

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) 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 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): 08-16-2011
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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 1 (Q1) 2011.
 - [ii] Issuance, submittal and approval of Federal Financial Report (FFR) Standard Form 425 (SF-425) for Q1 2011.
 - [iii] Issuance, submittal and approval of Performance Progress Report (PPR) for Q1 2011.
 - [iv] Issuance, submittal and approval of Environmental Assessment (EA) and receipt of Finding Of No Significant Impact (FONSI).
 - [v] Issuance, submittal and approval of Award Action Request (AAR) for lifting EA SAC.
- b) Overall Project Accomplishments:
- [i] Request For Proposal (RFP) procurement process in full cycle for budgeted test equipment, Digital Access and Cross-connect System (DACS), Dense Wavelength Division Multiplexing (DWDM), Ethernet, Network Operations Center (NOC) air handlers, fiber, innerduct, shelters, generators, construction, site preparation, gravel lot and signs.
 - [ii] Marketing team continues Outreach Activities promoting the Sho-Me MO project to several Chambers of Commerce and Regional Technology Planning Teams around Missouri, presenting first Community Anchor Institution (CAI)s with welcome packets, live Question and Answer (Q&A) interviews via local broadcast radio stations, and communicating weekly project progress updates via social media.
 - [iii] Pre-construction meetings held with awarded fiber contractors and review of compliance and reporting requirements of the project.
 - [iv] Several ground-breaking milestones in Q2 include the start of NOC air handler installation, start of underground construction of first route segments, completed gravel lot at warehouse for temporary storage of arriving fiber and innerduct spools, vaults, conduit, poles and hardware.
 - [v] Secured land acquisition for 11 of 15 new Point of Presence (PoP) shelter sites.
 - [vi] Fiber valuation completed.

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	10	Slight delay in EA caused delay in Construction and Permitting, but expect catch up to planned schedule by Year End (YE) 2011.
2b.	Environmental Assessment	82	Below budget, a few additional EA related costs are anticipated in next two quarters.
2c.	Network Design	34	Budgeted evenly throughout project, but more time devoted prior to construction and less later in project.
2d.	Rights of Way	23	Lower cost of land for several PoP site locations, last few land purchases pending.
2e.	Construction Permits and Other Approvals	1	Slight delay in EA caused delay in Construction and Permitting, but expect catch up to planned schedule by YE 2011.
2f.	Site Preparation	23	Slight delay in EA caused delay in Construction and Permitting, but expect catch up to planned schedule by YE 2011.
2g.	Equipment Procurement	18	Lower cost of DWDM equipment than budgeted. Fiber ordered but anticipate manufacturer delay in delivery to Q4.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	Slight delay in EA caused delay in Construction and Permitting, but expect catch up to planned schedule by YE 2011.
2i.	Equipment Deployment	7	Innerduct received, not yet invoiced this quarter.
2j.	Network Testing	0	N/A
2k.	Other (please specify): Admin	29	Significantly lower Legal expenses than budgeted.

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).

Unforeseen Fiber availability issue: Fiber supplier projected delay in first delivery of our ordered fiber, expect delivery next quarter.

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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	0	Unforeseen supplier delays in delivery of procured fiber, expect delivery next quarter. However, construction of fiber innerduct conduit installation is underway on underground routes.
New network miles leased	0	N/A
Existing network miles upgraded	0	No variance.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	Unforeseen supplier delays in delivery of procured fiber, expect delivery next quarter. However, construction of fiber innerduct conduit installation is underway on underground routes.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Unforeseen supplier delays in delivery of procured fiber, expect delivery next quarter. However, construction of fiber innerduct conduit installation is underway on underground routes.

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	0
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:
None 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:
Pricing has not yet been finalized.

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	0	No variance.
	Providers with signed agreements receiving improved access	0	No variance.
	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	0	No variance.
	Total subscribers served	0	Unforeseen supplier delays in delivery of procured fiber, expect delivery next quarter. However, construction of fiber innerduct conduit installation is underway on underground routes.
	Subscribers receiving new access	0	No variance.
	Subscribers receiving improved access	0	Unforeseen supplier delays in delivery of procured fiber, expect delivery next quarter. However, construction of fiber innerduct conduit installation is underway on underground routes.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance.
	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
None at this time.	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).
 Overall Project: Expect first CAIs connected, fiber construction continuing, start shelter delivery and installation.
 Rights of Way: Expect land acquisition of last of PoP sites.
 Construction Permits and Other Approvals: Ongoing construction.
 Site Preparation: Expect to complete all 15 new PoP sites preparation well in advance of shelter and generator deliveries.
 Equipment Procurement: Expect first arrival of new PoP equipment shelters, generators and fiber.
 Network Build: Expect to begin installation of DWDM equipment into new PoP shelters.
 Equipment Deployment: Expect connection of first CAIs.

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	32	Some expenses moved from 2012 to 3rd Qtr 2011 due to expectation that portions of project will occur more quickly than anticipated.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	40	No variance.
2d.	Rights of Way	77	Cable easements are expected to be underbudget, thus a portion of cable easement expense moved to Site Preparation.
2e.	Construction Permits and Other Approvals	32	No variance.
2f.	Site Preparation	60	Shelters will be arriving, but will not be invoiced in 3rd Qtr, some budgeted expenses were moved from other categories.
2g.	Equipment Procurement	55	Cost of DWDM equipment less than budgeted.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Portion of Carrier Construction labor moved from 2012 to 3rd Qtr 2011
2i.	Equipment Deployment	30	No variance.
2j.	Network Testing	0	N/A
2k.	Other (please specify): Admin	50	Legal expenses are expected to be underbudget, thus a Portion of legal expenses 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).

This quarter, the Missouri Department of Transportation (MoDOT) announced closing 135 facilities and downsizing staff size by 1,200 employees may become a potential constraint on securing timely Rights-of-Way and permitting required for fiber route construction.

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	\$166,028	\$49,808	\$116,220	\$265,157	\$79,547	\$185,610
b. Land, structures, right-of-ways, appraisals, etc.	\$572,400	\$0	\$572,400	\$132,636	\$39,791	\$92,845	\$330,600	\$99,180	\$231,420
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	\$447,483	\$134,245	\$313,238	\$559,994	\$167,998	\$391,996
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	\$57,521	\$17,256	\$40,265	\$269,250	\$80,775	\$188,475
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$24,114,319	\$8,800,000	\$15,314,319	\$128,386	\$38,516	\$89,870	\$2,814,107	\$844,232	\$1,969,875
j. Equipment	\$11,245,000	\$2,450,000	\$8,795,000	\$2,788,252	\$836,476	\$1,951,776	\$7,825,313	\$2,347,594	\$5,477,719
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	\$3,720,306	\$1,116,092	\$2,604,214	\$12,064,421	\$3,619,326	\$8,445,095
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	\$3,720,306	\$1,116,092	\$2,604,214	\$12,064,421	\$3,619,326	\$8,445,095

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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