

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 NT10BIX5570122	3. DUNS Number 961960122
4. Recipient Organization Florida Rural Broadband Alliance, LLC 4636 Hwy 90, Ste. K, Marianna, FL 32446-3508		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	6. Is this the last Report of the Award Period? <div style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>	
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 Johnene Marcum CFO	7c. Telephone (area code, number and extension) 8507853254	7d. Email Address johnene@johnenemarcumcpa.com
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-29-2012	

Project Indicators (This Quarter)**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

The Florida Rural Broadband Alliance (FRBA) has made great progress during the 1st quarter of 2012. The completion of the Request for bids and selection of equipment vendors has resulted in most of the equipment being received preparing FRBA to begin construction/installation of the radios during the 2nd quarter and 2nd half of 2012. FRBA is still waiting on cabinets and steel for tower deployment and expects to be in full construction during the 2nd quarter.

In addition a Request for Proposals was released for construction and deployment related services and 10 proposals were received and evaluated. FRBA awarded contracts to G4S and Rapid Systems for construction.

G4S has submitted an updated construction schedule and FRBA has released purchase orders for 47 site walks, engineering packages and drawings. The site walks have been completed and engineering and the drawings are underway.

Rapid Systems began staging the Operational Support/Back Office Systems and a purchase order for the first data center equipment deployment was released.

Outreach efforts are being accelerated to make wholesale providers and anchor tenants aware of the network. Over 70 anchors are either active or pending connections. FRBA also has 4 active wholesale partners and 8 pending wholesale partners are in further discussions on network deployment in their service areas.

Programmatic Adjustments and Revisions

- Award Action Request for Design Changes, Budget and Schedule were approved
- After much deliberation Rapid Systems and FRBA decided to terminate the negotiations for the proposed subrecipient arrangement. Rapid Systems elected to provide a response to the construction RFP and will be treated as a contractor.

Business Services, Outreach and Marketing

- Executed Construction contracts with G4S and Rapid Systems
- Revised project deployment plan, tracker and site management maps have been developed to coordinate construction and align construction with FRBA outreach and anchor tenant contracts
- FRBA finalized locations for the North warehouse
- FRBA is reviewing changes for the South warehouse location
- FRBA has received equipment for the North and South construction.
- Continued meetings with county commissioners, anchors and started development of carrier relations.

Network Engineering

- Completed design re-evaluation
- Completed site development walk-outs for 47 sites
- Completed project deployment plan, tracker and site management maps
- Started FRBA North and South utility applications

Network Procurement

- Executed Construction contracts with G4S and Rapid Systems

Site Permits & Tower Readiness

- Finalized tower locations and updated deployment tracker location addresses.
- Developed in-kind agreements for north and south counties
- Have executed 19 in-kind agreements with 46 pending final review and approval by owners.
- Met with in-kind asset owners and developing in-kind agreements for remaining towers that will be approved by municipal and county officials.
- Have received approvals and signed agreements back from Highlands County and Chipley. Desoto County has approved and should have executed agreements the 2nd quarter of 2012.
- With 30% approved tower site engineering will begin and the majority of the in-kind towers should be complete by the 3rd quarter.
- Executed Master Agreements with Crown Castle and American Tower.
- Finalized individual tower contracts and first 17 sites with Crown Castle.
- Received structural feedback from Crown Castle and American Tower, a number of towers failed their structural review and have been re-engineered and scheduled for structural modifications.
- Started FCC Private Coordination Notification (PCN) process

Network Deployment Test and Turn-Up

- Installed three new tower links and the network link from Hardee County to the City of Sebring
- Connected new CAIs including the Sebring Regional Airport initiative for broadband expansion

