

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 NT10BIX5570060	3. DUNS Number 964250450
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4. Recipient Organization Pine Telephone Company, Inc. 2nd at North Park Dr, Broken Bow, OK 74728-0548
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5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	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 Cooper Brown Chief Technology Officer	7c. Telephone (area code, number and extension) 5803061020
	7d. Email Address pinetel@pine-net.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-13-2011
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Project Indicators (This Quarter)

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

Pine Telephone Company accepted bids and has signed contracts for generators, tower site base construction for 12 sites, towers for 2 sites and tower erection for 2 sites. The McGee Creek site and Sobol site have towers standing. The Sobol site is a POI. Pine Telephone Company has also signed a contract for the Wireless access equipment which will be shipped in Q2 of 2011.

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	13	-
2b.	Environmental Assessment	100	Completed and submitted
2c.	Network Design	100	-
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	-
2f.	Site Preparation	23	-
2g.	Equipment Procurement	3	The RFP and contracting process has taken longer than anticipated but currently 30% is under contract. Actual procurement will lag behind baseline projected procurement for 2 quarters. Pine Telephone Company was able to lock in project pricing but will have the equipment shipped as need for many of the high dollar components. This will reduce the up front payments but still insure best pricing. Pine has completed the RFP & Contracting process items with long lead times and necessary to get started.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	The FONSI, RFP and contracting process has taken longer than anticipated. Equipment will be arriving in Q2 of 2011 and will immediately be installed at sites. Pine Telephone plans to be back on baseline schedule by Q3 of 2011 and move ahead of schedule in Q4 of 2011. The FONSI process significantly delayed the project as compared to the front of the baseline projections but this also means there will be no delays in the middle of the project because of site acquisition, historical or environmental issues which will actually make the total project complete earlier than projected.
2i.	Equipment Deployment	0	The FONSI, RFP and contracting process has taken longer than anticipated. Equipment will be arriving in Q2 of 2011 and will immediately be installed at sites. Pine plans to be back on baseline schedule by Q3 of 2011 and move ahead of schedule in Q4 of 2011. The FONSI process significantly delayed the project as compared to the front of the baseline projections but this also means there will be no delays in the middle of the project because of site acquisition, historical or environmental issues which will actually make the total project complete earlier than projected.
2j.	Network Testing	0	The FONSI, RFP and contracting process has taken longer than anticipated. Equipment will be arriving in Q2 of 2011 and will immediately be installed at sites. Pine plans to be back on baseline schedule by Q3 of 2011 and move ahead of schedule in Q4 of 2011. The FONSI process significantly delayed the project as compared to the front of the baseline projections but this also means there will be no delays in the middle of the project because of site acquisition, historical

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			or environmental issues which will actually make the total project complete earlier than projected.

2k.	Other (please specify):	0	N/A
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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).
 Pine Telephone Company is awaiting their equipment manufacturer change request to be approved.

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	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	The FONSI, RFP and contracting process has taken longer than anticipated. Also the process from receiving the FONSI to closing the land for construction has taken longer than anticipated. This will not be a problem going forward as 26 of the 32 sites have passed this phase and the remaining 6 will complete it in Q2 of 2011. Sites are now being completed for the wireless links. Pine expects to be back on schedule by end of Q2 or early Q3 and move ahead of schedule by Q4 of 2011.
Number of new towers	0	The FONSI, RFP and contracting process has taken longer than anticipated. Also the process from receiving the FONSI to closing the land for construction has taken longer than anticipated. This will not be a problem going forward as 26 of the 32 sites have passed this phase and the remaining 6 will complete it in Q2 of 2011. Sites are now being completed and Pine expects to be back on schedule by end of Q2 and first of Q3 and move ahead of schedule by end Q3 of 2011.
Number of new and/or upgraded interconnection points	0	The FONSI, RFP and contracting process has taken longer than anticipated. Sites not being constructed has delayed this milestone. Pine will have 2 interconnection points by end of Q2 2011.

