

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
--	---	--

4. Recipient Organization

 SHO-ME Technologies, L.L.C. 301 W Jackson St., Marshfield, MO 65706-2128

5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
--	---

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): 07-27-2012
---	--

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 Q1 2012.
- [ii] Issuance, submittal and approval of Federal Financial Report (FFR) Standard Form 425 (SF-425) for Q1 2012.
- [iii] Issuance, submittal and approval of Performance Progress Report (PPR) for Q1 2012.

b) Overall Project Accomplishments:

- [i] Continued underground construction resulted in an additional 67.5 miles of installed conduit during the quarter. An additional 3.7 miles of underground fiber was constructed during the quarter. 3.5 miles of optical ground wire (OPGW) were hung on electrical transmission lines.
- [ii] Completed construction including splicing and testing of: "Cross Timbers to Warsaw" underground fiber route, "Linn to Vienna" underground fiber route, and "California to Hermann" underground fiber route.
- [iii] Sho-Me prepared an Award Action Request (AAR) for a change from aerial construction to purchases of Indefeasible Right of Use (IRU) agreements. NTIA approved the AAR and acquisition of the IRUs is underway.
- [iv] Sho-Me prepared an Award Action Request (AAR) for two route changes proposed; one in the city of Springfield, MO and another along the "Cabool to Houston" underground fiber route. NTIA approved the AAR in Q2 of 2012.
- [v] Preparation and posting of two additional Requests For Bids (RFBs), including one RFB for underground fiber construction on the "Springfield to Noble Hill" underground fiber route and another RFB for lateral fiber builds connecting 24 CAIs of the project.
- [vi] Awarded contractor for "Versailles to Tuscumbia" underground fiber route and started construction in Q2 of 2012.
- [vii] Fiber construction contractor continues on construction of the "Hermann to Washington to Bem" underground fiber route.
- [viii] Electrical contractor completed installing electric service wiring, connecting and testing of emergency back-up generators, and ground wire protection at new equipment shelters.
- [ix] The construction progress in Q2 2012 brings total of underground and aerial fiber newly built, for the project overall, to 209.2 miles.
- [x] Secured all known, necessary permits including but not limited to those from the US Army Corps of Engineers (USACE) and Missouri Department of Natural Resources (MoDNR), Rights-of-Way with Missouri Department of Transportation (MoDOT) for fiber construction routes.
- [xi] Successful Community Outreach continuing with ongoing participation in Round 2 sessions of the Regional Technology Planning Teams across Missouri which include 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 two live interviews on local radio stations and local newspaper feature article covering fiber construction and local excitement of fiber availability coming to their community. Weekly newsletter updates are posted to the "Sho-Me MO" project website and distributed via e-mail.
- [xii] Ongoing PI/PD oversight, including compliance oversight, field inspections of construction throughout the project, biweekly team update meetings, ongoing SF-1445 labor standards interviews of construction crews by Sho-Me personnel, participation in BTOP webinars and conference calls with FPO and BTOP Team.
- [xiii] Marketing Manager attended NTIA-SHLB Broadband Conference in Washington, DC regarding "Creating Sustainable Broadband Solutions for Communities and Anchor Institutions".
- [xiv] Submitted corrections for BTOP Map and participated in Map Webinar "Visualizing BTOP's impact and Broadband availability: NTIA maps as resources for grantees".
- [xv] Began receiving shipments of Phase 3 and 4 DWDM and Ethernet equipment procurement at end of Q2 2012.

