

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 NT10BIX5570095	3. DUNS Number 176553068
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4. Recipient Organization JKM Consulting, Inc. 100 Firethorn Lane, Munford, AL 36268-5504

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	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 Meredith Caudle	7c. Telephone (area code, number and extension) X
	7d. Email Address mcaudle@jkmconsultinginc.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-21-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During this quarter, we had to replace our engineering firm, due to poor performance. During the week that we anticipated our fiber delivery, we were advised that the September date had been pushed until February. As a result, our focus shifted to looking for an alternative fiber supplier for the third time. James Cable, LLC advised that Charter Communications would be taking ownership of their Alabama properties; therefore we began seeking communication with Charter Communications. In an effort to add additional value to the project, we are seeking cash funding to replace a named partner who is unable to participate due to tax limitations.

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	9	Delays associated with receipt of the FONSI decreased the activities that could be undertaken up to this point. Worldwide fiber shortage has delayed start of fiber construction - we also suffered delays due to another default by our fiber supplier. Equipment procurement was initiated this quarter.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	85	Changes in network design are pending engineering review. A new engineering firm was sought to correct the poor performance of the initial engineering firm selected.
2d.	Rights of Way	76	US Forestry Service required additional environmental impact study in addition to the Environmental Assessment. Due to additional requirements for National Forest public right of way and corrections required for engineering, the percentage in this area will not reflect a significant change until next quarter.
2e.	Construction Permits and Other Approvals	77	Several permit applications are requiring additional work due to poor quality from the original engineering firm. Additional delays in permitting due to the US Forestry Service. Engineering revisions will speed this process in the upcoming quarter.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	First delivery of fiber construction equipment arrived on site September 27, 2011. However, the Request for Proposal on Optronics is scheduled for next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	2	Network builds have been delayed due to the shortage of fiber availability. IRU agreements have been delayed due to significant partner changes this quarter and the time leading up to the announcement of these changes.
2i.	Equipment Deployment	0	Worldwide fiber shortage has delayed start of fiber construction.
2j.	Network Testing	0	N/A
2k.	Other (please specify):	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).
 Delays with our partner, James Cable LLC occurred due to the severe tornado outbreak earlier this year, however we learned this quarter that they were in discussions with Charter Communications for an exchange on markets - Charter will now have James Cable, LLC's Alabama markets effective November 30th, 2011, upon closing. During this quarter, we have focused time on building the relationship with Charter in hopes for a smooth transition.

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	Fiber shortages and delays have caused significant delays in beginning construction.
New network miles leased	0	Delays as a result in partner participation have delayed lease arrangements.
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	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: N/A

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:
Broadband service providers may lease dark fiber, as available, on a non-discriminatory basis at a cost based rate to be negotiated with acceptance to binding arbitration.

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).
N/A

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	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

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

N/A

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

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

N/A

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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	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).
 Construction contractors are moving equipment in and construction is set to begin in November with fiber delivery being promised mid-November. Optronics Request for Proposal (RFP) will be released with a finalized response and award during this quarter. Partner contribution(s) are expected to reach significant points for further planning. Alabama Power has decided to change their procedures and cost structure for broadband providers. It is anticipated that next quarter will produce our final agreement with Alabama Power (Tallapoosa River Electric Cooperative is complete).

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	29	Environmental Assessments, US Forestry permitting and world wide fiber shortages have caused significant variances to our project. Construction will begin in the upcoming quarter, therefore funds will be obligated but not necessarily expensed until the following quarter.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	85	Low-cost engineering firm was producing incomplete and inaccurate documentation. We were required to release the initial engineering firm and hire a new firm.
2d.	Rights of Way	100	complete
2e.	Construction Permits and Other Approvals	77	Delays due to Environmental Assessments and permitting with US Forestry have delayed state approvals. Poor quality engineering with our initial firm is requiring re-work of several permit applications.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	All installation of equipment is delayed due to the construction delays related to receipt of the FONSI last quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	34	Changes with the networks of two partners have caused significant delays in the proposed leases and IRUs. We anticipate the following quarter, going into 2012 to reflect a percentage change in this category.
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
2k.	Other (please specify):	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).

Fiber delivery is identified for mid-November, therefore we are mobilizing construction at the beginning of next quarter. This is our third order for fiber due to natural disasters earlier this year. We have fiber as a potential delay. We expect James Cable, LLC and Charter Communications to close on November 30, 2011. We anticipate delays for IRU and other fiber leases as this deal is finalized. Funding for Cash replacement of Anniston Fiber Optics, Inc. participation is expected to close in the upcoming quarter.

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	\$510,200	\$0	\$510,200	\$247,253	\$0	\$247,253	\$328,000	\$0	\$328,000
b. Land, structures, right-of-ways, appraisals, etc.	\$486,000	\$441,000	\$45,000	\$148,500	\$148,500	\$0	\$181,500	\$181,500	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$514,204	\$0	\$514,204	\$204,116	\$0	\$204,116	\$305,000	\$0	\$305,000
e. Other architectural and engineering fees	\$75,000	\$0	\$75,000	\$930	\$0	\$930	\$25,000	\$0	\$25,000
f. Project inspection fees	\$0	\$0	\$0	\$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	\$4,470,516	\$1,312,540	\$3,157,976	\$73,974	\$0	\$73,974	\$1,500,000	\$1,000,000	\$500,000
j. Equipment	\$2,078,817	\$162,000	\$1,916,817	\$5,618	\$0	\$5,618	\$10,000	\$0	\$10,000
k. Miscellaneous	\$65,000	\$15,000	\$50,000	\$53,544	\$28,739	\$24,805	\$56,108	\$28,739	\$27,369
l. SUBTOTAL (add a through k)	\$8,199,737	\$1,930,540	\$6,269,197	\$733,935	\$177,239	\$556,696	\$2,405,608	\$1,210,239	\$1,195,369
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$8,199,737	\$1,930,540	\$6,269,197	\$733,935	\$177,239	\$556,696	\$2,405,608	\$1,210,239	\$1,195,369

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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