

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
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4. Recipient Organization

 Trillion Communications Corp. 4000 Farr Dr.
 , Bessemer, AL 35022-4836

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 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): 10-31-2012
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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>a. Submitted two July 2012 CAP Responses to NOAA/NTIA.</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	15	The Project's drawdown system was suspended and a stop-work order was put into place by the NOAA Grants Office. Trillion was notified by NOAA of the project's termination on September 26, 2012.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	15	Trillion was notified by NOAA of the project's termination on September 26, 2012. 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	Trillion was notified by NOAA of the project's termination on September 26, 2012. Prior to the termination order, property leases for all Network Operational Centers (NOC) were pending execution. ALDOT approved the ROW Valuation. This valuation served as the non-federal match portion of the project. A letter from ALDOT supporting the valuation was provided to NTIA/NOAA via the CAP Responses.
2e.	Construction Permits and Other Approvals	15	Trillion was notified by NOAA of the project's termination on September 26, 2012. Prior to the termination order, Trillion received commitments from Alabama Department of Transportation to reduce permit review time.
2f.	Site Preparation	35	As a result of the termination, all construction material remains in a secured warehouse facility. The facility is gated and monitored via cameras placed throughout the facility.
2g.	Equipment Procurement	14	As a result of the suspension/termination of the project, no construction activity has occurred since February 9, 2012. There was no need to exceed the requirement to purchase additional equipment until the network construction activity continues. Prior to the termination notification, a revised detailed budget forecast and a detailed budget narrative on how Trillion intended to complete the network's deployment with the balance of the remaining Federal Grant was performed.
2h.	Network Build (all components - owned, leased, IRU, etc)	8	The Project has been terminated. No additional construction was performed in this quarter.
2i.	Equipment Deployment	7	No additional equipment has been installed since the Work Stop Notification. All network equipment have been transferred to a secure warehouse facility located in the Hope Hull Alabama vicinity. The equipment was originally staged in an open fenced-in construction yard, in Hayneville Alabama. An inventory of all equipment was taken during the transfer.
2j.	Network Testing	12	Trillion was notified by NOAA of the project's termination on September 26, 2012. Therefore, no additional testing has been performed. The original 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, as well as A2D's removal from the project,

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			no testing was performed during this period and all equipment is being removed from A2D's office location in Atlanta, GA.
2k.	Other (please specify):	35	The Project has been terminated. Prior to the termination notification, Trillion initiated Stakeholder and Community meetings that were necessary to ensure the area was aware of the planned construction effort. Meetings were held with Alabama Governor's office , Alabama Department of Transportation (ALDOT), Congressmen, Senators and other political leaders to discuss the status of the project and to solicit their support. Trillion continued to schedule meetings with Media Outlets and Broadband Stakeholders.

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).

Trillion responded with its Corrective Action Plan (CAP) on July 5, 2012 and July 13, 2012 which provided details, schedules and proactive measures to ensure timely completion of the project. An Action Plan had been developed to accelerate the overall construction effort. The goals and objectives include the following challenges: Finalizing the Cash Match/In-Kind plans, developing a feasible SCABC Organizational Structure, Construction Scheduling, Viability and Accountability. Each of these had been communicated and shared with NTIA. Additionally, Trillion began collaborating 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 provided 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 purposeful intent behind the collaboration was 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 stopped due to the suspension and termination of the Project. 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, a revised detailed budget forecast and a detailed budget narrative on how Trillion intended to complete the network's deployment with the balance of the remaining Federal Grant was finalized.
New network miles leased	0	Work was stopped due to the suspension and termination of the Project. An Action Plan was developed to accelerate the 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 stopped due to the suspension and termination of the Project. Twenty-nine (29) miles of fiber (90% aerial) have been installed by Troy Cable as part of our Joint Build Agreement. An Action Plan was developed to accelerate the construction.
Number of new wireless links	0	Work was stopped due to the suspension and termination of the Project. Prior to the termination notice, an Action Plan was developed to accelerate the construction, once the suspension has been lifted.
Number of new towers	0	Work was stopped due to the suspension and termination of the Project. Prior to the termination notice, an Action Plan was developed to accelerate the 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 stopped due to the suspension Prior to the termination notice, an of the Project. An Action Plan was developed to accelerate the 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: N/A. The project has been terminated. No new providers will be reported.

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. The project has been terminated. No new services will be reported.

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. The project has been terminated.

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 Project has been terminated. No further activities planned.
	Providers with signed agreements receiving improved access	0	The Project has been terminated. No further activities planned.
	Providers with signed agreements receiving access to dark fiber	0	The Project has been terminated. No further activities planned.
	Please identify the speed tiers that are available and the number of subscribers for each	0	The Project has been terminated. No further activities planned.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The Project has been terminated. No further activities planned.
	Subscribers receiving new access	0	The Project has been terminated. No further activities planned.

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	The Project has been terminated. No further activities planned.
	Please identify the speed tiers that are available and the number or subscribers for each	0	The Project has been terminated. No further activities planned.
Residential / Households	Entities passed	0	The Project has been terminated. No further activities planned.
	Total subscribers served	0	The Project has been terminated. No further activities planned.
	Subscribers receiving new access	0	The Project has been terminated. No further activities planned.
	Subscribers receiving improved access	0	The Project has been terminated. No further activities planned.
	Please identify the speed tiers that are available and the number of subscribers for each	0	The Project has been terminated. No further activities planned.
Businesses	Entities passed	0	The Project has been terminated. No further activities planned.
	Total subscribers served	0	The Project has been terminated. No further activities planned.
	Subscribers receiving new access	0	The Project has been terminated. No further activities planned.
	Subscribers receiving improved access	0	The Project has been terminated. No further activities planned.
	Please identify the speed tiers that are available and the number of subscribers for each	0	The Project has been terminated. No further activities planned.

7. Please describe any special offerings you may provide (600 words or less).
All work has stopped due to the suspension and termination of the Project.

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).
All work has ceased due to the termination of the Project. The project closeout process will begin during the next quarter.

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	24	Work was cancelled due to the Project's suspension/termination 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 cancelled due to the Project's suspension/termination 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 cancelled due to the Project's suspension/termination 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.
2e.	Construction Permits and Other Approvals	18	Work was cancelled due to the Project's suspension/termination 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.
2f.	Site Preparation	40	Work was cancelled due to the Project's suspension/termination 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.
2g.	Equipment Procurement	19	Work was cancelled due to the Project's suspension/termination 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.
2h.	Network Build (all components - owned, leased, IRU, etc.)	12	Work was cancelled due to the Project's suspension/termination 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.
2i.	Equipment Deployment	11	Work was cancelled due to the Project's suspension/termination 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.
2j.	Network Testing	18	Work was cancelled due to the Project's suspension/termination 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.
2k.	Other (please specify):	12	Work was cancelled due to the Project's suspension/termination 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.

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

The Project has been terminated and all work has stopped. Trillion will initiate the Project Closeout during the next quarter.

