

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 NT10BIX5570146	3. DUNS Number 142605331
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4. Recipient Organization SHO-ME Technologies, L.L.C. 301 W Jackson St., Marshfield, MO 65706-2128
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Miles Brusherd	7c. Telephone (area code, number and extension) X
	7d. Email Address Mbrusherd@shometech.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-23-2011
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Project Indicators (This Quarter)

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

a) Special Award Condition (SAC) accomplishments:
 [i] Issuance, submittal and approval of American Recovery and Reinvestment Act (ARRA) Prime Recipient Report for Quarter 2 (Q2) 2011.
 [ii] Issuance, submittal and approval of Federal Financial Report (FFR) Standard Form 425 (SF-425) for Q2 2011.
 [iii] Issuance, submittal and approval of Performance Progress Report (PPR) for Q2 2011.
 [iv] Received programmatic waiver regarding certain indefeasible rights-of-use sale or lease (IRU) SAC.

b) Overall Project Accomplishments:
 [i] Connection of first Community Anchor Institution (CAI) at Missouri State Fair with subsequent kickoff presentation to the Governor at the 2011 Missouri State Fair event.
 [ii] Request For Proposal (RFP) procurement process in full cycle and awarded for budgeted fiber, construction materials, Dense Wavelength Division Multiplexing (DWDM) equipment, Ethernet equipment, shelters, generators, Point-of-Presence (PoP) site preparation and construction. Began receiving most Phase 1 orders arriving at warehouse. Orders for Phase 2 underway.
 [iii] Underground fiber construction contractors selected, awarded, pre-con meetings held and started underground construction on three routes of Phase 1. In the face of a critical fiber shortage, we persisted to successfully install over 130 miles of innerduct underground and made ready for swift installation of ordered fiber scheduled to arrive next quarter from an alternative fiber supplier.
 [iv] Fiber construction contract was awarded to start building lateral connections to 100 Community Anchor Institutions (CAI) subscriber locations. Innerduct was built to 18 CAIs, of which 9 have fiber installed, and first 3 CAIs now have completed connection to BTOP funded equipment.
 [v] Completed site acquisition of 10 of 12 small lots at strategic PoP locations planned for equipment shelters along the middle mile project routes.
 [vi] Two contractors awarded for construction preparations at 14 of 15 PoP site lots including grading, gravel parking space, concrete slab for equipment shelter and conduits for fiber and electric service.
 [vii] Completed delivery of 9 of 15 equipment shelters with emergency back-up generators directly to PoP site locations and off-loaded via crane.
 [viii] Electrical contractor awarded contract to install electric service wiring into new equipment shelters, emergency back-up generators, and ground wire protection.
 [ix] Completed installation and testing of procured Digital Access and Cross-connect System (DACs) at Sho-Me Technologies' Network Operations Center (NOC).
 [x] Installation and testing of Phase 1 DWDM and Ethernet optical equipment underway at in-kind PoPs, including respective Network Management Systems and servers at the NOC.
 [xi] Near completion of Sho-Me Technologies' NOC air handlers and final testing underway.
 [xii] In-kind fiber testing continues along several routes with completion expected next quarter.
 [xiii] Secured all known, necessary permits including but not limited to those from the USACE and Missouri DNR, Rights-of-Way with MoDOT for fiber construction of several initial routes.
 [xiv] Successful Community Outreach continuing with ongoing participation in numerous Regional Technology Planning Teams across Missouri including citizens, policy makers, business, industry, higher education, schools, healthcare, Internet Service Providers to advance broadband demand and adoption, broadband service and infrastructure availability, within the 30-county project region. Ongoing media participation including live interviews on local radio stations. Weekly newsletter updates posted to project website.
 [xv] Ongoing PI/PD oversight and field inspections throughout the project including weekly update team meetings.
 [xv] As per 15 C.F.R. §§ 14.24, program income generated during the grant award period will be retained by Sho-Me Technologies, LLC (Sho-Me) and added to the funds committed to the project by NTIA. Sho-Me will conduct additional activities that will further eligible project objectives, including (a) reinvestment in project facilities, (b) funding BTOP compliance costs, and (c) paying operating expenses of the project.

