

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 NT10BIX5570130	3. DUNS Number 039872192
4. Recipient Organization Trillion Communications Corp. 4000 Farr Dr. , Bessemer, AL 35022-4836		
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 Dawit Aynachew	7c. Telephone (area code, number and extension) X	7d. Email Address DAynachew@hoskinscpas.com
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-30-2012	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 a. Installed 15 miles of fiber conduit
 b. Submitted for permit 80 miles of state right of way installation
 c. Received 3 additional railroad permits and permit for boring under Alabama River from US Army Core of Engineers
 e. Premise Pre-Installation Notification Program: Phase 1 Last Mile City 1- Hayneville, Alabama- report summary provided.
 f. National Telecommunications and Information Administration (NTIA) and National Oceanic and Atmospheric Administration (NOAA) performed a site visit to Trillion's home office and the Project's construction sites on March 12, 2012 through March 15, 2012. A detailed project inventory asset listing was provided and validation was performed by NTIA and NOAA.

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	14	The Project's drawdown system was suspended and a stop-work order was put into place pending National Telecommunications and Information Administration (NTIA) review of the Corrective Action Plan (CAP). Overall construction efforts were increased in order to catch up to the baseline prior to the suspension of Federal funds.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	15	The original schedule/plan was to complete the Engineering and Design by 'phase". Although the engineering for Phase 1 has been completed, the additional effort to complete the remaining designs for phases 2-9 were postponed due to the suspension of the federal funds.
2d.	Rights of Way	55	Prior to the stop work order, property leases for all Network Operational Centers (NOC) were pending execution.
2e.	Construction Permits and Other Approvals	15	Prior to the stop work order, A2D received commitments from Alabama Department of Transportation to reduce permit review time. In addition, A2D obtained proposal for project exclusive utility locate services to help improve permit submission time.
2f.	Site Preparation	35	Prior to the stop work order, the second construction management office and material storage yard was identified in the southern footprint and local hiring advertised.
2g.	Equipment Procurement	13	In relationship with construction activity, there was no need to exceed the need to purchase additional equipment until more network is built. We have acquired the equipment for 100% of phase 1.
2h.	Network Build (all components - owned, leased, IRU, etc)	8	Installation of the fiber conduit progressed as a result of an increase in Contractor crews. The average production rate of each crew was one (1) mile per day. The Contractor crews ramped up to the following: Two (2) installation/plowing crews and three (3) boring crews. Three (3) additional contractors were scheduled for February to include two (2) more plow crews and one (1) statewide boring company.
2i.	Equipment Deployment	7	The only Network Equipment deployed is co-located at the Level-3 facility in Dallas County.
2j.	Network Testing	12	This testing included fiber interoperability testing with service provider(s) from the co-location facility in Dallas County Alabama to the A2D test site in Atlanta GA. "Testing" involved measuring the stability of the design, as well as validating the system's architecture. In light of the current funding suspension, minimal testing was performed during this period due to construction schedule and focus on Corrective Action Plan Response.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	<p align="center">Project/ Other (please specify): Construction Notification</p>	35	<p>Project/Construction Notification continued to be a significant effort. The project was in the process of initiating Stakeholder and Community events that were necessary to ensure the area was aware of the construction effort. Meetings continue to be held with Political Oversight Committees, Media Outlets and Broadband Stakeholders. In light of the current suspension of the federal funds and work stoppage, efforts in this area continued due to the importance of keeping the community aware of the status of the project. Additional emphasis was placed on the finalizing any Corrective Action Plan Responses and securing the federal assets.</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).

The Trillion Comprehensive Community Infrastructure (CCI) Project's funding remains in "suspension status". A letter was forwarded to Trillion from the Director of National Oceanographic and Atmospheric Administration (NOAA) advising the company of the suspended federal funds. Trillion responded with its Corrective Action Plan (CAP) which provided details, schedules and proactive measures to ensure timely completion of the project. An Action Plan has been developed and will be initiated to accelerate the overall construction effort. The goals and objectives include the following challenges: Finalized Cash Match plans, Organizational Structure, Construction Viability and Accountability. Each of these has been communicated and shared with NTIA. Additionally, Trillion has begun a collaborative effort with the Minority Business Development Agency (MBDA) to ensure the action plans and proposals meet the expectations of NTIA. The MBDA and its National Director are providing direct support, MBDA Funded Center resources, guidance and counsel to Trillion in an effort to complete the CAP requirements and to implement an effective action plan for the project. The director has also initiated dialogue with potential investor groups that were interested in providing non-federal matching funds for the project. By executing the proposed solutions, and through the support of the MBDA, we will be able to successfully complete the project within the time frame stipulated in the Grant's Special Awards Conditions (SAC) document.

