spent, and therefore won't increase until the maps have been updated.
2d.	Rights of Way	0	N/A

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	<b>Construction Permits and Other Approvals</b>	64	There is only a slight variance anticipated for construction permits, but this category is expected to meet the baseline projections for quarter one 2012.
2f.	<b>Site Preparation</b>	48	The percent complete per category is based on total dollars spent. However, the billing of the site preparation work will be billed after the work has been completed. BIT anticipates receiving invoices for these services late next quarter, which will be paid early the following quarter. Therefore, the category will not change next quarter since the dollars will not be spent until the first quarter of 2012.
2g.	<b>Equipment Procurement</b>	100	No variance
2h.	<b>Network Build (all components - owned, leased, IRU, etc.)</b>	47	Since BIT is waiting for environmental approval on the towers that are being switched out this category will be slightly behind next quarter, but will catch up by the first quarter in 2012. BIT has already discussed an expedited process for the network build-out with their contractors, who, in turn, have identified multiple crews that can be pulled in to expedite the build process.
2i.	<b>Equipment Deployment</b>	2	The percent complete per category is based on total dollars spent. This category is comprised of project management services as well as training, maintenance and installation services. Most of this is invoiced after each of the sites has been commissioned and tested. Since BIT's build-out will begin during this quarter, expenses for this category are not anticipated until the first quarter of 2012. Therefore, the category will not change next quarter since the dollars will not be spent until the first quarter of 2012.
2j.	<b>Network Testing</b>	6	The percent complete per category is based on total dollars spent. Since BIT's build-out will begin during this quarter, expenses for this category are not anticipated until the first quarter of 2012. Therefore, the category will not change next quarter since the dollars will not be spent until the first quarter of 2012.
2k.	<b>Other (please specify): N/A</b>	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) has begun 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 and need to make substitutions. BIT has identified five (5) tower sites that will need to be changed from the originally submitted plan. These site changes are primarily due to the fact that the towers are structurally inadequate. BIT has submitted a request for these changes to NTIA and will keep NTIA apprised of any new developments.

### 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	\$38,385	\$16,813	\$21,572	\$47,006	\$16,813	\$30,193
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	\$258,101	\$3,196	\$254,904	\$280,234	\$25,330	\$254,904
e. Other architectural and engineering fees	\$361,435	\$61,324	\$300,111	\$145,946	\$118,251	\$27,695	\$145,946	\$27,695	\$118,251
f. Project inspection fees	\$142,800	\$24,229	\$118,571	\$0	\$0	\$0	\$0	\$0	\$0
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	\$5,604,462	\$1,232,834	\$4,371,629	\$9,121,153	\$1,812,131	\$7,309,022
k. Miscellaneous	\$591,516	\$585,704	\$5,812	\$542,188	\$528,688	\$13,500	\$546,688	\$529,876	\$16,812
<b>l. SUBTOTAL (add a through k)</b>	<b>\$23,958,697</b>	<b>\$4,975,049</b>	<b>\$18,983,648</b>	<b>\$6,589,082</b>	<b>\$1,899,782</b>	<b>\$4,689,300</b>	<b>\$10,141,027</b>	<b>\$2,411,845</b>	<b>\$7,729,182</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<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>\$6,589,082</b>	<b>\$1,899,782</b>	<b>\$4,689,300</b>	<b>\$10,141,027</b>	<b>\$2,411,845</b>	<b>\$7,729,182</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
---	--------------------------------