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	20	Below Baseline by 28% mostly due to equipment being received in 4th Qtr 2011 rather than 3rd Qtr as anticipated and fiber delay. However with the contribution of approximately 500 miles of in-kind fiber and the progression of construction, Sho-Me anticipates catching up to near baseline projections in 4th Qtr 2011.
2b.	Environmental Assessment	82	Below Baseline by 18%, actual cost of EA below budget, a few additional EA related costs are anticipated through the next couple of quarters.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2c.	Network Design	50	Above Baseline by 10% because original budget projected Network Design budgeted evenly throughout project, however more time has been devoted early prior to construction than will be needed later in project.
2d.	Rights of Way	42	Below Baseline by 32% due to prudent site acquisition practices yielding lower than anticipated land costs for several PoP sites, a few land purchases still pending closure next quarter.
2e.	Construction Permits and Other Approvals	2	Below Baseline by 30% due to vigilant engineering oversight which moderated Construction and Permitting costs to date.
2f.	Site Preparation	70	Below Baseline by 22% because more has been budgeted in this category due to the Increased cost of NOC Air Handlers. Site Prep is expected to be 100% by 1st Qtr 2012.
2g.	Equipment Procurement	24	Below Baseline by 35% due to delay in Fiber, however will start paying for in 4th Qtr 2011, DWDM equipment was scheduled to be paid for in Sept., received in Oct will pay for in 4th Qtr 2011 which combined with 4th Qtr fiber delivery will bring Sho-Me closer to baseline projections for 4th Qtr 2011.
2h.	Network Build (all components - owned, leased, IRU, etc)	12	Below Baseline by 27% because the delay of fiber has pushed budgeted costs to future quarters. With the 4th Qtr 2011 fiber delivery; Sho-Me expects to be near baseline projections by the end of 2011.
2i.	Equipment Deployment	66	Above Baseline by 36% due to the Increased cost of innerduct. The purchase of innerduct is near completion. The increased cost is not anticipated to affect the category budget by more than 10%.
2j.	Network Testing	0	Below Baseline by 39% because these expenses were moved to another category for budgeting purposes. Sho-Me does not anticipate having any costs in this category for the remainder of the project.
2k.	Other (please specify): Legal, Administrative, Pre-Award Expenses	39	Below Baseline by 8% because Legal expenses are significantly lower than anticipated and are anticipated to continue to be lower than baseline for the remainder of the project.

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).

- a) Last quarter, the Missouri Department of Transportation (MoDOT) announced closing 135 facilities and downsizing its staff size by 1,200 employees which may become a potential constraint on securing timely Rights-of-Way and permitting required for fiber route construction.
- b) Unforeseen fiber availability issue. Sho-Me's first fiber order was cancelled by the vendor. The second order was scheduled to be delivered in 3rd Qtr 2011, however, it was relayed to Sho-Me in August 2011 that the fiber would be delayed until February 2012. Sho-Me secured another order with a separate vendor and began receiving that fiber in October 2011.

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	3	Below plan due to unforeseen fiber availability constraint from manufacturers. However, in the face of this fiber shortage, Sho-Me persisted with breaking ground on construction. Crews have quickly progressed in aggressive underground conduit plowing schedule on three major route builds between 9 PoP sites. Fiber orders expected to start arriving early in next Quarter and crews are prepared to promptly begin pulling fiber into the new conduits next Quarter.
New network miles leased	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	457	More than half of in-kind fiber characterized, tested and expected to be fully contributed to the project next quarter as DWDM and Ethernet equipment is installed. Ongoing testing of remaining in-kind fiber continues toward catching up to baseline goal of 536 miles next Quarter.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	3	Below Baseline plan due to unforeseen fiber availability constraint from manufacturers. Fiber orders expected to start arriving early in next Quarter and crews are prepared to promptly begin pulling fiber into the new conduits next Quarter.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	18	In-kind fibers provisioned for interconnection to 15 existing PoPs plus 3 new PoP shelters. In the face of a critical fiber shortage, we persisted to successfully install underground conduit on several routes and made ready for swift installation of ordered fiber scheduled to arrive next quarter from an alternative fiber supplier. Expect to have all of new equipment shelters delivered to new PoP site interconnection points to bring us to baseline 27 next Quarter.

