

RECIPIENT NAME:Nelson, County of

AWARD NUMBER: NT10BIX5570049

DATE: 11/07/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570049 | 3. DUNS Number 052551322 |
| 4. Recipient Organization Nelson, County of 84 Court House Square, Lovingson, VA 22949-0000 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012 | 6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No | |
| 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 Stephen A Carter County Administrator | 7c. Telephone (area code, number and extension) 4342637000 | |
| | 7d. Email Address scarter@nelsoncounty.org | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 11-07-2012 | |

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Construction of the middle mile fiber network continued with approximately 29 miles of fiber installed by the end of this quarter. Fiber connections into community anchor institutions, customer premise equipment installation and testing is in progress and on schedule for completion in the following quarter. Small purchases of miscellaneous outside plant materials were ordered to complete the conduit tie ins for the final fiber pulls. The Afton and Avon tower procurement process was completed, towers ordered and foundation designs approved. The access road for the Avon tower was fully under construction and conduit installed to the tower compound. Network electronics were received and installation and testing by the vendor began in the network operating center. One wholesale Internet provider completed collocation in the network operating center. Negotiations began with a third party for network operation services that will be completed in the following quarter. Agreements are in negotiation with two last mile providers. A tentative site was selected for a Massies Mill tower and due diligence negotiations with the property owner commenced, though the County continued to research alternative sites. Work began on the development of marketing materials to advertise the middle mile network to private providers outside of the County. The Nelson County Broadband Authority and the working subcommittee continued to meet regularly to oversee the project implementation and make business development decisions.

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 | 87 | The overall project completion variance is due to a network redesign to avoid high make ready costs that delayed the project start. The fiber network construction is nearing completion as the last conduit tie-ins and fiber pulls are being made. Equipment deployment is in process in the network operating center and in the community anchor institutions, and testing has begun on both the fiber and the equipment. Two towers have been ordered, foundation designs approved and construction will occur in the following quarter. Work to secure the third tower site continues with one tentative site currently in negotiation with the property owner. |
| 2b. | Environmental Assessment | 100 | No variance |
| 2c. | Network Design | 100 | No variance |
| 2d. | Rights of Way | 100 | No variance |
| 2e. | Construction Permits and Other Approvals | 100 | No variance |
| 2f. | Site Preparation | 0 | N/A |
| 2g. | Equipment Procurement | 90 | Variance due to a delayed construction start and outside plant materials ordered on pace with construction to ensure efficient use of materials and funds. Small orders for final outside plant items placed to accommodate the final pieces of fiber network construction. The majority of network equipment has been ordered but expenditures will not be completed until the following quarter. |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 80 | Variance due to a delayed construction start of approximately six months. The fiber network construction is nearing completion as the last conduit tie-ins and fiber pulls are being made. Construction closeout activities have begun that include grounds restoration, construction clean up and preparation for a materials audit. Two towers have been ordered that will be erected in the following quarter, and the third tower site has not been secured but is in negotiations at this time. |
| 2i. | Equipment Deployment | 65 | Variance due to a delayed construction start of approximately six months. Equipment is in process of installation in the network operating center in Lovington, installation of customer premise units is underway and the cabinet has been set at the Colleen tower. Cabinets at the Avon and Afton towers will be set in the following quarter. Testing of fiber and equipment is ongoing as the equipment is being installed and will be complete in the following quarter. |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|-----------------------------|------------------|--|
| 2j. | Network Testing | 65 | Variance due to a delayed construction start of approximately six months. Testing of fiber and equipment is in process by both the fiber install crew and the network equipment vendor. The wholesale internet provider completed collocation in the network operating center and the circuit is operational. Testing will be complete in the following quarter. |
| 2k. | Other (please specify): N/A | 0 | No variance |

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).

Construction on the fiber network in the third quarter was slow due to a large amount of rock removal primarily along River Road. Selection of a suitable tower site in the Massies Mill area continued to be problematic in achieving clear line of sight to the Colleen tower. A site that was selected last quarter was subsequently eliminated when the County and property owner failed to reach an agreement for a ground lease. An additional site has been located with an interested property owner and is currently in due diligence negotiations; the County continues to research alternative locations in the meantime.

