

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 NT10BIX5570023	3. DUNS Number 831497651
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4. Recipient Organization North Florida Broadband Authority 1500 Mahan Drive Suite 250, Tallahassee, FL 32308-5177
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	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 Michael Avello	7c. Telephone (area code, number and extension) X
	7d. Email Address mavello@govserv.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-30-2011
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Project Indicators (This Quarter)

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

(Please note: The Certifying Official's name and contact information needs to be updated on this form. This information is automatically generated in the Program Office's Adobe form for the Performance Progress Report. It is our understanding that these fields cannot be edited or changed without an Administrator's permission.)

We confirmed our inventory of in-kind assets committed to the project by our local member governments. We streamlined our site acquisition process for in-kind assets, and we have compiled legal descriptions, parcel identification numbers, and other legal data necessary to formally execute site lease agreements with in-kind asset owners.

We received a written commitment from Main Street Broadband (CityNet, LLC) to purchase 15 Gb of bandwidth for \$240,000 per month in increments starting when our first network ring and path to Point of Presence are available, properly tested, operational, and customers are ready to be brought on the network. This commitment represents over \$2.8 million of potential revenue per year for the next five years.

We made significant progress with the deployment of our core network during the 3rd Quarter of 2011. During this reporting period, workers and supervisors were in the field performing the following network deployment tasks:

- Site preparation, trenching, and installation of conduit and wire for underground electrical work.
- Coordination with local electrical utility companies to make final site power connections.
- Placement of formwork, reinforcing steel, and concrete for site equipment pads.
- Installation of suspended cable trays (ice bridges), tower cabling, and hardware.
- Ongoing equipment testing, configurations, inventory management, and staging.
- Installation of equipment cabinets, including making final connections for licensed indoor microwave radio units, multi-service access platforms, and power supply units.
- Climbing towers to install licensed outdoor microwave radio units and antennas.
- Performing ongoing Safety and Quality Assurance inspections for all of the deployment activities identified above.
- Performing ongoing Davis Bacon monitoring and inspections for all deployment contractors in the field.

Due to the efforts listed above, civil and site electrical work is complete at 50 out of 94 tower sites, and installation of site-specific network equipment, licensed microwave radios, and tower cabling is complete at 13 tower sites.

In addition, FCC license applications have been approved for 98 out of 102 core network links. Over \$3,000,000 worth of core network equipment has been ordered, received, inventoried, and warehoused during this reporting period.

Site license agreements have been fully executed for 87 out of 94 tower sites. Upstream fiber circuits were tested at our Branford Point of Presence location, and completion of upstream provisioning is pending payment for our Indefeasible Right of Use.

As part of our efforts to realign the project with its Baseline goals, we engaged Jacobs Telecommunications, Inc. to take on a larger role with overall project management by providing ongoing Quality Assurance services and Network Design Reviews, as well as by taking over as the General Contractor for deployment.

