

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) 12-31-2011	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 Sarah Thrift	7c. Telephone (area code, number and extension) 4346362274
	7d. Email Address sthrift.bit@gmail.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-23-2012
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 The October 1, 2011 to December 31, 2011 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) Buggs Island Telephone Cooperative has identified seven (7) alternate towers to replace towers that are inadequate for the WiMax equipment and has received approval from the National Telecommunications and Information Administration on December 27, 2011 for these changes; 4) Buggs Island Telephone Cooperative has submitted the Davis Bacon wage determination request to the National Telecommunications and Information Administration, which still remains pending; 5) Buggs Island Telephone Cooperative submitted three (3) draws for this quarter; 6) Buggs Island Telephone Cooperative continues to receive equipment ordered in preparation for the build out of the network; 7) Build-out of the network commenced on October 17, 2011; 8) Buggs Island Telephone Cooperative has installed WiMax equipment on nine (9) towers and site testing is underway.

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	54	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 not been complete due to the fact that some of the towers are structurally inadequate to hold the WiMax equipment. BIT submitted a request for approval of the sites identified as alternates, but did not receive approval through the Environmental Assessment process until December 27, 2011. Now that the alternative sites are approved 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.	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)	56	The build-out of the network began in October, 2011. As of 12/1/11 ten (10) of the 35 sites had WiMax equipment installed on the tower. BIT is currently scheduled to have 24 of the 35 towers completed by the end of March, 2012.
2i.	Equipment Deployment	30	The build-out of the network began in October, 2011. As of 12/1/11 ten (10) of the 35 sites had WiMax equipment installed on the tower. BIT is currently scheduled to have 24 of the 35 towers completed by the end of March, 2012.
2j.	Network Testing	6	The build-out of the network began in October, 2011. As of 12/1/11 ten (10) of the 35 sites had WiMax equipment installed on the tower, but none of them had been completed. BIT is currently scheduled to have 24 of the 35 towers completed by the end of March, 2012. Network testing will begin once each tower is commissioned.
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).

A challenge Buggs Island Telephone Cooperative (BIT) faced during quarter 4, 2011 was placing the build-out of equipment on seven

towers on hold while waiting on the approval from NTIA on changing the locations of these sites. Approval was received on December 27, 2011 to proceed with the alternate sites. While waiting on this approval BIT adjusted the build-out schedule in order to continue productivity during this time of review.

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	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
Number of new towers	10	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. These sites are in various stages of completion and each lacks power and/or backhaul. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
Number of new and/or upgraded interconnection points	10	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. These sites are in various stages of completion and each lacks power and/or backhaul. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.

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 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 and plans to have signed agreements by the end of next quarter.
	Providers with signed agreements receiving improved access	0	Buggs Island Telephone Cooperative is currently in negotiations with two wholesale providers and plans to have signed agreements by the end of next quarter.
	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 and plans to have signed agreements by the end of next quarter.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Subscribers receiving new access	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Subscribers receiving improved access	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
Residential / Households	Entities passed	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Total subscribers served	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Subscribers receiving new access	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Subscribers receiving improved access	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
Businesses	Entities passed	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Total subscribers served	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Subscribers receiving new access	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.
	Subscribers receiving improved access	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	Buggs Island Telephone has WiMax equipment on ten (10) of the 35 towers. Testing will commence during next quarter and BIT anticipates a commercial launch by quarter two of 2013.

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 all of the remaining lease agreements with the tower owners and installing equipment on at least nine (24) of the thirty-five (35) tower sites. 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 will be continual throughout next quarter and that as testing is complete sites will be commercially ready. BIT has meetings scheduled with interested wholesale providers, and anticipates having at least two agreements with wholesale providers by the end of the quarter. BIT plans to meet the 2/3 project completion deadline of March 31, 2012 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.

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	67	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 not been complete due to the fact that some of the towers are structurally inadequate to hold the WiMax equipment. BIT submitted a request for approval of the sites identified as alternates, but did not receive approval through the Environmental Assessment process until December 27, 2011. Now that the alternative sites are approved work will continue on the propagation maps. Additionally, the As Built drawings will be prepared once each tower has been completed. The projections for percent completion on the Baseline Report and here are based on total dollars spent at the end of the quarter.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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.)	72	BIT anticipates completing 24 of the total 35 towers by the end of next quarter.
2i.	Equipment Deployment	30	BIT anticipates completing 24 of the total 35 towers by the end of next quarter.
2j.	Network Testing	6	BIT anticipates completing 24 of the total 35 towers by the end of next quarter. Network testing will begin as each tower is completed.
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 and need to make substitutions. These substitutions are primarily due to the fact that the towers are structurally inadequate.

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	\$56,175	\$16,814	\$39,361	\$56,175	\$16,814	\$39,361
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	\$340,208	\$21,704	\$318,504	\$383,917	\$21,705	\$362,212
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	\$16,830	\$0	\$16,830	\$27,625	\$0	\$27,625
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	\$11,649,266	\$2,267,615	\$9,381,651	\$14,828,809	\$2,928,506	\$11,900,303
k. Miscellaneous	\$591,516	\$585,704	\$5,812	\$631,836	\$529,876	\$101,960	\$635,934	\$529,876	\$106,058
l. SUBTOTAL (add a through k)	\$23,958,697	\$4,975,049	\$18,983,648	\$12,845,046	\$2,957,885	\$9,887,161	\$16,083,191	\$3,618,777	\$12,464,414
m. Contingencies									
n. TOTALS (sum of l and m)	\$23,958,697	\$4,975,049	\$18,983,648	\$12,845,046	\$2,957,885	\$9,887,161	\$16,083,191	\$3,618,777	\$12,464,414

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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