

RECIPIENT NAME:Bluebird Media, L.L.C.

AWARD NUMBER: NT10BIX5570091

DATE: 02/14/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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
4. Recipient Organization Bluebird Media, L.L.C. 213 N. Stadium Blvd, Ste 203, Columbia, MO 65203-1161		
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	
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): 02-14-2012	

Project Indicators (This Quarter)

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

Bluebird was given a clean audit opinion by an independent auditor for the first year of the grant period stating Bluebird was in conformity with accounting principles generally accepted in the United States of America and had the proper internal controls over compliance.

Four contractors worked on several different infrastructure segments across the state. During this quarter, these contractors had deployed 156 new network miles of fiber. Bluebird completed a Master Service Agreement with a electronic network equipment provider for Dense Wavelength Division Multiplexing (DWDM) equipment. Through a competitive bidding process, Bluebird posted a Request for Proposal on Bluebird's web site for Node Site Civil Construction. Bluebird then completed a Master Service Agreement with a construction company to complete the Node Site Civil construction. Bluebird took delivery of the projects remaining outstanding fiber during this quarter. Bluebird also made progress payments for the 37 shelters that will be used at many of Bluebird's POP sites. Bluebird started construction at both of their internet Gateways in Kansas City and St. Louis.

Bluebird continued a community outreach campaign that included; educating key general assembly members about Bluebird Media, sending out brochures and collateral materials to Community Anchor Institutions, and stayed involved with MO Broadband Now initiatives. Lastly, Bluebird Media presented at the Missouri Association of Counties Annual meeting and participated in the Mid-Course Workshop for Broadband Awardees in Cleveland, OH.

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	24	One percent ahead of revised baseline due to the large amount of construction being completed and the large amount of equipment being purchased during the quarter.
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	66	Behind revised baseline schedule by 44 percent. The 66 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 Q2-2012 once all permits have been submitted prior to the final construction being completed.
2f.	Site Preparation	50	Behind revised baseline schedule by 5 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 Q1-2012 once several shelter sites are prepared for construction.
2g.	Equipment Procurement	41	Behind revised baseline schedule by 43 percent. Delay caused by the under estimated amount of time needed to negotiate final equipment contracts. One of two of the large contracts were finalized during Q3 2011 and purchase orders have been put in place to procure equipment in Q4 2011. The other large contract was finalized during Q4 2011 with purchase orders being put in place to procure equipment in Q1 2012. The plan is to catch up to the revised baseline during Q2-2012 once equipment is shipped and billed during Q1-2012.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	23	Behind revised baseline schedule by 5 percent. Delay caused by approved route changes during Q1-2011. The route changes caused a delay in engineering and environmental assessment during Q1 and Q2 of 2011, delaying construction to start in Q3 2011. Seven percent behind revised baseline caused by 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 Q1 2012. The construction permits will all be available during Q4 2011 allowing the construction of the network build to continuously carry on without delays.
2i.	Equipment Deployment	20	No variance from baseline plan or subsequent written updates provided to the program officer.
2j.	Network Testing	0	Delay caused by approved route changes during Q1-2011, delaying construction to start in Q3 2011. Ten percent behind revised baseline with plans to complete network segments and begin testing during Q1 2012. The plan is to catch up to the revised baseline during Q2-2012 once route segments have been completed.
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 Q1-2012 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 negotiate final equipment contracts with two major vendors. This has delayed procuring the equipment but will not delay rolling out the equipment across the network. Bluebird also had one of their construction contractors miss the scheduled deadline for all their segment completion dates. This contractor has been removed from the project and has been replaced with a company that is currently working on a different Bluebird segment. Bluebird believes the replacing contractor has the capability to take over this segment and get the constructions completed on schedule.

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	218	69 miles behind revised baseline caused by one of the four contractors not completing their segments by the end of Q4 2011 as planned. The plan is to catch up to the revised baseline during Q2 2012 as this contractor has been replaced. The construction of the network build will continuously carry on without delays with the current construction companies in place.
New network miles leased	0	114 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 Q1-2012 once several fiber IRU agreements are finalized.
Existing network miles upgraded	0	NA
Existing network miles leased	0	NA
Number of miles of new fiber (aerial or underground)	218	69 miles behind revised baseline caused by one of the four contractors not completing their segments by the end of Q4 2011 as planned. The plan is to catch up to the revised baseline during Q2 2012 as this contractor has been replaced. The

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		construction of the network build will continuously carry on without delays with the current construction companies in place.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	6 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 Q1-2012 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 not having any 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 Q1-2012.