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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	13
Average term of signed agreements (in quarters)	12

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

Missouri State Office of Administration,
 Missouri Research and Education Network,
 Missouri Office of State Courts Administrator,
 Jefferson City Medical Group

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:

Sho-Me MO project offers Dedicated Internet Access, Time Division Multiplexing (TDM) circuits available at line rates from T-1 to OC-48, native Ethernet products from 5 Mb/s to GigE, Optical Wave Services available in 2.5 Gb/s and 10 Gb/s line rates for express routes between Points of Presence.

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).

N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	2	Above plan due to interest from successful Community Outreach.
	Providers with signed agreements receiving improved access	2	Above plan due to interest from successful Community Outreach.
	Providers with signed agreements receiving access to dark fiber	0	No variance.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	4	5 Mbps (0); 10 Mbps (1); 20 Mbps (1); 50 Mbps (0); 100 Mbps (2); 200 Mbps (0); 500 Mbps (0); GigE (0); DS1 (0); DS3 (0); OC-3 (0); OC-12 (0); OC-48 (0); 2.5 Gbps (0); 10 Gbps (0)
	Total subscribers served	13	Slightly below planned 17 CAIs due to unforeseen fiber availability constraint, however, we persisted to successfully build to 13 new CAIs and install conduit to another 4 CAIs made ready for swift installation of ordered fiber scheduled to arrive next quarter from an alternative supplier enabling catch up to baseline 17 next Qtr.
	Subscribers receiving new access	13	Above plan slightly as more CAIs will actually be new vs. improved category.
	Subscribers receiving improved access	0	Below plan slightly as more CAIs will actually be new vs. improved category.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	3	5 Mbps (0); 10 Mbps (0); 20 Mbps (1); 50 Mbps (0); 100 Mbps (2); 200 Mbps (0); 500 Mbps (0); GigE (0); DS1 (0); DS3 (0); OC-3 (0); OC-12 (0); OC-48 (0); 2.5 Gbps (0); 10 Gbps (0)
	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	N/A
	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

7. Please describe any special offerings you may provide (600 words or less).
None at this time.

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
Missouri State Fairgrounds	Sedalia	Govt.	Yes	Wi-Fi, online agricultural auctions, online agricultural education and new website AgBroadbandNow.
State Fair Community College	Sedalia	Community College	Yes	Expansion of online course offerings, streaming video, records compliance.
Sedalia 200 Smith-Cotton	Sedalia	School (K-12)	Yes	Enabling library services, attendance & records compliance, Department of Education and State DESE compliance.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Overall Project: Continue underground construction on several routes with expected installation of 100 miles of fiber to catch up rapidly with recently installed conduits. Seasonal inclement weather is expected to slow down construction progression during the winter months which will move our job creation figure to around 30.
 Rights of Way: Expect land acquisition for last PoP sites.
 Construction Permits and Other Approvals: Expected to be secured as necessary for ongoing construction.
 Site Preparation: Expect to complete all 15 new sites by wrapping up the last 6 made ready for shelters delivered with generators.
 Equipment Procurement: Expect first delivery of fiber, receipt and payment of Phase 2 DWDM and Ethernet equipment, and delivery of remaining 6 equipment shelters with generators. Vendor/RFP/procurement activities will continue for next construction phase.
 Network Build: Expect to install DWDM and Ethernet into NOC and PoP site shelters as planned for next construction phase.
 Equipment Deployment: Expect to connect next wave of new CAIs as construction continues. Expect execution of several additional Interconnection Agreements currently in negotiation.
 Community Outreach: Campaign efforts continue with local media and will include participation in a Statewide Summit meeting with MoBroadbandNow initiative partners for coordination of planned broadband development, accessibility and sustainability.
 New network miles deployed: 100. New network miles leased: 0. Total CAI subscribers served (CAIs connected): 17.
 Number of signed agreements with broadband wholesalers or last mile providers: 8.