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	42	<p>With our disbursements to date, approved open (unpaid) expenditures (as defined per form SF-270), and our recipient match, overall project completion is at 42% for this reporting period. If we are allowed to report progress toward our recipient match contributions based on the signed letters of commitment and resolutions received from our member governments for their in-kind contributions, then overall project completion would be at 65% for this reporting period.</p> <p>Variance from Baseline during this period is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011. According to our estimates, the project would otherwise have been Substantially Complete by the</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			end of this reporting period (four months ahead of the Federal deadline for Substantial Completion).
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.
2c.	Network Design	93	<p>There was marginal change from the previous quarter because relatively few approved expenditures were applied toward this Milestone category.</p> <p>As part of our efforts to realign the project with its Baseline plan, Jacobs Telecommunications has been engaged to perform network design quality assurance reviews, which includes checking engineering deliverables to ensure that they meet industry and Federal program standards.</p>
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	70	This Milestone category remains on schedule.
2f.	Site Preparation	100	As noted in our previous quarterly Performance Progress Reports, we prepared a draft budget reallocation to be submitted as an Award Action Request following Program Office review and comment, to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. Upon approval of the Award Action Request, the budget amount originally allocated for Site Preparation will be re-allocated to other Cost Classification categories.
2g.	Equipment Procurement	67	As significant expenditures for equipment procurement continue to be accrued, we expect that this Milestone category will be realigned with the Baseline plan by the end of next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	51	<p>Variance from Baseline is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011.</p> <p>Prior to this suspension, a substantial delay was also incurred awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011).</p> <p>Following reinstatement of Federal funding, we expect to reach our Baseline projections for this Milestone category by next reporting period.</p>
2i.	Equipment Deployment	34	<p>Significant progress was made in the field due to the efforts of our deployment contractors this past quarter.</p> <p>Variance from Baseline is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011. According to our estimates, we could have reached our Baseline goal if deployment had not been interrupted by this suspension.</p> <p>Substantial delays in deployment were also incurred awaiting Davis Bacon wage-rate determinations (more than 3 months), which delayed the procurement of our equipment installation contractors; awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011); and comments from the Program Office on a Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response).</p> <p>Following reinstatement of Federal funding, we expect to reach our</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			Baseline projections for this Milestone category over the next 2 reporting periods.
2j. Network Testing		15	<p>Variance from Baseline is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011.</p> <p>Network testing follows closely behind equipment deployment. As noted above, substantial delays in deployment were incurred awaiting wage-rate determinations (more than 3 months), awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011); and comments from the Program Office on a Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response).</p> <p>Upon reinstatement of Federal funding, bench testing and "burn-in" testing will continue for network equipment as it continues to be received and inventoried. Site interoperability testing and link commissioning will follow in closely behind equipment deployment.</p>
2k. Other (please specify): In-Kind Contributions		2	<p>We confirmed our inventory of committed in-kind assets for our Federal match requirement. We streamlined our site acquisition process for in-kind assets, and we have compiled legal descriptions, parcel identification numbers, and other legal data necessary to formally execute site lease agreements with in-kind asset owners.</p> <p>If we are allowed to report progress toward our in-kind recipient match contributions based on signed letters of commitment and resolutions from our local member governments who have committed their in-kind contributions to this project, then the completion percentage for this category would be at 100% for this reporting period. As noted above, we put everything in place (legal descriptions, parcel identification numbers, etc.) so that in-kind lease agreements could be executed before the end of this reporting period, which would have enabled us to report corresponding progress for this period.</p> <p>However, compliance with the directive to prepare a Corrective Action Plan, as well as the payment suspension and the suspension of the Grant Award during this reporting period prevented us from employing the legal and project management resources necessary to finalize and execute the individual site-specific license agreements for our contributed in-kind assets. As Federal funding is reinstated, we fully expect to make significant progress toward booking these assets over the next reporting period.</p> <p>Due to the nature and source of our in-kind match contributions (which lends itself to a longer process for securing and booking these assets), we received an approved Award Action Request from the Program Office in April 2011 granting us a waiver of the recipient match proportionality of draws requirement.</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).

Planned project progress was significantly impacted by (1) compliance with the directive to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011. We are pleased to report that our Corrective Action Plan was accepted and Federal funding is expected to be reinstated (in some capacity) by late October 2011.

As Federal funding is reinstated, assistance from the BTOP program would be useful in helping us to identify ways to be proactive in

our compliance with Federal program guidelines to ensure that grant funding remains available for the North Florida Broadband Authority to re-establish and maintain momentum as we continue to work with the Program Office toward our mutual goals of creating jobs and stimulating economic development for our citizens and communities.

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	<p>Significant progress was made in the field due to the efforts of our deployment contractors this past quarter.</p> <p>Variance from Baseline is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011. According to our projections, we would have made substantial progress toward our Baseline goal if deployment had not been interrupted by this suspension.</p> <p>Substantial delays in deployment were also incurred awaiting Davis Bacon wage-rate determinations (more than 3 months), which delayed the procurement of our equipment installation contractors; awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011); and comments from the Program Office on a Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response).</p> <p>Following reinstatement of Federal funding, we expect to reach our Baseline projections for this Milestone category over the next 2 reporting periods.</p>
New network miles leased	1,620	The mileage indicated here represents fiber leased from our upstream provider.
Existing network miles upgraded	0	N/A. Upgrade of network facilities is being performed by our upstream provider.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	1,620	The mileage indicated here represents fiber leased from our upstream provider.
Number of new wireless links	0	<p>The core network will have 102 wireless links.</p> <p>Variance from Baseline is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011. According to our projections, we would have made substantial progress toward our Baseline goal if deployment had not been interrupted by this suspension.</p> <p>Substantial delays in deployment were also incurred awaiting Davis Bacon wage-rate determinations (more than 3 months), which delayed the procurement of our equipment installation contractors; awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011); and comments from the Program Office on a</p>