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	29	Work was delayed due to the suspension of the Project's funding. Fifteen miles of additional fiber conduit were installed prior to the suspension. Therefore, a total of 25 miles of conduit have been installed. An Action Plan developed to accelerate construction, once the suspension has been lifted.
New network miles leased	0	Work was delayed due to the suspension of the Project's funding. Action Plan developed to accelerate construction, once the suspension has been lifted.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	29	Work was delayed due to the suspension of the Project's funding. Twenty-nine (29) miles of fiber (90% aerial) has been installed by Troy Cable as part of our Joint Build Agreement. Action Plan developed to accelerate construction, once the suspension has been lifted.
Number of new wireless links	0	Work was delayed due to the suspension of the Project's funding. Action Plan developed to accelerate construction, once the suspension has been lifted.
Number of new towers	0	Work was delayed due to the suspension of the Project's funding. Action Plan developed to accelerate construction, once the suspension has been lifted.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new and/or upgraded interconnection points	0	Work was delayed due to the suspension of the Project's funding. Action Plan developed to accelerate construction, once the suspension has been lifted.

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	1
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: No new providers to report at this time.

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:

No new services to be reported at this time.

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).

South Central Alabama Broadband Commission (SCABC) - Sub Recipient

Attention: Chairman Charlie King (SCABC Board Chairman)

Phone: (334-412-9096)

Network sales and marketing, service provider management.

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	To be served in subsequent quarters after Suspension lifted
	Providers with signed agreements receiving improved access	0	To be served in subsequent quarters after Suspension lifted
	Providers with signed agreements receiving access to dark fiber	0	To be served in subsequent quarters after Suspension lifted
	Please identify the speed tiers that are available and the number of subscribers for each	0	To be served in subsequent quarters after Suspension lifted
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	To be served in subsequent quarters after Suspension lifted
	Subscribers receiving new access	0	To be served in subsequent quarters after Suspension lifted

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving improved access	0	To be served in subsequent quarters after Suspension lifted
	Please identify the speed tiers that are available and the number or subscribers for each	0	To be served in subsequent quarters after Suspension lifted
Residential / Households	Entities passed	0	To be served in subsequent quarters after Suspension lifted
	Total subscribers served	0	To be served in subsequent quarters after Suspension lifted
	Subscribers receiving new access	0	To be served in subsequent quarters after Suspension lifted
	Subscribers receiving improved access	0	To be served in subsequent quarters after Suspension lifted
	Please identify the speed tiers that are available and the number of subscribers for each	0	To be served in subsequent quarters after Suspension lifted
Businesses	Entities passed	0	To be served in subsequent quarters after Suspension lifted
	Total subscribers served	0	To be served in subsequent quarters after Suspension lifted
	Subscribers receiving new access	0	To be served in subsequent quarters after Suspension lifted
	Subscribers receiving improved access	0	To be served in subsequent quarters after Suspension lifted
	Please identify the speed tiers that are available and the number of subscribers for each	0	To be served in subsequent quarters after Suspension lifted

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

Regional Tele-Health Network Program to provide a private network for approved healthcare providers participating in conjunction with the State of Alabama Tele-Health Initiative.

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).

- a) The SCABC has confirmed that Grain Management to provide the Cash Match. The Terms/Conditions will be finalized by May 30th.
- b) Sub-Recipient status currently held by A2D, Inc. is being revised. The characteristics of this company changed, thus requiring the change from Sub-Recipient to Contractor.