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	61	Below Baseline by 14% due to fiber availability issues, a longer than anticipated EA process, and because many costs have come in lower than anticipated thus far. Sho-Me anticipates it will meet baseline projections by the end of 2012.
2b.	Environmental Assessment	90	Below Baseline by 10% due to costs being lower than anticipated. A minimal amount of EA related work is possible in the future, thus the remaining budgeted amount may be expended at a future date.
2c.	Network Design	79	Above Baseline by 9% due to more engineering and design work being performed at the onset of the project than anticipated.
2d.	Rights of Way	38	Below Baseline by 62% due to lower than anticipated rights of way costs. Sho-Me anticipates this category will remain under budget for the remainder of the project as right of way costs continue to come in under budget.
2e.	Construction Permits and Other Approvals	76	Below Baseline by 4% due to costs being lower than anticipated. Sho-Me does anticipate catching up to baseline by the end of 2012 as construction continues.
2f.	Site Preparation	100	No variance.
2g.	Equipment Procurement	55	Below Baseline by 28% due to lower than anticipated costs relating to DWDM equipment. Sho-Me anticipates this category will remain under budget for the remainder of the project due to lower than anticipated costs.
2h.	Network Build (all components - owned, leased, IRU, etc)	61	Below Baseline by 7% due to the delay in fiber optic cable. However, Sho-Me anticipates it will meet baseline projections by the end of 2012.
2i.	Equipment Deployment	100	Above Baseline by 25% due to increased costs of innerduct. Also, Sho-Me's baseline reflects buying innerduct throughout the project as it is needed, but instead Sho-Me chose to buy most of the innerduct up front in order to secure a lower price per foot.
2j.	Network Testing	0	Below Baseline by 68% because these expenses were moved to another category in Sho-Me's approved 2010 budget revision. Sho-Me will not use this baseline category for remainder of the project.
2k.	Other (please specify): Legal, Administrative, Pre-Award Expenses	61	Below Baseline by 13% due to legal and administrative costs being lower than anticipated. Sho-Me anticipates this category will remain under budget for the remainder of the project due to lower than anticipated costs.

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).

In early 2011, 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.

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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	209	Below baseline of 412 due to unforeseen fiber availability constraint from manufacturers in 2011. However, in the face of this fiber shortage, Sho-Me persisted with continued underground construction. Crews have quickly progressed; resulting in an additional 67.5 miles of installed conduit during the quarter. Quarter and crews remain actively pulling fiber into the new conduits to progress towards our baseline. Sho-Me anticipates catching up to baseline by the end of 2012.
New network miles leased	0	N/A
Existing network miles upgraded	564	Below baseline of 708 due to fiber availability delays which also offset our ability to splice in-kind segments to pending new fiber builds. Ongoing testing of remaining in-kind fiber continues toward baseline goal of 880 miles. Sho-Me anticipates catching up to baseline by the end of 2012.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	209	Below baseline of 412 due to unforeseen fiber availability constraint from manufacturers in 2011. However, in the face of this fiber shortage, Sho-Me persisted with continued underground construction. Crews have quickly progressed; resulting in an additional 67.5 miles of installed conduit during the quarter. Quarter and crews remain actively pulling fiber into the new conduits to progress towards our baseline. Sho-Me anticipates catching up to baseline by the end of 2012.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	18	Below baseline 32 due to unforeseen fiber availability constraint from manufacturers in 2011. However, 15 of 15 PoP shelters were delivered on schedule, 67.5 miles of innerduct were installed. An additional 8 interconnection points will be installed and contributed next quarter and Sho-Me anticipates catching up to baseline by the end of 2012.

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	7
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	30
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, Missouri Wi-Fi, Mid-Missouri Broadband, Central Missouri Computer Services.

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 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	5	Above plan due to more providers receiving new access than anticipated.
	Providers with signed agreements receiving improved access	2	Below plan due to more providers receiving new access than anticipated.
	Providers with signed agreements receiving access to dark fiber	0	No variance.
	Please identify the speed tiers that are available and the number of subscribers for each	7	5 Mbps (0); 10 Mbps (1); 20 Mbps (1); 40Mbps (1); 45Mbps (1); 50 Mbps (1); 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)
Community Anchor Institutions (including Government institutions)	Total subscribers served	48	Below baseline by 16 due to delay in fiber, however Sho-Me now has received all fiber ordered for the project and plans to catch up to baseline by the end of 2012.
	Subscribers receiving new access	17	Above plan as more CAIs will actually be new vs. improved category and due to delay in the fiber, however, Sho-Me now has received all fiber ordered for the project and plans to catch up to baseline by the end of 2012.
	Subscribers receiving improved access	31	Below plan as more CAIs will actually be new vs. improved category and due to delay in fiber, however, Sho-Me now has received all fiber ordered for the project and plans to catch up to baseline by the end of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	6	5 Mbps (0); 10 Mbps (1); 20 Mbps (2); 50 Mbps (0); 100 Mbps (3); 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)
Residential / Households	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
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	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
	Please identify the speed tiers that are available and the number of subscribers for each	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

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Rights of Way: Expected to be secured as necessary for ongoing construction.

Construction Permits and Other Approvals: Expected to be secured as necessary for ongoing construction.