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	58	The new plan provides for parallel activities and creates a forward looking approach to managing resources and tasking. Though the overall project is behind its spending baseline, FRBA has made great progress at accelerating the procurement and initiating its construction efforts that were kicked-off during the 1st quarter of 2012. FRBA is bringing the overall program progress back in line with the original milestones.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	55	The major effort of completing the overall design and establishing the equipment specifications for the FRBA network has been completed. Even though the expenditures are behind baseline projections the work effort completed will allow FRBA to accelerate the site engineering as site lease agreements and civil site work began in the 1st quarter of 2012. This work will accelerate throughout the second quarter and expected to be back on target during the 2nd half of 2012.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	55	Even though this task is behind the baseline for spending it is in alignment with the work effort needed. FRBA expects to run parallel activities which will accelerate the site and tower work that needs to be completed prior to equipment installation. Over 47 site walk-outs and engineering packages are underway and expected to be completed during the 2nd quarter. This work is expected to significantly increase during the 2nd quarter of 2012. This should bring the construction expenditures back within baseline by the 2nd half of 2012.
2f.	Site Preparation	28	Over 24 commercial and in-kind tower leases have been fully executed and permission to access the physical sites to complete site surveys on an additional 23 tower locations has been granted by the tower owners. Upon the completion of the site engineering and drawings and issuance of site permits, FRBA expects to start significant efforts towards the site preparation. FRBA expects civil engineering and site work to remain ahead of the construction/equipment implementation schedule. FRBA expects to be substantially complete with all site prep for 20 locations by the end of the 2nd quarter of 2012.
2g.	Equipment Procurement	68	Procurement began during the 4th quarter of 2011 and the equipment has largely been received by FRBA. Equipment cabinets and steel are still being shipped. Additional equipment and materials for installation will be received during the 2nd quarter of 2012 and bring the equipment procurement back in line with original milestone objectives.
2h.	Network Build (all components - owned, leased, IRU, etc)	19	Procurement began during the 4th quarter of 2011 and equipment is now being received by FRBA. Additional equipment and materials for installation will be received during the 1st quarter of 2012 and bring the equipment procurement back in line with original milestone objectives. The commercial leases have largely been complete and waiting on final structural reports, site engineering and drawings.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
	2i. Equipment Deployment	68	The equipment is expected to be substantially available for staging and shipment to the sites by the end of the 1st quarter of 2012. Site preparation and tower readiness will be started during the 1st quarter. Substantial completion of this effort is not expected until later in the 2nd half of 2012.
	2j. Network Testing	0	Hardee County Network Testing was completed at the end of 2010. It is anticipated that the significant testing will not begin until early 2012 and be substantially complete by the end of the 2nd half of 2012.
	2k. Other (please specify): In-Kind Capital Leases	73	On target for this reporting period.

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).

FRBA has been making great strides and in fact actually accelerated a number of activities by creating a parallel process and more transparency within the project. As a result the team has completed the restructuring of the organizational administration, project budget, schedule and aligned the projects and resources.

The subrecipient Agreement with Rapid Systems has been taken off the table in favor of a construction contract with G4S and Rapid Systems.

FRBA is continuing to finalize the contracts for the in-kind tower assets and contracting with the tower companies for leases on existing towers that will be used in the design. This process has taken longer than originally anticipated because of the number of independent tower owners that contributed their assets for use and the need to follow their legal process for executing the contract agreements. However, FRBA has been making great progress and is on track to complete enough tower agreements in key areas so construction will not be impacted by the delays.

FRBA has initiated the construction contracts and started the construction process. Over half of the towers have executed leases and some towers have failed inspection and require structural modifications. FRBA has received some of the estimates and has begun to approve structural modifications. To keep on track with the schedule, FRBA will need to complete all the in-kind leases by the end of July.

From a quarterly and cumulative spend standpoint; the project is back on track. However, some tower modifications and additional inspection failures may occur causing schedule slippage. Cabinet delays have slowed down staging and some steel has been back ordered. Though this does not have an impact to the current schedule at this time.

FRBA is also developing a number of channel partnerships with statewide providers that could accelerate the connection of Community Anchor Institutions.

