

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 NT10BIX5570101	3. DUNS Number 961720575
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4. Recipient Organization Appalachian Valley Fiber Network 1170 PARKER LN, Lyerly, GA 30730-5017
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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 Deana Perry CFO	7c. Telephone (area code, number and extension) 7068574646
	7d. Email Address deanaperry@parkersystems.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-19-2011
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Project Indicators (This Quarter)			
<p>1. Please describe significant project accomplishments completed during this quarter (600 words or less). Submitted initial draft EA, conducted required consultations with Fish and Wildlife, SHPO and other agencies, prepared and submitted various permit, right of way and permit applications, commenced with initial design/engineering work, created public website for AVFN, resolved overlaps with other BIP/BTOP applicants. There is a difference in expenditures in the PPR and FFR of \$1771 this is due to cash on hand as indicated in the FFR.</p>			
<p>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).</p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	6	Our original baseline goal was to be 17% complete with the overall project by end of Q1 (March 2011), but this was based on task completion, not spend. Our percent complete (based on spend) for this quarter is at 6%.
2b.	Environmental Assessment	16	Our original baseline goal was to be 100% complete with EA by end of Q1 (March 2011), but this was based on task completion, not spend. Our percent complete (based on spend) for this quarter is at 16%. This is based on the terms of our agreement with our EA consultant.
2c.	Network Design	25	Our original baseline goal was to be 81% complete with network design by the end of Q1 (March 2011), but this was based on task completion, not spend. Our percent complete (based on spend) for this quarter is at 25%. This is based on the terms of our agreement with our network design consultant.
2d.	Rights of Way	0	Our original baseline goal was to be 44% complete with rights of way by the end of Q1 (March 2011), but this was based on task completion, not spend. Our percent complete (based on spend) for this quarter is at 0%. We expected to be able to book ~\$1.1M in-kind contribution for this milestone by Q3, however this request is still under review.
2e.	Construction Permits and Other Approvals	0	Our original baseline goal was to be 20% complete with construction permits by the end of Q1 (March 2011), but this was based on task completion, not spend. Our percent complete (based on spend) for this quarter is at 0%. We have been seeking a certificate authority called Other Common Carrier (OCC) from the state of Georgia, and until that certificate is granted, we are unable to process our full permit applications. We expect to have this accomplished in Q4.
2f.	Site Preparation	0	We are meeting or exceeding our baseline goal for this milestone.
2g.	Equipment Procurement	1	Our original baseline goal was to be 88% complete with equipment procurement by the end of Q1 (March 2011), but this was based on task completion, not spend. Our percent complete (based on spend) for this quarter is at 1%. We expected to be able to book ~\$3.5M in-kind contribution for this milestone by Q3, however this request is still under review.
2h.	Network Build (all components - owned, leased, IRU, etc)	4	We are meeting or exceeding our baseline goal for this milestone.
2i.	Equipment Deployment	0	We are meeting or exceeding our baseline goal for this milestone.
2j.	Network Testing	0	We are meeting or exceeding our baseline goal for this milestone.
2k.	Other (please specify): Admin & Legal	21	We are meeting or exceeding our baseline goal for this milestone.
<p>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).</p>			
<p>If we can complete the EA process and obtain our FONSI in the Apr-Jun 2011 quarter, we expect to be able to accelerate network</p>			

design and equipment procurement efforts in the Jul-Sep quarter.

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	No variance
New network miles leased	0	No variance
Existing network miles upgraded	0	No variance
Existing network miles leased	0	No variance
Number of miles of new fiber (aerial or underground)	0	No variance
Number of new wireless links	0	No variance
Number of new towers	0	No variance
Number of new and/or upgraded interconnection points	0	No variance

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:
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:
None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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).
None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance
	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance
	Entities passed	0	No variance
	Total subscribers served	0	No variance
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	No variance

7. Please describe any special offerings you may provide (600 words or less).
None at this time. Construction has not commenced, pending completion of EA and issuance of FONSI.

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	N/A	N/A	N/A	Construction has not commenced, pending completion of EA and issuance of FONSI

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Key activities for next quarter are to complete EA, obtain FONSI, complete network design, issue RPFs for materials and labor, and obtain all necessary rights of way and permits.

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	21	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 8%.
2b.	Environmental Assessment	100	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 30%.
2c.	Network Design	100	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 25%.
2d.	Rights of Way	100	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 0%.
2e.	Construction Permits and Other Approvals	48	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 0%.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	100	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 1%.
2h.	Network Build (all components - owned, leased, IRU, etc.)	28	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 4%.
2i.	Equipment Deployment	87	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 0%.
2j.	Network Testing	28	Our planned percent complete (baseline) goal was based on task completion instead of spend. We are restating our forecast for this quarter (based on forecasted spend) at 0%.
2k.	Other (please specify): Admin & Legal	32	No variance is expected.

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).

We will have to work hard to overcome delays in EA process.

RECIPIENT NAME:Appalachian Valley Fiber Network

AWARD NUMBER: NT10BIX5570101

DATE: 05/19/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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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	\$2,885,803	\$152,882	\$2,732,921	\$657,323	\$22,882	\$634,441	\$926,351	\$22,882	\$903,469
b. Land, structures, right-of-ways, appraisals, etc.	\$4,513,019	\$1,346,000	\$3,167,019	\$735,000	\$0	\$735,000	\$3,260,000	\$1,166,000	\$2,070,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$800,939	\$0	\$800,939	\$304,820	\$0	\$304,820	\$480,320	\$0	\$480,320
e. Other architectural and engineering fees	\$586,469	\$0	\$586,469	\$24,000	\$0	\$24,000	\$32,011	\$0	\$32,011
f. Project inspection fees	\$279,877	\$0	\$279,877	\$0	\$0	\$0	\$0	\$0	\$0
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	\$13,276,889	\$0	\$13,276,889	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$4,116,961	\$3,844,461	\$272,500	\$4,003	\$0	\$4,003	\$321,692	\$287,895	\$33,797
k. Miscellaneous	\$270,300	\$100,000	\$170,300	\$10,811	\$0	\$10,811	\$23,163	\$0	\$23,163
l. SUBTOTAL (add a through k)	\$26,730,257	\$5,443,343	\$21,286,914	\$1,735,957	\$22,882	\$1,713,075	\$5,043,537	\$1,476,777	\$3,542,760
m. Contingencies									
n. TOTALS (sum of l and m)	\$26,730,257	\$5,443,343	\$21,286,914	\$1,735,957	\$22,882	\$1,713,075	\$5,043,537	\$1,476,777	\$3,542,760

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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