

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 NT10BIX5570091	3. DUNS Number 832385988
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4. Recipient Organization Bluebird Media, L.L.C. 213 N. Stadium Blvd, Ste 203, Columbia, MO 65203-1161
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5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Chris Bach	7c. Telephone (area code, number and extension) X
	7d. Email Address chris.bach@bluebirdmedia.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 07-30-2012
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Project Indicators (This Quarter)

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

Three contractors and several subcontractors worked on several different infrastructure segments across the northern 59 counties in Missouri. During this quarter, these contractors deployed 265 of new network miles of fiber. This was a substantial increase from the prior quarter of deploying 225 miles of fiber as three additional projects were started during this quarter. Bluebird looks to have new network miles increase during the next quarter as several project will be completed.

Bluebird received several shipments of Dense Wavelength Division Multiplexing (DWDM) network equipment during Q2 2012.

Node Site Civil Construction continued during this quarter completing several sites while some sites are still ongoing. Bluebird took delivery of several shelters during this quarter and completed the construction of 16 shelters. Bluebird completed construction at their internet Gateway in St. Louis and turned up DWDM equipment, routers, and fiber network hardware at eight node locations.

Bluebird continued to negotiate the terms on fiber IRU agreements with several companies during the quarter. Bluebird continued Davis-Bacon wage compliance and received two wage conformances from the DOL during the quarter.

Through a competitive bidding process, Bluebird posted one Request for Proposal on Bluebird's web site during the quarter related to appraising rights-of-ways and parcels of land. One vendors was selected during this process and started working during the quarter on appraising the value of the in-kind donation of rights-of-ways and parcel of lands provided by the State of Missouri.

Bluebird continued a community outreach campaign that included; educating key general assembly members about Bluebird Media, reaching out and visiting Community Anchor Institutions, and staying involved with MO Broadband Now initiatives.

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	57	17 percent behind of revised baseline due to the large amount of equipment being received but not paid for during the quarter and for not recognizing the \$10.5 million In-Kind Contribution until 7.31.12. The plan is to catch up to the revised baseline in the next quarter once all the payments related to network equipment have been remitted and the contribution has been recognized.
2b.	Environmental Assessment	95	Bluebird Media was issued a Finding of Non Significant Impact on the environment during Q2 2011, continued environmental monitoring during construction will be the remaining 5 percent to complete. Agrees to revised baseline.
2c.	Network Design	100	No variance from baseline plan or subsequent written updates provided to the program officer.
2d.	Rights of Way	100	No variance from baseline plan or subsequent written updates provided to the program officer.
2e.	Construction Permits and Other Approvals	90	Behind revised baseline schedule by ten percent. The 90 percent of required permits included highway right-of-way permits, railroad crossing permits, and environmental permits. Virtually all permits that had been submitted had received approval. The remaining permits that have yet to be submitted are associated with portions of construction targeted late in the project plan. The plan is to catch up to the revised baseline during Q3-2012 once all permits have been submitted prior to the final construction being completed.
2f.	Site Preparation	77	Behind revised baseline schedule by 23 percent. Focus during the quarter was on obtaining permits and performing due diligence work regarding shelter sites. The completion of these activities are required before physical preparation of the sites can be performed. The plan is to catch up to the revised baseline during Q3-2012 once several shelter sites are prepared for construction.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	74	Behind revised baseline schedule by 24 percent. Delay caused by the under estimated amount of time needed to check in these large orders of equipment prior to remitting payment. The plan is to catch up to the revised baseline during Q3-2012 once the majority of the equipment is shipped and billed during Q2-2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	62	No variance from baseline plan or subsequent written updates provided to the program officer.
2i.	Equipment Deployment	50	No variance from baseline plan or subsequent written updates provided to the program officer.
2j.	Network Testing	11	Delay caused by approved route changes during Q1-2011, delaying construction to start in Q3 2011. 19 percent behind revised baseline. The plan is to catch up to the revised baseline during Q3-2012 once the majority of the route segments have been completed and turned up.
2k.	Other (please specify):OSS Software	0	Software support systems RFP was posted during the Q2-2011 quarter. The delay was caused by reviewing several software support systems and Bluebird Media being unable to decide on a system prior to closing Q2-2011. During Q3-2011 Bluebird Media contracted with a software company to implement software systems during Q4-2011. The plan is to catch up to the revised baseline during Q3-2012 once billing for the OSS Software commences.