FRBA is taking a forward looking program management approach which helps assign tasking in parallel where we see potential timing challenges in the future. Much of the work is just in time, but there are lead times for agreements, licensing and legal issues that need resolution earlier in order not to affect workflow. The FRBA project teams have created a great deal of flexibility and can now be assigned to different regions based on available permits/licenses. This forward-looking approach reduces potential slack periods and increases team efficiency. The construction RFP included a request for additional project, construction and site management. FRBA intends to add additional resources in the North and South to maintain schedule commitments. FRBA will add construction and installation crews to accelerate its efforts as the opportunities present themselves.

The primary challenge for this project is simply to accelerate the construction activities to meet the milestones and key indicators of the Baseline Plan. We have the right team in place to meet these milestones. FRBA will work closely with NTIA Project Office to manage these efforts.

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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	282	The completion of Hardee County and extension of services into adjacent communities and wireless backhaul to Level 3 and Cogent has resulted in deployment of 282 miles of wireless backbone and Community Anchor Institutional network.
New network miles leased	1,201	The Level 3 fiber infrastructure connecting FRBA North and South to the Level 3 upstream network has been deployed and activated.
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	3	The Highland County Sebring Regional Airport was activated in February.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	28	The completion of Hardee County network provides 22 tower interconnection points. One of four Level 3 Points-of-Presence were activated that connects the FRBA/Hardee County to the Level 3 backbone. This is the first of four major nodal connections that will bring much needed upstream access to the rural communities of Florida. Two towers extending off of the Hardee network were added to connect the Sebring Regional Airport.

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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	8
Average term of signed agreements (in quarters)	20

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

- Rapid Systems has agreement with the Hardee County Broadband Project.
- Rapid Systems has a wholesale agreement with Daystar for Last Mile Services within the FRBA project
- Rapid Systems has a wholesale / Last Mile agreement with Knology for Voice over Internet Protocol services within the FRBA project and is currently deploying Hosted and Residential Voice over Internet Protocol
- Rapid Systems has a wholesale/Last Mile agreements with TampaBayDSL

The initial agreements for wholesale services were developed under Rapid Systems as a Sub Recipient. As a result of restructuring the sub recipient arrangement FRBA will transition these wholesale agreements to the FRBA organization. These agreements will be reauthorized and executed by the FRBA management team.

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:

FRBA will provide Ethernet Wireless Transport and internet wholesale services as the Middle Mile Network. Additionally, FRBA will provide services to Community Anchor Institutions.

Rapid Systems is providing Broadband Service to anchor facilities using WiMAX and other Licensed and unlicensed products.

Retail Wholesale Service Pricing Tiers in Attached in Wholesale Services Exhibit

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).

FRBA has split its efforts for an operation management strategy between FRBA North and South Central networks. FRBA has contracted with Rapid Systems to engineer, test and turn-up the network. FRBA is in the process of negotiating with Rapid Systems, to become the interim FRBA middle mile operator.

1) Rapid Systems will operate the FRBA Networks as a contractor. www.rapidsys.com

a. 1211 N Westshore Blvd
Tampa, FL 33607
813-232-4887

b. Area Served – Florida’s Heartland

Counties Served – Hardee, Desoto, Highlands, Okeechobee, Glades, and Hendry. Also, the community of Immokalee

c. Area Served – Opportunity Florida

Counties Served – Holmes, Washington, Jackson, Gadsden, Calhoun, Liberty, Gulf, Franklin

