

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 NT10BIX5570139	3. DUNS Number 833111102
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4. Recipient Organization

Maine Fiber Company, Inc. 245 Commercial St, Suite 203, Portland, ME 04101-4606

5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011	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 Doreen Bell	7c. Telephone (area code, number and extension) X
	7d. Email Address dbell@tilsontech.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-25-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

- We completed construction on an additional 53 miles bringing the total mileage of fiber construction to 79 miles; 4 miles ahead of the project's target baseline. We are on track to achieve our next level of construction mileage for the end of the third quarter.
- We achieved just over 46% make-ready completion and have received the same amount in licenses from the pole owners.
- We also achieved approval from the Maine State Historical Preservation Office on the archeological footprint for the new pole gaps on the project and are authorized to proceed with installing our new poles.
- We awarded the installation and supplying of new poles to the winning vendor; currently completing contract negotiations.
- We are on track with make-ready applications for the approved Community Anchor Institutions and are in pre-construction on some of these laterals. We continue to review and approve additional CAI's as they apply to participate on the project.
- We received licenses from pole/conduit owners to lease conduit over several bridge crossings.

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	27	Better than anticipated make-ready survey completion generated more make-ready costs for the project to pay to the pole owners pushing make-ready completion along at a faster pace.
2b.	Environmental Assessment	100	No variance (completed)
2c.	Network Design	100	No variance
2d.	Rights of Way	45	No variance
2e.	Construction Permits and Other Approvals	46	Better than expected make-ready completion generated better than expected pole licenses
2f.	Site Preparation	46	Better than expected make-ready completion
2g.	Equipment Procurement	7	The original baseline listed 15% completion of Equipment Procurement by this quarter's end. However, the baseline percentage was calculated incorrectly as construction can follow significantly behind make-ready completion. The calculation error was only discovered on last quarter's PPR. The Equipment Procurement percentage listed for next quarter's PPR is an accurate prediction.
2h.	Network Build (all components - owned, leased, IRU, etc)	7	The original baseline listed 15% completion of Network Build by this quarter's end. However, the baseline percentage was calculated incorrectly as construction can follow significantly behind make-ready completion and equipment procurement. The calculation error was only discovered on last quarter's PPR. In this quarter, Network Build followed close enough behind Equipment Procurement to match percentages. Going forward, Network Build may match Equipment Procurement or follow closely behind. The percentage listed for next quarter's PPR is an accurate prediction.
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	3	The original baseline listed 10% completion of Network Testing by next quarter's end. However, that calculation is incorrect as there may be a time lag between construction completion and Network Testing. This means that the percentage of Network Testing may track more slowly against the Overall Project rate than the percentages calculated in the original baseline. The calculation error was only discovered on last quarter's PPR. The percentage listed for next quarter's PPR is an accurate prediction.
2k.	Other (please specify):	0	N/A

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).

- Third-party make-ready communication continued successfully among MFC's project team and the pole owners. Third-party make-ready progress is currently in advance of baseline milestones.
 - MFC received challenging news this quarter from its fiber vendor when the vendor required MFC to limit its monthly orders to a rationed amount of fiber glass production. This rationing could have negatively impacted the project by delaying the ability to move into construction due to unavailable fiber. MFC's project team worked very hard to collaborate with the fiber vendor to reduce negative impacts to the schedule and secured committed delivery dates by agreeing to purchase the fiber in advance. The project team received technical assistance from the BTOP program on the drop-in call regarding fiber procurement and the worldwide shortage that occurred within this quarter; as well as assistance from its FPO during the biweekly conference calls.

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	79	Completed construction on 4 additional miles over the baseline due to early make-ready completion.
New network miles leased	0	No variance; no leases planned - dark fiber
Existing network miles upgraded	0	No variance; none planned
Existing network miles leased	0	No variance; none planned
Number of miles of new fiber (aerial or underground)	79	Completed construction on 4 additional miles over the baseline due to early make-ready completion.
Number of new wireless links	0	None planned
Number of new towers	0	None planned
Number of new and/or upgraded interconnection points	17	Better than expected service provider take-rate/private investment. The positive rate of make-ready completion continues to demonstrate project success to the community and the project is tracking ahead of the baseline.