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).

Bluebird under estimated the amount of time needed to receive and check in electronic equipment. This has delayed procuring the equipment, but will not delay rolling out the equipment across the network as these orders were made in advance. Bluebird replaced one of the build segments with a contractor that has the capability to take over that segment and get the construction completed on schedule after the prior contractor was not performing. This segment was very close to getting caught up during Q2 2012 after Bluebird faced the challenge of getting a new contractor to pick up where the last contractor left off.

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	708	96 miles ahead of the baseline. The plan is to stay ahead of schedule for the remainder of the project.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	353 miles behind revised baseline due to delay in signing fiber IRU agreements with several parties. The plan is to catch up to the revised baseline during Q3-2012 once several fiber IRU agreements are finalized.
Number of miles of new fiber (aerial or underground)	708	96 miles ahead of the baseline. The plan is to stay ahead of schedule for the remainder of the project.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	18 interconnection points behind revised baseline due to delay in construction of new network miles. This delay was caused by the 45 day delay in obtaining construction permits during the first part of Q3 2011 delaying construction startup. The plan is to catch up to the revised baseline during Q3-2012 once several network segments are completed.

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	22
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: Bluebird Media is currently behind the revised baseline due to having a small amount of fiber turned up to date. Bluebird Media has wholesalers and last mile providers ready to sign agreements once certain segments of the fiber has been turned up. Bluebird Media plans to catch up to the revised baseline during Q3-2012 once fiber is turned up.

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:

Dedicated Internet Access, Extended Local Area Network, Extended Wide Area Network, etc. Pricing plans are being currently developed.

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).

NA

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	Small amount of turned up fiber to date, fiber being turned up during Q3-2012 will allow Bluebird to catch up to baseline by the end of Q3-2012.
	Providers with signed agreements receiving improved access	0	Small amount of turned up fiber to date, fiber being turned up during Q3-2012 will allow Bluebird to catch up to baseline by the end of Q3-2012.
	Providers with signed agreements receiving access to dark fiber	0	Small amount of turned up fiber to date, fiber being turned up during Q3-2012 will allow Bluebird to catch up to baseline by the end of Q3-2012.
	Please identify the speed tiers that are available and the number of subscribers for each	0	50 MB - 1GB are the speed tiers that will be available. No subscribers to date.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Small amount of turned up fiber to date, fiber being turned up during Q3-2012 will allow Bluebird to catch up to baseline by the end of Q3-2012.
	Subscribers receiving new access	0	Small amount of turned up fiber to date, fiber being turned up during Q3-2012 will allow Bluebird to catch up to baseline by the end of Q3-2012.
	Subscribers receiving improved access	0	Small amount of turned up fiber to date, fiber being turned up during Q3-2012 will allow Bluebird to catch up to baseline by the end of Q3-2012.
	Please identify the speed tiers that are available and the number or subscribers for each	0	10MB-10GB are the speed tiers that are available. No subscribers to date.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Businesses	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA

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

No special offerings at this time.

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

8b. If so, please describe the changes (300 words or less).

NA

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
NA	NA	NA	NA	NA

Project Indicators (Next Quarter)

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

Bluebird's environmental engineering firm will continue to monitor environmental assessment to comply with the Special Award Conditions while the infrastructure is being built. Bluebird will continue to apply for construction permits and railroad permits in a timely manner to ensure the construction companies are not waiting on permits. Bluebird plans to continue site preparation for the node sites, continue constructing shelters for Node sites, and plans to have ground breaking ceremonies across the state once fiber starts to be turned up this quarter. Bluebird will procure the remaining DWDM equipment and complete procurement of the Multiprotocol Label Switching equipment during the next quarter. Bluebird plans to connect their first CAI to the network during the next quarter.