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		<p>Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response).</p> <p>Upon reinstatement of Federal funding (expected to occur in late October 2011), we expect to make significant progress toward reaching our Baseline projection for this category.</p>
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	<p>There are 94 primary interconnection points planned for the core network.</p> <p>Variance from Baseline is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011. According to our projections, we would have made substantial progress toward our Baseline goal if deployment had not been interrupted by this suspension.</p> <p>Substantial delays in deployment were also incurred awaiting Davis Bacon wage-rate determinations (more than 3 months), which delayed the procurement of our equipment installation contractors; awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011); and comments from the Program Office on a Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response).</p> <p>Upon reinstatement of Federal funding (expected to occur in late October 2011), we expect to make significant progress toward reaching our Baseline projection for this category.</p>

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	2
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: None yet. We have received a Commitment Letter for a substantial monthly service commitment from one of our last mile partners. Following reinstatement of Federal funding and upon resumption of network deployment activities, we expect to receive additional commitment letters and execute signed agreements over the next quarter as we continue to actively engage last mile providers in the network region.

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:

Internet and transport services. Services will be offered in standard, premium (protected), and enterprise packages. We will offer term and volume discounts as well. We continued to reach out to community anchor institutions in the network region to gage their level of interest as potential early adopter customers with simplified, straightforward service plans that may be provided on a best-effort basis before the network rings are complete and more formal service level agreement pricing strata are implemented.

A draft copy of our Wholesale Standard Ethernet Access Pricing matrix is attached.

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).

As project deployment nears completion, the North Florida Broadband Authority will advertise in an open and competitive procurement for contract network operations services. These services will be performed under the oversight of the North Florida Broadband Authority Board of Directors. We expected to complete the determination of procurement requirements for contract network operations services during this current reporting period. However, the suspension of Federal grant funding has pushed this activity into the next reporting period.

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	Unless it is a new provider, or just entering the market, we will assume that all providers are receiving improved access.
	Providers with signed agreements receiving improved access	0	We are in discussion with several providers. Agreements are pending finalization of product and service plans and the reinstatement of Federal funding. The variance from the Baseline Plan is primarily the result of (1) the use of resources to prepare a Corrective Action Plan, as directed by the Program and Grants Offices; (2) the suspension of payments under the Grant Award, effective August 18, 2011; and (3) the suspension of the Grant Award effective September 21, 2011, as well as the network design re-evaluation and re-engineering process that began in previous quarters. In addition, substantial delays in deployment were also incurred awaiting Davis Bacon wage-rate determinations (more than 3 months), which delayed the procurement of our equipment installation contractors; awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR submitted in April 2011, received in June, 2011); and comments from the Program Office on a Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response). Upon reinstatement of Federal funding (expected to occur in late October 2011), we expect to make significant progress toward reaching our Baseline projection for this category.
	Providers with signed agreements receiving access to dark fiber	0	We will not be providing access to dark fiber, as we do not have that access.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Available speed tiers will begin at 6, 12, 25, 60, 150Mbps, and can be customized to 1 Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Our plan outlines service to 308 anchor institutions by project closeout.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	We will assume that if service is provided through our network, that all subscribers that have some type of service will receive improved service. The variance from the Baseline Plan is primarily the result of suspension of Federal grant funding this past quarter as well as the network design re-evaluation and re-engineering process that began in previous quarters. In addition, substantial delays in deployment were also incurred awaiting Davis Bacon wage-rate determinations (more than 3 months), which delayed the procurement of our equipment installation contractors; awaiting a response to a waiver request to allow eligibility of Long term Operational leases (requested process in December, 2010, AAR

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
			submitted in April 2011, received in June, 2011); and comments from the Program Office on a Route Change Request (submitted for comment in March 2011, AAR submitted in July 2011, still awaiting response). Upon reinstatement of Federal funding (expected to occur in late October 2011), we expect to make significant progress toward reaching our Baseline projection for this category.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Available speed tiers will begin at 6, 12, 25, 60, 150Mbps, and can be customized to 1 Gbps.
Residential / Households	Entities passed	0	When completed, the NFBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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	This will depend completely on the retail Last Mile providers.
Businesses	Entities passed	0	When completed, the NFBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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	This will depend completely on the retail Last Mile providers.