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	6
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	9
Average term of signed agreements (in quarters)	80

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

- Not applicable this quarter

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:

- Dark fiber, prices are listed on the MFC website at www.maineiberco.com

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; this is a dark fiber network.

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	6	Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups
	Providers with signed agreements receiving improved access	0	N/A; the baseline showed target numbers for agreements with improved access, but current NTIA guidelines indicate that our agreements reflect new access and are being tracked as such.
	Providers with signed agreements receiving access to dark fiber	6	Better than expected service provider take-rate; results of earlier efforts of carrier outreach resulted in faster than expected sign-ups
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark fiber only; speed will vary depending on last mile provider equipment.
	Total subscribers served	13	Increased demand for healthcare information technologies (HIT) and education
	Subscribers receiving new access	3	Increased demand for HIT and rural community services
	Subscribers receiving improved access	10	Increased demand for HIT and rural community services
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark fiber only; speed will vary depending on last mile provider equipment.
	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	Dark fiber only; speed will vary depending on last mile provider equipment.
	Entities passed	0	MFC is not collecting this data
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A

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

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
- No variance

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
Medical Center Drive	Cumberland County	Healthcare	No	Dark fiber provided only; healthcare
Amity Town Hall	Aroostook County	Rural Community Services	No	Dark fiber provided only; rural community services

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 - We anticipate continued successful coordination with the third-party pole owners to maintain the fast pace of make-ready completion and receiving additional attachment licenses.
 - If the fast pace of make-ready completion continues, we anticipate completing an additional 75 miles of fiber deployment with the majority of these miles completing construction keeping the project on track with its baseline estimates.
 - Continue bridge engineering and permitting.
 - Finalizing contract negotiations with the new pole installer/vendor and beginning installation of the new poles in the pole gaps.
 - Continue receiving make-ready completion on the approved CAI laterals as well as approving new CAI applications.
 - Continue to engineer service provider use of the network and to negotiate agreements.

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	43	Better than anticipated make-ready completion is moving the project along faster than anticipated
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	55	No variance
2e.	Construction Permits and Other Approvals	55	Better than anticipated make-ready completion; the site preparation tracks closely with the construction permits and other approvals.
2f.	Site Preparation	55	Better than anticipated make-ready completion; the site preparation tracks closely with the construction permits and other approvals.
2g.	Equipment Procurement	20	No variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	20	No variance
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	20	No variance
2k.	Other (please specify):	0	N/A

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 current pace of make-ready completion by the third-party pole owners needs to continue to obtain the baseline requirements for next quarter. We anticipate this pace continuing.
- The project's fiber vendor needs to continue making timely fiber deliveries to make the current schedule. We anticipate the fiber vendor making these deliveries.

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	\$640,161	\$128,032	\$512,129	\$405,820	\$81,164	\$324,656	\$555,820	\$111,164	\$444,656
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$8,821,039	\$1,764,208	\$7,056,831	\$5,730,837	\$1,146,169	\$4,584,668	\$7,580,837	\$1,516,167	\$6,064,670
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$20,427,522	\$4,085,504	\$16,342,018	\$2,269,992	\$453,998	\$1,815,994	\$5,269,992	\$1,053,998	\$4,215,993
j. Equipment	\$800,000	\$160,000	\$640,000	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$70,000	\$14,000	\$56,000	\$7,600	\$1,520	\$6,080	\$10,400	\$2,080	\$8,320
l. SUBTOTAL (add a through k)	\$30,758,722	\$6,151,744	\$24,606,978	\$8,414,249	\$1,682,851	\$6,731,398	\$13,417,049	\$2,683,409	\$10,733,639
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$30,758,722	\$6,151,744	\$24,606,978	\$8,414,249	\$1,682,851	\$6,731,398	\$13,417,049	\$2,683,409	\$10,733,639

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: \$3,432
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