Bluebird also plans to devise a rate structure for all products offered in the future. Bluebird will continue to design and implement a Community Outreach Plan including education for community and elected officials along fiber route. Local leaders and media will be notified of these press events.

Bluebird will continue to monitor covered worked for Davis-Bacon wage compliance and conduct wage interview during the next quarter.

Bluebird Media plans to continue to surpass the revised baseline for new network miles deployed of 753 during this next quarter, and catch up to schedule for new network miles leased of 422 during the next quarter. Bluebird Media plans to be behind the revised baseline for CAI subscribers served and for the number of signed agreements with broadband wholesalers or last mile providers. The plan is to catch up those two indicators during Q4-2012 once certain fiber routes have been turned up allowing Bluebird Media to connect CAIs and sign agreements with providers. Bluebird Media plans to be at the following infrastructure key indicators at the end of the next quarter:

- New Network Miles Deployed = 850
- New Network Miles Leased = 422
- Total CAI Subscribers Served = 3
- Number of Signed Agreements with wholesalers/last mile providers = 4

Lastly, Bluebird Media plans to have a valuation completed by a certified appraiser by 7-31-12 valuing the in-kind donation of rights-of-way and parcels of land.

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	88	None
2b.	Environmental Assessment	100	None
2c.	Network Design	100	None
2d.	Rights of Way	100	None
2e.	Construction Permits and Other Approvals	100	None
2f.	Site Preparation	100	None
2g.	Equipment Procurement	90	The delay will be caused by the timing of receiving equipment and remitting payment for equipment. The delay will also be caused by making final adjustments to equipment orders during Q3-2012 with all equipment being in place by early Q4-2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	90	Ahead of schedule due to several build segments being completed during Q3-2012 along with all fiber IRU being signed.
2i.	Equipment Deployment	60	None
2j.	Network Testing	50	None
2k.	Other (please specify): OSS Software	100	None

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).

Bluebird Media faces the challenge of working diligently to receive network equipment, then deploying this equipment to the shelters as they are constructed, and then start testing the network as the build of the segments are completed. Bluebird Media also is negotiating pulling fiber along a bridge while using another partner's existing corridor. Bluebird would like to save time and money by using this existing corridor. Bluebird also faces the challenge of completing a valuation of the in-kind donation by 7.31.12.

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	\$1,611,500	\$271,699	\$1,339,801	\$1,507,189	\$256,222	\$1,250,967	\$1,610,000	\$273,700	\$1,336,300
b. Land, structures, right-of-ways, appraisals, etc.	\$10,500,000	\$10,500,000	\$0	\$0	\$0	\$0	\$10,500,000	\$10,500,000	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,950,000	\$497,370	\$2,452,630	\$3,489,155	\$593,156	\$2,895,999	\$3,600,000	\$612,000	\$2,988,000
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$424,000	\$71,486	\$352,514	\$0	\$0	\$0	\$350,000	\$59,500	\$290,500
g. Site work	\$111,328	\$18,777	\$92,551	\$44,037	\$7,486	\$36,551	\$90,000	\$15,300	\$74,700
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$33,319,581	\$5,620,036	\$27,699,545	\$20,131,727	\$3,422,394	\$16,709,333	\$26,750,000	\$4,547,500	\$22,202,500
j. Equipment	\$15,886,941	\$2,678,732	\$13,208,209	\$11,797,174	\$2,005,520	\$9,791,654	\$14,298,247	\$2,430,702	\$11,867,545
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$64,803,350	\$19,658,100	\$45,145,250	\$36,969,282	\$6,284,778	\$30,684,504	\$57,198,247	\$18,438,702	\$38,759,545
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$64,803,350	\$19,658,100	\$45,145,250	\$36,969,282	\$6,284,778	\$30,684,504	\$57,198,247	\$18,438,702	\$38,759,545

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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