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	No turned up fiber to date
	Providers with signed agreements receiving improved access	0	No turned up fiber to date
	Providers with signed agreements receiving access to dark fiber	0	No turned up fiber to date

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	50 MB - 1GB are the speed tiers that will be available. No subscribers since no build to date.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No turned up fiber to date
	Subscribers receiving new access	0	No turned up fiber to date
	Subscribers receiving improved access	0	No turned up fiber to date
	Please identify the speed tiers that are available and the number of subscribers for each	0	10MB-10GB are the speed tiers that are available. No subscribers since no build to date.
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

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 start site preparation for the node sites, construct shelters for POP sites, and plans to have ground breaking ceremonies across the state once fiber starts to be turned up. Bluebird will start procuring all of the 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 Media plans to catch up to the revised baseline for new network miles deployed of 460 during this next quarter, but will remain behind schedule for new network miles leased of 0 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 Q2-2012 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 = 460
- New Network Miles Leased = 0
- Total CAI Subscribers Served = 2
- Number of Signed Agreements with wholesalers/last mile providers = 2

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	37	The delay will be caused by not having an independent appraisal completed for the in-kind contribution by the end of the quarter. Currently Bluebird estimated the contribution of \$10.5 million. The plan is to catch up to the revised baseline during Q2-2012 once the appraisal of the in-kind contribution has been completed.
2b.	Environmental Assessment	95	None
2c.	Network Design	100	None
2d.	Rights of Way	100	None
2e.	Construction Permits and Other Approvals	85	The delay will be caused by Bluebird not filling out the appropriate permits until the timing is appropriate. 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 Q2-2012.
2f.	Site Preparation	75	The delay will be caused by the approved route changes during Q1-2011. This in return delayed the issue of a Finding of Non Significant Impact on the environment delaying construction permits and other approvals. The plan is to catch up to the revised baseline during Q2-2012.
2g.	Equipment Procurement	63	Delay caused by the under estimated amount of time needed to negotiate final equipment contracts. The plan is to catch up to the revised baseline during Q2-2012 once equipment is shipped and billed during Q1-2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	48	None

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	Equipment Deployment	30	None
2j.	Network Testing	20	None
2k.	Other (please specify): OSS Software	50	Bluebird entered into agreements with software companies during Q3-2011 and plans to implement the OSS software during Q1-2012.

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).

Potential delays and challenges Bluebird Media anticipates during the next quarter include the possibility of worse winter weather than expected. Bluebird Media also 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.

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	\$1,349,482	\$229,412	\$1,120,070	\$1,500,000	\$255,000	\$1,245,000
b. Land, structures, right-of-ways, appraisals, etc.	\$10,500,000	\$10,500,000	\$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	\$2,950,000	\$497,370	\$2,452,630	\$2,943,443	\$500,385	\$2,443,058	\$3,200,000	\$544,000	\$2,656,000
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	\$50,000	\$8,500	\$41,500
g. Site work	\$111,328	\$18,777	\$92,551	\$0	\$0	\$0	\$29,297	\$4,980	\$24,317
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$33,319,581	\$5,620,036	\$27,699,545	\$5,000,105	\$850,018	\$4,150,087	\$9,000,000	\$1,530,000	\$7,470,000
j. Equipment	\$15,886,941	\$2,678,732	\$13,208,209	\$6,517,837	\$1,108,032	\$5,409,805	\$10,000,000	\$1,700,000	\$8,300,000
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	\$15,810,867	\$2,687,847	\$13,123,020	\$23,779,297	\$4,042,480	\$19,736,817
m. Contingencies									
n. TOTALS (sum of l and m)	\$64,803,350	\$19,658,100	\$45,145,250	\$15,810,867	\$2,687,847	\$13,123,020	\$23,779,297	\$4,042,480	\$19,736,817

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