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 | 29 | Construction start was delayed by approximately six months. All of the conduit and vaults have been installed, the majority of fiber pulled and the final connections of fiber into the community anchor institutions are in progress. The remaining network fiber will be installed in the following quarter. The microwave backhaul will not be completed until the first quarter of 2013. |
| 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) | 29 | Variance due to a delayed construction start of approximately six months. The final fiber tie ins and installation into community anchor institutions is in progress and will be complete in the following quarter. |
| Number of new wireless links | 0 | Variance due to a delay in locating a suitable tower site in the Massies Mill area. The Colleen tower is in place but no equipment will be deployed until the Massies Mill tower is constructed. |
| Number of new towers | 0 | Variance due to a delay in locating a suitable tower site in the Massies Mill area. The Afton and Avon towers have been ordered, foundation designs completed, and construction will occur in the following quarter. A third site has been tentatively selected and is in negotiation with the property owner. The County continues to search for alternative sites during this time. |
| Number of new and/or upgraded interconnection points | 3 | Variance due to a delayed construction start of approximately six months. Collocation space in the network operating center is complete and a wholesale Internet provider has completed connectivity in the center. The public safety tower interconnection point is ready for private provider collocation with backhaul into the network operating center, as is the tower at Colleen. The additional interconnection points are in the process of installation as cabinets are being set at the Afton and Avon tower sites. The Massies Mill tower interconnection point will not be completed until the first quarter of 2013. |

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 | 1 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 2 |
| Average term of signed agreements (in quarters) | 20 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
The County has a signed agreement with Lumos Networks.

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:

The network is nearing completion with the final fiber tie ins and equipment installation in progress. No services are being offered by private providers at this time. The County will not be a service provider on this network but will provide transport for private provider services to the businesses and residents within reach of the middle mile fiber.

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).

The County is in contract negotiations with a third party to operate the middle mile fiber network. Negotiations are expected to be completed in the following quarter.

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 | Variance due to network construction delayed by approximately six months. Two new providers are currently negotiating last mile agreements for new access but services not available as equipment installation and testing is in progress. |
| | Providers with signed agreements receiving improved access | 0 | Variance due to network construction delayed by approximately six months. One agreement is currently in negotiation with a provider that would receive improved access to their current customers but services are not available as equipment installation and testing is in progress. |
| | Providers with signed agreements receiving access to dark fiber | 0 | No variance to plan, but dark fiber is available if desired and is advertised on the network service rate schedule. |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | Variance due to network construction delayed by approximately six months. Access is not possible until equipment and testing is completed. The County will not be a service provider on the middle mile network but private providers can purchase transport at speeds desired up to 1 Gbps. |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 0 | Variance due to network construction delayed by approximately six months. 13 community anchor institutions are in the process of network equipment and fiber installation and testing to confirm connectivity. New services over the fiber to all of the community anchor institutions will be possible in the following quarter. |
| | Subscribers receiving new access | 0 | Variance due to network construction delayed by approximately six months. 13 community anchor institutions are in the process of network equipment and fiber installation and testing to confirm connectivity. New services over the fiber to all of the community anchor institutions will be possible in the following quarter. |

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--------------------------|---|-------|---|
| | Subscribers receiving improved access | 0 | Variance due to network construction delayed by approximately six months. 13 community anchor institutions are in the process of network equipment and fiber installation and testing to confirm connectivity. New services over the fiber to all of the community anchor institutions will be possible in the following quarter. |
| | Please identify the speed tiers that are available and the number or subscribers for each | 0 | Variance due to network construction delayed by approximately six months. Access is not possible until equipment and testing is completed. The County will not be a service provider on the middle mile network but private providers can purchase transport at speeds desired up to 1 Gbps. |
| Residential / Households | Entities passed | 299 | Variance due to network construction delayed by approximately six months. The fiber network is nearly complete with work in progress to complete tie ins and fiber pulls into the community anchor institutions. Approximately 299 homes are located within 500 feet of the fiber and could be served by private provider connections to the middle mile network. |
| | 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 | Variance due to network construction delayed by approximately six months. Access not possible until equipment and testing is completed. The County will not be a service provider on the middle mile network but private providers can purchase transport at speeds desired up to 1 Gbps. |
| Businesses | Entities passed | 30 | Variance due to network construction delayed by approximately six months. The fiber network is nearly complete with work in progress to complete tie ins and fiber pulls into the community anchor institutions. Approximately 30 businesses are located within 500 feet of the fiber and could be served by private provider connections to the middle mile network. |
| | 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 | Variance due to network construction delayed by approximately six months. Access is not possible until equipment and testing is completed. The County will not be a service provider on the middle mile network but private providers can purchase transport at speeds desired up to 1 Gbps. |

7. Please describe any special offerings you may provide (600 words or less).
 The project intends to provide high speed middle mile access to private providers at speeds of up to 1 Gbps and access to community anchor institutions at broadband speeds desired.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
 No change.