- c) The project will centralize and control all construction activities via one General Contractor (GC), utilizing subcontractors to complete a simultaneous build out. Trillion will oversee all construction activity.
- d) Publish Procurement Document to assist in the selection of the General Contractor.
- e) The Minority Business Development Agency (MBDA) will play a significant role in supporting the Project Management activities.
- f) A Project "Accelerated Construction Plan" will be implemented to ensure the project meets ARRA Completion Date.
- g) Number of Miles to be Deployed by Next Quarter = 0. This is due primarily to the suspension of the federal funds. We do not expect to begin construction until NTIA/NOAA lifts the suspension. Expectations are that this will occur in the June time frame. Therefore, construction will re-start as soon as official authorization is received to go forward.
- h) Number of Community Anchor Institutions (CAIs) planned to connect = 0 (Rationale same as "g" above)
- i) Number of broadband wholesaler/last mile provider agreements you plan to sign (Rationale same as "g" above)

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	23	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. An accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	20	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. An accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2d.	Rights of Way	57	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2e.	Construction Permits and Other Approvals	18	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2f.	Site Preparation	40	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2g.	Equipment Procurement	19	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2h.	Network Build (all components - owned, leased, IRU, etc.)	12	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2i.	Equipment Deployment	11	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.
2j.	Network Testing	18	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify): Project/ Construction Notification	42	Work was delayed due to the suspension of the Project's funding and the stop work order initiated by NTIA and NOAA. Once suspension has been lifted, an accelerated schedule has been developed to ensure the project completes its deliverable by the end of the project period.

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).

- a) Davis-Bacon Act Wage Determinations are being finalized for several planned Heavy Construction Labor Employee positions. The wage rates proposed must adhere to the appropriate wages, as defined by the Department of Labor for each county.
- b) The Cash Match component with Grain Management must be finalized in May to ensure ARRA deliverables are met.
- c) Finalize restructuring the Project's Core Team, as defined by the Corrective Action Plan.
- d) Complete the agreement with the MBDA Funded Center to finalize the Project Manager position.
- e) Implement & monitor security and protection measures for the Material and Equipment currently staged in Hayneville, during the suspension period.
- f) Finalize Memorandum of Understanding between Trillion and South Central Alabama Broadband Commission. This document will reflect roles, responsibilities and assignments for SCABC.
- g) Develop a comprehensive Notification and Stakeholder manual.

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	\$1,761,710	\$386,312	\$1,375,398	\$1,038,207	\$0	\$1,038,207	\$1,097,721	\$59,514	\$1,038,207
b. Land, structures, right-of-ways, appraisals, etc.	\$349,577	\$316,756	\$32,821	\$0	\$0	\$0	\$35,333	\$29,945	\$5,388
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$100,000	\$18,780	\$81,220	\$0	\$0	\$0	\$11,982	\$1,827	\$10,155
e. Other architectural and engineering fees	\$10,379,021	\$3,254,926	\$7,124,095	\$5,362,620	\$567,019	\$4,795,601	\$5,760,749	\$965,148	\$4,795,601
f. Project inspection fees	\$444,335	\$139,077	\$305,258	\$0	\$0	\$0	\$31,087	\$6,263	\$24,824
g. Site work	\$19,589,925	\$6,006,703	\$13,583,222	\$1,262,765	\$7,000	\$1,255,765	\$2,086,908	\$655,255	\$1,431,653
h. Demolition and removal	\$43,200	\$13,522	\$29,678	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$1,371,989	\$429,433	\$942,556	\$0	\$0	\$0	\$460,547	\$27,893	\$432,654
j. Equipment	\$22,470,612	\$6,668,780	\$15,801,832	\$2,988,430	\$365,524	\$2,622,906	\$7,060,188	\$1,590,458	\$5,469,730
k. Miscellaneous	\$29,746,611	\$9,764,147	\$19,982,464	\$1,361,424	\$15,278	\$1,346,146	\$3,674,151	\$439,477	\$3,234,674
l. SUBTOTAL (add a through k)	\$86,256,980	\$26,998,436	\$59,258,544	\$12,013,446	\$954,821	\$11,058,625	\$20,218,666	\$3,775,780	\$16,442,886
m. Contingencies									
n. TOTALS (sum of l and m)	\$86,256,980	\$26,998,436	\$59,258,544	\$12,013,446	\$954,821	\$11,058,625	\$20,218,666	\$3,775,780	\$16,442,886

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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