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	
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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:
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 (100 words or less). Wholesale services description:
N/A

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	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	The delayed start of construction caused by the FONSI, equipment change request and longer than expected RFP and contracting process will delay this milestone significantly. But as with the other missed milestones, we will catch up quickly because many sites will be turned up at once. Pine does not expect to be live to customers until end of Q2 or first of Q3 2011 but Pine will be at or ahead of schedule with sites online by the end of Q3.
	Subscribers receiving new access	0	Project was significantly delayed while waiting for FONSI approval
	Subscribers receiving improved access	0	Project was significantly delayed while waiting for FONSI approval
	Please identify the speed tiers that are available and the number or subscribers for each	0	Project was significantly delayed while waiting for FONSI approval

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	The delayed start of construction caused by the FONSI, equipment change request and longer than expected RFP and contracting process will delay this milestone significantly. But as with the other missed milestones we will catch up quickly because many sites will be turned up at once. Pine does not expect to be live to customers until end of Q2 or first of Q3 2011 but Pine will be at or ahead of schedule with sites online by the end of Q3.
	Total subscribers served	0	Project was significantly delayed while waiting for FONSI approval
	Subscribers receiving new access	0	Project was significantly delayed while waiting for FONSI approval
	Subscribers receiving improved access	0	Project was significantly delayed while waiting for FONSI approval
	Please identify the speed tiers that are available and the number of subscribers for each	0	Project was significantly delayed while waiting for FONSI approval
Businesses	Entities passed	0	The delayed start of construction caused by the FONSI, equipment change request and longer than expected RFP and contracting process will delay this milestone significantly. But as with the other missed milestones we will catch up quickly because many sites will be turned up at once. Pine does not expect to be live to customers until end of Q2 or first of Q3 2011 but Pine will be at or ahead of schedule with sites online by the end of Q3.
	Total subscribers served	0	Project was significantly delayed while waiting for FONSI approval
	Subscribers receiving new access	0	Project was significantly delayed while waiting for FONSI approval
	Subscribers receiving improved access	0	Project was significantly delayed while waiting for FONSI approval
	Please identify the speed tiers that are available and the number of subscribers for each	0	Project was significantly delayed while waiting for FONSI approval

7. Please describe any special offerings you may provide (600 words or less).

N/A

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).

Pine Telephone Company will continue RFP and contracting for equipment and installation with the goal of being 80% complete by the

end of the quarter. Base construction will begin on 18 sites and plan to have 8 to 10 towers standing by the end of the quarter. In the quarter Pine will add 1 full time position as well as over 3000 man hours to contractors.

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	35	Project was significantly delayed while waiting for FONSI approval
2b.	Environmental Assessment	100	Completed and submitted
2c.	Network Design	100	Completed
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	Completed and approved
2f.	Site Preparation	40	Project was significantly delayed while waiting for FONSI approval
2g.	Equipment Procurement	30	Pine Telephone company plans to have 80% of the equipment under contract but will be receiving much of the high dollar equipment as needed - instead of paying for and receiving it all up front and having it stored until needed.
2h.	Network Build (all components - owned, leased, IRU, etc.)	20	Pine Telephone company plans to have 80% of the equipment under contract but will be receiving much of the high dollar equipment as needed - instead of paying for and receiving it all up front and having it stored until needed.
2i.	Equipment Deployment	15	Pine Telephone company plans to have 80% of the equipment under contract but will be receiving much of the high dollar equipment as needed - instead of paying for and receiving it all up front and having it stored until needed.
2j.	Network Testing	10	Pine Telephone company plans to have 80% of the equipment under contract but will be receiving much of the high dollar equipment as needed - instead of paying for and receiving it all up front and having it stored until needed.
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 (600 words or less).
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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 Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$160,000	\$32,000	\$128,000	\$160,000	\$32,000	\$128,000	\$160,000	\$32,000	\$128,000
b. Land, structures, right-of-ways, appraisals, etc.	\$2,693,651	\$538,730	\$2,154,921	\$422,293	\$84,459	\$337,834	\$808,095	\$161,619	\$646,476
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$320,000	\$64,000	\$256,000	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$87,000	\$17,400	\$69,600	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$43,500	\$8,700	\$34,800	\$0	\$0	\$0	\$13,050	\$2,610	\$10,440
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,495,000	\$499,000	\$1,996,000	\$88,423	\$17,685	\$70,738	\$374,250	\$74,850	\$299,400
j. Equipment	\$6,040,947	\$1,208,190	\$4,832,757	\$781,819	\$156,364	\$625,455	\$1,812,284	\$362,457	\$1,449,827
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$11,840,098	\$2,368,020	\$9,472,078	\$1,452,535	\$290,508	\$1,162,027	\$3,167,679	\$633,536	\$2,534,143
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$11,840,098	\$2,368,020	\$9,472,078	\$1,452,535	\$290,508	\$1,162,027	\$3,167,679	\$633,536	\$2,534,143

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: \$700,000	b. Program Income to Date: \$0
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