

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 NT10BIX5570101	3. DUNS Number 961720575
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4. Recipient Organization Appalachian Valley Fiber Network 1170 PARKER LN, Lyerly, GA 30730-5017
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5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	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 Deana Perry CFO	7c. Telephone (area code, number and extension) 7068574646
	7d. Email Address deanaperry@parkersystems.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-13-2013
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Revised and resubmitted permits for AL to ALDOT. Began activation of key anchor tenants. Continued fiber placement, splicing and wrap-up work for Georgia sections.

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	84	Original baseline goal was to be 81% complete. No variance.
2b.	Environmental Assessment	79	Original baseline goal was to be 100% complete. We expect to be under budget for this category, however due to current activities to conduct cultural and archeological monitoring under our FONSI and SAC obligations, we expect additional spend between now and the end of the program.
2c.	Network Design	90	Original baseline goal was to be 100% complete. Lower than expected costs from NW Georgia Regional Commission is the primary reason for the expected variance.
2d.	Rights of Way	0	Original baseline goal was to be 100% complete. Continued lower than expected costs for right of way perfection and joint use (pole) fees are the primary reasons for expected variance. Despite the large % variance, this is a very small part of our overall project/budget.
2e.	Construction Permits and Other Approvals	54	Original baseline goal was to be 100% complete. Continued lower than expected railroad permit costs is primary reason for expected variance. Despite the large % variance, this is a very small part of our overall project/budget.
2f.	Site Preparation	0	We had no costs allocated in our budget specifically for this baseline category. No variance.
2g.	Equipment Procurement	97	Original baseline goal was to be 100% complete.
2h.	Network Build (all components - owned, leased, IRU, etc)	88	Original baseline goal was to be 88% complete. No variance.
2i.	Equipment Deployment	0	We had no costs allocated in our budget specifically for this baseline category. No variance.
2j.	Network Testing	0	We had no costs allocated in our budget specifically for this baseline category. No variance.
2k.	Other (please specify):	69	Original baseline goal was to be 90% complete. Continued lower than expected admin, legal and other professional services costs is primary reason for variance.

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).
 Continued slow process for AL permitting approval.

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	205	No variance.
New network miles leased	257	No variance. Exceeding goals from our original baseline. Includes 60 miles from PFN and 197 miles from Norfolk Southern IRU.
Existing network miles upgraded	0	No variance.
Existing network miles leased	0	No variance.
Number of miles of new fiber (aerial or underground)	205	We estimated 206 miles in our baseline. No variance.
Number of new wireless links	0	No variance.
Number of new towers	0	No variance.
Number of new and/or upgraded interconnection points	974	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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	3
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: Parker FiberNet.

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: AVFN has an agreement with Parker FiberNet to provide wholesale dark fiber services. Pricing will be set on a per-end-customer (CAI) basis.

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	No variance.
	Providers with signed agreements receiving improved access	0	No variance.

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 access to dark fiber	1	No variance.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No lit/managed services are being provided at this time. Only dark fiber at this time.
Community Anchor Institutions (including Government institutions)	Total subscribers served	24	No variance.
	Subscribers receiving new access	24	No variance.
	Subscribers receiving improved access	0	All subscribers are new at this point.
	Please identify the speed tiers that are available and the number or subscribers for each	1	Services are Ethernet, which supports speeds up to 10 Gbps.
Residential / Households	Entities passed	0	Not applicable.
	Total subscribers served	0	Not applicable.
	Subscribers receiving new access	0	Not applicable.
	Subscribers receiving improved access	0	Not applicable.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Not applicable.
Businesses	Entities passed	0	Not applicable.
	Total subscribers served	0	Not applicable.
	Subscribers receiving new access	0	Not applicable.
	Subscribers receiving improved access	0	Not applicable.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Not applicable.

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

Ethernet service. Internet access.

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

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

None.

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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
Floyd County/Ansley Park	Rome	Government	No	Park applications
Harbin Behavioral Science	Rome	Medical	No	Medical applications
Floyd County Government	Rome	Government	No	County government operations
Unity Christian	Rome	Education	No	Education applications
Harbin Clinic	Cedartown	Medical	No	Medical applications
Polk County Schools	Cedartown	Education	No	Education applications
Polk County Schools	Cedartown	Education	No	Education applications
Floyd Medical/Urgent Care	Rockmart	Medical	No	Medical applications
Floyd Medical/Nurse Education	Rome	Medical	No	Medical training applications

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Finalize all permits for AL. Begin construction of the AL route. Wrap up remaining construction in GA, including all fiber blowing and splicing. Seek agreements with additional third party service providers. Continue supporting anchor institution connections.

