

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
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 Daniel Grim GIS Manager	7c. Telephone (area code, number and extension) 5404649656
	7d. Email Address dan_grim@co.rockbridge.va.us

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-29-2012
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 The project's activities during this quarter have been finishing up the Data Center construction and punch lists, project management, cabinet site construction, fiber network construction, and reporting. The fiber contractor is make substantial progress on the construction of the network. The city of Lexington conduit is completed and they are working on areas throughout the County. All fiber has been delivered. Project management duties have included compliance and reporting documentation, Rockbridge Area Network Authority (RANA) board meetings, continued development of interested service provider lists and making contact with prospective service providers, and managing the construction of both the cabinets and the fiber network.

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	56	The project has spent over 56% of the total project funds through this quarter. This is less than the anticipated progress update provided in the subsequent 2012 Q2 PPR. The delay is due to the Data Center contractor finishing up the punch list on Data Center construction.
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	95	Previous PPR anticipated 90% completion of this milestone. Positive variance is due to landowners along the routes are talking to each other and more landowners are signing than was anticipated. One of the routes where there were easement issues was eliminated and thus that reduced the number of needed easements.
2e.	Construction Permits and Other Approvals	100	No variance
2f.	Site Preparation	48	Previous PPR anticipated 30% completion of site preparation. Positive variance is due to the cabinet construction contractors are getting cabinets installed at a faster rate than was previously anticipated.
2g.	Equipment Procurement	48	Previous PPR anticipated 58% completion of equipment procurement. Most of the equipment bids/quotes have been returned and the difference in completion percentage is because some of the equipment is still in transit and has not been delivered or invoiced for yet.
2h.	Network Build (all components - owned, leased, IRU, etc)	55	Previous PPR anticipated 45% completion of this milestone by the end of this quarter. Positive variance from the previous PPR is due to the construction of the Data Center wrapping up, the fiber contractor is making substantial progress on getting the conduit installed, and the cabinet contractor is getting the cabinet sites constructed faster than anticipated.
2i.	Equipment Deployment	15	Baseline plan anticipated 62% completion of this milestone but there is no variance with the anticipated completion from the previous PPR. Due to delays with the environmental assessment and legal review of the bid documents, DSL construction did not begin until last quarter. Equipment for the DSL cabinet and fiber network cabinets was ordered during this quarter but none has been placed in the cabinets yet. The equipment being deployed last quarter was the cabinets themselves and racks and some equipment being installed in the Data Center.
2j.	Network Testing	0	Baseline plan anticipated 61% completion of this milestone but there is no variance with the anticipated completion from the previous PPR. Due to delays with the environmental assessment, construction began last quarter. Testing cannot take place until the equipment is deployed. Network testing will begin as soon as the data center and the first fiber segments are completed. Network testing will continue on a rolling basis as additional fiber route segments are completed.
2k.	Other (please specify): Grant Administration	75	No 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).

The fiber contractor is making substantial progress with construction. The issues faced this quarter have continued to be easements and getting them from landowners. We are working to resolve the issues on the routes and are planning to have them all resolved by the end of the next quarter, 2012 Q4.

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	10	The baseline plan indicated that there would be 60 new network miles deployed by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents. There has also been a delay in the legal preparation and review of the fiber network construction contract and that delayed the start of construction. There was also a delay in getting the VDOT permits for construction to begin. Construction is now underway and construction inside the City of Lexington is complete. We expect the construction in the County to begin to move at a faster pace because it is easier than in the City.
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)	10	The baseline plan indicated that there would be 60 new network miles deployed by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents. There has also been a delay in the legal preparation and review of the fiber network construction contract and that delayed the start of construction. There was also a delay in getting the VDOT permits for construction to begin. Construction is now underway and construction inside the City of Lexington is complete. We expect the construction in the County to begin to move at a faster pace because it is easier than in the City.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	The baseline plan indicated that there would be 2 new interconnection points deployed by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents. There has also been a delay in the legal preparation and review of the fiber network construction contract and that delayed the start of construction. Construction began last quarter, 2012 Q2.

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	5
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 and Q4 we met with Virginia Global Communication Systems (VGCS) and MGW Communications, two local service providers, who indicated keen interest in offering services on the network. We also prepared an informational handout for service providers and developed a draft service provider contract, which is currently undergoing legal review. We have had discussions with Zayo, a major national wholesaler of Internet access, and Zayo has been provided with more information on the network. Shentel has also expressed interest in being on the network. Service providers will rarely make a written commitment to sign a formal contract until a construction contract for the network has been signed. The signing of the construction contract was delayed due to legal review but we now have signed contracts. We plan to aggressively begin marketing the network to service providers in 2012 Q4. Based on high levels of interest that have been expressed thus 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. The Baseline plan indicated that we would have 5 signed agreements with 9 more agreements being negotiated. The negative variance is due to the delay in the submission and approval of the environmental assessment and the delay in legal review of the fiber network construction bid documents.

