

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 NT10BIX5570129	3. DUNS Number 074746439
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4. Recipient Organization

Rockbridge, County of 150 S. Main St., Ste 6, Lexington, VA 24450-2359

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 Daniel Grim	7c. Telephone (area code, number and extension)
	7d. Email Address dan_grim@co.rockbridge.va.us

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)			
<p>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</p> <p>Most of the project activities have continued to focus heavily on project management, route engineering, and environmental assessment work. Project management duties have included route and network design, compliance and reporting documentation, Rockbridge Area Network Authority (RANA) board meetings, development of an Operations guide, and the continued development of an interested vendor list. A Memoranda of Understanding (MOU) between Washington and Lee University and Rockbridge County was signed. Geo-technical work on the Data Center has begun. Survey work on fiber routes, including evaluating alternative routes, aerial pole conditions, and bridge/stream crossings has been completed. Route engineering has also been completed. The environmental assessment (EA) has been submitted and approved.</p>			
<p>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).</p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	7	The project has spent a little over 7% of the total project funds through this quarter. This is less than the anticipated progress update provided in the subsequent 2011 Q2 PPR. The delay is due to the delay of submittal and approval of the Environmental assessment and longer route engineering time.
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	15	Previous Performance Progress Report update anticipated 28% completion of milestone. Negative variance is attributed to delays to the environmental assessment and route engineering. It is likely that about 40% of the needed Rights of Way will be gathered by 2011, Q4 with the rest obtained in the first quarter of 2012. The combination of the 15% from the completion of the identification of the easements and 40% of the easements being gathered will make 49% completion of this overall milestone. These agreements will NOT delay the start of construction, as many other network segments require no agreements.
2e.	Construction Permits and Other Approvals	64	Baseline plan anticipated 96% completion of milestone by end of the quarter. Completion is approximately 30% lower but very close to previous performance progress report that anticipated 67% completion. Negative variance from baseline plan is attributed to delays in selection of data center design firm and route engineering. All relative permits have been drafted and submitted except the cabinet construction permits, which explains the 3% variance from the previous performance progress report anticipation.
2f.	Site Preparation	0	Previous PPR anticipated 23% completion of site preparation. Due to the delay on the submission and approval of the environmental assessment, no site work took place.
2g.	Equipment Procurement	0	Previous PPR anticipated 9% milestone completion. The procurement of cabinet equipment was delayed. This explains the negative variance between reports.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance
2i.	Equipment Deployment	0	No variance
2j.	Network Testing	0	No variance
2k.	Other (please specify): Grant Administration	42	No variance
<p>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).</p> <p>One of the challenges that we have overcome is the submission and approval of our Environmental Assessment, which did create a delay which is now past. This has delayed the gathering of needed construction permits and contractor selections. The length of the</p>			

EA approval process also delayed the Rights of Way gathering because the final route had not been approved in the Environmental Assessment to get the necessary Rights of Way, thus the Environmental Assessment delay delayed any site prep from beginning. Collecting those Rights of Way is now underway.

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	No variance
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	No variance
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
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:
 In 2011 Q3 we met with VGCS and MGW, two local service providers, who indicated keen interest in offering services on the network. We also prepared an information handout for Service Providers, and developed a draft service provider contract. We had discussions with Zayo, a major national wholesaler of Internet access, and Zayo has been provided with more information on the network. In our experience on past projects, service providers will rarely make a written commitment or sign a formal contract until a construction contract for the network has been signed. Accordingly, we plan to aggressively begin marketing the network to service providers in 2012, Q1. Based on the high levels of interest that have been expressed so far, we anticipate no difficulty having providers offering services on Day one of network operations. We further note that VGCS is a formal partner in the project, and they have consistently indicated they intend to be a Day One provider.

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:
 N/A

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	No variance
	Providers with signed agreements receiving improved access	0	No variance
	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	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Residential / Households	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
	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 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
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).

For the next quarter, 2011 Q4 (October 1 through December 31), a portion of the fiber equipment will be ordered. Fiber bids will be received and fiber work will be close to starting. DSL cabinet and equipment ordering will begin as well as the contractor selection process will be started. Data Center construction will begin. There will be 0 new network miles deployed, 0 new network miles leased, 0 total CAI subscribers served, and 0 signed agreements with broadband wholesalers or last mile providers in 2011 Q4. 2011 Q4 completed milestones will include a signed contract for Data Center construction and the start of Data Center construction, issuance of the fiber construction RFP, issuance of the fiber and duct purchase orders, issuance of the RFP for DSL cabinet site construction, issuance of purchase orders for all of the DSL and fiber cabinets, and issuance of purchase orders for all DSL-related equipment purchases (DSLAMS, UPSes, batteries, patch panels, and misc. hardware). The contract for the fiber and DSL cabinet site construction should also be signed.