Our goal is to have an additional 15 miles of fiber deployed next quarter, cumulatively totalling 220 miles.
 Our goal is to have an additional 6 CAIs connected next quarter, cumulatively totalling 30 CAIs.
 Our goal is to have 1 additional broadband wholesaler/last mile provider agreement next quarter, cumulatively totalling 2 providers.

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	90	Original baseline goal was to be 94% complete. Delayed permitting in Alabama is the primary reason for the expected variance.
2b.	Environmental Assessment	80	Original baseline goal was to be 100% complete. We expect to be under budget for this category, however due to current activities to conduct cultural and archeological monitoring under our FONSI and SAC obligations, we expect additional spend between now and the end of the program.
2c.	Network Design	92	Original baseline goal was to be 100% complete. Lower than expected costs from NW Georgia Regional Commission is the primary reason for the expected variance.
2d.	Rights of Way	0	Original baseline goal was to be 100% complete. Continued lower than expected costs for right of way perfection and joint use (pole) fees are the primary reasons for expected variance. Despite the large % variance, this is a very small part of our overall project/budget.
2e.	Construction Permits and Other Approvals	68	Original baseline goal was to be 100% complete. Continued lower than expected railroad permit costs is primary reason for expected variance. Despite the large % variance, this is a very small part of our overall project/budget.
2f.	Site Preparation	0	We had no costs allocated in our budget specifically for this baseline category. No variance expected.
2g.	Equipment Procurement	97	No variance expected.
2h.	Network Build (all components - owned, leased, IRU, etc.)	93	No variance expected.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	Equipment Deployment	0	Original baseline goal was to be 97% complete, however, we had no costs allocated in our budget specifically for this baseline category. No variance expected.
2j.	Network Testing	0	Original baseline goal was to be 96% complete, however, we had no costs allocated in our budget specifically for this baseline category. No variance expected.
2k.	Other (please specify):	80	Original baseline goal was to be 100% complete. Continued lower than expected admin, legal and other professional services costs is primary reason for expected variance.

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).

The project timeline could be at risk if we don't secure the required AL permits and begin construction this quarter. We are making good progress, but it remains a risk.

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	\$2,885,804	\$152,882	\$2,732,922	\$2,046,194	\$22,882	\$2,023,312	\$2,368,787	\$152,882	\$2,215,905
b. Land, structures, right-of-ways, appraisals, etc.	\$2,636,019	\$0	\$2,636,019	\$2,164,902	\$0	\$2,164,902	\$2,169,902	\$0	\$2,169,902
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$800,939	\$0	\$800,939	\$797,552	\$0	\$797,553	\$800,939	\$0	\$800,939
e. Other architectural and engineering fees	\$586,469	\$0	\$586,469	\$439,888	\$0	\$439,888	\$463,233	\$0	\$463,233
f. Project inspection fees	\$179,877	\$0	\$179,877	\$97,406	\$0	\$97,406	\$122,406	\$0	\$122,406
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	\$17,874,455	\$5,002,566	\$12,871,889	\$15,145,383	\$5,002,566	\$10,142,817	\$16,356,715	\$5,002,566	\$11,354,149
j. Equipment	\$1,596,395	\$287,895	\$1,308,500	\$1,553,165	\$287,895	\$1,265,269	\$1,595,165	\$287,895	\$1,307,270
k. Miscellaneous	\$170,300	\$0	\$170,300	\$77,247	\$0	\$77,247	\$77,997	\$0	\$77,997
l. SUBTOTAL (add a through k)	\$26,730,258	\$5,443,343	\$21,286,915	\$22,321,737	\$5,313,343	\$17,008,394	\$23,955,144	\$5,443,343	\$18,511,801
m. Contingencies									
n. TOTALS (sum of l and m)	\$26,730,258	\$5,443,343	\$21,286,915	\$22,321,737	\$5,313,343	\$17,008,394	\$23,955,144	\$5,443,343	\$18,511,801

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: \$64,837
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