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

No special offerings at this time. Service catalog products and pricing are being developed along with business support system requirements.

We have secured very substantial capacity to allow third party providers to provide a wide array of services across our network. The full range of offerings will be determined by the marketplace, but the network has been designed to efficiently accommodate all types of traffic.

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
N/A	N/A	N/A	N/A	N/A

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

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

The overall project will be Substantially Complete before the end of next quarter based on expenditures to date (as defined per SF-270), projected expenditures, and in-kind contributions for our recipient match.

We will implement a Transition Plan that will allow the project to move forward into its next phase of operations. In accordance with the recommendations and guidance from the Program Office, our Transition Plan sets forth the steps necessary to augment the North Florida Broadband Authority's organizational capabilities in order to assume "in-house" control of many functions formerly provided through contracted general management services. The North Florida Broadband Authority (NFBA) is hiring an Interim General Manager as a direct employee to execute this transition process. The Interim General Manager reports directly to the NFBA Board of Directors and will be the NFBA executive with overall responsibility for project management, operations, vendor and contractor management, human resources, and all other NFBA executive functions.

The Interim General Manager will be supported in her role by key "in-house" direct employees as well as by the services of Jacobs Telecommunications, Inc., which has been engaged to provide comprehensive project management services that were formally provided by valued vendor resources that voluntarily stepped aside during this transition period. In addition, Jacobs will provide general contracting and deployment oversight services formally provided by the engineering firm that was terminated for convenience.

Following full reinstatement of Federal funding, accomplishments are planned for network deployment activities as follows:

- Site preparation, trenching, and underground electrical work is planned to be complete or in progress at all 94 tower sites.
- Coordination with local electrical utility companies and final site power connections are planned to be complete for all 94 tower sites.
- Installation of concrete equipment pads is planned to be complete or in progress at all 94 tower sites.
- Installation of suspended cable trays (ice bridges) is planned to be complete or in progress at all 94 tower sites.
- Equipment testing, configurations, inventory management, and staging is planned to be complete or in progress for all 94 tower sites.
- Installation of equipment cabinets, including making final connections for licensed indoor microwave radio units, multi-service access platforms, and power supply units is planned to be complete or in progress at all 94 tower sites.
- Installation of tower cabling and licensed outdoor microwave radio units and antennas is planned to resume at remaining tower sites.
- Pathing (alignment of licensed outdoor microwave radio units) is planned to resume at remaining tower sites.
- Network interoperability testing and site commissioning is planned to be complete or in progress at all 94 tower sites.
- Safety and Quality Assurance inspections for all deployment activities are planned to continue throughout next reporting period.
- Upstream provisioning and testing at the datacenters and points-of-presence are planned to be complete by the end of next quarter.
- Execution of site-specific lease agreements for committed in-kind asset contributions is planned to be an ongoing activity throughout the next reporting period.
- Community outreach efforts are planned to be an ongoing activity throughout the next reporting period.

Key performance indicators are planned for next quarter as follows:

- New Miles Deployed: 60
- Additional New Miles Leased: 0
- Number of Community Anchor Institutions Connected: 0
- We are currently in negotiations with 2 local (last mile) providers.

Following full reinstatement of Federal funding, we fully expect to re-establish the momentum that we achieved in previous months for the deployment activities listed above, and we will continue to make substantial progress toward reaching our initial Baseline goals.

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)

