

## FIRST PERFORMANCE PROGRESS REPORT 2010



1. Recipient Organization ( <i>Name and complete address including zip code</i> ) Trillion Communications Corp. 3871 Pine Lane, Suite 141, Bessemer, AL 35022	2. Award Identification Number NT10BIX5570130
3. Performance Narrative (Q1) <i>Please describe your project activities and progress for the first quarter of your award period. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>  Trillion Communications Corporation was notified of the approval of its Comprehensive Community Infrastructure (CCI) Broadband Technology Opportunities Program (BTOP) grant request on July 28, 2010. The purpose of the CCI grant is to enable free, community-funded Internet services to under-served and un-served populations in eight (8) economically-depressed counties in Central Alabama. The CCI project intends to enhance public safety services by creating an interoperable network between public safety agencies in all eight counties, as well as establish the infrastructure necessary to support a future 700 MHz wireless interoperable public safety broadband network. Additionally, the project proposes to construct over 2,200 miles of new fiber, complemented by an existing fiber network, to offer a variety of wholesale services at speeds up to 1 Gbps to the end-user premise and transport services at speeds up to 10 Gbps.  Currently, Trillion has not received a drawdown but has been preparing for the successful implementation of the South Central Alabama Broadband Commission (SCABC) project design. Since award notification, Trillion has completed the following key tasks:  (1) Signed & Submitted the Grant Award Acceptance Documentation;  (2) Completed the Grants Online Enrollment;  (3) Completed the Federal Reporting Enrollment;  (4) Completed the Automated Standard Application for Payment (ASAP) Enrollment,  (5) Completed the Accounting System Verification;  (6) Submitted the initial 6-Month Expenditure Budget. The Revised Budget is to be Submitted in November. The revision was required to address various Environmental Assessment questions, as well as to address the Cash Match delay;  (7) Executed the Formal Agreements Between Trillion and A2D, Inc. and Other Key Vendors;  (8) Presented the Project Overview to Community Stakeholders;  (9) Issued Notification of Award to Community Partners and Investors;  (9) Established Project Notification Public Relations Guidelines;  (10) Completed the Detail Design of the Network Documents;  (11) Coordinated Vendor/Equipment RFP/RFQ Requirements;  (12) Coordinated Municipal/State Regulatory requirements;  (13) Submitted for Approval the Document to change A2D's from Contractor to Sub-Recipient;	

(14) Published Trillion's Code of Conduct Document;

(15) Published Trillion's CCI Procurement Procedures.

Trillion's Grant Management, Compliance and Financial Team are actively engaged in reviewing and updating Policies and Procedures, as well as Key Internal Controls and Measures related to Procurement of Product and Services, Federal and Cash Match Drawdowns, Reporting Requirements, Financial Disbursements, Safeguarding of Assets, and Sub-Recipient Monitoring. The purpose of these documents is to ensure compliance in every aspect of the project before initiating drawdowns. Trillion is also streamlining the roles that each participant must play to ensure efficiency, to mitigate the risks threatening the project's objectives, and to achieve the level of accountability and transparency expected from a project of this size.

#### 4. Performance Projections (Q2)

*Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)*

The Trillion Team is actively engaged in completing critical tasks and milestones. The amount of the planned expenditures is approximately \$1,774,044. This includes services rendered in the prior quarter but were not invoiced until the subsequent quarter.