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 third party operates (600 words or less).
 RANA (Rockbridge Area Network Authority) will be operating the entire network. RANA has signed agreements with the County of Rockbridge for network handoff once construction and the grant period are complete.

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	The Baseline plan indicated that there would be 5 signed agreements by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and contract. Construction began during last quarter, 2012 Q2.
	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	No variance
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The Baseline plan indicated that there would be 105 total CAIs served by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in legal review of the network construction bid documents and the contract. Construction began during 2012 Q2 and we expect to begin serving CAIs in Lexington during 2012 Q4.

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	The Baseline plan indicated that there would be 105 total CAIs served by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in legal review of the network construction bid documents and the contract. Construction began during 2012 Q2 and we expect to begin serving CAIs in Lexington during 2012 Q4.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance
Residential / Households	Entities passed	400	The baseline plan indicated that there would be a total of 1000 residents/households passed by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and the contract. The network construction contract has been signed and construction has started.
	Total subscribers served	0	The baseline plan indicated that we would be serving a total of 392 residents/households by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and the contract. The network construction contract has been signed and construction has started.
	Subscribers receiving new access	0	The baseline plan indicated that there would be a total of 392 new subscribers served by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and the contract. The network construction contract has been signed and construction has started. We expected to begin serving subscribers in Lexington during 2012 Q4.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance
Businesses	Entities passed	50	The baseline plan indicated that there would be a total of 180 businesses passed by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and the contract. The construction contract has been signed and work has begun.
	Total subscribers served	0	The baseline plan indicated that there would be a total of 81 subscribers served by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and the contract. The construction contract has been signed and we expect to begin serving subscribers during 2012 Q4.
	Subscribers receiving new access	0	The baseline plan indicated that there would be a total of 81 subscribers served by the end of 2012 Q3. Negative variance is due to the delay in getting the environmental assessment submitted and approved as well as the delay in the legal review of the network construction bid documents and the contract. The construction contract has been signed and we expect to begin serving subscribers during 2012 Q4.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance

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, 2012 Q4 (October 1 through December 31), fiber construction is expected to continue. Data Center construction and punch lists will be complete and W&L will begin placing equipment inside the Data Center. We expect the fiber contractor to continue to make substantial progress on construction throughout the County. The cabinet construction will be continuing and we expect substantial progress to be made on the cabinets as well. We anticipate the project will be 67% complete during 2012 Q4 and 100% complete during 2013 Q2. We are anticipating to have 25 miles deployed, we plan to have 10 CAIs connected, and we are planning to have 3 service provider agreements by the end of 2012 Q4.

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	69	Estimated expenditures of \$6,954,000 represents over 69% of the total project funds. Baseline plan indicated 91% overall project completion by the end of the quarter. As has been explained in previous reports, delays in the submission and approval of the environmental assessment, data center design, data center contract negotiations, route engineering, delays in the legal review of the network construction bid documents and contracts, and delays in getting the Rockbridge County-City of Lexington agreement and VDOT permits have set the project off of its baseline time line. However, data center construction is almost complete and is scheduled for completion and acceptance during 2012 Q4. Route engineering has been completed and construction for both the DSL cabinets and the fiber network are underway. All of the cabinets, conduit, and fiber is on site and we are expecting to begin getting the fiber and DSL network equipment shipped throughout the next quarter.
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	100	No variance
2e.	Construction Permits and Other Approvals	100	No variance
2f.	Site Preparation	62	Baseline plan anticipated a milestone completion of 100%. Negative variance is explained by the delay in cabinet construction due to the environmental assessment submission and approval delay. It can also be attributed by the delay in the legal review of the cabinet site construction bid documents and the delay in contract preparation. The cabinet construction contract is signed and

