

RECIPIENT NAME: Virginia Tech Foundation, Inc.

AWARD NUMBER: NT10BIX5570016

DATE: 08/12/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

#### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570016	<b>3. DUNS Number</b>  074747908
<b>4. Recipient Organization</b>  Virginia Tech Foundation, Inc. 902 Prices Fork Road STE 400, Blacksburg, VA 24060-3260		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2011	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Pat Rodgers	<b>7c. Telephone (area code, number and extension)</b>  5402311709	
	<b>7d. Email Address</b>  prodgers@vt.edu	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-12-2011	

**Project Indicators (This Quarter)**

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

The State Historic Preservation Officer (SHPO) consultation report was approved on 4-8-11 and the Environment Assessment (EA) was approved and the Finding of No Significant Impact (FONSI) was issued on 5-17-11. THE National Forest Service (NFS) permit has not been received, but we were assured it is being prepared. We received a partial shipment of the network transport equipment. All pole permits have been applied for, and responses received, however the make-ready work continues to be done by various utilities. The contracts for the site work and placement of the interconnection huts (2) was completed, the Request for Proposal (RFP) issued, and the successful bidder selected and awarded the contract. A pre-construction meeting was held for huts construction. Outside Plant construction activities started on 5-23-11. Approximately 15 miles or 16% had been placed by the end of the quarter.

**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	23	EA approval pushed scheduled start date back by approximately 6 months. New project complete date to be Y3Q2.
2b.	Environmental Assessment	100	FONSI issued on 5-17-2011.
2c.	Network Design	100	N/A
2d.	Rights of Way	100	N/A
2e.	Construction Permits and Other Approvals	100	N/A
2f.	Site Preparation	0	Bid has been awarded. Vendor is to start 7-18-2011. Completion is scheduled for Y2Q3.
2g.	Equipment Procurement	100	All equipment is ordered and received.
2h.	Network Build (all components - owned, leased, IRU, etc)	16	Construction started on 5-23-2011. Delay in EA approval will push construction complete back by approximately 6 months to Y3Q1.
2i.	Equipment Deployment	0	Deployment delayed by site preparation bidding. Equipment deployment to start to start in Y2Q3 and complete in Y2Q4.
2j.	Network Testing	0	N/A
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 (600 words or less).**

The lack of approval of the National Forest Service permit had potential to delay certain sections of construction. (Permit was received in Y2Q3.)

Rock was encountered in numerous locations.

**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	15	N/A
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	15	Outside Plant Construction (OSP) started on 5-23-2011. The baseline in Q2 was not met because of delay in construction. Construction was delayed because the approval of the Environmental Assessment was delayed. However, MBC is deploying additional crews to attempt to "catch up" on the schedule.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded 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 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:  
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 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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	Will offer 10mbps/100mbps open access.
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 of subscribers for each	0	Will offer 10mbps/100mbps open access.
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 (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

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	No	N/A

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 Obtain National Forest Service permit.  
 Complete the site work and the completion of the huts (2).  
 Receive the remaining transport equipment.  
 Begin installation of the transport equipment.  
 Complete make-ready work.  
 Continue progress in construction to "catch up" on the construction schedule.

**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	60	By adding additional construction crews, we hope to complete 60% of the project by end of Y2Q3.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	100	N/A
2d.	Rights of Way	100	N/A
2e.	Construction Permits and Other Approvals	100	N/A
2f.	Site Preparation	100	N/A
2g.	Equipment Procurement	100	N/A
2h.	Network Build (all components - owned, leased, IRU, etc.)	50	Construction plans are to place approximately 30 miles of cable in Y2Q3. Due to the delay in the start of construction, the network build and equipment deployment dates were shifted forward. MBC is deploying additional crews to "catch up" on the schedule.
2i.	Equipment Deployment	33	Equipment to be installed in at least one inter-connection point in Y2Q3. Due to the delay in the start of construction, the network build and equipment deployment dates were shifted forward. MBC is deploying additional crews to "catch up" on the schedule.
2j.	Network Testing	25	Network testing will begin as soon as equipment is installed in at least one node (inter-connection) location.
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).**

1. Receiving the remainder of the required cable in a timely manner.
2. Gaining completion of the make-ready work by other utilities in a timely manner.
3. Encountering rock in locations.

**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	\$150,000	\$30,000	\$120,000	\$108,262	\$0	\$108,262	\$128,262	\$0	\$128,262
b. Land, structures, right-of-ways, appraisals, etc.	\$300,000	\$60,000	\$240,000	\$124,706	\$110,746	\$13,960	\$129,706	\$115,746	\$13,960
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$362,500	\$72,500	\$290,000	\$580,132	\$0	\$580,132	\$580,132	\$0	\$580,132
e. Other architectural and engineering fees	\$20,000	\$4,000	\$16,000	\$56,647	\$0	\$56,647	\$71,647	\$0	\$71,647
f. Project inspection fees	\$135,000	\$27,000	\$108,000	\$16,992	\$0	\$16,992	\$24,992	\$0	\$24,992
g. Site work	\$90,000	\$18,000	\$72,000	\$0	\$0	\$0	\$77,000	\$77,000	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$5,500,000	\$1,100,000	\$4,400,000	\$528,575	\$51,719	\$476,856	\$2,946,618	\$51,719	\$2,894,899
j. Equipment	\$300,000	\$60,000	\$240,000	\$173,585	\$173,585	\$0	\$176,585	\$176,585	\$0
k. Miscellaneous	\$67,500	\$13,500	\$54,000	\$20,058	\$20,058	\$0	\$20,058	\$20,058	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$6,925,000	\$1,385,000	\$5,540,000	\$1,608,957	\$356,108	\$1,252,849	\$4,155,000	\$441,108	\$3,713,892
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$6,925,000	\$1,385,000	\$5,540,000	\$1,608,957	\$356,108	\$1,252,849	\$4,155,000	\$441,108	\$3,713,892

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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