The following key milestones are scheduled to be completed during the next quarter:

#### **October 2010:**

- (1) Begin providing Grant Compliance and Technical Assistance to the South Central Alabama Broadband Commission (SCABC), which will include the Poarch Creek Indian Tribal Nation;
- (2) Engage Trillion's Legal Team to execute Agreements with Local and Regional Service Providers and Carriers;
- (3) Negotiate Land Lease Agreements for SCABC Network Terminals;
- (4) Execute the Agreement with Environmental Assessment Firm and Engage NTIA to establish EA Timeline;
- (5) Negotiate the Lease Agreement with the Lowndes County Commission. The Hayneville Plaza will be retrofitted to house the Hayneville Network Operations Center (NOC) and the A2D/Trillion Field Site Office;
- (6) Execute Agreements with Telecom Legal Firm(s);
- (7) Procure "As-Builts" from Existing Service Providers, the Alabama Department of Transportation (ALDOT), Local and Regional Utilities & Municipalities;
- (8) Overlay and Update "As-Builts" onto Network Design Drawings;
- (9) Update Computer Aided Design (CAD)/ Geographic Information Systems (GIS) Documents.

#### **November 2010:**

- (1) Finalize and Submit the Revised 6-Month Budget Expenditure plan;
- (2) Execute Contract with the Architect to begin the design requirements for the Hayneville NOC;
- (3) Receive and Track the Timeline for the Formation of the SCABC;
- (4) Secure Lease of the Haynesville Plaza to house the Hayneville NOC and the A2D/Trillion Field Site Office;

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- (5) Complete & Submit the Network Design Drawings to City, County and State Utilities, as well as ALDOT to secure the necessary rights-of-way permits;
- (6) Prepare the Permit Requests to be submitted to Cities, Counties, Railroad Companies and Utility Companies who own easements;
- (7) Secure the A2D Network Testing Office in East Point, GA;
- (8) Begin the Setup & Configuration of the equipment targeted for the Hayneville NOC. This will also serve as the Operator Test Lab;
- (9) Prepare the submittal of the permits for the Hayneville NOC Facility Renovation;
- (10) Release the RFQs to Local Governmental Agencies & Partners, Local and Regional Chambers of Commerce, Minority Business Development Agencies and other Contractor Solicitation Channels;
- (11) Release the RFQs for Labor-based Contracting Job Opportunities. Construction Requirements to be published on website;
- (12) Execute the Retainer with ALDOT. This will be required to compensate ALDOT for costs incurred during the Department's involvement by providing all Right-of-Way and GIS Mapping data for state roads in the SCABC network footprint, ALDOT Planning info listing existing/upcoming road projects, and any County GIS/Planning Department resources to obtain Underground Utility Information).

**December 2010:**

- (1) Set-up the Construction Site Office and Staff at the Hayneville Plaza;
- (2) Submit the Permit Drawings for Hayneville NOC;
- (3) Engage the Public Relations Firm and Community Stakeholders for Construction Notification;
- (4) Execute the Master Service Level Agreements with Service Providers;
- (5) Execute the Lease Agreements for the SCABC Terminal Locations;
- (6) Negotiate Tower Lease Agreements.

The project's anticipated delay or challenge involves finalizing the Investor's Cash Match. To mitigate this issue, Trillion is preparing a Milestone plan describing the necessary steps it must take to secure the Match amounts from The Saqqara Funding Gruppe. This document will include a description of A2D's method for providing the cash for the first six months, and the subsequent reimbursement by the source of cash match originally identified in the application. This information and the detailed Milestone plan is being prepared for review by the Federal Program Officer.

**5. 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.**

<p>5a. Typed or Printed Name and Title of Authorized Certifying Official</p> <p>Ralph E. Brown, Chief Executive Officer - Trillion Communications Corporation</p>	<p>5c. Telephone (<i>area code, number and extension</i>)</p> <p>404-245-6393</p> <p>5d. Email Address</p> <p>Ralph.Brown@trillionusa.com</p>
<p>5b. Signature of Authorized Certifying Official</p>	<p>5e. Date Report Submitted (<i>Month, Day, Year</i>)</p> <p><b>October 29, 2010</b></p>

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information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, Office of Telecommunications and Information Applications, National Telecommunications and Information Administration, U.S. Department of Commerce (DOC), 1401 Constitution Avenue, N.W., HCHB, Room 4887, Washington, D.C. 20230.