Equipment Procurement: Vendor/RFP/procurement activities will continue for next construction phase. Receiving and paying for ordered Ethernet and DWDM equipment for construction Phase 3 and 4 in preparation for installations in Q4.

Network Build: Expect to install DWDM and Ethernet into remaining PoP site shelters. Test, splice, light, and contribute additional miles of in-kind fiber to the project. Continue underground construction on several routes with expected installation of 120 miles of new fiber to catch up rapidly with recently installed conduits.

Equipment Deployment: Expect to connect the next wave of new CAIs after construction of fiber laterals. Continue negotiation of additional Interconnection Agreements.

Community Outreach: Campaign efforts continue with local media and will include participation with initiative partners for coordination of planned broadband development, accessibility and sustainability.

Sho-Me's planned project accomplishments through Q3 2012:

- New network miles deployed - bringing total new network miles to 329.
- New network miles leased - 0 miles (not planned)
- Total CAI subscribers connected - 64 CAIs
- Number of signed agreements with broadband wholesalers or last mile providers - 10 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	76	Below Baseline by 9% due to fiber availability issues, a longer than anticipated EA process, and because many costs have come in lower than anticipated thus far. Sho-Me anticipates it will meet baseline projections by the end of 2012.
2b.	Environmental Assessment	96	Below Baseline by 4% due to costs being lower than anticipated. A minimal amount of EA related work is possible in the future, thus the remaining budgeted amount may be expended at a future date.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2c.	Network Design	89	Above Baseline by 9% due to more engineering and design work being performed at the onset of the project than anticipated.
2d.	Rights of Way	38	Below Baseline by 62% due to lower than anticipated rights of way costs. Sho-Me anticipates this category will remain under budget for the remainder of the project as right of way costs continue to come in under budget.
2e.	Construction Permits and Other Approvals	96	Below Baseline by 4% due to costs being lower than anticipated. Sho-Me does anticipate catching up to baseline by the end of 2012 as construction continues.
2f.	Site Preparation	100	No variance.
2g.	Equipment Procurement	74	Below Baseline by 21% due to lower than anticipated costs relating to DWDM equipment. Sho-Me anticipates this category will remain under budget for the remainder of the project due to lower than anticipated costs.
2h.	Network Build (all components - owned, leased, IRU, etc.)	76	Below Baseline by 2% due to the delay in fiber optic cable. However, Sho-Me anticipates it will meet baseline projections by the end of 2012.
2i.	Equipment Deployment	100	Above Baseline by 17% due to increased costs of innerduct. Also, Sho-Me's baseline reflects buying innerduct throughout the project as it is needed, but instead Sho-Me chose to buy most of the innerduct up front in order to secure a lower price per foot.
2j.	Network Testing	0	Below Baseline by 78% because these expenses were moved to another category in Sho-Me's approved 2010 budget revision. Sho-Me will not use this baseline category for remainder of the project.
2k.	Other (please specify): Legal, Administrative, Pre-Award Expenses	67	Below Baseline by 16% due to legal and administrative costs being lower than anticipated. Sho-Me anticipates this category will remain under budget for the remainder of the project due to lower than anticipated costs.

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).

In early 2011, 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.

In previous quarters fiber availability was a concern. However, Sho-Me not longer believes fiber availability poses a threat to Sho-Me's project success.

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	\$353,606	\$64,982	\$288,624	\$388,606	\$64,982	\$323,624
b. Land, structures, right-of-ways, appraisals, etc.	\$572,400	\$0	\$572,400	\$218,038	\$55,614	\$162,424	\$218,038	\$55,614	\$162,424
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	\$955,980	\$186,503	\$769,477	\$1,076,481	\$186,503	\$889,978
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	\$796,575	\$117,477	\$679,098	\$810,415	\$117,477	\$692,938
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$24,114,319	\$8,800,000	\$15,314,319	\$14,007,190	\$6,491,242	\$7,515,948	\$17,501,099	\$7,330,442	\$10,170,657
j. Equipment	\$11,245,000	\$2,450,000	\$8,795,000	\$6,778,932	\$1,018,480	\$5,760,452	\$9,191,595	\$1,018,480	\$8,173,115
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	\$23,110,321	\$7,934,298	\$15,176,023	\$29,186,234	\$8,773,498	\$20,412,736
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	\$23,110,321	\$7,934,298	\$15,176,023	\$29,186,234	\$8,773,498	\$20,412,736

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
---	--------------------------------