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	69	Prior to the suspension of grant funding, planned project progress was expected to be at 89%, based on our estimated projections for expenditures for 4th quarter of 2011. We would have therefore exceeded our original Baseline Plan projection of 87.13% for overall project completion for the next quarter.
2b.	Environmental Assessment	0	N/A. Categorically exempt from Environmental Assessment.
2c.	Network Design	96	Network design is expected to be on schedule.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	80	Building and electrical permit acquisition is expected to remain on schedule.
2f.	Site Preparation	100	We prepared a draft budget reallocation Award Action Request to submit for review and approval to the Program Office to reconcile or adjust our SF-424C budget categories that were originally based on the turnkey link network design project plan. Upon approval of the Award Action Request, the budget amount originally allocated for Site Preparation will be reallocated to other Cost Classification categories.
2g.	Equipment Procurement	96	The anticipated progress referenced here would have been the actual progress made in the 3rd Quarter of 2011 had Federal funds not been suspended. Upon reinstatement of Federal funding (expected to occur in October 2011), we fully expect to reach our Baseline goal for Equipment Procurement by next reporting period.
2h.	Network Build (all components - owned, leased, IRU, etc.)	94	Upon reinstatement of Federal funding (expected to occur in October 2011), we fully expect to reach our Baseline goal for this Milestone category by next reporting period.
2i.	Equipment Deployment	80	Upon reinstatement of Federal funding (expected to occur in late October 2011), we fully expect to reach our Baseline goal for this Milestone category as site-specific equipment installation resumes next reporting period.
2j.	Network Testing	40	Upon reinstatement of Federal funding (expected to occur in October 2011), we fully expect to make significant progress toward our original Baseline projection for this Milestone category by next reporting period as network testing will follow closely behind equipment deployment.
2k.	Other (please specify): In-Kind Contributions	100	We confirmed our inventory of committed in-kind contributions for our Federal match requirement. As Federal funding is fully reinstated, we fully expect to make substantial progress toward booking these assets over the next reporting period.

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).

The most significant challenge awaiting us next quarter (next reporting period) stems from the transition process (described above) that must be undertaken due to the events of this recent reporting period. As Federal funding is reinstated (anticipated October 2011), it is critical that grant funding remains available and accessible per the original draw schedule as necessary to allow us to acquire and employ the resources necessary to accelerate the project schedule and to re-establish the momentum that we had achieved previously in the deployment of our core network.

As we move forward, we have identified the following area where assistance from the BTOP program would be useful and sincerely appreciated:

According to Section 2.3 of the BTOP / NTIA "FY11 BTOP Monitoring and Assessment Plan, "At the conclusion of the site visit, the program office staff will develop a draft Site Visit Report that documents the findings and conclusions from the visit. A copy of the final Site Visit Report will be sent to the recipient indicating the results of the visit." Program Office staff visited our project in March 2011 and reviewed our organizational structure, vendor oversight, financial controls, and overall project progress. However, we still have not received our Site Visit Report from that meeting.

As this might be an internal technical matter, assistance from the BTOP program would be useful in providing us with a copy of our March 2011 Site Visit Report and with copies of reports for all subsequent Program Office Site Visits. The purpose of this request is so that the North Florida Broadband Authority Board of Directors can make timely and proper evaluations and, if necessary, take action to ensure that the project is (and will remain) in compliance with Federal program guidelines.

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	\$542,568	\$0	\$542,568	\$1,288,773	\$0	\$1,288,773	\$1,426,273	\$0	\$1,426,273
b. Land, structures, right-of-ways, appraisals, etc.	\$20,247,000	\$9,227,000	\$11,020,000	\$6,708,802	\$0	\$6,708,802	\$16,135,752	\$9,075,854	\$7,059,898
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,536,000	\$0	\$1,536,000	\$1,945,931	\$0	\$1,945,931	\$2,430,345	\$0	\$2,430,345
e. Other architectural and engineering fees	\$384,000	\$0	\$384,000	\$1,433,666	\$0	\$1,433,666	\$1,814,396	\$0	\$1,814,396
f. Project inspection fees	\$753,432	\$0	\$753,432	\$140,300	\$0	\$140,300	\$289,640	\$0	\$289,640
g. Site work	\$129,500	\$0	\$129,500	\$129,500	\$0	\$129,500	\$129,500	\$0	\$129,500
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$15,667,576	\$0	\$15,667,576	\$4,598,907	\$0	\$4,598,907	\$4,627,157	\$0	\$4,627,157
k. Miscellaneous	\$109,600	\$0	\$109,600	\$281,039	\$151,146	\$129,893	\$308,039	\$151,146	\$156,893
l. SUBTOTAL (add a through k)	\$39,369,676	\$9,227,000	\$30,142,676	\$16,526,918	\$151,146	\$16,375,772	\$27,161,102	\$9,227,000	\$17,934,102
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$39,369,676	\$9,227,000	\$30,142,676	\$16,526,918	\$151,146	\$16,375,772	\$27,161,102	\$9,227,000	\$17,934,102

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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