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	55	Fiber delay has caused a slight delay in the Overall Project's progress compared to the baseline projections. However, with the contribution of in-kind fiber and the progress of construction, Sho-Me anticipates catching up to near baseline projections in 4th Qtr 2011.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	60	Above Baseline 10% because more time actually devoted prior to construction than will be needed later in project, though Network Design was budgeted evenly throughout project.
2d.	Rights of Way	77	Below Baseline by 6% since cable easements are expected to be under budget, thus a portion of cable easement expense moved to Site Preparation.
2e.	Construction Permits and Other Approvals	48	No variance.
2f.	Site Preparation	91	Below Baseline by 9%, however, extended budgeted costs into 2012 to account for work that will be performed throughout the construction process.
2g.	Equipment Procurement	63	Below Baseline by 5% as cost of DWDM equipment less than budgeted.
2h.	Network Build (all components - owned, leased, IRU, etc.)	46	No variance.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	Equipment Deployment	82	Above Baseline 35% due to the Increased cost of innerduct. The purchase of innerduct is near completion. The increased cost is not anticipated to affect the category budget by more than 10%.
2j.	Network Testing	0	Below Baseline by 46% because these expenses were moved to another category for budgeting purposes. Sho-Me does not anticipate having any costs in this category for the remainder of the project.
2k.	Other (please specify): Legal, Administrative, Pre-Award Expenses	58	Above Baseline 2%, however, Legal expenses are expected to be under budget, thus a portion of Legal expenses budgeted were moved to Site Preparation.

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).

Fiber availability: We have been working through the unforeseen constraint of procuring the necessary fiber cable on a timely basis from alternative suppliers understanding the Corning fiber supply has now been committed to the needs created by the Japan tsunami disaster. Corning rescinded their RFP quote so we placed orders with alternative bidder, Optical Fiber Systems (OFS) whose delayed delivery dates now estimated out to Q1 2012. Next order was placed to bidder CommScope with confirmed delivery Q4 2011.

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	\$583,281	\$0	\$583,281	\$210,338	\$63,101	\$147,237	\$310,156	\$63,101	\$247,055
b. Land, structures, right-of-ways, appraisals, etc.	\$572,400	\$0	\$572,400	\$180,012	\$54,004	\$126,009	\$330,600	\$54,004	\$276,596
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,190,000	\$0	\$1,190,000	\$603,678	\$181,104	\$422,575	\$764,996	\$181,104	\$583,892
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	\$295,000	\$150,000	\$145,000	\$380,254	\$114,076	\$266,178	\$403,125	\$114,076	\$289,049
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$24,114,319	\$8,800,000	\$15,314,319	\$3,076,419	\$922,926	\$2,153,493	\$10,689,972	\$5,422,926	\$5,267,046
j. Equipment	\$11,245,000	\$2,450,000	\$8,795,000	\$3,296,650	\$988,995	\$2,307,655	\$8,229,182	\$988,995	\$7,240,187
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$38,000,000	\$11,400,000	\$26,600,000	\$7,747,351	\$2,324,206	\$5,423,147	\$20,728,031	\$6,824,206	\$13,903,825
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$38,000,000	\$11,400,000	\$26,600,000	\$7,747,351	\$2,324,206	\$5,423,147	\$20,728,031	\$6,824,206	\$13,903,825

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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