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	Unless it is a new provider, or just entering the market, we will assume that all providers are receiving improved access.
	Providers with signed agreements receiving improved access	4	We are in discussion with several providers. Agreements are pending finalization of product and service plans.
	Providers with signed agreements receiving access to dark fiber	0	We will not be providing access to dark fiber, as we do not have that access.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	1	Bandwidth is described as upstream/downstream for individual speed tiers. Available speed tiers will begin at 5/5 Mbps, in increments of 5 Mbps to 100 Mbps. Service to 1 Gbps will be available, but we have conservatively estimated that we will only add customers at that level of service beyond year 3.
	Total subscribers served	34	Our plan outlines service to 196 anchor institutions by project closeout. Some early turnover and consolidation have occurred bring the actual number to 34.
	Subscribers receiving new access	0	N/A
Residential / Households	Subscribers receiving improved access	34	The majority of the anchor tenants at a minimum had dial-up services, DSL or T1s. As a result they upgrade their services by connecting to the FRBA network.
	Please identify the speed tiers that are available and the number or subscribers for each	34	Bandwidth is described as upstream/downstream for individual speed tiers. (Download/Upload) 1) 3/512 Mbps- 6 Anchor Tenants 2) 5/5 Mbps- 1 Anchor Tenant 3) 10/2 Mbps- 20 Anchor Tenants 4) 10/5 Mbps- 3 Anchor Tenant 5) 20/5 Mbps- 4 Anchor Tenants
	Entities passed	0	When completed, the FRBA network will allow last mile providers the ability to cover the entire geography of the service area.
	Total subscribers served	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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	When completed, the FRBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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).

Rapid Systems agreement is to provide a discount on services into Hardee County for three years. We are also in the process of securing very substantial capacity to allow third party providers to provide a wide array of services across our network. The full range of offerings will be determined by the marketplace, but the network has been designed to efficiently accommodate all types of traffic.

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 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
Sebring Regional Airport	Sebring	Government	Yes	Converted from DSL to 20 Mbps service to improve airport service access and internal communications.

Project Indicators (Next Quarter)

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

The project team continues to evaluate conditions that have the potential of impacting the network schedule. At this time the team does not foresee any significant roadblocks that would greatly impact the schedule. The project team has built enough slack into the project so that slight slippages will not impact the substantial completion of the FRBA network. Some structural modifications of towers have started and one tower has fallen out of the design due to structural issues. Re-engineering has resolved the network topology change.

Over half of the towers are under license enabling the scheduling of 20-tower radio-antenna installation in the 2nd quarter. Once the remaining tower agreements/licenses are finalized, the work can be staged and adjusted to different locations where the balance of work is ready to begin. G4S and Rapid Systems have developed a flexible "forward looking" project approach that scales and assigns resources based on available tasking. The work teams are managed on a weekly and daily basis so that work can be planned out to maximize work streams as well as resource utilization. This approach will enable FRBA to continue to manage contingencies that arise from time to time while focusing on making continuous progress.

FRBA implemented its operational support systems and back office systems during the 4th quarter of 2011 and began testing, configuring and modifying the back office processes. It is anticipated the full back office deployment will be completed and installed in the data centers during the 2nd quarter of 2012. These systems include the customer care, work order management, network asset

management, and network monitoring and support services necessary to run the FRBA network operations. During this period FRBA will also be implementing its customer service support and billing systems.

Planned execution for the 2nd Quarter of 2012 includes:

Business Services and Partner Agreements

- Complete FRBA Interim Operating Agreements
- Execute partner and channel agreements with wholesale and retail service partners
- Develop a strategy for alternative service partner arrangements for the addition of value added services that meet the needs of the Community Anchor Institutions and generate additional earned income

Complete Site Engineering Documents (including any civil engineering required)

- Begin and complete site preparation and civil work on first 47 towers
- Begin radio-antenna installation, test and turn up of first 20 towers

FRBA North and South Tower Agreements & Site Permitting

- Complete In-Kind tower agreements
- Manage structural modifications and redesign issues due to changes in site configurations
- Finalize FRBA North and South utility applications
- Finalize FRBA North and South FCC filings

Initiate and begin Construction of Network Roll-out Plan

- Stage, kit and ship equipment for deployment
- Begin and complete civil work on first 20 towers
- Begin radio-antenna installation, test and turn up of first 20 towers
- Physical cabinet and suite build-out for Orlando Data Center
- Install data center equipment, test and turn up level 3 network services
- Install and provision anchor tenant connections as network services become available.