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	18	Estimated expenditures of \$1,814,820 represents 18% of the total project funds. Baseline plan indicated 69% of overall project completion by the end of the quarter. As has been explained in previous reports, delays to the environmental assessment, data center design, and route engineering have set the project off of its baseline time line. However, data center construction is likely to start during this quarter and be completed by Summer 2012. Route engineering is complete. The fiber construction RFP will be released during the first week of December and will be due back four weeks later. We expect to make an award for that work in January, and work will start in February.
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	49	100% of the needed easements have been identified which makes up 15% of this overall milestone and there will be about 40% of the needed easements gathered during 2011, Q4. The combination of the 15% from the completion of the identification of the easements and 40% of the easements being gathered gives the 49% completion of this overall milestone. Baseline plan indicated 100% of the ROW's would have been completed by end of this quarter. This has been delayed by the route engineering and deciding on the placement of some of the DSL sites. Delays have also been because of a legal delay on approving the easement agreements.
2e.	Construction Permits and Other Approvals	89	All relative permits should be submitted by the end of the quarter and we will be waiting on some of the approvals. Most of the permit approvals should be granted by the end of the quarter. Baseline plan anticipated 100% completion of milestone by the end of the quarter. Negative variance is attributed to delays in the selection of data center design firm and route engineering.
2f.	Site Preparation	23	Planned expenditures of \$10,000 for DSL site prep represents 23% of budgeted site prep work. The baseline plan anticipated a milestone completion of 70%. Variance is explained by the delay in DSL construction due to the environmental assessment submission and approval delay.
2g.	Equipment Procurement	22	Planned purchase of \$500,000 for cabinet and network equipment represents 22% of equipment budget. Baseline plan indicated 89% completion of milestone by end of quarter. This negative variance is explained by discrepancy in project

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			plan timeline and delays resulting from the environmental assessment. Also, delays in easement procurement has delayed the ordering of equipment.
2h.	Network Build (all components - owned, leased, IRU, etc.)	2	Baseline plan anticipated 33% completion of milestone. Negative variance is due to delays with the environmental assessment. Data Center construction is expected to begin during this quarter.
2i.	Equipment Deployment	0	Baseline plan anticipated 24% completion of milestone. Due to delays with the environmental assessment, DSL construction is not anticipated to begin during this quarter. Equipment for the DSL cabinets and fiber network will be ordered during the quarter, but no deployment is anticipated. DSL equipment (DSLAMs, UPSes, batteries, patch panels) will be installed in the DSL cabinets as construction in complete at each of the 29 sites. This work will begin in 2012 Q1. Customers will be able to begin purchasing services on a rolling basis as soon as the equipment is installed, so some customers should be receiving service in 2012 Q2. The data center is scheduled for completion in 2012 Q2, and fiber equipment will be installed in the data center as soon as all major construction and mechanical work is completed. Network equipment in fiber cabinets will be installed as the fiber construction on fiber segments connected to the cabinet are complete. Portions of the network will be lit and customers will be connected on a rolling basis once the data center is complete and the first fiber segments are completed. Both the data center and some fiber segments will be completed in 2012 Q2.
2j.	Network Testing	0	Baseline plan anticipated 22% completion of milestone. Due to delays with the environmental assessment, DSL construction is not anticipated to begin during this quarter. Testing cannot take place if equipment is not deployed. Network testing will begin as soon as the data center and the first fiber segments are completed in 2012 Q2. Network testing will continue on a rolling basis as additional fiber route segments are completed, with all testing complete in 2012 Q4.
2k.	Other (please specify): Grant Administration	50	No 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).

Data Center bids have been received and there are some minor changes that need to be made to the specifications to keep that portion of the project in budget. Adjustments will NOT affect the size of the facility nor will it affect RANA's ability to market the facility; no essential systems will have be eliminated. Changes under review will not affect the scheduled completion in 2012 Q2. The contract for construction should be signed in December 2011. We have identified the necessary easements for the Cabinet the fiber construction. Because of the number of easements required, we have hired a person that is performing the title searches required to verify the easements that are needed. While the easement research is going on, the county and the RANA board are holding meetings to gather easement signatures. For landowners that do not attend a group meeting or agree to sign at a group meeting, we will go and talk to them one-on-one to get an easement signed. The majority of the fiber routes do not need easements, so any delays that come in gathering the easements will NOT delay fiber construction. We are also going through the final review of the fiber construction RFP, a legal review of it by the County Attorney is also underway. We will get final approval from the Board of Supervisors and have the fiber construction RFP advertised by the first week of December. The RFQ (Request For Quotation) for the purchase of fiber and conduit is also under final review as well as legal review by the County Attorney. It will be advertised by the first week of December. The DSL Cabinet and equipment RFP is under final technical and legal review. It will get final approval and be advertised by the first week of December. The RFP for Cabinet construction is under legal review by the County Attorney and will be advertised by the first week of December as well.

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	\$35,150	\$0	\$35,150	\$5,679	\$1,704	\$3,975	\$30,000	\$9,000	\$21,000
b. Land, structures, right-of-ways, appraisals, etc.	\$3,219,000	\$2,500,000	\$719,000	\$220,224	\$66,067	\$154,157	\$500,000	\$150,000	\$350,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,054,718	\$0	\$1,054,718	\$500,522	\$150,157	\$350,365	\$700,000	\$210,000	\$490,000
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$108,316	\$0	\$108,316	\$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	\$2,973,056	\$497,171	\$2,475,885	\$0	\$0	\$0	\$60,000	\$18,000	\$42,000
j. Equipment	\$2,239,010	\$0	\$2,239,010	\$0	\$0	\$0	\$500,000	\$150,000	\$350,000
k. Miscellaneous	\$361,320	\$0	\$361,320	\$17,822	\$5,346	\$12,476	\$24,820	\$7,446	\$17,374
l. SUBTOTAL (add a through k)	\$9,990,570	\$2,997,171	\$6,993,399	\$744,247	\$223,274	\$520,973	\$1,814,820	\$544,446	\$1,270,374
m. Contingencies									
n. TOTALS (sum of l and m)	\$9,990,570	\$2,997,171	\$6,993,399	\$744,247	\$223,274	\$520,973	\$1,814,820	\$544,446	\$1,270,374

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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