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			construction is underway. We are currently waiting on CenturyLink to get back on the cabinet placement requirements for the remaining cabinets. We are expecting to being getting those requirements during the next quarter, 2012 Q4.
2g.	Equipment Procurement	67	Planned purchase of \$1,500,000 for fiber and other equipment represents 67% of the equipment budget. Baseline plan anticipated 100% completion of this milestone by the end of the quarter. Negative variance is explained by discrepancies in the project plan time line and delays resulting from the environmental assessment. Fiber has been delivered and we are expecting to have some of the fiber and DSL network equipment delivered during 2012 Q4. Also, delays in the legal review of the procurement bid documents delayed the advertisement of the equipment procurement bids. The have since been advertised and received and purchase orders are being sent out as the bids are evaluated. All of the conduit, cabinets, and fiber are on site and we are anticipating shipments of fiber and DSL equipment to be made next quarter, 2012 Q4.
2h.	Network Build (all components - owned, leased, IRU, etc.)	65	Baseline plan anticipated 77% completion of this milestone. Negative variance is due to delays with the environmental assessment, delay with the legal review of the network construction bid documents, delay in the legal preparation and review of the construction contracts, and lengthy data center contract negotiations. The data center construction is very close to completion and is scheduled for completion and acceptance during 2012 Q4. The cabinet and fiber network construction is underway. The fiber contractor has finished construction in downtown Lexington and we are expecting them to make substantial progress now that they have started working in the County.
2i.	Equipment Deployment	25	Baseline plan anticipated 75% completion of this milestone. Negative variance is due to delays with the environmental assessment and legal reviews of the bid documents and the construction contracts. Cabinet and fiber network construction are underway and both contractors have been making substantial progress towards completion. DSL equipment (DSLAMs, UPSes, patch panels, etc.) will be installed in the DSL cabinets as construction is complete at each of the 29 sites. Customers will be able to begin purchasing services on a rolling basis as soon as the equipment is installed. The data center is scheduled for completion and acceptance in 2012 Q4 with W&L installing their equipment over the Thanksgiving holiday. Network equipment in fiber cabinets will be installed as the fiber construction on fiber segments connected to the cabinets 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.
2j.	Network Testing	5	Baseline plan anticipated 74% completion of this milestone. Due to delays with the environmental assessment and legal review of the network construction bid documents and preparation of the construction contracts, cabinet construction is underway but no DSL network equipment has been deployed. The data center contract negotiations also delayed the start of the data center construction, which has now begun and is expected to be completed 2012 Q4. Network testing will begin as soon as the data center and the first fiber segments are completed. Network testing will continue on a rolling basis as additional fiber route segments are completed.
2k.	Other (please specify): Grant Administration	83	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).

The Data Center construction is scheduled for final completion and acceptance during 2012 Q4. The necessary easements for the cabinet and fiber network construction projects have been identified and we will continue to actively pursue getting those signed. CenturyLink has a new process that allows us to place our DSL cabinets inside of their existing easements, this has greatly reduced the number of easements needed for cabinet construction. We expect to hear back from CenturyLink on the requirements for placing our DSL cabinets during the next quarter, 2012 Q4. The County has made substantial progress along the fiber routes with landowners and getting the needed easements and the County will continue talking with landowners one-on-one and we have a local engineering firm that will continue actively pursuing the remaining easements as well. One of the routes from Buena Vista to Mountain View Elementary will be removed pending approval and will greatly reduce the number of needed easements. We are expecting to get all of the remaining easements before the end of the next quarter, 2012 Q4 and do not foresee any further issues with the remaining landowners. VDOT permits have been granted and construction is underway throughout the County.

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	\$19,051	\$5,715	\$13,336	\$21,000	\$6,300	\$14,700
b. Land, structures, right-of-ways, appraisals, etc.	\$3,219,000	\$2,500,000	\$719,000	\$2,964,857	\$889,457	\$2,075,400	\$3,100,000	\$930,000	\$2,170,000
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	\$847,133	\$254,140	\$592,993	\$900,000	\$270,000	\$630,000
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$108,316	\$0	\$108,316	\$4,872	\$1,462	\$3,410	\$23,000	\$6,900	\$16,100
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	\$615,487	\$184,646	\$430,841	\$1,200,000	\$360,000	\$840,000
j. Equipment	\$2,239,010	\$0	\$2,239,010	\$1,089,044	\$326,713	\$762,331	\$1,500,000	\$450,000	\$1,050,000
k. Miscellaneous	\$361,320	\$0	\$361,320	\$100,802	\$30,241	\$70,561	\$210,000	\$63,000	\$147,000
l. SUBTOTAL (add a through k)	\$9,990,570	\$2,997,171	\$6,993,399	\$5,641,246	\$1,692,374	\$3,948,872	\$6,954,000	\$2,086,200	\$4,867,800
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$9,990,570	\$2,997,171	\$6,993,399	\$5,641,246	\$1,692,374	\$3,948,872	\$6,954,000	\$2,086,200	\$4,867,800

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: \$286
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