

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted GOL	2. Award Identification Number NT10BIX5570034	3a. DUNS Number 141946322
		3b. EIN XXXXXXXXXXX
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) DeltaCom, Inc. 7037 Old Madison Pike NW, Huntsville, AL 35806-2107		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010	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 Traci Jennifer Tidmore Regulatory	7c. Telephone (area code, number and extension) 2563827090	
	7d. Email Address traci.tidmore@deltacom.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-19-2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 Final Network Design Engineering and Outside Plant Engineering was completed.
 DeltaCom's Environmental Assessment was approved and a Finding of No Significant Issues ("FONSI") was issued.
 Long lead equipment procurement activities were completed.

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	1	Environmental Assessment milestone complete. Spending will accelerate in the Fourth Quarter in order to meet the 2010 forecasted budget milestones.
2b.	Environmental Assessment	100	FONSI issued on 09/30/2010.Environmental Assessment was deemed a sole-source procurement and was not approved for funding under the grant.
2c.	Network Design	21	Network design progressing according to budget plan.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	0	Due to FONSI being issued on 09/30/2010, milestone was delayed.
2f.	Site Preparation	0	Due to FONSI being issued on 09/30/2010, milestone was delayed.
2g.	Equipment Procurement	0	Due to FONSI being issued on 09/30/2010, milestone was delayed.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Due to FONSI being issued on 09/30/2010, milestone was delayed.
2i.	Equipment Deployment	0	Planned for Fourth Quarter 2010.
2j.	Network Testing	0	Planned for Fourth Quarter 2010.
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).

Planned progress was delayed due to the Environmental Assessment FONSI being issued on 9/30/2010. However, spending will accelerate in the Fourth Quarter in order to meet the 2010 forecasted budget milestones.

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	N/A
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	N/A
Number of new wireless links	0	N/A
Number of new towers	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of interconnection points	0	N/A

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:
 Not applicable 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. Wholesale services description:
 Not applicable at this time.

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 third party operates (150 words or less).
 Not applicable at this time.

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 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	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	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 or subscribers for each	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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 (150 words or less).

DeltaCom is creating competitive middle mile pricing that enables the expansion of last mile provider networks. We are also utilizing last mile providers to enable direct DeltaCom services to public anchor institutions in select markets at a 20% discount below our list pricing for qualifying broadband services.

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

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
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	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 (150 words or less).

Project activity planned for the Fourth Quarter of 2010, includes the following milestones:

- 1) Property acquisition in Blountville, Tennessee.
- 2) Pre-fabricated shelter/building procurement and integration material procurement.
- 3) Site preparation and pre-fabricated shelter/building installation.
- 4) Infinera and Lucent optical network equipment procurement and deployment.
- 5) Outside plant construction from existing backbone fiber to pre-fabricated shelter/building.
- 6) Deployment of in-kind fiber match from Nashville to Knoxville to Chattanooga.

Project is expected to be back on schedule at the conclusion of Fourth Quarter 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	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	43	Per Baseline Plan
2b.	Environmental Assessment	100	FONSI issued on 09/30/2010. Environmental Assessment was deemed a sole-source procurement and was not approved for funding under the grant.
2c.	Network Design	56	Per Baseline Plan
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	9	Per Baseline Plan
2f.	Site Preparation	100	Per Baseline Plan
2g.	Equipment Procurement	42	Per Baseline Plan
2h.	Network Build (all components - owned, leased, IRU, etc.)	47	Per Baseline Plan
2i.	Equipment Deployment	22	Per Baseline Plan
2j.	Network Testing	51	Per Baseline Plan
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 (150 words or less).

No issues at this time preventing completion of the work as scheduled in the Baseline Plan.

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$1,743,207	\$171,007	\$1,572,200	\$3,480	\$696	\$2,784	\$1,186,350	\$59,317	\$1,127,033
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$90,000	\$8,829	\$81,171	\$9,435	\$1,887	\$7,548	\$90,000	\$4,500	\$85,500
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	\$111,000	\$10,889	\$100,111	\$0	\$0	\$0	\$111,000	\$5,550	\$105,450
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$3,000,000	\$294,296	\$2,705,704	\$81,289	\$16,258	\$65,031	\$466,000	\$23,300	\$442,700
j. Equipment	\$5,462,091	\$535,825	\$4,926,266	\$0	\$0	\$0	\$2,680,965	\$131,548	\$2,549,417
k. Miscellaneous	\$1,325,517	\$1,325,517	\$0	\$0	\$0	\$0	\$938,815	\$938,815	\$0
I. SUBTOTAL (add a through k)	\$11,731,815	\$2,346,363	\$9,385,452	\$94,204	\$18,841	\$75,363	\$5,473,130	\$1,163,030	\$4,310,100
m. Contingencies									
n. TOTALS (sum of I and m)	\$11,731,815	\$2,346,363	\$9,385,452	\$94,204	\$18,841	\$75,363	\$5,473,130	\$1,163,030	\$4,310,100

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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