RECIPIENT NAME:
AWARD NUMBER
DATE.

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12-31-2010

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce/NTIA	**2. Award Identification Number** NT10BIX5570050	**3a. DUNS Number** 831414755 **3b. EIN** 270602819

4. Recipient Organization (Name and complete address including country, congressional district, and zip code)

Zito Media Communications II, LLC 106 Steerbrook Rd, Coudersport, PA 16915-8440, Potter County, Congressional District - 05

5. Current Reporting Period End Date (MM/DD/YYYY) 06/30/2010	**6. Is this the last Report of the Award Period?** ○ Yes ◉ 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 Colin Higgin - V.P. of Zito Media Communications II, LLC	**7c. Telephone (area code, number and extension)** 814-260-9588
	7d. Email Address colin.higgin@zitomedia.com
7b. Signature of Certifying Official	**7e. Date Report Submitted (MM/DD/YYYY):** 07/28/2010

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Project Milestone Information

1. Please describe significant project accomplishments completed during this quarter (150 words or less).

Zito started the planning and engineering phase that includes strand mapping, pole profiling and physical ride out of the proposed fiber path. Zito has hired an environmental engineering firm to aide in the environmental assessment. Both of these activities are moving in a timely manner. $19,891.36 of federal funds were received or expended in the second quarter of 2010.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	2	No Variance from Baseline Report
2b.	Environmental Assessment	75	Draft EA will be submitted 08/02/2010
2c.	Network Design	10	Began engineering phase.
2d.	Rights of Way	0	No Variance from Baseline Report
2e.	Construction Permits and Other Approvals	0	n/a
2f.	Site Preparation	0	No Variance from Baseline Report
2g.	Equipment Procurement	0	No Variance from Baseline Report
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance from Baseline Report
2i.	Equipment Deployment	0	No Variance from Baseline Report
2j.	Network Testing	0	No Variance from Baseline Report
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 (150 words or less).

None.

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	No Variance from Baseline Report
New network miles leased	0	No Variance from Baseline Report
Existing network miles upgraded	0	No Variance from Baseline Report
Existing network miles leased	0	No Variance from Baseline Report
Number of miles of new fiber (aerial or underground)	0	No Variance from Baseline Report
Number of new wireless links	0	n/a
Number of new towers	0	n/a
Number of interconnection points	0	No Variance from Baseline Report

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:
N/A

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. Wholesale services description:
See Service Offerings Attachment

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (150 words or less).
N/A

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 words of 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 from Baseline Report
	Providers with signed agreements receiving improved access	0	No Variance from Baseline Report
	Providers with signed agreements receiving access to dark fiber	0	No Variance from Baseline Report
	Please identify the speed tiers that are available and the number of subscribers for each	0	See Service Offerings Attachment
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance from Baseline Report
	Subscribers receiving new access	0	No Variance from Baseline Report
	Subscribers receiving improved access	0	No Variance from Baseline Report
	Please identify the speed tiers that are available and the number or subscribers for each	0	See Service Offerings Attachment
Residential / Households	Entities passed	0	No Variance from Baseline Report
	Total subscribers served	0	No Variance from Baseline Report
	Subscribers receiving new access	0	No Variance from Baseline Report
	Subscribers receiving improved access	0	No Variance from Baseline Report
	Please identify the speed tiers that are available and the number of subscribers for each	0	Speeds will be 8 MBPS downstream and 1MBPS upstream
Businesses	Entities passed	0	No Variance from Baseline Report
	Total subscribers served	0	No Variance from Baseline Report
	Subscribers receiving new access	0	No Variance from Baseline Report
	Subscribers receiving improved access	0	No Variance from Baseline Report
	Please identify the speed tiers that are available and the number of subscribers for each	0	See Service Offerings Attachment

7. Please describe any special offerings you may provide (150 words or less).

N/A

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

8b. If so, please describe the changes (150 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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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	None	None	None	None

[redacted]

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

We plan on finishing and submitting the environmental assessment. In addition, the strand mapping, pole profiling and physical ride out of proposed fiber path will be completed. Significant progress on pole applications and make ready planning/engineering will be made.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	5	Due to progress in pole applications
2b.	Environmental Assessment	100	No Variance from Baseline Report
2c.	Network Design	60	No Variance from Baseline Report
2d.	Rights of Way	15	Pole applications ahead of schedule
2e.	Construction Permits and Other Approvals	0	No Variance from Baseline Report
2f.	Site Preparation	0	No Variance from Baseline Report
2g.	Equipment Procurement	0	No Variance from Baseline Report
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No Variance from Baseline Report
2i.	Equipment Deployment	0	No Variance from Baseline Report
2j.	Network Testing	0	No Variance from Baseline Report
2k.	Other (please specify):	0	No Variance from Baseline Report

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 (150 words or less).

None.

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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 Cost	Matching Funds	Federal Funds
a. Administrative and legal expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0
b. Land, structures, right-of-ways, appraisals, etc.	$3,762,000	$752,400	$3,009,600	$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	$229,003	$45,801	$183,202	$11,000	$2,200	$8,800	$203,103	$40,621	$162,482
f. Project inspection fees	$102,600	$20,520	$82,080	$30,656	$6,131	$24,525	$54,930	$43,944	$10,986
g. Site work	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$1,663,7	$332,745	$1,330,9	$0	$0	$0	$8,250	$1,650	$6,600
j. Equipment	$1,913,8	$382,761	$1,531,0	$0	$0	$0	$34,930	$6,986	$27,944
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$7,671,13	$1,534,22	$6,136,90	$41,656	$8,331	$33,325	$301,213	$93,201	$208,012
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL	$7,671,13	$1,534,22	$6,136,90	$41,656	$8,331	$33,325	$301,213	$93,201	$0

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

Service Offerings Attachment

Service Offering	Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly/Yearly Pricing ($)	Other
Local Point to Point Ethernet Circuits	All locations served from the same local hub	1,000 Mbps	$800/month for each location i.e. 2 locations- $1,600/month	
Inter-Community Point to Point Ethernet Circuits	All locations served on the regional ring from different local hubs	100 Mbps	$1,000/month for each location	
		1000 Mbps	$1,400/month for each location	
Internet Service	All locations served by fiber from any local hub on the regional ring	10 Mbps symmetrical 20 Mbps symmetrical 50 Mbps symmetrical Higher bandwidth up to 1 Gigabit	$1,000/month $1,500/month $2,500/month Priced on individual case basis	
SIP Trunks (Inbound)	All locations served by fiber from any local hub on the regional ring	N/A-Bandwidth required included with pricing	$5/DID; $.03 per minute	Location must generate a minimum of $700 per month of revenue; minutes offered in blocks
SIP Trunks (Outbound)	All locations served by fiber from any local hub on the regional ring	N/A-Bandwidth required included with pricing	$.03 per minute	Location must generate a minimum of $700 per month of revenue; minutes offered in blocks

Inter-Community Dark Fiber Lease	Any segment from one local hub to another local hub	N/A-Bandwidth determined by electronics placed on fiber	$65/fiber/mile/month	Must lease entire segment from one local hub to another; minimum lease of two fibers
Local Dark Fiber Lease	Entire local network	N/A-Bandwidth determined by bandwidth place on fiber	$130/fiber/mile/month	Must lease entire local network; minimum lease of two fibers
Wavelength	From one local hub to adjacent local hub	1,000 Mbps 10,000 Mbps	$2,000/month $5,000/month	