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 | Narrative description of how anchor institutions are using BTOP-funded infrastructure |
|------------------|-------------------------------|--|--|---|
| | | | | |

| | | | | |
|-----|-----|-----|----------------------------|---|
| | | | institution? (Yes / No) | |
| N/A | N/A | N/A | N/A | Network construction nearing completion but no community anchor institutions are receiving services at this time. |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 The final fiber tie ins and installation of the remaining fiber will be complete in the next quarter. A third party network operator will be under contract. Two last mile service provider agreements will be completed and an additional wholesale provider will be in the process of collocating in the County network operating center. A third tower site in the Massies Mill area will have been selected and planning underway for local approval and tower construction procurement activities will have begun. All community anchor institutions will be capable of receiving new or improved services over the fiber network. The tower installation at Avon and Afton will be complete.

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 | 96 | Variance due to network construction delayed by approximately six months and difficulty in securing a third tower site in the Massies Mill area. All of the fiber network and operating equipment will have been installed and community anchor institutions receiving services over the new middle mile fiber network. Only the Massies Mill tower construction will remain to be completed in this project by the end of the following quarter, and work well in progress for local approvals and construction procurement. |
| 2b. | Environmental Assessment | 100 | No variance |
| 2c. | Network Design | 100 | No variance |
| 2d. | Rights of Way | 100 | No variance |
| 2e. | Construction Permits and Other Approvals | 100 | No variance |
| 2f. | Site Preparation | 0 | N/A |
| 2g. | Equipment Procurement | 100 | No variance |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 96 | Variance due to network construction delayed by approximately six months and difficulty in securing a third tower site in the Massies Mill area. Construction of the fiber network will be complete and all equipment deployed in the operating center and in the community anchor institutions. Two towers will have been fully constructed and the third in process of securing local approvals and construction procurement. |
| 2i. | Equipment Deployment | 100 | No variance |
| 2j. | Network Testing | 100 | No variance |
| 2k. | Other (please specify): N/A | 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).

No known issues at this time. The Massies Mill tower site will need FCC environmental approval but there are no known impediments to receiving clearance.

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 | \$241,880 | \$48,376 | \$193,504 | \$241,386 | \$48,277 | \$193,109 | \$241,386 | \$48,277 | \$193,109 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$234,020 | \$46,804 | \$187,216 | \$12,950 | \$2,590 | \$10,360 | \$152,000 | \$30,400 | \$121,600 |
| c. Relocation expenses and payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| d. Architectural and engineering fees | \$315,870 | \$63,174 | \$252,696 | \$315,870 | \$63,174 | \$252,696 | \$315,870 | \$63,174 | \$252,696 |
| e. Other architectural and engineering fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| f. Project inspection fees | \$42,250 | \$8,450 | \$33,800 | \$42,250 | \$8,450 | \$33,800 | \$42,250 | \$8,450 | \$33,800 |
| 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 | \$830,304 | \$166,061 | \$664,243 | \$806,065 | \$161,213 | \$644,852 | \$830,304 | \$166,061 | \$664,243 |
| j. Equipment | \$618,984 | \$123,797 | \$495,187 | \$562,625 | \$112,525 | \$450,100 | \$618,984 | \$123,797 | \$495,187 |
| k. Miscellaneous | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| l. SUBTOTAL (add a through k) | \$2,283,308 | \$456,662 | \$1,826,646 | \$1,981,146 | \$396,229 | \$1,584,917 | \$2,200,794 | \$440,159 | \$1,760,635 |
| m. Contingencies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| n. TOTALS (sum of l and m) | \$2,283,308 | \$456,662 | \$1,826,646 | \$1,981,146 | \$396,229 | \$1,584,917 | \$2,200,794 | \$440,159 | \$1,760,635 |

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