Network Deployment Updates:

- New network miles deployed, approximately 200 new wireless miles will be deployed over the 2nd quarter of 2012.
- New network miles leased, No new miles this quarter.
- New towers: no new towers will be placed in service.
- Total CAI subscribers served (CAIs connected) 38, 32 pending connections, with 5 to 10 complete by the end of the 2nd quarter 2012.
- Number of signed agreements with broadband wholesalers or last mile providers", Several county, utility partner wholesale agreements are in the developmental stages with the possibility of 1 or 2 additional agreements that could be executed during the 1st quarter of 2012.

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	73	The overall project is accelerating and will approach its original targeted objectives in 2012 and is slated to complete construction the 4th quarter of 2012.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	68	The network design has been finalized and site/service engineering was authorized at the end of the first quarter and expected to accelerate through the second quarter. Some restructuring of the tasking has shifted work effort and the structural engineering of a number of towers is taking longer than expected. However this will not slow down construction since the core routes and towers have been approved and site walk-outs and engineering has begun in earnest. This effort will align with the original milestones during the 3rd quarter of 2012.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	68	Construction permits and approvals will slightly lag the original projections but will not have an effect on the actual deployment schedule. Instead of bundling the permitting process, the permits are being requested as site engineering is completed. This follows standard practices for wireless tower deployments.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	Site Preparation	59	Site preparation will lag the original projections since the new work teams are aligned with tower/link deployment which aligns with wireless deployment best practices and provides FRBA with live services as towers and links are installed. This work is done within 7 to 10 days of the actual tower work. Approximately 20 towers are ready for permitting and construction to begin during the second quarter of 2012.
2g.	Equipment Procurement	82	The majority of the equipment has been received with the exception of cabinets and steel. Construction is slated to begin during the second quarter of 2012. The percentage of completion will lag the original estimated milestone since FRBA elected to purchase and receive equipment closer to the projected install dates.
2h.	Network Build (all components - owned, leased, IRU, etc.)	45	Construction contracts were executed with G4S and rapid Systems during the first quarter. The network build begins in earnest during the second quarter of 2012. Although the project has been accelerated it will lag the original milestone until the end of the second half of 2012.
2i.	Equipment Deployment	82	FRBA has begun staging the data center equipment and the tower equipment and is preparing for approximately 20 installs during the second quarter of 2012. FRBA will substantially complete the data center build-out and have substantially completed a large number of towers during the second quarter, bringing the equipment installation in alignment with the updated project schedule. Much of this equipment will be activated and go live during the second half of 2012.
2j.	Network Testing	10	Testing of the Sebring extension was completed during the 1st quarter of 2012 and approximately 20 new towers/links will go live during the second quarter. Much of the testing and link certification work will begin in earnest during the second half of 2012.
2k.	Other (please specify):	82	This milestone category is expected to remain on schedule.

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).

FRBA does not anticipate any major challenges that will hold up progress the next quarter. The in-kind agreement process is under way and appears to be on track. FRBA has all the key agreements it needs for this quarter to continue construction according to schedule. Construction should begin in earnest the 2nd quarter and be in full swing the 2nd half of 2012. Equipment and materials with the exception of cabinets and some steel have been delivered. FRBA does not anticipate any additional delays at this time. The warehouse in the North has been leased and equipment is being received and asset tagged. FRBA South is anticipating a move of the South warehouse to a new location.

FRBA has experienced some tower failures, requiring structural modifications. This process has begun. Out of 47 towers one tower completely failed and required minor network redesign. FRBA anticipates that additional tower modifications will be required. At this time all the structural modifications appear to have no impact on the project deployment schedule. FRBA anticipates requesting an Award Action Request (AAR) during the 3rd quarter of 2012.

FRBA continues to work towards the completion of an interim operating agreement. These efforts will not delay construction but need to be finalized before additional towers are brought into operation. This would affect operations activities during the 2nd half of 2012 if not completed.

This report reflects the revised budget based on breaking out the construction from the equipment costs. This budget reflects the currently approved budget.

